

BACKGROUND INFORMATION

1. *Issuer*

- (i) *Name* : CIMB Bank Berhad ("**CIMB Bank**")
- (ii) *Address* : Correspondence Address
No.6, Jalan Tun Perak
50050, Kuala Lumpur
Registered Address
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490, Kuala Lumpur
- (iii) *Business Registration No.* : 13491-P
- (iv) *Date /Place of Incorporation* : 30 December 1972/Malaysia
- (v) *Date of Listing (in case of a public listed company)* : Not applicable
- (vi) *Status* : Resident controlled company / Bumiputera controlled company
- (vii) *Principal Activities* : To carry on commercial banking and other related financial services
- (viii) *Board of Directors (as at 31 December 2007)* : Tan Sri G. K. Rama Iyer
Dato' Dr. Mohamad Zawawi bin Ismail
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir
Tan Sri Dato' Seri Haidar Mohamad Nor
Dato' Mohamed Nazir bin Abdul Razak
Tunku Dato' Ahmad Burhanuddin
Dr. Gan Wee Beng
Dato' Mohd Shukri bin Hussin
Dato' Zainal Abidin bin Putih
Dato' Seri Yeap Leong Huat

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

<---Direct--->

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

(ix) *Authorised share capital (as at 31 December 2007)*

RM7,500,120,000 comprising of 7,000,000,000 ordinary shares at par value of RM1.00 each, RM500,000,000 comprising of 500,000,000 perpetual preference shares of RM1.00 each, 1,000,000 redeemable preference shares of RM0.10 each and 200,000 non-cumulative redeemable preference shares of RM0.10 each.

Paid-up share capital (as at 31 December 2007)

Paid up capital: RM 3,174,010,786 comprising of 2,974,009,486 ordinary shares at par value of RM1.00 each, RM200,000,000 comprising of 200,000,000 perpetual preference shares of RM1.00 each and RM1,300 comprising of 13,000 of redeemable preference shares of RM0.10 each.

PRINCIPAL TERMS AND CONDITIONS

1. *Issuer Name* : CIMB Bank Berhad

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

(i) *Principal Adviser(s)/ Lead Arranger(s)* : CIMB Investment Bank Berhad ("CIMB")

(ii) *Arranger(s)* : Not applicable

(iii) *Valuers* : Not applicable

(iv) *Solicitors* : Messrs. Zaid Ibrahim & Co.

(v) *Financial Adviser* : Not applicable

(vi) *Technical Adviser* : Not applicable

- (vii) *Guarantor* : Not applicable
- (viii) *Trustee* : Malaysian Trustees Berhad
- (ix) *Facility Agent* : CIMB
- (x) *Primary Subscribers and amount subscribed (where applicable)* : The Primary Subscribers (if any) will be determined prior to the issuance of the Subordinated Bonds.
- (xi) *Underwriter(s) and amount underwritten* : Not applicable
- (xii) *Central Depository* : Bank Negara Malaysia ("BNM")
- (xiii) *Paying Agent* : BNM
- (xiv) *Reporting Accountant* : Not applicable
- (xv) *Others (please specify)* :
- (a) *Joint Lead Managers and Joint Bookrunners* 1. CIMB
2. RHB Investment Bank Berhad (Co. No. 19663-P)
3. *Facility Description* : The Subordinated Bonds will qualify as Tier 2 capital of CIMB Bank for purposes of Malaysian capital adequacy regulations as approved by BNM.
4. *Issue Size (RM)* : Up to an aggregate of RM1.5 billion in nominal value.
- Note:
The Subordinated Bonds may be issued in either one single tranche or more tranches on one or more issue dates, provided that the total issue amount of the Subordinated Bonds shall not exceed RM1.5 billion.
5. *Issue Price* : The Subordinated Bonds will be issued at par, at a premium or at a discount to be determined prior to the issue date, and the issue price is calculated in accordance with the FAST Rules (as defined below).
6. *Tenor of the Facility /Issue* : 10 years from the issue date on a 10 non callable 5 basis,
AND / OR
12 years from the issue date on a 12 non callable 7 basis.
7. *Coupon/profit or equivalent rate (%) (please specify)* : The coupon rate is to be determined prior to the issue date
- Unless the Subordinated Bonds are fully redeemed on the first Call Date, the holders of the Subordinated Bonds will

be entitled to a step-up coupon rate from (and including) the first Call Date and up to (and excluding) the earlier of the date of early redemption or the maturity date of the Subordinated Bonds. **Call Date** is defined as "any anniversary date on or after 5 years prior to the maturity date".

The step-up coupon rate shall be determined prior to the issue date.

8. *Coupon/profit Payment frequency and basis* : Payable semi-annually in arrears from the issue date with the last coupon payment to be made on the maturity date or upon Early Redemption, whichever is the earlier

The interest will be calculated on actual/365 basis.

9. *Yield to Maturity (%)* : The Subordinated Bonds will be priced on a basis of yield to the first Call Date.

The applicable yield calculated on a semi annual basis based on the nominal value of the Subordinated Bonds will be determined prior to issuance.

10. *Security /Collateral (if any)* : None.

11. *Details on utilisation of proceeds* : The proceeds of the Subordinated Bonds shall be utilised by CIMB Bank for working capital purposes of CIMB Bank.

12. *Sinking Fund (if any)* : Not applicable

13. *Rating*

- *Credit Rating Assigned* : Indicative rating of AA

- *Name of Rating Agency* : Malaysian Rating Corporation Berhad

14. *Form and Denomination* : The Subordinated Bonds shall be issued in accordance with (1) the "Code of Conduct and Market Practices for the Malaysian Corporate Bond Market" issued by the Institut Peniaga Bon Malaysia and approved by BNM ("**IPBM Code**"); and (2) the "Rules on the Scripless Securities" under the Real Time Electronic Transfer of Funds and Securities ("**Rentas**") system issued by BNM ("**Rentas Rules**") and (3) the Rules on Fully Automated System for Issuing/Tendering ("**FAST**") issued by BNM ("**FAST Rules**"), or their replacement thereof (collectively the "**Codes of Conduct**") applicable from time to time.

The Rentas Rules shall prevail to the extent of any inconsistency between the Rentas Rules and the IPBM Code. The Subordinated Bonds shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Subordinated Bonds shall be RM1,000.00 or in multiples of RM1,000.00 at the time of issuance.

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| 15. | <i>Mode of Issue</i> | : | The Subordinated Bonds may be issued via direct placement on a best effort basis or a bought deal basis or book running on a best effort basis without prospectus. |
| 16. | <i>Selling Restrictions</i> | : | <p><u>Selling Restrictions</u></p> <p>The Subordinated Bonds may not be offered, sold, transferred or otherwise disposed directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 ("CMSA").</p> |
| 17. | <i>Listing Status</i> | : | The Subordinated Bonds will not be listed on Bursa Malaysia Securities Berhad or any other stock exchange. |
| 18. | <i>Minimum Level of Subscription (RM or %)</i> | : | Not applicable, as the Subordinated Bonds are for working capital purposes and the Issuer is able to utilise alternate sources of funding. |
| 19. | <i>Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)</i> | : | The issue of the Subordinated Bonds does not require any other regulatory approvals. CIMB Bank Berhad has obtained BNM's approval to classify the Subordinated Bonds as a Tier 2 capital of CIMB Bank Berhad. |
| 20. | <i>Conditions Precedent</i> | : | To include but not limited to the following (all of which shall be in form and substance acceptable to the Lead Managers: |

A Main Documentation

1. The Financing Documents have been signed and, where applicable, stamped and presented for registration.
2. All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.

B The Issuer

1. Certified true copies of the Certificate of Incorporation,

and the Memorandum and Articles of Association, of the Issuer.

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

C General

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

21. *Representations and Warranties*

: Representation and warranties will include such representation and warranties customary and standard for a facility of this nature and shall include, but not limited to the following:

- a) The Issuer is duly established and validly in existence and has the power and authority to carry out its business;
- b) The Issuer has the power to enter into the Financing Documents (as defined in section 24.6

- below) and exercise its rights to perform its obligations under the Financing Documents;
- c) Entry into and the exercise of the Issuer's rights and obligations under the Financing Documents do not violate any existing law or regulation;
 - d) The Financing Documents are valid, binding and enforceable;
 - e) All necessary actions, authorisations and consents required under the Financing Documents and the Subordinated Bonds have been obtained and remain in full force and effect;
 - f) The audited accounts of the Issuer are prepared in accordance with generally accepted accounting principles and standards and represent true and fair view;
 - g) Save as disclosed in the information memorandum, there is no litigation which would have a material adverse effect on the Issuer's ability to perform its obligations under the Financing Documents;
 - h) Any other representation and warranties as may be advised by the Solicitors.

22. *Events of Default*

: Events of Default shall be:

- a) Default in payment of any principal or coupon payment and such default continues for 14 days; and
- b) Any step or action is taken against the Issuer for the winding up, dissolution or liquidation of the Issuer or the appointment of a receiver over the whole or a substantial part of the assets of the Issuer or any other similar proceedings and no action is taken in good faith to set aside, defend or settle such step, action, petition or appointment within 60 days from the date of service of such winding up notice or petition order or the taking of such step, action or appointment.

Upon the occurrence of an Event of Default, the Trustee shall (if so directed by a special resolution of the holders of the Subordinated Bonds) declare that the Subordinated Bonds together with all other sums owing under the Subordinated Bonds shall become immediately due and payable. There will be no other events of default.

23. *Principal terms and conditions for warrants (where applicable)*

: Not applicable

24. *Other principal terms and conditions for the issue*

24.1 *Optional Redemption* : The Issuer may, at its sole discretion, and subject to prior approval of BNM, redeem the Subordinated Bonds in part or in whole on the Call Date.

24.2 *Redemption at maturity* : Unless previously redeemed on the Call Date, or purchased from the market and cancelled, the Subordinated Bonds will be redeemed at their principal amount on the maturity date.

24.3 *Covenants* ; The Issuer shall comply with such applicable positive covenants as may be advised by the Solicitors and / or which are required in order to comply with the SC's guidelines on Minimum Contents Requirements for Trust Deed (save for those which waiver has been sought and approved by the SC), including, but not limited to the following;

- a) Exercise diligence in carrying on its business and keep in force and effect all licenses, consents and rights necessary for the conduct of its business;
- b) Comply with all relevant laws and regulations;
- c) Maintain a paying agent in Malaysia;
- d) Maintain proper books and accounts and deliver financial statements to the Trustee on a timely manner;
- e) Inform the Trustee any actual or potential Event of Default;
- f) Deliver to the Trustee a periodic certificate of compliance

There will be no restrictive covenants applicable to the Subordinated Bonds.

24.4 *Status of Subordinated Bonds* : The Subordinated Bonds will constitute direct and unsecured obligations of the Issuer and subordinated in right and priority of payment, to the extent and in the manner provided in the Subordinated Bonds, ranking pari passu among themselves. The Subordinated Bonds will, in the event of a winding up or liquidation of the Issuer, be subordinated in right of payment to all deposit liabilities and other liabilities of the Issuer, except in each case to those liabilities which by their terms rank equally in right of payment with or are subordinate to the Subordinated Bonds.

- 24.5 *Further Issues* : The Issuer may, from time to time, raise additional subordinated debt provided that such subordinated debt ranks pari passu in right and priority of payment with or are subordinated to the Subordinated Bonds in case of a liquidation or winding up of the Issuer.
- 24.6 *Financing Documents* : The Subordinated Bonds shall be evidenced by, inter alia, the following:
1. Subscription Agreement;
 2. Depositary and Paying Agency Agreement;
 3. Trust Deed;
 4. Any other relevant agreements as advised by the Solicitors
- 24.7 *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.
- 24.8 *Governing Laws* : Laws of Malaysia