

PUBLIC BANK BERHAD

Principal Terms and Conditions of the Senior MTNs Programme

1 Background Information

(a) Issuer

- (i) Name** : Public Bank Berhad (“PBB”)
- (ii) Address** : 27th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Malaysia
- (iii) Business Registration No.** : 6463-H
- (iv) Date and Place of Incorporation** : 30 December 1965 / Malaysia
- (v) Date of Listing, where applicable** : 6 April 1967
- (vi) Status on Residence** : Resident controlled company
- (vii) Principal Activities** : PBB is principally engaged in all aspects of commercial banking and the provision of related financial services. The PBB Group are involved in banking, Islamic banking, investment banking, financing, credit card business, share broking, sale of trust units and management of unit trust funds, bancassurance and general insurance and other related financial services such as trustee and nominee services.

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(viii) **Board of Directors** : The Board of Directors of PBB as at 8 March 2013 ("LPD") are as follows:-

- (i) Tan Sri Dato' Sri Dr. Teh Hong Piow
- (ii) Tan Sri Datuk Seri Utama Thong Yaw Hong
- (iii) Tan Sri Dato' Sri Tay Ah Lek
- (iv) Dato' Sri Lee Kong Lam
- (v) Dato' Yeoh Chin Kee
- (vi) Dato' Haji Abdul Aziz bin Dato' Dr. Omar
- (vii) Quah Poh Keat
- (viii) Tang Wing Chew
- (ix) Lai Wan
- (x) Lai Wai Keen

(ix) **Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders** : The substantial shareholders of PBB (holding 5% or more in the issued and paid up capital of the Issuer) according to the Registrar of Substantial Shareholders as at the LPD are as follows:

Name	Direct Interest		Indirect Interest	
	No. of PBB Shares held	% ^{*4}	No. of PBB Shares held	% ^{*4}
Tan Sri Dato' Sri Dr. Teh Hong Piow	22,464,802	0.64	820,835,261 ^{*1}	23.44
Employees Provident Fund Board	471,848,881	13.47	-	-
Consolidated Teh Holdings Sdn Bhd	82,952,747	2.37	172,952,816 ^{*2}	4.94
Sekuriti Pejal Sdn Bhd	210,195,124	6.00	40,412,856 ^{*3}	1.15

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- ^{*1} Deemed to have interests in the ordinary shares of RM1.00 each in PBB ("PBB Shares") held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965 ("Act"). These other corporations are Sekuriti Pejal Sdn Bhd, Kepunyaan Perindustrian Sdn Bhd, Syarikat Kepunyaan Khas Sdn Bhd, Consolidated Teh Holdings Sdn Bhd, Securities Holdings Sdn Bhd, Selected Holdings Sdn Bhd, Moninvest Sdn Bhd, Kepunyaan Pejal Sdn Bhd, Selected Securities Sdn Bhd, Fairbanks Holdings (Pte) Ltd, Kayakita Corporation Sdn Bhd, Kepunyaan Chintamani Sdn Bhd, Kepunyaan Moden Sdn Bhd, LPI Capital Bhd, Lonpac Insurance Bhd, Luhur Management Sdn Bhd, Tong Meng Industries Ltd and Tong Meng Company (Malaya) Sdn Bhd.
- ^{*2} Deemed to have interests in PBB Shares held by Selected Holdings Sdn Bhd, Securities Holdings Sdn Bhd and Kayakita Corporation Sdn Bhd by virtue of Section 6A(4) of the Act.
- ^{*3} Deemed to have interests in PBB Shares held by Syarikat Kepunyaan Khas Sdn Bhd and Kepunyaan Perindustrian Sdn Bhd by virtue of Section 6A(4) of the Act.
- ^{*4} Excluding a total of 29,800,704 PBB Shares bought-back by PBB and retained as treasury shares as at the LPD.

(x) **Authorised, issued and paid up capital** : **Authorised capital as at the LPD:-**
RM10,000,000,000.00 comprising
10,000,000,000 ordinary shares of RM1.00
each

Issued and paid-up capital as at the LPD:-
RM3,531,925,834.00 comprising
3,531,925,834 ordinary shares of RM1.00
each

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- (xi) Disclosure of the following: :
- If the issuer or its board members have been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of application; and None.
 - If the issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the date of application. None.
- Where the issuer is a special purpose vehicle and is a conduit to another entity which receives proceeds from the proposed issue or offer, the information as set out in sub-paragraph 2.01(a) must also be provided on the said entity. : Not applicable.

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2 Principal Terms and Conditions

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

- | | | |
|--|----------|---|
| (i) Principal adviser | : | Public Investment Bank Berhad (Company No. 20027-W) ("PIVB"). |
| (ii) Lead arranger | : | PIVB. |
| (iii) Co-arranger | : | Not applicable. |
| (iv) Solicitor | : | Messrs. Adnan Sundra & Low. |
| (v) Financial adviser | : | Not applicable. |
| (vi) Technical adviser | : | Not applicable. |
| (vii) Trustee | : | AmanahRaya Trustees Berhad (Company No. 766894-T). |
| (viii) Guarantor | : | Not applicable. |
| (ix) Valuer | : | Not applicable. |
| (x) Facility agent | : | PIVB. |
| (xi) Primary subscriber (under a bought-deal arrangement) and amount subscribed | : | To be determined prior to the issuance.
Not applicable for issuance via book building and private placement. |
| (xii) Underwriter and amount underwritten | : | Not applicable. |
| (xiii) Central depository | : | Bank Negara Malaysia ("BNM"). |
| (xiv) Paying agent | : | BNM. |
| (xv) Reporting accountant | : | Not applicable. |
| (xvi) Calculation agent | : | Not applicable. |

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(xvii) Others (please specify) : Lead Manager

PIVB

Public Bank Berhad ("PBB"), at its discretion, may consider appointing additional lead manager(s) to assist in the issuance (by way of book-building and/or private placement) of the Senior MTNs (as defined under item (b) below). The Securities Commission Malaysia ("SC") will be advised accordingly in the event PBB appoints additional lead manager(s).

Rating Agency

RAM Rating Services Berhad (Company No. 763588-T) ("RAM Rating").

(b) Facility description : A medium term note programme involving the issuance of senior medium term notes ("Senior MTNs") of up to RM5.0 billion in nominal value ("Senior MTNs Programme").

(c) Issue/debt programme size : Up to RM5.0 billion in nominal value.

The total outstanding nominal value of the Senior MTNs issued under the Senior MTNs Programme shall not exceed RM5.0 billion at any one point in time.

(d) Tenure of issue/debt programme : Tenure of the Senior MTNs Programme:

Twenty (20) years from the date of the first issuance of the Senior MTNs under the Senior MTNs Programme.

Tenure of the Senior MTNs:

The Senior MTNs may be issued in series and each issuance shall have a tenure of more than one (1) year as may be determined by the Issuer, provided that the Senior MTNs shall mature on or prior to the expiry of the Senior MTNs Programme.

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- (e) **Availability period of debt programme** : The period commencing from the date the conditions precedent of the Senior MTNs Programme are fulfilled, provided that the Senior MTNs mature on or prior to the expiry of the Senior MTNs Programme.
- The date of the first issuance under the Senior MTNs Programme shall not be later than two (2) years from the date of approval by the SC.
- (f) **Interest/coupon rate** : To be determined prior to each issuance of the Senior MTNs.
- (g) **Interest/coupon payment frequency** : Semi-annually in arrears.
- (h) **Interest/Coupon payment basis** : Actual number of days elapsed on a 365 day basis.
- (i) **Security/collateral, where applicable** : None.
- (j) **Details on utilisation of proceeds** : The proceeds raised from the issuance of the Senior MTNs shall be used to finance the working capital, general banking and other corporate purposes of PBB.
- (k) **Sinking fund and designated accounts, where applicable** : Not applicable.
- (l) **Rating** :
- **Credit rating(s) assigned** : Final rating of AAA.
 - **Name of credit rating agency** : RAM Rating.
- (m) **Mode of issue** : The Senior MTNs may be issued via private placement on a best effort basis or on bought deal basis or book building on a best effort basis.

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**(n) Selling restriction,
including tradability**

: Selling restriction at issuance

The Senior MTNs 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 any of the categories of persons or in the circumstances specified under:

- (i) Schedule 6 (or Section 229(1)(b)); or
- (ii) Schedule 7 (or Section 230(1)(b)); read together with
- (iii) Schedule 9 (or Section 257(3))

of the Capital Markets and Services Act, 2007 ("CMSA"), as amended from time to time.

Selling restriction after issuance

The Senior MTNs 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 any of the categories of persons or in the circumstances specified under:

- (i) Schedule 6 (or Section 229(1)(b)); read together with
- (ii) Schedule 9 (or Section 257(3))

of the CMSA, as amended from time to time.

Tradability

The Senior MTNs are transferable (but subject to the Selling Restrictions described above) and tradable under the Rules on Scripless Securities under the Real Time Electronic Transfer of Funds and Securities System operated by Malaysian Electronic Clearing Corporation Sdn Bhd.

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- (o) **Listing status and types of listing** : The Senior MTNs may be listed under the Exempt Regime maintained by Bursa Malaysia Securities Berhad. The SC will be notified accordingly in the event of such listing.
- (p) **Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase and whether or not obtained** : None.
- (q) **Conditions precedent** : Conditions precedent shall include but not be limited to the following:
- (i) Certified true copies of the Issuer's Memorandum and Articles of Association, Form 8 (Certificate of Incorporation), Form 13 (Certificate of Incorporation on Change of Name of Company), Form 24 (Return of Allotment of Shares), Form 44 (Notice of Situation of Registered Office), Form 49 (Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars) and board of directors' resolution authorising amongst others, the execution of the Transaction Documents have been furnished to the Facility Agent and the Trustee;
 - (ii) Receipt of a list of the Issuer's authorised signatories and their respective specimen signatures;
 - (iii) Receipt of a report of the winding up search on the Issuer or the statutory declaration in relation thereto;
 - (iv) Receipt of a report of the relevant company search of the Issuer;

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- (v) Each of the Transaction Documents (as defined in item (v)(2) below) shall have been duly executed, where applicable stamped or endorsed as exempted from stamp duty;
 - (vi) Written approval from the SC for the establishment of the Senior MTNs Programme of up to RM5.0 billion in nominal value;
 - (vii) A legal opinion from the Solicitors addressed to the Principal Adviser/Lead Arranger advising with respect to, inter-alia, the validity, legality and enforceability of the Transaction Documents, and a written confirmation from the Solicitors to the Principal Adviser/Lead Arranger that all conditions precedent have been fulfilled;
 - (viii) Evidence that the Senior MTNs have been assigned a minimum long-term rating of AAA by RAM Rating; and
 - (ix) Such other conditions precedent as may be advised by the Solicitors for the Principal Adviser/Lead Arranger (if any).
- (r) Representations and warranties** : Representations and warranties shall include but not limited to the following:
- (i) The Issuer is a company duly incorporated and validly existing under the laws of Malaysia;
 - (ii) The Issuer has the power to enter into, exercise its rights and perform its obligations under the Transaction Documents;

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- (iii) The Issuer's entry into, exercise of its rights under and performance of the Transaction Documents do not and will not violate any existing law or agreement to which it is a party;
- (iv) The Issuer has all licences, franchises, permits, authorisations, approvals, orders and other concessions of and from all governmental and regulatory officials and bodies that are necessary to own or lease its properties and conduct its business, other than where the failure to obtain such licences, franchises, permits, authorisations, approvals, orders and other concessions would not have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents;
- (v) The Transaction Documents create valid and binding obligations which are enforceable on and against the Issuer;
- (vi) All necessary actions, authorisations and consents required under the Transaction Documents have been taken, fulfilled and obtained and remain in full force and effect;
- (vii) That no Event of Default has occurred;
- (viii) The audited financial statements of the Issuer, where applicable, are prepared in accordance with generally accepted accounting principles and they fairly represent its financial position;
- (ix) No litigation or arbitration is current or, to the Issuer's knowledge, is threatened, which if adversely determined would have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents;

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- (x) No step has been taken by the Issuer, its creditors or any of its shareholders or any other person on its behalf, nor have any legal proceedings or applications been started, under Section 176 of the Companies Act, 1965 in respect of the Issuer;
- (xi) There has been no material change in the business or condition (financial or otherwise) of the Issuer or its subsidiaries since the date of its last audited financial statements which might have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents; and
- (xii) Such other representations and warranties as may be advised by the Solicitors for the Principal Adviser/Lead Arranger (if any).

For the purpose of these principal terms and conditions, “material adverse effect” means the occurrence of any event which materially and adversely affects the ability of the Issuer to perform any of its obligations under any of the Transaction Documents or which materially and adversely affects the business, financial position, shareholders’ funds or operating results of the Issuer.

- (s) Events of default and enforcement event, where applicable** : Events of default shall encompass the following:
- (i) the Issuer defaults in the payment of any money owing in respect of the Senior MTNs when the same shall become due and payable in accordance with the Trust Deed and the Issuer fails to remedy such default within the period of seven (7) business days after the Issuer became aware or having been notified by the Trustee of the default;

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- (ii) a winding up order has been made against the Issuer or a resolution to wind up the Issuer has been passed;
- (iii) a scheme of arrangement under Section 176 of the Companies Act 1965 has been instituted against the Issuer;
- (iv) a receiver has been appointed over the whole or a substantial part of the assets of the Issuer;
- (v) there has been a breach by the Issuer of any obligation under any of the Issuer's existing obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents, and if in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of fourteen (14) business days after the Issuer became aware of having been notified by the Trustee of the failure;
- (vi) any other indebtedness of the Issuer becomes due or payable prior to its stated maturity or where the security created for any other indebtedness becomes enforceable;
- (vii) where there is a revocation, withholding or modification of any license, authorisation, approval or consent which in the opinion of the Trustee may materially and adversely impair or prejudice the ability of the Issuer to comply with its obligations under the Transaction Documents;

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- (viii) the Issuer fails to observe or perform its obligation under any of the Transaction Documents and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of fourteen (14) business days after the Issuer became aware or having been notified by the Trustee of the failure;
- (ix) any representations and warranties made or given by the Issuer under the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given, and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of fourteen (14) business days after the Issuer became aware or having been notified by the Trustee of the failure;
- (x) at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable; and
- (xi) such other events of default as advised by Solicitors for the Principal Adviser/Lead Arranger.

Upon the occurrence of any of the above events of default, the Trustee may, at its absolute discretion, or shall (if so directed to do so by a special resolution of the Senior MTN Holders) declare (by giving written notice to the Issuer) that an event of default has occurred and the Senior MTNs together with all other sums payable under the Senior MTNs are immediately due and payable.

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- (t) **Covenants** : The positive covenants shall include but not limited to the following:
- (i) The Issuer shall, at all times perform all its obligations and promptly comply with all provisions of the Trust Deed and the Transaction Documents and the terms and conditions of the Senior MTNs (including but not limited to redeeming the Senior MTNs on the relevant maturity dates or any other dates on which the Senior MTNs are due and payable) and immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Trust Deed or any of the other Transaction Documents;
 - (ii) The Issuer shall deliver to the Trustee:
 - (a) a copy of its annual audited accounts within one hundred and eighty (180) days after the end of its financial year; and
 - (b) any other accounts, balance sheet, report, notice, statement, circular or other documents issued by the Issuer to its shareholders;

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- (iii) The Issuer shall no later than one hundred eighty (180) days after the end of each financial year, deliver to the Trustee a certificate signed by an authorised signatory of the Issuer, certifying that the Issuer has complied with and performed its obligations under the Trust Deed and the terms and conditions of the Senior MTNs and the other Transaction Documents and that there did not exist and there had not at any time existed, from the issue date of the Senior MTNs or the date of the previous certificate, as the case may be, any event of default and if such is not the case, the certificate should specify the same;
- (iv) The Issuer shall promptly provide to the Trustee any information relating to its affairs to the extent permitted by law or as stipulated in the Trust Deed as the case may be, as the Trustee may from time to time require in order to discharge its duties and obligations as Trustee under the Trust Deed and the other Transaction Documents;
- (v) The Issuer shall immediately notify the Trustee in writing in the event that the Issuer becomes aware of the following:
 - (a) upon the occurrence of any event of default, the Issuer shall take reasonable steps and/or such other steps as may be reasonably requested by the Trustee to remedy and/or mitigate the event of default;

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- (b) any circumstance that has occurred or any other matter that may materially prejudice the ability of the Issuer to perform its obligations under the Transaction Documents or in respect of the Senior MTNs;
 - (c) any substantial change in the nature of the business of the Issuer;
 - (d) any change in the Issuer's withholding tax position or tax jurisdiction; and
 - (e) any other matter that may materially prejudice the interests of the holders of the Senior MTNs.
- (vi) The Issuer shall keep proper books and accounts at all times on a basis consistently applied in accordance with the laws of Malaysia and generally accepted accounting principles and standards in Malaysia;
- (vii) The Issuer shall comply at all times with any and all requirements and rules, regulations and guidelines as may be issued and/or imposed by the SC and BNM, from time to time and the applicable provisions of the CMSA;

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- (viii) The Issuer shall at all times maintain its corporate legal existence and exercise reasonable due diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and will ensure, amongst others, that all necessary approvals and relevant licences required for it to carry on its business are obtained other than where the failure to obtain such licences or approvals, would not have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents;
- (ix) The Issuer shall at all times maintain a paying agent with a specified office in Malaysia;
- (x) The Issuer shall procure that the paying agent shall notify the Trustee in the event that the paying agent does not receive payment of principal or coupon in respect of the Senior MTNs from the Issuer on the due dates and in the manner as required under the Trust Deed and the terms and conditions of the Senior MTNs; and
- (xi) Such other covenants as may be advised by the Solicitors for the Principal Adviser/Lead Arranger (if any).

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(u) Provisions on buy-back and early redemption : Repurchase and cancellation

Except as may otherwise be prohibited by any law, regulations or guidelines, the Issuer or any of its subsidiaries or agent(s) of the Issuer may at any time purchase the Senior MTNs at any price in the open market or by way of private treaty, but these repurchased Senior MTNs shall, if purchased by the Issuer or by its subsidiaries or by agent(s) of the Issuer who is acting for the purchase, be cancelled and cannot be resold.

Early redemption.

Not applicable. However, should the Issuer decide to early redeem the Senior MTNs during the tenure of the Senior MTNs Programme, the requirements of the PDS Guidelines on early redemption will be complied with.

(v) Other principal terms and conditions

- (1) Status of Senior MTNs** : The Senior MTNs will constitute direct unsecured obligations of PBB, to the extent and in the manner provided for in the Senior MTNs and the Transaction Documents and ranks at least pari passu with all other present and future unsecured obligations of PBB, except for those obligations preferred by law.

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- (2) **Transaction Documents** : The transaction documents shall include the following:
- (i) Subscription Agreement;
 - (ii) Programme Agreement;
 - (iii) Securities Lodgement Form;
 - (iv) Trust Deed; and
 - (v) Any other legal documentation as advised by the Solicitors for the Principal Adviser/Lead Arranger (if any)

(collectively the “Transaction Documents”).

- (3) **Trustee’s Reimbursement Account** : The Trustee shall open and maintain, throughout the tenure of the Senior MTNs an account to be named the “Trustee’s Reimbursement Account for the Senior MTNs holders’ Actions” (the “Account”) with PBB a sum of RM30,000.00, which amount is to be obtained from the proceeds of issuance of the Senior MTNs.

The Account shall be operated solely by the Trustee and the money shall be used strictly by the Trustee in carrying out its duties in relation to the declaration of an Event of Default in the manner as provided in the Trust Deed.

The monies in the Account may be invested in bank deposit or instrument or securities in the manner as provided in the Trust Deed, with profit from the investment to be accrued to the Issuer. The monies in the Account shall be returned to the Issuer upon full redemption of the Senior MTNs in the event there is no declaration of Event of Default.

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- (4) **Taxation** : All payments shall be made free and clear of all present and future taxes, duties, withholdings or other deductions whatsoever imposed by the Government or any political sub-division or tax authority thereof. In the event that any such taxes are in future imposed or if such withholding or deduction is required by law, the Issuer must make such additional payments as are necessary to cause the holders of the Senior MTNs to receive the net amount that they would otherwise have received, had there been no such withholding or deduction.
- (5) **Other Conditions** : The Senior 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 other relevant authority in Malaysia having jurisdiction over matters pertaining to the Senior MTNs.
- (6) **Governing Law** : The laws of Malaysia.
- (7) **Jurisdiction** : The Issuer shall submit to the exclusive jurisdiction of the courts of Malaysia.