[Company Letterhead]

**Date:** [Insert Date]

**To:** [Regulator Name/Authority]
[Address Line 1]
[Address Line 2]

**RE: STATEMENT OF SUBORDINATION TERMS - [Insert Instrument Name/Series]**

Dear [Contact Person/Department],

This letter serves as a formal statement regarding the subordination terms of the [Insert Amount and Currency] [Insert Instrument Name] (the "Instrument") issued by [Entity Name] (the "Issuer") on [Issue Date].

In accordance with the requirements for [Tier 1 / Tier 2] Capital under [Insert Relevant Regulation/Act], the Issuer hereby confirms the following subordination terms:

**1. Priority of Claims:** In the event of the winding-up, liquidation, or insolvency of the Issuer, the claims of the holders of this Instrument shall be subordinated to the claims of all Senior Creditors, including all depositors and general creditors of the Issuer.

**2. Payment Ranking:** No payment of principal or interest shall be made if such payment would cause the Issuer to breach its minimum regulatory capital requirements. The Instrument ranks pari passu with [Insert Comparable Instruments] and ahead only of the Issuer's ordinary share capital.

**3. No Set-Off:** Neither the Issuer nor any holder of the Instrument shall be entitled to exercise any right of set-off or counterclaim in respect of any amount owed by the Issuer under this Instrument.

**4. Maturity and Redemption:** [Include details on perpetual nature or minimum 5-year maturity, and that redemption is subject to prior regulatory approval].

**5. Regulatory Compliance:** The terms of this Instrument are governed by [Insert Jurisdiction] law. These subordination provisions are irrevocable and cannot be amended without the prior written consent of [Regulator Name].

The undersigned confirms that the Instrument meets the eligibility criteria for inclusion in the Issuer's [Tier 1 / Tier 2] Capital base.

Sincerely,

[Signature]
[Name of Authorized Signatory]

[Title: e.g., Chief Financial Officer / Compliance Officer]
[Entity Name]