

PRICING SUPPLEMENT

PRICING SUPPLEMENT dated 22 February 2017

BANK PEMBANGUNAN MALAYSIA BERHAD
(Company No. 16562-K)

ISSUANCE OF MEDIUM TERM NOTES UNDER THE ISLAMIC PRINCIPLE OF MURABAHAH ("MURABAHAH MTN") PURSUANT TO AN ISLAMIC MEDIUM TERM NOTE PROGRAMME ("ISLAMIC MTN PROGRAMME"), WHICH TOGETHER WITH CONVENTIONAL MEDIUM TERM NOTES ISSUED PURSUANT TO A CONVENTIONAL MEDIUM TERM NOTE PROGRAMME SHALL NOT EXCEED RM7.0 BILLION IN OUTSTANDING NOMINAL VALUE AT ANY ONE TIME

This document ("**Pricing Supplement**") is issued to give details of an issue of Murabahah MTN by Bank Pembangunan Malaysia Berhad (Company No. 16562-K) (the "**Issuer**") under the Islamic MTN Programme.

This Pricing Supplement is to be read in conjunction with the terms and conditions of the Murabahah MTN ("**Conditions**") set out in the Trust Deed dated 24 January 2006 as amended by a Supplemental Trust Deed dated 25 January 2010, a Second Supplemental Trust Deed dated 26 January 2010 and a Third Supplemental Trust Deed dated 31 January 2017 made between the Issuer and Malaysian Trustees Berhad as the trustee ("**Trustee**"), and all documents incorporated by reference therein (collectively, the "**Trust Deed**"). Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Conditions.

The establishment of the Islamic MTN Programme and the issuance of the Murabahah MTN under the Islamic MTN Programme have been duly authorised by resolutions of the Board of Directors' of the Issuer passed on 18 October 2005 and a resolution of the shareholders of the Issuer passed on 23 November 2005.

The Issuer hereby acknowledges that it has authorised AmInvestment Bank Berhad, CIMB Investment Bank Berhad and RHB Investment Bank Berhad (collectively, the "**Joint Lead Managers**") to circulate or distribute this Pricing Supplement on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the Murabahah MTN to prospective investors who fall within the ambit of the selling restrictions ("**Selling Restrictions**") for the purpose of the sale of the Murabahah MTN described herein pursuant to the Islamic MTN Programme and that no further evidence of authorisation is required.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Murabahah MTN or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

This Pricing Supplement and its contents are strictly confidential and are made strictly on the basis that the recipient shall ensure that they will remain confidential. Accordingly, this Pricing Supplement and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Pricing Supplement is sent to selected persons who fall within the ambit of the Selling Restrictions. Any person who receives this Pricing Supplement who does not fall within the ambit of

the Selling Restrictions must immediately notify the Joint Lead Managers and return this Pricing Supplement to the Joint Lead Managers or the Issuer.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law, equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all costs, expenses and losses incurred and/or suffered, in this regard. For the avoidance of doubt, the recipient, the recipient's professional advisers, directors, employees and any other persons who may receive this Pricing Supplement or any part of it from the recipient shall be deemed to have agreed to abide by this confidentiality undertaking.

The recipient must return this Pricing Supplement and any other information in connection therewith to the Joint Lead Managers promptly upon the Joint Lead Managers' request.

THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE MURABAHAH MTN IN JURISDICTIONS OTHER THAN MALAYSIA IS RESTRICTED. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTION. THE MURABAHAH MTN MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, NOR MAY ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION THEREWITH BE DISTRIBUTED IN MALAYSIA, OTHER THAN TO PERSONS TO WHOM THE OFFER OR INVITATION TO PURCHASE THE MURABAHAH MTN WOULD FALL WITHIN:

- (A) SCHEDULE 6 OR SECTION 229(1)(B) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (AS AMENDED FROM TIME TO TIME) ("CMSA");
- (B) SCHEDULE 7 OR SECTION 230(1)(B) OF THE CMSA; AND
- (C) SCHEDULE 9 OR SECTION 257(3) OF THE CMSA.

Specific Final Terms

The following items under this heading "**Specific Final Terms**" are the particular terms which relate to the Murabahah MTN to which this Pricing Supplement relate. In case of any conflict between such terms and the terms and conditions set forth in the Trust Deed, the terms set forth in this Pricing Supplement shall govern.

- 1. **Issuer** : Bank Pembangunan Malaysia Berhad (Company No. 16562-K).
- 2. **Instrument** : Murabahah MTN issued under the Islamic MTN Programme.
- 3. **Nominal Value** : RM1,500,000,000.00
Tranche 1: RM500,000,000.00
Tranche 2: RM300,000,000.00
Tranche 3: RM700,000,000.00
- 4. **Issue Date** : 2 March 2017.
- 5. **Tenor** : Tranche 1: Five (5) years.
Tranche 2: Ten (10) years.
Tranche 3: Fifteen (15) years.

6. **Maturity Date** : Tranche 1: 2 March 2022.
Tranche 2: 2 March 2027.
Tranche 3: 2 March 2032.
7. **Periodic Distribution Rate** : Tranche 1: 4.28% per annum payable semi-annually.
Tranche 2: 4.62% per annum payable semi-annually.
Tranche 3: 4.98% per annum payable semi-annually.
8. **Rating** : AAA by RAM Rating Services Berhad.
9. **Utilisation of Proceeds** : For funding BPMB and its subsidiaries' Islamic financing activities.


PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for the issue of these Murabahah MTN described herein pursuant to the Islamic MTN Programme.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The Issuer confirms that having made all enquiries as were reasonable, the information contained in this Pricing Supplement is in accordance with the facts and is not false, misleading and there is no omission of any material information.

Signed on behalf of the Issuer:


Name: *Mohammed Rafiq Ahmed Rasiddi*
Designation: *President / GMD*