

PRICING SUPPLEMENT

HONG LEONG BANK BERHAD

(Company No. 97141-X)



**BASEL III-COMPLIANT ADDITIONAL TIER 1 CAPITAL SECURITIES
("CAPITAL SECURITIES") UNDER A MULTI-CURRENCY ADDITIONAL TIER 1
CAPITAL SECURITIES PROGRAMME OF UP TO RINGGIT TEN BILLION
(RM10,000,000,000.00) (OR ITS EQUIVALENT IN OTHER CURRENCIES) IN
NOMINAL VALUE**

Tranche No. 1

Issue of RM400,000,000.00
Nominal Amount of Capital Securities

Principal Adviser, Lead Arranger and Lead Manager



**Hong Leong Investment Bank Berhad
(Company No. 10209-W)**

The date of this Pricing Supplement is 24 November 2017

This document is issued to give details of an issue of Basel III-compliant Additional Tier 1 capital securities (the “**Capital Securities**”) under a multi-currency Additional Tier 1 capital securities programme (the “**AT1 Programme**”) of up to Ringgit Ten Billion (RM10,000,000,000.00) (or its equivalent in other currencies) in nominal value (or a higher amount to be decided by the Issuer if the Issuer exercises the option to upsize the limit of the AT1 Programme, subject to all applicable laws and regulations and in accordance with the terms of the Programme Agreement) by **HONG LEONG BANK BERHAD** (Company No. 97141-X).

This Pricing Supplement is to be read in conjunction with the terms and conditions of the Capital Securities (the “**Conditions**”) set out in the trust deed dated 20 November 2017 made between the Issuer and **MALAYSIAN TRUSTEES BERHAD** (Company No. 21666-V), which is made a part hereof as if set forth herein and all documents incorporated by reference therein (collectively, the “**Trust Deed**”).

Unless otherwise defined in this Pricing Supplement, capitalised terms used herein shall have the same meaning as in the Conditions. In case of any conflict between the terms of the Pricing Supplement and/or the Conditions, the terms set forth in this Pricing Supplement shall govern.

The establishment of the AT1 Programme and the issuance of this tranche of Capital Securities under the AT1 Programme have been duly authorised by the Issuer by way of the resolution of the board of directors passed on 24 January 2017.

The Issuer hereby acknowledges that it has authorised **HONG LEONG INVESTMENT BANK BERHAD** (Company No, 10209-W) as the Principal Adviser, the Lead Arranger and the Lead Manager for the AT1 Programme 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 Capital Securities **only to prospective investors who fall within the ambit of the Selling Restrictions** (as defined below) for the purpose of the sale of this tranche of Capital Securities described herein pursuant to the AT1 Programme and that no further evidence of authorisation is required.

The Capital Securities are tradable and transferable subject to the following Selling Restrictions:

Selling Restrictions at issuance

The Capital Securities may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase of the Capital Securities and to whom the Capital Securities are issued would fall within:

- (i) Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(1)(b)); read together with
- (ii) Schedule 9 (or Section 257(3)) or in the case of Capital Securities issued outside Malaysia, Schedule 8

of the Capital Markets and Services Act, 2007 of Malaysia, (the “CMSA”) as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.

Selling Restrictions after issuance

The Capital Securities may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase of the Capital Securities and to whom the Capital Securities are issued would fall within:

- (i) Part 1 of Schedule 6 (or Section 229(1)(b)); read together with
- (ii) Schedule 9 (or Section 257(3)) or in the case of Capital Securities issued outside Malaysia, Schedule 8

of the CMSA as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.

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 Capital Securities or the distribution of this Capital Securities in any jurisdiction where such action is required.

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 Principal Adviser/ Lead Arranger/ Lead Manager and return this Pricing Supplement to the Principal Adviser/ Lead Arranger/ Lead Manager 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 Principal Adviser/ Lead Arranger/ Lead Manager promptly upon the Principal Adviser/ Lead Arranger/ Lead Manager’s request.

THERE ARE RESTRICTIONS ON THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE CAPITAL SECURITIES IN MALAYSIA. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER AND THE PRINCIPAL ADVISER/ LEAD ARRANGER/ LEAD MANAGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS.

Specific Final Terms

The following items under this heading “**Specific Final Terms**” are the particular terms which relate to the Capital Securities to which this Pricing Supplement relate. In case of any conflict between such terms and the terms and conditions set forth in the Conditions, the terms set forth in this Pricing Supplement shall govern.

1. Issuer:	HONG LEONG BANK BERHAD (Company No. 97141-X).
2. Issue/Tranche No.:	Tranche 1
3. Aggregate Nominal Value:	RM400,000,000.00
4. Issue Price:	RM400,000,000.00
5. Issue Date:	30 November 2017
6. Tenure of the Capital Securities to be issued:	Perpetual.
7. First Optional Redemption Date:	30 November 2022
8. Distribution Rate:	5.13% per annum comprising the benchmark rate plus the credit spread: (i) Benchmark rate: 5-year Malaysian Government Securities. The first reset date for the benchmark rate will be occurring five (5) years after Issue Date and with subsequent resets every five (5) years; and (ii) Credit spread: 1.40%
9. Distribution Payment Period:	Six (6) months.
10. Distribution payment basis:	Actual/365.
11. Principal Adviser/ Lead Arranger/ Lead Manager	HONG LEONG INVESTMENT BANK BERHAD (Company No. 10209-W).

12. Utilisation of proceeds:	<p>Proceeds from the issuance of Capital Securities will be utilised:</p> <ol style="list-style-type: none"> 1. to fulfil the requirements of Additional Tier 1 capital as per the Capital Adequacy Framework (Capital Components) issued by BNM on 4 August 2017 and as modified or revised or substituted from time to time by BNM; and 2. to be made available, without limitation, to on-lend to the Issuer's subsidiaries, for investment into the Issuer's subsidiaries, for working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Issuer and/or any existing Capital Securities issued under the AT1 Programme.
13. Rating:	The Capital Securities have been rated A1 by RAM Rating Services Berhad.
14. Other conditions:	Please refer to the Conditions for the other terms and conditions applicable to the Capital Securities.

CONFLICT-OF-INTEREST SITUATIONS AND APPROPRIATE MITIGATING MEASURES

There may be a potential conflict-of-interest situation arising from the appointment of Hong Leong Investment Bank Berhad (“**HLIB**”) as the Principal Adviser, Lead Arranger and Lead Manager as well as the Facility Agent for the AT1 Programme in view that both HLIB and the Issuer are part of the Hong Leong financial group.

Notwithstanding the above, HLIB as the Principal Adviser, Lead Arranger, Lead Manager and Facility Agent of the AT1 Programme has considered the factors involved and believes the objectivity and independence in carrying out its role has been and/or will be maintained at all times for the following reasons:

- the conduct of HLIB is regulated by the Financial Services Act 2013, the CMSA and HLIB has in place its own internal controls and checks with regards to transactions involving its related corporations;
- HLIB is a licensed investment bank and its appointment as the Principal Adviser, Lead Arranger, Lead Manager and Facility Agent is in the ordinary course of its business. The appointments are governed by various mandate letters, agreements and/or documents which set out the rights, duties and obligations of HLIB acting in such capacities; and
- a due diligence review pursuant to the AT1 Programme has been undertaken by professional and independent advisers,

and in order to further mitigate or address any such potential conflict of interest, the following measures have been/will be taken:-

- the potential conflict of interest situation has been brought to the attention of the Board of Directors of the Issuer and hence the Board of Directors of the Issuer is fully aware of the same. The Board has acknowledged and confirmed that having considered the above situation, the Board of Directors of the Issuer is agreeable to proceed with the implementation of the AT1 Programme based on the present arrangement and terms; and
- the potential conflict of interest situation will also be disclosed by the Issuer to prospective subscribers.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprise the final terms required for the issue of the tranche of Capital Securities described herein pursuant to the AT1 Programme.

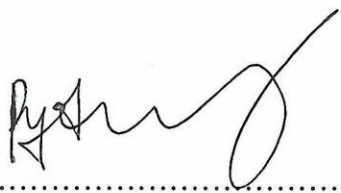
RESPONSIBILITY

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 prevailing on and is not false, misleading or contain any material omission as at the date of this Pricing Supplement.

The Issuer confirms that where information has been sourced or extracted from third parties, the Issuer confirms that to the best of their knowledge and belief, and as far as they are able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed for and on behalf of
HONG LEONG BANK BERHAD
(Company No. 97141-X)


By:
Duly authorised