

Pillar 3 Disclosure – Terms and Conditions of Capital Instruments

As at 30 June 2017

Terms and Conditions of Capital Instruments

The following disclosures are made in accordance with Section 24 of the Banking (Disclosures) Rules issued by the Hong Kong Monetary Authority ("HKMA").

Main Features of Capital Instruments as at 30 June 2017:

- 1. Wing Lung Bank Limited Ordinary Shares;
- 2. US\$200,000,000 subordinated fixed rate notes due 2022;
- **3.** US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 30 September 2014);
- 4. US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 29 December 2014);
- 5. RMB1,000,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 3 February 2015).
- 6. US\$170,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 27 April 2017).

1. Wing Lung Bank Limited Ordinary Shares

- 1	Tenner	Wing Lung Deals Limited
1		Wing Lung Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3		Law of Hong Kong Special Administrative Region
5	Regulatory treatment	Law of Hong Kong Special Administrative Region
4	Transitional Basel III rules#	Common Equity Tier 1
	Post-transitional Basel III rules+	Common Equity Tier 1
_	Eligible at solo*/group/group & solo	Solo and group
7		Ordinary shares
,	jurisdiction)	ordinary shares
8	Amount recognised in regulatory capital	HK\$1,161 million as at 30 June 2017
	(Currency in million, as of most recent reporting	
	date)	
9	Par value of instrument	NA
10	Accounting classification	Shareholders' equity
	Original date of issuance	Since incorporation
	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and	NA
	redemption amount	
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
	Fixed or floating dividend/coupon	Discretionary dividend amount
	Coupon rate and any related index	NA
	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or	Fully discretionary
	mandatory	
	Existence of step up or other incentive to redeem	NA
	Noncumulative or cumulative	NA
	Convertible or non-convertible	NA
	If convertible, conversion trigger (s)	NA
_	If convertible, fully or partially	NA
-	If convertible, conversion rate	NA
_	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type	NA
	convertible into	λΥΑ
29	If convertible, specify issuer of instrument it	NA
20	converts into	NY A
_	Write-down feature	NA
-	If write-down, write-down trigger(s) If write-down, full or partial	NA
_	· 1	NA NA
	If write-down, permanent or temporary If temporary write-down, description of write-up	
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in	Non-cumulative subordinated additional tier 1 capital securities
20	liquidation (specify instrument type immediately	· · · · · · · · · · · · · · · · · · ·
	senior to instrument)	
36	Non-compliant transitioned features	NA
	If yes, specify non-compliant features	NA

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

2. US\$200,000,000 subordinated fixed rate notes due 2022

1 Issu	or	Wing Lung Bank Limited
	que identifier (eg CUSIP, ISIN or	ISIN number: XS0848710108
	omberg identifier for private placement)	1511 (humber, 2150070 / 10100
-	verning law(s) of the instrument	English Law (subordination governed by Law of Hong Kong Special
5 000	coming law(s) of the instrument	Administrative Region)
Reg	ulatory treatment	
	nsitional Basel III rules#	Tier 2
	t-transitional Basel III rules+	Ineligible
	tible at solo*/group/group & solo	Solo and group
	rument type (types to be specified by each	Other Tier 2 instruments - Subordinated Notes
	sdiction)	
	ount recognised in regulatory capital	US\$198.92 million as at 30 June 2017
	rrency in million, as of most recent reporting	
date	•	
9 Par	value of instrument	US\$200 million
	counting classification	Liability - amortised cost
	ginal date of issuance	6 November 2012
	petual or dated	Dated
	ginal maturity date	7 November 2022
	er call subject to prior supervisory approval	Yes
	ional call date, contingent call dates and	Optional redemption date: 7 November 2017 (First Call Date)
-	emption amount	Redemption for taxation reasons: Yes
reac		Redemption price: Redemption at par together with interest accrued to the date
		fixed for redemption
		Redemption for regulatory reasons: Redemption at 101 per cent with interest
		accrued but unpaid to but excluding the date
		fixed for redemption
16 Sub	sequent call dates, if applicable	Any Interest Payment Date after the First Call Date
-	pons / dividends	Any interest rayment Date after the rifst Can Date
	ed or floating dividend/coupon	Fixed
	upon rate and any related index	Interest at 3.5% per annum is payable on a semi-annually basis for the first 5 years
18 000	poin rate and any related index	from the date of issue to the optional redemption date. Thereafter, if the notes are
		not redeemed, the interest rate will reset and the notes will bear interest at 5 year
		US Treasury rate on that date plus 280 basis points.
10 Evis	stence of a dividend stopper	No
	y discretionary, partially discretionary or	Mandatory
	idatory	Manuatory
	stence of step up or other incentive to redeem	No
	cumulative or cumulative	Cumulative
	vertible or non-convertible	Non-convertible
	onvertible, conversion trigger (s)	NA
	onvertible, fully or partially	NA
	onvertible, runy or partially	NA NA
-	onvertible, conversion rate	NA NA
	onvertible, specify instrument type	
	vertible, specify instrument type	NA
	onvertible, specify issuer of instrument it	NA
		NA
	te dour facture	No
	te-down feature	No
	vrite-down, write-down trigger(s)	NA
	rite-down, full or partial rite-down, permanent or temporary	NA
		NA
	emporary write-down, description of write-up	NA
	hanism	The sub-suddeneed and datases and the first
	ition in subordination hierarchy in	Unsubordinated creditors and depositors
	idation (specify instrument type immediately	
	or to instrument)	X7
	n-compliant transitioned features	Yes
	es, specify non-compliant features	No write-down feature
Foot	tnote:	

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

3. US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 30 September 2014)

	Issuer	Wing Lung Bank Limited
2	Unique identifier (eg CUSIP, ISIN or	NA
-	Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	English Law (subordination governed by Law of Hong Kong Special
	6	Administrative Region)
	Regulatory treatment	
4	Transitional Basel III rules#	N/A
5	Post-transitional Basel III rules+	Additional Tier 1
6	Eligible at solo*/group/group & solo	Solo and group
7	Instrument type (types to be specified by each jurisdiction)	Undated Non-Cumulative Subordinated Capital Securities
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	US\$130 million as at 30 June 2017
9	Par value of instrument	US\$130 million
10	Accounting classification	Equity - par value
	Original date of issuance	30 September 2014
12	Perpetual or dated	Perpetual
	Original maturity date	No maturity
	Issuer call subject to prior supervisory approval	Yes
	Optional call date, contingent call dates and redemption amount	Optional redemption date: 1 October 2019 (First Call Date) Redemption for taxation reasons: Yes Redemption for regulatory reasons: Yes
		Redemption price: Redeemed at the outstanding principal amount together with distributions accrued to the date of redemption
16	Subsequent call dates, if applicable	Any Distribution Payment Date after the First Call Date
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6 per cent per annum for the period from, and including, the Issue Date to, but excluding the First Call Date. The then prevailing 5 year U.S. Treasury Rate plus 413 bps for the period from, and including, the First Call Date and each Distribution Reset Date thereafter to, but excluding, the immediately following Distribution Reset Date
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	If a Non-Viability Event occurs, the Issuer shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid distribution in respect of, each Capital Security in whole or in part. "Non-Viability Event" means the earlier of: (a) the HKMA notifying the Issuer in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; and (b) the HKMA notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of
		capital or equivalent support is necessary, without which the Issuer would become non-viable.

33 If write-down, permanent or temporary	Permanent
34 If temporary write-down, description of write-up mechanism	NA
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2 subordinated notes
36 Non-compliant transitioned features	No
37 If yes, specify non-compliant features	NA

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

4. US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 29 December 2014)

Issuer	Wing Lung Bank Limited
2 Unique identifier (eg CUSIP, ISIN or	NA
Bloomberg identifier for private placement)	
3 Governing law(s) of the instrument	English Law (subordination governed by Law of Hong Kong Special Administrative Region)
Regulatory treatment	· · · · · · · · · · · · · · · · · · ·
Transitional Basel III rules#	N/A
5 Post-transitional Basel III rules+	Additional Tier 1
5 Eligible at solo*/group/group & solo	Solo and group
7 Instrument type (types to be specified by each jurisdiction)	Undated Non-Cumulative Subordinated Capital Securities
 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date) 	US\$130 million as at 30 June 2017
Par value of instrument	US\$130 million
0 Accounting classification	Equity - par value
1 Original date of issuance	29 December 2014
2 Perpetual or dated	Perpetual
3 Original maturity date	No maturity
4 Issuer call subject to prior supervisory approval	Yes
5 Optional call date, contingent call dates and	Optional redemption date: 30 December 2019 (First Call Date)
redemption amount	Redemption for taxation reasons: Yes
1	Redemption for regulatory reasons: Yes
	Redemption price: Redeemed at the outstanding principal amount together with
	distributions accrued to the date of redemption
6 Subsequent call dates, if applicable	Any Distribution Payment Date after the First Call Date
Coupons / dividends	Any Distribution Payment Date after the Pirst Can Date
7 Fixed or floating dividend/coupon	Fixed
8 Coupon rate and any related index	5.8 per cent per annum for the period from, and including, the Issue Date to, but
	excluding the First Call Date. The then prevailing 5 year U.S. Treasury Rate plu 413 bps for the period from, and including, the First Call Date and each Distribution Reset Date thereafter to, but excluding, the immediately following Distribution Reset Date
9 Existence of a dividend stopper	Yes
0 Fully discretionary, partially discretionary or mandatory	Fully discretionary
1 Existence of step up or other incentive to redeem	No
2 Noncumulative or cumulative	Non-cumulative
3 Convertible or non-convertible	Non-convertible
4 If convertible, conversion trigger (s)	NA
5 If convertible, fully or partially	NA
6 If convertible, conversion rate	NA
7 If convertible, mandatory or optional conversion	NA
8 If convertible, specify instrument type convertible into	NA
9 If convertible, specify issuer of instrument it converts into	NA
0 Write-down feature	Yes
1 If write-down, write-down trigger(s)	If a Non-Viability Event occurs, the Issuer shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid distribution in respect of, each Capital Security in whole or in part. "Non-Viability Event" means the earlier of: (a) the HKMA notifying the Issuer in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; and (b) the HKMA notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would

32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2 subordinated notes
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

5. RMB1,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 3 February 2015)

1	Incurr	Wing Lung Pank Limited
2	Issuer Unique identifier (eg CUSIP, ISIN or	Wing Lung Bank Limited NA
4	Bloomberg identifier for private placement)	1111
3	Governing law(s) of the instrument	English Law (subordination governed by Law of Hong Kong Special
	6	Administrative Region)
	Regulatory treatment	
4	Transitional Basel III rules#	N/A
5	Post-transitional Basel III rules+	Additional Tier 1
	Eligible at solo*/group/group & solo	Solo and group
7	Instrument type (types to be specified by each jurisdiction)	Undated Non-Cumulative Subordinated Capital Securities
0	· ·	RMB1,000 million as at 30 June 2017
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	KMB1,000 million as at 50 June 2017
9	Par value of instrument	RMB1,000 million
	Accounting classification	Equity - par value
	Original date of issuance	3 February 2015
	Perpetual or dated	Perpetual
	Original maturity date	No maturity
	Issuer call subject to prior supervisory approval	Yes
	Optional call date, contingent call dates and	Optional redemption date: 4 February 2020 (First Call Date)
15	redemption amount	Redemption for taxation reasons: Yes
	I · · · · · · · ·	Redemption for regulatory reasons: Yes
		Redemption price: Redeemed at the outstanding principal amount together with
		distributions accrued to the date of redemption
16	Subsequent call dates, if applicable	Any Distribution Payment Date after the First Call Date
10	Coupons / dividends	They Distribution 1 ayment Date after the 1 list Can Date
17	Fixed or floating dividend/coupon	Fixed
	Coupon rate and any related index	5.5 per cent per annum
10		
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
	Noncumulative or cumulative	Non-cumulative
	Convertible or non-convertible	Non-convertible
-	If convertible, conversion trigger (s)	NA
	If convertible, fully or partially	NA
	If convertible, conversion rate	NA
	If convertible, mandatory or optional conversion	NA
	If convertible, specify instrument type	NA
	convertible into	
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	If a Non-Viability Event occurs, the Issuer shall, upon the provision of a
		Non-Viability Event Notice, irrevocably reduce the then principal amount of,
		and cancel any accrued but unpaid distribution in respect of, each Capital
		Security in whole or in part.
		"Non-Viability Event" means the earlier of:
		(a) the HKMA notifying the Issuer in writing that the HKMA is of the opinion
		that a write-off or conversion is necessary, without which the Issuer would
		become non-viable; and
		(b) the HKMA notifying the Issuer in writing that a decision has been made by
		the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of
		with the authority to make such a decision, that a public sector injection of capital or equivalent support is pressary, without which the Issuer would
		capital or equivalent support is necessary, without which the Issuer would become non-viable.
	If write-down, full or partial	Full or partial
27	n white-down, full of partial	*
	If write-down permanent or temporary	Permanent
33	If write-down, permanent or temporary If temporary write-down, description of write-up	Permanent NA

35 Position in subordination hierarchy in	Tier 2 subordinated notes
liquidation (specify instrument type immediately	
senior to instrument)	
36 Non-compliant transitioned features	No
37 If yes, specify non-compliant features	NA

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

6. USD170,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 27 April 2017)

1	Issuer	Wing Lung Bank Limited
	Unique identifier (eg CUSIP, ISIN or Bloomberg	ISIN number: HK0000337607
	identifier for private placement)	
3	Governing law(s) of the instrument	English Law (subordination governed by Law of Hong Kong Special
		Administrative Region)
	Regulatory treatment	
4	Transitional Basel III rules#	N/A
	Post-transitional Basel III rules+	Additional Tier 1
	Eligible at solo*/group/group & solo	Solo and group
	Instrument type (types to be specified by each	Undated Non-Cumulative Subordinated Capital Securities
	jurisdiction)	
8	Amount recognised in regulatory capital	US\$170 million as at 30 June 2017
Ũ	(Currency in million, as of most recent reporting	
	date)	
9	Par value of instrument	US\$170 million
-	Accounting classification	Equity - par value
	Original date of issuance	27 April 2017
	Perpetual or dated	Perpetual
-	Original maturity date	No maturity
	Issuer call subject to prior supervisory approval	Yes
	Optional call date, contingent call dates and	Optional redemption date: 28 April 2022 (First Call Date)
15	redemption amount	Redemption for taxation reasons: Yes
		Redemption for regulatory reasons: Yes
		Redemption price: Redeemed at the outstanding principal amount together with
		distributions accrued to the date of redemption
16	Subsequent call dates, if applicable	Any Distribution Payment Date after the First Call Date
10	Coupons / dividends	They Distribution I aynone Date after the Thist Can Date
17	Fixed or floating dividend/coupon	Fixed
	Coupon rate and any related index	5.2 per cent per annum for the period from, and including, the Issue Date to, but
10	Coupon rate and any related index	excluding the First Call Date. The then prevailing 5 year U.S. Treasury Rate plus
		313 bps for the period from, and including, the First Call Date and each
		Distribution Reset Date thereafter to, but excluding, the immediately following
		Distribution Reset Date
	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or	Fully discretionary
	mandatory	
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type	NA
	convertible into	
29	If convertible, specify issuer of instrument it	NA
	converts into	
30	Write-down feature	Yes
-		

31 If write-down, write-down trigger(s)	If a Non-Viability Event occurs, the Issuer shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid distribution in respect of, each Capital Security in whole or in part. "Non-Viability Event" means the earlier of: (a) the HKMA notifying the Issuer in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; and (b) the HKMA notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable. At the sole discretion of the relevant Hong Kong Resolution Authority, the outstanding amount of Additional Tier 1 Capital Securities can be adjusted upon the exercise of Hong Kong Bail-in Power in accordance with the Hong Kong Financial Institutions (Resolution) Ordinance.
32 If write-down, full or partial	Full or partial
33 If write-down, permanent or temporary	Permanent
34 If temporary write-down, description of write-up mechanism	NA
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2 subordinated notes
36 Non-compliant transitioned features	No
37 If yes, specify non-compliant featuresFootnote:	NA

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules * Include solo-consolidated