

Pillar 3 Disclosure – Terms and Conditions of Capital Instruments

As at 30 June 2014

Terms and Conditions of Capital Instruments

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

Main Features of Capital Instruments as at 30 June 2014:

- 1. Wing Lung Bank Limited Ordinary Shares;
- 2. HK\$800,000,000 subordinated floating rate note due 2019;
- 3. HK\$700,000,000 subordinated floating rate note due 2019;
- 4. HK\$1,500,000,000 subordinated fixed rate notes due 2021;
- 5. US\$200,000,000 subordinated fixed rate notes due 2022.

1. Wing Lung Bank Limited Ordinary Shares

	Y	
1	Issuer	Wing Lung Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Law of Hong Kong Special Administrative Region
	Regulatory treatment	
4	Transitional Basel III rules#	Common Equity Tier 1
5	Post-transitional Basel III rules+	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo and group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$1,161 million as at 30 June 2014
-	Par value of instrument	NA
	Accounting classification	Shareholders' equity
-	Original date of issuance	Since incorporation
	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Discretionary dividend amount
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	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 convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
	If write-down, permanent or temporary	NA
	If temporary write-down, description of write-up mechanism	NA
	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2 subordinated notes
	Non-compliant transitioned features	NA
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

2. HK\$800,000,000 subordinated floating rate note due 2019

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1 Issuer 2 Unique identifier (eg CUSID ISIN er	Wing Lung Bank Limited
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3 Governing law(s) of the instrument	Law of Hong Kong Special Administrative Region
Regulatory treatment	Law of Hong Kong Special Administrative Region
	T: 0
4 Transitional Basel III rules# 5 Post-transitional Basel III rules+	Tier 2 Ineligible
• ···· · · · · · · · · · · · · · · · ·	
6 Eligible at solo*/group/group & solo	Solo and group Other Tier 2 instruments - Subordinated Notes
7 Instrument type (types to be specified by each	Other Ther 2 Instruments - Subordinated Notes
jurisdiction) 8 Amount recognised in regulatory capital	HK\$640 million as at 30 June 2014
	HK\$040 mmon as at 50 June 2014
(Currency in million, as of most recent reporting	
	HK\$800 million
10 Accounting classification	Liability - amortised cost
11 Original date of issuance	14 July 2009
12 Perpetual or dated	Dated
13 Original maturity date	14 July 2019
14 Issuer call subject to prior supervisory approval	Yes
15 Optional call date, contingent call dates and	Optional redemption date: 15 July 2014
redemption amount	Redemption for taxation reasons: Yes
recomption amount	Redemption price: Redemption at the principal amount together with accrued
	interest
16 Subsequent call dates, if applicable	NA
Coupons / dividends	
17 Fixed or floating dividend/coupon	Floating
18 Coupon rate and any related index	Interest rate for the note is set on a quarterly basis based on 3-month HIBOR plus
	200 basis points for the first 5 years from the date of issue to the optional
	redemption date. Thereafter, if the note is not redeemed, the interest rate will reset
	and the note will bear interest at 3-months HIBOR plus 250 basis points.
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or	Mandatory
mandatory	
21 Existence of step up or other incentive to redeem	Yes
22 Noncumulative or cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible
24 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	No
31 If write-down, write-down trigger(s)	NA
32 If write-down, full or partial	NA
33 If write-down, permanent or temporary	NA
34 If temporary write-down, description of write-up	NA
mechanism	
35 Position in subordination hierarchy in	Unsubordinated creditors and depositors
liquidation (specify instrument type immediately	
senior to instrument)	
36 Non-compliant transitioned features	Yes
*	
37 If yes, specify non-compliant features	Existence of step up and no write-down feature
Footnote:	

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

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3. HK\$700,000,000 subordinated floating rate note due 2019

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	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	Law of Hong Kong Special Administrative Region
	Regulatory treatment	TT' 0
	Transitional Basel III rules#	Tier 2
	Post-transitional Basel III rules+	Ineligible
	Eligible at solo*/group/group & solo	Solo and group
	Instrument type (types to be specified by each jurisdiction)	Other Tier 2 instruments - Subordinated Notes
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$560 million as at 30 June 2014
9	Par value of instrument	HK\$700 million
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	22 September 2009
12	Perpetual or dated	Dated
13	Original maturity date	22 September 2019
	Issuer call subject to prior supervisory approval	Yes
	Optional call date, contingent call dates and	Optional redemption date: 23 September 2014
	redemption amount	Redemption for taxation reasons: Yes
		Redemption price: Redemption at the principal amount together with accrued interest
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
	Coupon rate and any related index	Interest rate for the note is set on a quarterly basis based on 3-month HIBOR plus 200 basis points for the first 5 years from the date of issue to the optional
		redemption date. Thereafter, if the note is not redeemed, the interest rate will rese and the note will bear interest at 3-month HIBOR plus 250 basis points.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Yes
	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	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 convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
20	Write-down feature	No
	If write-down, write-down trigger(s)	NO
. 11	II write-down, write-down urgger(s)	
		NA
32	If write-down, full or partial	NA NA
32 33	If write-down, full or partial If write-down, permanent or temporary	NA
32 33 34	If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism	NA NA
32 33 34	If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in	NA
32 33 34	If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately	NA NA
32 33 34 35	If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA NA Unsubordinated creditors and depositors
32 33 34 35 36	If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately	NA 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

4. HK\$1,500,000,000 subordinated fixed rate notes due 2021

1	Issuer	Wing Lung Bank Limited
2	Unique identifier (eg CUSIP, ISIN or	CMU Number: WLHKFN09007
	Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	Law of Hong Kong Special Administrative Region
	Regulatory treatment	
4	Transitional Basel III rules#	Tier 2
5	Post-transitional Basel III rules+	Ineligible
6	Eligible at solo*/group/group & solo	Solo and group
	Instrument type (types to be specified by each jurisdiction)	Other Tier 2 instruments - Subordinated Notes
	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$1,200 million as at 30 June 2014
9	Par value of instrument	HK\$1,500 million
10	Accounting classification	Liability - amortised cost
	Original date of issuance	28 December 2009
	Perpetual or dated	Dated
	Original maturity date	28 December 2021
	Issuer call subject to prior supervisory approval	Yes
	Optional call date, contingent call dates and	Optional redemption date: 28 December 2016
	redemption amount	Redemption for taxation reasons: Yes Redemption price: Redemption at par together with interest accrued to the date fixed for redemption
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
	Fixed or floating dividend/coupon	Fixed
	Coupon rate and any related index	Interest at 5.7% per annum is payable on a quarterly basis.
	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
	Existence of step up or other incentive to redeem	No
	Noncumulative or cumulative	Cumulative
23	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, conversion rate If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
	Write-down feature	No
	If write-down, write-down trigger(s)	NA
	If write-down, full or partial	NA
	If write-down, permanent or temporary	NA
	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately	Unsubordinated creditors and depositors
	senior to instrument)	
		Yes

Footnote:

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

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

1 Issuer	Wing Lung Bank Limited
2 Unique identifier (eg CUSIP, ISIN or	ISIN number: XS0848710108
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	
4 Transitional Basel III rules#	Tier 2
5 Post-transitional Basel III rules+	Ineligible
6 Eligible at solo*/group/group & solo	Solo and group
7 Instrument type (types to be specified by each jurisdiction)	Other Tier 2 instruments - Subordinated Notes
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	US\$158.72 million as at 30 June 2014
9 Par value of instrument	US\$200 million
10 Accounting classification	Liability - amortised cost
11 Original date of issuance	6 November 2012
12 Perpetual or dated	Dated
13 Original maturity date	7 November 2022
14 Issuer call subject to prior supervisory approval	Yes
15 Optional call date, contingent call dates and	Optional redemption date: 7 November 2017 (First Call Date)
redemption amount	Redemption for taxation reasons: Yes
	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 Subsequent call dates, if applicable	Any Interest Payment Date after the First Call Date
Coupons / dividends	They increase a dynamic bace after the Thist can bace
17 Fixed or floating dividend/coupon	Fixed
18 Coupon rate and any related index	Interest at 3.5% per annum is payable on a semi-annually basis for the first 5 year 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 years US Treasury yield on that date plus 280 basis points.
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or	Mandatory
mandatory	Manuatory
21 Existence of step up or other incentive to redeem	No
22 Noncumulative or cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible
24 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
 27 If convertible, manuacory or optional conversion 28 If convertible, specify instrument type convertible into 	NA
29 If convertible, specify issuer of instrument it converts into	NA
30 Write-down feature	No
31 If write-down write-down trigger(s)	NA
32 If write-down, full or partial	NA
33 If write-down, permanent or temporary	NA
 33 If white-down, permanent of temporary 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) 	Unsubordinated creditors and depositors
36 Non-compliant transitioned features	Yes
37 If yes, specify non-compliant features	No write-down feature
Footnote:	

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