

Pillar 3 Disclosure – Terms and Conditions of Capital Instruments

As at 31 December 2014

Terms and Conditions of Capital Instruments

The following disclosures are made in accordance with Section 45 of Banking (Disclosures) Rules issued by the Hong Kong Monetary Authority ("HKMA").

Main Features of Capital Instruments as at 31 December 2014:

- 1. Wing Lung Bank Limited Ordinary Shares;
- 2. HK\$1,500,000,000 subordinated fixed rate notes due 2021;
- 3. US\$200,000,000 subordinated fixed rate notes due 2022;
- 4. US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 30 September 2014);
- 5. US\$130,000,000 undated non-cumulative subordinated additional tier 1 capital securities (issued on 29 December 2014).

1. Wing Lung Bank Limited Ordinary Shares

1	Issuer	Wing Lung Bank Limited
	Unique identifier (eg CUSIP, ISIN or	NA
2	Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Law of Hong Kong Special Administrative Region
	Regulatory treatment	Law of frong Bosecial Familianation Region
4	•	Common Equity Tier 1
	Post-transitional Basel III rules+	Common Equity Tier 1
	Eligible at solo*/group/group & solo	Solo and group
_	Instrument type (types to be specified by each	Ordinary shares
	jurisdiction)	,
8	Amount recognised in regulatory capital	HK\$1,161 million as at 31 December 2014
	(Currency in million, as of most recent reporting	
	date)	
	Par value of instrument	NA
	Accounting classification	Shareholders' equity
_	Original date of issuance	Since incorporation
	Perpetual or dated	Perpetual
_	Original maturity date	No maturity
	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
-21	mandatory	N/A
	Existence of step up or other incentive to redeem Noncumulative or cumulative	NA NA
	Convertible or non-convertible	NA NA
	If convertible, conversion trigger (s)	NA NA
	If convertible, fully or partially	NA NA
	If convertible, conversion rate	NA NA
_	If convertible, mandatory or optional conversion	NA NA
	If convertible, specify instrument type	NA NA
20	convertible into	11/1
20	If convertible, specify issuer of instrument it	NA
29	converts into	• • • •
30	Write-down feature	NA
	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	NA
	mechanism	
35	Position in subordination hierarchy in	Non-cumulative subordinated additional tier 1 capital securities
	liquidation (specify instrument type immediately	·
	senior to instrument)	
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA
	Footnote:	

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

^{*} Include solo-consolidated

${\bf 2.~HK\$1,} {\bf 500,} {\bf 000,} {\bf 000~subordinated~fixed~rate~notes~due~2021}$

1 Issuer		Wing Lung Bank Limited
2 Unique identifier (eg CUSI		CMU Number: WLHKFN09007
Bloomberg identifier for pr	ivate placement)	
3 Governing law(s) of the ins	trument	Law of Hong Kong Special Administrative Region
Regulatory treatment		
4 Transitional Basel III rules#	#	Tier 2
5 Post-transitional Basel III r	ules+	Ineligible
6 Eligible at solo*/group/group	ıp & solo	Solo and group
7 Instrument type (types to be jurisdiction)	e specified by each	Other Tier 2 instruments - Subordinated Notes
8 Amount recognised in regul	latory capital	HK\$1,500 million as at 31 December 2014
(Currency in million, as of	most recent reporting	
date)		
9 Par value of instrument		HK\$1,500 million
10 Accounting classification		Liability - amortised cost
11 Original date of issuance		28 December 2009
12 Perpetual or dated		Dated
13 Original maturity date		28 December 2021
14 Issuer call subject to prior s	supervisory approval	Yes
15 Optional call date, continge		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 ap	plicable	NA
Coupons / dividends		
17 Fixed or floating dividend/o	coupon	Fixed
18 Coupon rate and any related	d index	Interest at 5.7% per annum is payable on a quarterly basis.
19 Existence of a dividend stor	pper	No
20 Fully discretionary, partiall		Mandatory
mandatory	•	•
21 Existence of step up or other	er incentive to redeem	No
22 Noncumulative or cumulati	ve	Cumulative
23 Convertible or non-converti	ible	Non-convertible
24 If convertible, conversion to	rigger (s)	NA
25 If convertible, fully or parti		NA
26 If convertible, conversion ra		NA
27 If convertible, mandatory of		NA
28 If convertible, specify instruction convertible into		NA
29 If convertible, specify issue converts into	er of instrument it	NA
30 Write-down feature		No
31 If write-down, write-down	trigger(s)	NA
32 If write-down, full or partia		NA
33 If write-down, permanent of		NA
34 If temporary write-down, d		NA
mechanism	esemption of write up	•••
35 Position in subordination h	ierarchy in	Unsubordinated creditors and depositors
liquidation (specify instrum		
senior to instrument)		
36 Non-compliant transitioned	features	Yes
37 If yes, specify non-complia	nt features	No write-down feature
Footnote:		

Footnote:

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

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

^{*} Include solo-consolidated

${\bf 3.~US\$200,} 000,\!000~subordinated~fixed~rate~notes~due~2022$

1	Issuer	Wing Lung Bank Limited
	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\$198.49 million as at 31 December 2014
	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
	Original maturity date	7 November 2022
	Issuer call subject to prior supervisory approval	Yes
	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	This incress Tayment Bate after the This Can Bate
17	Fixed or floating dividend/coupon	Fixed
	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 year US Treasury rate on that date plus 280 basis points.
19	Existence of a dividend stopper	No
	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
		Non-convertible
24	If convertible, conversion trigger (s)	
24 25	If convertible, conversion trigger (s) If convertible, fully or partially	Non-convertible NA NA
24 25 26	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate	Non-convertible NA NA NA
24 25 26 27	If convertible, conversion trigger (s) If convertible, fully or partially	Non-convertible NA NA
24 25 26 27 28	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type	Non-convertible NA NA NA NA
24 25 26 27 28	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it	Non-convertible NA NA NA NA NA NA
24 25 26 27 28 29	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down feature	Non-convertible NA NA NA NA NA NA NA NA NA
24 25 26 27 28 29 30 31	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into	Non-convertible NA
24 25 26 27 28 29 30 31 32	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down feature If write-down, write-down trigger(s) If write-down, full or partial	Non-convertible NA
24 25 26 27 28 29 30 31 32 33	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down feature If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up	Non-convertible NA
24 25 26 27 28 29 30 31 32 33 34	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down feature If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary	Non-convertible NA
24 25 26 27 28 29 30 31 32 33 34 35	If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into Write-down feature If write-down, write-down trigger(s) 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	Non-convertible 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)
- * Include solo-consolidated

$\textbf{4.} \ US\$130,\!000,\!000 \ undated \ non-cumulative \ subordinated \ additional \ tier\ 1\ capital\ securities\ (issued\ on\ 30\ September\ 2014)$

	Issuer	Wing Lung Bank Limited
2	Unique identifier (eg CUSIP, ISIN or	NA
2	Bloomberg identifier for private placement)	IVA
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
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 31 December 2014
9	Par value of instrument	US\$130 million
10	Accounting classification	Equity - par value
11	Original date of issuance	30 September 2014
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	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
26	If convertible, conversion rate	NA
27	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	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
32	If write-down, full or partial	become non-viable. 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:

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

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

1	Issuer	Wing Lung Bank Limited
	Unique identifier (eg CUSIP, ISIN or	NA
_	Bloomberg identifier for private placement)	WA
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
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 31 December 2014
9	Par value of instrument	US\$130 million
10	Accounting classification	Equity - par value
11	Original date of issuance	29 December 2014
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional redemption date: 30 December 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	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 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
	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
26	If convertible, conversion rate	NA
27	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	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
	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

^{*} Include solo-consolidated