

BANK OF COMMUNICATIONS (HONG KONG) LIMITED, A LICENSED BANK
(incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURES - CAPITAL INSTRUMENTS

31 JANUARY 2018

(UNAUDITED)

BANK OF COMMUNICATIONS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

Contents	Page(s)
Main Features of Capital Instruments	3 - 5

BANK OF COMMUNICATIONS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

Main Features of Capital Instruments

		Ordinary shares	Tier 2 capital subordinated loan
1	Issuer	Bank of Communications (Hong Kong) Limited	Bank of Communications (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	Not applicable
3	Governing law(s) of the instrument	Hong Kong law	Hong Kong law
	Regulatory treatment		
4	Transitional Basel III rules#	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules+	Common Equity Tier 1	Tier 2
6	Eligible at solo*/group/group & solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Other Tier 2 instruments
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$7,900 million	HK\$2,000 million
9	Par value of instrument	Not applicable	HK\$2,000 million
10	Accounting classification	Shareholders' equity	Liability - amortised cost
11	Original date of issuance	1 share issued on 29 July 2014 299,999,999 shares issued on 9 February 2015 7,600,000,000 shares issued on 19 January 2018	19 January 2018
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	19 January 2028
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	The Borrower may repay the Loan in whole but not in part at any time on or after 19 January 2023, at the outstanding principal amount together with interest accrued to (but excluding) the date of repayment. In addition, the Borrower may repay the Loan in whole but not in part at the outstanding principal amount together with interest accrued to (but excluding) the date of repayment for taxation reasons, tax deductions reasons and regulatory reasons. Prepayment is subject to prior written consent of the Hong Kong Monetary Authority.
16	Subsequent call dates, if applicable	No	The Borrower may repay the Loan in whole but not in part at any time on or after 19 January 2023.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Not applicable	Floating

BANK OF COMMUNICATIONS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

Main Features of Capital Instruments (Continued)

		Ordinary shares	Tier 2 capital subordinated loan
18	Coupon rate and any related index	Not applicable	The rate of interest on the Loan for each interest period shall be the percentage rate per annum which is the aggregate of 1.50 per cent per annum and three-month HIBOR.
19	Existence of a dividend stopper	Not applicable	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	Not applicable	No
22	Noncumulative or cumulative	Noncumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	Not applicable	If a Non-Viability Event occurs and is continuing. “Non-Viability Event” means the earlier of: (a) the Monetary Authority notifying the Borrower in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Borrower would become non-viable; and (b) the Monetary Authority notifying the Borrower 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 Borrower would become non-viable.
32	If write-down, full or partial	Not applicable	Always be written down fully
33	If write-down, permanent or temporary	Not applicable	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable

BANK OF COMMUNICATIONS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

Main Features of Capital Instruments (Continued)

		Ordinary shares	Tier 2 capital subordinated loan
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Represents the most subordinated claim in liquidation	In the event of a Winding-Up of the Borrower, the right of the Lender to payment of principal and interest on the Loan, and any other obligations in respect of the Loan, shall rank (i) subordinate and junior in right of payment to, and of all claims of, (a) all unsubordinated creditors of the Borrower (including its depositors), and (b) all other subordinated creditors of the Borrower whose claims are stated to rank senior to the Loan or rank senior to the Loan by operation of law or contract; (ii) pari passu in right of payment to, and all claims of, holders of any instrument or other obligation issued or entered into by the Borrower that constitutes or qualifies as a Tier 2 capital instruments or any instrument or other obligation issued, entered into, or guaranteed by the Borrower that ranks or is expressed to rank pari passu with the Loan by operation of law or contract; (iii) senior in right of payment to, and all claims of, (a) shareholders, and holders of any other class of the Borrower's share capital, and any instrument or other obligation issued or guaranteed by the Borrower that ranks or is expressed to rank junior to the Loan by operation of law or contract; and (b) holders of Tier 1 capital instruments of the Borrower. The Loan constitutes unsecured obligations of the Borrower.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable
	Full terms and conditions of capital instruments	Ordinary shares	Tier 2 loan due 2028

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