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**BQD  青岛银行**

**Bank of Qingdao Co., Ltd.\***

**青島銀行股份有限公司\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3866)**

**ANNOUNCEMENT  
COMPLETION OF ISSUANCE OF THE SECOND  
TRANCHE OF TIER-TWO CAPITAL BONDS OF 2017**

Reference is made to the announcements of Bank of Qingdao Co., Ltd. (the “**Bank**”) dated 21 June 2017 and 27 June 2017, in relation to the approval regarding the public issuance of tier-two capital bonds by the Bank with the total amount not exceeding RMB5 billion in the national inter-bank bond market of China. On 27 June 2017, the issuance of the first tranche of the tier-two capital bonds of 2017 in the amount of RMB3 billion was completed, which was within the above-mentioned limit.

The Bank announces that it has completed the issuance of the second tranche of the tier-two capital bonds of 2017 on 12 July 2017. The bonds are ten-year fixed rate bonds with the maturity date on 14 July 2027 in the size of RMB2 billion and are conditionally redeemable on the last day of the fifth year by the issuer. The face value of the bonds is RMB100 with an issuing price of RMB100.

The proceeds raised from the issuance of the tier-two capital bonds by the Bank will be used to replenish the tier-two capital of the Bank pursuant to the applicable laws and as approved by the regulatory authorities.

By order of the board  
**Bank of Qingdao Co., Ltd.\***  
**Guo Shaoquan**  
Chairman

Shandong, the PRC, 12 July 2017

*As at the date of this announcement, the board of directors comprises Mr. GUO Shaoquan, Mr. WANG Lin, Mr. YANG Fengjiang and Ms. LU Lan as executive directors; Mr. ZHOU Yunjie, Mr. Rosario STRANO, Mr. WANG Jianhui, Ms. TAN Lixia, Mr. Marco MUSSITA and Mr. CHOI Chi Kin, Calvin as non-executive directors; Mr. WANG Zhuquan, Mr. DU Wenhe, Mr. WONG Tin Yau, Kelvin, Mr. CHEN Hua and Ms. DAI Shuping as independent non-executive directors.*

\* *Bank of Qingdao Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*