

CMB WING LUNG BANK 2018 RESULTS ANNOUNCEMENT

CMB Wing Lung Bank Limited (“the Bank”/“CMB Wing Lung Bank”) announced that the Bank and its subsidiaries (“the Group”) recorded a profit attributable to shareholders of HK\$3,219 million for 2018.

In 2018, Hong Kong economy attained above-trend growth in 2018. Total export of goods recorded moderate growth in 2018 as a whole. Domestic demand stayed broadly resilient and private consumption expenditure grew notably for the year as a whole. The labour market remained in a state of full employment and tightened further. The inflation rate rose slightly. Externally, the growth momentum of the global economy remained strong in the first half of the year, but weakened in the second half of the year. The Mainland sustained economic operation within an appropriate range, achieving the general stable momentum by pursuing progress while ensuring stability. 2018 marked the 10th Anniversary of acquisition of the Bank by China Merchants Bank Co., Ltd. (“CMB”). The Bank realized synergy effects through changing its name to CMB Wing Lung Bank Limited, further collaboration with CMB, actively promoting cross-border coordinated business and enhancing key competencies. Consequently, the Bank achieved remarkable results and established a solid foundation for building a cross-border financial service platform.

For the year ended 31 December 2018, the Group recorded a profit attributable to the shareholders of HK\$3,219 million, representing a decrease of 16.6% as compared with that of 2017, which was mainly attributable to the increase in impairment loss and decrease in net non-interest income. During the year, net interest income was HK\$4,765 million, representing an increase of 31.0% as compared with that of 2017, which was mainly attributable to the increase in loans and interbank lending. The net interest margin for the year was 1.74%, up by 34 basis points as compared with that for the year of 2017. Net non-interest income was HK\$1,423 million, representing a decrease of 36.0% as compared with that of 2017. Net fees and commission income amounted to HK\$834 million, representing an increase of 3.2% as compared with that of 2017, which was primarily attributable to the increase in the fees and commission income from securities brokerage and investment services as well as trade finance.

As at 31 December 2018, total assets of the Group amounted to HK\$314.5 billion, representing an increase of 5.3% as compared with that at the end of 2017. Total deposits from customers increased by 4.9% to HK\$221.3 billion, while total advances to customers, including trade bills, increased by 4.0% to HK\$162.5 billion as compared with that at the end of 2017. The impaired loan ratio was 0.54%.

As at 31 December 2018, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.7%, 14.8% and 18.0% respectively, and the average liquidity coverage ratio for the fourth quarter was 166.3%.

Looking ahead into 2019, the global economy will be full of uncertainties, with increasing downward pressures. In view of complex and ever-changing economic outlook, the operating environment continues to be challenging for the banking sector. The Bank will stay alert to the operating environment and strive to strengthen risk management capabilities, fine-tune operation procedures to enhance work efficiency, tighten cost control measure and improve resources allocation. Being a member of China Merchants Bank Group, the Bank has strong parental support and wide business scope for further development. The Bank will strive to realise synergy effects through further collaboration with CMB. Meanwhile, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to strengthen its competitive edge and enhance its profitability.

Note: The 2018 Annual Report of CMB Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules has been published on CMB Wing Lung Bank's website.

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About CMB Wing Lung Bank Limited:

CMB Wing Lung Bank, founded in 1933, is among the oldest local Chinese banks in Hong Kong. Following its motto of “Progress with prudence, service with sincerity”, the Bank provides comprehensive banking services, including deposits, loans, private banking and wealth management, investment, securities, credit cards, NET Banking, CMBWLB Wintech mobile banking services, global cash management, syndicated loans, corporate financing, bills, hire-purchase and leasing, foreign exchange, insurance agency, Mandatory Provident Fund, etc. CMB Wing Lung Bank also provides insurance broking and general insurance underwriting, property management, trustee, nominee and asset management services through its wholly-owned subsidiaries. At present, the Bank has more than 40 banking business outlets in Hong Kong, mainland China, Macau and overseas, and a staff force of more than 1,900 people. As at 31 December 2018, its consolidated total assets stood at HK\$314.5 billion. CMB Wing Lung Bank has become a member of China Merchants Bank Group since 2008. China Merchants Bank, the 6th largest commercial bank by total assets in China, is currently among the top 100 banks in the world.

For more information about CMB Wing Lung Bank, please visit the Bank's website at www.cmbwinglungbank.com.

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