

Wing Lung Bank 2013 Interim Results Announcement

Wing Lung Bank (“the Bank”) announced that the Group recorded an unaudited profit attributable to shareholders of HK\$1,291 million for the six months ended 30 June 2013, representing an increase of 25.0% as compared with the corresponding period of previous year (as restated).

Hong Kong’s economy grew moderately in the first half of 2013. Amid weak import demand in the US and European markets, the performance of local export of goods was rather modest. Benefited from the stable labour market and improved income, internal demand remained robust and private consumption expenditure grew strongly. In view of soft property market and stable rental after the introduction of demand management measures by the Hong Kong Government in February 2013, inflation held steady. Externally, the US economy did not get out of difficulties entirely and the eurozone economy slipped into recession leading to persistent uncertain global economic outlook. The Mainland economy obviously slowed down due to weak external demand. In the light of complicated economic conditions, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2013, the Group recorded a net interest income of HK\$1,360 million, representing a year-on-year increase of 7.5% as compared with the corresponding period of 2012, which was mainly attributable to the increase in loan amount; the net interest margin for the first half of 2013 was 1.52%, down by 5 basis points as compared with that for the year of 2012. Net non-interest income was HK\$651 million, representing an increase of 11.8% as compared with the corresponding period of 2012. Net fees and commission income amounted to HK\$315 million, representing an increase of 47.6% as compared with the corresponding period of 2012, primarily attributable to the increase in the income from securities brokerage, investment services and loan services. Insurance business posted net operating income of HK\$66.53 million, representing an increase of 15.3% as compared with the corresponding period of 2012. During the period, the Group also recorded fair value gains on investment properties of HK\$265 million.

As at 30 June 2013, total assets of the Group increased by 18.0% to HK\$210.9 billion as compared to the end of 2012 (as restated). Total deposits from customers of the Group increased by 9.2% to HK\$144.2 billion as compared with that at the end of 2012. Total advances to customers, including trade bills, grew by 22.3% to HK\$121.4 billion as compared with that at the end of 2012. Overall loan quality remained sound with an impaired loan ratio of 0.09%.

As at 30 June 2013, the total capital ratio and tier 1 capital ratio of the Group were 13.8% and 9.1% respectively, and the average liquidity ratio for the reporting period was 40.6%, all above statutory requirements.

Being a member of the China Merchants Bank (“CMB”) group, the Bank not only receives strong support from CMB, but also expands its horizon for future business expansion. The Bank will strive to realize synergy effects through further collaboration with CMB, strengthening cross-border business coordination and enhancing key competencies. Meanwhile, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to enhance competitive edge and boost overall profit growth.

Note: The 2013 Interim Financial Disclosure Statements of Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules has been published on Wing Lung Bank’s website. The standard disclosure templates specified by the Hong Kong Monetary Authority, and the main features and full terms and conditions of the Bank’s capital instruments will be published on Wing Lung Bank’s website before 30 September 2013.

Website: <http://www.winglungbank.com>

16 August 2013