

## **Wing Lung Bank 2010 Interim Results Announcement**

The Board of Directors of Wing Lung Bank Limited (“the Bank”) are pleased to announce that the Bank reported unaudited consolidated profit after tax of HK\$637 million for the six months ended 30 June 2010, representing a substantial increase of 39.1% from the same period of last year.

The Hong Kong economy remained buoyant in the first half of 2010. Retail sales continued to surge, exports accelerated and unemployment rate stayed at a 15-month low. Given the sluggish US economy and evolving sovereign debt crisis in Europe, the global economic outlook becomes uncertain. Against the complicated operating environment, the Bank was able to achieve remarkable results.

The Group recorded a net interest income of HK\$727 million for the six months ended 30 June 2010, representing an increase of 19.3% from the same period of last year. The increase was mainly attributable to the growth in loan balance of 29.1% on average as compared to the first six months of the previous year. The net interest margin increased by 9 basis points to 1.34% for the first half of the year. Net fees and commission income increased by 6.3% from the same period of the previous year. The insurance business achieved an increase of 45.2% in net income over the corresponding period of the previous year.

As at 30 June 2010, total assets of the Group increased by 1.1% to HK\$118.6 billion as compared to the end of 2009. Total deposits of the Group decreased by 3.3% to HK\$89.2 billion as compared with that at the end of 2009. Total advances to customers, including trade bills, grew substantially by 19.1% to HK\$63.0 billion as compared with that at the end of 2009. Impaired loan ratio was 0.46%. The overall loan quality remained sound.

The consolidated capital adequacy ratio and core capital adequacy ratio as at the end of June 2010 were 15.4% and 9.8% respectively, and the average liquidity ratio for the period was 48.4%.

After acquisition by China Merchants Bank (“CMB”), the Bank focused on its integration with CMB. Coordinated business gradually started, and sign of synergies emerged. The Bank will strive to realize synergy through further collaboration with CMB, strengthening cross-border business coordination and enhancing key competencies. Besides, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to enhance competitive edge and profitability.

Note: The 2010 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.

Web site: <http://www.winglungbank.com>

18 August 2010