

Press release

Wing Lung Bank consolidated profit for 2007 amounted to HKD1,371,514,000, down 14.6% compared to 2006
Final dividend of HKD1.5 per share proposed

The Board of Directors of Wing Lung Bank Limited announced yesterday that the consolidated profit of the Group for 2007, after making provision for taxation amounted to HKD1,371,514,000, down 14.6% from the previous year. The Bank's core businesses recorded satisfactory growth in 2007; however, the impairment allowance made for structured investments and a lower revaluation surplus on investment properties adversely affected the Bank's profit performance.

The Board will propose a final dividend of HKD1.5 per share for 2007 at the forthcoming Annual General Meeting of the Bank to be held on 26 April 2008. This together with the interim dividend of HKD0.9 per share already paid in September last year makes a total dividend of HKD2.4 per share for the whole year.

The Register of Members will be closed from 18 April 2008 (Friday) to 26 April 2008 (Saturday), both days inclusive, during which period no transfer of shares will be registered.

In 2007, the Bank's total deposits, including structured deposits, increased by 13.2% to HKD71.1 billion. Certificates of deposit outstanding amounted to HKD3.3 billion. Total advances grew by 8.1% to HKD41.9 billion. Net interest margin dropped by 7 basis points under fierce competition, and the Bank registered a loan-to-deposit ratio of 56.1%.

The Bank cited in its 2007 operation results and financial review that the US sub-prime turmoil has brought about increased uncertainties to the global economy since the second half of 2007. However, the growing Mainland economy, continuing capital inflows, weakening US Dollar and falling local interest rates to track the US rate cuts helped reinforce domestic investment impetus and energize the local stock and property markets. The Group's net interest income rose by 6.6% in 2007. Securities business and wealth management business recorded strong growth, and the available-for-sale securities also gained handsome profits, contributing to the satisfactory growth of the Bank's non-interest income. However, an impairment allowance on the investment in structured investment vehicles was made under the indirect impact of sub-prime mortgage problem in the US, adversely affecting the Bank's profit performance.

The Bank reported an increase in consolidated total assets by 9.5% from 2006 year-end level. Return on average assets was 1.54%, return on average equity was 11.5%, and the Group's capital adequacy ratio at 31 December 2007 stood at 14.7%. The average liquidity ratio for the year was 46.8%.

Looking into 2008, despite tighter macro control measures, China will maintain its economic growth momentum. Hong Kong will certainly benefit from Mainland's rapidly expanding economy. For the current year, the Bank will step up its efforts in the development of non-interest income businesses, focusing on securities and wealth management businesses. The Bank has strengthened its strategic focus on further developing mainland businesses to capitalize on the vast business opportunities in the Mainland. The Bank's Shenzhen Branch rolled out Renminbi services in late 2007; with the approval of the China Banking Regulatory Commission, the Bank's Shanghai Representative Office was upgraded to a full branch, which started operation on 18 February 2008.

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