

## **Wing Lung Bank 2015 Interim Results Announcement**

Wing Lung Bank (“the Bank”) announced that the Group recorded an unaudited profit attributable to shareholders of HK\$1,812 million for the six months ended 30 June 2015, representing an increase of 16.0% as compared with the corresponding period of previous year.

Hong Kong economy grew moderately in the first half of 2015. Externally, the timing of US interest rate hike was uncertain. The European Central Bank has implemented the quantitative easing measures so as to revive the eurozone economy. The Greek debt crisis continued. Mainland economy saw a modest growth and economic restructures progressed steadily. In the light of complicated and dynamic economic conditions, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2015, the Group recorded a net interest income of HK\$2,043 million, representing a year-on-year increase of 6.7%, which was mainly attributable to the increase in average loan amount and the scale of interbank money market. The net interest margin for the first half of 2015 decreased by 7 basis points to 1.68% as compared with that for the corresponding period of 2014. Net non-interest income was HK\$1,016 million, representing a significant increase of 30.0% as compared with the corresponding period of 2014. Net fees and commission income amounted to HK\$474 million, representing an increase of 43.3% as compared with the corresponding period of 2014, which was primarily attributable to the increase in the income from securities brokerage and investment services as well as trade finance. Insurance business posted net operating income of HK\$110 million, representing an increase of 31.6% as compared with the corresponding period of 2014.

As at 30 June 2015, the total assets of the Group amounted to HK\$264.9 billion, representing an increase of 7.0% as compared with that at the end of 2014. Total deposits of the Group grew by 7.9% to HK\$197.9 billion as compared with that at the end of 2014. Total advances to customers, including trade bills, decreased by 2.4% to HK\$150.3 billion as compared with that at the end of 2014. Overall loan quality remained sound with an impaired loan ratio of 0.04%.

As at 30 June 2015, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 10.8%, 12.7% and 16.3% respectively, and the average liquidity maintenance ratio for the reporting period was 42.5%, all above statutory requirements.

Being a member of the China Merchants Bank (“CMB”) group, the Bank has strong parental support and a wider new horizon for business expansion. The Bank will strive to realize synergy effects through further collaboration with CMB, enhancing key competencies and strengthening cross-border business coordination. 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 2015 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.

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

25 August 2015