

Wing Lung Bank 2016 Interim Results Announcement

Wing Lung Bank (“the Bank”) announced that the Group recorded an unaudited profit attributable to shareholders of HK\$1,841 million for the six months ended 30 June 2016 representing an increase of 1.6% as compared with the corresponding period of previous year.

Hong Kong economy only saw a modest growth in the first half of 2016. Externally, the global economic recovery was difficult, with downside risk and uncertainties. The US economy grew slightly faster in the second quarter. The economic recovery in the Eurozone was still slow. The Mainland economy grew at a modest pace due to sluggish external environment and economic restructures. In the light of uncertain economic conditions, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2016, the Group recorded a net non-interest income of HK\$1,348 million, representing an increase of 32.6% as compared with the corresponding period of 2015. The net gains from foreign exchange trading amounted to HK\$390 million, representing a substantial increase of 207.8% as compared with the corresponding period of 2015. Insurance business posted net operating income of HK\$323 million, representing an increase of 193.1% as compared with the corresponding period of 2015. Net fees and commission income amounted to HK\$420 million, representing a decrease of 11.4% as compared with the corresponding period of 2015, which was primarily attributable to the decrease in the income from securities brokerage and investment services, trade finance as well as global financing consultancy business. The Group recorded a net interest income of HK\$1,661 million, representing a decrease of 18.7% as compared with the corresponding period of 2015, which was mainly attributable to the decrease in trade bills and overall interest margin.

As at 30 June 2016, the total assets of the Group amounted to HK\$237.9 billion, representing a decrease of 7.4% as compared with that at the end of 2015. Total deposits of the Group decreased by 4.8% to HK\$171.5 billion as compared with that at the end of 2015. Total advances to customers, including trade bills, decreased by 10.4% to HK\$131.0 billion as compared with that at the end of 2015. Overall loan quality remained sound with an impaired loan ratio of 0.23%.

As at 30 June 2016, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.4%, 14.2% and 17.6% respectively, and the average liquidity maintenance ratio for the reporting period was 39.5%, all above statutory requirements.

Being a member of the China Merchants Bank (“CMB”) group, the Bank has strong parental support and much room for further development. The Bank will strive to realise synergy effects through further integration and collaboration with CMB, promoting cross-border business coordination as well as enhancing key competencies. Moreover, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to strengthen its competitive edge and profitability.

Note: The 2016 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>

18 August 2016