

PRESS RELEASE**DATE: 18 AUGUST 2017****WING LUNG BANK 2017 INTERIM RESULTS ANNOUNCEMENT**

(Hong Kong, 18 AUGUST, 2017) – Wing Lung Bank (“the Bank”) announced that the Group recorded an unaudited profit attributable to shareholders of HK\$1,919 million for the six months ended 30 June 2017 representing an increase of 4.2% as compared with the corresponding period of previous year.

The Hong Kong economy showed an improving trend in the first half of 2017. Externally, the global economy continued to improve. The economic activity in the US attained moderate expansion. The euro economy grew modestly. Japan’s economic indicators registered slight improvement. The Mainland economy sustained its structural transformation and optimisation, staying firmly on track to attain medium-to-high growth. 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 2017, the Group recorded a net interest income of HK\$1,760 million, representing an increase of 5.9% as compared with the corresponding period of 2016, which was mainly attributable to the increase in loans and bond investment. However, the increase in net interest income was partly offset by the decrease in overall interest margin. The net interest margin for the first half of 2017 decreased by 11 basis points to 1.39% as compared with that for the corresponding period of 2016. Net non-interest income was HK\$1,162 million, representing a decrease of 13.8% as compared with the corresponding period of 2016. Net fees and commission income amounted to HK\$369 million, representing a decrease of 12.2% as compared with the corresponding period of 2016, which was primarily attributable to the decrease in net fees and commission income from credit business and credit card business.

As at 30 June 2017, total assets of the Group amounted to HK\$315.2 billion, representing an increase of 17.8% as compared with that at the end of 2016. Total deposits of the Group increased by 20.4% to HK\$221.8 billion as compared with that at the end of 2016. The balance of total advances to customers, including trade bills, of the Group increased by 10.8% to HK\$159.8 billion as compared with that at the end of 2016. Overall loan quality remained sound with an impaired loan ratio of 0.33%.

As at 30 June 2017, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 11.0%, 13.2% and 15.6% respectively, and the average liquidity maintenance ratio for the reporting period was 41.5%, 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 realise 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 2017 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.

- End -

About Wing Lung Bank:

Wing Lung Bank, founded in 1933, is among the oldest local Chinese banks in Hong Kong. Following its motto of “Progress with prudence, service with sincerity”, the Bank provides comprehensive banking services, including deposits, loans, private banking and wealth management, investment, securities, credit cards, NET Banking, Mobile Banking, syndicated loans, corporate financing, bills, hire-purchase and leasing, foreign exchange, insurance agency, Mandatory Provident Fund, etc. Wing Lung Bank also provides insurance broking and general insurance underwriting, property management, trustee, nominee as well as asset management services through its wholly-owned subsidiaries. At present the Bank has more than 40 banking business outlets in Hong Kong, Mainland China, Macau and overseas, and a staff force of more than 1,800 people. As at 30 June 2017, its consolidated total assets stood at HK\$ 315.2 billion. Wing Lung Bank has become a member of China Merchants Bank Group since 2008. China Merchants Bank, the 6th largest commercial bank by total assets in China, is currently among the top 100 banks in the world.

For more information about Wing Lung Bank, please visit the Bank’s website at www.winglungbank.com.

Media Enquiries:

Corporate Communications Department
Wing Lung Bank Limited
Telephone: (852) 2826 2767
Fax: (852)28697713
Email: corpcomm@winglungbank.com