

PRESS RELEASE**DATE: 23 MARCH 2018****WING LUNG BANK 2017 RESULTS ANNOUNCEMENT**

(Hong Kong, 23 March, 2018) –Wing Lung Bank (“the Bank”) announced that Wing Lung Bank Group (“the Group”) recorded a profit attributable to shareholders of HK\$3,858 million for 2017.

In 2017, Hong Kong economy expanded notably. Total export of goods recorded a significant growth. Private consumption expenditure continued to display strength and domestic demand stayed strong. The labour market remained in a state of full employment and tightened further. Inflation remained moderate. Externally the global economy continued to improve. The Mainland economy achieved stable and sound development and exceeded expectations. In 2017, the Bank realised synergy effects through strengthening collaboration with China Merchants Bank (“CMB”), promoting coordinated business and enhancing key competencies. Consequently, the Bank achieved remarkable results and established a solid foundation for building a cross-border financial service platform.

For the year ended 31 December 2017, the Group recorded a profit attributable to the shareholders of HK\$3,858 million, representing a year-on-year increase of 10.3%, which was mainly driven by the increase in net interest income and share of net profits of jointly controlled entities. During the year, net interest income was HK\$3,638 million, representing an increase of 5.5% as compared with that 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 year was 1.40%, down by 10 basis points as compared with that for the year of 2016. Net non-interest income was HK\$2,222 million, representing a decrease of 11.9% as compared with that of 2016.

As at 31 December 2017, total assets of the Group increased by 11.6% to HK\$298.8 billion when compared to that at the end of 2016. Total deposits from customers increased by 14.5% to HK\$211.0 billion, while total advances to customers, including trade bills, increased by 8.3% to HK\$156.2 billion as compared with that at the end of 2016. The impaired loan ratio was 0.55%.

As at 31 December 2017, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.2%, 14.4% and 18.2% respectively, and the average liquidity coverage ratio for the fourth quarter was 150.2%.

Looking ahead 2018, the global economy is generally optimistic but still clouds with uncertainties. Confronted by complicated and ever changing economic outlook, Hong Kong banking sector will see greater challenges ahead. The Bank will continue to maintain vigilance and strengthen its risk management. Great emphasis will be placed on tightening cost control measure, improving resources allocation, fine-tuning operation procedures and enhancing efficiency. Being a member of the CMB group, the Bank is privileged to have strong parental support and much room for further development. The Bank will strive to realise synergy effects through further strengthening collaboration with CMB. Meanwhile, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to strengthen competitive edge and enhance its profitability.

Note: The 2017 Annual Report of Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules has been published on Wing Lung Bank's website.

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About Wing Lung Bank Limited:

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, WLB Wintech mobile banking services, global cash management, 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 and 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 31 December 2017, its consolidated total assets stood at HK\$298.8 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.

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