

**PRESS RELEASE****DATE: 24 AUGUST 2018****WING LUNG BANK 2018 INTERIM RESULTS ANNOUNCEMENT**

*(Hong Kong, 24 AUGUST, 2018)* – Wing Lung Bank (“the Bank”) announced that the Group recorded an unaudited profit attributable to shareholders of HK\$1,253 million for the six months ended 30 June 2018 representing a decrease of 34.7% as compared with the corresponding period of previous year.

The Hong Kong economy showed a trend of sustained growth in the first half of 2018. Externally, the global economy maintained good momentum. The US economy grew steadily. The European economy grew modestly. The Mainland economy registered a stable performance with good momentum for growth in the first half of 2018. The Mainland adhered to the basic tune of seeking progress while maintaining stability, deepened the supply-side structural reform and sustained driving force transformation. External uncertainties increased given US escalated trade conflicts with the Mainland and expectations of faster US interest rate hikes. The operating environment was challenging for the banking sector.

For the six months ended 30 June 2018, the Group recorded a net interest income of HK\$2,225 million, representing an increase of 26.4% as compared with the corresponding period of 2017, which was mainly attributable to the increase in loans and interbank lending. The net interest margin for the first half of 2018 increased by 26 basis points to 1.65% as compared with that for the corresponding period of 2017. Net non-interest income was HK\$790 million, representing a decrease of 32.0% as compared with the corresponding period of 2017. Net fees and commission income amounted to HK\$459 million, representing an increase of 24.4% as compared with the corresponding period of 2017, which was primarily attributable to the increase in net fees and commission income from securities brokerage and investment services as well as trade finance business.

As at 30 June 2018, total assets of the Group amounted to HK\$302.9 billion, representing an increase of 1.4% as compared with that at the end of 2017. Total deposits of the Group increased by 2.9% to HK\$217.0 billion as compared with that at the end of 2017. The balance of total advances to customers, including trade bills, of the Group increased by 3.2% to HK\$161.3 billion as compared with that at the end of 2017. Overall loan quality remained sound with an impaired loan ratio of 0.64%.

As at 30 June 2018, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.4%, 14.6% and 17.8% respectively, and the average liquidity coverage ratio for the second quarter of 2018 was 150.8%, 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 strengthening the 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 2018 Interim Financial Disclosure Statements of Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules have been published on Wing Lung Bank’s website.

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**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, 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 services as well as asset management 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 30th June 2018, its consolidated total assets stood at HK\$302.9 billion. Wing Lung Bank has become a member of China Merchants Bank Group since 2008. China Merchants Bank 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](http://www.winglungbank.com).

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