

CMB WING LUNG BANK 2019 INTERIM RESULTS ANNOUNCEMENT

(Hong Kong, 23 AUGUST, 2019) –CMB Wing Lung Bank Limited (“the Bank”/“CMB Wing Lung Bank”) announced that the Bank and its subsidiaries (“the Group”) recorded an unaudited profit attributable to shareholders of HK\$2,261 million for the six months ended 30 June 2019, representing an increase of 80.4% as compared with the corresponding period of previous year.

Hong Kong economy saw a slowdown in the first half of 2019. Externally, the global economy remained sluggish. The growth in US economy slowed. Downward pressure on euro area economy increased. The Mainland economy maintained stable performance with momentum of progress, and performed within the reasonable range in the first half of 2019. The Mainland adhered to the working guideline of making progress while maintaining stability, focused on new development philosophy, advanced high quality development and fostered the supply-side structural reform. Confronted by complicated economic conditions, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2019, the Group recorded a net interest income of HK\$2,675 million, representing an increase of 20.2% as compared with the corresponding period of 2018, which was mainly attributable to the increase in loans and debt securities investment. The net interest margin for the first half of 2019 increased by 26 basis points to 1.91% as compared with that for the corresponding period of 2018. Net non-interest income was HK\$913 million, representing an increase of 15.6% as compared with the corresponding period of 2018, which was mainly attributable to the significant increase of 141.7% in net insurance operating income over the same period in 2018. Net fees and commission income amounted to HK\$468 million, representing an increase of 2.1% as compared with the corresponding period of 2018, which was primarily attributable to the increase in fees and commission income from credit related and trade finance business.

As at 30 June 2019, total assets of the Group amounted to HK\$325.4 billion, representing an increase of 3.5% as compared with that at the end of 2018. The Group’s total deposits from customers increased by 4.5% to HK\$231.2 billion as compared with that at the end of 2018. The balance of total advances to customers, including trade bills, of the Group increased by 7.1% to HK\$174.0 billion as compared with that at the end of 2018. Overall loan quality remained sound with an impaired loan ratio of 0.60%.

As at 30 June 2019, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 13.0%, 16.5% and 19.7% respectively, and the average liquidity coverage ratio for the second quarter of 2019 was 162.2%, 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, strengthening cross-border business coordination and enhancing key competencies. 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 2019 Interim Financial Disclosure Statements of CMB Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules have been published on CMB Wing Lung Bank’s website.

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About CMB Wing Lung Bank Limited:

CMB 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, CMBWLB Wintech mobile banking services, global cash management, syndicated loans, corporate financing, bills, hire-purchase and leasing, foreign exchange, insurance agency, Mandatory Provident Fund, etc. CMB 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 1,900 people. As at 30 June 2019, its consolidated total assets stood at HK\$325.4 billion. In 2008, CMB Wing Lung Bank was acquired by China Merchants Bank Co., Limited (“China Merchants Bank”). China Merchants Bank currently ranked 20th on the list of top 1,000 World Banks.

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

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