

CMB WING LUNG BANK 2019 RESULTS ANNOUNCEMENT

(Hong Kong, 20 March, 2020) – CMB Wing Lung Bank Limited (“the Bank”/“CMB Wing Lung Bank”) announced that the Bank and its subsidiaries (“the Group”) recorded a profit attributable to shareholders of HK\$3,987 million for 2019.

In 2019, the Hong Kong economy remained lackluster. Total export of goods fell. Private consumption fee and domestic demand retreated. The labour market was increasingly under pressure. The inflation rate rose. Externally, the global economy saw a slowdown. The Mainland adopted the general working guideline of making progress while maintaining stability, implemented the new development philosophy, focused on the supply-side structural reform and advanced high-quality development, maintaining general stable momentum with main projected targets for developments achieved. In 2019, the Bank realised synergy effects through strengthening collaboration with China Merchants Bank Co., Ltd. (“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 2019, the Group recorded a profit attributable to the shareholders of HK\$3,987 million, representing an increase of 23.8% as compared with that of 2018, which was mainly attributable to the increase in net operating income and decrease in impairment losses. During the year, net interest income was HK\$5,220 million, representing an increase of 9.6% as compared with that of 2018, which was mainly attributable to the increase in loans and debt securities investment. The net interest margin for the year was 1.78%, up by 4 basis points as compared with that for the year of 2018.

Net non-interest income was HK\$1,904 million, representing an increase of 33.8% as compared with that of 2018, which was mainly attributable to the increase in net insurance operating income by 148.6% to HK\$472 million when compared with that of 2018. Net trading gain increased by 139.4% to HK\$242 million as compared with that of 2018. Net fees and commission income amounted to HK\$869 million, representing an increase of 4.2% when compared with that of 2018, which was primarily attributable to the increase in fees and commission income from credit related and trade finance business. However, the increase was partly offset by the decrease in fees and commission income from securities brokerage and investment services in accordance with the market conditions.

As at 31 December 2019, total assets of the Group amounted to HK\$341.8 billion, representing an increase of 8.7% as compared with that at the end of 2018. Total deposits from customers increased by 9.9% to HK\$243.1 billion, while total advances to customers, including trade bills, by 14.0% to HK\$185.2 billion as compared with that at the end of 2018. The impaired loan ratio was 0.56%.

As at 31 December 2019, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.2%, 15.6% and 18.6% respectively, and the average liquidity coverage ratio for the fourth quarter and net stable funding ratio were 173.8% and 134.0% respectively.

Looking ahead into 2020, the global economy will be filled with uncertainties, with increasing downward pressures. Confronted by complicated and ever changing economic outlook, Hong Kong banking sector will see greater challenges ahead. The Bank will continue stay alert and strengthen its risk management. Great emphasis will be placed on tightening cost control measure, improving resources allocation, improving 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 Annual Financial Statements and the Regulatory Disclosures for the year ended 31 December 2019 containing all the information required by the Banking (Disclosure) Rules has 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 2,000 people. As at 31 December 2019, its consolidated total assets stood at HK\$341.8 billion. CMB 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 CMB Wing Lung Bank, please visit the Bank's website at www.cmbwinglungbank.com.

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