

CMB WING LUNG BANK 2020 INTERIM RESULTS ANNOUNCEMENT

(Hong Kong, 28 AUGUST, 2020) –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\$1,771 million for the six months ended 30 June 2020, representing a decrease of 21.6% as compared with the corresponding period of previous year.

Hong Kong economy remained sluggish in the first half of 2020 as the COVID-19 pandemic continued to hit global and local economic activities. Externally, the global economy has dealt a severe blow by the COVID-19 pandemic. The US economy and euro area economy slowed notably. With remarkable achievement in the prevention and control of the pandemic as well as the economic and social development, the Mainland economy overcame the adverse impact of the pandemic and shifted from slowing down to rising in the first half of 2020, with economic growth in the second quarter changing from negative to positive. The Mainland economy showed momentum of restorative growth and gradual recovery. Confronted by the negative effects brought about by the COVID-19 pandemic as well as the complicated and dynamic external economic conditions, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2020, the Group recorded a net non-interest income of HK\$1,177 million, representing an increase of 28.9% as compared with the corresponding period of 2019, which was mainly attributable to the increase in net fees and commission income by 22.3% to HK\$573 million as compared with the same period of 2019. Net fees and commission income from securities brokerage and investment services increased by 48.6%. Net trading gain also increased significantly to HK\$175 million over the same period in 2019. However, the increase was partly offset by the decrease in net insurance operating income as compared with the corresponding period of 2019. The net interest income was HK\$2,069 million, representing a decrease of 22.7% as compared with the corresponding period of 2019, which was mainly attributable to the decrease in net interest margin by 61 basis points to 1.30% as compared with the same period of 2019. During the reporting period, the average balance of loans, debt securities investment and customer deposits increased.

As at 30 June 2020, total assets of the Group amounted to HK\$371.5 billion, representing an increase of 8.7% as compared with that at the end of 2019. The Group’s total deposits from customers increased by 12.5% to HK\$273.5 billion as compared with that at the end of 2019. The balance of total advances to customers, including trade bills, of the Group increased by 4.8% to HK\$194.0 billion as compared with that at the end of 2019. Overall loan quality remained sound with an impaired loan ratio of 0.45%.



As at 30 June 2020, the Group's common equity tier 1 capital ratio was 13.0%; tier 1 capital ratio was 16.1%; the total capital ratio was 18.6%; the net stable funding ratio was 130.1%; and the average liquidity coverage ratio for the second quarter was 227.9%. All the aforementioned ratios were above the regulatory 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 2020 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 2,000 people. As at 30 June 2020, its consolidated total assets stood at HK\$371.5 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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