

CMB WING LUNG BANK 2021 INTERIM RESULTS ANNOUNCEMENT

(Hong Kong, 13 AUGUST, 2021) –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\$2,165 million for the six months ended 30 June 2021, representing an increase of 22.2% as compared with the corresponding period of previous year.

Hong Kong economy saw a visible recovery in the first half of 2021 given improving global economic conditions and receding local pandemic. Externally, the global economy continued to revive in the first half of 2021. The Mainland economy saw steady and sound growth momentum amid the effective containment of the pandemic, achievements made in the economic and social development, rapid growth of new driving force as well as enhancement in quality and efficiency. In the light of complicated and dynamic external environment as well as the evolution of the COVID-19 pandemic, the operating environment was challenging for the banking sector.

For the six months ended 30 June 2021, the Group recorded a net interest income of HK\$2,050 million, representing a decrease of 0.9% as compared with the corresponding period of 2020. The net interest margin increased by 3 basis points to 1.21% as compared with 1.18% for the whole year of 2020. During the reporting period, the average balance of loans, debt securities investment and customer deposits increased. Net non-interest income was HK\$1,157 million, representing a decrease of 1.7% as compared with the corresponding period of 2020. The decrease was mainly due to the slight loss arising from disposal of financial assets at fair value through other comprehensive income in the first half of 2021 as compared with the notable gain for the corresponding period of 2020 as well as the decrease in net trading gain as compared with the corresponding period of 2020. Net fees and commission income increased by 21.6% to HK\$697 million as compared with the corresponding period of 2020. Net fees and commission income from securities brokerage and investment services increased by 26.9%. Credit related fees and commission income increased by 20.7%. Net insurance operating income increased by 33.8% as compared with the corresponding period of 2020.

As at 30 June 2021, total assets of the Group amounted to HK\$383.7 billion, representing an increase of 1.0% as compared with that at the end of 2020. The Group’s total deposits from customers increased by 6.0% to HK\$286.3 billion as compared with that at the end of 2020. The balance of total advances to customers, including trade bills, of the Group increased by 5.0% to HK\$204.1 billion as compared with that at the end of 2020. Overall loan quality remained sound with an impaired loan ratio of 0.52%.

As at 30 June 2021, the Group's common equity tier 1 capital ratio was 13.5%; tier 1 capital ratio was 16.4%; the total capital ratio was 18.7%; the net stable funding ratio was 133.5%; and the average liquidity coverage ratio for the second quarter was 188.7%. All the aforementioned ratios were above the regulatory requirements.

The Bank will further deepen its strategic transformation and proactively integrate into the value chain cycle of extensive wealth management of China Merchants Bank. With the aim of enhancing customer service and creating value for customers, the Bank will accelerate the development of fintech, persistently strengthen its risk management capabilities as well as optimise the operation procedures and management mechanisms. Moreover, the Bank will also strictly control operating costs, maximise the utilisation of resources and put forward the implementation of green finance, so as to strengthen its competitive edge and profitability.

Note: The 2021 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 (formerly known as 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" App, global cash management, syndicated loans, corporate financing, bills, hire-purchase and leasing, foreign exchange, insurance agency, Mandatory Provident Fund, etc. At present, the Bank has over 40 banking business outlets and CMB Wing Lung Private Banking Centre in mainland China, Hong Kong, Macau and overseas, and a staff force of more than 2,000 people. As at 30 June 2021, its consolidated total assets amounted to HK\$383.7 billion. In 2008, CMB Wing Lung Bank was acquired by China Merchants Bank Co., Limited (China Merchants Bank). On the list of Top 500 Banking Brands of The Banker, CMB has jumped into the Top 10, ranking 9th in 2020.

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

Media Enquiries:

Corporate Communications Department
CMB Wing Lung Bank Limited
Telephone: (852) 2826 2767
Email: corpcomm@cmbwinglungbank.com