

## **Wing Lung Bank 2015 Results Announcement**

Wing Lung Bank announced that the Group recorded a profit attributable to shareholders of HK\$3,250 million for 2015.

The Bank noted that Hong Kong economy remained on a modest growth in 2015. Externally, the global economic growth was slow and uneven. The US economy grew moderately. The economic growth in Eurozone and Japan was slow. Downward pressure on emerging market economies persisted. The Mainland continued to optimise its economic structure, and its economic growth slowed down. In 2015, the Bank realised synergy effects through further collaboration with China Merchants Bank (“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 2015, the Group recorded a profit attributable to the shareholders of HK\$3,250 million, representing a year-on-year increase of 2.6%, which was mainly driven by the increase in non-interest income. During the year, net interest income amounted to HK\$3,870 million, representing a slight decrease of 0.7% as compared with that in 2014. The net interest margin for the year was 1.61%, down by 11 basis points as compared with that for the year of 2014. Net non-interest income was HK\$2,088 million, representing an increase of 24.7% as compared with that of 2014, which was primarily attributable to the increase in the income from securities brokerage and investment services and net trading gain.

As at 31 December 2015, the total assets of the Group increased by 3.8% to HK\$257.0 billion when compared to that at the end of 2014. Total deposits from customers decreased by 1.7% to HK\$180.2 billion, while total advances to customers, including trade bills, decreased by 5.2% to HK\$146.1 billion as compared with that at the end of 2014. The impaired loan ratio was 0.07%.

As at 31 December 2015, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 11.6%, 13.5% and 17.3% respectively, and the average liquidity maintenance ratio for the reporting period was 41.7%.

2016 is anticipated to be a year full of uncertainties. Confronted by complicated and uncertain economic outlook, Hong Kong banking sector will see greater challenges ahead. The Bank will continue to maintain vigilance and strengthen its risk management. Great emphasis will be placed on tightening cost control measure, effectively improving resources allocation, fine-tuning 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 integration and 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 profitability.

Note: The 2015 Annual Report of Wing Lung Bank containing all the information required by the Banking (Disclosure) Rules has been published on Wing Lung Bank’s website.

Website: <http://www.winglungbank.com>

30 March 2016