

PRESS RELEASE**DATE: 24 MARCH 2017****WING LUNG BANK 2016 RESULTS ANNOUNCEMENT**

(Hong Kong, 24 March, 2017) –Wing Lung Bank announced that the Group recorded a profit attributable to shareholders of HK\$3,497 million for 2016.

The Bank noted that Hong Kong economy recorded only moderate growth in 2016. Total exports of goods achieved a modest growth for 2016 as a whole. Domestic demand stayed strong and private consumption expenditure grew further. The labour market remained in a state of full employment throughout the year. Inflation eased slightly further. Externally, the global economy continued to grow slowly. The Mainland economy maintained a medium-high growth pace given the sustained strong domestic demand. In 2016, the Bank realized synergy effects through further collaboration with China Merchants Bank (“CMB”), actively promoting cross-border 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 2016, the Group recorded a profit attributable to the shareholders of HK\$3,497 million, representing a year-on-year increase of 7.6%, which was mainly driven by the increase in non-interest income. During the year, net non-interest income was HK\$2,523 million, representing an increase of 20.9% as compared with that of 2015. Insurance business posted a net operating income of HK\$680 million, representing a significant year-on-year increase of 164.8%. Net gain from foreign exchange trading increased by 38.3% to HK\$540 million. Net interest income amounted to HK\$3,449 million, representing a decrease of 10.9% as compared with that in 2015. The net interest margin for the year was 1.50%, down by 11 basis points as compared with that for the year of 2015.

As at 31 December 2016, total assets of the Group increased by 4.2% to HK\$267.7 billion when compared to that at the end of 2015. Total deposits from customers increased by 2.2% to HK\$184.3 billion, while total advances to customers, including trade bills, decreased by 1.3% to HK\$144.3 billion as compared with that at the end of 2015. The impaired loan ratio was 0.11%.

As at 31 December 2016, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 11.8%, 13.5% and 16.1% respectively, and average liquidity maintenance ratio for the reporting period was 39.8%.

Looking ahead 2017, the global economy will remain uncertain. In view of complex and ever-changing economic outlook, the operating environment continues to be challenging for the banking sector. The Bank will stay alert to the ever-changing operating environment and devote efforts to strengthen risk management capabilities, fine-tune operation procedures to enhance work efficiency, tighten cost control measure and improve resources allocation. Being a member of China Merchants Bank Group, the Bank has strong parental support and wide business scope 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 its competitive edge and enhance its profitability.

Note: The 2016 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.

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About Wing Lung Bank:

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, syndicated loans, corporate financing, bills, hire-purchase and leasing, foreign exchange, insurance agency, Mandatory Provident Fund, etc. Wing Lung Bank also provides insurance broking and general insurance underwriting, property management and trustee, nominee as well as 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 1,800 people. As at 31st December 2016, its consolidated total assets stood at HK\$267.7 billion. 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 Wing Lung Bank, please visit the Bank's website at www.winglungbank.com.

Media Enquiries:

Corporate Communications Department
Wing Lung Bank Limited
Telephone: 2826 2767
Fax: 2869 7713
Email: corpcomm@winglungbank.com