

CMB WING LUNG BANK 2020 RESULTS ANNOUNCEMENT

(*Hong Kong, 18 March, 2022*) – 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\$3,032 million for 2021.

In 2021, the Bank faced the COVID-19 pandemic and the complex and challenging business environment. Under the strong leadership of the Board of Directors, the Bank took the initiative to actively promote strategic transformation and fully integrated into the value chain cycle of extensive wealth management of our parent bank. Profits grew against the trend, achieved balanced development of quality, efficiency and scale, and achieved fruitful operating results.

For the year ended 31 December 2021, the profit attributable to the Group was HK\$3,032 million, representing an increase of 5.5% as compared with that of 2020. Net interest income and net non-interest income increased by 8.6% and 6.0% when compared with that of 2020, respectively.

In 2021, the Group recorded a net interest income of HK\$4,190 million, representing an increase of 8.6% as compared with that of 2020, which was mainly due to an increase of 5 basis points in net interest margin to 1.23%. During the year, average balances of loans, debt securities investments and customer deposits all increased.

Net non-interest income was HK\$2,275 million, representing an increase of 6.0% as compared with that of 2020, which was mainly attributable to the increase in net fees and commission income by 11.6% to HK\$1,215 million as compared with that of 2020. Net fees and commission income from securities brokerage and investment services increased by 9.8%. Fees and commission income from credit related business and trade finance increased by 9.0% and 28.1% respectively. Net insurance operating income also increased by 31.6% to HK\$452 million when compared with that of 2020. However, the increase was partly offset by the decrease in net trading income by 35.5% to HK\$239 million when compared with that of 2020.

As at 31 December 2021, total assets of the Group amounted to HK\$389.1 billion, representing an increase of 2.4% as compared with that at the end of 2020. Total customer deposits amounted to HK\$293.1 billion, representing an increase of 8.5% when compared with that at the end of 2020. Total advances to customers, including trade bills, increased by 5.2% to HK\$204.4 billion, as compared with that at the end of 2020.

As at 31 December 2021, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 14.5%, 17.3%, and 19.6% respectively, the net stable funding ratio was 132.6%, and the average liquidity coverage ratio for the fourth quarter was 159.9%, all above statutory requirements.

Looking ahead into 2022, the global economic recovery is still hindered by the COVID-19 epidemic and banks face uncertain operating environment. The Bank will strictly adhere to the bottom line of risk management and strengthen the risk management and control capabilities of the entire process; focus on six core businesses, continue to enhance competitiveness and influence; promote the transformation of asset-light banking business and build sustainable development capabilities.

Note: The Annual Financial Statements and the Regulatory Disclosures for the year ended 31 December 2021 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

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 has been evolving and contributing to the socio-economic development with great effort. Putting customers at the heart of the business, the Bank provides comprehensive banking services, including retail, private banking and wealth management, corporate finance, etc. Through its wholly owned subsidiaries, the Bank also provides asset management, insurance agency and general insurance services. At present, the Bank has over 30 banking business outlets and CMB Wing Lung Private Banking Centre in Hong Kong, its service outlet network also covers mainland China, Macau and overseas. The Bank owns a staff force of more than 2,000 people.

China Merchants Bank Co., Ltd. (CMB), the parent company of CMB Wing Lung Bank, is China's first joint-stock commercial bank wholly owned by corporate legal entities. In 2008, CMB Wing Lung Bank was acquired by CMB. In 2021, CMB ranked 14th on the list of “Top 1,000 World Banks 2021” released by The Banker (UK). CMB also received the award of the “Best Bank in China” by Euromoney for 3 consecutive years, in addition, it was also awarded the “Best Wealth Management Bank in China” in a row at the ceremony organized by Asian Banker.



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

Media Enquiries:

Executive Office (Board Office)

CMB Wing Lung Bank Limited

Telephone: (852) 2826 2767

Email: corpcomm@cmbwinglungbank.com