

Media Release

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Chong Hing Bank Announces 2019 Interim Results

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announced its interim results for the six months ended 30 June 2019. The Bank’s core businesses and financial position achieved stable growth, asset quality maintained sound, and total assets exceeded HK\$200 billion for the first time. The Bank’s profitability continued to improve as a result of the growth of the total operating income (by 8.6% compared with the same period in 2018) driven by an increase in net interest income, as well as effective cost control.

Chong Hing Bank is committed to developing the Mainland China market by actively expanding its cross-border financial services. Its total asset in the Mainland exceeded HK\$30 billion while deposit and loans increased by 8% and 11% respectively when compared with the end of 2018. Facing the massive development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area, the Bank will continue to expand its customer base in the Greater Bay Area, steadily strengthening its network distribution in the Mainland, and further develop its business in the Greater Bay Area. The Bank will advance the preparatory work for the opening of its Shanghai Branch and other sub-branches, thereby paving the way for establishing a Mainland-incorporated bank.

The Bank’s 2019 interim results are highlighted as follows:

- Operating profit after impairment allowances amounted to HK\$1,069 million, representing an increase of 6.4% over the same period last year.
- Net interest income at HK\$1,545 million was 13.6% higher than the same period last year.
- Profit attributable to equity owners amounted to HK\$905 million, representing an increase of 5.9% over the same period last year.
- Impaired loan ratio remains low. Capital adequacy ratio and liquidity maintenance ratio are above the relevant statutory requirements.

The major financial ratios for the first half of 2019 are as follows:

- Return on shareholders’ equity: 7.96% (annualised)
- Average liquidity maintenance ratio: 46.00%
- Total capital ratio: 17.76% as of 30 June 2019
- Tier 1 capital ratio: 14.31% as of 30 June 2019
- Loan to deposit ratio: 71.17% as of 30 June 2019

- An interim cash dividend of HK\$0.17 per share is declared for the six months ended 30 June 2019 (2018 interim cash dividend: HK\$0.17 per share).

Mr Zong Jianxin, Chief Executive of Chong Hing Bank, said, ‘Chong Hing Bank is progressively carrying forward its five-year strategic plan, constantly cultivating competitive advantages in cross-border business, establishing a number of frontline profit centres, pushing forward the diverse development of its operations in order to provide excellent and more competitive services and products for customers. Looking ahead, the Bank will grasp the opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area and capitalise on the abundant resources and regional network of its major shareholder Yuexiu Group and strategic shareholder Guangzhou Metro. While it continues to strengthen risk management, the Bank will proactively expand its business in the Mainland. In addition, the Bank will speed up its digital banking transformation and Fintech application, enabling the integration of Fintech and traditional business. Our goal is to achieve high quality development and create greater value as well as sustained profit growth for Chong Hing Bank.’

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank, said, ‘In the first half of 2019, facing complex and critical external economic changes, Chong Hing Bank continued to make persistent efforts to meet challenges. The Bank steadily promoted its core businesses and managed to achieve a satisfactory performance by strengthening risk prevention and controls, and deepening its reform and innovation. In the Top World Banks 2019 released by “The Banker” magazine, the Bank ranked among the top 400 for the first time, receiving recognition of its all-round strength from the international community. In the second half of this year, apart from further enhancing its risk management, Chong Hing Bank will adhere to its positioning as a provider of “cross-border expertise”, and launch innovative financial products and services to meet the challenges of the rapidly changing market and reinforce its presence in the Mainland market.’

For details of the 2019 interim results, please refer to the Bank’s announcement.

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About Chong Hing Bank

Chong Hing Bank Limited was founded in Hong Kong in 1948. The Bank has been listed on the mainboard of the Stock Exchange of Hong Kong (Stock code: 01111) since 1994. Together with its subsidiaries (Chong Hing Securities Limited and Chong Hing Insurance Company Limited), the Bank offers comprehensive commercial banking and financial services to individual and corporate customers, which include HKD and foreign currency deposits, credit, foreign exchange, wealth management, investment, securities, insurance, and other products and services. Besides, the Bank joined hands with a number of local financial institutions and is one of the founding members of BCT group which provides a full range of mandatory provident fund services to customers. The Bank currently operates a network of 39 branches in Hong Kong. It also has branches in Guangzhou, Shenzhen, Shantou and Macau, sub-branches in Guangzhou Tianhe, Foshan, Nansha and Hengqin, and representative offices in Shanghai and San Francisco.

Chong Hing Bank became a member of Yuexiu Group on 14 February 2014. Yuexiu Group was established in Hong Kong in 1985. As at the end of 2018, Yuexiu Group had total assets of RMB595.3 billion, making it one of the leading state-owned enterprise groups in Guangzhou in terms of economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’s website www.chbank.com.

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