

Media Release

Immediate Release

## Chong Hing Bank Announces 2015 Annual Results

(Hong Kong — 24 February 2016) Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announces its satisfactory annual results for the year ended 31 December 2015. The Bank’s operating profit before impairment allowances amounted to HK\$1,167 million and showed an improvement of 35% year on year.

The major financial ratios for 2015:

- Return on shareholders’ equity: 10.43%
  - Average liquidity maintenance ratio: 39.46%
  - Total capital ratio: 17.73% as of 31 December 2015
  - Tier 1 capital ratio: 15.22% as of 31 December 2015
  - Loan to deposit ratio: 59.01% as of 31 December 2015
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- Profit attributable to equity owners amounted to HK\$1,193 million, an increase of 51% over that for last year after excluding the profit from Chong Hing Bank Centre in 2014, translating into return on shareholders’ equity of 10.43% and earnings per share of HK\$2.06
  - Net interest income at HK\$1,779 million was 30% higher than last year, although net interest margin narrowed 5 basis points year on year to 1.53%, total assets grew by 18% to HK\$127,838 million with advances to customers increasing by 12% and investments in securities increasing by 90%
  - Net fee and commission income rose 36% to HK\$306 million mainly because of the 32% increase in fees and commission income arising from securities dealings to HK\$178 million
  - After a review of the asset portfolio, certain assets which were not considered essential to the core business lines had been sold with reasonable profits recorded in the year
  - Total loans and advances to customers increased by 12% or HK\$6,675 million to HK\$63,600 million, with loans for use in Hong Kong increased by HK\$4,637 million, trade finance reduced by HK\$3,116 million and loans for use outside Hong Kong increased by HK\$5,154 million. With careful management on the exposure to credit risk, asset quality of loans and advances continued to be good with impaired loan ratio at 0.04%
  - Total capital ratio increased from 15.94% in December 2014 to 17.73% in December 2015 after the rights issue exercise, the Tier 1 capital ratio was at 15.22% and the Common Equity Tier 1 capital ratio was at 12.60%
  - Total dividends for the financial year of 2015, including the interim cash dividend of HK\$0.21 per share paid in September 2015, amounted to HK\$0.58 per share (2014 total dividends: HK\$0.60 per share)

Mrs Leung Ko May Yee Margaret, Deputy Chairman and Managing Director of Chong Hing Bank, said, “Despite the increasing complexity of global financial markets, and the challenging environment in which it operated throughout 2015, the Bank continues to live the value of providing customer-centric and professional services while maintaining prudent risk management in the course of business development. During the year, the Bank had steadily expanded its business and delivered exceptional performance; operating profit before impairment allowances amounted to HK\$1,167 million and showed an improvement of 35% year on year. With careful management on the exposure to credit risk, asset quality of loans and advances continued to be good with impaired loan ratio at 0.04%, provision coverage of impaired loans and advances at 1,086.86%. Total assets grew by 18% to HK\$127,838 million; total customer deposits increased by 21% to HK\$99,392 million. Overall, the Bank’s core business lines and financial health are strong, asset quality sound, impaired loan ratio low, provision coverage high, and capital adequacy and liquidity ratios well above the relevant statutory requirements.”

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank, talked about the Chong Hing Bank’s future branch network plan and said, “In recent years, Yue Xiu Group is cultivating and developing its financial business. Leveraging on its unique strength of “Two Markets, Two Resources”, Yue Xiu has now established itself as one of Guangdong Province’s strongest financial holding groups. Since joining the Yue Xiu Group, Chong Hing Bank has successfully reformulated its business strategies and operating model, and achieved immediate success through introducing a sound risk management framework to support its expansion. The Bank has steadily expanded its Mainland business and has successfully opened sub-branches in Guangzhou, Foshan and Nansha. The Bank is currently establishing its Guangzhou Branch which will oversee our network of branches in the Mainland. With this strategically positioned headquarters in Guangzhou, the Bank is ideally positioned to expand its business in China.”

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**About Chong Hing Bank**

Chong Hing Bank (formerly known as “Liu Chong Hing Bank” ) was founded in 1948. The Bank is listed on the main board of the Hong Kong Stock Exchange. The Bank with its Head Office in Hong Kong and 46 local branches, together with its subsidiaries and affiliates, offers a wide range of banking solutions to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance, mandatory provident fund and other commercial banking products. The Bank has branches in Shantou and Macau, sub-branches in Guangzhou, Foshan and Nansha, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yue Xiu Group since 14 February 2014. Yue Xiu Group was established in Hong Kong in 1985. As at the end of 2014, Yue Xiu Group had total assets exceeding RMB300 billion, which is the largest state-owned enterprise group in Guangzhou in terms of asset size with leading performance in overall economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’ s website [www.chbank.com](http://www.chbank.com).

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For media enquiries, please contact:

Ms. Edith Chan

Corporate Communications Department

Chong Hing Bank

Tel: (852) 3768 1177

Email: [edithchan@chbank.com](mailto:edithchan@chbank.com)