

Media Release  
28 August 2020

For Immediate Release

## Chong Hing Bank Announces 2020 Interim Results

*Steady growth despite difficult environment*

*Mainland business maintains upward trend*

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announced its interim results for the six months ended 30 June 2020. The Bank’s core businesses recorded balanced development, with sound asset quality and solid operating fundamentals. The Bank’s total assets increased by 2.49% to HK\$218.1 billion as compared with the end of 2019, and total operating income grew by 1.74% to HK\$1,950 million over the same period of last year. Amid the challenging external environment, its business dimensions achieved steady growth. Customer deposits grew by 3.84% to HK\$168.9 billion compared with the end of 2019 while loans and advances to customers increased by 9.25% to HK\$129.0 billion. The Bank proactively expanded non-interest business, and non-interest income increased by 31.01% to HK\$487 million over the same period of last year, reflecting an optimised income structure.

Chong Hing Bank’s Mainland business has been focused on quality development, and with strengthened risk management under the current operating environment, its profitability continued to improve. The operating income of the Bank’s Mainland institutional business recorded an increase of 51.6% as compared with the same period last year. Customer deposits, and loans and advances to customers grew by 9.47% and 41.48% respectively as compared with the end of 2019, maintaining a continued upward trend. With the support of its substantial shareholder Yuexiu Group, Chong Hing Bank proactively explores business opportunities in the Mainland, strategically focusing on the Greater Bay Area. The Bank will continue to expand its outlet network in the Mainland and strive to establish a Mainland-incorporated bank soon so it can scale new heights in terms of its provision of integrated financial services.

The highlights of Bank’s 2020 interim results are as follows:

- Operating profit before impairment allowances amounted to HK\$1,167 million, representing an improvement of 0.09% from the corresponding period in 2019.
- Profit attributable to equity owners amounted to HK\$715 million, representing a decrease of 20.96% from the corresponding period in 2019.
- The Bank’s core businesses maintained balanced development, with prudent operations and sound asset quality, non-performing loan ratio remains low. Capital adequacy ratio and liquidity maintenance ratio are above the relevant statutory requirements.
- Earnings per share were HK0.64 (HK\$0.85 in 2019).

The major financial ratios for the first half of 2020 are as follows:

- Return on shareholders’ equity: 5.85%
- Average liquidity maintenance ratio: 45.19%
- Total capital ratio as of 30 June 2020: 16.40%
- Tier 1 capital ratio as of 30 June 2020: 13.61%
- Loan to deposit ratio as of 30 June 2020: 72.38%

- An interim cash dividend of HK\$0.11 per share is declared for the six months ended 30 June 2020 (2019 interim cash dividend: HK\$0.17 per share).

**Mr Zong Jianxin, Chief Executive of Chong Hing Bank**, said, ‘Facing the aggressive COVID-19 pandemic and the complex and volatile operating environment, Chong Hing Bank, with its solid and stable foundation, will continue to monitor the pandemic’s evolution and market conditions. Meanwhile, the Bank will take appropriate countermeasures to minimise the pandemic’s impact on the Bank, alleviate pressures facing customers, and ensure sustainable business operations of the Bank. I believe that Hong Kong’s economy will gradually stabilise after the pandemic subsides. The Bank will strategically invest resources, actively strengthen risk management and service to customers, accelerate its digital transformation and strive to improve profitability, thereby laying a solid foundation for future development.’

**Mr Zhang Zhaoxing, Chairman of Chong Hing Bank**, said, ‘Facing a tough operating environment in the first half of 2020, Chong Hing Bank adhered to its principle of prudent operations, strengthened risk prevention and control in all aspects and maintained a steady business development, aiming to provide quality financial services to its customers. Looking ahead to the second half of the year, Chong Hing Bank will make every effort to cope with the changes, maintain its operations in a prudent manner, actively prevent and manage risks associated with the pandemic as well as other risks, and accelerate structural optimisation and digital transformation. In addition, the Bank will speed up its development in the Mainland by further expanding its Mainland network and actively preparing for the establishment of a Mainland-incorporated bank, with an eye to adding new impetus to the Bank’s future development.’

For details of the 2020 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 main board of the Stock Exchange of Hong Kong (Stock code: 01111) since 1994. The Bank and its subsidiaries (including Chong Hing Securities Limited and Chong Hing Insurance Company Limited) offer comprehensive commercial banking and financial services to individual and corporate customers. These services include HKD and foreign currency deposits, credit, foreign exchange, wealth management, investment, securities and insurance, among other products. In addition, the Bank has joined hands with a number of local financial institutions and is one of the founding members of the BCT group, which provides a full range of mandatory provident fund services to customers. The Bank currently operates a network of more than 30 branches in Hong Kong. It also has branches in Guangzhou, Shenzhen, Shanghai, Shantou and Macau, sub-branches in Guangzhou Tianhe District, Foshan Nanhai District, Foshan Chancheng District, Nansha and Hengqin, and a representative office in 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 of end of 2019, the total assets of the Group amount to over RMB660 billion. Yuexiu Group was ranked 382nd in the “Top 500 Chinese Enterprises” list in 2019.

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

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