

4 March 2021

**Chong Hing Bank Announces 2020 Annual Results**  
*Steady growth in business scale*  
*Mainland China business achieves high-quality development*

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announced its annual results for the year ended 31 December 2020. The Bank’s core businesses remained strong, with stable capital base and sound asset quality. The Bank’s total assets increased by 9.46% year-on-year to HK\$232.9 billion. Despite the severe and complex operating environment, its business scale achieved steady growth. Customer deposits grew by 12.64% year-on-year to HK\$183.2 billion while loans and advances to customers increased by 20.58% year-on-year to HK\$142.4 billion. The contribution of non-interest business has continued to grow, and non-interest income increased by 17.40% year-on-year to HK\$882 million, reflecting a constantly optimised income structure.

Given the pace of Mainland China’s economic recovery, Chong Hing Bank’s Mainland business has continued its trend of fast expansion, and with the Bank’s enhanced capability in risk control, high-quality development was realised again in 2020. Its total assets in the Mainland recorded a marked increase of 31.71% to HK\$59.3 billion as compared with the end of 2019. The overall performance of the Bank’s Mainland institutions was satisfactory with operating income grew by 17.59% year-on-year. With the support of its controlling shareholder Yuexiu Group, Chong Hing Bank actively seizes the opportunities arising from the Greater Bay Area Development national strategy, focuses on developing its Mainland business as its core operation, steadily expands its network of outlets with two new sub-branches set up in Foshan Chancheng and Dongguan in the Greater Bay Area, and actively implements its plan of establishing a wholly-owned banking subsidiary in the Mainland.

**The highlights of the Bank’s 2020 annual results are as follows:**

- Operating profit after impairment allowances amounted to HK\$1,725 million, down by 23.28% year-on-year.
- Profit before tax fell by 23.00% to HK\$1,757 million compared with 2019.
- Profit attributable to equity owners amounted to HK\$1,480 million, a decrease of 22.13% from 2019.
- Cost to income ratio was at 43.62%.
- Earnings per share were HK\$1.34 (2019: HK\$1.80 per share).

The major financial ratios for 2020 are as follows:

- Return on shareholders’ equity: 6.01%
- Average liquidity maintenance ratio: 44.98%
- Total capital ratio as of 31 December 2020: 16.79%
- Tier 1 capital ratio as of 31 December 2020: 14.36%
- Loan to deposit ratio as of 31 December 2020: 73.65%

- Total dividends for the financial year of 2020, including the interim cash dividend of HK\$0.11 per share paid in October 2020, amounted to HK\$0.34 per share (2019 total dividends: HK\$0.58 per share).

**Zong Jianxin, Chief Executive of Chong Hing Bank**, said, ‘In the face of the rapid changes and challenges in the external environment, Chong Hing Bank will fully capitalise on its advantage of being based in the financial centre of Hong Kong, and actively seize the opportunities arising from the national strategic development to achieve stable and long-term development. The Bank will treat the Mainland business as its core operation, focus on the Greater Bay Area in its strategic development, improve the network of its Mainland institutions, strive for the establishment of a wholly-owned banking subsidiary in Mainland China, and make strategic breakthroughs in cross-border business and digital transformation, forming a dual core business structure in Hong Kong and the Mainland. In addition, the Bank will continue to pay close attention to the development of the pandemic and the market situation, strengthen overall risk control, provide professional financial services to customers, and create greater value for our shareholders.’

**Zhang Zhaoxing, Chairman of Chong Hing Bank**, said, ‘Amid the massive changes in the macro-environment in 2020, Chong Hing Bank upheld its strategies and actively addressed the fallout from the pandemic. The Bank prevented and controlled different types of risks in order to maintain its sound operations, and boosted its digital transformation. It also implemented a series of relief measures as well as devoting itself to its mission of providing quality products and services. Looking ahead to 2021, under the uncertain development of the pandemic and global economic instabilities, the Bank will continue its operation in a prudent and pragmatic manner, actively monitor and overcome the pandemic and other risks, optimise its business structure and accelerate its digital transformation. By that means it will improve its capability in comprehensive financial services for thriving in circumstances where both opportunities and challenges exist, laying the basis for a high-quality development when the pandemic is over. Given the promising prospect of China’s economic development based on solid foundation, and the Bank’s gradual expansion in its network of outlets across the Mainland, as well as its continued steady progress towards establishing a wholly-owned banking subsidiary in Mainland China, Chong Hing Bank’s development is set to scale new heights.’

For details of the 2020 annual 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, and sub-branches in Guangzhou Tianhe District, Foshan Nanhai District, Foshan Chancheng District, Nansha Area of Guangdong Pilot Free Trade Zone, Hengqin Area of Guangdong Pilot Free Trade Zone and Dongguan Nancheng District.

Chong Hing Bank became a member of Yuexiu Group on 14 February 2014. Yuexiu Group was established in Hong Kong in 1985. As of 30 June 2020, the total assets of the Group amount to RMB637.1 billion. Yuexiu Group was ranked 334th in the “Top 500 Chinese Enterprises” list in 2020.

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

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