

Press Release

For Immediate Release

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Chong Hing Bank Announces 2022 Annual Results
Continuous growth in business scale
Mainland China business maintains development momentum

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”) announced its annual results for the year ended 31 December 2022. The various businesses of Chong Hing Bank achieved a steady development, its financial position was strong and asset quality remained stable. In the face of the complex and volatile global economic situation, the Bank’s operating profit before impairment allowances increased by 24.07% year-on-year to HK\$3,133 million, with net interest income and net income from trading and investments having achieved a 21.26% year-on-year growth to HK\$3,984 million and a 14.46% year-on-year growth to HK\$466 million respectively. Given the rebound of Hong Kong dollar interest rates, net interest margin increased by 18 basis point to 1.53% year-on-year. Affected by the operating environment of certain industries, profit attributable to equity owners decreased by 24.03% to HK\$1,143 million, and the Bank has made appropriate provisions for the related risks. With the gradual recovery of economic activities, the Bank’s credit quality is expected to improve in a stable manner.

The Bank’s business scale continued its steady growth trend with total assets increased by 10.00% year-on-year to HK\$280.8 billion. Loans and advances to customers increased by 7.51% year-on-year to HK\$166.7 billion, and deposits from customers grew by 11.14% year-on-year to HK\$223.5 billion. The Bank continued to optimise its income structure, and non-interest income increased by 0.97% year-on-year to HK\$1,122 million.

The Bank proactively managed the impacts resulting from the pandemic and the economic environment, and focused on strengthening management on its Mainland institutions and adjusting strategies. The Bank’s Mainland business maintained its development momentum; the assets of its Mainland institutions rose by 19.45% year-on-year to over HK\$83 billion while operating income and profit before taxation increased by 22.94% and 87.08% year-on-year respectively. With a persistent increase in the number of customers, loans and advances to customers increased by 13.15% year-on-year, while deposits from customers grew by 17.73% year-on-year. The Bank’s national network has further improved. Following the successful opening of Beijing Branch, Zhongshan Sub-Branch and Shunde Sub-Branch, the Bank’s services now cover the Mainland first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, forming a network of “5 branches and 8 sub-branches” in Mainland China.

During the year, Yuexiu Group made a capital injection of HK\$1.75 billion to Chong Hing Bank, and subscribed for the tier 2 subordinated supplementary notes of US\$224 million issued by the Bank by way of private placement, demonstrating the continuous support of Yuexiu Group to the Bank's business development. As of 31 December 2022, the Bank's total capital ratio was at 17.62%, the Tier 1 capital ratio was at 16.02% while the Common Equity Tier 1 capital ratio was at 13.40%.

Zong Jianxin, Chief Executive of Chong Hing Bank, said, "The year 2023 marks the 75th anniversary of Chong Hing Bank. The Bank will uphold the business philosophy of seeking progress in a stable manner and aiming high. In view of the return to normalcy after the pandemic and the expected market trends, the Bank will strive to expand its customer base, introduce products and services that meet the needs of customers, leverage on the strength of its cross-border expertise, continue to promote the transformation of its retail business, and spare no effort in developing specialised and new corporate banking business. In addition, the Bank will continue to enhance its technological capabilities and digital transformation, strengthen its capabilities in customer service and value product development, and systematically build a platform for cross-border clearing and settlement, cross-border investment and financing, and cross-border risk management. As regards its Mainland business, the Bank will invest further resources into accelerating business development and continue to establish its presence in selected tier 2 cities in the Mainland and the Greater Bay Area."

Zhang Zhaoxing, Chairman of Chong Hing Bank, said, "Facing a volatile external environment and tough conditions as a result of the repeated resurgence of the pandemic in 2022, Chong Hing Bank realised quality development of its core businesses and at the same time achieved a significant breakthrough in its strategic nationwide layout by maintaining its operations in a prudent manner and enhancing its risk management. Looking to the future, Chong Hing Bank will actively manage multiple risks and challenges, focus on structural optimisation and digital transformation, and accelerate the development of its businesses to seize the opportunities presented by economic recovery. Mainland and cross-border businesses are the core drivers for the development of Chong Hing Bank. As such, the Bank will continue to broaden its cross-border expertise and expand its presence in core Mainland cities, exploring new openings for business development in the Greater Bay Area in particular and in the nation in general."

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Note: For details of the Bank's 2022 annual results and regulatory disclosures, please visit the Chong Hing Bank website.

About Chong Hing Bank

Chong Hing Bank Limited was founded in Hong Kong in 1948. The Bank was listed on the main board of the Stock Exchange of Hong Kong (Stock code: 01111) in 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, insurance and mandatory provident fund. The Bank currently operates a network of more than 30 branches in Hong Kong. It also has branches in Guangzhou, Beijing, Shenzhen, Shanghai, Shantou and Macau, and sub-branches in Guangzhou Haizhu District, Foshan Nanhai District, Foshan Shunde District, Nansha Area of Guangdong Pilot Free Trade Zone, Hengqin Area of Guangdong Pilot Free Trade Zone, Dongguan Nancheng District, Shenzhen Nanshan District and Zhongshan East District.

Chong Hing Bank became a member of Yuexiu Group on 14 February 2014. On 27 September 2021, Yuexiu Group completed its privatisation process of the Bank, which henceforth became a wholly-owned subsidiary of Yuexiu Group, and was delisted from the Stock Exchange of Hong Kong on 30 September 2021. Yuexiu Group was established in Hong Kong in 1985. As at end 2022, the statistical total assets of the Group amounted to over RMB960 billion. Yuexiu Group was ranked 262nd in the “Top 500 Chinese Enterprises” list in 2022.

For more information about Chong Hing Bank, please visit the Bank’s website www.chbank.com

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