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Chong Hing Bank Announces 2021 Annual Results*Steady growth in operating performance**Mainland China business maintains upward trend*

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”) announced its annual results for the year ended 31 December 2021. The development of the Bank’s core businesses remained steady, its financial position was strong and asset quality sound. Despite the complex and volatile macroeconomic environment, its operating results achieved stable growth with operating profit before impairment allowances increased by 17.60% year-on-year to HK\$2,525 million, and profit attributable to equity owners grew by 1.68% year-on-year to HK\$1,505 million. The increase in consolidated profit was mainly attributable to the increase of net interest income and net fee and commission income, which recorded a 12.27% year-on-year growth to HK\$3,286 million and a 21.90% year-on-year growth to HK\$529 million respectively. The net interest margin remained stable, slightly increasing by 1 basis point to 1.35% year-on-year.

The Bank’s business scale continued to achieve steady growth with total assets rose by 9.60% year-on-year to HK\$255.2 billion. With a stable customer base, loans and advances to customers recorded an increase of 8.91% year-on-year to HK\$155.1 billion, and deposits from customers grew by 9.75% year-on-year to HK\$201.1 billion. The Bank actively seized market opportunities while optimising its income structure, and non-interest income grew by 25.91% year-on-year to HK\$1,111 million.

Given the steady pace of Mainland China’s economic recovery, Chong Hing Bank actively developed its businesses in the Mainland and the business scale grew rapidly. The assets of the Bank’s Mainland institutions have increased by 18.55% year-on-year to over HK\$70 billion. The operating income of the Bank’s Mainland business continued its growth trend, accounting for 25.52% of the Bank’s operating income in 2021, as compared with 21.49% in 2020. Loans and advances to customers increased by 18.34% year-on-year, while deposits from customers grew by 23.61%. The establishment of outlets in the Mainland was implemented in an orderly manner. During the year, the Shenzhen Branch and the Guangzhou Haizhu Sub-branch were relocated, and the Shenzhen Nanshan Sub-branch was officially opened.

In 2021, Yuexiu Group completed the privatisation of Chong Hing Bank, and Chong Hing Bank has then become a wholly-owned subsidiary of Yuexiu Group. In addition, the Bank received a capital injection of HK\$5.3 billion from Yuexiu Group at the end of 2021, significantly enhancing its capital adequacy ratio and laying a solid capital foundation for its steady, long-term development. As of 31 December 2021, the Bank’s total capital ratio was at 19.17%, the Tier 1 capital ratio was at 16.80% while the Common Equity Tier 1 capital ratio was at 13.93%.

Zong Jianxin, Chief Executive of Chong Hing Bank, said, “In 2021, Chong Hing Bank reached an important milestone in its development history. With the completion of the privatisation process, Chong Hing Bank became a wholly-owned subsidiary of Yuexiu Group and was successfully delisted from the Hong Kong Stock Exchange, signifying greater flexibility in the Bank's future capital replenishment. The Bank received a capital injection of HK\$5.3 billion from Yuexiu Group after the delisting, which further strengthened the Bank's capital strength and laid a solid foundation for its long-term development. Looking ahead to 2022, Chong Hing Bank will adhere to its business philosophy of ‘seeking progress in a stable manner and aiming high’ in the face of a still complex operating environment, focusing on risk management and the pursuit of high-quality development. The Bank will strive for steady growth in its business performance and make solid progress towards achieving the goals of its strategic plan.”

Zhang Zhaoxing, Chairman of Chong Hing Bank, said, “The year 2021 saw the opening of China’s ‘14th Five-Year Plan’ as well as being a milestone year for the development of Chong Hing Bank. In the past year, Chong Hing Bank remained determined to seek progress in a stable manner and endeavoured to scale new heights of achievement. By continuing to consolidate its business foundation and uphold its strategies, the Bank made good progress in its core businesses, cross-border operations and digital transformation, and achieved a good beginning in its own ‘14th Five-Year Plan’. Looking ahead to 2022, Chong Hing Bank will build a solid foundation for its steady development and comprehensively drive a progressive and forward-looking risk management policy, and continue to improve its business structure by taking cross-border operations as the main focus, and digital development as the engine. The Bank will further expand its Mainland presence, demonstrating the Bank’s commitment to becoming an integrated commercial bank based in Hong Kong, covering the Greater Bay Area and facing the whole country.”

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Note: For details of the Bank’s 2021 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, Shenzhen, Shanghai, Shantou and Macau, and sub-branches in Guangzhou Haizhu District, Foshan Nanhai District, Foshan Chancheng District, Nansha Area of Guangdong Pilot Free Trade Zone, Hengqin Area of Guangdong Pilot Free Trade Zone, Dongguan Nancheng District and Shenzhen Nanshan 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 2021, the statistical total assets of the Group amounted to about RMB853.5 billion. Yuexiu Group was ranked 299th in the “Top 500 Chinese Enterprises” list in 2021.

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

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