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Chong Hing Bank Announces 2022 Interim Results*Core businesses remain sound
Steady growth in Mainland China business*

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”) announced its interim results for the six months ended 30 June 2022. The Bank’s core businesses achieved a balanced development, financial position remained strong and asset quality was sound. Despite the challenging business environment, on an unaudited and consolidated basis, the Bank’s operating profit before impairment allowances increased by 5.72% year-on-year to HK\$1,356 million. The increase was mainly attributable to the growth of net interest income and net income from trading and investments, which recorded a 6.34% year-on-year growth to HK\$1,705 million and a 29.30% year-on-year growth to HK\$286 million respectively. The profit attributable to equity owners decreased by 19.75% year-on-year to HK\$763 million. The net interest margin remained stable, increasing by 2 basis points to 1.35% year-on-year.

The Bank’s business scale continued to achieve steady growth with total assets rose by 4.82% to HK\$267.6 billion as compared with the end of 2021. With a stable customer base, loans and advances to customers recorded an increase of 1.32% to HK\$157.1 billion as compared with the end of 2021, and deposits from customers grew by 2.01% to HK\$205.1 billion. The income structure remained stable, and non-interest income decreased slightly by 1.18% year-on-year to HK\$606 million.

Given the steady pace of Mainland China’s economic recovery, Chong Hing Bank effectively strengthened its customer base and improved its operating efficiency by actively accelerating its Mainland business transformation and enhancing its cross-border expertise. The business scale of the Bank’s Mainland institutions grew rapidly, with its assets rose by 20.19% to over HK\$80 billion as compared with the end of 2021. The operating income of the Bank’s Mainland business continued its growth trend and increased by 23.90% year-on-year. Loans and advances to customers increased by 7.63% as compared with the end of 2021, while deposits from customers grew by 13.60%. The Bank continued to expand its network of outlets in the Mainland. Following the official opening of the Zhongshan Sub-Branch in June, the Beijing Branch will open later this year. It will be the fifth Mainland branch of Chong Hing Bank and with its opening, the Bank’s network will cover the four major first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, another important achievement in its nationwide development initiative.

In the first half of 2022, Yuexiu Group made another 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 in July, maintaining the Bank’s capital base and providing key support to the Bank’s sustainable development. As of 30 June 2022, the Bank’s total capital ratio was at 19.26%, the Tier 1 capital ratio was at 16.98% while the Common Equity Tier 1 capital ratio was at 14.24%.

Zong Jianxin, Chief Executive of Chong Hing Bank, said, “In the first half of 2022, Chong Hing Bank continued to receive strong support from its shareholder, Yuexiu Group, and a number of key projects have made progress in an orderly manner. The Bank will actively seize new opportunities arising from the developments in the banking industry. Meanwhile, it will focus on the Greater Bay Area for its strategic development, continue to drive the establishment of its Mainland institutions and deepen cross-border business and synergies to further improve banking services and product innovation, and realise the Bank’s corporate vision of becoming ‘an integrated commercial bank with cross-border expertise’.”

Zhang Zhaoxing, Chairman of Chong Hing Bank, said, “Chong Hing Bank demonstrated its determination to seek progress while maintaining stability and to pursue new heights of achievement in the first half of 2022. The Bank comprehensively enhanced its risk management, continuously improved its operations and service capability and faithfully offered quality cross-border financial services. Looking to the future, the Bank will cope with the volatile international political and economic situations and market environments with composure. The Bank will earnestly implement its policy of prudence and pragmatism, vigorously promote comprehensive and forward-looking risk management, and further improve its business structure and strengthen its digital transformation, so as to embrace challenges and create opportunities amid crises. Moreover, Chong Hing Bank will ride with the wind of the Greater Bay Area and other key national strategies, continue to focus on the development of Mainland business and cross-border business, and further deepen its presence in the Mainland’s core cities.”

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Note: For details of the Bank’s 2022 interim 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, 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 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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