

Chong Hing Bank Announces 2016 Annual Results

(Hong Kong — 28 February 2017) Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announces its annual results for the year ended 31 December 2016. The Bank achieved outstanding results, overall financial health remained strong, asset quality was sound, and impaired loan ratio remained low.

- Operating profit after impairment allowances amounted to HK\$1,487 million, an increase of 29% year-on-year.
- Profit attributable to equity owners amounted to HK\$1,420 million, an increase of 19% over that of last year, translating into return on shareholders’ equity of 9.61% and earnings per share of HK\$1.94.
- Net interest income increased by 15% and non-interest income increased by 23%.
- Cost to income ratio further improved to 45.9%.
- Total assets increased by 8% to HK\$137.8 billion, asset quality remained sound with low impaired loan ratio.
- Total capital ratio was at 16.32%, the Tier 1 capital ratio was at 14.16% and the Common Equity Tier 1 capital ratio was at 11.81%. The Bank was well capitalised with appropriate liquidity level.

The major financial ratios for 2016 are as follows:

- Return on shareholders’ equity: 9.61% (annualised)
- Average liquidity maintenance ratio: 40.59%
- Total capital ratio: 16.32% as of 31 December 2016
- Tier 1 capital ratio: 14.16% as of 31 December 2016
- Loan to deposit ratio: 67.4% as of 31 December 2016

- Total dividends for the financial year of 2016, including the interim cash dividend of HK\$0.15 per share paid in September 2016, amounted to HK\$0.54 per share (2015 total dividends: HK\$0.58 per share).

Mrs Leung Ko May Yee Margaret, Deputy Chairman, Managing Director and Chief Executive of Chong Hing Bank, said, “2016 had been a turbulent year. Despite a very complicated and volatile business environment, Chong Hing Bank continued to progress and paved the way for the future. The Bank commenced an upgrade of its information technology system and successfully launched the new system in the Mainland. Investment will continue with launches in stages in Hong Kong in the coming two years. The new system will improve operational efficiency and provide a platform to support the growing business and new products and services. The Bank will also invest into electronic and digital channels and aims to enhance the customer experience and provide customers with safe, reliable, convenient and efficient services. It is generally expected that the global economy in 2017 will continue to be confronted by uncertainties. Despite the uncertainties, there should also be opportunities in 2017. Leveraging its professional team, strengthened management structure and prudent risk management culture, the Bank will seize opportunities in delivering sustainable growth and reach new heights.”

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank talked about Chong Hing Bank’s long-term development plan and said, “2016 was an important year for the Bank as it embarked upon a five-year strategic plan to establish its long-term development direction and derive synergies with better efficiency. The Bank has defined its corporate vision of becoming an ‘integrated commercial bank with cross-border expertise’ and has a solid plan to achieve its goal. Leveraging on the strength of Yue Xiu Group, the Bank opened its Guangzhou Branch on 9 May 2016 to oversee the network of branches in the Mainland. This solidifies the Bank’s development plans in the Mainland. After active expansion, the Bank now has 3 branches and 4 sub-branches in the Pearl River Delta. In the coming years, subject to regulatory approval, Chong Hing Bank aims to open cross-location sub-branches in other key cities in Guangdong Province, as well as branches in other cities in the Mainland in line with its strategic plan.”

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About Chong Hing Bank

Chong Hing Bank (formerly known as “Liu Chong Hing Bank”) was founded in 1948. The Bank is listed on the main board of the Hong Kong Stock Exchange. The Bank with its Head Office in Hong Kong and 42 local branches, together with its subsidiaries and affiliates, offers a wide range of banking solutions to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance, mandatory provident fund and other commercial banking products. The Bank has branches in Guangzhou, Shenzhen, Shantou and Macau, sub-branches in Guangzhou Tianhe, Foshan, Nansha and Hengqin, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yue Xiu Group since 14 February 2014. Yue Xiu Group was established in Hong Kong in 1985. As at the end of 2015, Yue Xiu Group had total assets exceeding RMB400 billion, which is the largest state-owned enterprise group in Guangzhou in terms of asset size with leading performance in overall economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’s website www.chbank.com.

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