

Press Release

For Immediate Release

28 September 2023

Chong Hing Bank Announces 2023 Interim Results

*Achieves satisfactory performance in various operating income indicators
Significant increase of 62.26% year-on-year in net profit*

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”) announced its interim results for the six months ended 30 June 2023. Despite the challenging business environment, the Bank’s operating income increased by 20.53% year-on-year to HK\$2,785 million, with net interest income and net income from trading and investments achieved a 30.50% year-on-year growth to HK\$2,225 million and a 4.68% year-on-year growth to HK\$299 million respectively. Profit attributable to equity owners increased significantly by 62.26% year-on-year to HK\$1,239 million. Benefiting from the continuous rise of Hong Kong dollar interest rates, net interest margin increased by 23 basis points year-on-year to 1.58%. Driven by the prudent credit risk management, impairment losses on financial assets decreased by 12.76% and the overall asset quality remained stable.

The Bank’s business scale maintained steady growth with total assets rose by 2.77% to HK\$288.5 billion as compared with the beginning of 2023. With a stable deposit base, deposits from customers recorded an increase of 3.12% to HK\$230.5 billion as compared with the beginning of 2023, while loans and advances to customers remained at HK\$166.7 billion. As of 30 June 2023, the Bank’s total capital ratio was at 17.82%, the Tier 1 capital ratio was at 16.28% while the Common Equity Tier 1 capital ratio was at 13.73%. The Bank’s shareholder Yuexiu Group continued to support its business development, and made capital injections of total HK\$2 billion into the Bank in 2023. This demonstrated Yuexiu Group’s full confidence and solid support for the Bank’s operation and development.

With the resumption of business activities after re-opening of the Hong Kong-Mainland border, Chong Hing Bank's Mainland business has developed steadily, with continuously strengthening its cross-border services and synergy with Yuexiu Group to promote quality development of its Mainland business. The assets of its Mainland institutions exceeded HK\$90 billion and operating income was HK\$650 million, while net profit increased by 46.49% year-on-year to HK\$388 million. For the Mainland’s network extension, following the opening of the Guangzhou Panyu Sub-Branch in June 2023, the Bank is steadily preparing for the establishment of the Shenzhen Qianhai Sub-Branch and the Shanghai Hongqiao Sub-Branch. After the opening of the two sub-branches, the Bank will operate a total of 16 branches and sub-branches in the Mainland, marking the further expansion of Chong Hing Bank's Mainland network layout.

Zhang Zhaoxing, Chairman of Chong Hing Bank, said, “The year 2023 marks the 75th anniversary of the establishment of Chong Hing Bank. Standing at a new historical point, Chong Hing Bank will adhere to compliant and sound operations, deepen forward-looking risk management, make better use of the synergies with Yuexiu Group, and further enhance the value of integrated financial services through effective improvement of its business structure, thereby creating a new development path in the new situation in which the global economy and society gradually returns to normal. At the same time, Chong Hing Bank will continue to promote the in-depth development of its Mainland business, expand its presence in core Mainland cities, and take solid steps to build up the strength of its cross-border expertise, with a view to becoming a fully integrated commercial bank based in Guangzhou and Hong Kong with an in-depth layout in the Greater Bay Area and a nationwide network.”

Zong Jianxin, Chief Executive of Chong Hing Bank, said, “Stepping into 2023, Chong Hing Bank has closely monitored the business opportunities that arose alongside the economic recovery. The Bank proactively developed credit and cross-border businesses, optimised its credit risk control capabilities and maintained the balanced development of core businesses, thereby achieving a satisfactory performance in various indicators of operating income and scale in the first half of the year. Looking ahead, the Bank will systematically promote lean management, prioritise risk management and control, optimise its asset and liability structure, step up its efforts to expand customer groups in key industries, accelerate the establishment of Mainland branches and sub-branches and digital channels in the Mainland, and proactively expand its cross-border expertise. With the strong support from its shareholder Yuexiu Group, Chong Hing Bank will maintain its strategic focus on the Greater Bay Area throughout its development and adhere to the pursuit of long-term value with a view to achieving high quality and sustainable growth while providing its customers with high quality integrated products and services.”

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Note: For details of the Bank’s 2023 interim results and regulatory disclosures, please visit the Bank’s website www.chbank.com.

About Chong Hing Bank

Chong Hing Bank Limited was founded in Hong Kong in 1948. 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, Guangzhou Panyu 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 was listed on the main board of the Stock Exchange of Hong Kong in 1994 and 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. The statistical total assets of the Group amounted to about RMB965.2 billion in 2022. Yuexiu Group was ranked 235th in the “Top 500 Chinese Enterprises” list in 2023.

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

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