



香港分行  
HONGKONG BRANCH

**China Everbright Bank Co., Ltd.  
Hong Kong Branch**

**Interim Financial Information Disclosure Statement 2021**

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## Contents

Profit and loss information	2
Balance sheet information	3
Additional information	4
Consolidated financial information - China Everbright Bank Co., Ltd.	12
Other disclosures	13

## Profit and loss information

China Everbright Bank Hong Kong Branch

For the half year ended 30 June 2021

In compliance with the disclosure standards set out in the “Banking (Disclosure) Rules” issued by Hong Kong Monetary Authority (“HKMA”), the following key financial information (unaudited) has been provided. The information is also available at the Branch or the Branch’s website “<http://www.hkg.cebbank.com>” and the Public Registry of HKMA.

	<b>30 June 2021</b> <b>HK\$'000</b>	<b>30 June 2020</b> <b>HK\$'000</b>
Interest income	1,975,098	2,487,012
Interest expense	<u>(1,011,160)</u>	<u>(1,634,378)</u>
<b>Net interest income</b>	<b>963,938</b>	<b>852,634</b>
Gains less losses arising from dealing in foreign currencies	50,502	56,367
Gains less losses from other trading activities	24,012	2,638
Gains less losses on securities held for trading purposes	5,849	(8)
Gains less losses from non-trading investment	32,393	(2,293)
Net fee and commission income		
- Fee and commission income	169,969	103,665
- Fee and commission expenses	<u>(12,643)</u>	<u>(10,654)</u>
<b>Other operating income</b>	<b>270,082</b>	<b>149,715</b>
<b>Operating income</b>	<b>1,234,020</b>	<b>1,002,349</b>
Staff expenses	(143,007)	(134,429)
Rental expenses	(19,583)	(38,051)
Other operating expenses	<u>(36,273)</u>	<u>(31,745)</u>
<b>Operating expenses</b>	<b>(198,863)</b>	<b>(204,225)</b>
<b>Operating profit before impairment</b>	<b>1,035,157</b>	<b>798,124</b>
Net charge for impairment allowances	(47,231)	(32,441)
Gains less losses from the disposal of fixed assets	<u>-</u>	<u>8</u>
<b>Profit before taxation</b>	<b>987,926</b>	<b>765,691</b>
Taxation	<u>(166,091)</u>	<u>(127,278)</u>
<b>Profit after taxation</b>	<b>821,835</b>	<b>638,413</b>

## Balance sheet information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

	<b>30 June 2021</b> <b>HK\$'000</b>	<b>31 December 2020</b> <b>HK\$'000</b>
<b>Assets</b>		
Cash and balances with banks	35,114,672	32,574,309
Placements with banks maturing between one and twelve months	12,026,984	12,241,337
Amount due from overseas offices	36,531,751	25,405,896
Trade bills	966,927	771,991
Certificates of deposit held	16,818,871	13,953,390
Investment securities	52,707,646	49,328,680
Securities held for trading purposes	352,902	79,033
Advances and other accounts		
- Loans and advances to customers	72,641,426	70,039,919
- Accrued interest and other accounts	2,326,132	2,520,505
- Collectively assessed impairment allowances	(282,090)	(228,996)
- Individually assessed impairment allowances	(9,979)	(9,898)
Fixed assets	330,710	355,231
Deferred tax assets	51,155	42,006
<b>Total assets</b>	<b>229,577,107</b>	<b>207,073,403</b>
<b>Reserves and Liabilities</b>		
Deposits and balances from banks	61,815,168	60,054,419
Deposits from customers		
- Demand deposits and current accounts	1,843,353	1,107,604
- Savings deposits	7,281,292	5,799,444
- Time, call and notice deposits	67,158,928	70,321,762
Amount due to overseas offices	29,282,300	14,876,368
Certificates of deposit issued	29,680,161	26,263,134
Issued debt securities	24,458,963	20,687,694
Other accounts and provisions		
- Accrued interest and other provisions	2,496,986	3,245,827
<b>Total liabilities</b>	<b>224,017,151</b>	<b>202,356,252</b>
Reserves		
- Retained earnings and other reserves	4,738,121	3,351,008
- Profit for the year	821,835	1,366,143
<b>Total reserves and liabilities</b>	<b>229,577,107</b>	<b>207,073,403</b>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### i Impaired loans and advances to customers

	30 June 2021 <u>HK\$'000</u>	31 December 2020 <u>HK\$'000</u>
Gross impaired loans and advances to customers	9,979	9,898
As a % to total loans and advances to customers	0.01%	0.01%
Individually assessed impairment allowances	9,979	9,898
Market value of collateral	-	-

Impaired loans and advances to customers are individually determined to be impaired. The Head Office did not provide any impairment allowances which were allocated for the exposures maintained at the Branch.

Analysis of impaired loans and advances to customers by geographical segments:

Hong Kong	9,979	9,898
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### ii Loans and advances to customers

#### (a) Breakdown by industry sectors

	30 June 2021 <u>HK\$'000</u>	% covered by <u>collateral</u>	31 December 2020 <u>HK\$'000</u>	% covered by <u>collateral</u>
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	11,157,543	36	9,473,011	35
- Property investment	5,905,303	49	4,709,855	48
- Civil engineering works	199,131	30	-	-
- Financial concerns	26,085,265	4	25,544,114	8
- Wholesale and retail trade	1,662,582	52	1,822,274	35
- Manufacturing	843,827	33	842,881	33
- Electricity and gas	621,180	-	232,554	-
- Hotels, boarding houses & catering	170,000	12	150,000	-
- Recreational activities	56,000	100	110,775	100
- Transport and transport equipment	1,562,963	-	1,722,770	-
- Others	3,283,279	6	2,574,969	7
Individuals				
- Others	685,120	100	374,898	100
Trade finance	757,264	24	860,398	17
Loans and advances for use outside Hong Kong	19,651,969	3	21,621,420	10
	<u>72,641,426</u>	<u>15</u>	<u>70,039,919</u>	<u>16</u>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### ii Loans and advances to customers (continued)

#### (b) Breakdown by geographical segments

	<b>30 June 2021</b> <b>HK\$'000</b>	<b>31 December 2020</b> <b>HK\$'000</b>
Hong Kong	59,766,794	56,626,308
Mainland China	9,393,017	10,260,848
Others	3,481,615	3,152,763
	<b><u>72,641,426</u></b>	<b><u>70,039,919</u></b>

The above analysis is based on the location of the counterparties after taking into account the transfer of risk. In general, the transfer of risk applies when an advance is guaranteed by a party in a country which is different from that of the counterparty.

### iii Overdue, rescheduled and repossessed assets

#### (a) Overdue loans and advances to customers

	<b>30 June 2021</b> <b>HK\$'000</b>	<b>31 December 2020</b> <b>HK\$'000</b>
Overdue loans and advances to customers		
- more than 1 year	9,979	9,898
As a % to total loans and advances to customers	0.01%	0.01%
Impairment allowances made	9,979	9,898
Market value of collateral	-	-
Covered portion of overdue loans and advances to customers	-	-
Uncovered portion of overdue loans and advances to customers	9,979	9,898

Analysis of gross overdue loans and advances to customers by geographical segments:

Hong Kong	9,979	9,898
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#### (b) Overdue debt securities

	<b>30 June 2021</b> <b>HK\$'000</b>	<b>31 December 2020</b> <b>HK\$'000</b>
Overdue debt securities		
- more than 3 months but not more than 6 months	-	10,234
- more than 6 months but not more than 1 year	15,410	-

Analysis of gross overdue debt securities by geographical segments:

Hong Kong	15,410	10,234
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## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### iii Overdue, rescheduled and repossessed assets (continued)

#### (c) Rescheduled and repossessed assets

As at 30 June 2021 and 31 December 2020, the Branch has no rescheduled advances, and no repossessed assets.

### iv International claims

	30 June 2021				
	<u>Banks</u> <u>HK\$'000</u>	<u>Official</u> <u>sector</u> <u>HK\$'000</u>	<u>Non-bank</u> <u>financial</u> <u>institutions</u> <u>HK\$'000</u>	<u>Non-</u> <u>financial</u> <u>private</u> <u>sector</u> <u>HK\$'000</u>	<u>Total</u> <u>HK\$'000</u>
Developing Asia and Pacific					
of which Mainland China	88,092,889	2,593,642	11,087,883	25,375,325	127,149,739
Offshore centres					
of which Hong Kong	6,169,756	-	13,817,520	15,840,272	35,827,548
	31 December 2020				
	<u>Banks</u> <u>HK\$'000</u>	<u>Official</u> <u>sector</u> <u>HK\$'000</u>	<u>Non-bank</u> <u>financial</u> <u>institutions</u> <u>HK\$'000</u>	<u>Non-</u> <u>financial</u> <u>private</u> <u>sector</u> <u>HK\$'000</u>	<u>Total</u> <u>HK\$'000</u>
Developing Asia and Pacific					
of which Mainland China	79,137,909	2,544,057	9,975,122	23,776,154	115,433,242
Offshore centres					
of which Hong Kong	5,321,527	-	11,554,232	18,106,128	34,981,887

International claims by types of counterparties after risk transfer, amounting to 10% or more of the total aggregate international claims, are disclosed. For a claim guaranteed by a party situated in a country different from the counterparty, the risk will be transferred to the country of the guarantor. For a claim on an overseas branch of a bank whose head office is located in another country, the risk will be transferred to the country where its head office is located.

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### v Non-bank Mainland exposures

	30 June 2021			
	On-balance sheet exposures <u>HK\$'000</u>	Off-balance sheet exposures <u>HK\$'000</u>	Total <u>HK\$'000</u>	Individually assessed impairment allowances <u>HK\$'000</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	32,637,504	1,652,805	34,290,309	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	14,408,420	776,358	15,184,778	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	23,477,640	1,486,673	24,964,313	9,979
4. Other entities of central government not reported in item 1 above	7,395,467	707,040	8,102,507	-
5. Other entities of local governments not reported in item 2 above	2,040,168	-	2,040,168	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,934,093	10,252	2,944,345	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,445,525	74,933	2,520,458	-
<b>Total</b>	<b><u>85,338,817</u></b>	<b><u>4,708,061</u></b>	<b><u>90,046,878</u></b>	<b><u>9,979</u></b>
<b>Total assets after provisions</b>	<b>229,577,107</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>37.17%</b>			



## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### v Non-bank Mainland exposures (continued)

31 December 2020				
	On-balance sheet exposures <u>HK\$'000</u>	Off-balance sheet exposures <u>HK\$'000</u>	Total <u>HK\$'000</u>	Individually assessed impairment allowances <u>HK\$'000</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	28,398,607	1,064,408	29,463,015	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	13,379,351	410,747	13,790,098	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	23,001,319	814,963	23,816,282	9,898
4. Other entities of central government not reported in item 1 above	6,558,580	851,785	7,410,365	-
5. Other entities of local governments not reported in item 2 above	1,599,997	-	1,599,997	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,481,300	68,216	3,549,516	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,234,182	171,146	3,405,328	-
<b>Total</b>	<b><u>79,653,336</u></b>	<b><u>3,381,265</u></b>	<b><u>83,034,601</u></b>	<b><u>9,898</u></b>
<b>Total assets after provisions</b>	<b>207,073,403</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>38.47%</b>			

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### vi Currency risk

30 June 2021

	USD HK\$'000	CNY HK\$'000	EUR HK\$'000	JPY HK\$'000	GBP HK\$'000	Total HK\$'000
Spot assets	125,289,809	41,477,672	11,242,909	80,588	97,836	178,188,814
Spot liabilities	(146,032,030)	(36,875,613)	(582,990)	(606)	(249,225)	(183,740,464)
Forward purchases	69,174,482	34,626,536	1,757,638	-	161,851	105,720,507
Forward sales	(47,584,178)	(39,235,786)	(12,361,281)	(55,930)	-	(99,237,175)
Net options position	6,813	(6,536)	-	-	-	277
Net long (short) position	<u>854,896</u>	<u>(13,727)</u>	<u>56,276</u>	<u>24,052</u>	<u>10,462</u>	<u>931,959</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

31 December 2020

	USD HK\$'000	CNY HK\$'000	EUR HK\$'000	JPY HK\$'000	GBP HK\$'000	Total HK\$'000
Spot assets	110,767,614	30,891,690	16,730,339	1,593,275	24,490	160,007,408
Spot liabilities	(137,325,479)	(20,191,309)	(3,440,922)	(217,352)	(274,406)	(161,449,468)
Forward purchases	63,895,968	29,275,309	3,891,973	-	544,972	97,608,222
Forward sales	(36,501,180)	(39,961,272)	(17,127,832)	(1,367,510)	(280,423)	(95,238,217)
Net options position	(15,864)	184	15,680	-	-	-
Net long (short) position	<u>821,059</u>	<u>14,602</u>	<u>69,238</u>	<u>8,413</u>	<u>14,633</u>	<u>927,945</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net position in particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies. The net options position is calculated using the delta equivalent approach. As at 30 June 2021 and 31 December 2020, there was no structural position.

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### vii Off-balance sheet exposures

#### (a) Contingent liabilities and commitments

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Direct credit substitutes	-	36,231
Trade-related contingencies	1,639,257	1,138,866
Other commitments	26,059,069	21,526,156
Others	3,696,021	-

#### (b) Derivatives

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Contract amount		
- Exchange rate contracts	131,183,451	102,634,319
- Interest rate contracts	13,098,201	14,981,961
Fair value		
- Exchange rate contracts	200,882	(469,384)
- Interest rate contracts	(65,825)	(209,252)

The contract amounts of derivatives indicate the volume of transactions outstanding as at the balance sheet date, they do not represent amounts at risk.

The above exposures do not take into account the effects of bilateral netting arrangements.

## Additional information

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China Everbright Bank Hong Kong Branch

As at 30 June 2021

### viii Liquidity information

	For the quarter ended 30 June 2021	For the quarter ended 30 Jun 2020
Average liquidity maintenance ratio	<u>72.77%</u>	<u>51.90%</u>
Average core funding ratio	<u>174.91%</u>	<u>130.96%</u>

The average liquidity maintenance ratio and average core funding ratio is the simple average of each calendar month's average liquidity maintenance ratio and average core funding ratio respectively, and as reported in the return relating to the Liquidity Position and the Stable Funding Position submitted by the Branch to HKMA pursuant to Section 63 of the Banking Ordinance in respect of the reporting period.

#### Liquidity information disclosures: Approach to liquidity risk management

Following the Head Office's policies and procedures whereby the centralized and decentralized ways of monitoring and management structure are set out, the Branch's Liquidity Risk Management Policy is formulated to outline the liquidity strategy and goals specific to the local business environment and conditions. The Branch also follows the guidance set forth by the HKMA in Supervisory Policy Manual ("SPM") LM-2 "Sound Systems and Controls for Liquidity Risk Management".

The local liquidity risk management framework is determined by the local Asset and Liability Committee which comprises the senior management key members and conducts meeting on a regular and when necessary basis to review and deliberate important liquidity risk management matters.

The liquidity and funding requirements are managed in a manner that ensures the Branch meets all local statutory requirements, internal risk limits and guidelines.

Net funding exposures are managed through regular reviews of projected cash flows. Cumulative cash flow profiles under normal and stress conditions across different horizons are monitored against limits for each of these scenarios. The Policy also provides a framework for the management of market access and contingency planning to withstand a liquidity crisis.

## Consolidated financial information – China Everbright Bank Co., Ltd.

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### I Capital adequacy ratio and Shareholders' funds

	<b>30 June 2021</b> <b><u>RMB million</u></b>	<b>31 December 2020</b> <b><u>RMB million</u></b>
Capital adequacy ratio	13.45%	13.90%
Equity attributable to equity holders of the Bank	462,539	453,449

The capital adequacy ratio above is calculated in accordance with the guidelines issued by the China Banking and Insurance Regulatory Commission, and is not calculated according to the documents as stated in Section 105(a) of the Banking (Disclosure) Rules.

### II Other financial information

	<b>30 June 2021</b> <b><u>RMB million</u></b>	<b>31 December 2020</b> <b><u>RMB million</u></b>
Total assets	5,772,796	5,368,110
Total liabilities	5,308,658	4,913,112
Total loans and advances	3,238,622	3,009,482
Total customer deposits	3,692,419	3,480,667
	<b>30 June 2021</b> <b><u>RMB million</u></b>	<b>30 June 2020</b> <b><u>RMB million</u></b>
Pre-tax profit	27,186	22,038

1 RMB = 1.20068193 HKD at 30 June 2021

1 RMB = 1.19091733 HKD at 31 December 2020

1 RMB = 1.09541073 HKD at 30 June 2020



## Other disclosures

China Everbright Bank Hong Kong Branch

As at 30 June 2021

### Remuneration

China Everbright Bank Co., Ltd. Hong Kong Branch (“Hong Kong Branch”) has adopted the remuneration policy and principles stipulated by China Everbright Bank Head Office (“Head Office”). In determining the remuneration details for Hong Kong Branch, various factors such as but not limited to the Human Resources Remuneration policy, principles and budget cascaded from Head Office, business plan in Hong Kong Branch, local market practice, supply and potential of local talents, and related risk factors have been taken into account. Deferral policy/payment is in place for senior management, in compliance with the requirements from Head Office.

In Hong Kong Branch, the variable remuneration is linked to branch-wide, departmental and individual performance and achievement. As stipulated by Head Office, the balanced scorecard approach is adopted to measure the performance on a branch and individual level, covering financial and non-financial factors. In the branch-wide scorecard, key performance parameters such as Net Profit, Return on Asset, Operating Income, Non-Performing Loan, Operating Expenses, Risk and Internal Control and Non-compliance cases. In the individual performance scorecard, key performance parameters include Financial, Customers, Operational Effectiveness & Control and Learning & Growth. Hong Kong Branch will conduct periodic performance review with individual staff and determine their variable remuneration based on the agreed performance objectives and actual achievements.

There was no guaranteed bonus/sign-on award/severance payment for our senior management and key personnel in Hong Kong Branch during the first half of 2021 and 2020. The aggregate amounts of fixed and variable remuneration of senior management and key personnel for the half year ended 30 June 2021 and 30 June 2020 are set out in the table below:

For 4 senior management and 5 key personnel Period: 1 January 2021 – 30 June 2021		
Total value of remuneration awards for the half year ended 30 June 2021	Non-deferred HK\$'000	Deferred HK\$'000
Fixed remuneration <sup>(1)</sup>		
• Cash-based	9,027	N/A
Variable remuneration <sup>(2)</sup>		
• Cash-based	8,644	1,504 (vested) 2,683 (unvested)

For 4 senior management and 5 key personnel Period: 1 January 2020 – 30 June 2020		
Total value of remuneration awards for the half year ended 30 June 2020	Non-deferred HK\$'000	Deferred HK\$'000
Fixed remuneration <sup>(1)</sup>		
• Cash-based	9,754	N/A
Variable remuneration <sup>(2)</sup>		
• Cash-based	10,306	632 (vested) 2,861 (unvested)

Remarks:

- (1) Fixed remuneration includes base salary and allowance only.
- (2) Variable remuneration includes performance bonus and incentives only, and subject to deferment according to the policy set out by Head Office.



## Other disclosures

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China Everbright Bank Hong Kong Branch

As at 30 June 2021

### Statement of Compliance

In preparing the Interim Financial Information Disclosure Statement 2021, China Everbright Bank Co., Ltd. Hong Kong Branch has fully complied with the disclosure standards and guidance as set out respectively in the Banking (Disclosure) Rules and SPM CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority.



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Chen Linlong  
Chief Executive  
China Everbright Bank Co., Ltd. Hong Kong Branch

28 September 2021