



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

**Interim Financial Information Disclosure Statement 2022**

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## Profit and loss information

China Everbright Bank Hong Kong Branch

For the half year ended 30 June 2022

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 2022</b> <b>HK\$'000</b>	<b>30 June 2021</b> <b>HK\$'000</b>
Interest income	1,952,980	1,975,098
Interest expense	<u>(1,176,601)</u>	<u>(1,011,160)</u>
<b>Net interest income</b>	<b>776,379</b>	<b>963,938</b>
Gains less losses arising from dealing in foreign currencies	95,435	50,502
Gains less losses from other trading activities	42,234	24,012
Gains less losses on securities held for trading purposes	(32,939)	5,849
Gains less losses from non-trading investment	25,572	32,393
Net fee and commission income		
- Fee and commission income	75,387	169,969
- Fee and commission expenses	<u>(11,721)</u>	<u>(12,643)</u>
<b>Other operating income</b>	<b>193,968</b>	<b>270,082</b>
<b>Operating income</b>	<b>970,347</b>	<b>1,234,020</b>
Staff expenses	(149,340)	(143,007)
Rental expenses	(32,430)	(19,583)
Other operating expenses	<u>(37,790)</u>	<u>(36,273)</u>
<b>Operating expenses</b>	<b>(219,560)</b>	<b>(198,863)</b>
<b>Operating profit before impairment</b>	<b>750,787</b>	<b>1,035,157</b>
Net charge for impairment allowances	(39,469)	(47,231)
Gains less losses from the disposal of fixed assets	<u>35</u>	<u>-</u>
<b>Profit before taxation</b>	<b>711,353</b>	<b>987,926</b>
Taxation	<u>(117,337)</u>	<u>(166,091)</u>
<b>Profit after taxation</b>	<b>594,016</b>	<b>821,835</b>

## Balance sheet information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

	30 June 2022 <u>HK\$'000</u>	31 December 2021 <u>HK\$'000</u>
<b>Assets</b>		
Cash and balances with banks	56,188,000	34,977,798
Placements with banks maturing between one and twelve months	7,160,151	7,195,598
Amount due from overseas offices	28,469,989	39,961,220
Trade bills	741,093	1,101,987
Certificates of deposit held	4,744,886	9,762,758
Investment securities	51,478,447	48,035,352
Securities held for trading purposes	19,421	632,585
Advances and other accounts		
- Loans and advances to customers	70,829,353	71,815,125
- Accrued interest and other accounts	2,327,844	1,895,604
- Collectively assessed impairment allowances	(284,275)	(241,967)
- Individually assessed impairment allowances	(9,733)	(10,171)
Fixed assets	326,236	364,721
Deferred tax assets	39,915	45,417
<b>Total assets</b>	<b><u>222,031,327</u></b>	<b><u>215,536,027</u></b>
<b>Reserves and Liabilities</b>		
Deposits and balances from banks	78,428,714	62,400,341
Deposits from customers		
- Demand deposits and current accounts	2,055,707	2,802,678
- Savings deposits	7,019,199	5,751,725
- Time, call and notice deposits	60,125,254	74,062,808
Amount due to overseas offices	13,031,432	12,609,961
Certificates of deposit issued	32,995,975	24,981,868
Issued debt securities	20,789,913	24,558,503
Other accounts and provisions		
- Accrued interest and other provisions	1,903,448	2,039,769
<b>Total liabilities</b>	<b><u>216,349,642</u></b>	<b><u>209,207,653</u></b>
Reserves		
- Retained earnings and other reserves	5,087,669	4,629,328
- Profit for the year	594,016	1,699,046
<b>Total reserves and liabilities</b>	<b><u>222,031,327</u></b>	<b><u>215,536,027</u></b>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

### i Impaired loans and advances to customers

	<b>30 June 2022</b> <b>HK\$'000</b>	<b>31 December 2021</b> <b>HK\$'000</b>
Gross impaired loans and advances to customers	9,733	10,171
As a % to total loans and advances to customers	0.01%	0.01%
Individually assessed impairment allowances	9,733	10,171
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	9,733	10,171
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### ii Loans and advances to customers

#### (a) Breakdown by industry sectors

	<b>30 June 2022</b> <b>HK\$'000</b>	<b>% covered by collateral</b>	<b>31 December 2021</b> <b>HK\$'000</b>	<b>% covered by collateral</b>
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	5,011,977	15	5,117,767	31
- Property investment	4,151,812	65	5,501,546	50
- Civil engineering works	200,000	-	293,000	32
- Financial concerns	29,889,705	10	26,361,893	7
- Wholesale and retail trade	1,548,863	32	1,639,065	43
- Manufacturing	1,067,643	25	645,525	42
- Electricity and gas	356,959	-	222,196	-
- Hotels, boarding houses & catering	492,083	70	573,542	74
- Recreational activities	-	-	56,000	100
- Transport and transport equipment	716,904	-	1,827,270	-
- Others	2,770,739	5	2,503,077	2
Individuals				
- Others	1,113,747	100	1,075,577	100
Trade finance	1,905,171	9	1,396,978	16
Loans and advances for use outside Hong Kong	21,603,750	1	24,601,689	2
	<b>70,829,353</b>	<b>13</b>	<b>71,815,125</b>	<b>13</b>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

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

#### (b) Breakdown by geographical segments

	<b>30 June 2022</b> <b>HK\$'000</b>	<b>31 December 2021</b> <b>HK\$'000</b>
Hong Kong	60,656,205	59,998,628
Mainland China	8,373,841	8,790,773
Others	1,799,307	3,025,724
	<b>70,829,353</b>	<b>71,815,125</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>HK\$'000</b>	<b>30 June 2022</b> <b>% of total</b> <b>loans to</b> <b>customers</b>	<b>HK\$'000</b>	<b>31 December 2021</b> <b>% of total</b> <b>loans to</b> <b>customer</b>
Overdue loans and advances to customers				
- more than 3 months but not more than 6 months	395,377	0.56%	-	-
- more than 1 year	9,733	0.01%	10,171	0.01%
Total overdue loans and advances to customers	405,110	0.57%	10,171	0.01%

	<b>HK\$'000</b>	<b>HK\$'000</b>
Individually assessed impairment allowances made on overdue loans and advances to customers	9,733	10,171
Market value of collateral	126,020	-

Where collateral values are greater than the gross loan amount, only the amount of collateral up to the gross loan is included.

Covered portion of overdue loans and advances to customers	126,020	-
Uncovered portion of overdue loans and advances to customers	279,090	10,171

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

Mainland China	269,358	-
Hong Kong	135,752	10,171

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

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

#### (b) Overdue debt securities

	30 June 2022 <u>HK\$'000</u>	31 December 2021 <u>HK\$'000</u>
Overdue debt securities		
- more than 3 months but not more than 6 months	-	233,891
- more than 6 months but not more than 1 year	235,358	-
- more than 1 year	13,279	15,770

Analysis of gross overdue debt securities by geographical segments:

Mainland China	235,358	233,891
Hong Kong	13,279	15,770

#### (c) Rescheduled and repossessed assets

As at 30 June 2022 and 31 December 2021, the Branch has no rescheduled advances, and no repossessed assets.

### iv International claims

	30 June 2022				
	<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	71,872,957	532,189	10,197,448	24,953,116	107,555,710
Offshore centres					
of which Hong Kong	11,173,999	-	17,044,786	17,315,314	45,534,099
	31 December 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	78,208,079	564,873	8,918,047	24,901,629	112,592,628
Offshore centres					
of which Hong Kong	9,752,585	-	16,194,518	15,619,767	41,566,870

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

### iv International claims (continued)

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.

### v Non-bank Mainland exposures

	30 June 2022			
	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)	38,252,231	2,363,048	40,615,279	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	14,753,327	312,259	15,065,586	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	18,162,679	409,795	18,572,474	9,733
4. Other entities of central government not reported in item 1 above	5,558,797	649,764	6,208,561	-
5. Other entities of local governments not reported in item 2 above	696,067	-	696,067	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,773,417	115,325	1,888,742	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,298,335	12,684	1,311,019	-
<b>Total</b>	<b><u>80,494,853</u></b>	<b><u>3,862,875</u></b>	<b><u>84,357,728</u></b>	<b><u>9,733</u></b>
<b>Total assets after provisions</b>	<b>222,031,327</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>36.25%</b>			



## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

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

	31 December 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)	34,349,306	930,827	35,280,133	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	14,020,496	611,602	14,632,098	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	20,981,154	484,288	21,465,442	10,171
4. Other entities of central government not reported in item 1 above	7,011,680	564,951	7,576,631	-
5. Other entities of local governments not reported in item 2 above	1,377,823	-	1,377,823	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,371,231	2,247	2,373,478	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,302,647	22,245	1,324,892	-
<b>Total</b>	<b><u>81,414,337</u></b>	<b><u>2,616,160</u></b>	<b><u>84,030,497</u></b>	<b><u>10,171</u></b>
<b>Total assets after provisions</b>	<b>215,536,027</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>37.77%</b>			

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

### vi Currency risk

30 June 2022

	USD <u>HK\$'000</u>	CNY <u>HK\$'000</u>	EUR <u>HK\$'000</u>	Total <u>HK\$'000</u>
Spot assets	128,389,534	34,471,504	9,175,614	172,036,652
Spot liabilities	(124,016,795)	(44,349,815)	(5,379,066)	(173,745,676)
Forward purchases	40,789,769	40,877,639	2,020,127	83,687,535
Forward sales	(44,364,847)	(30,971,991)	(5,785,557)	(81,122,395)
Net options position	-	87	-	87
Net long (short) position	<u>797,661</u>	<u>27,424</u>	<u>31,118</u>	<u>856,203</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

31 December 2021

	USD <u>HK\$'000</u>	CNY <u>HK\$'000</u>	EUR <u>HK\$'000</u>	Total <u>HK\$'000</u>
Spot assets	105,546,115	47,802,205	12,524,889	165,873,209
Spot liabilities	(124,252,058)	(35,486,243)	(2,698,901)	(162,437,202)
Forward purchases	60,874,335	34,033,885	2,043,762	96,951,982
Forward sales	(41,638,246)	(46,301,244)	(11,838,916)	(99,778,406)
Net options position	4,378	(4,103)	-	275
Net long (short) position	<u>534,524</u>	<u>44,500</u>	<u>30,834</u>	<u>609,858</u>
Net structural position	<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 2022 and 31 December 2021, there was no structural position.

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2022

### vii Off-balance sheet exposures

#### (a) Contingent liabilities and commitments

	<b>30 June 2022</b> <b><u>HK\$'000</u></b>	<b>31 December 2021</b> <b><u>HK\$'000</u></b>
Trade-related contingencies	665,714	1,004,024
Other commitments	25,122,744	29,929,875
Others	-	2,851,101

#### (b) Derivatives

	<b>30 June 2022</b> <b><u>HK\$'000</u></b>	<b>31 December 2021</b> <b><u>HK\$'000</u></b>
Contract amount		
- Exchange rate contracts	83,746,817	113,891,531
- Interest rate contracts	11,292,186	13,192,204
Fair value		
- Exchange rate contracts	(108,143)	17,979
- Interest rate contracts	347,508	8,738

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 2022

### viii Liquidity information

	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Average liquidity maintenance ratio	<u>83.67%</u>	<u>72.77%</u>
Average core funding ratio	<u>182.88%</u>	<u>174.91%</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.

### I Capital adequacy ratio and Shareholders' funds

	<b>30 June 2022</b> <b><u>RMB million</u></b>	<b>31 December 2021</b> <b><u>RMB million</u></b>
Capital adequacy ratio	12.18%	13.37%
Equity attributable to equity holders of the Bank	490,530	482,489

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 2022</b> <b><u>RMB million</u></b>	<b>31 December 2021</b> <b><u>RMB million</u></b>
Total assets	6,257,247	5,902,069
Total liabilities	5,764,712	5,417,703
Total loans and advances	3,512,531	3,307,304
Total customer deposits	3,947,612	3,675,743
	<b>30 June 2022</b> <b><u>RMB million</u></b>	<b>30 June 2021</b> <b><u>RMB million</u></b>
Pre-tax profit	29,217	27,186

1 RMB = 1.17097653 HKD at 30 June 2022

1 RMB = 1.22378232 HKD at 31 December 2021

1 RMB = 1.20068193 HKD at 30 June 2021

## Other disclosures

China Everbright Bank Hong Kong Branch

As at 30 June 2022

### 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 seconded 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 2022 and 2021. The aggregate amounts of fixed and variable remuneration of senior management and key personnel for the half year ended 30 June 2022 and 30 June 2021 are set out in the table below:

<b>For 5 Senior Management &amp; 5 Key Personnel</b> Period: 1 January 2022 – 30 June 2022		
Total value of remuneration awards for the half year ended 30 June 2022	Non-deferred HK\$'000	Deferred HK\$'000
Fixed remuneration <sup>(1)</sup>		
• Cash-based	10,076	N/A
Variable remuneration <sup>(2)</sup>		
• Cash-based	10,697	1,822 (vested) 3,831 (unvested)

<b>For 4 Senior Management &amp; 5 Key Personnel</b> 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)

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

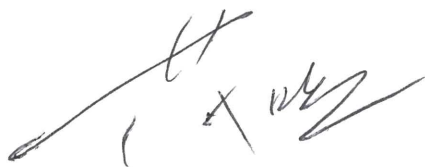
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China Everbright Bank Hong Kong Branch

As at 30 June 2022

### Statement of Compliance

In preparing the Interim Financial Information Disclosure Statement 2022, 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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Cai Mingjie  
Chief Executive  
China Everbright Bank Co., Ltd. Hong Kong Branch

30 September 2022

