



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

**Interim Financial Information Disclosure Statement 2023**

---

## 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 2023

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 2023</b> <b>HK\$'000</b>	<b>30 June 2022</b> <b>HK\$'000</b>
Interest income	4,427,353	1,952,980
Interest expense	(3,847,631)	(1,176,601)
<b>Net interest income</b>	<b>579,722</b>	<b>776,379</b>
Gains less losses arising from dealing in foreign currencies	187,656	95,435
Gains less losses from other trading activities	4,448	42,234
Gains less losses on securities held for trading purposes	7,271	(32,939)
Gains less losses from non-trading investment	5,379	25,572
Net fee and commission income		
- Fee and commission income	67,444	75,387
- Fee and commission expenses	(10,290)	(11,721)
<b>Other operating income</b>	<b>261,908</b>	<b>193,968</b>
<b>Operating income</b>	<b>841,630</b>	<b>970,347</b>
Staff expenses	(148,093)	(149,340)
Rental expenses	(24,920)	(32,430)
Other operating expenses	(46,545)	(37,790)
<b>Operating expenses</b>	<b>(219,558)</b>	<b>(219,560)</b>
<b>Operating profit before impairment</b>	<b>622,072</b>	<b>750,787</b>
Net charge for impairment allowances	(146,466)	(39,469)
Gains less losses from the disposal of fixed assets	45	35
<b>Profit before taxation</b>	<b>475,651</b>	<b>711,353</b>
Taxation	(70,121)	(117,337)
<b>Profit after taxation</b>	<b>405,530</b>	<b>594,016</b>

## Balance sheet information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

	<b>30 June 2023</b> <b>HK\$'000</b>	<b>31 December 2022</b> <b>HK\$'000</b>
<b>Assets</b>		
Cash and balances with banks	22,966,454	31,360,700
Placements with banks maturing between one and twelve months	31,398,456	17,743,514
Amount due from overseas offices	17,174,486	32,176,484
Trade bills	711,932	555,880
Certificates of deposit held	3,549,774	4,095,254
Investment securities	53,512,402	49,400,842
Securities held for trading purposes	63,676	-
Advances and other accounts		
- Loans and advances to customers	71,749,117	70,176,780
- Accrued interest and other accounts	3,690,889	2,266,545
- Collectively assessed impairment allowances	(223,761)	(209,675)
- Individually assessed impairment allowances	(646,706)	(627,908)
Fixed assets	111,113	298,744
Deferred tax assets	175,088	163,781
<b>Total assets</b>	<b>204,232,920</b>	<b>207,400,941</b>
<b>Reserves and Liabilities</b>		
Deposits and balances from banks	61,481,987	59,737,044
Deposits from customers		
- Demand deposits and current accounts	2,732,510	3,000,319
- Savings deposits	4,044,555	6,648,193
- Time, call and notice deposits	72,526,110	78,357,693
Amount due to overseas offices	4,503,866	10,061,080
Certificates of deposit issued	29,184,301	24,389,224
Issued debt securities	19,978,613	16,764,625
Other accounts and provisions		
- Accrued interest and other provisions	3,895,277	3,142,540
<b>Total liabilities</b>	<b>198,347,219</b>	<b>202,100,718</b>
Reserves		
- Retained earnings and other reserves	5,480,171	4,784,745
- Profit for the year	405,530	515,478
<b>Total reserves and liabilities</b>	<b>204,232,920</b>	<b>207,400,941</b>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### i Impaired loans and advances to customers

	<b>30 June 2023</b> <b>HK\$'000</b>	<b>31 December 2022</b> <b>HK\$'000</b>
Gross impaired loans and advances to customers	3,210,457	3,145,294
As a % to total loans and advances to customers	4.47%	4.48%
Individually assessed impairment allowances	449,857	431,996
Market value of collateral	1,900,000	1,900,000

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	2,877,000	2,886,303
Mainland China	333,457	258,991

### ii Loans and advances to customers

#### (a) Breakdown by industry sectors

	<b>30 June 2023</b> <b>HK\$'000</b>	<b>% covered by collateral</b>	<b>31 December 2022</b> <b>HK\$'000</b>	<b>% covered by collateral</b>
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	7,427,221	10	5,771,901	12
- Property investment	4,399,101	62	4,568,782	63
- Civil engineering works	195,000	-	200,000	-
- Financial concerns	28,931,181	10	29,475,811	10
- Wholesale and retail trade	1,156,841	29	1,324,795	28
- Manufacturing	604,761	17	1,136,361	22
- Electricity and gas	591,529	-	163,748	-
- Hotels, boarding houses & catering	821,658	46	789,804	50
- Transport and transport equipment	610,000	-	835,949	-
- Information Technology	235,043	-	233,925	-
- Others	5,228,586	5	3,554,054	6
Individuals				
- Others	1,129,232	100	1,129,234	100
Trade finance	910,513	6	1,544,100	3
Loans and advances for use outside Hong Kong	19,508,451	1	19,448,316	1
	<b><u>71,749,117</u></b>	<b>12</b>	<b><u>70,176,780</u></b>	<b>13</b>

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

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

#### (b) Breakdown by geographical segments

	<b>30 June 2023</b> <b>HK\$'000</b>	<b>31 December 2022</b> <b>HK\$'000</b>
Hong Kong	61,430,822	59,677,349
Mainland China	5,401,036	5,343,717
Others	4,917,259	5,155,714
	<b><u>71,749,117</u></b>	<b><u>70,176,780</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 2023</b> <b>HK\$'000</b>	<b>% of total</b> <b>loans to</b> <b>customers</b>	<b>31 December 2022</b> <b>HK\$'000</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	203,704	0.28%	404,000	0.58%
- more than 6 months but not more than 1 year	2,409,769	3.36%	831,991	1.19%
- more than 1 year	800,688	1.12%	9,303	0.01%
Total overdue loans and advances to customers	<u>3,414,161</u>	4.76%	<u>1,245,294</u>	1.77%

	<b>HK\$'000</b>	<b>HK\$'000</b>
Individually assessed impairment allowances made on overdue loans and advances to customers	449,857	341,520
Market value of collateral	1,900,000	-

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	1,900,000	-
Uncovered portion of overdue loans and advances to customers	1,514,161	1,245,294

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

Mainland China	333,457	258,991
Hong Kong	2,877,000	986,303
Others	203,704	-

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

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

#### (b) Overdue debt securities

	30 June 2023 <u>HK\$'000</u>	31 December 2022 <u>HK\$'000</u>
Overdue debt securities		
- more than 3 months but not more than 6 months	-	126,337
- more than 6 months but not more than 1 year	103,645	-
- more than 1 year	235,780	247,879

#### (c) Rescheduled and repossessed assets

As at 30 June 2023 and 31 December 2022, the Branch has no rescheduled advances, and no repossessed assets.

### iv International claims

	30 June 2023				Total <u>HK\$'000</u>
	<u>Banks HK\$'000</u>	<u>Official sector HK\$'000</u>	<u>Non-bank financial institutions HK\$'000</u>	<u>Non- financial private sector HK\$'000</u>	
Developing Asia and Pacific					
of which Mainland China	66,597,537	358,638	7,775,865	21,878,145	96,610,185
Offshore centres					
of which Hong Kong	3,477,991	215,497	21,325,142	15,223,685	40,242,315
	31 December 2022				
	<u>Banks HK\$'000</u>	<u>Official sector HK\$'000</u>	<u>Non-bank financial institutions HK\$'000</u>	<u>Non- financial private sector HK\$'000</u>	<u>Total HK\$'000</u>
Developing Asia and Pacific					
of which Mainland China	74,884,962	349,049	8,478,941	21,373,712	105,086,664
Offshore centres					
of which Hong Kong	4,636,032	-	20,817,627	16,463,346	41,917,005

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 2023

### v Non-bank Mainland exposures

	30 June 2023			
	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)	40,003,321	1,036,834	41,040,155	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	15,440,890	241,221	15,682,111	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	14,495,484	1,222,192	15,717,676	559,152
4. Other entities of central government not reported in item 1 above	5,507,868	167,301	5,675,169	55,823
5. Other entities of local governments not reported in item 2 above	975,403	-	975,403	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,190,970	176,282	1,367,252	31,731
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,162,017	13,245	2,175,262	-
<b>Total</b>	<b><u>79,775,953</u></b>	<b><u>2,857,075</u></b>	<b><u>82,633,028</u></b>	<b><u>646,706</u></b>
<b>Total assets after provisions</b>	<b>204,232,920</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>39.06%</b>			



## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

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

	31 December 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)	38,925,967	803,451	39,729,418	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	12,922,859	1,221,011	14,143,870	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	18,003,546	384,174	18,387,720	572,351
4. Other entities of central government not reported in item 1 above	5,343,024	714,006	6,057,030	55,557
5. Other entities of local governments not reported in item 2 above	244,370	-	244,370	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,346,065	175,444	2,521,509	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,498,890	16,514	2,515,404	-
<b>Total</b>	<b><u>80,284,721</u></b>	<b><u>3,314,600</u></b>	<b><u>83,599,321</u></b>	<b><u>627,908</u></b>
<b>Total assets after provisions</b>	<b>207,400,941</b>			
<b>On-balance sheet exposures as percentage of total assets</b>	<b>38.71%</b>			

## Additional information

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### vi Currency risk

	30 June 2023					
	USD HK\$'000	CNY HK\$'000	EUR HK\$'000	JPY HK\$'000	GBP HK\$'000	Total HK\$'000
Spot assets	109,559,267	33,676,679	7,480,114	161,552	28,142	150,905,754
Spot liabilities	(111,532,447)	(43,501,130)	(3,093,956)	(99,944)	(532,882)	(158,760,359)
Forward purchases	60,407,252	54,775,883	2,072,983	-	494,529	117,750,647
Forward sales	(58,924,268)	(44,894,294)	(6,522,853)	(70,903)	-	(110,412,318)
Net options position	(7,647)	7,643	-	-	-	(4)
Net long (short) position	(497,843)	64,781	(63,712)	(9,295)	(10,211)	(516,280)
Net structural position	-	-	-	-	-	-

  

	31 December 2022					
	USD HK\$'000	CNY HK\$'000	EUR HK\$'000	JPY HK\$'000	GBP HK\$'000	Total HK\$'000
Spot assets	97,976,484	51,702,409	8,492,833	96,003	71,015	158,338,744
Spot liabilities	(124,031,564)	(40,769,930)	(1,355,229)	(23,587)	(264,559)	(166,444,869)
Forward purchases	68,055,047	39,187,129	1,922,138	154,178	188,021	109,506,513
Forward sales	(42,637,210)	(49,997,994)	(9,129,598)	(236,343)	-	(102,001,145)
Net options position	11,917	-	-	(11,917)	-	-
Net long (short) position	(625,326)	121,614	(69,856)	(21,666)	(5,523)	(600,757)
Net structural position	-	-	-	-	-	-

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 2023 and 31 December 2022, there was no structural position.

## Additional information

---

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### vii Off-balance sheet exposures

#### (a) Contingent liabilities and commitments

	<b>30 June 2023</b> <b><u>HK\$'000</u></b>	<b>31 December 2022</b> <b><u>HK\$'000</u></b>
Trade-related contingencies	979,916	747,245
Other commitments	19,471,138	20,501,420
Others	1,377,686	-

#### (b) Derivatives

	<b>30 June 2023</b> <b><u>HK\$'000</u></b>	<b>31 December 2022</b> <b><u>HK\$'000</u></b>
Contract amount		
- Exchange rate contracts	119,943,621	110,461,071
- Interest rate contracts	23,781,702	12,208,971
Fair value		
- Exchange rate contracts	(282,006)	(509,921)
- Interest rate contracts	539,659	447,851

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

---

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### viii Liquidity information

	<b>For the quarter ended 30 June 2023</b>	<b>For the quarter ended 30 June 2022</b>
Average liquidity maintenance ratio	<u>59.25%</u>	<u>83.67%</u>
Average core funding ratio	<u>158.89%</u>	<u>182.88%</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 2023</b> <b><u>RMB million</u></b>	<b>31 December 2022</b> <b><u>RMB million</u></b>
Capital adequacy ratio	13.51%	12.95%
Equity attributable to equity holders of the Bank	538,398	507,883

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 2023</b> <b><u>RMB million</u></b>	<b>31 December 2022</b> <b><u>RMB million</u></b>
Total assets	6,757,928	6,300,510
Total liabilities	6,217,251	5,790,497
Total loans and advances	3,743,747	3,572,276
Total customer deposits	4,156,940	3,917,168
	<b>30 June 2023</b> <b><u>RMB million</u></b>	<b>30 June 2022</b> <b><u>RMB million</u></b>
Pre-tax profit	29,413	29,217

1 RMB = 1.07619453 HKD at 30 June 2023

1 RMB = 1.11926908 HKD at 31 December 2022

1 RMB = 1.17097653 HKD at 30 June 2022



## Other disclosures

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### Remuneration

China Everbright Bank Co., Ltd., Hong Kong Branch (“Hong Kong Branch”) is governed by 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 Hong Kong Branch’s Master 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. In compliance with the Hong Kong Branch and Head Office’s deferral policy and the relevant requirements, deferral payment for variable remuneration is in place for senior management, department heads and other personnel who are considered by the branch management to have a material risk impact to the Hong Kong Branch.

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 2023 and 2022. The aggregate amounts of fixed and variable remuneration of senior management and key personnel for the half year ended 30 June 2023 and 30 June 2022 are set out in the table below:

<b>For 4 Senior Management &amp; 4 Key Personnel</b>		
Period: 1 January 2023 – 30 June 2023		
Total value of remuneration awards for the half year ended 30 June 2023	Non-deferred HK\$'000	Deferred HK\$'000
Fixed remuneration <sup>(1)</sup>		
• Cash-based	9,047	N/A
Variable remuneration <sup>(2)</sup>		
• Cash-based	4,683	1,691 (vested) 3,004 (unvested)

<b>For 5 Senior management and 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)

## Other disclosures

---

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### Remuneration (continued)

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 Hong Kong Branch and Head Office's deferral policy and the relevant requirements.



## Other disclosures

---

China Everbright Bank Hong Kong Branch

As at 30 June 2023

### Statement of Compliance

In preparing the Interim Financial Information Disclosure Statement 2023, 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.



---

Cai Mingjie  
Chief Executive  
China Everbright Bank Co., Ltd. Hong Kong Branch

29 September 2023