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(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 440)

ANNOUNCEMENT OF 2024 FINAL RESULTS

The Directors of Dah Sing Financial Holdings Limited (“DSFH” or the “Company”) are pleased to present the consolidated audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

HK\$'000	Note	2024	2023	Variance %
Interest income	4	12,245,899	11,599,555	
Interest expense	4	(6,845,224)	(6,648,658)	
Net interest income		5,400,675	4,950,897	9.1
Fee and commission income	5	1,557,218	1,075,380	
Fee and commission expense	5	(246,212)	(224,131)	
Net fee and commission income		1,311,006	851,249	54.0
Insurance revenue	6	1,104,777	935,891	
Insurance service expense	6	(674,936)	(668,039)	
Net expense from reinsurance contracts held	6	(311,723)	(190,052)	
Insurance service result		118,118	77,800	
Net trading income	7	270,385	193,597	
Net insurance finance (expenses)/ income	6	(17,660)	10,368	
Other operating income	8	128,609	159,502	
Total operating income		7,211,133	6,243,413	15.5
Operating expenses	9	(3,443,379)	(3,249,965)	6.0
Operating profit before impairment losses		3,767,754	2,993,448	25.9
Credit impairment losses	10	(1,790,240)	(731,509)	144.7
Operating profit before gains and losses on certain investments and fixed assets		1,977,514	2,261,939	-12.6
Net (loss)/ gain on disposal of premises and other fixed assets		(1,758)	2,826	
Net loss on fair value adjustment of investment properties		(124,354)	(72,957)	
Net gain on disposal of financial assets at amortised cost		760	-	
Net loss on disposal of financial assets at fair value through other comprehensive income		(103)	-	
Share of results of an associate		677,425	688,957	
Impairment loss on the investment in an associate	11	(15,715)	(552,000)	
Loss on deemed disposal of investment in an associate		(1)	(10)	
Share of results of jointly controlled entities		33,131	27,014	
Profit before taxation		2,546,899	2,355,769	8.1
Taxation	12	(345,718)	(286,883)	
Profit for the year		2,201,181	2,068,886	6.4
Profit attributable to non-controlling interests		(528,062)	(476,791)	
Profit attributable to Shareholders of the Company		1,673,119	1,592,095	5.1
Attributable to:				
- Shareholders of the Company		1,673,119	1,592,095	
- Non-controlling interests		528,062	476,791	
Profit for the year		2,201,181	2,068,886	
Dividends				
Interim dividend paid		292,942	114,659	
Proposed final dividend/ final dividend paid		375,819	522,681	
		668,761	637,340	
Earnings per share				
Basic	13	HK\$5.25	HK\$4.99	
Diluted	13	HK\$4.36	HK\$4.11	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

HK\$'000	2024	2023
Profit for the year	2,201,181	2,068,886
Other comprehensive income for the year		
Items that may be reclassified to the consolidated income statement:		
Investments in securities		
Net change in fair value of debt instruments at fair value through other comprehensive income	177,285	298,269
Share of other comprehensive income of an associate accounted for using the equity method	193,649	251,558
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	26,907	33,612
Net loss realised and transferred to consolidated income statement upon:		
- Disposal of debt instruments at fair value through other comprehensive income	103	-
Deferred income tax related to the above	(29,387)	(43,181)
	368,557	540,258
Exchange differences arising on translation of the financial statements of foreign entities	(290,722)	(156,210)
Items that will not be reclassified to the consolidated income statement:		
Premises		
Reserves arising from reclassification of premises to investment properties	45,533	-
Investments in securities		
Share of other comprehensive income/ (loss) of an associate accounted for using the equity method	2,759	(2,634)
Net change in fair value of equity instruments at fair value through other comprehensive income	1,029,704	1,990,036
Deferred income tax related to the above	(81,554)	(150,168)
	996,442	1,837,234
Other comprehensive income for the year, net of tax	1,074,277	2,221,282
Total comprehensive income for the year, net of tax	3,275,458	4,290,168
Attributable to:		
Non-controlling interests	522,387	836,183
Shareholders of the Company	2,753,071	3,453,985
Total comprehensive income for the year, net of tax	3,275,458	4,290,168

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

HK\$'000	Note	2024	2023
ASSETS			
Cash and balances with banks		15,009,807	16,925,694
Placements with banks maturing between one and twelve months		5,795,536	4,092,372
Trading securities	14	2,006,353	1,739,841
Financial assets at fair value through profit or loss	14	1,999,039	1,680,710
Derivative financial instruments		4,083,731	3,566,149
Advances and other accounts	15	143,602,035	149,668,395
Financial assets at fair value through other comprehensive income	16	51,251,735	45,741,844
Financial assets at amortised cost	17	35,530,152	39,380,187
Investment in an associate	11	2,532,810	2,215,131
Investments in jointly controlled entities		138,097	129,946
Goodwill		785,774	785,774
Intangible assets		92,390	92,390
Premises and other fixed assets		2,859,776	2,900,073
Investment properties		671,692	709,859
Current income tax assets		4,906	1,273
Deferred income tax assets		159,482	158,923
Total assets		266,523,315	269,788,561
LIABILITIES			
Deposits from banks		1,936,236	2,485,044
Derivative financial instruments		1,839,915	1,279,419
Trading liabilities		498,069	99,853
Deposits from customers		200,599,432	206,535,360
Certificates of deposit issued		4,294,996	2,428,028
Subordinated notes		4,146,914	5,916,645
Other accounts and accruals	18	9,401,015	9,565,847
Current income tax liabilities		365,361	287,152
Deferred income tax liabilities		243,233	192,629
Total liabilities		223,325,171	228,789,977
EQUITY			
Non-controlling interests		8,556,390	8,317,026
Equity attributable to the Company's shareholders			
Share capital		4,226,832	4,226,215
Other reserves (including retained earnings)		30,414,922	28,455,343
Shareholders' funds	19	34,641,754	32,681,558
Total equity		43,198,144	40,998,584
Total equity and liabilities		266,523,315	269,788,561

Note:

1. Statutory Consolidated Financial Statements

The information set out in this results announcement does not constitute statutory consolidated financial statements.

Certain financial information in this results announcement is extracted from the Group's statutory consolidated financial statements for the year ended 31 December 2024 (the "2024 consolidated financial statements") which will be delivered to the Registrar of Companies and will be available from the website of the Hong Kong Exchanges and Clearing Limited in due course. The auditors of the Group have expressed an unqualified opinion on those consolidated financial statements in their report dated 31 March 2025.

2. Basis of Preparation and Accounting Policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which is a collective term and includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap.622).

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, financial assets and financial liabilities held for trading, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies.

The accounting policies and methods of computation used in the preparation of the 2024 consolidated financial statements are consistent with those used and described in the Group's annual audited consolidated financial statements for the year ended 31 December 2023.

The financial information in this results announcement is presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated.

(a) New and amended standards adopted by the Group

There are several amendments to HKFRS that became applicable with effect from 1 January 2024:

- HKAS 1 (Amendments) - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- HKFRS 16 (Amendments) - Lease Liability in a Sale and Leaseback
- HKAS 7 and HKFRS 7 (Amendments) - Supplier Finance Arrangements
- HK Interpretation 5 (Revised) - Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these has a significant effect on the consolidated financial statements of the Group.

(b) New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

- (i) Amendments to HKAS21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The HKICPA amended HKAS 21 to help entities determine whether a currency is exchangeable into another currency, and which spot exchange to use when it is not.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

2. Basis of Preparation and Accounting Policies (Continued)

(b) New and amended standards and interpretations not yet adopted (Continued)

- (ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The HKICPA issued amendments to HKFRS 9 and HKFRS 7 to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarifications regarding the classification of financial assets that contain contractual terms that change the timing and amount of contractual cash flows, including those arising from environmental, social and governance-related contingencies, and financial assets with certain non-recourse features.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

- (iii) HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing, management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard in the Group's consolidated financial statements.

There are no other HKFRSs or interpretations that are effective from 1 January 2024 or not yet effective that would be expected to have a material impact on the Group.

3. Operating segment reporting

Segment reporting by the Group is prepared in accordance with HKFRS 8 “Operating Segments”. Information reported to the chief operating decision maker, including the Chief Executive and other Executive Committee members, for the purposes of resource allocation and performance assessment, is determined on the basis of banking business and insurance business. For banking business, operating performances are analysed by business activities for local banking business, and on business entity basis for banking businesses in Mainland China and Macau. For insurance business, resources allocation and performance evaluation are based on insurance business entity basis. For investment operations, operating performance is analysed on business entity basis for those entities of the Group designated to invest and manage funds at the holding company's level.

Considering the customer groups, products and services of local businesses, the economic environment and regulations, the Group splits the operating segments of the Group into the following reportable segments:

- Personal banking business includes the acceptance of deposits from individual customers and the extension of residential mortgage lending, personal loans, overdraft, vehicle financing and credit card services, and the provision of insurance sales and investment services.
- Corporate banking business includes the acceptance of deposits from and the advance of loans and working capital finance to commercial, industrial and institutional customers, and the provision of trade financing.
- Treasury and global markets activities are mainly the provision of foreign exchange services and centralised cash management for deposit taking and lending, interest rate risk management, management of investment in securities and the overall funding of the Group.
- Mainland China and Macau banking businesses include personal banking, corporate banking business activities provided by subsidiaries in Mainland China and Macau, and the Group's interest in a commercial bank in Mainland China.
- Insurance and Investment Operations includes the Group's insurance, pension fund management and investment businesses. Through the Group's wholly-owned subsidiaries in Hong Kong and Macau, the Group offers a variety of insurance products and services. Investment operations are related to entities which are wholly-owned by the Company and designated as the Company's securities investment and cash deployment arm to invest and manage funds of the Company to generate returns.
- Others include results of operations not directly identified under other reportable segments, corporate investments and debt funding (including subordinated notes).

For the purpose of segment reporting, revenue derived from customers, products and services directly identifiable with individual segments are reported directly under respective segments, while revenue and funding cost arising from inter-segment funding operation and funding resources are allocated to segments by way of transfer pricing mechanism with reference to market interest rates. Transactions within segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income or expenses are eliminated on consolidation.

All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs are allocated to various segments and products based on effort and time spent as well as segments' operating income depending on the nature of costs incurred. Costs related to corporate activities that cannot be reasonably allocated to segments, products and support functions are grouped under Others as unallocated corporate expenses.

3. Operating segment reporting (Continued)
For the year ended 31 December 2024

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China and Macau Banking	Insurance and Investment Operations	Others	Inter- segment	Total
Net interest income/ (expenses)	2,297,766	1,110,250	1,478,128	453,404	112,310	(51,219)	36	5,400,675
Non-interest income/ (expenses)	1,199,850	187,584	58,257	176,641	195,424	43,414	(50,712)	1,810,458
Total operating income	3,497,616	1,297,834	1,536,385	630,045	307,734	(7,805)	(50,676)	7,211,133
Operating expenses	(1,929,801)	(554,334)	(302,139)	(549,294)	(124,396)	(34,091)	50,676	(3,443,379)
Operating profit/ (loss) before credit impairment (losses)/ written back	1,567,815	743,500	1,234,246	80,751	183,338	(41,896)	-	3,767,754
Credit impairment (losses)/ written back	(517,346)	(1,063,185)	(21,261)	(188,720)	1,002	(730)	-	(1,790,240)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	1,050,469	(319,685)	1,212,985	(107,969)	184,340	(42,626)	-	1,977,514
Net loss on disposal and fair value adjustment of investment properties, premises and other fixed assets	(217)	-	-	(41)	(7,952)	(117,902)	-	(126,112)
Net gain on disposal of financial assets at amortised cost	-	-	760	-	-	-	-	760
Net (loss)/ gain on disposal of financial assets at fair value through other comprehensive income	-	-	(137)	34	-	-	-	(103)
Share of results of an associate	-	-	-	677,425	-	-	-	677,425
Impairment loss on the investment in an associate	-	-	-	(15,715)	-	-	-	(15,715)
Loss on deemed disposal of investment in an associate	-	-	-	(1)	-	-	-	(1)
Share of results of jointly controlled entities	-	-	-	-	-	33,131	-	33,131
Profit/ (loss) before taxation	1,050,252	(319,685)	1,213,608	553,733	176,388	(127,397)	-	2,546,899
Taxation (expenses)/ credit	(173,313)	53,449	(200,221)	(8,108)	(6,358)	(11,167)	-	(345,718)
Profit/ (loss) for the year	876,939	(266,236)	1,013,387	545,625	170,030	(138,564)	-	2,201,181
For the year ended 31 December 2024								
Depreciation and amortisation	92,225	24,612	17,602	57,748	7,997	184,548	-	384,732
At 31 December 2024								
Segment assets	58,312,678	62,988,717	95,826,338	38,409,112	11,061,725	10,566,158	(10,641,413)	266,523,315
Segment liabilities	124,424,645	43,963,904	13,363,260	31,188,034	4,891,331	16,135,410	(10,641,413)	223,325,171
Assets under management (being those assets deployed for investment purpose)	-	-	-	-	10,149,229	-	-	10,149,229

3. Operating segment reporting (Continued)

For the year ended 31 December 2023

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China and Macau Banking	Insurance and Investment Operations	Others	Inter- segment	Total
Net interest income/ (expenses)	2,015,027	1,183,911	1,124,749	478,004	135,054	14,316	(164)	4,950,897
Non-interest income/ (expenses)	748,390	203,211	(26,453)	148,483	221,335	39,189	(41,639)	1,292,516
Total operating income	2,763,417	1,387,122	1,098,296	626,487	356,389	53,505	(41,803)	6,243,413
Operating expenses	(1,855,232)	(533,440)	(232,540)	(547,755)	(83,322)	(39,479)	41,803	(3,249,965)
Operating profit before credit impairment (losses)/ written back	908,185	853,682	865,756	78,732	273,067	14,026	-	2,993,448
Credit impairment (losses)/ written back	(311,830)	(350,600)	27,560	(98,244)	(815)	2,420	-	(731,509)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	596,355	503,082	893,316	(19,512)	272,252	16,446	-	2,261,939
Net (loss)/ gain on disposal and fair value adjustment of investment properties, premises and other fixed assets	(874)	-	-	1,794	(3,691)	(67,360)	-	(70,131)
Share of results of an associate	-	-	-	688,957	-	-	-	688,957
Impairment loss on the investment in an associate	-	-	-	(552,000)	-	-	-	(552,000)
Loss on deemed disposal of investment in an associate	-	-	-	(10)	-	-	-	(10)
Share of results of jointly controlled entities	-	-	-	-	-	27,014	-	27,014
Profit/ (loss) before taxation	595,481	503,082	893,316	119,229	268,561	(23,900)	-	2,355,769
Taxation (expenses)/ credit	(98,487)	(82,320)	(147,363)	(16,346)	(3,372)	61,005	-	(286,883)
Profit for the year	496,994	420,762	745,953	102,883	265,189	37,105	-	2,068,886
For the year ended 31 December 2023								
Depreciation and amortisation	73,020	18,407	10,177	57,666	8,592	189,336	-	357,198
At 31 December 2023								
Segment assets	59,462,117	65,445,748	93,997,176	38,706,673	9,618,067	10,745,208	(8,186,428)	269,788,561
Segment liabilities	121,866,174	49,354,251	12,902,840	31,848,027	4,539,133	16,465,980	(8,186,428)	228,789,977
Assets under management (being those assets deployed for investment purpose)	-	-	-	-	8,664,995	-	-	8,664,995

3. Operating segment reporting (Continued)

More than 90% of the revenues from external customers were contributed from banking subsidiaries in Hong Kong, Macau and People's Republic of China, with major products and services including deposit taking, extension of credit, asset-based finance, securities investment services offered to customers.

The following tables provide information by geographical area, which was determined with reference to the domicile of the legal entities within the Group with business dealing and relationship with, and services to external customers.

HK\$'000	Hong Kong and others	Macau	Inter-segment elimination	Total
For the year ended 31 December 2024				
Total operating income	6,757,425	456,124	(2,416)	7,211,133
Profit before taxation	2,469,818	77,081	-	2,546,899
As at 31 December 2024				
Total assets	244,668,694	26,966,195	(5,111,574)	266,523,315
Total liabilities	205,461,649	22,975,096	(5,111,574)	223,325,171
Intangible assets and goodwill	231,891	646,273	-	878,164
Contingent liabilities and commitments	<u>62,916,672</u>	<u>2,547,143</u>	<u>(101,294)</u>	<u>65,362,521</u>
	Hong Kong and others	Macau	Inter-segment elimination	Total
For the year ended 31 December 2023				
Total operating income	5,791,723	460,978	(9,288)	6,243,413
Profit before taxation	2,195,408	160,361	-	2,355,769
As at 31 December 2023				
Total assets	246,590,475	26,691,563	(3,493,477)	269,788,561
Total liabilities	209,847,069	22,436,385	(3,493,477)	228,789,977
Intangible assets and goodwill	231,891	646,273	-	878,164
Contingent liabilities and commitments	<u>69,117,565</u>	<u>2,291,041</u>	<u>(101,434)</u>	<u>71,307,172</u>

4. Net interest income

HK\$'000	2024	2023
Interest income		
Cash and balances with banks	867,690	817,684
Investments in securities	4,351,179	3,847,142
Advances and other accounts	7,027,030	6,934,729
	<u>12,245,899</u>	<u>11,599,555</u>
Interest expense		
Deposits from banks/ Deposits from customers	6,180,210	6,047,242
Certificates of deposit issued	218,467	184,061
Subordinated notes	344,230	328,257
Lease liabilities	11,670	7,548
Others	90,647	81,550
	<u>6,845,224</u>	<u>6,648,658</u>
Included within interest income		
- Trading securities and financial assets at fair value through profit or loss	98,959	13,110
- Financial assets at fair value through other comprehensive income	2,899,567	2,560,848
- Financial assets at amortised cost	9,247,373	9,025,597
	<u>12,245,899</u>	<u>11,599,555</u>
Included within interest expense		
- Financial liabilities at fair value through profit or loss	16,206	5,098
- Financial liabilities at amortised cost	6,829,018	6,643,560
	<u>6,845,224</u>	<u>6,648,658</u>

For the year ended 31 December 2024 and 2023, there was no interest income recognised on impaired assets.

5. Net fee and commission income

HK\$'000	2024	2023
Fee and commission income		
Fee and commission income from financial assets and liabilities not at fair value through profit or loss		
- Credit related fees and commissions	162,353	158,987
- Trade finance	52,614	49,475
- Credit card	248,715	271,921
Other fee and commission income		
- Securities brokerage	118,160	100,840
- Insurance distribution and others	606,814	142,146
- Retail investment and wealth management services	209,463	151,811
- Bank services and handling fees	66,403	72,211
- Other fees	92,696	127,989
	<u>1,557,218</u>	<u>1,075,380</u>
Fee and commission expense		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	228,043	207,380
- Other fees paid	18,169	16,751
	<u>246,212</u>	<u>224,131</u>

Note:

The Group provides custody, trustee, corporate administration, and investment management services to third parties. The assets subject to these services are held in a fiduciary capacity and are not included in these consolidated financial statements.

6. Insurance service result after net insurance finance expense

HK\$'000	2024	2023
Insurance revenue	1,104,777	935,891
Insurance service expense	(674,936)	(668,039)
Net expense from reinsurance contracts held	<u>(311,723)</u>	<u>(190,052)</u>
Insurance service result	118,118	77,800
Net insurance finance (expenses)/ income	<u>(17,660)</u>	<u>10,368</u>
Insurance service result after net insurance finance expense	<u>100,458</u>	<u>88,168</u>

7. Net trading income

HK\$'000	2024	2023
Dividend income from financial assets at fair value through profit or loss	75,400	60,014
Net gain arising from dealing in foreign currencies	239,602	148,015
Net (loss)/ gain on trading securities	(353)	2,819
Net (loss)/ gain from derivatives entered into for trading purpose	(6,832)	17,046
Net (loss)/ gain arising from financial instruments subject to fair value hedge	(670)	2,222
Net loss on financial instruments at fair value through profit or loss	(36,762)	(36,519)
	<u>270,385</u>	<u>193,597</u>

8. Other operating income

HK\$'000	2024	2023
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the year		
- Listed investments	15,223	17,929
- Held at the end of the year		
- Listed investments	53,850	72,214
- Unlisted investments	14,453	32,627
Gross rental income from investment properties	19,169	18,469
Other rental income	15,935	15,994
Others	9,979	2,269
	<u>128,609</u>	<u>159,502</u>

9. Operating expenses

HK\$'000	2024	2023
Employee compensation and benefit expenses		
- Salaries and other staff costs	2,177,968	2,033,588
- Provision for share-based compensation charged	19,882	14,263
- Pension costs - defined contribution plans	133,858	120,241
Premises and other fixed assets expenses, excluding depreciation		
- Rental of premises	3,945	2,471
- Others	265,845	223,263
Depreciation		
- Premises and other fixed assets	245,983	212,365
- Right-of-use properties	138,749	144,833
Advertising and promotion costs	81,150	85,127
Printing, stationery and postage	49,071	49,523
Auditors' remuneration	16,055	17,984
Others	310,873	346,307
	<u>3,443,379</u>	<u>3,249,965</u>

10. Credit impairment losses

HK\$'000	2024	2023
New allowances net of allowance releases	1,869,451	851,509
Recoveries of amounts previously written off	<u>(79,211)</u>	<u>(120,000)</u>
	<u>1,790,240</u>	<u>731,509</u>
Attributable to:		
- Loans and advances to customers	1,776,627	798,335
- Other financial assets	15,666	(36,171)
- Loan commitments and financial guarantees	<u>(2,053)</u>	<u>(30,655)</u>
	<u>1,790,240</u>	<u>731,509</u>

11. Impairment loss on the investment in an associate

At 30 June 2024, the fair value of the Group's investment in Bank of Chongqing ("BOCQ") remained below the carrying value. On this basis, the Group continued to perform an impairment test on the carrying value of the investment using the same methodology adopted in the past, and recorded an impairment charge of HK\$16 million which is the amount by which the fair value less costs of disposal of the investment was below the carrying value. At 31 December 2024, the fair value of the investment was higher than the carrying value. Following the requirements of HKAS 36 "Impairment of Assets", no further impairment test on the carrying value of the investment is required.

The calculation of Dah Sing Bank, Limited's ("DSB", which is the Group's subsidiary in Hong Kong and directly holds the Group's interest in BOCQ) capital adequacy does not include the retained earnings from the investment, except for BOCQ cash dividend received by DSB. Provided that the investment continues to be held at or above the original cost of the investment of HK\$1,213 million, impairment made on the investment does not affect DSB's capital adequacy.

12. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Taxation on profits in Mainland China and Macau has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Deferred taxation is calculated in full on temporary differences under the liability method at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised.

HK\$'000	2024	2023
Current income tax:		
- Hong Kong profits tax	249,081	232,975
- Mainland China's and Macau's taxation	46,119	43,653
- Under/ (over)-provision in prior years	73,395	(39,508)
Deferred income tax:		
- Origination and reversal of timing differences	(30,167)	51,131
- Utilisation/ (recognition) of tax losses	7,290	(1,368)
	<u>345,718</u>	<u>286,883</u>

13. Earnings per share

The calculation of basic earnings per share is based on earnings of HK\$1,673,119,000 (2023: HK\$1,592,095,000) and the weighted average number of 318,992,340 (2023: 318,928,510) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on earnings of HK\$1,397,276,000 (2023: HK\$1,313,795,000) after taking into account of the dilutive effect of share of profits in an associate in HK\$275,843,000 (2023: HK\$278,300,000) and the weighted average number of 320,260,095 (2023: 319,932,307) ordinary shares in issue during the year after adjusting for the effect of shares awarded under share award scheme in 1,267,755 shares (2023: 1,003,797). The share options outstanding during the year and at the year end have no dilutive effect on the weighted average number of ordinary shares.

14. Trading securities and financial assets at fair value through profit or loss

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Trading securities:		
Debt securities:		
- Listed in Hong Kong	9,790	14,406
- Unlisted	<u>1,996,563</u>	<u>1,725,435</u>
	<u>2,006,353</u>	<u>1,739,841</u>
Financial assets at fair value through profit or loss:		
Equity securities and investment funds:		
- Listed in Hong Kong	4,272	12,057
- Listed outside Hong Kong	886,009	505,297
- Unlisted	<u>1,108,758</u>	<u>1,163,356</u>
	<u>1,999,039</u>	<u>1,680,710</u>
Total	<u>4,005,392</u>	<u>3,420,551</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	597,920	1,725,135
- Other treasury bills	1,398,443	-
- Government bonds	9,647	14,706
- Other debt securities	<u>343</u>	<u>-</u>
	<u>2,006,353</u>	<u>1,739,841</u>

As at 31 December 2024 and 2023, there were no certificates of deposit held included in the above balances.

Trading securities and financial assets at fair value through profit or loss are analysed by categories of issuers as follows:

- Central governments and central banks	2,006,010	1,739,841
- Corporate entities	1,999,039	1,680,710
- Public sector entities	<u>343</u>	<u>-</u>
	<u>4,005,392</u>	<u>3,420,551</u>

15. Advances and other accounts

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Gross loans and advances to customers	138,374,285	143,049,476
Less: impairment allowances		
- Stage 1	(385,262)	(364,345)
- Stage 2	(274,094)	(263,656)
- Stage 3	(872,989)	(485,255)
	<u>(1,532,345)</u>	<u>(1,113,256)</u>
	136,841,940	141,936,220
Trade bills	1,476,539	2,060,317
Less: impairment allowances		
- Stage 1	(1,126)	(2,981)
- Stage 2	(1)	-
	<u>(1,127)</u>	<u>(2,981)</u>
	1,475,412	2,057,336
Other assets	5,305,888	5,695,762
Less: impairment allowances		
- Stage 1	(7,746)	(6,987)
- Stage 2	(906)	(2,907)
- Stage 3	(12,553)	(11,029)
	<u>(21,205)</u>	<u>(20,923)</u>
	5,284,683	5,674,839
Advances and other accounts	143,602,035	149,668,395

15. Advances and other accounts (Continued)

(a) Gross loans and advances to customers by industry sector classified according to the usage of loans

HK\$'000	As at 31 Dec 2024		As at 31 Dec 2023	
	Outstanding balance	% of gross loans and advances	Outstanding balance	% of gross loans and advances
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	6,425,975	4.7	6,908,262	4.8
- Property investment	23,066,021	16.7	23,767,506	16.6
- Financial concerns	5,154,554	3.7	3,607,794	2.5
- Stockbrokers	1,441,956	1.1	1,240,252	0.9
- Wholesale and retail trade	4,298,542	3.1	4,791,670	3.4
- Manufacturing	1,400,285	1.0	1,684,066	1.2
- Transport and transport equipment	2,883,028	2.1	2,662,549	1.9
- Recreational activities	48,882	-	62,840	-
- Information technology	48,392	-	29,760	-
- Others	5,665,507	4.1	6,062,815	4.2
	50,433,142	36.5	50,817,514	35.5
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	414,186	0.3	467,752	0.3
- Loans for the purchase of other residential properties	33,561,360	24.3	34,954,353	24.4
- Credit card advances	3,645,014	2.6	3,841,087	2.7
- Others	13,998,682	10.1	13,530,504	9.5
	51,619,242	37.3	52,793,696	36.9
Loans for use in Hong Kong	102,052,384	73.8	103,611,210	72.4
Trade finance (Note (1))	4,902,455	3.5	5,624,799	3.9
Loans for use outside Hong Kong (Note (2))	31,419,446	22.7	33,813,467	23.7
	138,374,285	100.0	143,049,476	100.0

Note:

- (1) Trade finance shown above represents loans covering finance of imports to Hong Kong, exports and re-exports from Hong Kong and merchandising trade classified with reference to the relevant guidelines issued by the Hong Kong Monetary Authority (“HKMA”).
- (2) Loans for use outside Hong Kong include loans extended to customers located in Hong Kong with the finance used outside Hong Kong.

15. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets

(i) Impaired loans

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Gross loans and advances	138,374,285	143,049,476
Less: total impairment allowances	(1,532,345)	(1,113,256)
Net	<u>136,841,940</u>	<u>141,936,220</u>
Credit-impaired loans and advances	4,437,683	2,779,561
Less: Stage 3 impairment allowances	(872,989)	(485,255)
Net	<u>3,564,694</u>	<u>2,294,306</u>
Fair value of collateral held*	<u>3,620,776</u>	<u>1,707,443</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>3.21%</u>	<u>1.94%</u>

* Fair value of collateral is determined at the lower of the market value of collateral and outstanding loan balance.

(ii) Gross amount of overdue loans

	As at 31 Dec 2024		As at 31 Dec 2023	
	Gross amount of overdue loans	% of total	Gross amount of overdue loans	% of total
Gross loans and advances to customers which have been overdue for:				
- six months or less but over three months	2,104,322	1.52	344,615	0.24
- one year or less but over six months	778,884	0.56	664,811	0.46
- over one year	926,024	0.67	1,158,163	0.81
	<u>3,809,230</u>	<u>2.75</u>	<u>2,167,589</u>	<u>1.51</u>
Market value of securities held against the secured overdue loans and advances	<u>4,773,407</u>		<u>2,615,092</u>	
Secured overdue loans and advances	3,253,094		1,553,890	
Unsecured overdue loans and advances	<u>556,136</u>		<u>613,699</u>	
Stage 3 impairment allowances	<u>694,499</u>		<u>228,158</u>	

Collateral held mainly represented pledged deposits, mortgages over properties and charges over other fixed assets such as equipment.

15. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets (Continued)

(iii) Rescheduled advances net of amounts included in overdue loans and advances shown above

HK\$'000	As at 31 Dec 2024	% of total	As at 31 Dec 2023	% of total
Loans and advances to customers	<u>360,912</u>	<u>0.26</u>	<u>405,780</u>	<u>0.28</u>
Stage 3 impairment allowances	<u>116,075</u>		<u>115,036</u>	

(c) Trade bills

As at 31 December 2024 and 2023, there were no balance of trade bills that were overdue for more than 3 months.

(d) Repossessed collateral

Repossessed collateral held at the year-end is as follows:

Nature of assets	As at 31 Dec 2024	As at 31 Dec 2023
Repossessed properties	426,280	252,687
Others	<u>1,440</u>	<u>925</u>
	<u>427,720</u>	<u>253,612</u>

Repossessed collaterals are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness of the borrowers concerned.

Certain other properties in the Mainland China with a total estimated realisable value of HK\$56,184,000 (2023: HK\$58,181,000), which had been foreclosed and repossessed by the Group pursuant to orders issued by courts in the Mainland China, represent assets held by the Group for resale and have been reported under "Other assets". The relevant loans had been derecognised.

16. Financial assets at fair value through other comprehensive income

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Debt securities:		
- Listed in Hong Kong	11,891,064	10,976,354
- Listed outside Hong Kong	20,513,422	15,729,976
- Unlisted	10,799,618	12,057,957
	43,204,104	38,764,287
Equity securities:		
- Listed in Hong Kong	295,928	237,415
- Listed outside Hong Kong	6,147,392	4,978,850
- Unlisted	1,604,311	1,761,292
	8,047,631	6,977,557
Total	51,251,735	45,741,844
Included within debt securities are:		
- Certificates of deposit held	62,749	361,139
- Treasury bills which are cash equivalents	59,717	1,489,951
- Other treasury bills	3,897,954	1,878,367
- Government bonds	1,378,969	1,198,230
- Other debt securities	37,804,715	33,836,600
	43,204,104	38,764,287
Financial assets at fair value through other comprehensive income are analysed by categories of issuers as follows:		
Debt securities:		
- Central governments and central banks	8,615,979	8,338,984
- Public sector entities	2,840,468	1,799,394
- Banks and other financial institutions	12,886,437	9,422,100
- Corporate entities	18,861,220	19,203,809
	43,204,104	38,764,287
Equity securities:		
- Banks and other financial institutions	1,066,761	591,167
- Corporate entities	6,980,870	6,386,390
	8,047,631	6,977,557
	51,251,735	45,741,844

17. Financial assets at amortised cost

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Debt securities		
- Listed in Hong Kong	12,878,232	13,549,372
- Listed outside Hong Kong	14,186,382	15,977,711
- Unlisted	8,497,549	9,894,062
	<u>35,562,163</u>	<u>39,421,145</u>
Less: impairment allowance		
- Stage 1	(31,102)	(40,958)
- Stage 2	(909)	-
	<u>(32,011)</u>	<u>(40,958)</u>
Total	<u>35,530,152</u>	<u>39,380,187</u>
Included within debt securities are:		
- Certificates of deposit held	3,723,064	3,918,269
- Treasury bills	1,096,317	1,577,781
- Government bonds	230,349	222,317
- Other debt securities	30,512,433	33,702,778
	<u>35,562,163</u>	<u>39,421,145</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	1,326,666	1,800,098
- Public sector entities	1,731,208	2,031,319
- Banks and other financial institutions	12,718,386	13,394,699
- Corporate entities	19,785,903	22,195,029
	<u>35,562,163</u>	<u>39,421,145</u>

18. Other accounts and accruals

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Insurance contract liabilities	1,405,301	1,367,132
Reinsurance contract liabilities	670	173
Lease liabilities	382,252	487,592
Other liabilities and accruals (Note)	7,612,792	7,710,950
	<u>9,401,015</u>	<u>9,565,847</u>

Note: The aggregate of net insurance liabilities and trade and tax payables of the Group's general insurance business after deducting cash and bank balances held for operations and collateral placed out for mortgage guarantee business, or "float" available for investment, as at 31 December 2024, was HK\$814,426,000 (31 December 2023: HK\$719,734,000).

19. Shareholders' funds

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Share capital and shares held for share award scheme	4,226,832	4,226,215
Premises revaluation reserve	642,151	608,287
Investment revaluation reserve	2,827,353	2,121,197
Exchange reserve	(699,982)	(483,765)
Capital reserve	6,318	6,318
General reserve	484,289	484,289
Reserve for share-based compensation	26,106	17,005
Retained earnings	<u>27,128,687</u>	<u>25,702,012</u>
	<u>34,641,754</u>	<u>32,681,558</u>
Proposed final dividend/ final dividend paid included in retained earnings	<u>375,819</u>	<u>522,681</u>

Note:

DSB as a locally incorporated bank in Hong Kong is required to maintain minimum impairment provisions in excess of those required under HKFRS in the form of regulatory reserve. The regulatory reserve, which also covers Banco Comercial de Macau, S.A. and Dah Sing Bank (China) Limited, is maintained to satisfy the provisions of the Hong Kong Banking Ordinance and local regulatory requirements for prudential supervision purposes. The regulatory reserve restricts the amount of reserves which can be distributed to shareholders. Movements in the regulatory reserve are made directly through equity reserve and in consultation with the HKMA.

As at 31 December 2024, DSB has earmarked a regulatory reserve of HK\$544,500,000 (2023: HK\$616,530,000) first against its consolidated general reserve; and for any excess amount, the balance is earmarked against its consolidated retained earnings.

FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS

The following information relates to the Group and is disclosed as part of the accompanying information to the results announcement and is unaudited.

The banking business of the Group is held indirectly by DSFH through Dah Sing Banking Group Limited (“DSBG”). DSBG is the holding company of DSB which in turn holds the entire equity capital of Banco Comercial de Macau, S.A. and Dah Sing Bank (China) Limited. The insurance business of the Group is held directly by DSFH. It comprises the general insurance business of Dah Sing Insurance Company Limited (“DSI”) in Hong Kong and Macau Insurance Company Limited (“MIC”) in Macau, and the pension fund management business of Macau Pension Fund Management Company Limited in Macau.

In respect of the Group’s banking business

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Net interest income/operating income	76.3%	81.4%
Cost to income ratio	48.2%	53.6%
Return on average total assets	0.8%	0.7%
Return on average shareholders’ funds	6.2%	6.0%

In respect of the Group’s insurance business

	As at 31 Dec 2024	As at 31 Dec 2023
Risk-based capital (“RBC”) ratio/ Solvency ratio (Note (a))		
<u>DSI</u>		
- RBC ratio	286%	N/A
- Solvency ratio	N/A	738%
<u>MIC</u>		
- Solvency ratio	919%	1288%

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
HK\$’000		
Gross Premiums Written analysed by major lines of businesses:		
- Employees’ compensation	290,772	247,346
- Property damage	295,889	211,084
- Motor vehicle	365,452	297,835
- Mortgage guarantee	(165)	108,667
- Contractors’ all risks	106,501	51,082
- Others	187,520	145,359
Total	1,245,969	1,061,373

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
HK\$’000		
Net Premiums Earned analysed by major lines of businesses:		
- Employees’ compensation	165,797	151,617
- Property damage	44,667	36,641
- Motor vehicle	238,258	196,134
- Mortgage guarantee	42,652	38,313
- Contractors’ all risks	21,157	17,196
- Others	114,258	113,428
Total	626,789	553,329

FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS (CONTINUED)

	Year ended 31 Dec 2024	Restated Year ended 31 Dec 2023
Combined ratio (Note (b) and (h))	92.1%	95.8%
Loss ratio (Note (c) and (h))	46.8%	51.2%
Expenses ratio (Note (d) and (h))	23.1%	23.5%
Commission ratio (Note (e) and (h))	22.2%	21.0%
Return on opening equity (Note (f))	18.4%	19.1%
Investment return (Note (g)) (HK\$'000)	644,565	558,143

Note:

(a) The RBC regime for the insurance industry has been implemented in Hong Kong with effect from 1 July 2024. It adopts a three-pillar framework and an assessment approach which is sensitive to an insurer's asset and liability matching, risk appetite and mix of products. Before RBC was implemented, the relevant measure of capital strength of an insurance company was solvency ratio which has been replaced by RBC ratio under the RBC regime.

DSI's RBC ratio is the ratio of eligible capital to prescribed capital amount computed in accordance with the Hong Kong Insurance (Valuation and Capital) Rules (Cap. 41R). DSI's solvency ratio computed prior to 1 July 2024 is the ratio of adjusted net assets to required solvency margin computed in accordance with the Hong Kong Insurance (General Business) Valuation Rules (Cap. 41G).

MIC's solvency ratio is calculated based on the eligible equity of MIC on the last day of the immediately preceding financial year in accordance with Article 69 of the Macau Insurance Ordinance and guidance issued by the Monetary Authority of Macao.

- (b) Combined ratio is the ratio of the sum of net claims incurred, net commission expenses incurred and expenses to net earned premium.
- (c) Loss ratio is the ratio of net claims incurred to net earned premium.
- (d) Expenses ratio is the ratio of operating expenses to net earned premium.
- (e) Commission ratio is the ratio of net commission expenses incurred to net earned premium.
- (f) Return on opening equity is the ratio of the sum of profit after tax and other comprehensive income to the opening equity for the year.
- (g) Investment return includes net interest income, and gains and losses on investments recorded in income statement and other comprehensive income.
- (h) All ratios for the year 2023 have been restated to conform with the basis of computation adopted for the current year, which follows HKFRS 17.

FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS (CONTINUED)

Operating segment reporting - Other Comprehensive Income

HK\$'000	DSBG	Insurance and Investment Operations	Others	Total
For the year ended 31 December 2024				
Other comprehensive income for the year relating to:				
Debt instruments at fair value through other comprehensive income	174,908	-	-	174,908
Equity instruments at fair value through other comprehensive income	(148,275)	1,129,526	(33,101)	948,150
Share of other comprehensive income of an associate accounted for using the equity method	196,408	-	-	196,408
Premises	45,533	-	-	45,533
Exchange differences arising from translation of the financial statements of foreign entities	(290,718)	-	(4)	(290,722)
Total other comprehensive (loss)/ income for the year, net of tax	<u>(22,144)</u>	<u>1,129,526</u>	<u>(33,105)</u>	<u>1,074,277</u>
For the year ended 31 December 2023				
Other comprehensive income for the year relating to:				
Debt instruments at fair value through other comprehensive income	288,700	-	-	288,700
Equity instruments at fair value through other comprehensive income	1,020,827	805,914	13,127	1,839,868
Share of other comprehensive income of an associate accounted for using the equity method	248,924	-	-	248,924
Exchange differences arising from translation of the financial statements of foreign entities	(156,209)	-	(1)	(156,210)
Total other comprehensive income for the year, net of tax	<u>1,402,242</u>	<u>805,914</u>	<u>13,126</u>	<u>2,221,282</u>

Note:

The definitions of the operating segments of "Insurance and Investment Operations" and "Others" are the same as those described in Note 3.

FINAL DIVIDEND

At the forthcoming annual general meeting (“AGM”) of the Company to be held on Friday, 30 May 2025, the Directors will propose a final dividend of HK\$1.18 per share for 2024 to shareholders whose names are on the Register of Shareholders as at the close of business on Tuesday, 10 June 2025. Subject to shareholders’ approval at the AGM, the final dividend will be payable on Wednesday, 18 June 2025.

CLOSURE OF REGISTER OF SHAREHOLDERS

For determining shareholders’ right to attend and vote at the AGM:

Latest time to lodge transfers	4:30 p.m. on 26 May 2025 (Monday)
Closure of Register of Shareholders (both days inclusive)	27 May 2025 (Tuesday) to 30 May 2025 (Friday)
Record date	30 May 2025 (Friday)
AGM	30 May 2025 (Friday)

For determining shareholders’ entitlement to receive the proposed final dividend:

Latest time to lodge transfers	4:30 p.m. on 5 June 2025 (Thursday)
Closure of Register of Shareholders (both days inclusive)	6 June 2025 (Friday) to 10 June 2025 (Tuesday)
Record date	10 June 2025 (Tuesday)

During the periods of the closure of Register of Shareholders, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong before the relevant latest time to lodge transfers.

CORPORATE AND BUSINESS OVERVIEW

HIGHLIGHTS

In 2024, we reported an improvement in profitability despite a year marked by both opportunities and challenges. Higher interest rates were generally supportive of our net interest margins and net interest income, whilst loan growth and credit quality both remained challenging. Our teams continued to work diligently to explore and seize opportunities for growth. At the same time, we maintained a prudent approach to expense control and risk management for greater resilience while navigating through a high interest rate environment and relatively sluggish growth in our core markets.

Our wealth management segment delivered a robust performance year-on-year driven by our bancassurance business, with the exclusive agreement with Sun Life Group for the distribution of Sun Life products in Hong Kong completing its first full year. The new partnership achieved a strong result in 2024, which has enriched our wealth management offerings and allowed us to better address customer needs.

Our trading performance was strong, and our funding swap expenses were lower compared to last year, while our foreign exchange (“FX”) related business for customers also grew steadily.

In addition, our insurance and investment operations also performed well, achieving positive returns through a well-executed investment strategy. While net profit in these operations was lower than in 2023, total comprehensive income rose, reflecting higher investment income recognised under other comprehensive income.

Loan growth was weak due to sluggish demand. The property-related loan market in both Hong Kong and Mainland China remained challenging during the year. We increased credit impairment provisions against Mainland China property developers and the Hong Kong Commercial Real Estate sector, and will stay vigilant in monitoring the credit quality of our loan portfolio.

We are pleased to announce that a final dividend of HK\$1.18 per share was declared, representing a total dividend for the whole year of HK\$668,761,000, an increase of 5% compared to the HK\$2.00 in 2023.

BUSINESS AND FINANCIAL REVIEW

Hong Kong’s economy grew by 2.5% in 2024, down from 3.2% in 2023, driven by exports of services and overall investment expenditure. Domestic demand and the property market remained weak due to cautious buyer sentiment amid an uncertain economic outlook. Therefore, the Hong Kong Government has resumed the policy of multi-entry visas for Shenzhen residents to boost economic activities through tourism, helping to balance local spending outflows across the border. Meanwhile, Mainland China’s economy expanded by 5%, supported by stimulus measures, strong exports, and high-tech investments, despite weak domestic demand and demographic challenges. Cross-border financial and business activities benefited from gradually easing financial conditions, though the pace of future rate cuts remains uncertain.

In a challenging year, our Group’s profit attributable to shareholders in 2024 increased by 5% to HK\$1,673 million, mainly driven by both higher net interest and non-interest income, whilst higher credit impairment charges were offset by a lower impairment loss on the investment in our associate.

Dah Sing Bank’s (“DSB”) net interest margin widened by 16 basis points to 2.17% benefiting from the higher interest rate environment. Net interest income rose by 9% reflecting the impact of elevated interest rates and our attention to funding cost management. However, overall loan balances declined slightly by 3% from the previous year due to subdued loan demand in our core markets.

Our bancassurance business, underpinned by our exclusive distribution agreement with Sun Life, achieved robust growth, and net fee and commission income increased by 54%. Net trading income rose by about 40%, supported by enhanced collaboration between our Personal Banking and Corporate Banking teams in connection with FX-related services for customers.

BUSINESS AND FINANCIAL REVIEW (CONTINUED)

Operating profit before impairment losses grew by 26% mainly due to a 39% rise in non-interest income and a relatively stable operating cost. The insurance business also contributed to the rise in operating profit, with insurance revenue up by 18% while insurance service expense remained steady compared to the prior year.

Our share of the net profit of our associate, Bank of Chongqing (“BOCQ”) was HK\$677 million for 2024. An impairment loss on the investment in BOCQ of HK\$16 million was recorded, a decrease of 97% from 2023. It should be noted that the provision made relating to BOCQ is non-cash and does not affect our capital adequacy.

FUTURE PROSPECTS

Hong Kong’s economic growth in 2024 was moderate, constrained by weak loan demand and consumer sentiment as higher interest rates persisted. However, higher rates and volatile market conditions continue to benefit our net interest margin and FX trading operations. We remain cautious on credit risk, although we have already taken action to make appropriate provisions for credit loss. As we have built up a more diversified revenue base in our business over the years, we will be better positioned to respond proactively and effectively to evolving market dynamics.

That said, Hong Kong as our core market continues to maintain its stable economic fundamentals and competitive advantages, including well-developed infrastructure, low taxation, strong institutions and a robust financial system. Banks in Hong Kong have also introduced new measures to support local small and medium sized enterprises for their necessary financing and other banking services. As a local bank in Hong Kong, we will continue to render our strong support to the SME community.

Furthermore, our Greater Bay Area strategy leverages synergies across our “three locations, four platforms” framework, spanning DSB in Hong Kong, Dah Sing Bank (China) Limited in the Mainland, and Banco Comercial de Macau S.A. in Macau, as well as our Shenzhen Branch. Being the first foreign bank in Mainland China with a dual operating licence to operate a local branch in addition to our locally incorporated subsidiary bank, enables us to capitalise on increasing cross-border flows and economic integration.

Looking ahead, we anticipate ongoing challenges for the banking industry in the near term. In particular, elevated credit risks and sluggish loan growth are expected to continue across banks and the financial system as a whole. In order to maintain a healthy asset quality, we have been consistently managing credit risk within our loan and asset portfolios in a prudent manner. Both our robust capital adequacy and liquidity positions enable us not only to meet the challenges of a difficult business environment, but also to seize growth opportunities when conditions improve. Hong Kong’s liquidity conditions and our funding base primarily comprising diversified local customer deposits have stayed strong. Hong Kong banks have seen and learned from various challenges over the past decades, and the well-regulated banking system has the resilience to face future challenges.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (“CG Code”) under Part 2 of Appendix C1 of the Listing Rules throughout the year ended 31 December 2024, with the exception of code provision F.2.2.

Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. The Chairman of the Board, having attended the lengthy board meetings of the Group held immediately prior to the 2024 Annual General Meeting of the Company on 31 May 2024 (the “2024 AGM”), was unable to attend the 2024 AGM due to other business engagement. The Vice Chairman, Managing Director and Chief Executive of the Company, was directed by the Chairman to take the chair of the 2024 AGM.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct for directors’ securities dealing (“Directors’ Dealing Code”) on terms no less exacting than the prevailing required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) under Appendix C3 of the Listing Rules. Following specific enquiry, the Directors of the Company confirmed that they had complied with the required standard set out in the Model Code and the Directors’ Dealing Code throughout the year ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed with Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of listed securities of the Company during the year ended 31 December 2024, except that the trustee of the Share Award Scheme of the Company, pursuant to the terms of the rules and the trust deed of the Company’s Share Award Scheme, purchased on the Stock Exchange a total of 292,800 shares of the Company at a total consideration of HK\$6,334,489.75.

ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (“HKEX”) at www.hkexnews.hk and Dah Sing Bank at www.dahsing.com.

The 2024 Annual Report of the Group containing all the information required by the Listing Rules will be published on the websites of HKEX and Dah Sing Bank in due course. Printed copies of the 2024 Annual Report will be sent to shareholders who have elected to receive printed versions of the Company’s corporate communications before the end of April 2025.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises Mr. David Shou-Yeh Wong (Chairman), Mr. Hon-Hing Wong (Derek Wong) (Vice Chairman, Managing Director and Chief Executive), Mr. Harold Tsu-Hing Wong (Group General Manager) and Mr. Gary Pak-Ling Wang (Deputy Chief Executive) as Executive Directors; Mr. Hideomi Shinozaki (Mr. Yuichi Tashita as alternate) as Non-Executive Director; Mr. Robert Tsai-To Sze, Mr. Andrew Kwan-Yuen Leung, Mr. Paul Michael Kennedy, Mr. Paul Franz Winkelmann and Ms. Mariana Suk-Fun Ngan as Independent Non-Executive Directors.

By Order of the Board
Richard Tsung-Yung Li
Company Secretary

Hong Kong, Monday, 31 March 2025