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Hong Kong, 30 August 2024

## Dah Sing Financial Holdings Announces 2024 Interim Results

*Resilient and Strong Performance Despite  
Near-term Economic Uncertainties*

### Highlights

#### Dah Sing Financial Holdings (“DSFH”)

- Profit attributable to shareholders up **21%** y-o-y to **HK\$1,112 million**
- General insurance business reported **20%** y-o-y growth in net profit after tax to **HK\$59 million**
- Earnings per share: **HK\$3.49** (1H2023: HK\$2.89)
- Interim dividend per share: **HK\$0.92** (1H2023: HK\$0.36)

#### Dah Sing Banking Group (“DSBG”)

- Profit attributable to shareholders up **26%** y-o-y to **HK\$1,396 million**
- Net interest margin widened **16 bps** to **2.09%** (1H2023: 1.93%)
- Net interest income up **12%** y-o-y to **HK\$2,539 million**
- Net fee and commission income up **60%** y-o-y to **HK\$603 million**
- Net trading income and other income up **230%** y-o-y to **HK\$145 million**
- Total operating income up **22%** y-o-y to **HK\$3,287 million**
- Credit impairment losses up **247%** y-o-y to **HK\$544 million**
- Operating profit after credit impairment losses up **15%** y-o-y to **HK\$1,148 million**
- Profit contribution from Bank of Chongqing (“BOCQ”) remained unchanged y-o-y at **HK\$430 million**
- Impairment loss on investment in BOCQ decreased **93%** y-o-y to **HK\$16 million**
- Robust capital position with total capital adequacy ratio of **20.8%**, Common Equity Tier 1 ratio of **16.7%** and Tier 1 ratio of **17.4%**
- Earnings per share: **HK\$0.99** (1H2023: HK\$0.79)
- Annualised return on average shareholders’ funds at **8.5%** (1H2023: 7.4%)
- Interim dividend per share: **HK\$0.27** (1H2023: HK\$0.11 per share)

Dah Sing Financial Holdings Limited (“DSFH” or “the Group”; Stock Code: 0440) today announced its interim results for the period ended 30 June 2024. Profit attributable to shareholders rose by **21%** year-on-year to **HK\$1,112 million** despite the weak economic momentum in the first half of 2024. Earnings per share for the period amounted to **HK\$3.49**. The Board of Directors declared an interim dividend of **HK\$0.92** per share.

Dah Sing Banking Group Limited (“DSBG”; Stock Code: 2356) reported a **26%** year-on-year increase in profit attributable to shareholders to **HK\$1,396 million** for the period ended 30 June 2024. Earnings per share was **HK\$0.99**. The Board of Directors declared an interim dividend of **HK\$0.27** per share.

Hong Kong’s real gross domestic product (GDP) grew by 3.3% in the second quarter of 2024, faster than the 2.8% in the first quarter, whilst domestic and external demand were both weak. Meanwhile, Mainland China’s economic growth slowed amid weak retail spending, with its annual GDP growth reported at 4.7% in the second quarter of 2024, down from 5.3% in the previous quarter. In addition, high US interest rates continued to have mixed effects on the Hong Kong banking industry. Despite the economic uncertainties, the slowdown in loan demand and higher credit costs, the financial performance of DSBG remained resilient and achieved steady profit growth in the first half of 2024.

DSBG’s net interest income grew by **12%** year-on-year, supported by higher interest rates in the first half of 2024. Although funding costs remained high during the period, DSBG’s net interest margin widened by **16 bps** to **2.09%**, up from 1.93% in the same period in 2023. This was achieved through higher yields in interest earning assets and the prudent management of deposit costs.

Non-interest income increased by **77%** year-on-year, as net fee and commission income grew by **60%** year-on-year, driven by the contribution from commission fees and amortisation of bancassurance fee arising from our partnership with Sun Life Hong Kong Limited which successfully commenced since July last year. Meanwhile, net trading income and other income grew by a robust **230%** year-on-year.

Operating profit after credit impairment losses rose by **15%** year-on-year to **HK\$1,148 million**. The increase was partly offset by the **246%** year-on-year rise in credit impairment losses which reflected higher credit costs and the weak economic environment, but DSBG continued to take a prudent approach in credit risk control during the period.

In Macau, DSBG’s wholly-owned subsidiary Banco Comercial de Macau, S.A. recorded a year-on-year increase in the average balances of loans and deposits but a slight decrease in profit due to a higher credit impairment charges amidst the continuing challenging local economic environment. Meanwhile, DSBG’s wholly-owned subsidiary Dah Sing Bank (China) Limited continued to deliver growth in its operating income despite the slowdown in the local economy.

Profit contribution from its associated company Bank of Chongqing (“BOCQ”) remained unchanged year-on-year at **HK\$430 million** in the first half of 2024. Provision for impairment made against BOCQ during the period fell sharply by **93%** year-on-year to **HK\$16 million**. This accounting item is not a cash expense and has no impact on DSBG’s capital adequacy or cash flow.

The Group’s general insurance business registered substantial growth in the first half of 2024. Overall, our insurance and investment operations in Hong Kong and Macau recorded higher profitability with positive contributions from both underwriting and investments. Through effective cost management, prudent risk selection and adequate pricing, the combined ratio of the general insurance business improved to **92.4%** by **5.4 percentage points** compared with the prior period. Meanwhile, its solvency ratio remained strong.

“We are pleased to see the strong performance of our businesses in the first half of 2024. We focused on strengthening our wealth management services and SME related business during the period. In addition, we are pleased with the good results from our bancassurance partnership with Sun Life Hong Kong. In our insurance and investment operations, our underwriting business maintained good performance, while the contribution from our investment activities reinforced our philosophy and track record in compounding returns through patient, long-term investing. Furthermore, we maintained our priority in controlling credit cost and in risk management of our banking businesses. The Group’s capital adequacy and liquidity positions stayed robust, and will enable us to capitalise on opportunities for sustainable growth in the rest of the year and beyond,” said Mr. Derek Wong, Vice Chairman, Managing Director and Chief Executive of DSFH and DSBG.

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#### **About DSFH and DSBG**

Dah Sing Financial Holdings Limited (stock code: 0440) has been listed on the Hong Kong Stock Exchange since 1987. It is the holding company of the Group’s insurance business, as well as the majority shareholder of Dah Sing Banking Group Limited (“DSBG”, stock code: 2356). DSBG has been listed on the Hong Kong Stock Exchange since 2004, and has three banking subsidiaries (Dah Sing Bank, Limited, Banco Comercial de Macau, S.A. and Dah Sing Bank (China) Limited), providing banking and financial services through a network of about 60 operating locations in Hong Kong, Macau and Mainland China, and a securities trading company. Dah Sing Bank holds a strategic interest in Bank of Chongqing, which is the leading city commercial bank in Chongqing, the direct-controlled municipality in Western China. Dah Sing Bank’s long term ratings are “A2” (Moody’s) and “BBB+” (Fitch).

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Link to Financial Results: [http://www.dahsing.com/html/en/about\\_us/financial.html](http://www.dahsing.com/html/en/about_us/financial.html)