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Dah Sing Financial Holdings Announces 2024 Annual Results

Building Resilience for Growth

Despite Continued Challenges in Economic and Operating Environment

Highlights

Dah Sing Financial Holdings (“DSFH”)

- Profit attributable to shareholders up **5%** y-o-y to **HK\$1,673 million**
- Total operating income up **16%** y-o-y to **HK\$7,211 million**
- Earnings per share: **HK\$5.25**, up from HK\$4.99
- Final dividend per share: **HK\$1.18**

Dah Sing Banking Group (“DSBG”)

- Profit attributable to shareholders up **11%** y-o-y to **HK\$2,060 million**
- Net interest margin at **2.17%** (up 16 basis points)
- Net interest income up **10%** y-o-y to **HK\$5,288 million**
- Net fee and commission income up **53%** y-o-y at **HK\$1,329 million**
- Net trading income and other income up **36%** y-o-y to **HK\$318 million**
- Total operating income up **17%** y-o-y to **HK\$6,935 million**
- Credit impairment charges up **145%** y-o-y to **HK\$1,791 million**
- Profit contribution from Bank of Chongqing (“BOCQ”) down **2%** y-o-y to **HK\$677 million**
- Impairment loss on investment in BOCQ down **97%** y-o-y to **HK\$16 million**
- Robust capital position with total capital adequacy ratio of **21.0%**, Common Equity Tier 1 ratio of **16.9%** and Tier 1 ratio of **17.6%**
- Annualised return on average shareholders’ funds at **6.2%**, up from 6.0%
- Earnings per share: **HK\$1.47**, up from HK\$1.32
- Final dividend per share: **HK\$0.39**

Dah Sing Financial Holdings Limited (“DSFH” or “the Group”; Stock Code: 0440) today announced its annual results for 2024. Profit attributable to shareholders increased by **5%** year-on-year to **HK\$1,673 million**, benefitting from higher operating income and lower impairment loss on investment in an associate, which offset the increase in credit impairment charges. Earnings per share for the year amounted to **HK\$5.25**. The Board of Directors recommended a final dividend of **HK\$1.18** per share, representing a total dividend of **HK\$2.10** for the full year. (2023: HK\$2.00 per share).

Dah Sing Banking Group Limited (“DSBG”; Stock Code: 2356) reported a **11%** year-on-year increase in profit attributable to shareholders to **HK\$2,060 million** for the year. Earnings per share were **HK\$1.47**. The Board of Directors recommended a final dividend of **HK\$0.39** per share, representing a total dividend of **HK\$0.66** for the full year. (2023: HK\$0.60 per share).

The economic and business environments in Hong Kong and Mainland China remained challenging in 2024. Hong Kong’s economy grew by 2.5% in 2024, down from 3.2% in 2023, amidst weaknesses in both domestic demand and the property market. Growth in several sub-sectors saw Mainland China’s economy expand by 5%, although it was still slower than the 5.2% in 2023. Meanwhile, persistently high interest rates kept loan demand low. Despite the difficult operating environment, the Group continued to deliver a resilient financial performance.

DSBG’s total operating income increased **17%** year-on-year to **HK\$6,935 million**. Net interest income grew **10%** year-on-year to **HK\$5,288 million**, supported by higher market interest rates in 2024. Net interest margin widened **16 bps** to a full year average of **2.17%**. This was achieved by maintaining higher yields from interest earning assets while proactively managing up the CASA (Current Account and Savings Account) ratio and managing deposit costs lower during the year.

Net fee and commission income recorded an increase of **53%** year-on-year to **HK\$1,329 million**. Meanwhile, net trading income and other income rose by **36%** year-on-year to **HK\$318 million**.

Gross advances to customers and trade bills decreased slightly by **3.6%** to **HK\$139.9 billion** as at the end of 2024 as overall market loan demand remained weak, in part due to high interest rates. Credit impairment charges were significantly higher by **145%** year-on-year to **HK\$1,791 million**, mainly driven by additional provisions made against Chinese property developers and the deteriorating conditions in the Hong Kong commercial real estate sector as well as partially due to unsecured consumer lending.

The profit contribution from its associated company BOCQ for the period fell slightly by **2%** year-on-year to **HK\$677 million**. Provision for impairment made against BOCQ during the period fell by **97%** to **HK\$16 million**.

The Group's Insurance and Investment Operations produced a robust performance for the year, underpinned by disciplined underwriting and strong investment returns. The General Insurance businesses reported a double digit growth in insurance revenue and delivered an increased underwriting profit with the combined ratio improving to **92.1%**.

"The Group delivered solid financial results in 2024, mainly due to the strong growth in operating income and underwriting result of our banking and insurance businesses respectively. The Group focused on strengthening our wealth management services and expanding our retail SME related business. We are also pleased to see the good progress from our bancassurance partnership with Sun Life Hong Kong. Managing the overall credit quality of our loan portfolio remained an important focus as we realign and grow our businesses in the changing market landscape. The Group's capital adequacy and liquidity positions stayed robust. The strong positions 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 and investment operations, 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 63 branches in Hong Kong, Macau and the Mainland, 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.

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Link to Financial Results: http://www.dahsing.com/html/en/about_us/financial.html