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# 大新金融集團有限公司

## DAH SING FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 440)

### **ANNOUNCEMENT OF 2025 INTERIM RESULTS**

The Directors of Dah Sing Financial Holdings Limited (“DSFH” or the “Company”) are pleased to present the interim results and condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025. The unaudited profit attributable to shareholders after non-controlling interests for the six months ended 30 June 2025 was HK\$1,406.2 million.

#### **UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

The unaudited 2025 interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

#### **UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 30 June

HK\$'000	Note	2025	2024	Variance %
Interest income	3	5,343,273	6,254,269	
Interest expense	3	(2,528,332)	(3,659,630)	
<b>Net interest income</b>		<b>2,814,941</b>	<b>2,594,639</b>	<b>8.5</b>
Fee and commission income	4	828,423	711,602	
Fee and commission expense	4	(107,935)	(116,849)	
<b>Net fee and commission income</b>		<b>720,488</b>	<b>594,753</b>	<b>21.1</b>
Insurance revenue	5	620,924	511,351	
Insurance service expense	5	(444,667)	(305,063)	
Net expense from reinsurance contracts held	5	(109,072)	(157,634)	
<b>Insurance service result</b>		<b>67,185</b>	<b>48,654</b>	
Net trading income	6	459,206	99,924	
Net insurance finance expense	5	(19,226)	(4,735)	
Other operating income	7	69,776	59,363	
<b>Total operating income</b>		<b>4,112,370</b>	<b>3,392,598</b>	<b>21.2</b>
Operating expenses	8	(1,781,701)	(1,622,647)	<b>9.8</b>
<b>Operating profit before impairment losses</b>		<b>2,330,669</b>	<b>1,769,951</b>	<b>31.7</b>
Credit impairment losses	9	(729,151)	(543,863)	<b>34.1</b>
<b>Operating profit before gains and losses on certain investments and fixed assets</b>		<b>1,601,518</b>	<b>1,226,088</b>	<b>30.6</b>
Net loss on disposal of other fixed assets		(40)	(122)	
Share of results of an associate	10	442,756	430,479	
Impairment loss on investment in an associate	10	-	(15,715)	
Loss on deemed disposal of investment in an associate		-	(1)	
Share of results of jointly controlled entities		15,902	17,395	
<b>Profit before taxation</b>		<b>2,060,136</b>	<b>1,658,124</b>	<b>24.2</b>
Taxation	11	(249,297)	(187,932)	
<b>Profit for the period</b>		<b>1,810,839</b>	<b>1,470,192</b>	<b>23.2</b>
Profit attributable to non-controlling interests		(404,655)	(357,810)	
<b>Profit attributable to Shareholders of the Company</b>		<b>1,406,184</b>	<b>1,112,382</b>	<b>26.4</b>
Interim dividend		370,071	294,009	
<b>Earnings per share</b>				
Basic	12	HK\$4.41	HK\$3.49	
Diluted	12	HK\$3.79	HK\$2.92	

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June

HK\$'000	2025	2024
<b>Profit for the period</b>	<b>1,810,839</b>	<b>1,470,192</b>
<b>Other comprehensive income for the period</b>		
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	169,400	180,602
Share of other comprehensive (loss)/ income of an associate accounted for using the equity method	(148,183)	65,733
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	14,837	4,850
Deferred income tax related to the above	(22,333)	(30,891)
	<b>13,721</b>	<b>220,294</b>
Exchange differences arising on translation of the financial statements of foreign entities	<b>280,943</b>	<b>(211,737)</b>
Items that will not be reclassified to the consolidated income statement:		
Premises		
Reserves arising from reclassification of premises to investment properties	-	45,534
Investments in securities		
Share of other comprehensive income of an associate accounted for using the equity method	1,118	26
Net change in fair value of equity instruments at fair value through other comprehensive income	430,551	606,228
Deferred income tax related to the above	(41,705)	(37,653)
	<b>389,964</b>	<b>614,135</b>
Other comprehensive income for the period, net of tax	<b>684,628</b>	<b>622,692</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>2,495,467</b>	<b>2,092,884</b>
Attributable to:		
Non-controlling interests	482,697	371,679
Shareholders of the Company	2,012,770	1,721,205
<b>Total comprehensive income for the period, net of tax</b>	<b>2,495,467</b>	<b>2,092,884</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

HK\$'000	Note	As at 30 Jun 2025	As at 31 Dec 2024
<b>ASSETS</b>			
Cash and balances with banks		15,203,720	15,009,807
Placements with banks maturing between one and twelve months		8,754,188	5,795,536
Trading securities	13	3,332,932	2,006,353
Financial assets at fair value through profit or loss	13	1,895,698	1,999,039
Derivative financial instruments		3,226,219	4,083,731
Advances and other accounts	14	144,202,303	143,602,035
Financial assets at fair value through other comprehensive income	15	53,813,141	51,251,735
Financial assets at amortised cost	16	33,622,144	35,530,152
Investment in an associate	10	2,959,185	2,532,810
Investments in jointly controlled entities		153,999	138,097
Goodwill		785,774	785,774
Intangible assets		92,390	92,390
Premises and other fixed assets		2,895,348	2,859,776
Investment properties		721,917	671,692
Current income tax assets		3,365	4,906
Deferred income tax assets		145,907	159,482
<b>Total assets</b>		<b>271,808,230</b>	<b>266,523,315</b>
<b>LIABILITIES</b>			
Deposits from banks		2,329,096	1,936,236
Derivative financial instruments		1,971,835	1,839,915
Trading liabilities		2,649,362	498,069
Deposits from customers		203,115,079	200,599,432
Certificates of deposit issued		1,890,009	4,294,996
Subordinated notes		4,273,505	4,146,914
Other accounts and accruals	17	9,507,521	9,401,015
Current income tax liabilities		627,582	365,361
Deferred income tax liabilities		260,321	243,233
<b>Total liabilities</b>		<b>226,624,310</b>	<b>223,325,171</b>
<b>EQUITY</b>			
Non-controlling interests		8,893,986	8,556,390
<b>Equity attributable to the Company's shareholders</b>			
Share capital		4,236,820	4,226,832
Other reserves (including retained earnings)		32,053,114	30,414,922
<b>Shareholders' funds</b>	18	<b>36,289,934</b>	<b>34,641,754</b>
<b>Total equity</b>		<b>45,183,920</b>	<b>43,198,144</b>
<b>Total equity and liabilities</b>		<b>271,808,230</b>	<b>266,523,315</b>

**Note:**

**1. General information**

Dah Sing Financial Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) provide banking, insurance, financial and other related services in Hong Kong, Macau, and the People’s Republic of China.

**2. Unaudited financial statements and accounting policies**

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

Certain financial information in this interim results announcement is extracted from the statutory consolidated financial statements for the year ended 31 December 2024 (the “2024 consolidated financial statements”) which have been delivered to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622), and the Hong Kong Monetary Authority (“HKMA”).

The auditor’s report on the 2024 consolidated financial statements was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

**Basis of preparation and accounting policies**

Except as described below, the accounting policies and methods of computation used in the preparation of the 2025 interim condensed 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 2024.

(a) New and amended standards adopted by the Group

The following amendments to accounting standards and Hong Kong Financial Reporting Standards (hereinafter collectively referred to as “HKFRS”) that became applicable for annual reporting periods commencing on or after 1 January 2025:

- Amendments to HKAS 21 - Lack of Exchangeability

The above amendments require the reporting entity to assess whether or not a currency is exchangeable into another currency, and to estimate the spot exchange rate and to disclose when it concludes that a currency is not exchangeable into another currency. These amendments have no 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 interpretations have been published that are not yet effective from 1 January 2025 and have not been early adopted by the Group:

- (i) 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 Hong Kong Institute of Certified Public Accountants issued amendments to HKFRS 9 and HKFRS 7 to provide guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, and 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.

**2. Unaudited financial statements and accounting policies (Continued)**

**Basis of preparation and accounting policies (Continued)**

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

- (ii) 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 2025 or not yet effective that would be expected to have a material impact on the Group.

The interim condensed consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated, and were approved by the Board of Directors for issue on 20 August 2025.

These interim condensed consolidated financial statements have not been audited.

**3. Net interest income**

For the six months ended 30 June

HK\$'000	2025	2024
<b>Interest income</b>		
Cash and balances with banks	357,121	442,413
Investments in securities	2,038,425	2,183,816
Advances and other accounts	2,947,727	3,628,040
	<b>5,343,273</b>	<b>6,254,269</b>
<b>Interest expense</b>		
Deposits from banks/ Deposits from customers	2,261,064	3,319,967
Certificates of deposit issued	71,812	102,596
Subordinated notes	149,742	177,969
Lease liabilities	8,809	4,748
Others	36,905	54,350
	<b>2,528,332</b>	<b>3,659,630</b>
<b>Included within interest income</b>		
- Trading securities and financial assets at fair value through profit or loss	43,778	39,673
- Financial assets at fair value through other comprehensive income	1,340,899	1,453,506
- Financial assets at amortised cost	3,958,596	4,761,090
	<b>5,343,273</b>	<b>6,254,269</b>
<b>Included within interest expense</b>		
- Financial liabilities at fair value through profit or loss	12,903	7,826
- Financial liabilities at amortised cost	2,515,429	3,651,804
	<b>2,528,332</b>	<b>3,659,630</b>

In the six months ended 30 June 2025 and 2024, there was no interest income recognised on impaired assets.

#### 4. Net fee and commission income

For the six months ended 30 June

HK\$'000	2025	2024
<b>Fee and commission income</b>		
Fee and commission income from financial assets and liabilities not at fair value through profit or loss		
- Credit related fees and commissions	88,540	88,558
- Trade finance	29,711	23,456
- Credit card	105,758	125,653
Other fee and commission income		
- Securities brokerage	83,861	52,123
- Insurance distribution and others	239,345	224,741
- Retail investment and wealth management services	137,285	77,159
- Bank services and handling fees	31,740	29,522
- Other fees	112,183	90,390
	<b>828,423</b>	<b>711,602</b>
<b>Fee and commission expense</b>		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	98,223	108,110
- Other fees paid	9,712	8,739
	<b>107,935</b>	<b>116,849</b>

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.

#### 5. Insurance service result after net insurance finance expense

For the six months ended 30 June

HK\$'000	2025	2024
Insurance revenue	620,924	511,351
Insurance service expense	(444,667)	(305,063)
Net expense from reinsurance contracts held	(109,072)	(157,634)
Insurance service result	67,185	48,654
Net insurance finance expense	(19,226)	(4,735)
Insurance service result after net insurance finance expense	<b>47,959</b>	<b>43,919</b>
Analysed by major lines of businesses:		
- Employees' compensation	11,798	16,969
- Property damage	21,493	16,853
- Motor vehicle, damage and liability	1,819	11,326
- Mortgage guarantee	9,148	9,215
- Contractors' all risks	14,915	5,623
- Others	(11,214)	(16,067)
	<b>47,959</b>	<b>43,919</b>

**6. Net trading income**

For the six months ended 30 June

HK\$'000	2025	2024
Dividend income from financial assets at fair value through profit or loss	47,023	39,531
Net gain arising from dealing in foreign currencies	398,968	65,442
Net gain/(loss) on trading securities	15,030	(767)
Net gain from derivatives entered into for trading purpose	4,148	37,914
Net gain arising from financial instruments subject to fair value hedge	534	381
Net loss on financial instruments at fair value through profit or loss	(6,497)	(42,577)
	<b>459,206</b>	<b>99,924</b>

**7. Other operating income**

For the six months ended 30 June

HK\$'000	2025	2024
Dividend income from investments in equity instruments at fair value through other comprehensive income		
- Derecognised during the period		
- Listed investments	669	3,284
- Held at the end of the period		
- Listed investments	48,123	30,709
- Unlisted investments	1,500	1,952
Gross rental income from investment properties	10,237	9,269
Other rental income	7,981	7,901
Others	1,266	6,248
	<b>69,776</b>	<b>59,363</b>

**8. Operating expenses**

For the six months ended 30 June

HK\$'000	2025	2024
Employee compensation and benefit expenses (including directors' remuneration)	1,283,047	1,125,443
Premises and other fixed assets expenses, excluding depreciation	110,399	105,787
Depreciation		
- Premises and other fixed assets	127,973	117,992
- Right-of-use properties	59,386	72,230
Advertising and promotion costs	38,126	39,516
Printing, stationery and postage	18,569	24,012
Others	144,201	137,667
	<b>1,781,701</b>	<b>1,622,647</b>



**9. Credit impairment losses**

For the six months ended 30 June

HK\$'000	2025	2024
New allowances net of allowance releases	<b>780,339</b>	582,258
Recoveries of amounts previously written off	<b>(51,188)</b>	(38,395)
	<b>729,151</b>	543,863
Attributable to:		
- Loans and advances to customers	<b>706,412</b>	550,546
- Other financial assets	<b>30,004</b>	(1,650)
- Loan commitments and financial guarantees	<b>(7,265)</b>	(5,033)
	<b>729,151</b>	543,863

**10. Share of results of an associate, and impairment loss on investment in an associate**

Share of results of an associate

As at the date of this announcement, the results of the Group's associate, Bank of Chongqing ("BOCQ"), for the six months ended 30 June 2025 are not yet publicly available. The Group has determined its share of results of BOCQ for the first half of 2025 by reference to the results published by BOCQ in particular those attributable to the first quarter of 2025 ended 31 March 2025, and taking into account the financial effect of significant transactions or events in the period from 1 April 2025 to 30 June 2025 which BOCQ had made known to the public.

Impairment loss on investment in an associate

The Group assesses at the end of each reporting period whether there is any indication that the investment in BOCQ may be impaired.

At 30 June 2025 and 31 December 2024, the fair value of the Group's investment in BOCQ was higher than the carrying value. As there was no change in service potential of the investment, there was no assessment of impairment or its reversal.

At 30 June 2024, the fair value was below the carrying value. An impairment assessment was performed and the carrying value was written down to the fair value less costs of disposal and recorded an impairment charge of HK\$16 million. The fair value of the investment as at 30 June 2024 was calculated with reference to the closing market price of BOCQ's H-shares as at 30 June 2024, which was measured at the Level 1 inputs of the fair value hierarchy.

The calculation of Dah Sing Bank, Limited ("DSB")'s capital adequacy does not include the retained earnings from this investment (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.

## 11. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the period. Taxation on profits in Mainland China and Macau has been calculated on the estimated assessable profit for the period 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 period when the liability is settled or the asset is realised.

For the six months ended 30 June

HK\$'000	2025	2024
Current income tax		
- Hong Kong profits tax	254,003	155,930
- Mainland China's and Macau's taxation	2,779	21,621
- Under-provision in prior years	-	168
Deferred income tax		
- Origination and reversal of temporary differences	(7,485)	10,327
- Recognition of tax losses	-	(114)
Taxation	<u>249,297</u>	<u>187,932</u>

## 12. Basic and diluted earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on earnings of HK\$1,406,184,000 (2024: HK\$1,112,382,000) and the weighted average number of 319,112,928 (2024: 318,989,131) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30 June 2025 is based on earnings of HK\$1,406,184,000 (2024: HK\$1,112,382,000) and deducting from it the dilutive effect of our share of profits in an associate amounting to HK\$190,542,000 (2024: HK\$175,815,000) and the weighted average number of 320,536,343 (2024: 320,647,854) ordinary shares in issue during the period after adjusting for the effect of shares awarded under share award scheme in 1,423,415 shares (2024: 1,658,723 shares). The share options outstanding during the period and at the period end have no dilutive effect on the weighted average number of ordinary shares.

	2025	2024
Profit attributable to shareholders (HK\$'000)	1,406,184	1,112,382
Dilutive effect of share of profits in an associate (HK\$'000)	<u>(190,542)</u>	<u>(175,815)</u>
Profit used to determine diluted earnings per share (HK\$'000)	<u>1,215,642</u>	<u>936,567</u>
Weighted average number of ordinary shares in issue	319,112,928	318,989,131
Effect of awarded shares	<u>1,423,415</u>	<u>1,658,723</u>
Weighted average number of ordinary shares in issue used to determine diluted earnings per share	<u>320,536,343</u>	<u>320,647,854</u>

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

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Trading securities:		
Debt securities:		
- Listed in Hong Kong	4,899	9,790
- Unlisted	<u>3,328,033</u>	<u>1,996,563</u>
	<u>3,332,932</u>	<u>2,006,353</u>
Financial assets at fair value through profit or loss:		
Equity securities and investment funds:		
- Listed in Hong Kong	4,507	4,272
- Listed outside Hong Kong	516,939	886,009
- Unlisted	<u>1,374,252</u>	<u>1,108,758</u>
	<u>1,895,698</u>	<u>1,999,039</u>
Total	<u>5,228,630</u>	<u>4,005,392</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	-	597,920
- Other treasury bills	3,327,653	1,398,443
- Government bonds	4,571	9,647
- Other debt securities	<u>708</u>	<u>343</u>
	<u>3,332,932</u>	<u>2,006,353</u>

As at 30 June 2025 and 31 December 2024, 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	3,332,224	2,006,010
- Corporate entities	1,895,698	1,999,039
- Public sector entities	<u>708</u>	<u>343</u>
	<u>5,228,630</u>	<u>4,005,392</u>

**14. Advances and other accounts**

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Gross loans and advances to customers	<b>139,489,360</b>	138,374,285
Less: impairment allowances		
- Stage 1	(376,604)	(385,262)
- Stage 2	(381,573)	(274,094)
- Stage 3	(1,158,920)	(872,989)
	<b>(1,917,097)</b>	(1,532,345)
	<b>137,572,263</b>	136,841,940
Trade bills	<b>1,977,239</b>	1,476,539
Less: impairment allowances		
- Stage 1	(1,953)	(1,126)
- Stage 2	(1)	(1)
	<b>(1,954)</b>	(1,127)
	<b>1,975,285</b>	1,475,412
Other assets	<b>4,670,695</b>	5,305,888
Less: impairment allowances		
- Stage 1	(10,352)	(7,746)
- Stage 2	(1,698)	(906)
- Stage 3	(3,890)	(12,553)
	<b>(15,940)</b>	(21,205)
	<b>4,654,755</b>	5,284,683
Advances and other accounts	<b>144,202,303</b>	143,602,035

# 14. 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 30 Jun 2025		As at 31 Dec 2024	
	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	6,905,674	5.0	6,425,975	4.7
- Property investment	21,251,655	15.2	23,066,021	16.7
- Financial concerns	6,514,697	4.7	5,154,554	3.7
- Stockbrokers	977,651	0.7	1,441,956	1.1
- Wholesale and retail trade	4,205,252	3.0	4,298,542	3.1
- Manufacturing	1,246,409	0.9	1,400,285	1.0
- Transport and transport equipment	2,451,915	1.8	2,883,028	2.1
- Recreational activities	17,306	-	48,882	-
- Information technology	51,761	-	48,392	-
- Others	4,891,883	3.5	5,665,507	4.1
	<b>48,514,203</b>	<b>34.8</b>	<b>50,433,142</b>	<b>36.5</b>
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	408,392	0.3	414,186	0.3
- Loans for the purchase of other residential properties	33,052,943	23.7	33,561,360	24.3
- Credit card advances	3,589,425	2.6	3,645,014	2.6
- Others	15,827,024	11.3	13,998,682	10.1
	<b>52,877,784</b>	<b>37.9</b>	<b>51,619,242</b>	<b>37.3</b>
Loans for use in Hong Kong	<b>101,391,987</b>	<b>72.7</b>	<b>102,052,384</b>	<b>73.8</b>
Trade finance (Note (1))	4,596,225	3.3	4,902,455	3.5
Loans for use outside Hong Kong (Note (2))	<b>33,501,148</b>	<b>24.0</b>	<b>31,419,446</b>	<b>22.7</b>
	<b>139,489,360</b>	<b>100.0</b>	<b>138,374,285</b>	<b>100.0</b>

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 HKMA.
- (2) Loans for use outside Hong Kong include loans extended to customers located in Hong Kong with the finance used outside Hong Kong.

**14. Advances and other accounts (Continued)**

(b) Impaired, overdue and rescheduled assets

(i) Impaired loans

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Gross loans and advances	139,489,360	138,374,285
Less: total impairment allowances	(1,917,097)	(1,532,345)
Net	<u>137,572,263</u>	<u>136,841,940</u>
Credit-impaired loans and advances	4,350,004	4,437,683
Less: Stage 3 impairment allowances	(1,158,920)	(872,989)
Net	<u>3,191,084</u>	<u>3,564,694</u>
Fair value of collateral held*	<u>3,431,356</u>	<u>3,620,776</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>3.12%</u>	<u>3.21%</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 30 Jun 2025		As at 31 Dec 2024	
	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	502,932	0.36	2,104,322	1.52
- one year or less but over six months	2,317,097	1.66	778,884	0.56
- over one year	<u>1,268,501</u>	<u>0.91</u>	<u>926,024</u>	<u>0.67</u>
	<u>4,088,530</u>	<u>2.93</u>	<u>3,809,230</u>	<u>2.75</u>
Represented by:				
- Secured overdue loans and advances	3,465,741		3,253,094	
- Unsecured overdue loans and advances	<u>622,789</u>		<u>556,136</u>	
Market value of securities held against the secured overdue loans and advances	<u>4,747,844</u>		<u>4,773,407</u>	
Stage 3 impairment allowances	<u>983,989</u>		<u>694,499</u>	

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

**14. Advances and other accounts (Continued)**

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

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

HK\$'000	As at 30 Jun 2025	% of total	As at 31 Dec 2024	% of total
Loans and advances to customers	<u>388,711</u>	<u>0.28</u>	<u>360,912</u>	<u>0.26</u>
Stage 3 impairment allowances	<u>131,940</u>		<u>116,075</u>	

(iv) Trade bills

As at 30 June 2025 and 31 December 2024, there were no balance of trade bills that were overdue for more than 3 months.

(c) Repossessed collateral

Reposessed collateral held is as follows:

Nature of assets	As at 30 Jun 2025	As at 31 Dec 2024
Reposessed properties	254,139	426,280
Others	<u>2,900</u>	<u>1,440</u>
	<u>257,039</u>	<u>427,720</u>

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

As at 31 December 2024, certain other properties in the Mainland China with a total estimated realisable value of HK\$56,184,000 (30 June 2025: Nil), which had been foreclosed and reposessed by the Group pursuant to orders issued by courts in Mainland China, represent assets held by the Group for resale and have been reported under "Other assets". The relevant loans had been derecognised.

**15. Financial assets at fair value through other comprehensive income**

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Debt securities:		
- Listed in Hong Kong	12,741,689	11,891,064
- Listed outside Hong Kong	22,307,408	20,513,422
- Unlisted	10,066,595	10,799,618
	<u>45,115,692</u>	<u>43,204,104</u>
Equity securities:		
- Listed in Hong Kong	365,004	295,928
- Listed outside Hong Kong	6,714,964	6,147,392
- Unlisted	1,617,481	1,604,311
	<u>8,697,449</u>	<u>8,047,631</u>
Total	<u>53,813,141</u>	<u>51,251,735</u>
Included within debt securities are:		
- Certificates of deposit held	66,778	62,749
- Treasury bills which are cash equivalents	-	59,717
- Other treasury bills	4,054,277	3,897,954
- Government bonds	1,563,859	1,378,969
- Other debt securities	39,430,778	37,804,715
	<u>45,115,692</u>	<u>43,204,104</u>
Financial assets at fair value through other comprehensive income are analysed by categories of issuers as follows:		
Debt securities:		
- Central governments and central banks	7,895,185	8,615,979
- Public sector entities	3,545,071	2,840,468
- Banks and other financial institutions	17,918,672	12,886,437
- Corporate entities	15,756,764	18,861,220
	<u>45,115,692</u>	<u>43,204,104</u>
Equity securities:		
- Banks and other financial institutions	1,175,102	1,066,761
- Corporate entities	7,522,347	6,980,870
	<u>8,697,449</u>	<u>8,047,631</u>
	<u>53,813,141</u>	<u>51,251,735</u>



**16. Financial assets at amortised cost**

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Debt securities:		
- Listed in Hong Kong	11,547,493	12,878,232
- Listed outside Hong Kong	14,313,597	14,186,382
- Unlisted	7,804,688	8,497,549
	<u>33,665,778</u>	<u>35,562,163</u>
Less: impairment allowance		
- Stage 1	(42,760)	(31,102)
- Stage 2	(874)	(909)
	<u>(43,634)</u>	<u>(32,011)</u>
Total	<u>33,622,144</u>	<u>35,530,152</u>
Included within debt securities are:		
- Certificates of deposit held	3,684,386	3,723,064
- Treasury bills	672,857	1,096,317
- Government bonds	-	230,349
- Other debt securities	29,308,535	30,512,433
	<u>33,665,778</u>	<u>35,562,163</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	672,857	1,326,666
- Public sector entities	1,844,246	1,731,208
- Banks and other financial institutions	13,960,293	12,718,386
- Corporate entities	17,188,382	19,785,903
	<u>33,665,778</u>	<u>35,562,163</u>

**17. Other accounts and accruals**

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Lease liabilities	396,966	382,252
Other liabilities and accruals (Note)	<u>9,110,555</u>	<u>9,018,763</u>
	<u>9,507,521</u>	<u>9,401,015</u>

Note: Included in "Other liabilities and accruals" are insurance and reinsurance contract liabilities in respect of the Group's general insurance business amounting to HK\$1,444,207,000 (31 December 2024: HK\$1,405,971,000). 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 30 June 2025, was HK\$857,022,000 (31 December 2024: HK\$814,426,000).

**18. Shareholders' funds**

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Share capital and shares held for share award scheme	<b>4,236,820</b>	4,226,832
Premises revaluation reserve	<b>642,151</b>	642,151
Investment revaluation reserve	<b>2,993,141</b>	2,827,353
Exchange reserve	<b>(491,038)</b>	(699,982)
Capital reserve	<b>6,318</b>	6,318
General reserve	<b>484,289</b>	484,289
Reserve for share-based compensation	<b>23,616</b>	26,106
Retained earnings	<b>28,394,637</b>	27,128,687
	<b>36,289,934</b>	34,641,754
Proposed dividend/ dividend paid included in retained earnings	<b>370,071</b>	376,452

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 30 June 2025, DSB has earmarked a regulatory reserve of HK\$455,380,000 (31 December 2024: HK\$544,500,000) first against its consolidated general reserve; and for any excess amount, the balance is earmarked against its consolidated retained earnings.

**19. 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.

# 19. Operating segment reporting (Continued)

## For the six months ended 30 June 2025

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)	1,173,142	536,262	966,513	200,504	38,422	(99,877)	(25)	2,814,941
Non-interest income/ (expenses)	665,481	106,143	128,035	107,468	236,425	79,048	(25,171)	1,297,429
Total operating income/ (expenses)	1,838,623	642,405	1,094,548	307,972	274,847	(20,829)	(25,196)	4,112,370
Operating expenses	(987,890)	(272,299)	(160,029)	(284,590)	(89,865)	(12,224)	25,196	(1,781,701)
Operating profit/ (loss) before credit impairment losses	850,733	370,106	934,519	23,382	184,982	(33,053)	-	2,330,669
Credit impairment losses	(269,959)	(307,300)	(30,143)	(118,659)	(796)	(2,294)	-	(729,151)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	580,774	62,806	904,376	(95,277)	184,186	(35,347)	-	1,601,518
Net loss on disposal of other fixed assets	(33)	(3)	-	(2)	-	(2)	-	(40)
Share of results of an associate	-	-	-	442,756	-	-	-	442,756
Share of results of jointly controlled entities	-	-	-	-	-	15,902	-	15,902
Profit/ (loss) before taxation	580,741	62,803	904,376	347,477	184,186	(19,447)	-	2,060,136
Taxation (expenses)/ credit	(95,865)	(10,040)	(149,046)	12,582	(7,001)	73	-	(249,297)
Profit/ (loss) for the period	484,876	52,763	755,330	360,059	177,185	(19,374)	-	1,810,839
For the six months ended 30 June 2025								
Depreciation and amortisation	47,366	12,422	11,016	30,866	3,507	82,182	-	187,359
As at 30 June 2025								
Segment assets	59,511,245	62,904,785	99,209,335	38,054,422	11,844,974	10,939,543	(10,656,074)	271,808,230
Segment liabilities	127,783,364	46,141,616	14,809,395	30,429,973	5,052,758	13,063,278	(10,656,074)	226,624,310
Assets under management (being those assets deployed for investment purpose)	-	-	-	-	10,886,955	-	-	10,886,955

**19. Operating segment reporting (Continued)**

For the six months ended 30 June 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)	1,094,468	582,205	650,687	230,318	55,800	(18,816)	(23)	2,594,639
Non-interest income/ (expenses)	<u>531,816</u>	<u>103,928</u>	<u>21,032</u>	<u>83,682</u>	<u>92,043</u>	<u>(9,119)</u>	<u>(25,423)</u>	<u>797,959</u>
Total operating income/ (expenses)	1,626,284	686,133	671,719	314,000	147,843	(27,935)	(25,446)	3,392,598
Operating expenses	<u>(927,592)</u>	<u>(269,760)</u>	<u>(128,918)</u>	<u>(265,550)</u>	<u>(42,667)</u>	<u>(13,606)</u>	<u>25,446</u>	<u>(1,622,647)</u>
Operating profit/ (loss) before credit impairment (losses)/ write-back	698,692	416,373	542,801	48,450	105,176	(41,541)	-	1,769,951
Credit impairment (losses)/ write-back	<u>(236,258)</u>	<u>(277,530)</u>	<u>1,528</u>	<u>(29,638)</u>	<u>525</u>	<u>(2,490)</u>	<u>-</u>	<u>(543,863)</u>
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	462,434	138,843	544,329	18,812	105,701	(44,031)	-	1,226,088
Net gain/ (loss) on disposal of other fixed assets	3	-	-	1	-	(126)	-	(122)
Share of results of an associate	-	-	-	430,479	-	-	-	430,479
Impairment loss on 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,395</u>	<u>-</u>	<u>17,395</u>
Profit/ (loss) before taxation	462,437	138,843	544,329	433,576	105,701	(26,762)	-	1,658,124
Taxation (expenses)/ credit	<u>(76,483)</u>	<u>(22,596)</u>	<u>(89,859)</u>	<u>(11,870)</u>	<u>(2,220)</u>	<u>15,096</u>	<u>-</u>	<u>(187,932)</u>
Profit/ (loss) for the period	<u>385,954</u>	<u>116,247</u>	<u>454,470</u>	<u>421,706</u>	<u>103,481</u>	<u>(11,666)</u>	<u>-</u>	<u>1,470,192</u>
For the six months ended 30 June 2024								
Depreciation and amortisation	43,368	11,692	7,372	28,359	4,187	95,244	-	190,222
As 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

## 19. 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.

HKD'000	Hong Kong and others	Macau	Inter-segment elimination	Total
<b>For the six months ended 30 June 2025</b>				
Total operating income	3,903,686	209,885	(1,201)	4,112,370
Profit before taxation	2,073,565	(13,428)	(1)	2,060,136
<b>As at 30 June 2025</b>				
Total assets	250,772,858	25,942,026	(4,906,654)	271,808,230
Total liabilities	209,783,732	21,747,232	(4,906,654)	226,624,310
Intangible assets and goodwill	231,891	646,273	-	878,164
Contingent liabilities and commitments	65,059,722	2,558,507	(108,774)	67,509,455
	Hong Kong and others	Macau	Inter-segment elimination	Total
<b>For the six months ended 30 June 2024</b>				
Total operating income	3,170,057	223,757	(1,216)	3,392,598
Profit before taxation	1,590,789	67,335	-	1,658,124
<b>As at 31 December 2024</b>				
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	62,916,672	2,547,143	(101,294)	65,362,521

**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**

	<b>Six months ended 30 Jun 2025</b>	Six months ended 30 Jun 2024
Net interest income/operating income	<b>73.1%</b>	77.2%
Cost to income ratio	<b>45.0%</b>	48.5%
Return on average total assets (annualised)	<b>1.2%</b>	1.1%
Return on average shareholders’ funds (annualised)	<b>9.2%</b>	8.5%

**In respect of the Group’s insurance business**

	<b>As at 30 Jun 2025</b>	As at 31 Dec 2024
<u>DSI</u>		
- Risk-based capital (“RBC”) ratio (Note (a))	<b>296%</b>	286%
<u>MIC</u>		
- Solvency ratio (Note (a))	<b>980%</b>	919%

	<b>Six months ended 30 Jun 2025</b>	Six months ended 30 Jun 2024
HK\$’000		
Gross Premiums Written analysed by major lines of businesses:		
- Employees’ compensation	<b>187,800</b>	178,282
- Property damage	<b>117,871</b>	123,123
- Motor vehicle	<b>207,489</b>	172,464
- Mortgage guarantee	<b>6,983</b>	266
- Contractors’ all risks	<b>50,895</b>	66,885
- Others	<b>100,848</b>	53,447
Total	<b>671,886</b>	594,467

	<b>Six months ended 30 Jun 2025</b>	Six months ended 30 Jun 2024
HK\$’000		
Net Premiums Earned analysed by major lines of businesses:		
- Employees’ compensation	<b>96,081</b>	77,118
- Property damage	<b>23,309</b>	21,165
- Motor vehicle	<b>138,179</b>	112,425
- Mortgage guarantee	<b>23,210</b>	19,153
- Contractors’ all risks	<b>10,308</b>	9,883
- Others	<b>71,589</b>	52,745
Total	<b>362,676</b>	292,489

**FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS (Continued)**

	<b>Six months ended 30 Jun 2025</b>	Six months ended 30 Jun 2024
Combined ratio (Note (b))	<b>94.4%</b>	93.1%
Loss ratio (Note (c))	<b>51.9%</b>	45.4%
Expenses ratio (Note (d))	<b>20.2%</b>	25.6%
Commission ratio (Note (e))	<b>22.3%</b>	22.1%
Return on opening equity (Note (f))	<b>16.5%</b>	20.0%

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).

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 period.



**FINANCIAL RATIOS/ KEY PERFORMANCE INDICATORS (CONTINUED)**
**Operating segment reporting - Other Comprehensive Income**

HK\$'000	DSBG	Insurance and Investment Operations	Others	Total
<b>For the period ended 30 June 2025</b>				
Other comprehensive income for the period relating to:				
Debt instruments at fair value through other comprehensive income	161,904	-	-	161,904
Equity instruments at fair value through other comprehensive income	8,741	380,078	27	388,846
Share of other comprehensive income of an associate accounted for using the equity method	(147,065)	-	-	(147,065)
Exchange differences arising from translation of the financial statements of foreign entities	280,921	-	22	280,943
Total other comprehensive income for the period, net of tax	304,501	380,078	49	684,628
<b>For the period ended 30 June 2024</b>				
Other comprehensive income for the period relating to:				
Debt instruments at fair value through other comprehensive income	154,561	-	-	154,561
Equity instruments at fair value through other comprehensive income	(2)	568,629	(52)	568,575
Share of other comprehensive income of an associate accounted for using the equity method	65,759	-	-	65,759
Premises	45,534	-	-	45,534
Exchange differences arising from translation of the financial statements of foreign entities	(211,734)	-	(3)	(211,737)
Total other comprehensive income/ (loss) for the period, net of tax	54,118	568,629	(55)	622,692

Note:

The definitions of the operating segments of "Insurance and Investment Operations" and "Others" are the same as those described in Note 19.

**INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK\$1.16 per share for 2025 payable on Thursday, 18 September 2025 to shareholders whose names are on the Register of Shareholders at the close of business on Wednesday, 10 September 2025.

**CLOSURE OF REGISTER OF SHAREHOLDERS**

For determining shareholders' entitlement to receive the interim dividend:

Latest time to lodge transfers	4:30 p.m. on 5 September 2025 (Friday)
Closure of Register of Shareholders	8 September 2025 (Monday)
(both days inclusive)	to 10 September 2025 (Wednesday)
Record date	10 September 2025 (Wednesday)

In order to qualify for the interim dividend, 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 above latest time to lodge transfers.

## **CORPORATE AND BUSINESS OVERVIEW**

### **HIGHLIGHTS**

Hong Kong's economic performance in the first half of 2025 continued to be positive despite multiple external challenges, including the uncertain interest rate outlook, a prolonged weak property market, and worsened geopolitical tensions. Real GDP in the second quarter grew by 3.1% over a year earlier, picking up from 3.0% in the previous quarter.

The banking sector faced a mixed operating environment in the period. The prime rate remained elevated, while the one-month Hong Kong Interbank Offered Rate (“HIBOR”) fell to a three-year low in June, following the HKMA’s injection of HKD liquidity in May after the Hong Kong dollar rose to the strong end of the peg range.

Banks in Hong Kong continued to closely monitor and manage credit risks in the domestic real estate sector, particularly relating to commercial property developers and investors. Further decline in rental rates and elevated vacancy rates of commercial properties reflected an oversupply in the market. Although the lower HIBOR provided some relief to borrowers in general, commercial property borrowers remained under pressure.

The Group managed credit related risks prudently and ensured appropriate provisioning in the current market conditions. Backed by sufficient collateral, overall asset quality remained manageable, with the impaired loan ratio improving slightly to 3.12% as at 30 June this year, compared to 3.21% as at the end of 2024. At the same time, the Group intensified efforts to control funding cost with respectable growth in current account and savings account deposits, which helped maintain a respectable net interest margin (“NIM”). Having built stronger capabilities in wealth management and treasury products and solutions over the years, the Group was able to meet strong demand from different customer segments, including satisfying diverse needs of personal customers in various life stages.

Dah Sing Financial Holdings Limited (“DSFH”) and Dah Sing Banking Group Limited (“DSBG”) reported a solid performance driven by higher NIM, and strong fees and trading income, which was partly offset by higher operating expenses and credit impairment charges. DSBG reported a 13% rise in profit attributable to shareholders to approximately HK\$1.6 billion with a positive profit contribution from Bank of Chongqing of HK\$443 million. With the contribution from the Group’s Insurance and Investment Operations, DSFH reported a 26% growth in profit attributable to shareholders.

### **BUSINESS AND FINANCIAL REVIEW**

Our interim results in 2025 demonstrated a solid performance. Net interest income grew by 8% year on year for the six months ended 30 June mainly as our funding costs decreased at a faster pace than asset yields amidst the downward pressure on HIBOR starting from May this year. This growth was supported by a 23 basis points’ expansion in NIM to 2.32% as compared to the same period last year, reflecting our disciplined funding cost management. The loan-to-deposit ratio of DSBG increased slightly to 67.8% from 67.2% at the end of 2024, consistent with our mild loan growth and disciplined deposit cost management. Non-interest income increased strongly by 63%, including a 21% growth in net fee and commission income and a 184% rise in the aggregate of insurance service result, net trading income, net insurance finance expense, and other operating income, with decent contribution from different business segments.

Operating expenses increased by 10% mainly due to higher IT expenses and staff costs, including performance related compensation, whilst the Group achieved a higher profitability with increase in total operating income which more than compensated for the rise in operating expenses, and strived to remain disciplined in overall cost control. The cost-to-income ratio improved to 43.3%, compared to 47.8% in the same period last year. Additionally, credit impairment charges rose by 34% year on year, predominantly reflecting prudent provisioning for Hong Kong commercial real estate exposures and other corporate loans. Sequentially, credit impairment charges reduced by 41% compared with the second half of 2024. Having written down exposures to the Mainland China property sector in 2024 and prior years, the Group did not experience much impact from the residual credit exposures in this sector.

The Personal Banking business registered a solid performance, with operating income advancing by 13% and operating profit after impairment growing 26% year on year. The performance was mainly driven by a strong growth in wealth management income and bancassurance income. On the other hand, the Corporate Banking business reported a decline in operating income, primarily due to weakness in customer loan demand which was partly offset by a slight increase in non-interest income. The operating profit after impairment of this business fell by 55%, resulting from a lower revenue and higher credit impairment charges.

## **BUSINESS AND FINANCIAL REVIEW (CONTINUED)**

The Treasury and Global Markets business achieved a 66% increase in operating profit after impairment, benefiting from improved investment sentiment as well as increased customer needs/ business opportunities in times of market volatility. During the period, the segment saw higher positive fair value changes on securities and derivatives for trading, together with lower funding swap expenses and higher marketing and sales income. The businesses of Mainland China and Macau Banking reported a lower profit largely due to lower operating income and higher credit impairment charges. The Group continued to maintain a robust liquidity position and healthy cash flow against a challenging business environment.

The Group's Insurance and Investment Operations in Hong Kong and Macau reported a strong result with double-digit growth in revenue and profit before tax. On the other hand, total investment returns recorded in net profit and other comprehensive income were slightly lower due mainly to weaker investment market conditions as compared to the same period last year. Our general insurance business performed well particularly in its core business lines, including property damage and contractors' all risks. Through effective cost management, prudent risk selection and adequate pricing, the combined ratio of the general insurance business edged up only slightly to 94.4% while expenses ratio improved by 5.4 percentage points compared with the prior period. Meanwhile, the Group continued to maintain a very robust solvency ratio, both to provide resilience against investment market volatility and potential underwriting claims and to support business growth. Driven by the increase in the volume of new business and positive contribution from investments, the Group's Insurance and Investment Operations continued to deliver growth in premiums and assets under management.

DSBG's consolidated profit for the first half of 2025 represented an annualised return on average total assets of 1.2% and an annualised return on average shareholders' funds of 9.2%, compared to 1.1% and 8.5% respectively in the same period last year. As at 30 June 2025, DSBG's consolidated Common Equity Tier 1 ratio and total consolidated capital adequacy ratio were 18.2% and 22.5% respectively, and our liquidity maintenance ratio was at 60.7%. DSB's capital and liquidity positions remained robust.

## **PROSPECTS**

The recent imposition of US tariffs on various countries has significantly heightened global market uncertainty. Uncertainties surrounding US interest rate policies also pose ongoing challenges for banks.

Shifting domestic consumption patterns, largely due to e-commerce and northbound spending, have led to a more challenging operating environment for small businesses. The HKMA has introduced relevant measures and banks in Hong Kong have generally been proactive to support SMEs through the current challenges. The Hong Kong Government has also enhanced the existing New Capital Investment Entrant Scheme since March 2025, aiming to attract more asset owners to explore their diverse investment opportunities, thereby boosting private banking and wealth management businesses.

Furthermore, Hong Kong saw a rebound in overall investment and Initial Public Offering activities during recent months, reflective of the improved investment sentiment and investor confidence. The World Competitiveness Yearbook 2025, published in June, ranked Hong Kong among the world's top three most competitive economies, marking its return to the top tier after 2019. The performance of the Hong Kong economy in 2025 reaffirms the need for adaptability and resilience in order for Hong Kong to sustain its competitiveness given the complex macro and geopolitical situation.

Looking ahead, Hong Kong's banking sector remains profitable and well-capitalised, while the Hong Kong economy evolves with changing times. Amidst external challenges and economic uncertainties, elevated credit costs are expected to persist through 2025 and business outlook is not expected to be materially different in the remaining months of the year. The Group will continue to run its businesses and operations by focusing on customer centricity, risk management and other key tenets of our Group's business model.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the six months ended 30 June 2025, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code under Part 2 of Appendix C1 of the Listing Rules.

## **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 six months ended 30 June 2025.

## **UNAUDITED FINANCIAL STATEMENTS**

The financial information in this interim results announcement is unaudited and does not constitute statutory financial statements.

## **REVIEW OF FINANCIAL STATEMENTS**

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 unaudited interim financial statements of the Group for the six months ended 30 June 2025.

## **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 six months ended 30 June 2025, 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 118,000 shares of the Company at a total consideration of HK\$3,129,046.38.

## **REMUNERATION AND STAFF DEVELOPMENT**

There have been no material changes to the information disclosed in the Company's 2024 Annual Report in respect of the remuneration of employees, remuneration policies and training schemes.

## **INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ("HKEX") at [www.hkexnews.hk](http://www.hkexnews.hk) and Dah Sing Bank at [www.dahsing.com](http://www.dahsing.com).

The 2025 Interim 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 2025 Interim Report will be sent to shareholders who have elected to receive printed versions of the Company's corporate communications before the end of September 2025.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board 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. Toshiaki Hatakenaka (Mr. Yuichi Tashita as alternate) as Non-Executive Director; Mr. Robert Tsai-To Sze, Mr. Andrew Kwan-Yuen Leung, Mr. Paul Franz Winkelmann, Ms. Mariana Suk-Fun Ngan and Mr. Wing-Yiu Chu (Alex Chu) as Independent Non-Executive Directors.

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

Hong Kong, Wednesday, 20 August 2025