

Press Release

26 August 2015

**Dah Sing Financial Holdings Announces 2015 Interim Results**  
Record half year profits for both DSBG and DSFH

**Highlights**

Dah Sing Financial Holdings (“DSFH”)

- Profit attributable to shareholders increased by 6.0% h-o-h to HK\$1,074 million
- Earnings per share: HK\$3.20
- Interim dividend per share: HK\$0.32
- Return on equity of 11.1%
- Net interest income of HK\$1,743 million, an increase of 7.8% h-o-h
- Net fee and commission income up 31.0% h-o-h to HK\$482 million
- Cost to income ratio improved from 47.5% to 47.0%

Dah Sing Banking Group (“DSBG”)

- Profit attributable to shareholders increased by 18.7% h-o-h to HK\$1,246 million
- Earnings per share: HK\$0.89
- Interim dividend per share: HK\$0.11
- Return on equity was up from 11.5% to 12.4%
- Cost to income ratio improved from 49.9% to 46.8%
- Net interest margin remained stable at 1.76%
- Net interest income of HK\$1,594 million, an increase of 8.3% h-o-h
- Net fee and commission income increased by 29.0% h-o-h to HK\$522 million
- Strong capital position with total capital adequacy ratio (“CAR”) of 16.2%, and a Common Equity Tier 1 ratio (“CET 1”) of 11.7%
- Prudent loan-to-deposit ratio of 72.6% as at 30 June 2015
- Overall credit quality remained benign, with a slight drop in total impairment charges compared with the same period in the prior year

Dah Sing Financial Holdings Limited (“DSFH” or the “Group”; SEHK: 0440) announced today its interim results for the six months ended 30 June 2015. Profit attributable to shareholders increased by 6.0% to HK\$1,074 million. The increase in profit was driven mainly by our banking group’s wholly-owned operations in Hong Kong and Macau. Bank of Chongqing (“BOCQ”) performed well over the period under review, with a 9.1% growth in its contribution to our profit before a HK\$32m provision relating to the expected dilution of our interest in BOCQ as a result of its recently announced placing of new shares.

Earnings per share for the six months ended 30 June 2015 was HK\$3.20, a slight increase as compared to the same period in 2014. The board of directors declared an interim dividend of HK\$0.32 per share (2014: HK\$0.30 per share).

Dah Sing Banking Group Limited’s (“DSBG”; SEHK: 2356) profit attributable to shareholders increased by 18.7% to HK\$1,246 million for the six months ended 30 June 2015. Basic earnings per share was HK\$0.89, an increase of 12.7% compared to the same period in 2014. The board of directors declared an interim dividend of HK\$0.11 per share (2014: HK\$0.10 per share).

DSBG’s net interest income continued to post growth. For the six months ended 30 June 2015, net interest income grew by 8.3% to HK\$1,594 million due to the higher average loan balance in the first half of 2015. Net interest margin remained stable at 1.76%. Net fee and commission income grew robustly by 29.0% to HK\$522 million, driven largely by strong performances from our wealth management business, including our local Hong Kong broking business, as well as from FX and other treasury products for both our retail and commercial customers.

Loans, including trade bills, were up modestly in the first half of the year by 2.2%, whilst deposits plus CD issued were flat when compared to 31 December 2014. The loan-to-deposit ratio increased from 70.8% to 72.6% as at 30 June 2015, up 1.8% points compared to 31 December 2014.

Our associated company, Bank of Chongqing (“BOCQ”), performed well over the period, with a 9.1% growth in its contribution to our profit. BOCQ announced a share placement in late June 2015, and our shareholding will be diluted from around 17% to around 13% when the transaction is completed. As the issue price of the placement is lower than the net asset value per share of BOCQ, there will be a deemed disposal loss relating to the placement, and a provision of HK\$32 million in this regard has been recognised in our results accordingly.

As at 30 June 2015, Dah Sing Bank’s CET 1 ratio was 11.7%, up by 0.3% compared with the end of last year, driven by higher retained earnings and slower asset growth, and total CAR was 16.2%, broadly similar to 16.3% as at the end of last year.

DSFH's insurance business delivered weaker results, due mainly to much lower gains from the investment portfolio. Net insurance premium and other insurance income decreased to HK\$900 million, mainly due to a modest decrease in the value of inforce policies of our long-term life business with rising interest rates, which also led to the decrease in actuarial reserves for the liabilities to policyholders and in turn led to a significant reduction in the insurance claims and expenses.

"We are pleased that both DSFH and DSBG reported record first half profits in spite of challenging market conditions." said Mr. Harold Wong, Group General Manager of DSFH and Managing Director and Chief Executive of DSBG. "Looking forward, we are of the view that the outlook remains broadly stable for the near term, but with some risks to the downside. We will continue to focus on executing our business strategy which has brought us encouraging results in recent years, whilst maintaining appropriate levels of capital and liquidity as we progress into the second half of the year."

### **About DSFH and DSBG**

DSFH (stock code: 0440) has been listed on the Hong Kong Stock Exchange since 1987. It is the holding company of the group's life and general insurance business, as well as the majority shareholder of DSBG (stock code: 2356). DSBG has been listed on the Hong Kong Stock Exchange since 2004, and has three banking subsidiaries (Dah Sing Bank, Banco Comercial de Macau and Dah Sing Bank (China) Limited), providing banking and financial services through a network of about 70 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 largest city in Western China.

Dah Sing Bank's long term ratings are "A3" (Moody's) and "BBB+" (Fitch).

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