

For Immediate Release

Hong Kong, 28 August 2019

**Dah Sing Financial Holdings Announces 2019 Interim Results  
Steady business performance despite challenging economic conditions**

**Highlights**

Dah Sing Financial Holdings (“DSFH”)

- Profit attributable to shareholders increased by 7.0% y-o-y to HK\$1,114 million
- Earnings per share: HK\$3.41
- Interim dividend per share: HK\$0.39
- Net interest income slightly decreased by 3.5% y-o-y to HK\$2,067 million
- Banking businesses delivered stable performance
- Net insurance premium and other income grew by 51% y-o-y to HK\$219 million
- Annualised return on average shareholders’ funds: 8.9%

Dah Sing Banking Group (“DSBG”)

- Profit attributable to shareholders of HK\$1,355 million, up 0.6% y-o-y
- Earnings per share: HK\$0.96
- Interim dividend per share: HK\$0.13
- Net interest margin: 1.90%
- Net interest income slightly decreased by 3.5% y-o-y to HK\$2,041 million
- Net fee and commission income dropped by 6.6% y-o-y to HK\$577 million
- Impairment loss on investment in Bank of Chongqing reduced from HK\$403 million to HK\$70 million
- Robust capital position with total capital adequacy ratio (“CAR”) of 17.9%, Tier 1 CAR of 13.9% and a Common Equity Tier 1 ratio (“CET1”) of 13.3%
- Annualised return on average shareholders’ funds: 10.7%
- Prudent loan-to-deposit ratio of 72.5% as at 30 June 2019

Dah Sing Financial Holdings Limited (“DSFH” or “the Group”; SEHK: 0440) announced today its interim results for the six months ended 30 June 2019. Despite challenging economic conditions, profit attributable to shareholders increased by 7.0% to HK\$1,114 million, supported by the steady performance of our banking business as well as the encouraging results from our insurance and investment activities during the period.

Earnings per share for the six months ended 30 June 2019 was HK\$3.41. The board of directors declared an interim dividend of HK\$0.39 per share (2018: HK\$0.38 per share).

Profit attributable to shareholders of Dah Sing Banking Group Limited (“DSBG”; SEHK: 2356) was up 0.6% y-o-y to HK\$1,355 million for the six months ended 30 June 2019, attributable mainly to substantially lower impairment charge on our investment in Bank of Chongqing (“BOCQ”). Earnings per share was HK\$0.96. The board of directors declared an interim dividend of HK\$0.13 per share (2018: HK\$0.13 per share).

Net interest income of DSBG was HK\$2,041 million, being adversely impacted by relatively high funding costs whilst the reductions in market interest rates put pressure on our asset yields, leading to a contraction in net interest margin to 1.90%. Slow growth in loan assets of 2.9% was insufficient to offset the drop in net interest margin, resulting in lower overall net interest income for the period under review.

Net fee and commission income was HK\$577 million, a decrease of 6.6% y-o-y when compared to an exceptionally strong first half in 2018. While bancassurance and customer-facing FX income reported satisfactory growth in the period, wealth management and stock brokerage income was impacted by equity markets volatility and weakened customer investment appetite.

Credit quality remained generally good during the first half of 2019. Net impairment charge was HK\$91 million, but impaired loan ratio of 0.64% as at the end of June 2019 was significantly better than the 0.84% reported in mid-2018, reflecting generally good asset quality across both our retail and commercial banking businesses.

Profit contribution from our associated company, BOCQ, was stable year-on-year, but impairment charge in the period, per our Value in Use assessment, was significantly lower at HK\$70 million.

As at 30 June 2019, Dah Sing Bank’s consolidated Common Equity Tier 1 ratio and total consolidated capital adequacy ratio were 13.3% and 17.9% respectively, similar to the levels at the end of 2018.

The general insurance businesses in Hong Kong and Macau continued to report strong growth in premium income. Net premium and other income increased by 51% y-o-y in the first half of 2019. With improved operating income and operating expenses under control,

profit generated from our general insurance businesses increased by nearly two times compared with the same period in 2018.

“Global economic conditions have weakened and the outlook is more uncertain than it was last year. In the face of the numerous uncertainties including the possibility of further interest rate cuts in the US, the escalating trade war between the US and China, Brexit and the weaker local economic outlook, we maintain a more cautious outlook for the second half of the year. Nevertheless, our core businesses remain relatively stable and healthy at this stage. We believe our continued growth will be underpinned by our strategy in the Greater Bay Area, proper management of risks, and our continued investment in the digitalization of our banking capabilities,” said Mr. Derek Wong, Managing Director and Chief Executive of DSFH and DSBG.

### **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 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 direct-controlled municipality in Western China.

Dah Sing Bank’s long term ratings are “A2” (Moody’s) and “BBB+” (Fitch).

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