



大新金融集團
DAH SING FINANCIAL GROUP

Dah Sing Financial Group 2024 Interim Results

30 August 2024

Performance Highlights

- Robust growth in net interest income year-on-year, driven by higher net interest margin
- Increase in non-interest income driven by strong growth in wealth management income including bancassurance fee and trading income
- Strong growth in net profit mainly driven by higher asset yields and lower impairment loss on investment in an associate but partly offset by increases in funding cost and credit impairment charges
- DSFH interim dividend of HK\$0.92 per share (1H2023: HK\$0.36); DSBG interim dividend of HK\$0.27 per share (1H2023: HK\$0.11)

Dah Sing Banking Group (2356)

HK\$' million	1H24	1H23	Change
Net interest income	2,539	2,269	+12%
Net fee and commission income	603	378	+60%
Net trading income and other income	145	44	+230%
Total operating income	3,287	2,691	+22%
Operating expenses	(1,595)	(1,533)	+4%
Credit impairment losses	(544)	(157)	+246%
Operating profit after credit impairment losses	1,148	1,001	+15%
Profit shared from BOCQ	430	430	
Impairment loss on investment in BOCQ	(16)	(232)	-93%
Profit attributable to shareholders	1,396	1,112	+26%
Basic earnings per share (\$)	0.99	0.79	
Dividend per share (\$)	0.27	0.11	

Dah Sing Financial Holdings (0440)

HK\$' million	1H24	1H23	Change
Net interest income	2,595	2,333	+11%
Net fee and commission income	595	369	+61%
Net trading income, net insurance premium and other operating income net of insurance claims and expenses	203	131	+55%
Total operating income net of insurance claims	3,393	2,833	+20%
Operating expenses	(1,623)	(1,576)	+3%
Credit impairment losses	(544)	(158)	+244%
Operating profit after credit impairment losses	1,226	1,099	+12%
Profit shared from BOCQ	430	430	
Impairment loss on investment in BOCQ	(16)	(232)	-93%
Profit attributable to shareholders	1,112	922	+21%
Basic earnings per share (\$)	3.49	2.89	
Dividend per share (\$)	0.92	0.36	

Dah Sing Banking Group

Corporate Banking

- Moderate growth in net interest income with increased loan interest income offset by higher funding cost
- Mild growth in non-interest income driven by higher fee and commission income and trading income
- Higher provisions reflecting continued weak economic conditions in our markets
- Decrease in net profit due mainly to higher impairment charges

Personal Banking

- Double-digit growth in net interest income mainly due to growth in both average loan and deposit volumes with improved margins
- Non-interest income grew by 62%, benefitting from growth in bancassurance fees and wealth management income
- Revenue improved since second half of last year after launch of bancassurance partnership with Sun Life
- Robust SME related business with substantial growth in SME CASA balance and SME related fee income
- Higher total operating income against moderate increase in operating expenses

Treasury and Global Markets

- Increase in total operating income and segmental profit driven by higher interest margins and higher sales and trading revenues
- Customer business remained robust, driven by strong collaboration with personal banking and corporate banking businesses
- Conservative liquidity management to maintain average Liquidity Maintenance Ratio in excess of 60%, well above statutory requirement
- Prudent treasury portfolio with high average credit ratings and relatively short duration to manage credit and interest rate risks

Mainland China and Macau

Macau:

- Positive growth in total operating income primarily driven by increase in net interest income
- Lower net profit impacted by higher impairment charges

Mainland China:

- DSB (China): Increase in operating income mainly driven by higher non-interest income
- BOCQ: Stable profit contribution and significantly lower impairment charges

Dah Sing Financial Holdings

General Insurance

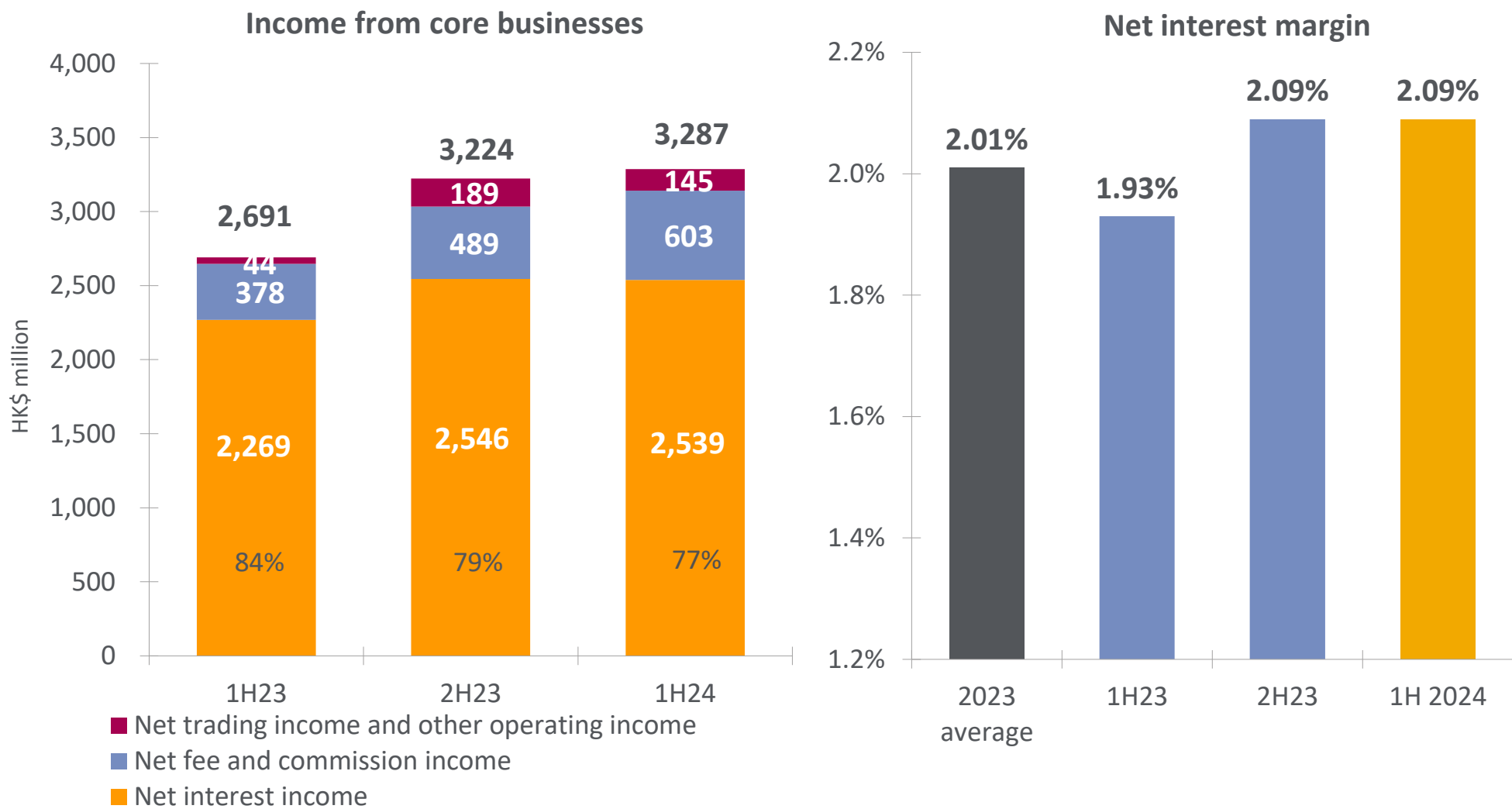
- Double-digit growth in general insurance revenue, with contribution from the core business lines, such as property and motor portfolios
- Insurance business generated an increased 5% in “float” available for investment in 1H2024 to HK\$754 million as at 30 Jun 2024
- 5.4 percentage points improvement in combined ratio to 92.4% through effective cost management and disciplined underwriting
- Strong solvency ratio and solid capital strength with capacity to support business volume growth
- Digitalisation to improve operational efficiency, enhance customer experience and boost customer penetration

General Insurance and Investment Operations

- Insurance and investment operations in Hong Kong and Macau recorded higher profitability with positive contributions from both underwriting and investments
- Net profit after tax from insurance business increased by 20%, mainly driven by improved underwriting profit and gains on investments
- Substantial increase in net pre-tax gain from change in fair value of equity instruments at FVOCI
- Substantially higher profitability on comprehensive income basis mainly due to favourable mark-to-market changes in investment book

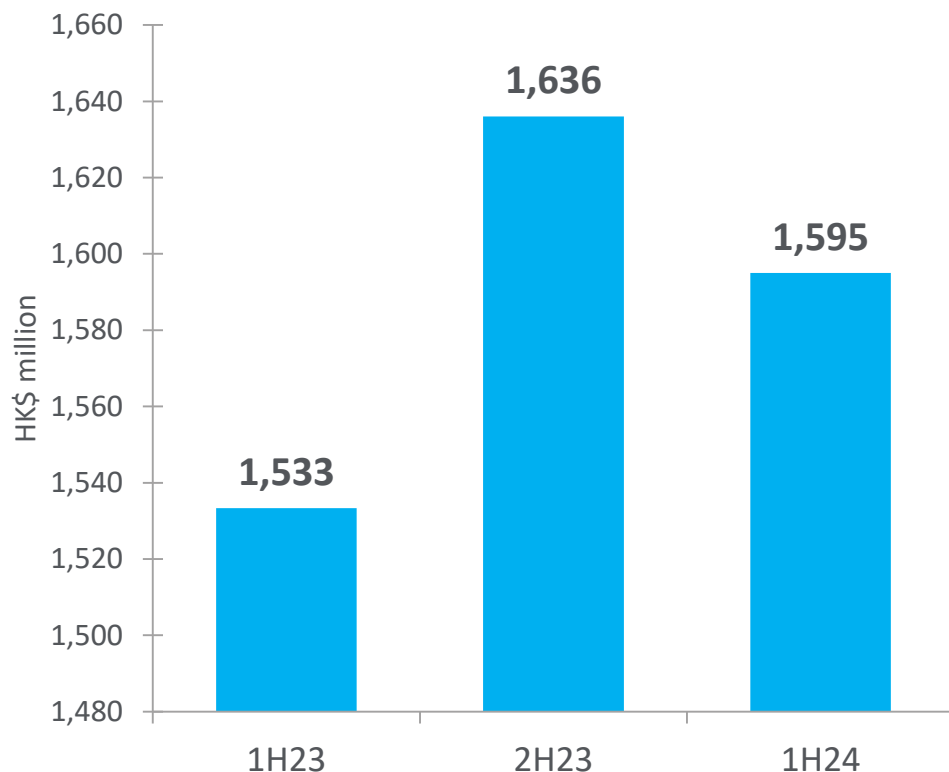
Financial Overview

DSBG's Operating Income and Net Interest Margin

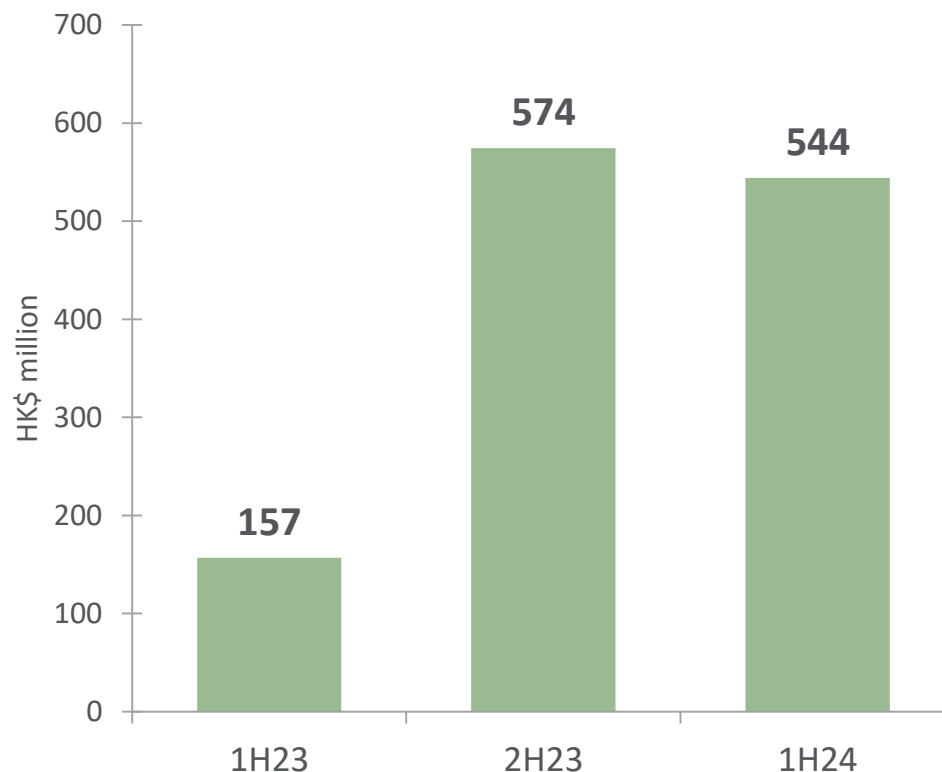


DSBG's Operating Expenses and Credit Impairment Losses

Operating expenses



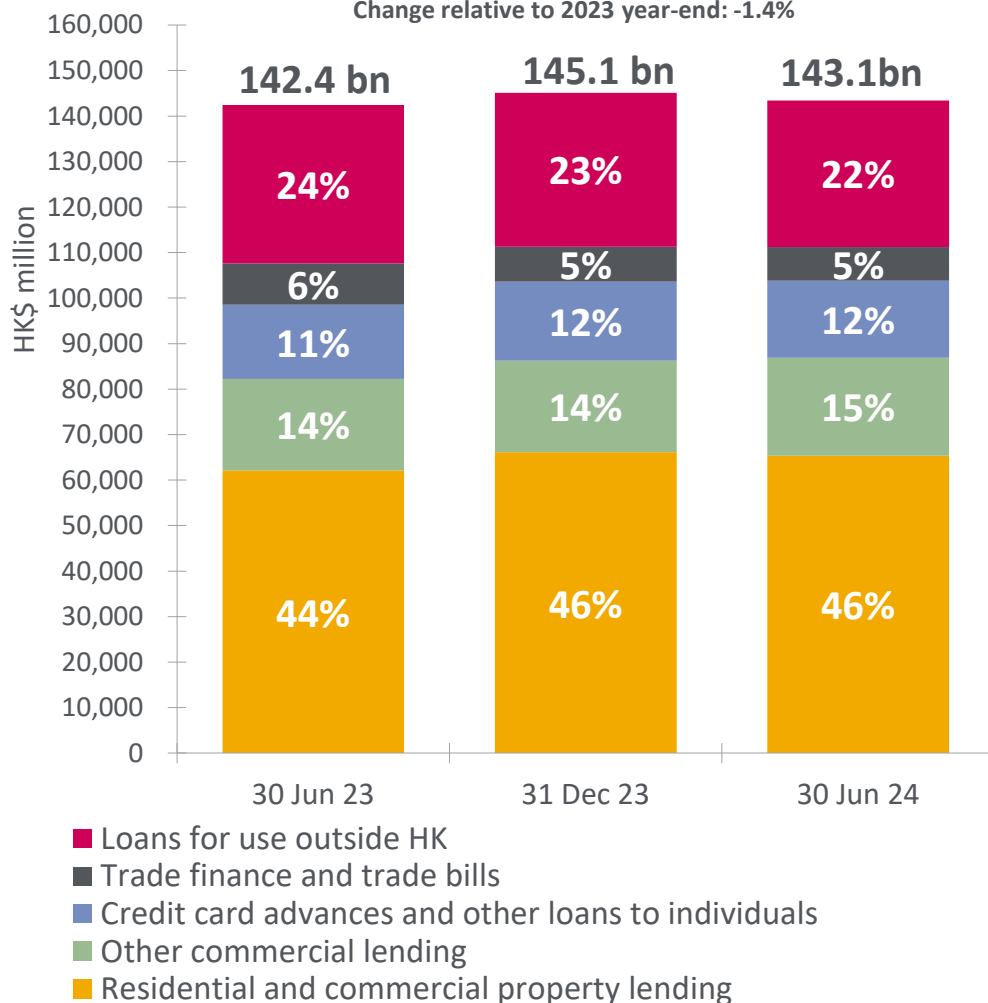
Credit impairment losses



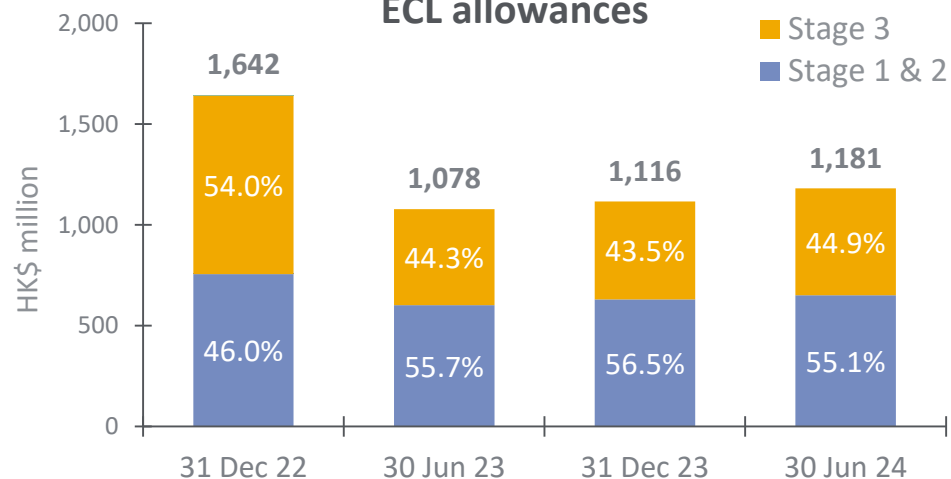
Gross Advances to Customers and Trade Bills, and Asset Quality

Gross advances to customers and trade bills

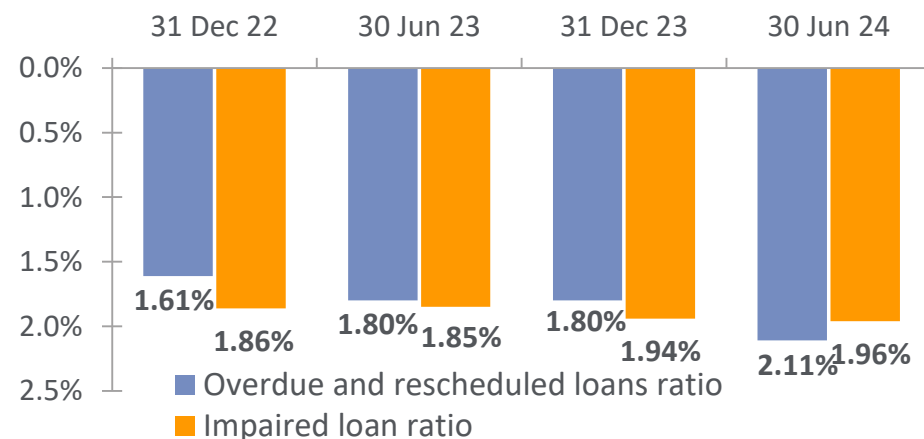
Change relative to 2023 year-end: -1.4%



ECL allowances

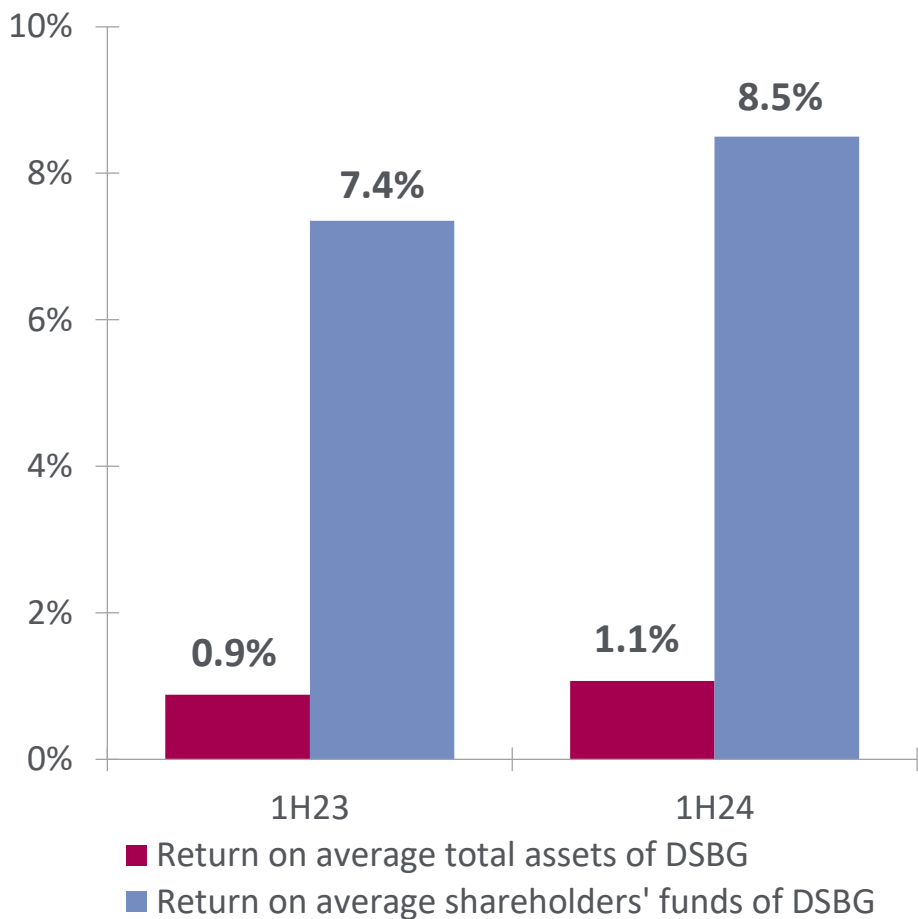


Asset quality ratios

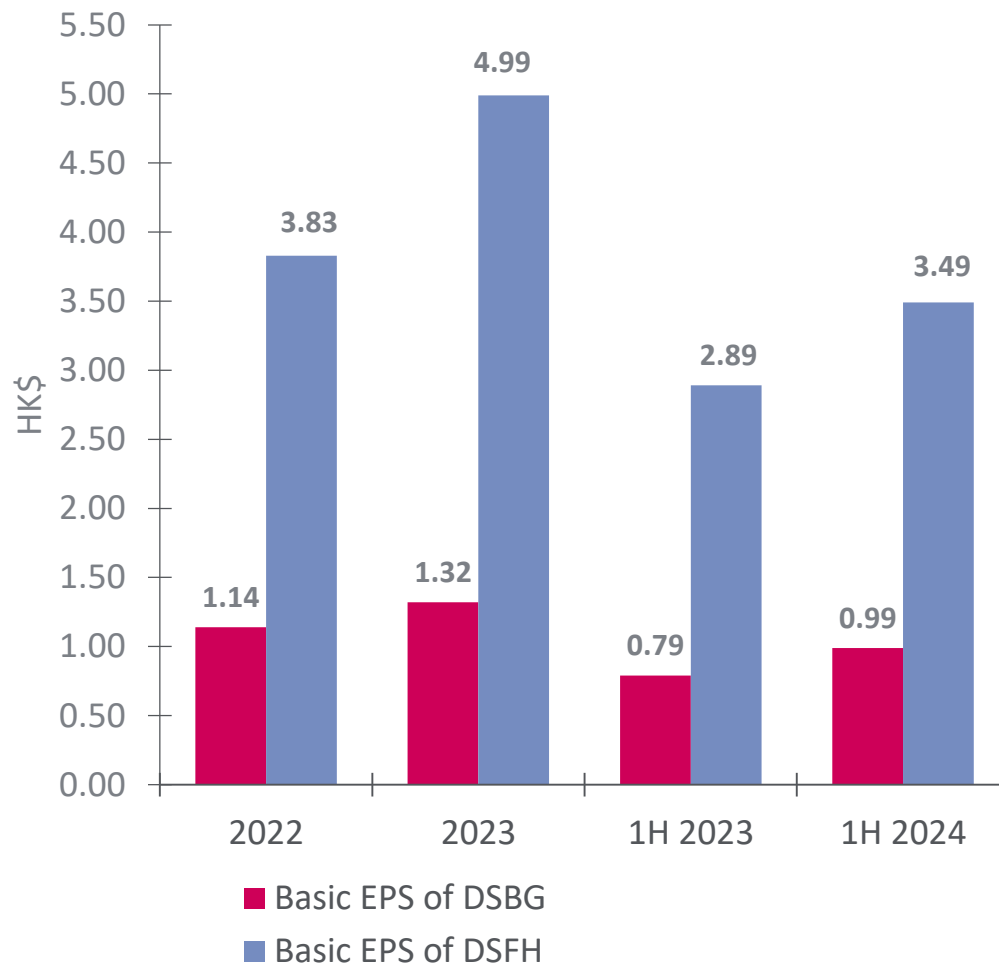


Key Return Indicators

Return on average total assets and shareholders' funds of DSBG

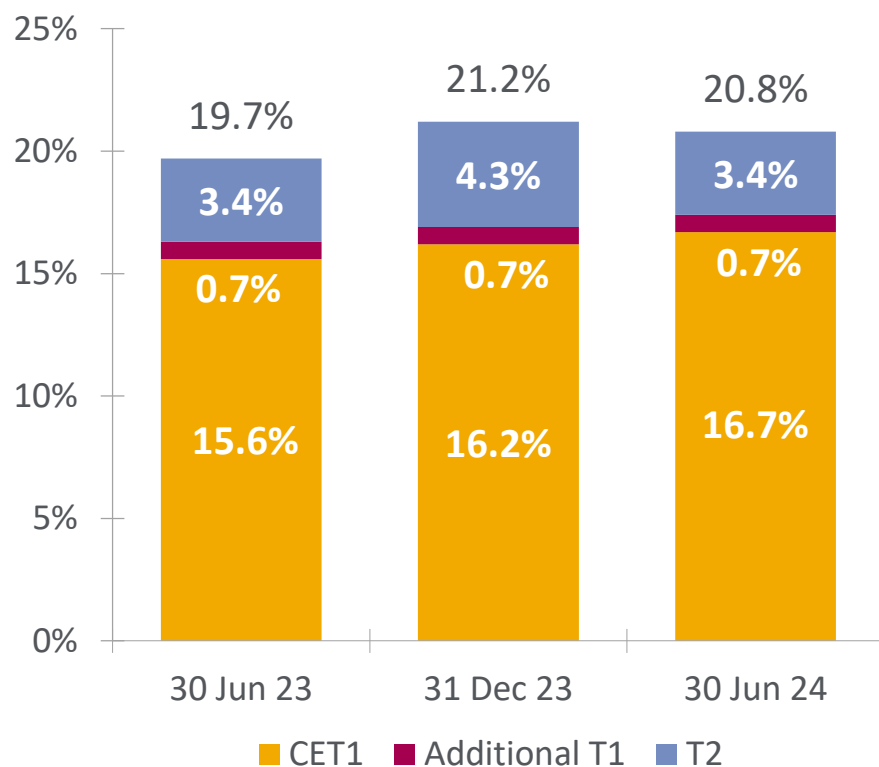


Basic EPS of DSBG and DSFH

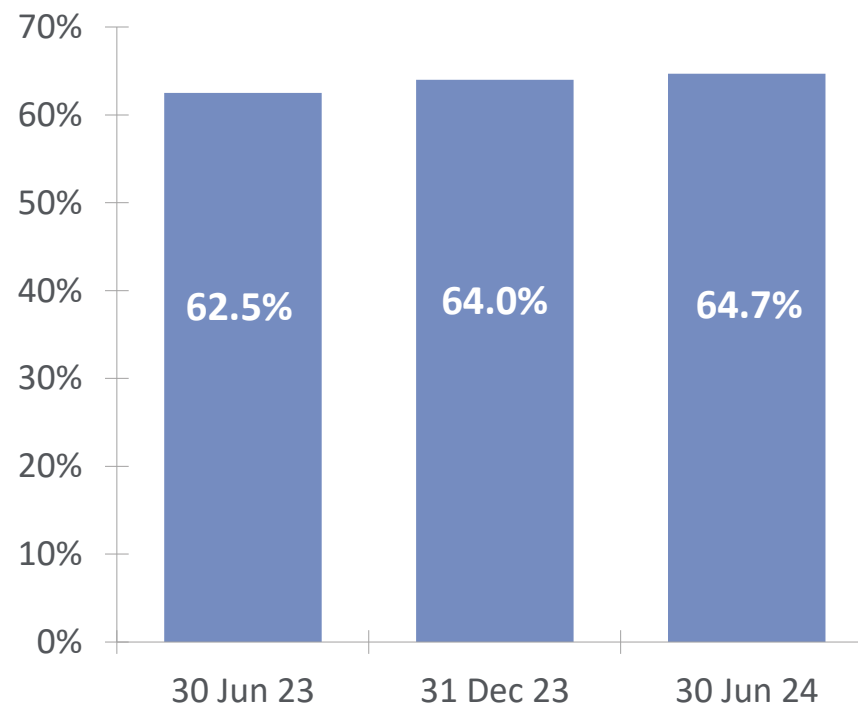


Capital Adequacy and Liquidity

Capital adequacy ratio



Liquidity maintenance ratio



Conclusions

Conclusions

- Increase in profit attributable to shareholders mainly driven by higher net interest income and non-interest income
- Strong performance in wealth management business and development of retail SME related business
- Continued growth in premiums and AUM in general insurance businesses underpinned by disciplined underwriting
- De-risking of Mainland China commercial real estate sector with prudent credit risk management and reduced exposure
- Capital and liquidity positions stayed robust