

Press Release

27 August 2014

**Dah Sing Financial Holdings Announces 2014 Interim Results**  
Record Profit Driven by Growth in All Key Areas

**Highlights**

Dah Sing Financial Holdings

- Profit attributable to shareholders increased by 49% y-o-y to HK\$1,013 million
- Earnings per share: HK\$3.18
- Interim dividend per share: HK\$0.30
- Net interest income recorded HK\$1,617 million, an increase of 7.9% y-o-y
- Net fee and commission income recorded HK\$368 million, an increase of 15.6% y-o-y
- Cost to income ratio was down from 51.4% to 47.5%

Dah Sing Banking Group

- Profit attributable to shareholders increased by 29.1% y-o-y to HK\$1,049 million
- Earnings per share: HK\$0.79
- Interim dividend per share: HK\$0.10
- Net interest margin increased mildly to 1.79%
- Net interest income recorded HK\$1,471 million, an increase of 9.5% y-o-y
- Net fee and commission income recorded HK\$404 million, an increase of 16.2% y-o-y
- Strong capital base after rights issues with total capital adequacy ratio (CAR) of 15.8%, and a common equity tier 1 CAR of 10.9%
- Maintained a prudent loan-to-deposit ratio of 71.8% as at 30 June 2014
- Bank of Chongqing continued to perform strongly, contributing to the Group's improved profitability

Dah Sing Financial Holdings Limited (“DSFH” or “the Group”; SEHK: 0440) announced today its interim results for the six months ended 30 June 2014. Profit attributable to shareholders increased by 49% to a record of about HK\$1,013 million for the review period, with good performance from our banking business, better performance from our insurance business, and a higher contribution from Bank of Chongqing (“BOCQ”).

Earnings per share for the six months ended 30 June 2014 was HK\$3.18, an increase of 44.5% as compared to the same period in 2013. The board of directors declared an interim dividend of HK\$0.30 per share (2013: HK\$0.31 per share). The Group and its listed subsidiary, Dah Sing Banking Group Limited (“DSBG”; SEHK: 2356), successfully completed a rights issue to raise HK\$1.2 billion during the first half of the year, which was subsequently down-streamed to Dah Sing Bank, Limited (“Dah Sing Bank”) to support its growth and capital adequacy.

DSBG’s profit attributable to shareholders increased by 29.1% to HK\$1,049 million for the six months ended 30 June 2014. Basic earnings per share was HK\$0.79, an increase of 25.4% compared to the same period in 2013. The board of directors declared an interim dividend of HK\$0.10 per share (2013: HK\$0.09 per share).

As at 30 June 2014, DSBG’s total gross advances to customers were HK\$103.7 billion and total deposits were HK\$139.4 billion, up 5.8% and 7.3% respectively as compared to 31 December 2013. The loan-to-deposit ratio decreased mildly to 71.8% as at 30 June 2014, down 0.3% compared to 31 December 2013.

DSBG’s net interest income continued to post growth. For the six months ended 30 June 2014, net interest income grew 9.5% to HK\$1,471 million due mainly to the growth in volume. Net interest margin was up 2 bps as compared to the same period in 2013, but stood flat at 1.79% compared to the level for full year 2013. Net fee and commission income grew by 16.2% to HK\$404 million, driven mainly by loan fees and wealth management fee and commission income.

DSBG’s investment in BOCQ continued to deliver good returns, despite the dilution in DSBG’s shareholding to just under 17% following BOCQ’s IPO towards the end of 2013. For the six months ended 30 June 2014, profit attributable to shareholders was up by 29% to HK\$1,049 million. DSBG’s overseas banking business, covering both the Mainland and Macau, in addition to our share of the BOCQ net profit, recorded profit of HK\$366.7 million in the six months ended 30 June 2014, an increase of 36.9% as compared to the same period in 2013.

As at 30 June 2014, the consolidated capital adequacy ratio (CAR) of Dah Sing Bank was 15.8%, more than 1% higher than the same time last year, and its Common Equity Tier 1 (CET1) was 10.9%, with the improvements driven largely by the impacts of the

rights issues and equity injection to the Bank, and completion of a new issue of Basel III compliant subordinated debt at US\$225 million earlier in the year.

DSFH's insurance business performed strongly over the review period. Net insurance premium and other income increased from HK\$553 million to HK\$1,212 million. A much better performance on insurance investment income in the period contributed in lifting the profit from our insurance business. Total operating income net of insurance claims was up by 20% to HK\$2,369 million, and with slower growth in operating expenses than in revenues, operating profit after impairment losses was up by 24% to HK\$1,020 million even after a 63% increase in impairment provisions, driven mainly by Mainland and Mainland related lending.

Mr. Harold Wong, Group General Manager of DSFH and Managing Director and Chief Executive of DSBG, said, "Against a fairly stable backdrop in the first half of 2014, we are pleased to report improved earnings. Looking forward, we are of the view that the outlook remains relatively stable. We do not see significant volatility in the market at present; nor do we see opportunities for very rapid growth. We will therefore continue to seek opportunities for further expansion in a cautious manner. Moreover, with the progress over the past few years in strategy execution, we will strive to make further improvements to the fundamentals of our core businesses in both banking and insurance."

### **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, BCM 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 17% 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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