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

The holding company of Dah Sing Bank, Limited

(Stock Code: 2356)

ANNOUNCEMENT OF 2025 INTERIM RESULTS

The Directors of Dah Sing Banking Group Limited (“DSBG” 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 for the six months ended 30 June 2025 was HK\$1,578.9 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	5,318,854	6,205,704	
Interest expense	3	(2,542,396)	(3,667,009)	
Net interest income		2,776,458	2,538,695	9.4
Fee and commission income	4	829,048	712,467	
Fee and commission expense	4	(102,285)	(109,081)	
Net fee and commission income		726,763	603,386	20.4
Net trading income	5	271,533	119,447	
Other operating income	6	20,842	25,229	
Operating income		3,795,596	3,286,757	15.5
Operating expenses	7	(1,707,075)	(1,594,865)	7.0
Operating profit before impairment losses		2,088,521	1,691,892	23.4
Credit impairment losses	8	(728,082)	(544,007)	33.8
Operating profit before gains and losses on certain investments and fixed assets		1,360,439	1,147,885	18.5
Net loss on disposal of other fixed assets		(40)	(122)	
Share of results of an associate	9	442,756	430,479	
Impairment loss on investment in an associate	9	-	(15,715)	
Loss on deemed disposal of investment in an associate		-	(1)	
Share of results of jointly controlled entities		15,902	17,395	
Profit before taxation		1,819,057	1,579,921	15.1
Taxation	10	(240,207)	(183,847)	
Profit for the period attributable to Shareholders of the Company		1,578,850	1,396,074	13.1
Interim dividend		435,783	379,553	
Earnings per share				
Basic	11	HK\$1.12	HK\$0.99	
Diluted	11	HK\$1.05	HK\$0.93	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

HK\$'000	2025	2024
Profit for the period	1,578,850	1,396,074
Other comprehensive income for the period		
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)
	13,721	220,294
Exchange differences arising on translation of the financial statements of foreign entities	280,921	(211,734)
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	8,797	(31)
Deferred income tax related to the above	(56)	29
	9,859	45,558
Other comprehensive income for the period, net of tax	304,501	54,118
Total comprehensive income for the period, net of tax	1,883,351	1,450,192

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

HK\$'000	Note	As at 30 Jun 2025	As at 31 Dec 2024
ASSETS			
Cash and balances with banks		14,896,976	14,131,725
Placements with banks maturing between one and twelve months		7,442,021	5,409,555
Trading securities	12	3,332,932	2,006,353
Financial assets at fair value through profit or loss	12	4,507	4,272
Derivative financial instruments	13	3,226,219	4,083,731
Advances and other accounts	14	143,600,870	143,048,675
Financial assets at fair value through other comprehensive income	15	46,733,586	44,808,705
Financial assets at amortised cost	16	33,622,144	35,522,368
Investment in an associate	9	2,959,185	2,532,810
Investments in jointly controlled entities		153,999	138,097
Goodwill		713,451	713,451
Intangible assets		69,715	69,715
Premises and other fixed assets		3,024,044	3,001,328
Investment properties		758,246	708,021
Current income tax assets		3	793
Deferred income tax assets		145,907	159,482
Total assets		260,683,805	256,339,081
LIABILITIES			
Deposits from banks		2,329,096	1,936,236
Derivative financial instruments	13	1,971,835	1,839,915
Trading liabilities		2,649,362	498,069
Deposits from customers		203,954,890	201,568,051
Certificates of deposit issued		1,890,009	4,294,996
Subordinated notes		4,273,505	4,146,914
Other accounts and accruals	17	7,807,113	7,793,432
Current income tax liabilities		573,125	343,835
Deferred income tax liabilities		94,287	94,261
Total liabilities		225,543,222	222,515,709
EQUITY			
Equity attributable to the Company's shareholders			
Share capital		6,894,438	6,894,438
Other reserves (including retained earnings)		27,934,729	26,617,518
Shareholders' funds	18	34,829,167	33,511,956
Additional equity instruments		311,416	311,416
Total equity		35,140,583	33,823,372
Total equity and liabilities		260,683,805	256,339,081

Note:

1. General information

Dah Sing Banking Group Limited is a bank holding company. Its principal subsidiary is Dah Sing Bank, Limited (“DSB”), which is a licensed bank in Hong Kong. The Company together with its subsidiaries (collectively the “Group”) provide banking, financial and other related services.

The immediate and ultimate holding company is Dah Sing Financial Holdings Limited, a listed company in Hong Kong.

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.

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

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.

- (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
Interest income		
Cash and balances with banks	332,777	393,973
Investments in securities	2,038,340	2,183,686
Advances and other accounts	2,947,737	3,628,045
	5,318,854	6,205,704
Interest expense		
Deposits from banks/ Deposits from customers	2,275,216	3,327,335
Certificates of deposit issued	71,812	102,596
Subordinated notes	149,742	177,969
Lease liabilities	8,721	4,759
Others	36,905	54,350
	2,542,396	3,667,009
Included within interest income		
- 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	3,934,177	4,712,525
	5,318,854	6,205,704
Included within interest expense		
- Financial liabilities at fair value through profit or loss	12,903	7,826
- Financial liabilities at amortised cost	2,529,493	3,659,183
	2,542,396	3,667,009

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
Fee and commission income		
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	106,245	126,008
Other fee and commission income		
- Securities brokerage	83,861	52,123
- Insurance distribution and others	251,232	235,107
- Retail investment and wealth management services	124,822	66,704
- Bank services and handling fees	31,883	29,543
- Other fees	112,754	90,968
	829,048	712,467
Fee and commission expense		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	96,946	104,264
- Other fees paid	5,339	4,817
	102,285	109,081

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. Net trading income

For the six months ended 30 June

HK\$'000	2025	2024
Net gain arising from dealing in foreign currencies	242,992	89,746
Net gain/ (loss) on trading securities	15,030	(767)
Net gain from derivatives entered into for trading purpose	12,881	32,319
Net gain arising from financial instruments subject to fair value hedge	534	381
Net gain/ (loss) on financial instruments at fair value through profit or loss	96	(2,232)
	271,533	119,447

6. 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, held at the end of the period		
- Listed investments	15	16
- Unlisted investments	1,500	1,952
Gross rental income from investment properties	8,329	7,323
Other rental income	7,981	7,901
Others	3,017	8,037
	20,842	25,229

7. Operating expenses

For the six months ended 30 June

HK\$'000	2025	2024
Employee compensation and benefit expenses (including directors' remuneration)	1,227,675	1,113,239
Premises and other fixed assets expenses, excluding depreciation	111,847	107,018
Depreciation		
- Premises and other fixed assets	124,562	113,024
- Right-of-use properties	59,952	72,753
Advertising and promotion costs	36,492	37,248
Printing, stationery and postage	18,028	23,402
Others	128,519	128,181
	1,707,075	1,594,865

8. Credit impairment losses

For the six months ended 30 June

HK\$'000	2025	2024
New allowances net of allowance releases	779,270	582,402
Recoveries of amounts previously written off	(51,188)	(38,395)
	728,082	544,007
Attributable to:		
- Loans and advances to customers	706,412	550,546
- Other financial assets	28,935	(1,506)
- Loan commitments and financial guarantees	(7,265)	(5,033)
	728,082	544,007

9. 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 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.

10. 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	244,732	154,065
- Mainland China's and Macau's taxation	991	18,968
- Under-provision in prior years	-	168
Deferred income tax		
- Origination and reversal of temporary differences	(5,516)	10,760
- Recognition of tax losses	-	(114)
Taxation	<u>240,207</u>	<u>183,847</u>

11. 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\$1,578,850,000 (2023: HK\$1,396,074,000) and the weighted average number of 1,405,752,132 (2024: 1,405,752,132) 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\$1,578,850,000 (2024: HK\$1,396,074,000) and deducting from it the dilutive effect of our share of profits in an associate amounting to HK\$103,624,000 (2024: HK\$88,053,000) and the weighted average number of 1,405,752,132 (2024: 1,405,752,132) ordinary shares in issue during the period after adjusting for the effect of all dilutive potential ordinary 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)	1,578,850	1,396,074
Dilutive effect of share of profits in an associate (HK\$'000)	<u>(103,624)</u>	<u>(88,053)</u>
Profit used to determine diluted earnings per share(HK\$'000)	<u>1,475,226</u>	<u>1,308,021</u>

12. 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	3,328,033	1,996,563
	<u>3,332,932</u>	<u>2,006,353</u>
Financial assets at fair value through profit or loss:		
Investment funds:		
- Listed in Hong Kong	4,507	4,272
Total	<u>3,337,439</u>	<u>2,010,625</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	708	343
	<u>3,332,932</u>	<u>2,006,353</u>
By issuers:		
- Central governments and central banks	3,332,224	2,006,010
- Corporate entities	4,507	4,272
- Public sector entities	708	343
	<u>3,337,439</u>	<u>2,010,625</u>

As at 30 June 2025 and 31 December 2024, there were no certificates of deposit held included in the above balances.

13. Derivative financial instruments

The notional principal amounts of outstanding derivatives contracts and their fair values as at 30 June 2025 were as follows:

HK\$'000	Contract/ notional amount	Fair values	
		Assets	Liabilities
1) Derivatives held for trading			
a) <i>Foreign exchange derivatives</i>			
Forward and futures contracts	337,741,329	1,033,308	(1,202,667)
Currency options purchased and written	69,325,366	466,834	(470,769)
Cross currency interest rate swaps	7,399,043	94,208	(85,250)
b) <i>Interest rate derivatives</i>			
Interest rate swaps	9,536,935	55,917	(48,519)
c) <i>Equity derivatives</i>			
Equity options purchased and written	876,862	11,840	(11,860)
Total derivative assets/ (liabilities) held for trading	424,879,535	1,662,107	(1,819,065)
2) Derivatives held for hedging			
a) <i>Derivatives designated as fair value hedges</i>			
Interest rate swaps	39,911,097	1,564,112	(152,770)
Total derivative assets/ (liabilities) held for hedging	39,911,097	1,564,112	(152,770)
Total recognised derivative financial assets/ (liabilities)	464,790,632	3,226,219	(1,971,835)

13. Derivative financial instruments (Continued)

The notional principal amounts of outstanding derivatives contracts and their fair values as at 31 December 2024 were as follows:

HK\$'000	Contract/ notional amount	Fair values	
		Assets	Liabilities
1) Derivatives held for trading			
a) <i>Foreign exchange derivatives</i>			
Forward and futures contracts	377,350,903	1,562,219	(1,417,618)
Currency options purchased and written	42,029,494	166,932	(214,095)
Cross currency interest rate swaps	3,280,648	21,472	(17,319)
b) <i>Interest rate derivatives</i>			
Interest rate swaps	9,135,993	40,582	(32,844)
c) <i>Equity derivatives</i>			
Equity options purchased and written	602,540	8,842	(8,860)
Total derivative assets/ (liabilities) held for trading	432,399,578	1,800,047	(1,690,736)
2) Derivatives held for hedging			
a) <i>Derivatives designated as fair value hedges</i>			
Interest rate swaps	44,715,605	2,283,684	(149,179)
Total derivative assets/ (liabilities) held for hedging	44,715,605	2,283,684	(149,179)
Total recognised derivative financial assets/ (liabilities)	477,115,183	4,083,731	(1,839,915)

14. Advances and other accounts

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Gross loans and advances to customers	139,489,360	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)
	<u>(1,917,097)</u>	<u>(1,532,345)</u>
	<u>137,572,263</u>	<u>136,841,940</u>
Trade bills	1,977,239	1,476,539
Less: impairment allowances		
- Stage 1	(1,953)	(1,126)
- Stage 2	(1)	(1)
	<u>(1,954)</u>	<u>(1,127)</u>
	<u>1,975,285</u>	<u>1,475,412</u>
Other assets	4,069,213	4,752,501
Less: impairment allowances		
- Stage 1	(10,303)	(7,719)
- Stage 2	(1,698)	(906)
- Stage 3	(3,890)	(12,553)
	<u>(15,891)</u>	<u>(21,178)</u>
	<u>4,053,322</u>	<u>4,731,323</u>
Advances and other accounts	<u>143,600,870</u>	<u>143,048,675</u>

14. Advances and other accounts (Continued)

(a) 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	137,572,263	136,841,940
Credit-impaired loans and advances	4,350,004	4,437,683
Less: Stage 3 impairment allowances	(1,158,920)	(872,989)
Net	3,191,084	3,564,694
Fair value of collateral held*	3,431,356	3,620,776
Credit-impaired loans and advances as a % of total loans and advances to customers	3.12%	3.21%

* 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	1,268,501	0.91	926,024	0.67
	4,088,530	2.93	3,809,230	2.75
Represented by:				
- Secured overdue loans and advances	3,465,741		3,253,094	
- Unsecured overdue loans and advances	622,789		556,136	
Market value of securities held against the secured overdue loans and advances	4,747,844		4,773,407	
Stage 3 impairment allowances	983,989		694,499	

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

14. Advances and other accounts (Continued)

(a) 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.

(b) Repossessed collateral

Reposessed collateral held is as follows:

	As at 30 Jun 2025	As at 31 Dec 2024
Nature of assets		
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	419	295
- Unlisted	1,617,475	1,604,306
	<u>1,617,894</u>	<u>1,604,601</u>
Total	<u>46,733,586</u>	<u>44,808,705</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:		
- Corporate entities	1,617,894	1,604,601
	<u>46,733,586</u>	<u>44,808,705</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	8,489,756
	<u>33,665,778</u>	<u>35,554,370</u>
Less: impairment allowance		
- Stage 1	(42,760)	(31,093)
- Stage 2	(874)	(909)
	<u>(43,634)</u>	<u>(32,002)</u>
Total	<u>33,622,144</u>	<u>35,522,368</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	30,504,640
	<u>33,665,778</u>	<u>35,554,370</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	19,778,110
	<u>33,665,778</u>	<u>35,554,370</u>

17. Other accounts and accruals

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Lease liabilities	378,672	377,340
Other liabilities and accruals	7,428,441	7,416,092
	<u>7,807,113</u>	<u>7,793,432</u>

18. Shareholders' funds

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Share capital	6,894,438	6,894,438
Consolidation reserve	(220,986)	(220,986)
Premises revaluation reserve	315,653	315,653
Investment revaluation reserve	1,910,081	1,886,501
Exchange reserve	(659,821)	(940,742)
General reserve	700,254	700,254
Retained earnings	25,889,548	24,876,838
	34,829,167	33,511,956
Proposed dividend/ dividend paid included in retained earnings	435,783	548,243

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. ("BCM") and Dah Sing Bank (China) Limited ("DSB China"), 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. Contingent liabilities and commitments

(a) Capital commitments

Capital expenditure in respect of projects and acquisition of fixed assets at the end of the reporting period but not yet incurred is as follows:

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Expenditure contracted but not provided for	<u>18,394</u>	<u>20,821</u>

(b) Credit commitments

The contract and credit risk weighted amounts of the Group's off-balance sheet financial instruments that commit it to extend credit to customers are as follows:

	Contract amount	
	As at 30 Jun 2025	As at 31 Dec 2024
Direct credit substitutes	209,719	249,050
Transaction-related contingencies	363,286	395,699
Trade-related contingencies	592,718	450,156
Commitments that are unconditionally cancellable without prior notice	57,570,547	57,897,554
Other commitments	<u>5,587,801</u>	<u>5,200,505</u>
	<u>64,324,071</u>	<u>64,192,964</u>
	Credit risk weighted amount	
	As at 30 Jun 2025	As at 31 Dec 2024
Contingent liabilities and commitments	<u>5,863,292</u>	<u>2,155,128</u>

(c) Assets pledged

	As at 30 Jun 2025	As at 31 Dec 2024
Trading assets and financial investments pledged to secure liabilities	3,166,990	1,143,336
- of which: under repurchase agreements	<u>639,750</u>	<u>744,891</u>
Amount of liabilities secured	3,094,712	1,130,231
- of which: under repurchase agreements	<u>569,349</u>	<u>732,140</u>

The table above shows assets where a charge has been granted to secure liabilities on a legal and contractual basis. These transactions are conducted under terms that are usual and customary to collateralised transactions including repurchase agreements and include assets pledged to cover short positions and to facilitate settlement processes with clearing houses.

19. Contingent liabilities and commitments (Continued)

(d) Operating lease commitments

Where a Group company is the lessor, the future minimum lease payments receivable under non-cancellable building operating leases are as follows:

HK\$'000	As at 30 Jun 2025	As at 31 Dec 2024
Within 1 year	12,673	14,747
Between 1 and 2 years	6,113	5,193
Between 2 and 3 years	2,983	2,881
Between 3 and 4 years	1,564	1,431
Between 4 and 5 years	1,479	1,431
Later than 5 years	5,671	6,201
	30,483	31,884

In addition, the Group has, as a lessee, entered into a number of leases that have not yet commenced. There are no aggregate lease payments payable under these leases as at 30 June 2025 (31 December 2024: HK\$5,400,000).

20. 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 personal banking, corporate banking, treasury and global markets and banking businesses in Mainland China and Macau. Operating performances are analysed by business activities for local banking business, and on business entity basis for banking businesses in Mainland China and Macau.

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.
- 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.

20. 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	Others	Inter- segment	Total
Net interest income/ (expenses)	1,173,142	536,262	966,513	200,504	(99,938)	(25)	2,776,458
Non-interest income/ (expenses)	665,481	106,143	128,035	107,468	13,686	(1,675)	1,019,138
Total operating income/ (expenses)	1,838,623	642,405	1,094,548	307,972	(86,252)	(1,700)	3,795,596
Operating expenses	(987,890)	(272,299)	(160,029)	(284,590)	(3,967)	1,700	(1,707,075)
Operating profit/ (loss) before credit impairment losses	850,733	370,106	934,519	23,382	(90,219)	-	2,088,521
Credit impairment losses	(269,959)	(307,300)	(30,143)	(118,659)	(2,021)	-	(728,082)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	580,774	62,806	904,376	(95,277)	(92,240)	-	1,360,439
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	(76,340)	-	1,819,057
Taxation (expenses)/ credit	(95,865)	(10,040)	(149,046)	12,582	2,162	-	(240,207)
Profit/ (loss) for the period	484,876	52,763	755,330	360,059	(74,178)	-	1,578,850
For the six months ended 30 June 2025							
Depreciation and amortisation	47,366	12,422	11,016	30,866	82,844	-	184,514
As at 30 June 2025							
Segment assets	59,511,245	62,904,785	99,209,335	38,054,422	8,022,663	(7,018,645)	260,683,805
Segment liabilities	127,783,364	46,141,616	14,809,395	30,429,973	13,397,519	(7,018,645)	225,543,222

20. 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	Others	Inter- segment	Total
Net interest income/ (expenses)	1,094,468	582,205	650,687	230,318	(18,960)	(23)	2,538,695
Non-interest income/ (expenses)	531,816	103,928	21,032	83,682	9,331	(1,727)	748,062
Total operating income/ (expenses)	1,626,284	686,133	671,719	314,000	(9,629)	(1,750)	3,286,757
Operating expenses	(927,592)	(269,760)	(128,918)	(265,550)	(4,795)	1,750	(1,594,865)
Operating profit/ (loss) before credit impairment (losses)/ write-back	698,692	416,373	542,801	48,450	(14,424)	-	1,691,892
Credit impairment (losses)/ write-back	(236,258)	(277,530)	1,528	(29,638)	(2,109)	-	(544,007)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	462,434	138,843	544,329	18,812	(16,533)	-	1,147,885
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	-	-	-	-	17,395	-	17,395
Profit before taxation	462,437	138,843	544,329	433,576	736	-	1,579,921
Taxation (expenses)/ credit	(76,483)	(22,596)	(89,859)	(11,870)	16,961	-	(183,847)
Profit for the period	385,954	116,247	454,470	421,706	17,697	-	1,396,074
For the six months ended 30 June 2024							
Depreciation and amortisation	43,368	11,692	7,372	28,359	94,986	-	185,777
As at 31 December 2024							
Segment assets	58,312,678	62,988,717	95,826,338	38,409,112	7,669,877	(6,867,641)	256,339,081
Segment liabilities	124,424,645	43,963,904	13,363,260	31,188,034	16,443,507	(6,867,641)	222,515,709

20. Operating segment reporting (Continued)

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
For the six months ended 30 June 2025				
Operating income	3,616,656	180,141	(1,201)	3,795,596
Profit before taxation	1,845,870	(26,812)	(1)	1,819,057
As at 30 June 2025				
Total assets	240,648,332	24,423,445	(4,387,972)	260,683,805
Total liabilities	209,033,562	20,897,632	(4,387,972)	225,543,222
Intangible assets and goodwill	231,891	551,275	-	783,166
Contingent liabilities and commitments	65,059,722	2,558,507	(108,774)	67,509,455
	Hong Kong and others	Macau	Inter-segment elimination	Total
For the six months ended 30 June 2024				
Operating income	3,099,933	188,040	(1,216)	3,286,757
Profit before taxation	1,536,940	42,981	-	1,579,921
As at 31 December 2024				
Total assets	235,387,376	25,540,383	(4,588,678)	256,339,081
Total liabilities	204,943,152	22,161,235	(4,588,678)	222,515,709
Intangible assets and goodwill	231,891	551,275	-	783,166
Contingent liabilities and commitments	62,916,672	2,547,143	(101,294)	65,362,521

21. Additional analysis on claims and exposures

- (a) Gross loans and advances to customers by industry sector classified according to the usage of loans and analysed by percentage covered by collateral

HK\$'000	As at 30 Jun 2025		As at 31 Dec 2024	
	Outstanding balance	% of gross loans and advances covered by collateral	Outstanding balance	% of gross loans and advances covered by collateral
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	6,905,674	55.2	6,425,975	60.6
- Property investment	21,251,655	92.2	23,066,021	91.0
- Financial concerns	6,514,697	2.8	5,154,554	4.8
- Stockbrokers	977,651	42.7	1,441,956	62.8
- Wholesale and retail trade	4,205,252	81.1	4,298,542	82.6
- Manufacturing	1,246,409	59.4	1,400,285	63.2
- Transport and transport equipment	2,451,915	75.6	2,883,028	77.0
- Recreational activities	17,306	74.6	48,882	94.3
- Information technology	51,761	49.5	48,392	43.1
- Others	4,891,883	70.1	5,665,507	67.4
	48,514,203	69.0	50,433,142	72.5
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	408,392	98.6	414,186	98.5
- Loans for the purchase of other residential properties	33,052,943	99.7	33,561,360	99.8
- Credit card advances	3,589,425	-	3,645,014	-
- Others	15,827,024	59.1	13,998,682	53.7
	52,877,784	80.8	51,619,242	80.2
Loans for use in Hong Kong	101,391,987	75.1	102,052,384	76.4
Trade finance (Note (1))	4,596,225	65.5	4,902,455	65.7
Loans for use outside Hong Kong (Note (2))	33,501,148	57.1	31,419,446	58.5
	139,489,360	70.5	138,374,285	72.0

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.

21. Additional analysis on claims and exposures (Continued)

- (a) Gross loans and advances to customers by industry sector classified according to the usage of loans and analysed by percentage covered by collateral (Continued)

For each industry sector reported above with loan balance constituting 10% or more of the total balance of loans and advances to customers, the attributable amount of impaired loans, overdue loans, Stage 3, and Stage 1 and Stage 2 impairment allowances are as follows:

HK\$'000	As at 30 Jun 2025				
	Outstanding balance	Impaired loans (Stage 3)	Gross loans and advances overdue for over 3 months	Stage 3 impairment allowances	Stage 1 and Stage 2 impairment allowances
Loans for use in Hong Kong					
Industrial, commercial and financial					
- Property investment	21,251,655	2,033,050	2,058,246	451,795	96,154
Individuals					
- Loans for the purchase of other residential properties	33,052,943	305,609	274,354	79,638	21,885
- Others	15,827,024	281,928	30,889	135,812	254,168
Loans for use outside Hong Kong	<u>33,501,148</u>	<u>666,879</u>	<u>666,835</u>	<u>149,387</u>	<u>214,969</u>
	As at 31 Dec 2024				
	Outstanding balance	Impaired loans (Stage 3)	Gross loans and advances overdue for over 3 months	Stage 3 impairment allowances	Stage 1 and Stage 2 impairment allowances
Loans for use in Hong Kong					
Industrial, commercial and financial					
- Property investment	23,066,021	2,070,468	1,861,213	229,563	93,597
Individuals					
- Loans for the purchase of other residential properties	33,561,360	288,477	257,041	83,063	21,261
Loans for use outside Hong Kong	<u>31,419,446</u>	<u>708,103</u>	<u>704,815</u>	<u>178,072</u>	<u>137,442</u>

21. Additional analysis on claims and exposures (Continued)

(b) Mainland activities exposures

The analysis of Mainland activities exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA Return of Mainland Activities, which includes the Mainland activities exposures extended by DSB and its Mainland subsidiary bank only.

HK\$'000

As at 30 June 2025	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JV"s)	5,124,421	81,599	5,206,020
2. Local governments, local government-owned entities and their subsidiaries and JVs	992,575	26,730	1,019,305
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	8,417,138	976,904	9,394,042
4. Other entities of central government not reported in item 1 above	3,842,294	152,875	3,995,169
5. Other entities of local governments not reported in item 2 above	515,911	-	515,911
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credits are granted for use in Mainland China	8,724,147	828,903	9,553,050
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	544,672	2,448	547,120
	28,161,158	2,069,459	30,230,617
Total assets of DSB and its Mainland subsidiary bank after provision	244,522,613		
On-balance sheet exposures as percentage of total assets	11.52%		

Note:

The balances of exposures reported above include gross loans and advances and other balances of claims on the customers.

21. Additional analysis on claims and exposures (Continued)
(b) Mainland activities exposures (Continued)

HK\$'000

As at 31 December 2024	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
1. Central government, central government-owned entities and their subsidiaries and JVs	5,198,753	-	5,198,753
2. Local governments, local government-owned entities and their subsidiaries and JVs	1,170,713	367,215	1,537,928
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,657,826	559,311	8,217,137
4. Other entities of central government not reported in item 1 above	4,128,734	57,523	4,186,257
5. Other entities of local governments not reported in item 2 above	857,213	-	857,213
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credits are granted for use in Mainland China	8,738,887	435,408	9,174,295
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	462,266	1,677	463,943
	<u>28,214,392</u>	<u>1,421,134</u>	<u>29,635,526</u>
Total assets of DSB and its Mainland subsidiary bank after provision	<u>238,964,613</u>		
On-balance sheet exposures as percentage of total assets	<u>11.81%</u>		

21. Additional analysis on claims and exposures (Continued)

(c) Analysis of gross loans and advances to customers and overdue loans by geographical area

Loans and advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area which is different from that of the counterparty.

The following table analyses gross loans and advances to customers, impaired loans and advances to customers (Stage 3), overdue loans and advances to customers, Stage 3, and Stage 1 and Stage 2 impairment allowances by geographical area.

As at 30 June 2025

HK\$'000	Gross loans and advances to customers	Impaired loans and advances to customers (Stage 3)	Overdue loans and advances to customers	Stage 3 impairment allowances	Stage 1 and Stage 2 impairment allowances
Hong Kong	107,664,128	3,949,982	3,687,313	1,047,322	558,576
Mainland China	15,654,204	184,684	183,129	55,056	92,387
Macau	13,251,567	215,338	215,338	56,542	93,505
Others	2,919,461	-	2,750	-	13,709
	139,489,360	4,350,004	4,088,530	1,158,920	758,177

As at 31 December 2024

	Gross loans and advances to customers	Impaired loans and advances to customers (Stage 3)	Overdue loans and advances to customers	Stage 3 impairment allowances	Stage 1 and Stage 2 impairment allowances
Hong Kong	108,718,160	4,018,261	3,391,470	753,706	537,887
Mainland China	13,729,341	221,449	219,787	69,748	73,190
Macau	13,527,103	197,973	197,973	49,535	35,765
Others	2,399,681	-	-	-	12,514
	138,374,285	4,437,683	3,809,230	872,989	659,356

21. Additional analysis on claims and exposures (Continued)

(d) International claims

The information of international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, transfer of risk from one country to another is recognised if the claims against a counterparty are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

		<u>Non-bank private sector</u>			Total claims
			Non-bank financial institutions	Non- financial private sector	
At 30 June 2025		Banks	Official sector		
In millions of HK\$					
Offshore centres		5,785	10,469	7,710	144,463
- of which: Hong Kong		<u>3,697</u>	<u>9,680</u>	<u>7,171</u>	<u>128,715</u>
Developing Asia and Pacific		28,702	1,454	5,162	22,886
- of which: Mainland China		<u>18,608</u>	<u>992</u>	<u>5,162</u>	<u>17,011</u>
		<u>Non-bank private sector</u>			Total claims
			Non-bank financial institutions	Non- financial private sector	
At 31 December 2024		Banks	Official sector		
In millions of HK\$					
Offshore centres		2,460	9,445	7,544	144,685
- of which: Hong Kong		<u>1,923</u>	<u>8,240</u>	<u>7,268</u>	<u>128,335</u>
Developing Asia and Pacific		30,642	1,314	4,502	21,870
- of which: Mainland China		<u>18,724</u>	<u>879</u>	<u>4,341</u>	<u>15,065</u>

22. Currency concentrations

The following sets out the net foreign exchange position in USD and other individual currency that constitutes more than 10% of the total net position in all foreign currencies as at 30 June 2025 and the corresponding comparative balances.

The Group did not have any structural foreign exchange position as at 30 June 2025 and 31 December 2024. The net position is calculated in the basis of the delta-weighted position of all foreign currency option contracts.

Equivalent in HK\$ millions	At 30 June 2025					
	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position
US dollars	89,816	(66,121)	196,314	(219,049)	645	1,605
Japanese yen	1,168	(1,911)	2,825	(2,060)	(2)	20
Euro	1,137	(1,813)	3,152	(2,488)	(343)	(355)
Renminbi	16,792	(16,538)	49,481	(49,674)	(204)	(143)
Canadian dollars	530	(726)	1,139	(1,015)	-	(72)
Swiss francs	5,833	(1,900)	887	(4,880)	15	(45)
Australian dollars	2,371	(3,007)	2,326	(1,650)	1	41
New Zealand dollars	425	(1,166)	1,769	(1,005)	1	24
Macau pataca	8,800	(9,698)	-	-	-	(898)
Other foreign currencies	682	(1,123)	2,045	(1,594)	-	10
Total foreign currencies	127,554	(104,003)	259,938	(283,415)	113	187

Equivalent in HK\$ millions	At 31 December 2024					
	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position
US dollars	86,544	(62,076)	219,156	(240,063)	(1,323)	2,238
Renminbi	16,024	(15,871)	61,169	(63,041)	1,516	(203)
Macau pataca	9,382	(10,013)	-	-	-	(631)
Other foreign currencies	9,705	(10,501)	24,289	(23,499)	58	52
Total	121,655	(98,461)	304,614	(326,603)	251	1,456

23. Capital adequacy ratio

	As at 30 Jun 2025	As at 31 Dec 2024
Capital adequacy ratio		
- Common Equity Tier 1	18.2%	16.9%
- Tier 1	18.9%	17.6%
- Total	22.5%	21.0%

The capital adequacy ratio as at 30 June 2025 and 31 December 2024 represents the consolidated position of DSB (covering BCM and DSB China) computed on Basel III basis in accordance with the Banking (Capital) Rules. This capital adequacy ratio takes into account market risk and operational risk.

DSB as a locally incorporated bank in Hong Kong is subject to the minimum capital adequacy ratio requirement under the Hong Kong Banking Ordinance. BCM is subject to Macau banking regulations and DSB China is subject to the Mainland banking regulations.

24. Liquidity maintenance ratio

	Six months ended 30 Jun 2025	Six months ended 30 Jun 2024	Year ended 31 Dec 2024
Liquidity maintenance ratio	60.7%	64.7%	64.2%

The liquidity maintenance ratio is calculated as the simple average of each calendar month's average consolidated liquidity maintenance ratio of DSB (covering BCM and DSB China) for the six/ twelve months of the financial year. The liquidity maintenance ratio is computed in accordance with the Banking (Liquidity) Rules.

DSB as a locally incorporated bank in Hong Kong is subject to the liquidity requirement under the Hong Kong Banking Ordinance. BCM is subject to Macau banking regulations and DSB China is subject to the Mainland banking regulations.

FINANCIAL RATIOS

	Six months ended 30 Jun 2025	Six months ended 30 Jun 2024
Net interest income/operating income	73.1%	77.2%
Cost to income ratio	45.0%	48.5%
Return on average total assets (annualised)	1.2%	1.1%
Return on average shareholders' funds (annualised)	9.2%	8.5%
Net interest margin	2.32%	2.09%

	As at 30 Jun 2025	As at 31 Dec 2024
Loan to deposit ratio	67.8%	67.2%

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.31 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.

We 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. We 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.

BUSINESS AND FINANCIAL REVIEW

Our interim results in 2025 demonstrated a solid performance. Net interest income grew by 9% 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 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 36%, including a 20% growth in net fee and commission income and a 102% rise in the aggregate of net trading income and other operating income.

Operating expenses increased by 7% 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 45.0%, compared to 48.5% 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 42% 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.

Our 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, our 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.

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 and Dah Sing Bank at 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 Directors of the Company comprises Mr. David Shou-Yeh Wong (Chairman), Mr. Hon-Hing Wong (Derek Wong) (Vice Chairman, Managing Director and Chief Executive), Mr. Gary Pak-Ling Wang and Mr. Nicholas John Mayhew (Deputy Chief Executive) as Executive Directors; Mr. Jack Chak-Kwong So, Mr. Robert Tsai-To Sze, Mr. Blair Chilton Pickerell, Mr. Paul Franz Winkelmann, Ms. Nancy Ha-Fong Chan and Mr. Kin-Sang Cheung (Alex Cheung) as Independent Non-Executive Directors.

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

Hong Kong, Wednesday, 20 August 2025