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# 大新銀行集團有限公司

## DAH SING BANKING GROUP LIMITED

(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 FINAL RESULTS

The Directors of Dah Sing Banking Group Limited (“DSBG” or the “Company”) are pleased to present the consolidated audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

#### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

HK\$'000	Note	2025	2024	Variance %
Interest income	4	10,362,908	12,147,056	
Interest expense	4	(4,534,239)	(6,858,939)	
<b>Net interest income</b>		<b>5,828,669</b>	<b>5,288,117</b>	10.2
Fee and commission income	5	1,922,776	1,559,336	
Fee and commission expense	5	(220,391)	(230,727)	
<b>Net fee and commission income</b>		<b>1,702,385</b>	<b>1,328,609</b>	28.1
Net trading income	6	323,779	258,933	
Other operating income	7	60,348	59,264	
<b>Operating income</b>		<b>7,915,181</b>	<b>6,934,923</b>	14.1
Operating expenses	8	(3,446,287)	(3,340,050)	3.2
<b>Operating profit before impairment losses</b>		<b>4,468,894</b>	<b>3,594,873</b>	24.3
Credit impairment losses	9	(1,782,813)	(1,791,361)	-0.5
<b>Operating profit before gains and losses on certain investments and fixed assets</b>		<b>2,686,081</b>	<b>1,803,512</b>	48.9
Net loss on disposal of other fixed assets		(27)	(1,758)	
Net loss on fair value adjustment of investment properties		(95,003)	(101,882)	
Net gain on disposal of financial assets at amortised cost		-	760	
Net loss on disposal of financial assets at fair value through other comprehensive income		-	(103)	
Impairment loss on goodwill	10	(493,023)	-	
Share of results of an associate		728,771	677,425	
Impairment loss on the investment in an associate	11	-	(15,715)	
Loss on deemed disposal of investment in an associate		(19)	(1)	
Share of results of jointly controlled entities		32,787	33,131	
<b>Profit before taxation</b>		<b>2,859,567</b>	<b>2,395,369</b>	19.4
Taxation	12	(383,753)	(335,022)	
<b>Profit for the year attributable to shareholders of the Company</b>		<b>2,475,814</b>	<b>2,060,347</b>	20.2
<b>Dividends</b>				
Interim dividend paid		435,783	379,553	
Proposed final dividend/ final dividend paid		688,819	548,243	
		<b>1,124,602</b>	<b>927,796</b>	
<b>Earnings per share</b>				
Basic	13	HK\$1.76	HK\$1.47	
Diluted	13	HK\$1.65	HK\$1.37	

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December

HK\$'000	2025	2024
<b>Profit for the year</b>	<u>2,475,814</u>	<u>2,060,347</u>
<b>Other comprehensive income for the year</b>		
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	354,692	204,192
Share of other comprehensive (loss)/ income of an associate accounted for using the equity method	(289,235)	193,649
Net loss realised and transferred to consolidated income statement upon:		
- Disposal of debt instruments at fair value through other comprehensive income	-	103
Deferred income tax related to the above	<u>(66,267)</u>	<u>(29,387)</u>
	<u>(810)</u>	<u>368,557</u>
Exchange differences arising on translation of the financial statements of foreign entities	<u>256,007</u>	<u>(290,718)</u>
Items that will not be reclassified to the consolidated income statement:		
Premises		
Reserves arising from reclassification of premises to investment properties	-	45,533
Investments in securities		
Share of other comprehensive income of an associate accounted for using the equity method	2,759	2,759
Net change in fair value of equity instruments at fair value through other comprehensive income	1,813	(156,891)
Deferred income tax related to the above	<u>123</u>	<u>8,616</u>
	<u>4,695</u>	<u>(99,983)</u>
Other comprehensive income/ (loss) for the year, net of tax	<u>259,892</u>	<u>(22,144)</u>
<b>Total comprehensive income for the year, net of tax</b>	<u>2,735,706</u>	<u>2,038,203</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December

HK\$'000	Note	2025	2024
<b>ASSETS</b>			
Cash and balances with banks		15,321,690	14,131,725
Placements with banks maturing between one and twelve months		7,445,935	5,409,555
Trading securities	14	2,093,825	2,006,353
Financial assets at fair value through profit or loss	14	46,749	4,272
Derivative financial instruments	15	2,523,621	4,083,731
Advances and other accounts	16	144,021,359	143,048,675
Financial assets at fair value through other comprehensive income	17	44,945,013	44,808,705
Financial assets at amortised cost	18	34,008,953	35,522,368
Investment in an associate	11	2,968,045	2,532,810
Investments in jointly controlled entities		147,084	138,097
Intangible assets		69,715	69,715
Goodwill	10	220,428	713,451
Premises and other fixed assets		2,998,893	3,001,328
Investment properties		802,159	708,021
Current income tax assets		74	793
Deferred income tax assets		297,922	159,482
<b>Total assets</b>		<b>257,911,465</b>	<b>256,339,081</b>
<b>LIABILITIES</b>			
Deposits from banks		284,833	1,936,236
Derivative financial instruments	15	1,394,732	1,839,915
Trading liabilities		1,348,191	498,069
Deposits from customers		205,304,100	201,568,051
Certificates of deposit issued		887,875	4,294,996
Subordinated notes		4,274,938	4,146,914
Other accounts and accruals		8,086,382	7,793,432
Current income tax liabilities		695,533	343,835
Deferred income tax liabilities		95,686	94,261
<b>Total liabilities</b>		<b>222,372,270</b>	<b>222,515,709</b>
<b>EQUITY</b>			
<b>Equity attributable to the Company's shareholders</b>			
Share capital		6,894,438	6,894,438
Other reserves (including retained earnings)		28,333,341	26,617,518
<b>Shareholders' funds</b>	19	<b>35,227,779</b>	<b>33,511,956</b>
<b>Additional equity instruments</b>		<b>311,416</b>	<b>311,416</b>
<b>Total equity</b>		<b>35,539,195</b>	<b>33,823,372</b>
<b>Total equity and liabilities</b>		<b>257,911,465</b>	<b>256,339,081</b>

**Note:**

**1. Statutory Consolidated Financial Statements**

The information set out in this results announcement does not constitute statutory consolidated financial statements.

Certain financial information in this results announcement is extracted from the Group's statutory consolidated financial statements for the year ended 31 December 2025 (the "2025 consolidated financial statements") which will be delivered to the Registrar of Companies and will be available from the website of the Hong Kong Exchanges and Clearing Limited in due course. The auditors of the Group have expressed an unqualified opinion on those consolidated financial statements in their report dated 30 March 2026.

**2. Basis of Preparation and Accounting Policies**

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and the requirements of the Hong Kong Companies Ordinance (Cap.622).

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, financial assets and financial liabilities held for trading, and other financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies.

The accounting policies and methods of computation used in the preparation of the 2025 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.

The financial information in this results announcement is presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated.

(a) New and amendments to HKFRS Accounting Standards adopted by the Group

The following amendments to HKFRS Accounting Standards that became applicable for annual reporting periods commencing on or after 1 January 2025:

- Amendments to HKAS 21 - Lack of Exchangeability

The 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 had no effect on the consolidated financial statements of the Group.

**2. Basis of Preparation and Accounting Policies (Continued)**

(b) New and amendments to HKFRS Accounting Standards not yet adopted

Certain new and amendments to HKFRS Accounting Standards have been published that are not mandatory for 31 December 2025 reporting periods 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 new or amendments to HKFRS Accounting Standards that are effective from 1 January 2025 or not yet effective that would be expected to have a material impact on the Group.

### 3. 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 Chinese Mainland and Macau. Operating performances are analysed by business activities for local banking business, and on business entity basis for banking businesses in Chinese Mainland 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.
- Chinese Mainland and Macau banking businesses include personal banking, corporate banking business activities provided by subsidiaries in Chinese Mainland and Macau, and the Group’s interest in a commercial bank in Chinese Mainland.
- 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. To align with the basis of reviewing business segment performance by the Group’s chief operating decision makers, interest revenue is disclosed in terms of net interest income.

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.

3. Operating segment reporting (Continued)

For the year ended 31 December 2025

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Chinese Mainland and Macau Banking	Others	Inter- segment	Total
Net interest income/ (expenses)	2,445,304	1,051,693	2,146,432	421,070	(235,842)	12	5,828,669
Non-interest income/ (expenses)	1,485,152	206,234	67,678	290,376	40,604	(3,532)	2,086,512
Total operating income	3,930,456	1,257,927	2,214,110	711,446	(195,238)	(3,520)	7,915,181
Operating expenses	(1,945,534)	(520,165)	(295,533)	(584,041)	(104,534)	3,520	(3,446,287)
Operating profit/ (loss) before credit impairment losses	1,984,922	737,762	1,918,577	127,405	(299,772)	-	4,468,894
Credit impairment losses	(464,172)	(1,142,983)	(42,140)	(131,065)	(2,453)	-	(1,782,813)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	1,520,750	(405,221)	1,876,437	(3,660)	(302,225)	-	2,686,081
Net (loss)/ gain on disposal and fair value adjustment of investment properties and other fixed assets	(33)	(3)	-	53,885	(148,879)	-	(95,030)
Impairment loss on goodwill	-	-	-	(493,023)	-	-	(493,023)
Share of results of an associate	-	-	-	728,771	-	-	728,771
Loss on deemed disposal of investment in an associate	-	-	-	(19)	-	-	(19)
Share of results of jointly controlled entities	-	-	-	-	32,787	-	32,787
Profit/ (loss) before taxation	1,520,717	(405,224)	1,876,437	285,954	(418,317)	-	2,859,567
Taxation (expenses)/ credit	(250,895)	67,671	(309,578)	(14,913)	123,962	-	(383,753)
Profit/ (loss) for the year	1,269,822	(337,553)	1,566,859	271,041	(294,355)	-	2,475,814
For the year ended 31 December 2025							
Depreciation and amortisation	95,077	24,168	21,552	62,026	168,459	-	371,282
At 31 December 2025							
Segment assets	61,415,669	62,304,727	96,987,880	35,344,973	7,815,195	(5,956,979)	257,911,465
Segment liabilities	130,182,199	46,649,915	9,727,143	29,279,538	12,490,454	(5,956,979)	222,372,270

3. Operating segment reporting (Continued)

For the year ended 31 December 2024

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Chinese Mainland and Macau Banking	Others	Inter- segment	Total
Net interest income/ (expenses)	2,297,766	1,110,250	1,478,128	453,404	(51,467)	36	5,288,117
Non-interest income/ (expenses)	1,199,850	187,584	58,257	176,641	28,066	(3,592)	1,646,806
Total operating income	3,497,616	1,297,834	1,536,385	630,045	(23,401)	(3,556)	6,934,923
Operating expenses	(1,929,801)	(554,334)	(302,139)	(549,294)	(8,038)	3,556	(3,340,050)
Operating profit/ (loss) before credit impairment losses	1,567,815	743,500	1,234,246	80,751	(31,439)	-	3,594,873
Credit impairment losses	(517,346)	(1,063,185)	(21,261)	(188,720)	(849)	-	(1,791,361)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	1,050,469	(319,685)	1,212,985	(107,969)	(32,288)	-	1,803,512
Net loss on disposal and fair value adjustment of investment properties and other fixed assets	(217)	-	-	(41)	(103,382)	-	(103,640)
Net gain on disposal of financial assets at amortised cost	-	-	760	-	-	-	760
Net (loss)/ gain on disposal of financial assets at fair value through other comprehensive income	-	-	(137)	34	-	-	(103)
Share of results of an associate	-	-	-	677,425	-	-	677,425
Impairment loss on the 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	-	-	-	-	33,131	-	33,131
Profit/ (loss) before taxation	1,050,252	(319,685)	1,213,608	553,733	(102,539)	-	2,395,369
Taxation (expenses)/ credit	(173,313)	53,449	(200,221)	(8,108)	(6,829)	-	(335,022)
Profit/ (loss) for the year	876,939	(266,236)	1,013,387	545,625	(109,368)	-	2,060,347
For the year ended 31 December 2024							
Depreciation and amortisation	92,225	24,612	17,602	57,748	184,034	-	376,221
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

**3. 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.

	<b>Hong Kong and others</b>	<b>Macau</b>	<b>Inter-segment elimination</b>	<b>Total</b>
<b>For the year ended 31 December 2025</b>				
Operating income	7,471,764	445,816	(2,399)	7,915,181
Profit before taxation	3,237,437	(377,850)	(20)	2,859,567
<b>As at 31 December 2025</b>				
Total assets	239,630,817	22,988,259	(4,707,611)	257,911,465
Total liabilities	207,291,535	19,788,346	(4,707,611)	222,372,270
Intangible assets and goodwill	231,891	58,252	-	290,143
Contingent liabilities and commitments	<u>63,165,804</u>	<u>2,476,106</u>	<u>(108,610)</u>	<u>65,533,300</u>
	Hong Kong and others	Macau	Inter-segment elimination	Total
<b>For the year ended 31 December 2024</b>				
Operating income	6,545,733	391,606	(2,416)	6,934,923
Profit before taxation	2,349,479	45,890	-	2,395,369
<b>As at 31 December 2024</b>				
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	<u>62,916,672</u>	<u>2,547,143</u>	<u>(101,294)</u>	<u>65,362,521</u>

4. Net interest income

HK\$'000	2025	2024
<b>Interest income</b>		
Cash and balances with banks	612,316	769,092
Investments in securities	4,014,694	4,350,918
Advances and other accounts	5,735,898	7,027,046
	<u>10,362,908</u>	<u>12,147,056</u>
<b>Interest expense</b>		
Deposits from banks/ Deposits from customers	4,001,272	6,194,009
Certificates of deposit issued	107,583	218,467
Subordinated notes	298,305	344,230
Lease liabilities	17,146	11,586
Others	109,933	90,647
	<u>4,534,239</u>	<u>6,858,939</u>
<b>Included within interest income</b>		
- Trading securities and financial assets at fair value through profit or loss	81,678	98,959
- Financial assets at fair value through other comprehensive income	2,600,978	2,899,567
- Financial assets at amortised cost	7,680,252	9,148,530
	<u>10,362,908</u>	<u>12,147,056</u>
<b>Included within interest expense</b>		
- Financial liabilities at fair value through profit or loss	22,602	16,206
- Financial liabilities not at fair value through profit or loss	4,511,637	6,842,733
	<u>4,534,239</u>	<u>6,858,939</u>

For the year ended 31 December 2025 and 2024, there was no interest income recognised on impaired assets.

**5. Net fee and commission income**

HK\$'000	2025	2024
<b>Fee and commission income</b>		
Fee and commission income from financial assets and liabilities not at fair value through profit or loss		
- Credit related fees and commissions	182,640	162,353
- Trade finance	67,462	52,614
- Credit card	210,856	249,568
Other fee and commission income		
- Securities brokerage	182,531	118,160
- Insurance distribution and others	719,500	628,963
- Retail investment and wealth management services	416,028	187,437
- Bank services and handling fees	65,656	66,446
- Other fees	78,103	93,795
	<u>1,922,776</u>	<u>1,559,336</u>
<b>Fee and commission expense</b>		
Fee and commission expense from financial assets and liabilities not at fair value through profit or loss		
- Handling fees and commission	209,725	220,691
- Other fees paid	10,666	10,036
	<u>220,391</u>	<u>230,727</u>

Note:

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.

**6. Net trading income**

HK\$'000	2025	2024
Net gain arising from dealing in foreign currencies	306,146	249,892
Net gain/ (loss) on trading securities	10,430	(353)
Net gain from derivatives entered into for trading purpose	16,245	13,786
Net gain/ (loss) arising from financial instruments subject to fair value hedge	658	(670)
Net loss on financial instruments at fair value through profit or loss	(9,700)	(3,722)
	<u>323,779</u>	<u>258,933</u>

**7. Other operating income**

HK\$'000	2025	2024
Dividend income from investments in equity instruments at fair value through other comprehensive income, held at the end of the year		
- Listed investments	36	47
- Unlisted investments	17,793	14,453
Gross rental income from investment properties	19,513	15,318
Other rental income	15,760	15,935
Others	7,246	13,511
	<u>60,348</u>	<u>59,264</u>

**8. Operating expenses**

HK\$'000	2025	2024
Employee compensation and benefit expenses		
- Salaries and other staff costs	2,215,468	2,115,937
- Provision for share-based compensation charged	61,204	19,795
- Pension costs - defined contribution plans	134,834	130,676
Premises and other fixed assets expenses, excluding depreciation		
- Rental of premises	3,675	3,819
- Others	235,980	266,214
Depreciation		
- Premises and other fixed assets	252,568	236,380
- Right-of-use properties	118,714	139,841
Advertising and promotion costs	82,920	77,726
Printing, stationery and postage	44,362	47,797
Auditors' remuneration	14,098	13,656
Others	282,464	288,209
	<u>3,446,287</u>	<u>3,340,050</u>

**9. Credit impairment losses**

HK\$'000	2025	2024
New allowances net of allowance releases	1,915,567	1,870,572
Recoveries of amounts previously written off	<u>(132,754)</u>	<u>(79,211)</u>
	<u>1,782,813</u>	<u>1,791,361</u>
Attributable to:		
- Loans and advances to customers	1,746,392	1,776,627
- Other financial assets	37,617	16,787
- Loan commitments and financial guarantees	<u>(1,196)</u>	<u>(2,053)</u>
	<u>1,782,813</u>	<u>1,791,361</u>

**10. Impairment loss on goodwill**

Goodwill represents the excess of the cost of the Group's acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the acquiree as at the completion of an acquisition. Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segments in line with the internal management reporting structure.

Goodwill is tested annually for impairment losses by comparing the recoverable amount of CGU determined based on value in use calculation. The calculations use discounted cash flow projections prepared by Management based on the latest 5-year business plan, taking into account projected annual growth rate of net profit, and in perpetuity with 2.2% constant growth rate after the fifth year. The 5-year business plan was developed by Management based on their evaluation of the businesses and associated projected discounted cash flow of net profit of the relevant CGU and the conditions in which such businesses will operate over the projection period.

In the CGU of the Macau banking business under the Chinese Mainland and Macau Banking segment, there was a goodwill of HK\$493,023,000 which arose from Dah Sing Bank's ("DSB") acquisition of Banco Comercial de Macau, S.A. ("BCM") in 2005. During 2025, Management had decided to recognise an impairment charge for the full amount of the goodwill. This followed a careful consideration of the local business environment and economic outlook in Macau, as well as a detailed assessment in which the recoverable amount of the Macau banking business under this CGU is identified to be lower than the carrying value. This impairment charge on the goodwill is non-cash and does not affect DSB's capital adequacy. No impairment losses on goodwill in other segments were identified in the year (2024: Nil).

**11. Impairment loss on the investment in an associate**

At 31 December 2025 and 2024, the fair value of the investment 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.

The calculation of DSB's (the Group's subsidiary in Hong Kong and directly holds the Group's interest in BOCQ) capital adequacy does not include the retained earnings from 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.

**12. Taxation**

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Taxation on profits in Chinese Mainland and Macau has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the territories 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 year when the liability is settled or the asset is realised.

HK\$'000	2025	2024
Current income tax:		
- Hong Kong profits tax	551,427	247,699
- Chinese Mainland's and Macau's taxation	33,911	42,497
- (Over)/ under-provision in prior years	(3,454)	71,742
Pillar Two income taxes	-	-
Deferred income tax:		
- Origination and reversal of timing differences	(198,131)	(27,011)
- Utilisation of tax losses	-	95
	<u>383,753</u>	<u>335,022</u>

**13. Earnings per share**

The calculation of basic earnings per share is based on earnings of HK\$2,475,814,000 (2024: HK\$2,060,347,000) and the weighted average number of 1,405,752,132 (2024: 1,405,752,132) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on earnings of HK\$2,318,628,000 (2024: HK\$1,922,898,000) after taking into account of the dilutive effect of share of profits in an associate in HK\$157,186,000 (2024: HK\$137,449,000) and the weighted average number of 1,405,752,132 (2024: 1,405,752,132) ordinary shares in issue during the year after adjusting for the effect of all dilutive potential ordinary shares. The share options outstanding during the year and at the year end have no dilutive effect on the weighted average number of ordinary shares.

14. Trading securities and financial assets at fair value through profit or loss

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Trading securities:		
Debt securities:		
- Listed in Hong Kong	5,895	9,790
- Unlisted	<u>2,087,930</u>	<u>1,996,563</u>
	<u>2,093,825</u>	<u>2,006,353</u>
Financial assets at fair value through profit or loss:		
Debt securities:		
- Listed outside Hong Kong	42,104	-
Investment funds:		
- Listed in Hong Kong	4,585	4,272
Equity securities:		
- Listed in Hong Kong	<u>60</u>	<u>-</u>
	<u>46,749</u>	<u>4,272</u>
Total	<u>2,140,574</u>	<u>2,010,625</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	847,674	597,920
- Other treasury bills	1,240,256	1,398,443
- Government bonds	5,048	9,647
- Other debt securities	<u>42,951</u>	<u>343</u>
	<u>2,135,929</u>	<u>2,006,353</u>
By issuers:		
- Central governments and central banks	2,092,978	2,006,010
- Corporate entities	46,749	4,272
- Public sector entities	<u>847</u>	<u>343</u>
	<u>2,140,574</u>	<u>2,010,625</u>

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

15. Derivative financial instruments

The notional principal amounts of outstanding derivatives contracts and their fair values as of 31 December 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	354,744,913	885,334	(901,626)
Currency options purchased and written	75,493,445	203,027	(208,505)
Cross currency interest rate swaps	5,677,762	125,471	(121,369)
b) <i>Interest rate derivatives</i>			
Interest rate swaps	10,272,059	37,469	(30,421)
c) <i>Equity derivatives</i>			
Equity options purchased and written	855,802	15,531	(15,554)
Total derivative assets/ (liabilities) held for trading	447,043,981	1,266,832	(1,277,475)
2) Derivatives held for hedging			
a) <i>Derivatives designated as fair value hedges</i>			
Interest rate swaps	36,973,299	1,256,789	(117,257)
Total derivative assets/ (liabilities) held for hedging	36,973,299	1,256,789	(117,257)
Total recognised derivative financial assets/ (liabilities)	484,017,280	2,523,621	(1,394,732)

15. Derivative financial instruments (Continued)

The notional principal amounts of outstanding derivatives contracts and their fair values as of 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)

16. Advances and other accounts

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Gross loans and advances to customers	140,158,234	138,374,285
Less: impairment allowances		
- Stage 1	(386,587)	(385,262)
- Stage 2	(968,896)	(274,094)
- Stage 3	(872,355)	(872,989)
	<u>(2,227,838)</u>	<u>(1,532,345)</u>
	<u>137,930,396</u>	<u>136,841,940</u>
Trade bills	2,350,827	1,476,539
Less: impairment allowances		
- Stage 1	(2,430)	(1,126)
- Stage 2	(1)	(1)
	<u>(2,431)</u>	<u>(1,127)</u>
	<u>2,348,396</u>	<u>1,475,412</u>
Other assets	3,761,834	4,752,501
Less: impairment allowances		
- Stage 1	(10,814)	(7,719)
- Stage 2	(2,560)	(906)
- Stage 3	(5,893)	(12,553)
	<u>(19,267)</u>	<u>(21,178)</u>
	<u>3,742,567</u>	<u>4,731,323</u>
Advances and other accounts	<u>144,021,359</u>	<u>143,048,675</u>

16. Advances and other accounts (Continued)

(a) Gross loans and advances to customers by industry sector classified according to the usage of loans

HK\$'000	As at 31 Dec 2025		As at 31 Dec 2024	
	Outstanding balance	% of gross loans and advances	Outstanding balance	% of gross loans and advances
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	5,741,066	4.1	6,425,975	4.7
- Property investment	21,258,210	15.2	23,066,021	16.7
- Financial concerns	6,617,174	4.7	5,154,554	3.7
- Stockbrokers	713,378	0.5	1,441,956	1.1
- Wholesale and retail trade	3,556,059	2.5	4,298,542	3.1
- Manufacturing	1,380,031	1.0	1,400,285	1.0
- Transport and transport equipment	2,344,458	1.7	2,883,028	2.1
- Recreational activities	10,837	-	48,882	-
- Information technology	648,907	0.5	48,392	-
- Others	5,898,147	4.2	5,665,507	4.1
	<b>48,168,267</b>	<b>34.4</b>	<b>50,433,142</b>	<b>36.5</b>
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	288,885	0.2	414,186	0.3
- Loans for the purchase of other residential properties	32,583,511	23.2	33,561,360	24.3
- Credit card advances	3,683,218	2.6	3,645,014	2.6
- Others	18,161,622	13.0	13,998,682	10.1
	<b>54,717,236</b>	<b>39.0</b>	<b>51,619,242</b>	<b>37.3</b>
Loans for use in Hong Kong	<b>102,885,503</b>	<b>73.4</b>	<b>102,052,384</b>	<b>73.8</b>
Trade finance (Note (1))	4,662,539	3.3	4,902,455	3.5
Loans for use outside Hong Kong (Note (2))	32,610,192	23.3	31,419,446	22.7
	<b>140,158,234</b>	<b>100.0</b>	<b>138,374,285</b>	<b>100.0</b>

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 Hong Kong Monetary Authority (“HKMA”).
- (2) Loans for use outside Hong Kong include loans extended to customers located in Hong Kong with the finance used outside Hong Kong.

16. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets

(i) Impaired loans

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Gross loans and advances	140,158,234	138,374,285
Less: total impairment allowances	<u>(2,227,838)</u>	<u>(1,532,345)</u>
Net	<u>137,930,396</u>	<u>136,841,940</u>
Credit-impaired loans and advances	4,379,684	4,437,683
Less: Stage 3 impairment allowances	<u>(872,355)</u>	<u>(872,989)</u>
Net	<u>3,507,329</u>	<u>3,564,694</u>
Fair value of collateral held*	<u>3,322,617</u>	<u>3,620,776</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>3.12%</u>	<u>3.21%</u>

\* 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 31 Dec 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	305,434	0.22	2,104,322	1.52
- one year or less but over six months	352,945	0.25	778,884	0.56
- over one year	<u>2,760,114</u>	<u>1.97</u>	<u>926,024</u>	<u>0.67</u>
	<u>3,418,493</u>	<u>2.44</u>	<u>3,809,230</u>	<u>2.75</u>
Market value of securities held against the secured overdue loans and advances	<u>3,887,684</u>		<u>4,773,407</u>	
Secured overdue loans and advances	3,015,122		3,253,094	
Unsecured overdue loans and advances	<u>403,371</u>		<u>556,136</u>	
Stage 3 impairment allowances	<u>637,862</u>		<u>694,499</u>	

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

16. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets (Continued)

(iii) Rescheduled advances net of amounts included in overdue loans and advances shown above

HK\$'000	<b>As at 31 Dec 2025</b>	<b>% of total</b>	As at 31 Dec 2024	% of total
Loans and advances to customers	<u>440,101</u>	<u>0.31</u>	<u>360,912</u>	<u>0.26</u>
Stage 3 impairment allowances	<u>152,456</u>		<u>116,075</u>	

(c) Trade bills

As at 31 December 2025 and 2024, there were no balance of trade bills that were overdue for more than 3 months.

(d) Repossessed collateral

Repossessed collateral held at the year-end is as follows:

Nature of assets	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Repossessed properties	<b>626,518</b>	426,280
Others	<u>2,235</u>	<u>1,440</u>
	<u><b>628,753</b></u>	<u>427,720</u>

Repossessed collaterals are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness of the borrowers concerned.

17. Financial assets at fair value through other comprehensive income

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Debt securities:		
- Listed in Hong Kong	12,163,841	11,891,064
- Listed outside Hong Kong	21,958,662	20,513,422
- Unlisted	9,211,625	10,799,618
	<u>43,334,128</u>	<u>43,204,104</u>
Equity securities:		
- Listed in Hong Kong	407	295
- Unlisted	1,610,478	1,604,306
	<u>1,610,885</u>	<u>1,604,601</u>
<b>Total</b>	<b><u>44,945,013</u></b>	<b><u>44,808,705</u></b>
Included within debt securities are:		
- Certificates of deposit held	719,029	62,749
- Treasury bills which are cash equivalents	199,346	59,717
- Other treasury bills	3,254,894	3,897,954
- Government bonds	1,607,937	1,378,969
- Other debt securities	37,552,922	37,804,715
	<u>43,334,128</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	6,634,241	8,615,979
- Public sector entities	3,763,147	2,840,468
- Banks and other financial institutions	16,920,548	12,886,437
- Corporate entities	16,016,192	18,861,220
	<u>43,334,128</u>	<u>43,204,104</u>
Equity securities:		
- Corporate entities	1,610,885	1,604,601
	<u>1,610,885</u>	<u>1,604,601</u>
	<b><u>44,945,013</u></b>	<b><u>44,808,705</u></b>

18. Financial assets at amortised cost

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Debt securities		
- Listed in Hong Kong	11,195,051	12,878,232
- Listed outside Hong Kong	15,204,049	14,186,382
- Unlisted	7,657,383	8,489,756
	<u>34,056,483</u>	<u>35,554,370</u>
Less: impairment allowance		
- Stage 1	(41,944)	(31,093)
- Stage 2	(5,586)	(909)
	<u>(47,530)</u>	<u>(32,002)</u>
Total	<u>34,008,953</u>	<u>35,522,368</u>
Included within debt securities are:		
- Certificates of deposit held	3,587,717	3,723,064
- Treasury bills	813,906	1,096,317
- Government bonds	-	230,349
- Other debt securities	29,654,860	30,504,640
	<u>34,056,483</u>	<u>35,554,370</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	813,906	1,326,666
- Public sector entities	1,847,423	1,731,208
- Banks and other financial institutions	14,925,733	12,718,386
- Corporate entities	16,469,421	19,778,110
	<u>34,056,483</u>	<u>35,554,370</u>

19. Shareholders' funds

HK\$'000	As at 31 Dec 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	1,890,386	1,886,501
Exchange reserve	(314,356)	(940,742)
General reserve	700,254	700,254
Retained earnings	<u>25,962,390</u>	<u>24,876,838</u>
	<u>35,227,779</u>	<u>33,511,956</u>
 Proposed final dividend/ final dividend paid included in retained earnings	 <u>688,819</u>	 <u>548,243</u>

Note:

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 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 31 December 2025, DSB does not have to earmark regulatory reserve (2024: HK\$544,500,000) against its consolidated general reserve or consolidated retained earnings.

**20. Contingent liabilities and commitments**

(a) Capital commitments

Capital expenditure in respect of projects and acquisition of fixed assets as at 31 December but not yet incurred is as follows:

HK\$'000	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Expenditure contracted but not provided for	<b><u>59,410</u></b>	<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:

	<b>Contract amount</b>	
	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Direct credit substitutes	<b>336,890</b>	249,050
Transaction-related contingencies	<b>372,966</b>	395,699
Trade-related contingencies	<b>439,870</b>	450,156
Commitments that are unconditionally cancellable without prior notice	<b>56,639,887</b>	57,897,554
Other commitments	<b>5,554,696</b>	5,200,505
Forward forward deposits placed	<b>200,000</b>	-
	<b><u>63,544,309</u></b>	<u>64,192,964</u>
	<b>Credit risk weighted amount</b>	
	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Contingent liabilities and commitments	<b><u>5,690,196</u></b>	<u>2,155,128</u>

20. Contingent liabilities and commitments (Continued)

(c) Assets pledged

HK\$'000	As at 31 Dec 2025	As at 31 Dec 2024
Trading assets and financial investments pledged to secure liabilities	1,929,581	1,143,336
- of which: under repurchase agreements	<u>672,418</u>	<u>744,891</u>
Amount of liabilities secured	1,662,598	1,130,231
- of which: under repurchase agreements	<u>663,439</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.

(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:

	As at 31 Dec 2025	As at 31 Dec 2024
Within 1 year	18,863	14,747
Between 1 and 2 years	8,720	5,193
Between 2 and 3 years	5,328	2,881
Between 3 and 4 years	2,449	1,431
Between 4 and 5 years	1,505	1,431
Later than 5 years	5,017	6,201
	<u>41,882</u>	<u>31,884</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

1. 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 31 Dec 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	5,741,066	55.8	6,425,975	60.6
- Property investment	21,258,210	87.7	23,066,021	91.0
- Financial concerns	6,617,174	3.4	5,154,554	4.8
- Stockbrokers	713,378	93.0	1,441,956	62.8
- Wholesale and retail trade	3,556,059	77.9	4,298,542	82.6
- Manufacturing	1,380,031	51.7	1,400,285	63.2
- Transport and transport equipment	2,344,458	79.5	2,883,028	77.0
- Recreational activities	10,837	62.9	48,882	94.3
- Information technology	648,907	5.0	48,392	43.1
- Others	5,898,147	60.6	5,665,507	67.4
	<u>48,168,267</u>	<u>65.8</u>	<u>50,433,142</u>	<u>72.5</u>
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	288,885	99.3	414,186	98.5
- Loans for the purchase of other residential properties	32,583,511	99.8	33,561,360	99.8
- Credit card advances	3,683,218	-	3,645,014	-
- Others	18,161,622	63.4	13,998,682	53.7
	<u>54,717,236</u>	<u>81.0</u>	<u>51,619,242</u>	<u>80.2</u>
Loans for use in Hong Kong	102,885,503	73.9	102,052,384	76.4
Trade finance (Note (1))	4,662,539	68.3	4,902,455	65.7
Loans for use outside Hong Kong (Note (2))	32,610,192	55.6	31,419,446	58.5
	<u>140,158,234</u>	<u>69.5</u>	<u>138,374,285</u>	<u>72.0</u>

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.

1. 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 31 December 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	21,258,210	1,882,098	1,721,863	269,834	471,860
Individuals					
- Loans for the purchase of other residential properties	32,583,511	287,240	270,738	60,300	16,029
- Others	18,161,622	282,370	34,411	140,127	261,410
Loans for use outside Hong Kong	<u>32,610,192</u>	<u>887,628</u>	<u>507,754</u>	<u>104,922</u>	<u>425,199</u>
	As at 31 December 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>

1. 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	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
<b>2025</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (“JV”s)	4,859,609	42,566	4,902,175
2. Local governments, local government-owned entities and their subsidiaries and JVs	1,352,541	22,296	1,374,837
3. PRC nationals residing in Chinese Mainland or other entities incorporated in Chinese Mainland and their subsidiaries and JVs	9,031,117	1,032,446	10,063,563
4. Other entities of central government not reported in item 1 above	3,857,145	240,854	4,097,999
5. Other entities of local governments not reported in item 2 above	639,050	-	639,050
6. PRC nationals residing outside Chinese Mainland or entities incorporated outside Chinese Mainland where the credits are granted for use in Chinese Mainland	8,859,174	205,861	9,065,035
7. Other counterparties where the exposures are considered to be non-bank Chinese Mainland exposures	437,255	1,277	438,532
	<u>29,035,891</u>	<u>1,545,300</u>	<u>30,581,191</u>
Total assets of DSB and its Mainland subsidiary bank after provision	<u>244,124,613</u>		
On-balance sheet exposures as percentage of total assets	<u>11.89%</u>		

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

1. Additional analysis on claims and exposures (Continued)

(b) Mainland activities exposures (Continued)

HK\$'000

	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
2024			
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 Chinese Mainland or other entities incorporated in Chinese Mainland 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 Chinese Mainland or entities incorporated outside Chinese Mainland where the credits are granted for use in Chinese Mainland	8,738,887	435,408	9,174,295
7. Other counterparties where the exposures are considered to be non-bank Chinese Mainland 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>		

1. 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 31 December 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	108,438,283	3,471,371	2,889,676	753,696	1,092,422
Chinese Mainland	16,983,157	646,912	267,415	77,231	156,543
Macau	12,012,614	261,401	261,402	41,428	80,283
Others	2,724,180	-	-	-	26,235
	<b>140,158,234</b>	<b>4,379,684</b>	<b>3,418,493</b>	<b>872,355</b>	<b>1,355,483</b>

As at 31 December 2024

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	108,718,160	4,018,261	3,391,470	753,706	537,887
Chinese Mainland	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
	<b>138,374,285</b>	<b>4,437,683</b>	<b>3,809,230</b>	<b>872,989</b>	<b>659,356</b>

1. Additional analysis on claims and exposures (Continued)

(d) Loan exposure to Hong Kong commercial real estate

The Group's loans to Hong Kong commercial real estate ("HKCRE loans") are granted to corporate customers for use in Hong Kong to finance their investments in completed and uncompleted properties in Hong Kong as well as their property developments in Hong Kong, including loans for building and construction.

HKCRE loans are the aggregate of loans reported within the industry sectors of property investment and property development under Loans for use in Hong Kong after excluding loans granted to corporate customers which are not primarily engaged in property investment or development and companies which are owned and/or controlled by individual retail and private banking customers for property investment purpose.

Further analysis is set out below:

In millions of HK\$	As at 31 Dec 2025		As at 30 Jun 2025		As at 31 Dec 2024	
	Outstanding balance	Impaired loans	Outstanding balance	Impaired loans	Outstanding balance	Impaired loans
Loans for use in Hong Kong						
Industrial, commercial and financial						
- Property development	5,741	147	6,906	150	6,426	155
- Property investment	21,258	1,882	21,252	2,033	23,066	2,070
	<b>26,999</b>	<b>2,029</b>	<b>28,158</b>	<b>2,183</b>	<b>29,492</b>	<b>2,225</b>
Of which: HKCRE loans reported within						
- Property development	5,741	147	6,906	150	6,426	155
- Property investment	17,734	1,874	17,563	2,027	19,355	2,059
	<b>23,475</b>	<b>2,021</b>	<b>24,469</b>	<b>2,177</b>	<b>25,781</b>	<b>2,214</b>

1. Additional analysis on claims and exposures (Continued)

(e) 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.

At 31 December 2025 In millions of HK\$	Banks	Official sector	Non-bank private sector		Total claims
			Non-bank financial institutions	Non- financial private sector	
Offshore centres	2,845	8,686	7,579	144,185	163,295
- of which: Hong Kong	<u>2,099</u>	<u>7,752</u>	<u>7,119</u>	<u>129,204</u>	<u>146,174</u>
Developing Asia and Pacific	29,452	1,367	4,913	22,872	58,604
- of which: Chinese Mainland	<u>15,449</u>	<u>869</u>	<u>4,913</u>	<u>17,355</u>	<u>38,586</u>
Non-bank private sector					
At 31 December 2024 In millions of HK\$	Banks	Official sector	Non-bank private sector		Total claims
			Non-bank financial institutions	Non- financial private sector	
Offshore centres	2,460	9,445	7,544	144,685	164,134
- of which: Hong Kong	<u>1,923</u>	<u>8,240</u>	<u>7,268</u>	<u>128,335</u>	<u>145,766</u>
Developing Asia and Pacific	30,642	1,314	4,502	21,870	58,328
- of which: Chinese Mainland	<u>18,724</u>	<u>879</u>	<u>4,341</u>	<u>15,065</u>	<u>39,009</u>

## 2. 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 31 December 2025 and the corresponding comparative balances.

The Group did not have any structural foreign exchange position as at 31 December 2025 and 2024.

At 31 December 2025						
	US dollars	Euro	Renminbi	Macau Pataca	Other foreign currencies	Total foreign currencies
Equivalent in HK\$ millions						
Spot assets	90,589	1,169	17,004	8,499	12,436	129,697
Spot liabilities	(70,883)	(1,938)	(15,847)	(9,980)	(7,650)	(106,298)
Forward purchases	219,928	2,525	53,217	-	11,505	287,175
Forward sales	(237,510)	(1,777)	(54,273)	-	(16,279)	(309,839)
Net options position	469	(348)	(5)	-	8	124
Net long/ (short) position	<u>2,593</u>	<u>(369)</u>	<u>96</u>	<u>(1,481)</u>	<u>20</u>	<u>859</u>
At 31 December 2024						
	US dollars	Renminbi	Macau Pataca	Other foreign currencies	Total foreign currencies	
Equivalent in HK\$ millions						
Spot assets	86,544	16,024	9,382	9,705		121,655
Spot liabilities	(62,076)	(15,871)	(10,013)	(10,501)		(98,461)
Forward purchases	219,156	61,169	-	24,289		304,614
Forward sales	(240,063)	(63,041)	-	(23,499)		(326,603)
Net options position	(1,323)	1,516	-	58		251
Net long/ (short) position	<u>2,238</u>	<u>(203)</u>	<u>(631)</u>	<u>52</u>		<u>1,456</u>

**3. Capital adequacy ratio**

	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Capital adequacy ratio		
- Common Equity Tier 1	<b>18.8%</b>	16.9%
- Tier 1	<b>19.5%</b>	17.6%
- Total	<b><u>23.1%</u></b>	<u>21.0%</u>

The capital adequacy ratio as at 31 December 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.

**4. Leverage ratio**

	<b>As at 31 Dec 2025</b>	As at 31 Dec 2024
Leverage ratio	<b><u>12.2%</u></b>	<u>11.6%</u>

The above ratios represent the consolidated position of DSB and are computed on the same consolidated basis as the capital adequacy ratio.

**5. Liquidity maintenance ratio**

	<b>2025</b>	2024
Liquidity maintenance ratio	<b><u>60.8%</u></b>	<u>64.2%</u>

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 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

	Year ended 31 Dec 2025	Year ended 31 Dec 2024
Net interest income/ operating income	73.6%	76.3%
Cost to income ratio	43.5%	48.2%
Return on average total assets	1.0%	0.8%
Return on average shareholders' funds	7.2%	6.2%
Net interest margin	2.41%	2.17%
	<b>As at 31 Dec 2025</b>	<b>As at 31 Dec 2024</b>
Loan to deposit ratio	<b>68.0%</b>	67.2%

## FINAL DIVIDEND

At the forthcoming annual general meeting ("AGM") of the Company to be held on Friday, 5 June 2026, the Directors will propose a final dividend of HK\$0.49 per share for 2025 to shareholders whose names are on the Register of Shareholders as at the close of business on Tuesday, 16 June 2026. Subject to shareholders' approval at the AGM, the final dividend will be payable on Thursday, 25 June 2026.

## CLOSURE OF REGISTER OF SHAREHOLDERS

For determining shareholders' right to attend and vote at the AGM:

Latest time to lodge transfers	4:30 p.m. on 1 June 2026 (Monday)
Closure of Register of Shareholders (both days inclusive)	2 June 2026 (Tuesday) to 5 June 2026 (Friday)
Record date	5 June 2026 (Friday)
AGM	5 June 2026 (Friday)

For determining shareholders' entitlement to receive the proposed final dividend:

Latest time to lodge transfers	4:30 p.m. on 11 June 2026 (Thursday)
Closure of Register of Shareholders (both days inclusive)	12 June 2026 (Friday) to 16 June 2026 (Tuesday)
Record date	16 June 2026 (Tuesday)

During the periods of the closure of Register of Shareholders, no share transfers will be registered. For registration, 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 relevant latest time to lodge transfers.

## CORPORATE AND BUSINESS OVERVIEW

### HIGHLIGHTS

The Group navigated a complex business environment in 2025. Whilst global economic growth remained moderate amidst persistent geopolitical tensions, a notable recovery in domestic consumption provided a resilient foundation for our core operations.

The Hong Kong economy showed signs of recovery throughout the year. The residential property market rebounded, with signs of residential prices bottoming out and full-year transactions reaching a higher level. Stock market activity picked up significantly, driven by renewed investor confidence and increased southbound capital flows. Consumer spending also improved as household balance sheets recovered. This improving macroeconomic backdrop created opportunities for us to grow our business while maintaining disciplined credit risk management.

Our trading activities delivered a robust performance during 2025, driven by lower HKD interest rates and heightened FX market volatility. These factors offset the higher net cost in our funding swap activities arising from a wide differential between HKD and USD interest rates.

We successfully completed the first two years of bancassurance partnership with the Sun Life Group for distributing Sun Life products in Hong Kong. Our wealth management business achieved stronger results for the second consecutive year, reflecting the continued success and progress of this strategic collaboration.

Despite overall subdued loan growth due to the sluggish commercial real estate (“CRE”) market in Hong Kong and continued challenges in Chinese Mainland’s property sector, we managed to deliver modest growth in gross loans and advances to customers. Meanwhile, we reduced exposure to Hong Kong CRE related loans to maintain prudent credit risk control.

As a result, our Group reported a 20% growth in profit attributable to shareholders at HK\$2,476 million for the year. We are pleased to announce that a final dividend of HK\$0.49 per share was declared, representing a total dividend for the whole year of HK\$0.80, an increase of 21% compared to the HK\$0.66 in 2024.

### BUSINESS AND FINANCIAL REVIEW

In 2025, Hong Kong’s economic growth accelerated to 3.5%, up from 2.6% in 2024, supported by a record-breaking performance in external trade and a continued improvement in domestic demand. Signs of recovery emerged in the residential property market during the fourth quarter of 2025, benefiting from declining interest rates. The growth of northbound consumption has somewhat stabilised though the local retail market remained challenging. The global trade war and geopolitical tensions persisted, affecting the economies of our key markets. Although China’s GDP rose 5.0% in 2025, its domestic property market remained subdued.

Amid the mixed economic backdrop, the Group delivered a resilient performance, reporting a 24% increase in operating profit before impairment losses, alongside a moderate rise in operating expenses. The cost-to-income ratio improved to 43.5%, compared to 48.2% in the previous year.

DSB’s net interest margin (“NIM”) expanded by 24 basis points to 2.41% despite operating in a broadly declining interest rate environment. This improvement reflected our success in actively growing our Current Account and Savings Account (“CASA”) deposit balance and exercising disciplined control over funding costs. These initiatives enabled us to widen the NIM, even as the local banking sector faced margin pressures following the US Federal Reserve’s rate cuts.

Operating income grew by 14% to HK\$7,915 million, driven by solid growth in both interest and non-interest incomes. Net interest income rose by 10% to HK\$5,829 million, while non-interest income increased by 27% to HK\$2,087 million.

Excluding the non-cash impairment loss of goodwill arising from the acquisition of BCM in 2005, operating profit after credit impairment losses increased by 49% year-on-year, mainly driven by higher operating income, representing a substantial increase in profitability in our core businesses. Reflecting our prudent asset quality management, credit impairment losses declined mildly over the year.

Our share of results from Bank of Chongqing (“BOCQ”) increased by 8% year-on-year to HK\$729 million, and no impairment loss on the investment in the associate was recorded for the year.

## **FUTURE PROSPECTS**

Looking ahead to 2026, we remain cautiously optimistic. Hong Kong's economy is expected to expand at a steady pace, supported by easing monetary conditions, ongoing growth in consumer demand and policy measures to strengthen its role as an international financial and wealth management hub. In the residential property sector, further reductions in mortgage rates and sustained demand from local buyers and Chinese Mainland investors are anticipated to support a continued recovery in home prices and transaction volumes. In the CRE sector, the Group remains somewhat positive, anticipating an increase in demand. As part of our ongoing strategy, we recently acquired new premises with naming rights in Wong Chuk Hang to further strengthen the Group's franchise. This property acquisition will enhance our operational efficiency by consolidating certain operational units currently located across different sites without impacting the overall head office operations at Dah Sing Financial Centre, while also providing essential capacity to accommodate future business growth.

Our focus will remain on areas within our control including disciplined cost management, selective investment in growth areas, and maintaining a strong balance sheet. We believe this prudent approach will allow us to respond effectively to future market developments while positioning our Group for steady progress in the future. Global risks have recently been demonstrated by events in the Middle East, and we expect such risks to remain elevated for the time being. The Group will stay prudent and conservative, maintaining a strong financial position while seeking opportunities that align with our strategy to deliver sustainable returns for shareholders.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2025, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (Appendix C1 to the Listing Rules) in force during the year.

## 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 year ended 31 December 2025.

## REVIEW OF CONSOLIDATED 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 consolidated financial statements of the Group for the year ended 31 December 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 year ended 31 December 2025.

## ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ("HKEX") at [www.hkexnews.hk](http://www.hkexnews.hk) and Dah Sing Bank at [www.dahsing.com](http://www.dahsing.com).

The 2025 Annual 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 Annual Report will be sent to shareholders who have elected to receive printed versions of the Company's corporate communications before the end of April 2026.

## 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, Monday, 30 March 2026