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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 2024 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 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

HK\$'000	Note	2024	2023	Variance %
Interest income	4	12,147,056	11,485,605	
Interest expense	4	(6,858,939)	(6,670,170)	
Net interest income		5,288,117	4,815,435	9.8
Fee and commission income	5	1,559,336	1,078,967	
Fee and commission expense	5	(230,727)	(212,165)	
Net fee and commission income		1,328,609	866,802	53.3
Net trading income	6	258,933	164,843	
Other operating income	7	59,264	69,004	
Operating income		6,934,923	5,916,084	17.2
Operating expenses	8	(3,340,050)	(3,168,897)	5.4
Operating profit before impairment losses		3,594,873	2,747,187	30.9
Credit impairment losses	9	(1,791,361)	(731,311)	145.0
Operating profit before gains and losses on certain investments and fixed assets		1,803,512	2,015,876	-10.5
Net (loss)/ gain on disposal of premises and other fixed assets		(1,758)	2,828	
Net loss on fair value adjustment of investment properties		(101,882)	(41,087)	
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)	-	
Share of results of an associate		677,425	688,957	
Impairment loss on the investment in an associate	10	(15,715)	(552,000)	
Loss on deemed disposal of investment in an associate		(1)	(10)	
Share of results of jointly controlled entities		33,131	27,014	
Profit before taxation		2,395,369	2,141,578	11.9
Taxation	11	(335,022)	(281,272)	
Profit for the year attributable to shareholders of the Company		2,060,347	1,860,306	10.8
Dividends				
Interim dividend paid		379,553	154,633	
Proposed final dividend/ final dividend paid		548,243	688,818	
		927,796	843,451	
Earnings per share				
Basic	12	HK\$1.47	HK\$1.32	
Diluted	12	HK\$1.37	HK\$1.23	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

HK\$'000	2024	2023
Profit for the year	<u>2,060,347</u>	<u>1,860,306</u>
Other comprehensive income for the year		
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	177,285	298,270
Share of other comprehensive income of an associate accounted for using the equity method	193,649	251,558
Net change in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	26,907	33,612
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>(29,387)</u>	<u>(43,181)</u>
	<u>368,557</u>	<u>540,259</u>
Exchange differences arising on translation of the financial statements of foreign entities	<u>(290,718)</u>	<u>(156,209)</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/ (loss) of an associate accounted for using the equity method	2,759	(2,634)
Net change in fair value of equity instruments at fair value through other comprehensive income	(156,891)	1,086,307
Deferred income tax related to the above	<u>8,616</u>	<u>(65,481)</u>
	<u>(99,983)</u>	<u>1,018,192</u>
Other comprehensive (loss)/ income for the year, net of tax	<u>(22,144)</u>	<u>1,402,242</u>
Total comprehensive income for the year, net of tax	<u>2,038,203</u>	<u>3,262,548</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

HK\$'000	Note	2024	2023
ASSETS			
Cash and balances with banks		14,131,725	16,395,770
Placements with banks maturing between one and twelve months		5,409,555	3,151,814
Trading securities	13	2,006,353	1,739,841
Financial assets at fair value through profit or loss	13	4,272	8,216
Derivative financial instruments	14	4,083,731	3,566,149
Advances and other accounts	15	143,048,675	149,113,954
Financial assets at fair value through other comprehensive income	16	44,808,705	40,525,842
Financial assets at amortised cost	17	35,522,368	39,372,378
Investment in an associate	10	2,532,810	2,215,131
Investments in jointly controlled entities		138,097	129,946
Goodwill		713,451	713,451
Intangible assets		69,715	69,715
Premises and other fixed assets		3,001,328	2,813,187
Investment properties		708,021	761,604
Current income tax assets		793	1,273
Deferred income tax assets		159,482	165,823
Total assets		256,339,081	260,744,094
LIABILITIES			
Deposits from banks		1,936,236	2,485,044
Derivative financial instruments	14	1,839,915	1,279,419
Trading liabilities		498,069	99,853
Deposits from customers		201,568,051	207,233,698
Certificates of deposit issued		4,294,996	2,428,028
Subordinated notes		4,146,914	5,916,645
Other accounts and accruals		7,793,432	8,020,654
Current income tax liabilities		343,835	287,611
Deferred income tax liabilities		94,261	103,699
Total liabilities		222,515,709	227,854,651
EQUITY			
Equity attributable to the Company's shareholders			
Share capital		6,894,438	6,894,438
Other reserves (including retained earnings)		26,617,518	25,683,589
Shareholders' funds	18	33,511,956	32,578,027
Additional equity instruments		311,416	311,416
Total equity		33,823,372	32,889,443
Total equity and liabilities		256,339,081	260,744,094

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 2024 (the "2024 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 31 March 2025.

2. Basis of Preparation and Accounting Policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which is a collective term and includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong 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 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 HKFRSs 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 2024 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 2023.

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

(a) New and amended standards adopted by the Group

There are several amendments to HKFRS that became applicable with effect from 1 January 2024:

- HKAS 1 (Amendments) - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- HKFRS 16 (Amendments) - Lease Liability in a Sale and Leaseback
- HKAS 7 and HKFRS 7 (Amendments) - Supplier Finance Arrangements
- HK Interpretation 5 (Revised) - Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these has a significant effect on the consolidated financial statements of the Group.

(b) New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

- (i) Amendments to HKAS21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The HKICPA amended HKAS 21 to help entities determine whether a currency is exchangeable into another currency, and which spot exchange to use when it is not.

The Group does not expect these amendments to have a material impact on its operations or financial statements.

2. Basis of Preparation and Accounting Policies (Continued)

(b) New and amended standards and interpretations not yet adopted (Continued)

- (ii) 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 HKICPA issued amendments to HKFRS 9 and HKFRS 7 to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, 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.

- (iii) 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 2024 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 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.

3. Operating segment reporting (Continued)

For the year ended 31 December 2024

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China 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, premises 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 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)

For the year ended 31 December 2023

HK\$'000	Personal Banking	Corporate Banking	Treasury and Global Markets	Mainland China and Macau Banking	Others	Inter- segment	Total
Net interest income/ (expenses)	2,015,027	1,183,911	1,124,749	478,004	13,908	(164)	4,815,435
Non-interest income/ (expenses)	748,390	203,211	(26,453)	148,483	37,560	(10,542)	1,100,649
Total operating income	2,763,417	1,387,122	1,098,296	626,487	51,468	(10,706)	5,916,084
Operating expenses	(1,855,232)	(533,440)	(232,540)	(547,755)	(10,636)	10,706	(3,168,897)
Operating profit before credit impairment (losses)/ written back	908,185	853,682	865,756	78,732	40,832	-	2,747,187
Credit impairment (losses)/ written back	(311,830)	(350,600)	27,560	(98,244)	1,803	-	(731,311)
Operating profit/ (loss) before gains and losses on certain investments and fixed assets	596,355	503,082	893,316	(19,512)	42,635	-	2,015,876
Net (loss)/ gain on disposal and fair value adjustment of investment properties, premises and other fixed assets	(874)	-	-	1,794	(39,179)	-	(38,259)
Share of results of an associate	-	-	-	688,957	-	-	688,957
Impairment loss on the investment in an associate	-	-	-	(552,000)	-	-	(552,000)
Loss on deemed disposal of investment in an associate	-	-	-	(10)	-	-	(10)
Share of results of jointly controlled entities	-	-	-	-	27,014	-	27,014
Profit before taxation	595,481	503,082	893,316	119,229	30,470	-	2,141,578
Taxation (expenses)/ credit	(98,487)	(82,320)	(147,363)	(16,346)	63,244	-	(281,272)
Profit for the year	496,994	420,762	745,953	102,883	93,714	-	1,860,306
For the year ended 31 December 2023							
Depreciation and amortisation	73,020	18,407	10,177	57,666	189,744	-	349,014
At 31 December 2023							
Segment assets	59,462,117	65,445,748	93,997,176	38,706,673	7,889,172	(4,756,792)	260,744,094
Segment liabilities	121,866,174	49,354,251	12,902,840	31,848,027	16,640,151	(4,756,792)	227,854,651

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.

HKD'000	Hong Kong and others	Macau	Inter-segment elimination	Total
For the year ended 31 December 2024				
Operating income	6,545,733	391,606	(2,416)	6,934,923
Profit before taxation	2,349,479	45,890	-	2,395,369
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
	Hong Kong and others	Macau	Inter-segment elimination	Total
For the year ended 31 December 2023				
Operating income	5,534,846	390,524	(9,286)	5,916,084
Profit before taxation	2,027,706	113,872	-	2,141,578
As at 31 December 2023				
Total assets	238,542,412	25,692,277	(3,490,595)	260,744,094
Total liabilities	209,229,240	22,116,006	(3,490,595)	227,854,651
Intangible assets and goodwill	231,891	551,275	-	783,166
Contingent liabilities and commitments	69,117,565	2,291,041	(101,434)	71,307,172

4. Net interest income

HK\$'000	2024	2023
Interest income		
Cash and balances with banks	769,092	704,047
Investments in securities	4,350,918	3,846,823
Advances and other accounts	7,027,046	6,934,735
	<u>12,147,056</u>	<u>11,485,605</u>
Interest expense		
Deposits from banks/ Deposits from customers	6,194,009	6,068,633
Certificates of deposit issued	218,467	184,061
Subordinated notes	344,230	328,257
Lease liabilities	11,586	7,669
Others	90,647	81,550
	<u>6,858,939</u>	<u>6,670,170</u>
Included within interest income		
- Trading securities and financial assets at fair value through profit or loss	98,959	13,110
- Financial assets at fair value through other comprehensive income	2,899,567	2,560,848
- Financial assets at amortised cost	9,148,530	8,911,647
	<u>12,147,056</u>	<u>11,485,605</u>
Included within interest expense		
- Financial liabilities at fair value through profit or loss	16,206	5,098
- Financial liabilities at amortised cost	6,842,733	6,665,072
	<u>6,858,939</u>	<u>6,670,170</u>

For the year ended 31 December 2024 and 2023, there was no interest income recognised on impaired assets.

5. Net fee and commission income

HK\$'000	2024	2023
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	162,353	158,987
- Trade finance	52,614	49,475
- Credit card	249,568	272,664
Other fee and commission income		
- Securities brokerage	118,160	100,840
- Insurance distribution and others	628,963	163,961
- Retail investment and wealth management services	187,437	131,980
- Bank services and handling fees	66,446	72,258
- Other fees	93,795	128,802
	<u>1,559,336</u>	<u>1,078,967</u>
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	220,691	202,974
- Other fees paid	10,036	9,191
	<u>230,727</u>	<u>212,165</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	2024	2023
Net gain arising from dealing in foreign currencies	249,892	125,667
Net (loss)/ gain on trading securities	(353)	2,819
Net gain from derivatives entered into for trading purpose	13,786	34,947
Net (loss)/ gain arising from financial instruments subject to fair value hedge	(670)	2,222
Net loss on financial instruments at fair value through profit or loss	(3,722)	(812)
	<u>258,933</u>	<u>164,843</u>

7. Other operating income

HK\$'000	2024	2023
Dividend income from investments in equity instruments at fair value through other comprehensive income, held at the end of the year		
- Listed investments	47	609
- Unlisted investments	14,453	32,137
Gross rental income from investment properties	15,318	14,580
Other rental income	15,935	15,994
Others	13,511	5,684
	<u>59,264</u>	<u>69,004</u>

8. Operating expenses

HK\$'000	2024	2023
Employee compensation and benefit expenses		
- Salaries and other staff costs	2,115,937	1,996,824
- Provision for share-based compensation charged	19,795	14,108
- Pension costs - defined contribution plans	130,676	118,599
Premises and other fixed assets expenses, excluding depreciation		
- Rental of premises	3,819	2,338
- Others	266,214	223,948
Depreciation		
- Premises and other fixed assets	236,380	203,168
- Right-of-use properties	139,841	145,846
Advertising and promotion costs	77,726	85,050
Printing, stationery and postage	47,797	48,171
Auditors' remuneration	13,656	16,355
Others	288,209	314,490
	<u>3,340,050</u>	<u>3,168,897</u>

9. Credit impairment losses

HK\$'000	2024	2023
New allowances net of allowance releases	1,870,572	851,311
Recoveries of amounts previously written off	(79,211)	(120,000)
	<u>1,791,361</u>	<u>731,311</u>
Attributable to:		
- Loans and advances to customers	1,776,627	798,335
- Other financial assets	16,787	(36,369)
- Loan commitments and financial guarantees	(2,053)	(30,655)
	<u>1,791,361</u>	<u>731,311</u>

10. Impairment loss on the investment in an associate

At 30 June 2024, the fair value of the Group's investment in Bank of Chongqing ("BOCQ") remained below the carrying value. On this basis, the Group continued to perform an impairment test on the carrying value of the investment using the same methodology adopted in the past, and recorded an impairment charge of HK\$16 million which is the amount by which the fair value less costs of disposal of the investment was below the carrying value. At 31 December 2024, the fair value of the investment was higher than the carrying value. Following the requirements of HKAS 36 "Impairment of Assets", no further impairment test on the carrying value of the investment is required.

The calculation of Dah Sing Bank, Limited's ("DSB", which is 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.

11. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Taxation on profits in Mainland China and Macau has been calculated on the estimated assessable profit for the year 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 year when the liability is settled or the asset is realised.

HK\$'000	2024	2023
Current income tax:		
- Hong Kong profits tax	247,699	231,268
- Mainland China's and Macau's taxation	42,497	38,320
- Under/ (over)-provision in prior years	71,742	(39,522)
Deferred income tax:		
- Origination and reversal of timing differences	(27,011)	51,301
- Utilisation/ (recognition) of tax losses	95	(95)
	<u>335,022</u>	<u>281,272</u>

12. Earnings per share

The calculation of basic earnings per share is based on earnings of HK\$2,060,347,000 (2023: HK\$1,860,306,000) and the weighted average number of 1,405,752,132 (2023: 1,405,752,132) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on earnings of HK\$1,922,898,000 (2023: HK\$1,723,528,000) after taking into account of the dilutive effect of share of profits in an associate in HK\$137,449,000 (2023: HK\$136,778,000) and the weighted average number of 1,405,752,132 (2023: 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.

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

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Trading securities:		
Debt securities:		
- Listed in Hong Kong	9,790	14,406
- Unlisted	<u>1,996,563</u>	<u>1,725,435</u>
	<u>2,006,353</u>	<u>1,739,841</u>
Financial assets at fair value through profit or loss:		
Investment funds:		
- Listed in Hong Kong	4,272	8,216
	<u>4,272</u>	<u>8,216</u>
Total	<u>2,010,625</u>	<u>1,748,057</u>
Included within debt securities are:		
- Treasury bills which are cash equivalents	597,920	1,725,135
- Other treasury bills	1,398,443	-
- Government bonds	9,647	14,706
- Other debt securities	<u>343</u>	<u>-</u>
	<u>2,006,353</u>	<u>1,739,841</u>
By issuers:		
- Central governments and central banks	2,006,010	1,739,841
- Corporate entities	4,272	8,216
- Public sector entities	<u>343</u>	<u>-</u>
	<u>2,010,625</u>	<u>1,748,057</u>

As at 31 December 2024 and 2023, there were no certificates of deposit held included in the above balances.

14. Derivative financial instruments

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)

14. Derivative financial instruments (Continued)

The notional principal amounts of outstanding derivatives contracts and their fair values as of 31 December 2023 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	183,067,007	878,718	(885,411)
Currency options purchased and written	20,696,124	128,874	(121,144)
Cross currency interest rate swaps	874,545	13,361	(12,907)
b) <i>Interest rate derivatives</i>			
Interest rate swaps	3,689,125	34,352	(30,717)
c) <i>Equity derivatives</i>			
Equity options purchased and written	433,584	6,779	(6,797)
d) <i>Commodity derivatives</i>			
Commodity forward and swaps	56,593	304	(327)
Total derivative assets/ (liabilities) held for trading	<u>208,816,978</u>	<u>1,062,388</u>	<u>(1,057,303)</u>
2) Derivatives held for hedging			
a) <i>Derivatives designated as fair value hedges</i>			
Interest rate swaps	46,874,243	2,503,761	(222,116)
Total derivative assets/ (liabilities) held for hedging	<u>46,874,243</u>	<u>2,503,761</u>	<u>(222,116)</u>
Total recognised derivative financial assets/ (liabilities)	<u>255,691,221</u>	<u>3,566,149</u>	<u>(1,279,419)</u>

15. Advances and other accounts

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Gross loans and advances to customers	138,374,285	143,049,476
Less: impairment allowances		
- Stage 1	(385,262)	(364,345)
- Stage 2	(274,094)	(263,656)
- Stage 3	(872,989)	(485,255)
	<u>(1,532,345)</u>	<u>(1,113,256)</u>
	136,841,940	141,936,220
Trade bills	1,476,539	2,060,317
Less: impairment allowances		
- Stage 1	(1,126)	(2,981)
- Stage 2	(1)	-
	<u>(1,127)</u>	<u>(2,981)</u>
	1,475,412	2,057,336
Other assets	4,752,501	5,141,313
Less: impairment allowances		
- Stage 1	(7,719)	(6,979)
- Stage 2	(906)	(2,907)
- Stage 3	(12,553)	(11,029)
	<u>(21,178)</u>	<u>(20,915)</u>
	4,731,323	5,120,398
Advances and other accounts	<u>143,048,675</u>	<u>149,113,954</u>

15. 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 2024		As at 31 Dec 2023	
	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	6,425,975	4.7	6,908,262	4.8
- Property investment	23,066,021	16.7	23,767,506	16.6
- Financial concerns	5,154,554	3.7	3,607,794	2.5
- Stockbrokers	1,441,956	1.1	1,240,252	0.9
- Wholesale and retail trade	4,298,542	3.1	4,791,670	3.4
- Manufacturing	1,400,285	1.0	1,684,066	1.2
- Transport and transport equipment	2,883,028	2.1	2,662,549	1.9
- Recreational activities	48,882	-	62,840	-
- Information technology	48,392	-	29,760	-
- Others	5,665,507	4.1	6,062,815	4.2
	50,433,142	36.5	50,817,514	35.5
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	414,186	0.3	467,752	0.3
- Loans for the purchase of other residential properties	33,561,360	24.3	34,954,353	24.4
- Credit card advances	3,645,014	2.6	3,841,087	2.7
- Others	13,998,682	10.1	13,530,504	9.5
	51,619,242	37.3	52,793,696	36.9
Loans for use in Hong Kong	102,052,384	73.8	103,611,210	72.4
Trade finance (Note (1))	4,902,455	3.5	5,624,799	3.9
Loans for use outside Hong Kong (Note (2))	31,419,446	22.7	33,813,467	23.7
	138,374,285	100.0	143,049,476	100.0

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 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.

15. Advances and other accounts (Continued)

(b) Impaired, overdue and rescheduled assets

(i) Impaired loans

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Gross loans and advances	138,374,285	143,049,476
Less: total impairment allowances	<u>(1,532,345)</u>	<u>(1,113,256)</u>
Net	<u>136,841,940</u>	<u>141,936,220</u>
Credit-impaired loans and advances	4,437,683	2,779,561
Less: Stage 3 impairment allowances	<u>(872,989)</u>	<u>(485,255)</u>
Net	<u>3,564,694</u>	<u>2,294,306</u>
Fair value of collateral held*	<u>3,620,776</u>	<u>1,707,443</u>
Credit-impaired loans and advances as a % of total loans and advances to customers	<u>3.21%</u>	<u>1.94%</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 2024		As at 31 Dec 2023	
	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	2,104,322	1.52	344,615	0.24
- one year or less but over six months	778,884	0.56	664,811	0.46
- over one year	<u>926,024</u>	<u>0.67</u>	<u>1,158,163</u>	<u>0.81</u>
	<u>3,809,230</u>	<u>2.75</u>	<u>2,167,589</u>	<u>1.51</u>
Market value of securities held against the secured overdue loans and advances	<u>4,773,407</u>		<u>2,615,092</u>	
Secured overdue loans and advances	3,253,094		1,553,890	
Unsecured overdue loans and advances	<u>556,136</u>		<u>613,699</u>	
Stage 3 impairment allowances	<u>694,499</u>		<u>228,158</u>	

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

15. 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	As at 31 Dec 2024	% of total	As at 31 Dec 2023	% of total
Loans and advances to customers	<u>360,912</u>	<u>0.26</u>	<u>405,780</u>	<u>0.28</u>
Stage 3 impairment allowances	<u>116,075</u>		<u>115,036</u>	

(c) Trade bills

As at 31 December 2024 and 2023, 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	As at 31 Dec 2024	As at 31 Dec 2023
Repossessed properties	426,280	252,687
Others	<u>1,440</u>	<u>925</u>
	<u>427,720</u>	<u>253,612</u>

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

Certain other properties in the Mainland China with a total estimated realisable value of HK\$56,184,000 (2023: HK\$58,181,000), which had been foreclosed and repossessed by the Group pursuant to orders issued by courts in the Mainland China, represent assets held by the Group for resale and have been reported under "Other assets". The relevant loans had been derecognised.

16. Financial assets at fair value through other comprehensive income

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Debt securities:		
- Listed in Hong Kong	11,891,064	10,976,354
- Listed outside Hong Kong	20,513,422	15,729,976
- Unlisted	10,799,618	12,057,957
	<u>43,204,104</u>	<u>38,764,287</u>
Equity securities:		
- Listed in Hong Kong	295	268
- Unlisted	1,604,306	1,761,287
	<u>1,604,601</u>	<u>1,761,555</u>
Total	<u>44,808,705</u>	<u>40,525,842</u>
Included within debt securities are:		
- Certificates of deposit held	62,749	361,139
- Treasury bills which are cash equivalents	59,717	1,489,951
- Other treasury bills	3,897,954	1,878,367
- Government bonds	1,378,969	1,198,230
- Other debt securities	37,804,715	33,836,600
	<u>43,204,104</u>	<u>38,764,287</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	8,615,979	8,338,984
- Public sector entities	2,840,468	1,799,394
- Banks and other financial institutions	12,886,437	9,422,100
- Corporate entities	18,861,220	19,203,809
	<u>43,204,104</u>	<u>38,764,287</u>
Equity securities:		
- Corporate entities	1,604,601	1,761,555
	<u>1,604,601</u>	<u>1,761,555</u>
	<u>44,808,705</u>	<u>40,525,842</u>

17. Financial assets at amortised cost

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Debt securities		
- Listed in Hong Kong	12,878,232	13,549,372
- Listed outside Hong Kong	14,186,382	15,977,711
- Unlisted	8,489,756	9,886,223
	<u>35,554,370</u>	<u>39,413,306</u>
Less: impairment allowance		
- Stage 1	(31,093)	(40,928)
- Stage 2	(909)	-
	<u>(32,002)</u>	<u>(40,928)</u>
Total	<u>35,522,368</u>	<u>39,372,378</u>
Included within debt securities are:		
- Certificates of deposit held	3,723,064	3,918,269
- Treasury bills	1,096,317	1,577,781
- Government bonds	230,349	222,317
- Other debt securities	30,504,640	33,694,939
	<u>35,554,370</u>	<u>39,413,306</u>
Financial assets at amortised cost are analysed by categories of issuers as follows:		
- Central governments and central banks	1,326,666	1,800,098
- Public sector entities	1,731,208	2,031,319
- Banks and other financial institutions	12,718,386	13,394,699
- Corporate entities	19,778,110	22,187,190
	<u>35,554,370</u>	<u>39,413,306</u>

18. Shareholders' funds

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Share capital	6,894,438	6,894,438
Consolidation reserve	(220,986)	(220,986)
Premises revaluation reserve	315,653	270,120
Investment revaluation reserve	1,886,501	1,656,060
Exchange reserve	(940,742)	(650,024)
General reserve	700,254	700,254
Reserve for share-based compensation	-	4,984
Retained earnings	24,876,838	23,923,181
	<u>33,511,956</u>	<u>32,578,027</u>
Proposed final dividend/ final dividend paid included in retained earnings	<u>548,243</u>	<u>688,818</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 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 31 December 2024, DSB has earmarked a regulatory reserve of HK\$544,500,000 (2023: HK\$616,530,000) 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 as at 31 December but not yet incurred is as follows:

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Expenditure contracted but not provided for	<u>20,821</u>	<u>50,729</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 31 Dec 2024	As at 31 Dec 2023
Direct credit substitutes	249,050	1,572,787
Transaction-related contingencies	395,699	356,134
Trade-related contingencies	450,156	393,322
Commitments that are unconditionally cancellable without prior notice	57,897,554	62,066,805
Other commitments	5,200,505	4,383,439
	<u>64,192,964</u>	<u>68,772,487</u>
	Credit risk weighted amount	
	As at 31 Dec 2024	As at 31 Dec 2023
Contingent liabilities and commitments	<u>2,155,128</u>	<u>2,119,544</u>

19. Contingent liabilities and commitments (Continued)

(c) Assets pledged

HK\$'000	As at 31 Dec 2024	As at 31 Dec 2023
Trading assets and financial investments pledged to secure liabilities	1,143,336	2,473,697
- of which: under repurchase agreements	<u>744,891</u>	<u>2,373,752</u>
Amount of liabilities secured	1,130,231	2,397,069
- of which: under repurchase agreements	<u>732,140</u>	<u>2,297,216</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 2024	As at 31 Dec 2023
Within 1 year	14,747	12,260
Between 1 and 2 years	5,193	8,470
Between 2 and 3 years	2,881	834
Between 3 and 4 years	1,431	-
Between 4 and 5 years	1,431	-
Later than 5 years	6,201	-
	<u>31,884</u>	<u>21,564</u>

In addition, the Group has, as a lessee, entered into a number of leases as at 31 December 2024 and 2023 that have not yet commenced. The aggregate lease payments payable under these leases amount to HK\$5,400,000 (2023: HK\$10,259,000).

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

1. Additional analysis on claims and exposures of the Group

- (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 2024		As at 31 Dec 2023	
	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	6,425,975	60.6	6,908,262	60.1
- Property investment	23,066,021	91.0	23,767,506	91.4
- Financial concerns	5,154,554	4.8	3,607,794	14.0
- Stockbrokers	1,441,956	62.8	1,240,252	46.9
- Wholesale and retail trade	4,298,542	82.6	4,791,670	88.5
- Manufacturing	1,400,285	63.2	1,684,066	67.7
- Transport and transport equipment	2,883,028	77.0	2,662,549	80.8
- Recreational activities	48,882	94.3	62,840	99.1
- Information technology	48,392	43.1	29,760	50.8
- Others	5,665,507	67.4	6,062,815	75.7
	50,433,142	72.5	50,817,514	77.1
Individuals				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	414,186	98.5	467,752	99.3
- Loans for the purchase of other residential properties	33,561,360	99.8	34,954,353	99.9
- Credit card advances	3,645,014	-	3,841,087	-
- Others	13,998,682	53.7	13,530,504	50.4
	51,619,242	80.2	52,793,696	79.9
Loans for use in Hong Kong	102,052,384	76.4	103,611,210	78.5
Trade finance (Note (1))	4,902,455	65.7	5,624,799	73.1
Loans for use outside Hong Kong (Note (2))	31,419,446	58.5	33,813,467	56.8
	138,374,285	72.0	143,049,476	73.2

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 of the Group (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 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>
	As at 31 Dec 2023				
	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	23,767,506	470,739	546,729	31,720	64,506
Individuals					
- Loans for the purchase of other residential properties	34,954,353	170,938	179,532	31,933	27,440
Loans for use outside Hong Kong	<u>33,813,467</u>	<u>1,269,535</u>	<u>995,898</u>	<u>147,671</u>	<u>149,084</u>

1. Additional analysis on claims and exposures of the Group (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
2024			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (“JV”s)	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>		

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

1. Additional analysis on claims and exposures of the Group (Continued)

(b) Mainland activities exposures (Continued)

HK\$'000

	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
2023			
1. Central government, central government-owned entities and their subsidiaries and JVs	5,335,030	-	5,335,030
2. Local governments, local government-owned entities and their subsidiaries and JVs	767,841	599,965	1,367,806
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,281,772	1,578,580	10,860,352
4. Other entities of central government not reported in item 1 above	4,812,981	69,574	4,882,555
5. Other entities of local governments not reported in item 2 above	760,676	135,329	896,005
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credits are granted for use in Mainland China	9,777,277	274,183	10,051,460
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	475,299	344	475,643
	<u>31,210,876</u>	<u>2,657,975</u>	<u>33,868,851</u>
Total assets of DSB and its Mainland subsidiary bank after provision	<u>242,059,031</u>		
On-balance sheet exposures as percentage of total assets	<u>12.89%</u>		

1. Additional analysis on claims and exposures of the Group (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 Dec 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
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

As at 31 Dec 2023 (Note)

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	112,872,652	1,867,122	1,570,531	351,322	523,344
Mainland China	14,163,149	726,783	407,022	98,187	74,568
Macau	14,012,453	185,656	185,656	35,746	19,272
Others	2,001,222	-	4,380	-	10,817
	143,049,476	2,779,561	2,167,589	485,255	628,001

Note: The amounts presented for the position as at 31 December 2023 have been revised to conform with current year's presentation.

1. Additional analysis on claims and exposures of the Group (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.

At 31 Dec 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	1,923	8,240	7,268	128,335	145,766
Developing Asia and Pacific	30,642	1,314	4,502	21,870	58,328
- of which: Mainland China	18,724	879	4,341	15,065	39,009
Non-bank private sector					
At 31 Dec 2023 In millions of HK\$	Banks	Official sector	Non-bank financial institutions	Non- financial private sector	Total claims
Offshore centres	5,913	8,819	7,129	158,640	180,501
- of which: Hong Kong	5,197	7,109	6,728	142,097	161,131
Developing Asia and Pacific	25,060	1,271	3,173	16,882	46,386
- of which: Mainland China	15,920	1,100	3,016	11,550	31,586

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 2024 and the corresponding comparative balances.

The Group did not have any structural foreign exchange position as at 31 December 2024 and 2023.

	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>

	At 31 December 2023					
	US dollars	Euro	Renminbi	Macau Pataca	Other foreign currencies	Total foreign currencies
Equivalent in HK\$ millions						
Spot assets	80,496	1,054	16,286	10,028	10,091	117,955
Spot liabilities	(56,183)	(1,580)	(15,414)	(10,625)	(7,521)	(91,323)
Forward purchases	87,748	2,429	31,383	-	19,741	141,301
Forward sales	(110,039)	(1,577)	(32,820)	-	(22,389)	(166,825)
Net options position	(420)	(34)	532	-	3	81
Net long/ (short) position	<u>1,602</u>	<u>292</u>	<u>(33)</u>	<u>(597)</u>	<u>(75)</u>	<u>1,189</u>

3. Capital adequacy ratio

	As at 31 Dec 2024	As at 31 Dec 2023
Capital adequacy ratio		
- Common Equity Tier 1	16.9%	16.2%
- Tier 1	17.6%	16.9%
- Total	<u>21.0%</u>	<u>21.2%</u>

The capital adequacy ratio as at 31 December 2024 and 31 December 2023 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

	As at 31 Dec 2024	As at 31 Dec 2023
Leverage ratio	<u>11.6%</u>	<u>11.2%</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

	2024	2023
Liquidity maintenance ratio	<u>64.2%</u>	<u>64.0%</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 2024	Year ended 31 Dec 2023
Net interest income/ operating income	76.3%	81.4%
Cost to income ratio	48.2%	53.6%
Return on average total assets	0.8%	0.7%
Return on average shareholders' funds	6.2%	6.0%
Net interest margin	2.17%	2.01%
	As at 31 Dec 2024	As at 31 Dec 2023
Loan to deposit ratio	67.2%	68.2%

FINAL DIVIDEND

At the forthcoming annual general meeting (“AGM”) of the Company to be held on Friday, 30 May 2025, the Directors will propose a final dividend of HK\$0.39 per share for 2024 to shareholders whose names are on the Register of Shareholders as at the close of business on Tuesday, 10 June 2025. Subject to shareholders’ approval at the AGM, the final dividend will be payable on Wednesday, 18 June 2025.

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 26 May 2025 (Monday)
Closure of Register of Shareholders (both days inclusive)	27 May 2025 (Tuesday) to 30 May 2025 (Friday)
Record date	30 May 2025 (Friday)
AGM	30 May 2025 (Friday)

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

Latest time to lodge transfers	4:30 p.m. on 5 June 2025 (Thursday)
Closure of Register of Shareholders (both days inclusive)	6 June 2025 (Friday) to 10 June 2025 (Tuesday)
Record date	10 June 2025 (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

In 2024, we reported an improvement in profitability despite a year marked by both opportunities and challenges. Higher interest rates were generally supportive of our net interest margins and net interest income, whilst loan growth and credit quality both remained challenging. Our teams continued to work diligently to explore and seize opportunities for growth. At the same time, we maintained a prudent approach to expense control and risk management for greater resilience while navigating through a high interest rate environment and relatively sluggish growth in our core markets.

Our wealth management segment delivered a robust performance year-on-year driven by our bancassurance business, with the exclusive agreement with Sun Life Group for the distribution of Sun Life products in Hong Kong completing its first full year. The new partnership achieved a strong result in 2024, which has enriched our wealth management offerings and allowed us to better address customer needs.

Our trading performance was strong, and our funding swap expenses were lower compared to last year, while our foreign exchange (“FX”) related business for customers also grew steadily.

Loan growth was weak due to sluggish demand. The property-related loan market in both Hong Kong and Mainland China remained challenging during the year. We increased credit impairment provisions against Mainland China property developers and the Hong Kong Commercial Real Estate sector, and will stay vigilant in monitoring the credit quality of our loan portfolio.

We are pleased to announce that a final dividend of HK\$0.39 per share was declared, representing a total dividend for the whole year of HK\$927,796,000, an increase of 10% compared to the HK\$0.60 in 2023.

BUSINESS AND FINANCIAL REVIEW

Hong Kong’s economy grew by 2.5% in 2024, down from 3.2% in 2023, driven by exports of services and overall investment expenditure. Domestic demand and the property market remained weak due to cautious buyer sentiment amid an uncertain economic outlook. Therefore, the Hong Kong Government has resumed the policy of multi-entry visas for Shenzhen residents to boost economic activities through tourism, helping to balance local spending outflows across the border. Meanwhile, Mainland China’s economy expanded by 5%, supported by stimulus measures, strong exports, and high-tech investments, despite weak domestic demand and demographic challenges. Cross-border financial and business activities benefited from gradually easing financial conditions, though the pace of future rate cuts remains uncertain.

In a challenging year, our Group’s profit attributable to shareholders in 2024 increased by 11% to HK\$2,060 million, mainly driven by both higher net interest and non-interest income, whilst higher credit impairment charges were offset by a lower impairment loss on the investment in our associate.

Dah Sing Bank’s (“DSB”) net interest margin widened by 16 basis points to 2.17% benefiting from the higher interest rate environment. Net interest income rose by 10% reflecting the impact of elevated interest rates and our attention to funding cost management. However, overall loan balances declined slightly by 3% from the previous year due to subdued loan demand in our core markets.

Our bancassurance business, underpinned by our exclusive distribution agreement with Sun Life, achieved robust growth, and net fee and commission income increased by 53%. Net trading income rose by about 57%, supported by enhanced collaboration between our Personal Banking and Corporate Banking teams in connection with FX-related services for customers.

Operating profit before impairment losses grew by 31% mainly due to a 50% rise in non-interest income and a relatively stable operating cost.

Our share of the net profit of our associate, Bank of Chongqing (“BOCQ”) was HK\$677 million for 2024. An impairment loss on the investment in BOCQ of HK\$16 million was recorded, a decrease of 97% from 2023. It should be noted that the provision made relating to BOCQ is non-cash and does not affect our capital adequacy.

FUTURE PROSPECTS

Hong Kong's economic growth in 2024 was moderate, constrained by weak loan demand and consumer sentiment as higher interest rates persisted. However, higher rates and volatile market conditions continue to benefit our net interest margin and FX trading operations. We remain cautious on credit risk, although we have already taken action to make appropriate provisions for credit loss. As we have built up a more diversified revenue base in our business over the years, we will be better positioned to respond proactively and effectively to evolving market dynamics.

That said, Hong Kong as our core market continues to maintain its stable economic fundamentals and competitive advantages, including well-developed infrastructure, low taxation, strong institutions and a robust financial system. Banks in Hong Kong have also introduced new measures to support local small and medium sized enterprises for their necessary financing and other banking services. As a local bank in Hong Kong, we will continue to render our strong support to the SME community.

Furthermore, our Greater Bay Area strategy leverages synergies across our "three locations, four platforms" framework, spanning DSB in Hong Kong, Dah Sing Bank (China) Limited in the Mainland, and Banco Comercial de Macau S.A. in Macau as well as our Shenzhen Branch. Being the first foreign bank in Mainland China with a dual operating licence to operate a local branch in addition to our locally incorporated subsidiary bank, enables us to capitalise on increasing cross-border flows and economic integration.

Looking ahead, we anticipate ongoing challenges for the banking industry in the near term. In particular, elevated credit risks and sluggish loan growth are expected to continue across banks and the financial system as a whole. In order to maintain a healthy asset quality, we have been consistently managing credit risk within our loan and asset portfolios in a prudent manner. Both our robust capital adequacy and liquidity positions enable us not only to meet the challenges of a difficult business environment, but also to seize growth opportunities when conditions improve. Hong Kong's liquidity conditions and our funding base primarily comprising diversified local customer deposits have stayed strong. Hong Kong banks have seen and learned from various challenges over the past decades, and the well-regulated banking system has the resilience to face future challenges.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (“CG Code”) under Part 2 of Appendix C1 of the Listing Rules throughout the year ended 31 December 2024, with the exception of code provision F.2.2.

Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. The Chairman of the Board, having attended the lengthy board meetings of the Group held immediately prior to the 2024 Annual General Meeting of the Company on 31 May 2024 (the “2024 AGM”), was unable to attend the 2024 AGM due to other business engagement. The Vice Chairman, Managing Director and Chief Executive of the Company, was directed by the Chairman to take the chair of the 2024 AGM.

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 2024.

AUDIT COMMITTEE

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 2024.

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 2024.

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 and Dah Sing Bank at www.dahsing.com.

The 2024 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 2024 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 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. Robert Tsai-To Sze, Mr. Blair Chilton Pickerell, Mr. Paul Franz Winkelmann, Mr. David Wai-Hung Tam, 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, 31 March 2025