

Press Release

23 March 2016

Dah Sing Financial Holdings Announces 2015 Annual Results
Steady growth in businesses across the Group

Highlights

Dah Sing Financial Holdings (“DSFH”)

- Profit attributable to shareholders increased by 12.8% y-o-y to HK\$1,947 million
- Earnings per share: HK\$5.81
- Return on equity: 9.9%
- Final dividend per share: HK\$1.00
- Net interest income of HK\$3,653 million, an increase of 10.9% y-o-y
- Net fee and commission income of HK\$803 million, an increase of 7.8% y-o-y
- Increase in insurance business’s net profit of 29% to HK\$325 million
- Cost to income ratio improved from 51.7% to 47.9%

Dah Sing Banking Group (“DSBG”)

- Profit attributable to shareholders increased by 8.2% y-o-y to HK\$2,201 million
- Earnings per share: HK\$1.57
- Return on equity: 10.6%
- Final dividend per share: HK\$0.27
- Net interest margin increased to 1.83% from 1.76%
- Net interest income of HK\$3,337 million, an increase of 11.6% y-o-y
- Net fee and commission income of HK\$910 million, an increase of 9.4% y-o-y
- Dah Sing Bank’s strengthened common equity tier 1 CAR of 12.2%, and total capital adequacy ratio (CAR) increased to 16.7%
- Prudent loan-to-deposit ratio of 69.8% as at 31 December 2015
- Bank of Chongqing delivered a stable performance, with a contribution of HK\$666 million, up by 10.6%

Dah Sing Financial Holdings Limited (“DSFH” or “the Group”; SEHK: 0440) announced today its annual results for the year ended 31 December 2015. Profit attributable to shareholders increased by 12.8% to a record of HK\$1,947 million for the year. The increase in profit was driven both by our Banking Group’s wholly owned operations and by our insurance business, which in aggregate reported an increase in operating profit after impairment losses of 28.2% to HK\$2,256 million.

Earnings per share for the year ended 31 December 2015 was HK\$5.81. DSFH generated a return on equity of 9.9%. The board of directors proposed a final dividend of HK\$1.00 per share (2014: HK\$0.95 per share).

Dah Sing Banking Group Limited’s (“DSBG”; SEHK: 2356) profit attributable to shareholders increased by 8.2% to HK\$2,201 million for the year ended 31 December 2015. Basic earnings per share was HK\$1.57, increasing from HK\$1.49 for the financial year of 2014. DSBG generated a return on equity of 10.6% and return on assets of 1.2%. The board of directors proposed a final dividend of HK\$0.27 per share (2014: HK\$0.26 per share).

As at 31 December 2015, DSBG’s gross advances to customers were HK\$109.6 billion and total deposits were HK\$150.8 billion, up 4.2% and 5.8% respectively as compared to 31 December 2014. The loan-to-deposit ratio was maintained at a prudent level of 69.8% as at 31 December 2015 similar to that of 31 December 2014.

For the year ended 31 December 2015, net interest income grew by 11.6% to HK\$3,337 million due mainly to improved net interest margin during the year, as well as the higher average balance of interest-earning assets. Net interest margin increased 7 basis points to 1.83% as compared to financial year 2014. Net fee and commission income grew by 9.4% to HK\$910 million, with the increase mainly due to the strong performance of our wealth management business, including local Hong Kong securities brokerage and bancassurance business.

Our associated company, Bank of Chongqing (“BOCQ”), delivered a stable performance, with a contribution of HK\$666 million, up by 10.6%. Further to the share placement completed in December 2015, our stake in BOCQ was diluted from approximately 17% to approximately 15%, which resulted in a deemed disposal loss of around HK\$48 million.

As at 31 December 2015, Dah Sing Bank’s Common Equity Tier 1 ratio strengthened to 12.2%, compared with 11.4% at the end of 2014, driven by prudent risk weighted asset growth coupled with higher profitability. Total capital adequacy ratio was 16.7%, slightly higher than 16.3% as at the end of 2014.

DSFH’s net insurance premium and other insurance income dropped primarily due to our strategy to prioritize the distribution of higher margin products during the year. Higher

interest rates also led to lower transfer to actuarial reserves for liabilities to policyholders, and in turn a significant improvement in insurance profit. Total operating income net of insurance claims increased 14.4% to HK\$5,287 million.

DSFH and DSBG jointly announced in January 2016 that the two companies are exploring strategic alternatives for the Group's life insurance business and the distribution of life insurance products to the Bank's customers, with an objective of increasing shareholder value for the Group. DSFH and DSBG will make further announcement(s) as and when appropriate.

"We are pleased to achieve steady growth in businesses across the Group. Against the backdrop of a slowing economy, our colleagues from both DSFH and DSBG strived to execute our medium-term strategy and deliver sustainable profitability for the Group." said Mr. Harold Wong, Group General Manager of DSFH and Managing Director and Chief Executive of DSBG. "Given the many uncertainties in 2016, managing risks will be a key focus. We will continue to maintain capital and liquidity at appropriate levels and strive to manage our businesses prudently in a challenging economic environment."

About DSFH and DSBG

DSFH (stock code: 0440) has been listed on the Hong Kong Stock Exchange since 1987. It is the holding company of the group's life and general insurance business, as well as the majority shareholder of DSBG (stock code: 2356). DSBG has been listed on the Hong Kong Stock Exchange since 2004, and has three banking subsidiaries (Dah Sing Bank, BCM and Dah Sing Bank (China) Limited), providing banking and financial services through a network of about 70 branches in Hong Kong, Macau and the Mainland, and a securities trading company. Dah Sing Bank holds about 15% strategic interest in Bank of Chongqing, which is the leading city commercial bank in Chongqing, the largest city in Western China.

Dah Sing Bank's long term ratings are "A3" (Moody's) and "BBB+" (Fitch).

- END -