

**DAH SING BANK LTD :  
STAND BY FOR THE BAD NEWS !**

Dah Sing Bank Ltd, part of publicly listed Dah Sing Financial Holdings Ltd (Code: 440, Main Board, The Stock Exchange of Hongkong Ltd), is likely to have to bite the bullet in respect of its Financial Year, ended December 31, 2002, and report losses of at least \$HK500 million with regard to bad and doubtful debts.

This is TARGET's analysis of the bank's situation after studying its accounts for the past 18 months and correlating those statistics with intelligence, gathered from **TOLFIN** (TARGET's Computerised Online Financial Intelligence Service and Credit-Checking Provider).

**TOLFIN**'s records indicate that, in the past 12 months, ended December 31, 2002, Dah Sing Bank issued not less than 115 claims in the 3 main courts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The following are **TOLFIN**'s findings:

<b>Name of Court</b>	<b>Number of Writs Filed</b>	<b><u>Total Value of Claims</u></b> (approximately, excluding claims for which no money is stated in the Writ of Summons)
High Court	48	\$HK106 million
District Court	58	\$HK8 million
Small Claims Tribunal	9	\$HK450,000 (at most)
<b>TOTAL</b>	<b>115</b>	<b>\$HK114.45</b>

The majority of the above-stated, High Court Writs were for money due and owing, but there were, also, quite a number of repossessions of HKSAR properties and alleged breaches of purported lease agreements.

With regard to the District Court Writs, most of them were issued for money due and owing, but there were quite a number of Writs for which no amount of money was stated in the Writ of Summons, those Writs, mainly, being alleged hire-purchase defaults and home-owners, evidently finding themselves unable to meet their financial commitments to the bank as they fell due.

In the Interim Report of Dah Sing Bank, it is stated that credit-card advances, as at June 30, 2002, amounted to about \$HK2.71 billion.

With a banking industry average, these days, running at a requirement for bad and doubtful debts of about 15 percent of advances in respect of credit-card advances, assuming that Dah Sing Bank is not an exception to the rule, this bank will have to make Provisions against its credit-card advances of about \$HK407 million – at least.

And, in respect of '*Advances to Customers and Other Accounts*', nearly \$HK600 million was deemed to be required for bad and doubtful debts, according to the bank's Interim accounts.

As for non-performing loans, Dah Sing Bank stated that, of the Gross Advances of about \$HK586.36 million, 'Specific Provisions' had to be made to the extent of about \$HK313.55 million, or a little more than 53 percent of Gross Advances.

In the section of the Interim Report, labelled 'Overdue Advances', it is stated that \$HK441.04 million was the amount of money that was overdue for not less than 3 months.

And about \$HK153.31 million had been overdue for more than one year.

The final results of this bank are not likely to show much improvement from the halfway stage, if any. At the halfway stage, interest income of Dah Sing Bank was about ... [CLICK TO ORDER FULL ARTICLE](#)

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