



**Press Release**

For Immediate Release

**Shanghai Commercial Bank Announced  
Consolidated Profit of HK\$1,913 Million for the Year 2016**

**Hong Kong, 26 April 2017** - The consolidated net profit after tax of Shanghai Commercial Bank (the “Bank”) for 2016 was HK\$1,913 million, an increase of 0.6% or HK\$11 million over that of 2015. The Bank’s total comprehensive income attributable to equity holders for 2016 at HK\$2,676 million was 46% or HK\$843 million higher than that for the previous year, mainly due to the considerable mark-to-market gain on the shares of Bank of Shanghai. Shareholders’ funds of the Bank increased by 7.7% from HK\$22,572 million at the end of 2015 to HK\$24,308 million at the end of 2016. Total customers’ deposits increased by 5.9% to HK\$136,884 million, while total loans and advances increased slightly by 0.7% to HK\$64,804 million. Loan-to-deposit ratio decreased from 49.8% to 47.3%.

The Bank’s net interest income increased by 6.3% and the net interest margin rose by 5 basis points to 1.69%. The net fee and commission income decreased by 13.7%, with reduced securities brokerage fees partly offset by higher life insurance commission income. Return on average total assets and average equity were 1.2% and 8.1% respectively, and cost-to-income ratio was 37% as compared to 35.2% in 2015. The Bank continued to maintain a strong capital adequacy ratio at 18.7% and liquidity maintenance ratio averaged at 49.3% for the year 2016.



In 2016, the Bank launched various fintech services and products, including the first-in-town “My Smart Card”, a three-in-one card product that combines functions of a credit card, ATM card and online banking security token; “SCB JETCO Pay”, a user-friendly peer-to-peer (P2P) money transfer service; “Straight Through Processing” for general insurance products and securities account opening; “Mobile Futures Trading” services, and etc. which aim at providing customers with secure, convenient and efficient online and mobile banking experience. In 2017, more new products and services will be introduced for meeting customer demands. The Bank will also continue to reinforce a robust and effective “Three Lines of Defence” control system to combat and safeguard against anti-money laundering, cybersecurity threats and to protect customer data confidentiality.

Leveraging on our strategic alliance with The Shanghai Commercial & Savings Bank, Ltd. in Taiwan and Bank of Shanghai in China, the Bank continued to step up efforts in providing individual and corporate customers with convenient cross-strait banking and financial services. Our longtime presence in United States and United Kingdom has positioned us as a strong and competitive business partner providing solutions tailored to our customers’ needs globally.

Despite the continued uncertainties in 2017 challenging the global economy on many fronts, the Bank will continue to monitor the global marketplace in order to best withstand possible volatile market conditions. We anticipate an improvement on our net interest income and margin as interest rates rise. We will continue to diversify and differentiate our product and service offerings to enhance our fees and commission income. We will also look to continue rationalising our branch network, leveraging on our unique international capabilities, and strengthening our business network coverage in Mainland China and further streamlining our operations to optimize manpower competency and for ensuring regulatory compliance.

Note: Please refer to the respective annual report for the detailed financial figures.

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### Summary of 2016 Annual Results for Shanghai Commercial Bank

	31/12/2016 (HK\$million)	31/12/2015 (HK\$million)	Percentage Increase (+)/ Decrease (-)
Interest income	3,695.0	3,686.8	+0.2%
Interest expense	1,058.1	1,205.7	-12.2%
Net interest income	2,636.8	2,481.1	+6.3%
Net fee and commission income	657.2	761.7	-13.7%
Other operating income	564.4	385.1	+46.6%
Operating profit before provisions	2,430.8	2,350.5	+3.4%
Charge of impairment losses on loans and advances to customers	20.4	4.8	+323.9%
Operating profit	2,410.4	2,345.7	+2.8%
Profit after tax	1,913.0	1,902.3	+0.6%
Total comprehensive income attributable to equity holders	2,675.9	1,833.3	+46.0%
Total customers' deposits	136,884	129,205	+5.9%
Total loans and advances before impairment allowances	64,804	64,376	+0.7%
Total assets	169,369	159,613	+6.1%
Shareholders' fund	24,308	22,572	+7.7%

**Summary of 2016 Financial Ratios for Shanghai Commercial Bank**

	31/12/2016	31/12/2015	Increase (+)/ Decrease (-)
Loan to deposit ratio	47.3%	49.8%	-2.5 %
Capital adequacy ratio	18.7%	19.9%	-1.2 %
Average liquidity maintenance ratio	49.3%	53.1%	-3.8 %
Cost to income ratio	37.0%	35.2%	+1.8 %
Net interest margin	1.69%	1.64%	+0.05 %
Return on average total assets	1.2%	1.2%	0 %
Return on average equity	8.1%	8.6%	-0.5 %