



Press Release

For Immediate Release

**Shanghai Commercial Bank Announced
Consolidated Profit of HK\$3,022 Million for the Year 2019**

The Board of Directors of Shanghai Commercial Bank Limited (the “Bank”) is pleased to announce the consolidated results of the Bank and its subsidiaries (the “Group”) for the year ended 31 December 2019, together with comparative figures for the year 2018. The financial information in this announcement is based on the audited consolidated financial statements of the Group which have been reviewed by Audit Committee of the Bank.

Hong Kong, 23 April 2020 – The consolidated profit after tax of the Bank for 2019 reached a new high of HK\$3,022 million, an increase of HK\$176 million or 6.2% from that for 2018, largely attributable to strong growth in net interest income, corporate fee and foreign exchange income.

The Bank’s total comprehensive income attributable to equity holders for the year ended 31 December 2019 increased by 10.9% to HK\$3,663 million, benefitted from the mark-to-market valuation of its debt securities portfolio and equity investments. On a year-on-year basis, total loans and advances increased by 13.9% and total customer deposits grew by 11.5%. Loan-to-deposit ratio thus rose 2 percentage points to 58% at the end of 2019 from that of 2018, while impaired loan ratio improved to 0.57%.

The Bank’s net interest income increased by 10.2% when compared to 2018 and net interest margin had slightly narrowed by two basis points to 2.01% for 2019. Impacted by the reduced contribution from the securities, investment products and life insurance businesses, the overall fee and commission income stayed flat year-on-year.



The Bank's total assets at the end of 2019 amounted to HK\$223 billion, representing an increase of 12.7% or HK\$25 billion compared to that at the end of 2018. Returns on average total assets and average equity for the year were 1.4% and 10.3% respectively. The average yearly cost-to-income ratio improved to 30% from that of 32% for 2018. The capital adequacy ratio was 19.5% at the end of 2019 while liquidity maintenance ratio averaged at 53.3% for 2019, both at comfortable levels.

Entering into the 70th year of operation, the Bank carries on serving the local community and supporting the Corporates and Small-and-Medium sized Enterprises ("SMEs"). We leverage on a well-entrenched footprint throughout Hong Kong, branches in London, San Francisco, Los Angeles, New York, Shenzhen and Shanghai, also the tri-bank strategic alliance which marked its twentieth anniversary to serve and help customers expand business interests.

In the year ahead, the Bank will remain prudent and focused on protecting the asset quality with ample capital adequacy and liquidity, fully prepared to strive the utmost in providing support to the community and financial solutions to our customers with viable businesses to tie over this challenging period.

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Summary of 2019 Annual Results for Shanghai Commercial Bank

	As at 31/12/2019 (HK\$million)	As at 31/12/2018 (HK\$million)	Percentage Increase (+)/ Decrease (-)
Interest income	6,746.1	5,456.2	+23.6%
Interest expense	2,768.8	1,847.7	+49.9%
Net interest income	3,977.3	3,608.5	+10.2%
Net fee and commission income	815.7	815.5	0%
Other operating income	640.0	532.3	+20.2%
Operating profit before impairment losses	3,783.7	3,387.0	+11.7%
Credit impairment losses	60.5	28.6	+111.5%
Operating profit	3,723.2	3,358.4	+10.9%
Profit after tax	3,022.0	2,845.7	+6.2%
Total comprehensive income attributable to equity holders	3,662.8	3,302.9	+10.9%
Total customers' deposits	172,439	154,615	+11.5%
Total loans and advances (before impairment allowances)	99,187	87,088	+13.9%
Total assets	222,625	197,620	+12.7%
Shareholders' funds	30,538	27,821	+9.8%

Summary of 2019 Financial Ratios for Shanghai Commercial Bank

	As at 31/12/2019	As at 31/12/2018	Percentage Increase (+)/ Decrease (-)
Loan to deposit ratio	58%	56%	+2%
Capital adequacy ratio	19.5%	18.6%	+0.9%
Liquidity maintenance ratio	53.3%	45.7%	+7.6%
Cost to income ratio	30%	32%	-2%
Net interest margin	2.01%	2.03%	-0.02%
Return on average assets	1.4%	1.5%	-0.1%
Return on average equity	10.3%	10.7%	-0.4%