

Press Release**For Immediate Release****Shanghai Commercial Bank Announced
Consolidated Profit After Tax of HK\$2,742 Million for the Year 2020**

Hong Kong, 23 April 2021 – The consolidated profit after tax of Shanghai Commercial Bank Limited (the “Bank”) for 2020 was HK\$2,742 million, a decrease of HK\$280 million or 9.3% from that of 2019, mainly attributable to lower net interest income after global interest rate cuts since March 2020 and higher impairment charges impacted by the pandemic outbreak and geopolitical tensions. Net fee and commission income had a year-on-year modest increase, mainly contributed by the growth in securities brokerage and investment products sales.

The Bank’s total comprehensive income attributable to equity holders for the year ended 31 December 2020 lowered by 23.4% to HK\$2,805 million, primarily due to lower mark-to-market valuation of our equity investments. On a year-on-year basis, total loans and advances to customers at the end of 2020 increased by 2.6% and total customers’ deposits grew by 3.1%. Loan-to-deposit ratio at 57.2% was 30 basis points lower than that at the end of 2019 while impaired loan ratio improved 40 basis points to 0.17%.

Total assets at the end of 2020 amounted to HK\$226.7 billion, an increase of HK\$4.1 billion or 1.8% compared to a year ago. Returns on average assets at 1.2% and average equity at 8.7%. The average cost-to-income ratio had increased to 32.0% from last year’s 30.4%. Total capital adequacy ratio and common equity Tier 1 capital ratio improved to 20.1% and 16.9% respectively at the end of 2020 while liquidity maintenance ratio throughout the year averaged 56.5%, both at comfortable levels.

A Snapshot of the past 70 years and Strategies Ahead

Incorporated in Hong Kong since November 1950 and celebrating the 70th anniversary, the Bank remains steadfast in its commitment to serve the community with personalized service, focus on maintaining long-standing customer relationships and create value for our customers and shareholders. We have formulated the new Strategic Plan for 2021 to 2025 targeting future growth opportunities; drawing upon our tri-bank strategic alliance to explore potential business development, promote in-bound and out-bound referrals, improve system connectivity; strengthen cybersecurity and promote regulatory technology adoption; modernize and digitize the banking experience; be more involved in green financing and energy efficiency credits to contribute to a sustainable world.

Looking ahead, we will meet with both risks and opportunities, but we will continue to strike the proper balance between the two for continual growth and stability of the Bank.

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

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Summary of 2020 Annual Results for Shanghai Commercial Bank

	As at 31/12/2020 (HK\$million)	As at 31/12/2019 (HK\$million)	Percentage Increase (+)/ Decrease (-)
Consolidated profit after tax	2,742	3,022	-9.3%
Net interest income	3,552	3,977	-10.7%
Net fee and commission income	823	816	+0.9%
Other non-interest income	695	640	+8.6%
Credit impairment losses	125	61	+104.9%
Total comprehensive income attributable to equity holders	2,805	3,663	-23.4%
Gross loans and advances to customers	101,738	99,187	+2.6%
Deposits from customers	177,797	172,439	+3.1%

Summary of 2020 Financial Ratios for Shanghai Commercial Bank

	As at 31/12/2020	As at 31/12/2019	Increase (+)/ Decrease (-)
Net interest margin	1.67%	2.01%	-0.34%
Cost to income ratio	32.0%	30.4%	+1.6%
Loan to deposit ratio	57.2%	57.5%	-0.3%
Impaired loan ratio	0.17%	0.57%	-0.4%
Return on average assets	1.2%	1.4%	-0.2%
Return on average equity	8.7%	10.3%	-1.6%
Capital adequacy ratio	20.1%	19.5%	+0.6%
Common equity Tier 1 capital ratio	16.9%	16.2%	+0.7%
Average liquidity maintenance ratio	56.5%	53.3%	+3.2%