



Press Release

For Immediate Release

**Shanghai Commercial Bank Announced
2019 Interim Consolidated Profit of HK\$1,561million**

Hong Kong, 23 September 2019 – The consolidated profit after tax of Shanghai Commercial Bank (the “Bank”) for the first half of 2019 was HK\$1,561 million, a year-on-year increase of HK\$133 million or 9.3%.

The Bank’s net interest income increased by 10% and net fee and commission income decreased by 1.6%; cost-to-income ratio improved by one percentage point to 29.9% compared with the same period last year.

The Bank’s overall loan-to-deposit ratio rose from 57% at the end of 2018 to 59% as total loans and advances grew by 12.7% to HK\$98 billion, while customer deposits increased by 7.9% to HK\$167 billion, and average net interest margin widened by 5 basis points to 2.03%. Total comprehensive income attributable to equity holders at HK\$2,032 million was HK\$157 million or 8.4% higher than that of the same period last year.

Total assets reached HK\$215 billion with shareholders’ funds at HK\$29 billion, and they were respectively 9.0% and 3.9% higher compared to the corresponding balances at the end of last year. Returns on average total assets at 1.5% and average equity at 11.0%. The Bank’s capital and liquidity levels continued strong with average liquidity maintenance ratio at 51.3% and capital adequacy ratio at 19.1% at the end of June 2019. On 17 January 2019, we launched the second issuance of our Tier-2 subordinated notes for US\$300 million.

In the first half of 2019, we have launched a new Corporate Internet Banking (CIB) platform, and introduced UnionPay mobile application to enable customers to conveniently use their UnionPay cards for small amount payments and purchases. To further improve our customers’ mobile payment experience, we have recently introduced biometric authentication to our Shacom Pay mobile application. Furthermore, we are an active participant in the Policy Reverse Mortgage



Programme launched by the Hong Kong Mortgage Corporation with the mission to meet customer needs and bring added value to their lives.

We continue to leverage on our tri-bank alliance with Bank of Shanghai in Mainland China and our parent bank, The Shanghai Commercial & Savings Bank, Ltd. in Taiwan, to expand the customer base and provide global business support and services to the benefit of the three banks and their customers.

Looking ahead, we will stay focused on the Bank's customers, and to invest suitably in technology, compliance and risk management.

Note: Please refer to the attached Group Interim Financial Disclosure Statement for the detailed financial figures.

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Summary of 2019 Interim Results for Shanghai Commercial Bank

	Six months ended 30/6/2019 (HK\$million)	Six months ended 30/6/2018 (HK\$million)	Percentage Increase (+) / Decrease (-)
Interest income	3,224.5	2,545.8	+26.7%
Interest expense	1,292.4	790.0	+63.6%
Net interest income	1,932.1	1,755.8	+10.0%
Net fee and commission income	437.8	445.0	-1.6%
Other operating income	414.0	312.4	+32.5%
Operating profit before impairment allowances	1,951.5	1,736.9	+12.4%
Credit impairment losses	55.4	17.2	+222.1%
Operating profit	1,896.1	1,719.6	+10.3%
Profit after tax	1,561.4	1,428.2	+9.3%
Total comprehensive income attributable to equity holders	2,032.4	1,875.0	+8.4%

	As at 30/6/2019 (HK\$million)	As at 31/12/2018 (HK\$million)	Percentage Increase (+) / Decrease (-)
Total customers' deposits	166,775.0	154,614.7	+7.9%
Total loans and advances before impairment allowances	98,117.8	87,088.3	+12.7%
Total assets	215,372.0	197,619.9	+9.0%
Shareholders' funds	28,907.6	27,821.0	+3.9%

Summary of 2019 First Half-Year Financial Ratios for Shanghai Commercial Bank

	As at 30/6/2019	As at 30/6/2018	Percentage Increase (+) / Decrease (-)	As at 31/12/2018	Percentage Increase (+) / Decrease (-)
Loan to deposit ratio	59%	57%	+2%	56%	+3%
Capital adequacy ratio	19.1%	18.7%	+0.4%	18.6%	+0.5%
Liquidity maintenance ratio	51.3%	45.2%	+6.1%	45.7%	+5.6%
Cost-to-income ratio	29.9%	30.9%	-1.0%	31.7%	-1.8%
Net interest margin	2.03%	1.98%	+0.05%	2.03%	--
Return on average assets	1.5%	1.5%	--	1.5%	--
Return on average equity	11.0%	11.0%	--	10.7%	+0.3%