上海商業銀行
SHANGHAI COMMERCIAL BANK

Press Release

For Immediate Release

Shanghai Commercial Bank Announced Consolidated Profit of HK$1,902 Million for the Year 2015

Hong Kong, 25 April 2016 - The consolidated net profit after tax of Shanghai Commercial Bank (the "Bank") for 2015 was HK$1,902 million, slightly more than that of the preceding year by HK$2 million. The Bank's total comprehensive income attributable to equity holders for 2015 at HK$1,833 million was 13.6% or HK$288 million lower than the last financial year due to the decrease in valuation of available-for-sale debt investment portfolio. Shareholders' funds of the Bank increased by 4.1% from the end of 2014 to HK$22,572 million at the end of 2015. Total customers' deposits increased by 6.4% to HK$129,205 million, whilst total loans and advances decreased by 4.6% to HK$64,376 million.

The Bank's net fee and commission income increased by 10.7% while net interest income decreased by 1.4%. The net interest margin fell by 17 basis points to 1.64%, whilst the loan-to-deposit ratio decreased from 55.6% to 49.8%. The return on average total assets and average equity were 1.2% and 8.6% respectively, and the cost-to-income ratio was 35.2%, as compared to 33.8% in 2014. The Bank's liquidity maintenance ratio averaged at 53.1% for the year 2015 and capital adequacy ratio remained strong at 19.9% at year end.

The Bank recorded a year-on-year net profit growth of 9.2% for the first half of 2015. The retreat in stock markets and the weakened retail performance in the second half of 2015, together with the disappearance of China premium in interbank placements, negative customers' loan growth and increase in operating expenses, had wiped out the

gains made earlier in the year. Nevertheless, the good asset quality of the Bank's loan portfolio, the increased non-interest income from treasury activities and the satisfactory performance of our overseas branches had contributed to the marginal overall profit growth of the Bank over that of 2014. The adverse mark-to-market valuation of our available-for-sale debt investment portfolio had however impacted on the comprehensive income of the Bank despite the holdings were of investment grades, short tenors and having better yields.

We have continued to uphold our motto, "For Personalized Service", and adopt a Needs-Based Approach in serving customers. We have enhanced the product range and introduced new service channels, both physical and virtual, for better transaction convenience and customer experience. New features included Alipay® Bank Account Express Payment™ Service, UnionPay Dual Currency Diamond Credit Card, Near Field Communication contactless payment, e-Cheques deposit services, and etc. We will further strengthen our competiveness and pursue our mission of becoming the trusted bank of choice for our customers.

The Bank's local and international network, together with the strategic alliance with Bank of Shanghai in Mainland China and The Shanghai Commercial & Savings Bank, Ltd. in Taiwan, remain as the key elements of our commitment in providing one-stop shop comprehensive personalized banking services to individual and corporate customers.

In April 2015, the Bank acquired over 75,000 sq. ft. of office space at Kowloon Commerce Centre, Kwai Chung for consolidating and streamlining our support functions and backend operations, including a data centre. The office floors at KCC are expected to be ready to move-in in the middle of 2016. The Bank's headquarters in Central, Shanghai Commercial Bank Tower, has been completed and is scheduled for occupation in the second half of 2016. The state-of-the-art building is awarded the BEAM Plus

Provisional Gold Rating.

The operating environment will remain challenging in the year ahead. Efforts will be made to closely monitor the risks and uncertainties facing the Bank, and we will continue to invest in manpower resources and lay a solid foundation for the Bank's development and growth.

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

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Summary of 2015 Annual Results for Shanghai Commercial Bank

	31/12/2015 (HK$million)	31/12/2014 (HK$million)	Percentage Increase (+)/ Decrease (-)
Interest income	3,686.8	3,667.3	+0.5%
Interest expense	1,205.7	1,149.7	+4.9%
Net interest income	2,481.1	2,517.6	-1.4%
Net fee and commission income	761.7	688.2	+10.7%
Other operating income	385.1	291.5	+32.1%
Operating profit before provisions	2,350.5	2,315.6	+1.5%
Charge of impairment losses on loans and advances to customers	4.8	13.3	-63.9%
Operating profit	2,345.7	2,302.3	+1.9%
Profit after tax	1,902.3	1,900.0	+0.1%
Total comprehensive income attributable to equity holders	1,833.3	2,121.5	-13.6%
Total customers' deposits	129,205	121,393	+6.4%
Total loans and advances and trade bills before impairment allowances	64,376	67,457	-4.6%
Total assets	159,613	152,469	+4.7%
Shareholders' fund	22,572	21,679	+4.1%

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Summary of 2015 Financial Ratios for Shanghai Commercial Bank

	31/12/2015	31/12/2014	Increase (+)/ Decrease (-)
Loan to deposit ratio	49.8%	55.6%	-5.8%
Capital adequacy ratio	19.9%	19.0%	+0.9%
Average liquidity maintenance ratio/ liquidity ratio #	53.1%	46.0%	+7.1%
Cost to income ratio	35.2%	33.8%	+1.4%
Net interest margin	1.64%	1.81%	-0.17%
Return on average total assets	1.2%	1.3%	-0.1%
Return on average equity	8.6%	9.0%	-0.4%

Average Liquidity maintenance ratio for 2015 was calculated in accordance with the Banking (Liquidity) Rules effective from 1st January 2015. The liquidity ratio for 2014 was calculated in accordance with the repealed Section 102 of the Hong Kong Banking Ordinance.