



For Immediate Release

Shanghai Commercial Bank Ltd.

Announced A Record High, Consolidated Profit of HK\$1,472 Million
for the year 2005

The consolidated profit attributable to shareholders of Shanghai Commercial Bank Ltd. (“the Group”) for the year 2005 was HK\$1,472 million, representing an increase of 10.7% from 2004. The improvement in the profit was principally attributable to an increase in the net interest income as a result of an expansion of the Group’s loan portfolio and an improvement in the net interest margin. At the end of 2005, shareholders’ funds of the Group increased by 9.8% from the end of 2004 to HK\$11,673 million. Total deposits of the Group (including certificates of deposit issued) increased by 6% to HK\$64,037 million. Total loans and advances to customers and trade bills increased by 12.7% to HK\$35,600 million.

Benefited by favourable economic conditions, the net interest income of the Group increased by 12.1% as compared with 2004. While the overall asset quality continued to improve, there was a reduction in the impairment allowances for loans and advances of the Group with a net release of provisions.

During 2005, the Group set up new SME units in four of its major local branches (Tsimshatsui Branch, Tsuen Wan Branch, Shamshuipo Branch and Kwai Chung Branch) in an effort to strengthen the Group’s niche in serving small and medium-sizes enterprises. The Group has also been expanding the

range of wealth management products offered to its customers as part of its agenda to enhance its fee-generating businesses.

With regard to its branches outside of Hong Kong, the business results of all three U.S. branches improved in 2005 in line with the buoyant economy in the United States. The Shenzhen Branch, which commenced business in September 2004, has been generating profits for two years and is preparing for the submission of an application to operate Renminbi business.

Looking ahead, the Group will strive to become the most competitive local bank by providing unsurpassed services to its customers, achieving satisfactory growth in its net interest income as well as its fee and commission income. Furthermore, the Group has been recruiting more qualified staff members to support its business development.

Note: Please refer to the attached 2005 Annual Report of the Bank for the detailed financial figures.

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Summary of 2005 Consolidated Results for Shanghai Commercial Bank Ltd.

	31/12/2005 (HK\$million)	As restated 31/12/2004 (HK\$million)	Percentage increase (+)/ Decrease (-)
Interest income	3,070	2,051	+49.7%
Interest expense	1,388	551	+151.9%
Net interest income	1,682	1,500	+12.1%
Other operating income	826	825	+0.1%
Operating profit before provisions	1,698	1,540	+10.3%
Impairment of loans (provisions) / net release	4	(15)	---
Operating Profit	1,702	1,525	+11.6%
Profit attributable to shareholders	1,472	1,329	+10.7%

Summary of 2005 Financial Ratios for Shanghai Commercial Bank Ltd.

	31/12/2005	As restated 31/12/2004	Increase (+)/ Decrease (-)
Loan to deposit ratio*	61.23%	59.42%	+1.81%
Adjusted capital adequacy ratio	23.00%	23.00%	---
Liquidity ratio	57.00%	64.00%	-7.00%
Cost to income ratio	32.29%	33.76%	-1.47%
Net interest margin	2.29%	2.13%	+0.16%

*Including trade bills and holdings of debt securities issued by corporations