



Press Release (For Immediate Release)

Shanghai Commercial Bank Ltd.

Announced Interim Consolidated Profit of HK\$797 Million

Shanghai Commercial Bank Ltd. (“the Group”) registered a satisfactory performance in the first half of 2006. The consolidated profit attributable to shareholders was HK\$797 million, representing an increase of 9.2% from that of the same period last year. For the six months ended 30 June 2006, the shareholders’ funds of the Group increased by 2.1% from the end of 2005 to HK\$11,917 million. Total deposits of the Group (including certificates of deposit issued) were HK\$67,670 million as at 30 June 2006, representing an increase of 5.7% from the end of 2005. Total loans and advances to customers and trade bills amounted to HK\$37,828 million as at 30 June 2006, representing an increase of 6.3% from the end of 2005. The Group’s capital adequacy ratio was 22% as at 30 June 2006, while its average liquidity ratio for the first six months of 2006 was 53%.

Notwithstanding the fierce competition in the local banking sector, the net interest income of the Group increased by 13.2% as compared with the first half of 2005. The Group’s other operating income increased by 9.4%, which was mainly contributed by the substantial increase in the brokerage income from its stock trading business. Meanwhile, the operating expenses of the Group increased by 4.9%, and there was also an increase in the impairment losses on advances and trade bills of the Group for the first half of 2006.



As for the second half, the Group will continue its efforts to increase its loan portfolio and to solicit more new business in trade finance which has always been its mainstay business. The Group will also continue to spend more efforts on increasing its fees and commission income.

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

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Summary of Interim Results for Shanghai Commercial Bank Ltd.

	Six months ended 30/6/2006 (HK\$million)	Six months ended 30/6/2005 (HK\$million)	Percentage Increase (+)/ Decrease (-)
Interest income	2149	1315	+63.4%
Interest expense	1235	508	+143.2%
Net interest income	914	807	+13.2%
Other operating income	453	414	+9.4%
Operating profit before provisions	952	826	+15.3%
Impairment of loans (provisions) / net release	(9)	3	---
Operating profit	943	829	+13.7%
Profit attributable to shareholders	797	730	+9.2%

Summary of Financial Ratios for Shanghai Commercial Bank Ltd.

	As at 30/6/2006	As at 30/6/2005	Increase (+)/ Decrease (-)
Loan to deposit ratio*	60.95%	62.56%	-1.61%
Adjusted capital adequacy ratio	22%	23%	-1%
Average liquidity ratio	53%	58%	-5%
Cost to income ratio	30.31%	32.34%	-2.03%
Net interest margin	2.26%	2.25%	+0.01%

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