



Press Release (For Immediate Release)

Shanghai Commercial Bank Limited

Announced 2008 Interim Consolidated Profit of HK\$835 Million

The consolidated profit attributable to shareholders of Shanghai Commercial Bank Limited (“the Group”) for the first half of 2008 was HK\$835 million, representing a decrease of 12.1% from that of the same period last year. For the six months ended 30 June 2008, the shareholders’ funds of the Group decreased by 1% from the end of 2007 to HK\$14,736 million. Total customers’ deposits and certificates of deposit issued by the Group increased by 0.04% to HK\$82,142 million as at 30 June 2008. Total loans and advances to customers and trade bills before impairment allowances amounted to HK\$53,877 million as at 30 June 2008, representing an increase of 16.8% from the end of 2007. The Group’s capital adequacy ratio was 20% as at 30 June 2008, while its average liquidity ratio for the first six months of 2008 was 46%.

The net interest income of the Group increased by 4.9% as compared with the first half of 2007, whereas the Group’s non-interest income decreased by 12.3%, which was mainly attributable to the decrease in fee and commission income as well as investment income. The operating expenses of the Group increased by 9.6%, whereas the impairment losses on loans and advances to customers of the Group registered a decrease of 11.2% for the first half of 2008.



As for the second half of 2008, the Group anticipates that the fee and commission income would compare less favourably than the same period in 2007, but we will strive to maintain the competitive edge in our core products and services and to find opportunities to enhance the return on assets.

Subsequent to the interim period under review, the Bank has won a bid through an open tender to purchase CNAC Group Building at 10 Queen's Road Central at the consideration of HK\$1.388 billion. The transaction is scheduled to complete in October 2008. The Bank may consider merging and redeveloping the property with the Bank's existing headquarters, 12 Queen's Road Central, upon expiry of the existing leases. The details and timing for the redevelopment of the property are still under review.

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

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Summary of Interim Results for Shanghai Commercial Bank Limited

	Six months ended 30/6/2008 (HK\$million)	Six months ended 30/6/2007 (HK\$million)	Percentage Increase (+)/ Decrease (-)
Interest income	2,067	2,536	-18.51 %
Interest expense	1,058	1,575	-32.81 %
Net interest income	1,009	961	+4.93 %
Other operating income	555	632	-12.26 %
Operating profit before provisions	1,087	1,158	-6.20 %
Impairment allowance of loans and advances to customers	(43)	(48)	-11.18 %
Operating profit	1,044	1,110	-5.98 %
Profit attributable to shareholders	835	950	-12.14 %

Summary of Financial Ratios for Shanghai Commercial Bank Limited

	As at 30/6/2008	As at 30/6/2007	Increase (+)/ Decrease (-)
Loan to deposit ratio*	68.34%	59.47%	+8.87%
Capital adequacy ratio	20%	20%	-
Average liquidity ratio	46%	53%	-7%
Cost to income ratio	30.49%	27.30%	+3.19%
Net interest margin	2.02%	2.08%	-0.06%

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