

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Interim Financial Disclosure Statement
For the period ended 30 June 2020**

Statement of Compliance

The Siam Commercial Bank Public Company Limited is a company incorporated in Thailand with limited liability. Its Hong Kong Branch provides banking and financial related services.

We have prepared this unaudited Financial Disclosure Statement of The Siam Commercial Bank Public Company Limited, Hong Kong Branch (“the Branch”) as of 30 June, 2020. It is compiled in accordance with the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155).

I confirm to the best of my knowledge, that the information contained in the Disclosure Statement is correctly compiled in accordance with disclosure standards set out in the “Banking (Disclosure) Rules” and the “Guideline on the Application of the Banking (Disclosure) Rules” issued by the Hong Kong Monetary Authority (“HKMA”) and consistent with the books and records of the Branch.

The information contained in this disclosure statement is not false or misleading in any material respect.

The Siam Commercial Bank Public Company Limited,
Hong Kong Branch



Cyrus Chiu
Alternate Chief Executive

24 September 2020

The disclosure statement has been lodged with the Hong Kong Monetary Authority’s public registry and is available at the registered office of The Siam Commercial Bank Public Company Limited, Hong Kong Branch and the website <https://www.scb.co.th/en/corporate-banking/international-network/hong-kong.html> for public information.

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Financial Disclosure as of 30 June 2020**

Section A – Branch information (Hong Kong office only)

I. Profit and Loss Account	For the period ended 30 Jun 2020 HK\$ in thousands	For the period ended 30 Jun 2019 HK\$ in thousands
Income		
Interest income	141,702	277,396
Interest expense	(124,620)	(242,957)
Net interest income	17,082	34,439
Fees and commission income	5,517	5,851
Gains less losses arising from trading in foreign currencies	1,017	2,085
Other income	14	18
Total operating income	23,630	42,393
Expenses		
Operating expenses		
- Staff expenses	(2,582)	(2,544)
- Rental expenses	(1,823)	(1,651)
- Head Office allocated expenses	(1,020)	(1,050)
- Other expenses	(496)	(2,329)
Total operating expenses	(5,921)	(7,574)
Operating profit before impairment losses	17,709	34,819
Net credit (charge) for debt provision	(539)	(189)
Profit before taxation	17,170	34,630
Tax expense	(1,460)	(2,900)
Profit after taxation	15,710	31,730

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II. Balance Sheet

	30 Jun 2020 HK\$ in millions	31 Dec 2019 HK\$ in millions
Assets		
Cash and balances with banks	14	13
Amount due from overseas offices of the institution	14,129	15,170
Trade bills	4	21
Loans and advances		
- Loans and advances to customers	1,621	1,255
- Allowances for doubtful accounts	(4)	(4)
Accrued interest receivables	15	38
Other assets	10	10
Total assets	<u>15,789</u>	<u>16,503</u>
Liabilities		
Deposits from customers		
- Time, call and notice deposits	924	624
Amount due to overseas offices of the institution	14,747	15,760
Other liabilities	118	119
Total liabilities	<u>15,789</u>	<u>16,503</u>

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III. Additional Balance Sheet Information

	30 Jun 2020 HK\$ in millions	31 Dec 2019 HK\$ in millions
(a) Loans and advances		
Trade financing	4	21
Loan and advances to customers	1,621	1,255
Loan accrued interest	15	38
Allowance for doubtful accounts	(4)	(4)
	<u>1,636</u>	<u>1,310</u>

(b) Overdue and rescheduled loans and advances

There were no impaired or overdue loans and advances to banks, other financial institutions or customers as of 30 June 2020 (31 December 2019: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 30 June 2020 (31 December 2019: Nil).

There were no loans and advances which were rescheduled as of 30 June 2020 (31 December 2019: Nil).

(c) Breakdown of the gross amount of loans and advances to customers by economic sectors

	30 Jun 2020 HK\$ in millions		31 Dec 2019 HK\$ in millions	
	Gross advances	Gross advances covered by collateral	Gross advances	Gross advances covered by collateral
Trade financing	4	0	21	0
Loans and advances for use in Hong Kong :				
- Manufacturing	271	0	273	0
Loans and advances for use outside Hong Kong	1,350	0	982	0
	<u>1,625</u>	<u>0</u>	<u>1,276</u>	<u>0</u>

(d) Analysis of gross loans and advances to customers by geographical areas

	30 Jun 2020 HK\$ in millions	Percentage of total loans	31 Dec 2019 HK\$ in millions	Percentage of total loans
Asia Pacific (excluding Hong Kong)	896	55.1%	901	70.6%
Hong Kong	729	44.9%	375	29.4%
	<u>1,625</u>	<u>100.0%</u>	<u>1,276</u>	<u>100.0%</u>

Note: A country or geographical area is disclosed where it constitutes 10% of more of the gross amount of advances to customers after taking into consideration any transfers of risk.

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**III. Additional Balance Sheet Information (continued)
(e) Non-bank mainland exposures**

As of 30 June 2020

Types of counterparties	On-balance sheet exposures HK\$ in millions	Off-balance sheet exposures HK\$ in millions	Total HK\$ in millions
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	155	155
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	896	0	896
4. Other entities of central government not reported in item (1) above	0	0	0
5. Other entities of local government not report in item (2) above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China were the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
	896	155	1,051
	15,789		
On-balance sheet exposures as percentage of total assets	5.68%		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 31 December 2019

Types of counterparties	On-balance sheet exposures HK\$ in millions	Off-balance sheet exposures HK\$ in millions	Total HK\$ in millions
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	156	156
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	901	0	901
4. Other entities of central government not reported in item (1) above	0	0	0
5. Other entities of local government not report in item (2) above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China were the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
	901	156	1,057
Total assets after provision	16,503		
On-balance sheet exposures as percentage of total assets	5.46%		

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IV. International claims – the major country or geographical segment breakdown of international claims by types of counterparties

**As of 30 June 2020
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	9	0	0	9
Of which,				
- United Kingdom	6	0	0	6
- United States	3	0	0	3
- Offshore centres	3	0	731	734
Of which,				
- Hong Kong SAR	3	0	731	734
- Developing Asia and Pacific	14,142	0	896	15,038
Of which,				
- China	0	0	896	896
- Thailand	14,142	0	0	14,142
	<u>14,154</u>	<u>0</u>	<u>1,627</u>	<u>15,781</u>

**As of 31 December 2019
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	6	0	0	6
Of which,				
- United Kingdom	4	0	0	4
- United States	2	0	0	2
- Offshore centres	4	0	376	380
Of which,				
- Hong Kong SAR	3	0	376	379
- Singapore	1	0	0	1
- Developing Asia and Pacific	15,207	0	901	16,108
Of which,				
- China	0	0	901	901
- Thailand	15,207	0	0	15,207
	<u>15,217</u>	<u>0</u>	<u>1,277</u>	<u>16,494</u>

The figures are reported on net basis after taking into account the effect of any recognized risk transfer.

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V. Currency risk

Foreign currency exposures (Position of individual currency reported is the net position and constitutes 10% or more of the total net position in all foreign currencies).

As of 30 June 2020

	HK\$ in millions		
	USD	Others	Total
Spot assets	15,654	75	15,729
Spot liabilities	(15,541)	(141)	(15,682)
Forward purchases	0	67	67
Forward sales	(80)	0	(80)
Net long position	<u>33</u>	<u>1</u>	<u>34</u>

As of 31 December 2019

	HK\$ in millions		
	USD	Others	Total
Spot assets	16,362	90	16,452
Spot liabilities	(16,334)	(90)	(16,424)
Net long position	<u>28</u>	<u>0</u>	<u>28</u>

There was no structural position held by the branch as of 30 June 2020 and 31 December 2019.

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VI. Off-balance sheet exposures

The contractual amounts of each of the following class of off-balance sheet exposures outstanding were as follows:

	30 Jun 2019 HK\$ in millions	31 Dec 2019 HK\$ in millions
Contingent liabilities and commitments		
– Trade-related contingent items	417	495
– Exchange rate and gold contracts	160	0
– Other commitments	1,368	1,680
	<u>1,945</u>	<u>2,175</u>

Contingent liabilities and commitments arise from credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

VII. Liquidity

Liquidity Maintenance Ratio

	For the quarter ended 30 Jun 2020 Percentage	For the quarter ended 30 Jun 2019 Percentage
The average liquidity maintenance ratio for the quarter period	<u>65.57%</u>	<u>63.26%</u>

Starting 1 January 2018, the average liquidity maintenance ratio is the simple average of each calendar month's average liquidity maintenance ratio as reported in the "Return of Liquidity Position of an Authorized Institution" for that quarter.

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Section B – Bank Information (Consolidated basis)

VIII. Capital and Capital Adequacy

	30 Jun 2020	31 Dec 2019
(a) Capital adequacy ratio (Basel III)	18.1%	18.1%

	30 Jun 2020 HK\$ in millions	31 Dec 2019 HK\$ in millions
(b) Total capital (paid up and premium)	11,314	11,648
(c) Total amount of shareholders' fund	101,323	103,492

IX. Other financial information (audited)

(a) Total assets	780,060	765,193
(b) Total liabilities	678,737	661,701
(c) Total loans and advances	539,750	546,508
(d) Total deposits	565,437	557,530

	For the period ended 30 Jun 2020 HK\$ in millions	For the period ended 30 Jun 2019 HK\$ in millions
(e) Pre-tax profit	5,498	6,294

- 1 The conversion rates of HKD/THB as of 30 June 2020, 31 December 2019 and 30 June 2019 were 3.99, 3.87 and 3.94 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 30 June 2020 which is the latest information available to the public.

X. Remuneration system

Since remuneration information for senior management and key personnel is disclosed by Head Office, such information is not separately disclosed by Hong Kong Branch in line with Supervisory Policy Manual CG-5 “Guideline on a Sound Remuneration System” issued by the Hong Kong Monetary Authority.