

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Financial Disclosure Statement
For the year ended 31 December 2015**

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 31 December, 2015. It is compiled in accordance with the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155).

As the General Manager of the Branch, 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



Theerapan Nunthapolpat
General Manager

30 March 2016

**The Siam Commercial Bank Public Company Limited,
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Section A – Branch information (Hong Kong office only)

I. Profit and Loss Account	For the period ended 31 Dec 2015 HK\$ in thousands	For the period ended 31 Dec 2014 HK\$ in thousands
Income		
Interest Income	663,276	680,447
Interest expense	(564,047)	(579,282)
Net interest income	99,229	101,165
Fees and commission income	3,074	34,925
Fees and commission expenses	(8,112)	(8,114)
Net fee and commission income	(5,038)	26,811
Gains less losses arising from trading in foreign currencies	803	88
Other income	24	11
Total operating income	95,018	128,075
Expenses		
Operating expenses		
- Staff expense	(4,430)	(4,346)
- Rental expenses	(2,913)	(2,899)
- Head Office allocated expenses	(2,260)	(2,681)
- Other expenses	(2,522)	(2,496)
Total operating expenses	(12,125)	(12,422)
Operating profit before impairment losses	82,893	115,653
Net credit (charge) for debt provision	24,623	(19,525)
Profit before taxation	107,516	96,128
Tax expense	(9,083)	(8,000)
Profit after taxation	98,433	88,128

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II. Balance Sheet

	31 Dec 2015 HK\$ in millions	30 Jun 2015 HK\$ in millions
Assets		
Cash and balances with banks	40	12
Placements with banks which have		
- A residual contractual maturity within one month	3,452	753
- A residual contractual maturity more than one month but not more than twelve months	0	0
Amount due from overseas offices of the institution	13,076	13,955
Trade bills	238	50
Loans and advances		
- Loans and advances to customers	4,171	5,812
- Individual impairment allowances	(44)	(59)
Accrued interest receivables	114	131
Investment in securities	0	0
Property, plant and equipment	0	0
Other assets	3,055	2,908
Total assets	<u>24,102</u>	<u>23,562</u>
Liabilities		
Deposits and balances from banks	2,325	2,326
Deposits from customers		
- Demand deposits and current accounts	0	0
- Time, call and notice deposits	1,231	1,010
Amount due to overseas offices of the institution	8,468	8,056
Debt securities issued	11,654	11,671
Other liabilities	424	499
Total liabilities	<u>24,102</u>	<u>23,562</u>

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III. Additional Balance Sheet Information

	31 Dec 2015 HK\$ in millions	30 Jun 2015 HK\$ in millions
(a) Loans and advances		
Trade financing	238	50
Loan and advances to customers	4,171	5,812
Loan Accrued interest	114	131
Individual impairment allowances	(44)	(59)
	4,479	5,934

(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 31 December 2015 (30 June 2015: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 31 December 2015 (30 June 2015: Nil).

There were no loans and advances which were rescheduled as of 31 December 2015 (30 June 2015: Nil).

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

	31 Dec 2015		30 Jun 2015	
	HK\$ in millions	Gross advances covered by collateral	HK\$ in millions	Gross advances covered by collateral
Trade financing	238	0	50	0
Loans and advances for use inside Hong Kong	60	0	64	0
Loans and advances for use outside Hong Kong	4,111	0	5,748	0
	4,409	0	5,862	0

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

	31 Dec 2015		30 Jun 2015	
	HK\$ in millions	Percentage of total loans	HK\$ in millions	Percentage of total loans
- Asia Pacific (excluding Hong Kong)	3,128	70.9%	4,546	77.6%
- Hong Kong	1,281	29.1%	1,316	22.4%
- Others	0	0.0%	0	0.0%
	4,409	100.0%	5,862	100.0%

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 31 December 2015

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")	143	12	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	3,006	0	3,006
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	60	0	60
	3,209	12	3,221
Total assets after provision	24,102		
On-balance sheet exposures as percentage of total assets	13.31%		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 30 June 2015

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	4,581	0	4,581
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 where 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	64	0	64
	4,645	155	4,800
Total assets after provision	23,562		
On-balance sheet exposures as percentage of total assets	19.71%		

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

As of 31 December 2015 (HK\$ in million)	Banks	Non-financial Private sector	Others	Total
- Developed countries	7	0	0	7
Of which,				
- United Kingdom	2	0	0	2
- United States	5	0	0	5
- Offshore centres	4,347	1,428	0	5,775
Of which,				
- Hong Kong SAR	1,297	1,428	0	2,725
- Singapore	2,146	0	0	2,146
- Cayman Islands	904	0	0	904
- Developing Asia and Pacific	15,306	3,006	0	18,312
Of which,				
- China	0	3,006	0	3,006
- Thailand	15,306	0	0	15,306
	<u>19,660</u>	<u>4,434</u>	<u>0</u>	<u>24,094</u>

As of 30 June 2015 (HK\$ in million)	Banks	Non-financial Private sector	Others	Total
- Developed countries	3	0	0	3
Of which,				
- United Kingdom	2	0	0	2
- United States	1	0	0	1
- Offshore centres	716	1,317	8	2,041
Of which,				
- Hong Kong SAR	239	1,317	8	1,564
- Singapore	477	0	0	477
- Cayman Islands	0	0	0	0
- Developing Asia and Pacific	16,944	4,581	0	21,525
Of which,				
- China	0	4,581	0	4,581
- Thailand	16,944	0	0	16,944
	<u>17,663</u>	<u>5,898</u>	<u>8</u>	<u>23,569</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 31 December 2015

	HK\$ in millions		
	USD	CNY	TOTAL
Spot assets	23,986	25	24,011
Spot liabilities	(23,964)	(24)	(23,988)
Net long position	<u>22</u>	<u>1</u>	<u>23</u>

As of 30 June 2015

	HK\$ in millions		
	USD	CNY	TOTAL
Spot assets	23,424	4	23,428
Spot liabilities	(23,398)	(1)	(23,399)
Net long position	<u>26</u>	<u>3</u>	<u>29</u>

There was no forward positions nor structural position held by the branch as of 31 December 2015 and 30 June 2015.

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VI. Off-balance sheet exposures

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

	31 Dec 2015 HK\$ in millions	30 Jun 2015 HK\$ in millions
Contingent liabilities and commitments		
– Trade-related contingencies	60	0
– Forward forward deposit	775	0
– Other commitments	12	260
	847	260
	847	260

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.

(b) Derivative transactions

There are no outstanding derivative transactions as of 31 December 2015 and 30 June 2015.

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VII. Liquidity

The average liquidity maintenance ratio for the financial period	For the period ended 31 Dec 2015 Percentage <u>143.59%</u>
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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".

Starting 1 January 2015, Hong Kong Branch has adopted the liquidity maintenance ratio requirement.

The average liquidity ratio for the financial period	For the period ended 31 Dec 2014 Percentage <u>457.34%</u>
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The average liquidity ratio is the simple average of each calendar month's average liquidity ratio as reported in the "Return of Liquidity Position of an Authorized Institution".

Hong Kong Branch seeks to manage its liquidity position (including intraday position) so as to meet payment and financial obligations on a timely basis under both normal and stressed conditions.

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Section B – Bank Information (Consolidated basis)

VIII. Capital and Capital Adequacy

	31 Dec 2015	30 Jun 2015
(a) Capital adequacy ratio (Basel III)	17.1%	16.8%
(b) Total capital (paid up and premium)	31 Dec 2015 HK\$ in millions	30 Jun 2015 HK\$ in millions
	9,686	10,356
(c) Total amount of shareholders' fund	66,058	67,596

IX. Other financial information (audited)

(a) Total assets	595,614	637,874
(b) Total liabilities	529,555	570,278
(c) Total loans and advances	394,588	417,785
(d) Total deposits	405,919	437,333
(e) Pre-tax profit	For the period ended 31 Dec 2015 HK\$ in millions	For the period ended 31 Dec 2014 HK\$ in millions
	12,605	15,718

- 1 The conversion rates of HKD/THB as of 31 December 2015, 30 June 2015 and 31 December 2014 were 4.66, 4.36 and 4.25 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 31 December 2015 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.