

**The Siam Commercial Bank Public Company Limited,  
Hong Kong Branch  
Interim Financial Disclosure Statement  
For the period ended 30 June 2016**

## 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, 2016. 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

28 September 2016

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

| <b>I. Profit and Loss Account</b>                               | <b>For the period<br/>ended 30 Jun 2016<br/>HK\$ in thousands</b> | <b>For the period<br/>ended 30 Jun 2015<br/>HK\$ in thousands</b> |
|---|---|---|
| <b>Income</b>   |   |   |
| Interest Income   | 303,152   | 343,663   |
| Interest expense  | (264,075)   | (284,992)   |
| Net interest income   | <u>39,077</u>   | <u>58,671</u>   |
| Fees and commission income                                      | 228   | 2,230   |
| Fees and commission expenses                                    | (1,720)   | (4,091)   |
| Net fee and commission income                                   | <u>(1,492)</u>  | <u>(1,861)</u>  |
| Gains less losses arising from trading in<br>foreign currencies | 3,947   | 93  |
| Other income  | 11  | 11  |
| Total operating income  | <u>41,543</u>   | <u>56,914</u>   |
| <b>Expenses</b>   |   |   |
| Operating expenses  |   |   |
| - Staff expense   | (2,303)   | (2,437)   |
| - Rental expenses   | (1,463)   | (1,456)   |
| - Head Office allocated expenses                                | (1,134)   | (1,380)   |
| - Other expenses  | (1,068)   | (1,164)   |
| Total operating expenses  | <u>(5,968)</u>  | <u>(6,437)</u>  |
| Operating profit before impairment losses                       | 35,575  | 50,477  |
| Net credit (charge) for debt provision                          | 7,860   | 10,110  |
| <b>Profit before taxation</b>                                   | <u>43,435</u>   | <u>60,587</u>   |
| Tax expense   | (3,420)   | (4,663)   |
| <b>Profit after taxation</b>                                    | <u><u>40,015</u></u>  | <u><u>55,924</u></u>  |

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**II. Balance Sheet**

|   | <b>30 Jun 2016</b><br><b>HK\$ in millions</b> | <b>31 Dec 2015</b><br><b>HK\$ in millions</b> |
|---|---|---|
| <b>Assets</b>   |   |   |
| Cash and balances with banks  | 9   | 40  |
| Placements with banks which have  |   |   |
| - A residual contractual maturity within one month                                    | 1,553   | 3,452   |
| - A residual contractual maturity more than one month but not more than twelve months | 0   | 0   |
| Amount due from overseas offices of the institution                                   | 12,422  | 13,076  |
| Trade bills   | 27  | 238   |
| Loans and advances  |   |   |
| - Loans and advances to customers   | 3,597   | 4,171   |
| - Individual impairment allowances  | (36)  | (44)  |
| Accrued interest receivables  | 112   | 114   |
| Investment in securities  | 0   | 0   |
| Property, plant and equipment   | 0   | 0   |
| Other assets  | 2,264   | 3,055   |
| <b>Total assets</b>   | <u>19,948</u>                                 | <u>24,102</u>                                 |
| <b>Liabilities</b>  |   |   |
| Deposits and balances from banks  | 0   | 2,325   |
| Deposits from customers   |   |   |
| - Demand deposits and current accounts  | 0   | 0   |
| - Time, call and notice deposits  | 640   | 1,231   |
| Amount due to overseas offices of the institution                                     | 6,860   | 8,468   |
| Debt securities issued  | 11,660  | 11,654  |
| Other liabilities   | 788   | 424   |
| <b>Total liabilities</b>  | <u>19,948</u>                                 | <u>24,102</u>                                 |

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**III. Additional Balance Sheet Information**

|                                  | 30 Jun 2016<br>HK\$ in millions | 31 Dec 2015<br>HK\$ in millions |
|----------------------------------|---------------------------------|---------------------------------|
| <b>(a) Loans and advances</b>    |                                 |                                 |
| Trade financing                  | 27                              | 238                             |
| Loan and advances to customers   | 3,597                           | 4,171                           |
| Loan Accrued interest            | 112                             | 114                             |
| Individual impairment allowances | (36)                            | (44)                            |
|                                  | <u>3,700</u>                    | <u>4,479</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 2016 (31 December 2015: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 30 June 2016 (31 December 2015: Nil).

There were no loans and advances which were rescheduled as of 30 June 2016 (31 December 2015: Nil).

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

|   | 30 Jun 2016<br>HK\$ in millions |   | 31 Dec 2015<br>HK\$ in millions |   |
|---|---------------------------------|---|---------------------------------|---|
|   | Gross<br>advances               | Gross<br>advances<br>covered by<br>collateral | Gross<br>advances               | Gross<br>advances<br>covered by<br>collateral |
| Trade financing                                 | 27                              | 0   | 238                             | 0   |
| Loans and advances for use<br>inside Hong Kong  | 53                              | 0   | 60                              | 0   |
| Loans and advances for use<br>outside Hong Kong | 3,544                           | 0   | 4,111                           | 0   |
|   | <u>3,624</u>                    | <u>0</u>                                      | <u>4,409</u>                    | <u>0</u>                                      |

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

|   | 30 Jun 2016<br>HK\$ in millions | Percentage<br>of total loans | 31 Dec 2015<br>HK\$ in millions | Percentage<br>of total loans |
|---|---------------------------------|------------------------------|---------------------------------|------------------------------|
| - Asia Pacific<br>(excluding Hong Kong) | 2,567                           | 70.8%                        | 3,128                           | 70.9%                        |
| - Hong Kong                             | 1,057                           | 29.2%                        | 1,281                           | 29.1%                        |
| - Others                                | 0                               | 0.0%                         | 0                               | 0.0%                         |
|   | <u>3,624</u>                    | <u>100.0%</u>                | <u>4,409</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 2016

| <b>Types of counterparties</b>  | <b>On-<br/>balance<br/>sheet<br/>exposures<br/>HK\$ in<br/>millions</b> | <b>Off-balance<br/>sheet<br/>exposures<br/>HK\$ in<br/>millions</b> | <b>Total<br/>HK\$ in millions</b> |
|---|---|---|-----------------------------------|
| 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                           | 2,586   | 0   | 2,586                             |
| 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                       | 53  | 0   | 53                                |
|   | 2,639   | 155   | 2,794                             |
| <br>Total assets after provision  | 19,948  |   |                                   |
| <br>On-balance sheet exposures as percentage of total assets  | 13.23%  |   |                                   |

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**III. Additional Balance Sheet Information (continued)**

**(e) Non-bank mainland exposures**

As of 31 December 2015

| <b>Types of counterparties</b>   | <b>On-<br/>balance<br/>sheet<br/>exposures<br/>HK\$ in<br/>millions</b> | <b>Off-balance<br/>sheet<br/>exposures<br/>HK\$ in<br/>millions</b> | <b>Total<br/>HK\$ in millions</b> |
|--|---|---|-----------------------------------|
| 8. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)  | 143   | 12  | 155                               |
| 9. Local government, local government-owned entities and their subsidiaries and JVs  | 0   | 0   | 0                                 |
| 10. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs                           | 3,006   | 0   | 3,006                             |
| 11. Other entities of central government not reported in item (1) above  | 0   | 0   | 0                                 |
| 12. Other entities of local government not report in item (2) above  | 0   | 0   | 0                                 |
| 13. 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                                 |
| 14. 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                             |
| <br>Total assets after provision   | <br>24,102  |   |                                   |
| <br>On-balance sheet exposures as percentage of total assets   | <br>13.31%  |   |                                   |

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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 2016  
(HK\$ in million)**

|                               | <b>Banks</b>  | <b>Non-financial<br/>Private sector</b> | <b>Others</b> | <b>Total</b>  |
|-------------------------------|---------------|---|---------------|---------------|
| - Developed countries         | 2             | 0                                       | 0             | 2             |
| Of which,                     |               |   |               |               |
| - United Kingdom              | 2             | 0                                       | 0             | 2             |
| - United States               | 0             | 0                                       | 0             | 0             |
| - Offshore centres            | 1,524         | 1,060                                   | 0             | 2,584         |
| Of which,                     |               |   |               |               |
| - Hong Kong SAR               | 1,524         | 1,060                                   | 0             | 2,584         |
| - Singapore                   | 0             | 0                                       | 0             | 0             |
| - Cayman Islands              | 0             | 0                                       | 0             | 0             |
| - Developing Asia and Pacific | 14,769        | 2,586                                   | 0             | 17,355        |
| Of which,                     |               |   |               |               |
| - China                       | 0             | 2,586                                   | 0             | 2,586         |
| - Thailand                    | 14,769        | 0                                       | 0             | 14,769        |
|                               | <u>16,295</u> | <u>3,646</u>                            | <u>0</u>      | <u>19,941</u> |

**As of 31 December 2015  
(HK\$ in million)**

|                               | <b>Banks</b>  | <b>Non-financial<br/>Private sector</b> | <b>Others</b> | <b>Total</b>  |
|-------------------------------|---------------|---|---------------|---------------|
| - 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> |

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 2016**

|                   | <b>HK\$ in millions</b> |            |              |
|-------------------|-------------------------|------------|--------------|
|                   | <b>USD</b>              | <b>CNY</b> | <b>TOTAL</b> |
| Spot assets       | 19,917                  | 2          | 19,919       |
| Spot liabilities  | (19,866)                | (1)        | (19,867)     |
| Net long position | <u>51</u>               | <u>1</u>   | <u>52</u>    |

**As of 31 December 2015**

|                   | <b>HK\$ in millions</b> |            |              |
|-------------------|-------------------------|------------|--------------|
|                   | <b>USD</b>              | <b>CNY</b> | <b>TOTAL</b> |
| 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>    |

There was no forward positions nor structural position held by the branch as of 30 June 2016 and 31 December 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:**

|  | <b>30 Jun 2016</b><br><b>HK\$ in millions</b> | <b>31 Dec 2015</b><br><b>HK\$ in millions</b> |
|--|---|---|
| Contingent liabilities and commitments |   |   |
| - Trade-related contingencies          | 0   | 60  |
| - Sale and repurchase agreements       | 0   | 775   |
| - Other commitments                    | 325   | 12  |
| - Exchange rate and gold contracts     | 44  | 0   |
|  | <u>369</u>                                    | <u>847</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.

**(b) Derivative transactions**

There are no outstanding derivative transactions as of 30 June 2016 and 31 December 2015.

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**VII. Liquidity**

|  | <b>For the period<br/>ended 30 Jun 2016<br/>Percentage</b> |
|--|--|
| The average liquidity maintenance ratio for the financial period | 136.12%  |

|  | <b>For the period<br/>ended 30 Jun 2015<br/>Percentage</b> |
|--|--|
| The average liquidity maintenance ratio for the financial period | 153.83%  |

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".

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**

|  | 30 Jun 2016 | 31 Dec 2015 |
|--|-------------|-------------|
| (a) Capital adequacy ratio (Basel III) | 17.4%       | 17.1%       |

|   | 30 Jun 2016<br>HK\$ in millions | 31 Dec 2015<br>HK\$ in millions |
|---|---------------------------------|---------------------------------|
| (b) Total capital ( paid up and premium ) | 9,949                           | 9,686                           |
| (c) Total amount of shareholders' fund    | 70,664                          | 66,058                          |

**IX. Other financial information (audited)**

|                              |         |         |
|------------------------------|---------|---------|
| (a) Total assets             | 611,656 | 595,614 |
| (b) Total liabilities        | 540,992 | 529,555 |
| (c) Total loans and advances | 411,478 | 394,588 |
| (d) Total deposits           | 412,623 | 405,919 |

|                    | For the period<br>ended 30 Jun 2016<br>HK\$ in millions | For the period<br>ended 30 Jun 2015<br>HK\$ in millions |
|--------------------|---|---|
| (e) Pre-tax profit | 6,396   | 7,525   |

- 1 The conversion rates of HKD/THB as of 30 June 2016, 31 December 2015 and 30 June 2015 were 4.53, 4.66 and 4.36 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 30 June 2016 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.