

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Interim Financial Disclosure Statement
For the period ended 30 June 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 30 June, 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 September 2015

**The Siam Commercial Bank Public Company Limited,
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Financial Disclosure as of 30 June 2015**

Section A – Branch information (Hong Kong office only)

I. Profit and Loss Account	For the period ended 30 Jun 2015 HK\$ in thousands	For the period ended 30 Jun 2014 HK\$ in thousands
Income		
Interest Income	343,663	326,039
Interest expense	(284,992)	(290,683)
Net interest income	<u>58,671</u>	<u>35,356</u>
Fees and commission income	2,230	22,317
Fees and commission expenses	(4,091)	(4,092)
Net fee and commission income	<u>(1,861)</u>	<u>18,225</u>
Gains less losses arising from trading in foreign currencies	93	169
Other income	11	7
Total operating income	<u>56,914</u>	<u>53,757</u>
Expenses		
Operating expenses		
- Staff expense	(2,437)	(2,327)
- Rental expenses	(1,456)	(1,448)
- Head Office allocated expenses	(1,380)	(1,800)
- Other expenses	(1,164)	(1,057)
Total operating expenses	<u>(6,437)</u>	<u>(6,632)</u>
Operating profit before impairment losses	50,477	47,125
Net credit (charge) for debt provision	10,110	(15,559)
Profit before taxation	<u>60,587</u>	<u>31,566</u>
Tax expense	(4,663)	(2,567)
Profit after taxation	<u><u>55,924</u></u>	<u><u>28,999</u></u>

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II. Balance Sheet

	30 Jun 2015 HK\$ in millions	31 Dec 2014 HK\$ in millions
Assets		
Cash and balances with banks	12	15
Placements with banks which have		
- A residual contractual maturity within one month	753	2,419
- A residual contractual maturity more than one month but not more than twelve months	0	0
Amount due from overseas offices of the institution	13,955	13,038
Trade bills	50	42
Loans and advances		
- Loans and advances to customers	5,812	6,828
- Individual impairment allowances	(59)	(69)
Accrued interest receivables	131	135
Investment in securities	0	0
Property, plant and equipment	0	0
Other assets	2,908	2,833
Total assets	<u>23,562</u>	<u>25,241</u>
Liabilities		
Deposits and balances from banks	2,326	2,326
Deposits from customers		
- Demand deposits and current accounts	0	0
- Time, call and notice deposits	1,010	1,019
Amount due to overseas offices of the institution	8,056	9,807
Debt securities issued	11,671	11,680
Other liabilities	499	409
Total liabilities	<u>23,562</u>	<u>25,241</u>

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III. Additional Balance Sheet Information

	30 Jun 2015 HK\$ in millions	31 Dec 2014 HK\$ in millions
(a) Loans and advances		
Trade financing	50	42
Loan and advances to customers	5,812	6,828
Loan Accrued interest	131	135
Individual impairment allowances	(59)	(69)
	<u>5,934</u>	<u>6,936</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 2015 (31 December 2014: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 30 June 2015 (31 December 2014: Nil).

There were no loans and advances which were rescheduled as of 30 June 2015 (31 December 2014: Nil).

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

	30 Jun 2015 HK\$ in millions		31 Dec 2014 HK\$ in millions	
	Gross advances	Gross advances covered by collateral	Gross advances	Gross advances covered by collateral
Trade financing	50	0	42	0
Loans and advances for use inside Hong Kong	64	0	334	0
Loans and advances for use outside Hong Kong	5,748	0	6,494	0
	<u>5,862</u>	<u>0</u>	<u>6,870</u>	<u>0</u>

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

	30 Jun 2015 HK\$ in millions	Percentage of total loans	31 Dec 2014 HK\$ in millions	Percentage of total loans
- Asia Pacific (excluding Hong Kong)	4,546	77.6%	5,292	77.0%
- Hong Kong	1,316	22.4%	1,311	19.1%
- Others	0	0.0%	267	3.9%
	<u>5,862</u>	<u>100.0%</u>	<u>6,870</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 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 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	64	0	64
	<u>4,645</u>	<u>155</u>	<u>4,800</u>
 Total assets after provision	 <u>23,562</u>		
 On-balance sheet exposures as percentage of total assets	 <u>19.71%</u>		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 31 December 2014

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	5,332	0	5,332
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	334	135	469
	<u>5,666</u>	<u>290</u>	<u>5,956</u>
 Total assets after provision	 <u>25,241</u>		
 On-balance sheet exposures as percentage of total assets	 <u>22.45%</u>		

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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 2015
(HK\$ in million)**

	Banks	Non-financial Private sector	Others	Total
- Developed countries	3	0	0	3
Of which,				
- Switzerland	0	0	0	0
- 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
- West Indies UK	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>

**As of 31 December 2014
(HK\$ in million)**

	Banks	Non-financial Private sector	Others	Total
- Developed countries	7	0	0	7
Of which,				
- Switzerland	3	0	0	3
- United Kingdom	3	0	0	3
- United States	1	0	0	1
- Offshore centres	2,425	1,578	12	4,015
Of which,				
- Hong Kong SAR	1,107	1,311	12	2,430
- Singapore	1,318	0	0	1,318
- West Indies UK	0	267	0	267
- Developing Asia and Pacific	15,946	5,332	0	21,278
Of which,				
- China	0	5,332	0	5,332
- Thailand	15,946	0	0	15,946
	<u>18,378</u>	<u>6,910</u>	<u>12</u>	<u>25,300</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 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>

As of 31 December 2014

	HK\$ in millions		
	USD	CNY	TOTAL
Spot assets	25,144	4	25,148
Spot liabilities	(25,129)	0	(25,129)
Net long position	<u>15</u>	<u>4</u>	<u>19</u>

There was no forward positions nor structural position held by the branch as of 30 June 2015 and 31 December 2014.

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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:

	30 Jun 2015 HK\$ in millions	31 Dec 2014 HK\$ in millions
Contingent liabilities and commitments		
– Trade-related contingencies	0	38
– Other commitments	260	365
	260	403
	260	403

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 2015 and 31 December 2014.

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VII. Liquidity

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

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.

	For the period ended 30 Jun 2014 Percentage
The average liquidity ratio for the financial period	<u>708.54%</u>

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

	30 Jun 2015	31 Dec 2014
(a) Capital adequacy ratio (Basel III)	16.8%	17.0%

	30 Jun 2015 HK\$ in millions	31 Dec 2014 HK\$ in millions
(b) Total capital (paid up and premium)	10,356	10,612
(c) Total amount of shareholders' fund	67,596	67,339

IX. Other financial information (audited)

(a) Total assets	637,874	634,985
(b) Total liabilities	570,278	567,646
(c) Total loans and advances	417,785	418,889
(d) Total deposits	437,333	445,795

	For the period ended 30 Jun 2015 HK\$ in millions	For the period ended 30 Jun 2014 HK\$ in millions
(e) Pre-tax profit	7,525	8,410

- 1 The conversion rates of HKD/THB as of 30 June 2015, 31 December 2014 and 30 June 2014 were 4.36, 4.25 and 4.19 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 30 June 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.