

**The Siam Commercial Bank Public Company Limited  
and its Subsidiaries**

Interim financial statements  
for the three-month and six-month periods ended  
30 June 2015  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Board of Directors of The Siam Commercial Bank Public Company Limited**

#### *Audit Report*

I have audited the accompanying interim consolidated and the Bank's financial statements of The Siam Commercial Bank Public Company Limited and its subsidiaries (the "Group"), and of The Siam Commercial Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank's statements of financial position as at 30 June 2015, the consolidated and the Bank's statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Interim Consolidated and the Bank's Financial Statements*

Management is responsible for the preparation and fair presentation of these interim consolidated and the Bank's financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of interim consolidated and the Bank's financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these interim consolidated and the Bank's financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim consolidated and the Bank's financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the interim consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 30 June 2015 and their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

### *Review Report*

I have also reviewed the accompanying interim consolidated and the Bank's statements of comprehensive income for the three-month period ended 30 June 2015 of the Group and the Bank, respectively. Management is responsible for the preparation and presentation of these interim consolidated and the Bank's statements of comprehensive income in accordance with Thai Financial Reporting Standards. My responsibility is to express a conclusion on these interim consolidated and the Bank's statements of comprehensive income based on my review.

### *Scope of Review*

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and the Bank's statements of comprehensive income for the three-month period ended 30 June 2015 are not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

(Winid Silamongkol)  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 August 2015

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

### Statement of financial position

	Note	Consolidated		The Bank	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
<i>(in thousand Baht)</i>					
Cash		29,392,115	42,131,800	29,267,104	41,922,318
Interbank and money market items, net	10	288,787,322	291,614,750	273,202,458	276,806,702
Claims on security	5.11	24,034,156	6,059,162	24,034,156	6,059,162
Derivative assets	11	51,503,662	43,629,965	51,737,053	43,759,401
Investments, net	12	532,832,072	502,111,054	354,426,067	340,090,493
Investments in subsidiaries and associates, net	13	920,508	696,829	25,379,032	22,128,612
Loans to customers and accrued interest receivables, net	14				
Loans to customers		1,836,964,830	1,797,561,397	1,828,379,956	1,790,005,534
Accrued interest receivables		4,437,384	3,814,239	4,097,587	3,543,663
Total loans to customers and accrued interest receivables		1,841,402,214	1,801,375,636	1,832,477,543	1,793,549,197
Less deferred revenue		(21,237,220)	(20,426,639)	(21,237,220)	(20,426,639)
Less allowance for doubtful accounts	14.9	(61,954,856)	(59,014,088)	(61,201,331)	(58,251,730)
Less revaluation allowance for debt restructuring	15	(61,036)	-	(61,036)	-
Total loans to customers and accrued interest receivables, net		1,758,149,102	1,721,934,909	1,749,977,956	1,714,870,828
Customers' liabilities under acceptances		116,854	47,747	116,854	47,747
Properties for sale, net	17	10,083,489	9,720,839	10,076,341	9,711,206
Premises and equipment, net	18	32,896,283	33,775,729	31,714,921	32,608,529
Goodwill and other intangible assets, net	19	11,390,300	11,406,133	2,093,942	2,131,434
Assets pending transfer	20	4,318,387	4,104,157	4,338,943	4,104,158
Deferred tax assets	44	66,637	67,694	11,284	11,207
Other assets, net	21	34,534,538	32,402,317	28,487,228	28,557,938
<b>Total assets</b>		<b>2,779,025,425</b>	<b>2,699,703,085</b>	<b>2,584,863,339</b>	<b>2,522,809,735</b>

The accompanying notes are an integral part of these financial statements.

# The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated		The Bank	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Deposits	22	1,905,330,203	1,895,343,384	1,900,713,840	1,890,388,475
Interbank and money market items	23	151,228,838	140,285,606	157,310,209	146,014,407
Liabilities payable on demand		13,106,427	7,400,145	13,104,361	7,399,327
Liabilities to deliver security	5.11	24,105,144	6,063,117	24,034,156	6,059,162
Derivative liabilities	11	50,884,229	42,413,034	50,928,129	42,486,703
Debt issued and borrowings	24	115,634,557	113,916,834	116,230,473	114,485,513
Bank's liabilities under acceptances		116,854	47,747	116,854	47,747
Provisions	25	6,358,518	7,210,567	6,064,478	6,881,247
Liabilities under insurance contracts	26	170,504,149	151,757,056	-	-
Liabilities pending transfer	27	11,001,626	14,267,471	10,930,575	14,027,322
Deferred tax liabilities	44	4,193,029	3,562,997	3,630,743	2,941,078
Other liabilities	28	32,067,951	31,137,083	25,869,384	25,796,218
<b>Total liabilities</b>		<u>2,484,531,525</u>	<u>2,413,405,041</u>	<u>2,308,933,202</u>	<u>2,256,527,199</u>
<b>Equity</b>					
Share capital					
Authorised share capital					
3,583,965,486 preference shares of Baht 10 each		35,839,655	35,842,374	35,839,655	35,842,374
3,416,034,514 ordinary shares of Baht 10 each		34,160,345	34,157,626	34,160,345	34,157,626
Issued and paid-up share capital					
4,804,858 preference shares of Baht 10 each		48,049	48,802	48,049	48,802
3,394,387,340 ordinary shares of Baht 10 each		33,943,873	33,943,120	33,943,873	33,943,120
Premium on share capital					
Premium on preference shares		18,789	19,084	18,789	19,084
Premium on ordinary shares		11,105,402	11,105,107	11,105,402	11,105,107
Other reserves	29	20,074,006	21,914,917	20,614,622	19,461,413
Retained earnings					
Appropriated					
Legal reserve	29	7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		222,095,457	211,301,429	203,199,402	194,705,010
Total shareholders' equity		<u>294,285,576</u>	<u>285,332,459</u>	<u>275,930,137</u>	<u>266,282,536</u>
Non-controlling interests		208,324	965,585	-	-
<b>Total equity</b>		<u>294,493,900</u>	<u>286,298,044</u>	<u>275,930,137</u>	<u>266,282,536</u>
<b>Total liabilities and equity</b>		<u>2,779,025,425</u>	<u>2,699,703,085</u>	<u>2,584,863,339</u>	<u>2,522,809,735</u>

(Mr. Arthid Nanthawithaya)

CEO and Deputy Chairman of the Executive Committee

(Mr. Yol Phokasub)

President

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>The Bank</b>	
		Three month period ended		Three month period ended	
		30 June		30 June	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Interest income		31,048,965	30,621,958	29,204,423	29,076,775
Interest expense		10,235,180	10,193,680	10,244,153	10,230,862
Net interest income		20,813,785	20,428,278	18,960,270	18,845,913
Fees and service income		8,236,838	7,429,194	9,187,037	8,506,962
Fees and service expense		1,421,236	1,273,228	1,211,542	1,125,039
Net fees and service income		6,815,602	6,155,966	7,975,495	7,381,923
Net trading income		2,414,903	2,045,886	1,848,982	2,069,133
Net gain (loss) on investments		287,273	2,178,782	(96,631)	2,970,165
Share of loss of associates		(45,194)	(20,644)	-	-
Dividend income		400,137	455,540	3,037,180	3,697,891
Net earned insurance premiums		14,979,511	12,366,131	-	-
Other operating income		350,764	98,877	14,679	20,003
Total operating income		46,016,781	43,708,816	31,739,975	34,985,028
Net insurance claims		12,756,221	10,112,623	-	-
Net operating income		33,260,560	33,596,193	31,739,975	34,985,028
Other operating expenses					
Staff costs		5,594,260	5,509,745	4,965,460	4,848,157
Directors' remuneration		23,228	25,540	22,133	22,380
Premises and equipment expenses		2,451,798	2,459,663	2,244,018	2,272,565
Taxes and duties		1,060,504	1,029,199	1,001,516	984,055
Others		2,636,435	2,759,684	2,940,065	3,185,094
Total operating expenses		11,766,225	11,783,831	11,173,192	11,312,251
Impairment loss on loans and debt securities		5,130,981	3,220,235	5,129,346	3,224,426
Profit before tax		16,363,354	18,592,127	15,437,437	20,448,351
Income tax expense	44	3,131,796	3,880,898	2,526,115	3,372,189
Net profit		13,231,558	14,711,229	12,911,322	17,076,162

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income (Unaudited)**

	Note	Consolidated		The Bank	
		Three month period ended		Three month period ended	
		30 June		30 June	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
(Loss) gain on remeasuring available-for-sale investments		(737,239)	897,415	334,319	331,287
Foreign currency translation differences		37,873	665	-	-
Share of other comprehensive income (loss) of associates		20,865	(346)	-	-
Income tax on other comprehensive income	44	53,805	(210,742)	(66,864)	(66,257)
		<u>(624,696)</u>	<u>686,992</u>	<u>267,455</u>	<u>265,030</u>
<i>Items that will never be reclassified to profit or loss</i>					
Change in revaluation surplus		-	(1,032)	-	(1,032)
Income tax on other comprehensive income	44	-	206	-	206
		<u>-</u>	<u>(826)</u>	<u>-</u>	<u>(826)</u>
Total other comprehensive income, net of income tax		<u>(624,696)</u>	<u>686,166</u>	<u>267,455</u>	<u>264,204</u>
Total comprehensive income		<u>12,606,862</u>	<u>15,397,395</u>	<u>13,178,777</u>	<u>17,340,366</u>
Net profit attributable to					
Shareholders of the parent company		13,217,703	14,723,142	12,911,322	17,076,162
Non-controlling interests		13,855	(11,913)	-	-
Total comprehensive income attributable to					
Shareholders of the parent company		12,472,123	15,397,849	13,178,777	17,340,366
Non-controlling interests		134,739	(454)	-	-
Earnings per share of the parent company					
Basic earnings per share <i>(in Baht)</i>	45	<u>3.89</u>	<u>4.33</u>	<u>3.80</u>	<u>5.02</u>

.....  
(Mr. Arthid Nanthawithaya)  
CEO and Deputy Chairman of the Executive Committee

.....  
(Mr. Yol Phokasub)  
President

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>The Bank</b>	
		Six month period ended		Six month period ended	
		30 June		30 June	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Interest income	38	62,077,008	61,203,307	58,482,553	58,115,965
Interest expense	39	20,731,444	21,406,238	20,747,866	21,441,727
Net interest income		41,345,564	39,797,069	37,734,687	36,674,238
Fees and service income	40	16,280,763	15,106,987	18,321,511	17,426,667
Fees and service expense	40	2,835,292	2,661,375	2,433,667	2,402,716
Net fees and service income	40	13,445,471	12,445,612	15,887,844	15,023,951
Net trading income	41	4,756,002	3,927,985	4,111,140	3,988,834
Net gain on investments	42	539,099	2,296,266	186,949	3,145,528
Share of loss of associates		(50,829)	(21,533)	-	-
Dividend income		769,515	615,629	3,254,418	3,735,701
Net earned insurance premiums		28,470,649	25,262,897	-	-
Other operating income		489,952	379,541	35,746	57,052
Total operating income		89,765,423	84,703,466	61,210,784	62,625,304
Net insurance claims		23,962,876	20,229,018	-	-
Net operating income		65,802,547	64,474,448	61,210,784	62,625,304
Other operating expenses					
Staff costs		11,028,339	10,745,360	9,676,246	9,439,563
Directors' remuneration		46,343	49,342	44,213	44,705
Premises and equipment expenses		4,995,040	4,814,151	4,591,509	4,458,794
Taxes and duties		2,141,331	2,179,042	2,032,382	2,091,521
Others		6,053,328	5,019,951	6,734,103	5,835,092
Total operating expenses		24,264,381	22,807,846	23,078,453	21,869,675
Impairment loss on loans and debt securities	43	8,731,578	6,427,286	8,740,191	6,448,851
Profit before tax		32,806,588	35,239,316	29,392,140	34,306,778
Income tax expense	44	6,408,946	7,221,417	5,320,648	6,162,326
Net profit		26,397,642	28,017,899	24,071,492	28,144,452

The accompanying notes are an integral part of these financial statements.



**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated		The Bank	
		Six month period ended		Six month period ended	
		30 June		30 June	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Gain on remeasuring available-for-sale investments		744,999	2,349,426	1,607,687	660,747
Foreign currency translation differences		26,672	(7,545)	-	-
Share of other comprehensive income (loss) of associates		12,046	(7,995)	-	-
Income tax on other comprehensive income	44	(290,623)	(444,195)	(343,869)	(132,149)
		<u>493,094</u>	<u>1,889,691</u>	<u>1,263,818</u>	<u>528,598</u>
<i>Items that will never be reclassified to profit or loss</i>					
Change in revaluation surplus		-	(1,032)	-	(1,032)
Income tax on other comprehensive income	44	-	206	-	206
		<u>-</u>	<u>(826)</u>	<u>-</u>	<u>(826)</u>
Total other comprehensive income, net of income tax		<u>493,094</u>	<u>1,888,865</u>	<u>1,263,818</u>	<u>527,772</u>
Total comprehensive income		<u>26,890,736</u>	<u>29,906,764</u>	<u>25,335,310</u>	<u>28,672,224</u>
Net profit attributable to					
Shareholders of the parent company		26,369,398	27,851,858	24,071,492	28,144,452
Non-controlling interests		28,244	166,041	-	-
Total comprehensive income attributable to					
Shareholders of the parent company		26,837,002	29,667,218	25,335,310	28,672,224
Non-controlling interests		53,734	239,546	-	-
Earnings per share of the parent company					
Basic earnings per share <i>(in Baht)</i>	45	<u>7.76</u>	<u>8.19</u>	<u>7.08</u>	<u>8.28</u>

.....  
(Mr. Arthid Nanthawithaya)  
CEO and Deputy Chairman of the Executive Committee

.....  
(Mr. Yol Phokasub)  
President

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

		<b>Consolidated</b>													
		Issued and		Premium on		Other reserves						Total		Non-	
		paid-up share capital		share capital		Gain on		Total		Retained earnings		shareholders'		controlling	
		Preference	Ordinary	Preference	Ordinary	Change in	remeasuring	Total		Legal	Unappropriated	Total	Non-	Total	
Note		shares	shares	shares	shares	revaluation	available-for-sale	Others	reserves	reserve	Total	equity	interests	Total	
<i>(in thousand Baht)</i>															
<b>Six month period ended 30 June 2015</b>															
	<b>Balance at 31 December 2014 - as reported</b>	<b>48,802</b>	<b>33,943,120</b>	<b>19,084</b>	<b>11,105,107</b>	<b>12,507,773</b>	<b>9,744,122</b>	<b>(336,978)</b>	<b>21,914,917</b>	<b>7,000,000</b>	<b>211,301,429</b>	<b>285,332,459</b>	<b>965,585</b>	<b>286,298,044</b>	
	Impact of change in accounting policy	-	-	-	-	-	-	-	-	-	(391,344)	(391,344)	-	(391,344)	
	<b>Balance at 1 January 2015</b>	<b>48,802</b>	<b>33,943,120</b>	<b>19,084</b>	<b>11,105,107</b>	<b>12,507,773</b>	<b>9,744,122</b>	<b>(336,978)</b>	<b>21,914,917</b>	<b>7,000,000</b>	<b>210,910,085</b>	<b>284,941,115</b>	<b>965,585</b>	<b>285,906,700</b>	
	Dividend paid	-	-	-	-	-	-	-	-	-	(15,296,365)	(15,296,365)	(15,341)	(15,311,706)	
	Conversion of preference shares to ordinary shares	(753)	753	(295)	295	-	-	-	-	-	-	-	-	-	
	Acquisitions of non-controlling interests without a change in control	-	-	-	-	243	129,300	(2,325,645)	(2,196,102)	-	(74)	(2,196,176)	(795,654)	(2,991,830)	
	Profit for the period	-	-	-	-	-	-	-	-	-	26,369,398	26,369,398	28,244	26,397,642	
	Other comprehensive income	-	-	-	-	-	428,886	38,718	467,604	-	-	467,604	25,490	493,094	
	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,886</b>	<b>38,718</b>	<b>467,604</b>	<b>-</b>	<b>26,369,398</b>	<b>26,837,002</b>	<b>53,734</b>	<b>26,890,736</b>	
	Transfer to retained earnings	-	-	-	-	(112,413)	-	-	(112,413)	-	112,413	-	-	-	
	<b>Balance at 30 June 2015</b>	<b>48,049</b>	<b>33,943,873</b>	<b>18,789</b>	<b>11,105,402</b>	<b>12,395,603</b>	<b>10,302,308</b>	<b>(2,623,905)</b>	<b>20,074,006</b>	<b>7,000,000</b>	<b>222,095,457</b>	<b>294,285,576</b>	<b>208,324</b>	<b>294,493,900</b>	

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

		<b>Consolidated</b>													
		Issued and		Premium on		Other reserves									
		paid-up share capital		share capital		Gain on		Total			Retained earnings		Total	Non-	
		Preference	Ordinary	Preference	Ordinary	Change in	remeasuring	Total	Legal	Unappropriated	shareholders'	controlling	Total	Total	
		shares	shares	shares	shares	revaluation	available-for-sale	other	reserve	reserve	equity	interests	Total	Total	
		Preference	Ordinary	Preference	Ordinary	surplus	investments	Others	reserves	reserve	Unappropriated	equity	interests	Total	
		<i>(in thousand Baht)</i>													
<b>Six month period ended 30 June 2014</b>															
	<b>Balance at 1 January 2014</b>	<b>51,817</b>	<b>33,940,105</b>	<b>20,263</b>	<b>11,103,928</b>	<b>12,802,243</b>	<b>6,116,916</b>	<b>(332,481)</b>	<b>18,586,678</b>	<b>7,000,000</b>	<b>175,569,326</b>	<b>246,272,117</b>	<b>1,767,958</b>	<b>248,040,075</b>	
	Dividend paid	-	-	-	-	-	-	-	-	-	(12,746,971)	(12,746,971)	(129,148)	(12,876,119)	30
	Conversion of preference shares to ordinary shares	(727)	727	(284)	284	-	-	-	-	-	-	-	-	-	
	Disposal of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	12	12	(1,804)	(1,792)	
	Disposal of controlling interests with a change in control	-	-	-	-	(50,852)	2,254	(10,565)	(59,163)	-	22,794	(36,369)	(1,103,699)	(1,140,068)	
	Profit for the period	-	-	-	-	-	-	-	-	-	27,851,858	27,851,858	166,041	28,017,899	
	Other comprehensive income	-	-	-	-	(826)	1,831,726	(15,540)	1,815,360	-	-	1,815,360	73,505	1,888,865	
	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(826)</b>	<b>1,831,726</b>	<b>(15,540)</b>	<b>1,815,360</b>	<b>-</b>	<b>27,851,858</b>	<b>29,667,218</b>	<b>239,546</b>	<b>29,906,764</b>	
	Transfer to retained earnings	-	-	-	-	(105,621)	-	-	(105,621)	-	105,621	-	-	-	
	<b>Balance at 30 June 2014</b>	<b>51,090</b>	<b>33,940,832</b>	<b>19,979</b>	<b>11,104,212</b>	<b>12,644,944</b>	<b>7,950,896</b>	<b>(358,586)</b>	<b>20,237,254</b>	<b>7,000,000</b>	<b>190,802,640</b>	<b>263,156,007</b>	<b>772,853</b>	<b>263,928,860</b>	

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Note	<b>The Bank</b>									
		Issued and		Premium on		Other reserves			Retained earnings		
		paid-up share capital		share capital		Change in	remeasuring	Total	Retained earnings		
		Preference	Ordinary	Preference	Ordinary				revaluation	available-for-sale	other
		shares	shares	shares	shares	surplus	investments	reserves	reserve	Unappropriated	Total
<i>(in thousand Baht)</i>											
<b>Six month period ended 30 June 2015</b>											
<b>Balance at 31 December 2014 - as reported</b>		<b>48,802</b>	<b>33,943,120</b>	<b>19,084</b>	<b>11,105,107</b>	<b>11,999,507</b>	<b>7,461,906</b>	<b>19,461,413</b>	<b>7,000,000</b>	<b>194,705,010</b>	<b>266,282,536</b>
Impact of change in accounting policy	4	-	-	-	-	-	-	-	-	(391,344)	(391,344)
<b>Balance at 1 January 2015</b>		<b>48,802</b>	<b>33,943,120</b>	<b>19,084</b>	<b>11,105,107</b>	<b>11,999,507</b>	<b>7,461,906</b>	<b>19,461,413</b>	<b>7,000,000</b>	<b>194,313,666</b>	<b>265,891,192</b>
Dividend paid	30	-	-	-	-	-	-	-	-	(15,296,365)	(15,296,365)
Conversion of preference shares to ordinary shares		(753)	753	(295)	295	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	24,071,492	24,071,492
Other comprehensive income		-	-	-	-	-	1,263,818	1,263,818	-	-	1,263,818
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,263,818</b>	<b>1,263,818</b>	<b>-</b>	<b>24,071,492</b>	<b>25,335,310</b>
Transfer to retained earnings		-	-	-	-	(110,609)	-	(110,609)	-	110,609	-
<b>Balance at 30 June 2015</b>		<b>48,049</b>	<b>33,943,873</b>	<b>18,789</b>	<b>11,105,402</b>	<b>11,888,898</b>	<b>8,725,724</b>	<b>20,614,622</b>	<b>7,000,000</b>	<b>203,199,402</b>	<b>275,930,137</b>

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

		<b>The Bank</b>									
						Other reserves					
		Issued and paid-up share capital		Premium on share capital		Change in revaluation surplus	Gain on remeasuring available-for-sale investments	Total other reserves	Retained earnings		
		Preference shares	Ordinary shares	Preference shares	Ordinary shares				Legal reserve	Unappropriated	Total
Note											
<i>(in thousand Baht)</i>											
<b>Six month period ended 30 June 2014</b>											
	<b>Balance at 1 January 2014</b>	<b>51,817</b>	<b>33,940,105</b>	<b>20,263</b>	<b>11,103,928</b>	<b>12,246,265</b>	<b>6,226,038</b>	<b>18,472,303</b>	<b>7,000,000</b>	<b>162,573,415</b>	<b>233,161,831</b>
	Dividend paid	-	-	-	-	-	-	-	-	(12,746,971)	(12,746,971)
	Conversion of preference shares to ordinary shares	(727)	727	(284)	284	-	-	-	-	-	-
	Profit for the period	-	-	-	-	-	-	-	-	28,144,452	28,144,452
	Other comprehensive income	-	-	-	-	(826)	528,598	527,772	-	-	527,772
	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(826)</b>	<b>528,598</b>	<b>527,772</b>	<b>-</b>	<b>28,144,452</b>	<b>28,672,224</b>
	Transfer to retained earnings	-	-	-	-	(110,564)	-	(110,564)	-	110,564	-
	<b>Balance at 30 June 2014</b>	<b>51,090</b>	<b>33,940,832</b>	<b>19,979</b>	<b>11,104,212</b>	<b>12,134,875</b>	<b>6,754,636</b>	<b>18,889,511</b>	<b>7,000,000</b>	<b>178,081,460</b>	<b>249,087,084</b>

(Mr. Arthid Nanthawithaya)

CEO and Deputy Chairman of the Executive Committee

(Mr. Yol Phokasub)

President

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	<b>Consolidated</b>		<b>The Bank</b>	
	Six month period ended		Six month period ended	
	30 June		30 June	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit before tax	32,806,588	35,239,316	29,392,140	34,306,778
<i>Adjustments for</i>				
Depreciation and amortisation	1,383,375	1,391,251	1,295,782	1,290,911
Impairment loss on loans and debt securities	9,683,224	7,105,791	9,671,453	7,133,798
Reversal on impairment of properties for sale	(283,056)	(12,841)	(283,056)	(12,841)
Loss on impairment of premises and equipment	74,044	-	74,044	-
(Gain) loss on sales of premises and equipment	(25,167)	(1,556)	(20,102)	7,018
Net trading income	(4,756,002)	(3,927,985)	(4,111,140)	(3,988,834)
Net gain on investments	(539,099)	(2,296,266)	(186,949)	(3,145,528)
Share of loss of associates	50,829	21,533	-	-
	<u>38,394,736</u>	<u>37,519,243</u>	<u>35,832,172</u>	<u>35,591,302</u>
Net interest income	(41,345,564)	(39,797,069)	(37,734,687)	(36,674,238)
Dividend income	(769,515)	(615,629)	(3,254,418)	(3,735,701)
Proceeds from interest	60,940,966	61,340,525	57,327,508	58,210,503
Interest paid	(18,848,978)	(22,999,797)	(18,855,351)	(23,022,332)
Proceeds from dividend	744,697	602,380	3,233,236	3,718,050
Income tax paid	(7,032,397)	(6,288,316)	(5,307,410)	(4,787,952)
Income from operations before changes in operating assets and liabilities	<u>32,083,945</u>	<u>29,761,337</u>	<u>31,241,050</u>	<u>29,299,632</u>
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	2,708,892	(112,284,249)	3,496,974	(115,215,868)
Claims on securities	(17,974,994)	3,088,940	(17,974,994)	3,088,940
Derivative assets	(1,954,799)	17,805,859	(2,634,482)	17,656,675
Investment in securities for trading	4,125,281	5,062,300	4,167,837	5,425,335
Loans to customers	(49,872,770)	(10,694,460)	(48,843,540)	(10,726,355)
Properties for sale	4,563,839	4,994,222	4,561,354	4,991,323
Reinsurance receivables and assets	-	919,670	-	-
Other assets	(2,632,860)	5,193,919	(626,600)	10,011,380
<i>Increase (decrease) in operating liabilities</i>				
Deposits	9,986,819	(41,555,912)	10,325,365	(32,027,780)
Interbank and money market items	10,943,232	26,819,269	11,295,802	26,237,940
Liabilities payable on demand	5,706,282	1,817,066	5,705,034	1,841,049
Liabilities to deliver security	18,042,027	(2,666,822)	17,974,994	(3,088,940)
Derivative liabilities	8,471,195	(15,780,100)	8,441,426	(15,672,698)
Short-term debt issued and borrowings	(86,882)	(6,970,081)	(59,646)	552,869
Other liabilities	14,712,200	9,513,385	(5,330,200)	(1,302,820)
<b>Net cash from (used in) operating activities</b>	<u>38,821,407</u>	<u>(84,975,657)</u>	<u>21,740,374</u>	<u>(78,929,318)</u>

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	<b>Consolidated</b>		<b>The Bank</b>	
	Six month period ended		Six month period ended	
	30 June		30 June	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Cash flows from investing activities</b>				
Purchases of available-for-sale securities	(192,443,450)	(145,085,710)	(153,772,609)	(130,532,844)
Proceeds from sales of available-for-sale securities	162,161,484	188,031,374	137,616,932	190,198,271
Purchases of held-to-maturity securities	(17,086,587)	(25,936,072)	-	-
Proceeds from redemption of held-to-maturity securities	15,367,602	42,249,602	856,795	238,167
Purchases of general securities	(1,178)	-	(1,178)	-
Proceeds from sales of general securities	-	53,659	-	53,659
Purchases of investments in subsidiaries and/or associates	(262,462)	-	(3,610,360)	(317)
Proceeds from decrease in capital of subsidiary	-	-	202,601	-
Proceeds from sales of investments in subsidiaries and/or associates	-	3,744,239	-	3,744,239
Purchases of premises and equipment	(341,770)	(278,904)	(259,021)	(252,009)
Proceeds from sales of premises and equipment	80,534	79,798	55,038	65,386
Purchases of intangible assets	(244,548)	(216,713)	(187,421)	(181,882)
<b>Net cash (used in) from investing activities</b>	<b>(32,770,375)</b>	<b>62,641,273</b>	<b>(19,099,223)</b>	<b>63,332,670</b>
<b>Cash flows from financing activities</b>				
Acquisitions of non-controlling interests	(3,505,683)	-	-	-
Proceeds from long-term debt issued and borrowings	-	31,397,500	-	24,397,500
Dividend paid to equity holders of the Bank	(15,296,365)	(12,746,971)	(15,296,365)	(12,746,971)
Dividend paid to non-controlling interests	(15,341)	(129,148)	-	-
<b>Net cash (used in) from financing activities</b>	<b>(18,817,389)</b>	<b>18,521,381</b>	<b>(15,296,365)</b>	<b>11,650,529</b>
Foreign currency translation differences	26,672	(7,545)	-	-
<b>Net decrease in cash</b>	<b>(12,739,685)</b>	<b>(3,820,548)</b>	<b>(12,655,214)</b>	<b>(3,946,119)</b>
<b>Cash at 1 January</b>	<b>42,131,800</b>	<b>35,755,178</b>	<b>41,922,318</b>	<b>35,583,930</b>
<b>Cash at 30 June</b>	<b>29,392,115</b>	<b>31,934,630</b>	<b>29,267,104</b>	<b>31,637,811</b>
<b>Supplementary disclosures of cash flow information</b>				
Significant non-cash items were as follows:				
Gain on remeasuring available-for-sale investments	744,999	2,349,426	1,607,687	660,747
Foreign currency translation differences	26,672	(7,545)	-	-
Share of other comprehensive income (loss) of associates	12,046	(7,995)	-	-
Change in revaluation surplus	-	(1,032)	-	(1,032)
Properties for sale from loan payment	4,643,432	4,941,324	4,643,432	4,941,324

(Mr. Arthid Nanthawithaya)

CEO and Deputy Chairman of the Executive Committee

(Mr. Yol Phokasub)

President

The accompanying notes are an integral part of these financial statements.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

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**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from and are consistent with the Thai language statutory financial statements, and both the English and Thai language financial statements were approved and authorised for issue by the Board of Directors on 25 August 2015.

**1 General information**

The Siam Commercial Bank Public Company Limited, “the Bank”, is incorporated in Thailand and has its registered office at 9 Rutchadapisek Road, Jatujak, Bangkok.

The Bank was established by Royal Charter on 30 January 1906 and was listed on the Stock Exchange of Thailand on 6 February 1976.

The principal business of the Bank is the provision of financial products and services through its branch network in Thailand and other countries as well as its subsidiary in Cambodia and associate in Vietnam. The Bank also has a sizeable investment in its life insurance subsidiary. Details of the Bank’s subsidiaries as at 30 June 2015 and 31 December 2014 are given in note 13.

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2014) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The FAP has issued the new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in change in certain of the Bank and its subsidiaries’ accounting policies. The effects of this change where such effects are considered material to the financial statements, are disclosed in note 4.

**(b) Basis of measurement**

The interim financial statements have been prepared on the historical cost basis except for the material items as discuss in measurement of fair values.

**(c) Functional and presentation currency**

The interim financial statements are presented in Thai Baht, which is the Bank and its subsidiaries’ functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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*(d) Use of judgments and estimates*

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

*Assumptions and estimation uncertainties*

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 11	Derivatives
Note 14.9	Allowance for doubtful accounts

*Measurement of fair values*

A number of the Bank and its subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Details of the methods and assumptions over the measurement of fair values are provided in note 8.

**3 Significant event and transaction**

*Financial compensation payment to a customer*

In January 2015, the Bank was made aware of a complaint filed with the Royal Thai Police by a customer stating, among others, that funds had been embezzled from its bank accounts with the Bank amounting to about Baht 1.5 billion.

On 27 February 2015, the Bank entered into an agreement with the customer to provide financial compensation of up to Baht 1.5 billion for losses suffered by the customer. If the actual loss sustained by the customer amounts to less than Baht 1.5 billion, the compensation payment will be reduced accordingly. The amount of Baht 1.5 billion has been recorded as an expense in the period and an insurance claim has been made. Recoveries will be credited in the period in which they are made.

**4 Change in accounting policy**

*(a) Overview*

From 1 January 2015, consequent to the adoption of new TFRS as set out in note 2, the Bank and its subsidiaries have adopted the following new TFRS that has a material impact on the Bank and its subsidiaries' financial statements:

- TFRS 13 *Fair Value Measurement*

A description of the nature and effect of the change in accounting policy consequent to the adoption of these new TFRS is included in note 4(b) below.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

**(b) Fair value measurement**

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Bank and its subsidiaries have included additional disclosures in this regard (See note 8).

In accordance with the transitional provisions of TFRS 13, the Bank and its subsidiaries have applied the new fair value measurement guidance as follows:

- (1) Through retained earnings at 1 January 2015 for the effect of changes resulting from an assessment of the underlying credit risk when measuring the fair value of financial liabilities and financial assets recorded at fair value as at 31 December 2014;
- (2) Prospectively for the effects of all other changes;

Further details of the effect of the change are set out as below.

	<b>Effect of change in accounting policy</b>		
	<b>Consolidated</b>		
	As previously reported	Change <i>(in million Baht)</i>	As restated
At 1 January 2015			
<b>Retained earnings - Unappropriated</b>	<b>211,301</b>	<b>(391)</b>	<b>210,910</b>

	<b>Effect of change in accounting policy</b>		
	<b>The Bank</b>		
	As previously reported	Change <i>(in million Baht)</i>	As restated
At 1 January 2015			
<b>Retained earnings - Unappropriated</b>	<b>194,705</b>	<b>(391)</b>	<b>194,314</b>

**5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 4, which addresses change in accounting policy.

**5.1 Basis of consolidation**

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as “the Bank and its subsidiaries”) and the Bank and its subsidiaries’ interests in associates.

*Business combinations*

The Bank applies the acquisition method for all business combinations when control is transferred to the Bank other than those with entities under common control.

# **The Siam Commercial Bank Public Company Limited and its Subsidiaries**

## **Notes to the interim financial statements**

**For the six-month period ended 30 June 2015**

**For the three-month period ended 30 June 2015 (Unaudited)**

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Bank takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Bank to the previous owners of the acquiree, and equity interests issued by the Bank. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Bank measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Bank incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

### *Subsidiaries*

Subsidiaries are entities controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date on which control ceases.

### *Loss of control*

When the Bank loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *Interests in equity - accounted investees*

The Bank's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Bank has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity - accounted investees are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank's subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

The consolidated financial statements for the six-month periods ended 30 June 2015 and 2014 and for the year ended 31 December 2014 do not consolidate certain companies which are in the process of being dissolved and companies in which the Bank and/or a subsidiary has control as a result of debt restructuring and the Bank and/or the subsidiary intend to hold these investments only for a temporary period. The investment in the latter group of companies is classified as "general investments".

5.2 Cash

Cash includes cash in hand and cash on collection.

5.3 Investments

The Bank classifies its investments in securities as trading securities, available-for-sale securities, held-to-maturity securities, general investments and investment in subsidiaries and associates. The Bank presents these investments in the statement of financial position as either investments or investments in subsidiaries and associates.

Trading securities are those investments that management acquires with the intention of holding for a short period of time in order to take advantage of anticipated changes in the underlying market values. Trading securities are stated at fair value. Changes in fair value are recognised in profit or loss as net trading income. Interest income on trading securities is recognised using the accrual basis of accounting.

Debt securities and marketable equity securities that are not classified as trading securities, held-to-maturity securities, and investment in subsidiaries and associates are classified as available-for-sale securities and are stated at fair value, with the valuation surplus or deficit on investments presented as a component of total equity until realised upon disposition or sale of the underlying securities. Debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity securities. Held-to-maturity investments are stated at amortised cost, less impairment losses, if any. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable and are not subsidiaries and associates are classified as general investments and are stated at the historical cost, less impairment losses, if any.

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Investments in subsidiaries and associates in the Bank's financial statements are accounted for by the cost method less impairment losses, if any.

Investments in associates in the consolidated financial statements are accounted for by the equity method.

Investments in subsidiaries and associates acquired from troubled debt restructuring for which the Bank has received permission from the Bank of Thailand to hold the shares, and which are included in general investments and available-for-sale securities, are not required to be either accounted for by the equity method or to be consolidated.

Valuation allowances are established and recognised in profit or loss, when impairment in the value of investments has occurred.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Bank and its subsidiaries dispose of part of a holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

5.4 Loans

Overdrafts are stated at the principal amounts including interest. Certain overdrafts for which special notice has been served on the borrower and other loans are stated at the principal amount. Unearned discounts received in advance are presented as a deduction from the loans.

Hire purchase and financial lease receivables are stated at the outstanding balance, net of unearned interest income. Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the contracts.

5.5 Allowance for doubtful accounts

The allowance for doubtful accounts represents estimation of probable losses that may have occurred from loans and other lending business at the reporting date. The amount is in compliance with the minimum allowance for doubtful accounts required based on the BoT's guidelines. The guidelines require banks to categorise their loan portfolios into six categories. Each loan category is subject to different levels of provisioning based on percentages established by the BoT. The guidelines established the maximum collateral valuation limits for the purpose of calculating the allowance for doubtful accounts and also require that additional provisions for loans classified as doubtful loss be made in cases where the Bank had not undertaken debt restructuring or filed lawsuits against the debtors.

In addition, the BoT requires banks and finance companies to perform qualitative reviews of their loans as an ongoing process. The Bank and its subsidiaries, which are financial institutions, are required to periodically report the result of their compliance with these guidelines to the BoT.

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For corporate loans, the Bank considers a borrower's ability to repay the obligation on an individual case basis based on recent payment history and the estimated collateral value, if the expected source of repayment is from the liquidation of collateral. For SME and consumer loans, the Bank uses credit portfolio statistics to do the statistical analysis (Migration Analysis) for estimation of the deterioration in the portfolio and related allowance for loans under the doubtful category. For finance lease receivables, since 1 September 2012, the Bank has used the Collective Approach method which considers the historical loss experience of each loan cohort.

Allowances for doubtful accounts established during the period are recognised as bad debt and doubtful accounts expense in profit or loss. Bad debts recovery is presented net of bad debt and doubtful accounts expense in profit or loss.

Bad debt written off is recorded as a decrease in the allowance for doubtful accounts. Write offs are only made for loans which the Bank pursues the collection but has no prospect of further receipts. These procedures comply with BoT's notification and guidelines.

#### 5.6 Troubled debt restructuring

Troubled debt restructuring can involve any one of the following: modification of repayment terms, a reduction in the debt amount, asset disposition for debt settlement, asset transfer, and debt to equity swap.

As for modification of repayment terms, the Bank complies the Bank of Thailand's regulations, whereby the Bank is required to use the collateral method to calculate loss and/or the current value of expected future cash flow. Fair value is calculated based on the market interest rate on the troubled debt restructuring date. Losses from troubled debt restructuring are recognised in profit or loss on the date of restructuring.

A reduction in the debt amount, asset disposition for debt settlement, asset transfer, and debt to equity swap may result in a loss from lower principal and accrued interest receivables. The Bank recognises this directly in profit or loss.

For asset transfer and debt to equity swap, the Bank recognises the asset or transferred equity interests at fair value, less estimated selling expenses. However, the amount must not exceed the pending principal plus interest that the creditor is legally entitled to. Resultant gains or losses are recognised in profit or loss on the transfer date. This is in accordance with TAS 104 *Accounting for Troubled Debt Restructuring*.

Subsequent to the troubled debt restructuring, the Bank recalculates the fair value of restructured debt based on the aforementioned discount rates as of the date of the financial statements and makes an adjustment to the valuation of the restructured debt, if the fair value has changed, in accordance with the BoT's criteria. The adjustment in the valuation of restructured debt shall not cause the book value of restructured debt to exceed its investment value.

#### 5.7 Properties for sale

Properties for sale consist of immovable and movable properties which are carried at the lower of the carrying amount of the loan or fair value of the property as at the reporting date. Should the carrying value of a property for sale become impaired, an allowance for impairment will be recorded in accordance with TAS 36 (revised 2014) *Impairment of Assets*.

Gains or losses on sales of properties for sale are recognised as income or expense at the date of disposal.

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5.8 Premises and equipment

*Recognition and measurement*

*Owned assets*

Land is stated at the appraised value according to the market price method. Premises are stated at the appraised value according to the replacement cost method at the date of revaluation net of subsequent accumulated depreciation and impairment losses, if any.

Equipment and building improvement are stated at cost less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

*Revalued assets*

Revaluations are performed by independent professional appraisers with sufficient regularity according to guidelines prescribed by The BoT to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value on revaluation is recognised in other comprehensive income and presented in other reserves in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

*Subsequent costs*

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of premises and equipment are recognised in profit or loss as incurred.



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*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

Premises	15-50 years
Building improvement	10 years
Furniture, fixtures, office equipment, equipment and vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

5.9 Goodwill and other intangible assets

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 5.1. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 5.10. Negative goodwill is recognised immediately in profit or loss.

*Other intangible assets*

Other intangible assets which are software license that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Leasehold rights are stated as prepaid expenses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	5-10 years
Leasehold rights	1-30 years

Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

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5.10 Impairment

The carrying amounts of the Bank and its subsidiaries assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial asset is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial asset that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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5.11 Claims on security and liabilities to deliver security

The Bank records claims on security and liabilities to deliver security in the statement of financial position as assets and liabilities, respectively, according to the BoT's guidance.

These represent the Bank and its subsidiaries right to claim and liability to return collateral, respectively, in the form of securities for private repurchase or securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions.

Gains or losses arising from securities sold short are included in determining income. Fees for borrowing and lending are recognised on an accrual basis.

5.12 Employee benefits

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Bank and its subsidiaries' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Bank and its subsidiaries determine the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Bank and its subsidiaries' net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank and its subsidiaries have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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5.13 Provisions

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

5.14 Initial recognition

The Bank and its subsidiaries initially recognise the purchase and sale of investments on the settlement date. All other financial assets and liabilities, including loans to customers, deposits and debt issued and borrowings are initially recognised on the trade date at which the Bank and its subsidiaries become a party to the contractual provisions of the instrument.

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

*Preference shares*

Preference shares are classified as equity if they are non-redeemable, or redeemable only at the Bank's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Bank's shareholders.

5.15 Interest income and interest expense

The Bank recognises interest and discounts on loans as income on an accrual basis, except for interest on loans which are outstanding over 3 months at the date of the statement of financial position and interest from receivables under troubled debt restructuring agreements where the borrowers' ability to pay is uncertain. Such interest is recognised when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis. Interest on interbank and money market items and investments is recognised on an accrual basis.

Interest expense is recognised in profit or loss on an accrual basis.

Interest income on restructured loans of the Bank and its subsidiaries are recognised on the same accrual basis as used for loans mentioned above, except for loans that are subject to monitoring for compliance with restructuring conditions, where the Bank and its subsidiaries recognise interest income on a cash basis until the borrowers have been able to comply with the restructuring conditions for a period of no less than three months or three installments, whichever is longer.

Interest or discounts, which are already included in the face value of notes receivable or loans, are deferred and taken up as income evenly over the term of the notes or loans.

5.16 Income from finance lease contracts

The Bank recognises income from finance lease contracts based on the effective interest method.

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Reversal of income from finance lease accounts receivable which are outstanding over three months from the due date is made in order to comply with the guidelines of the BoT.

5.17 Dividend income

The Bank recognises dividend income in profit or loss on an accrual basis on the date which the Bank earns the rights to receive the dividend.

5.18 Net trading income

Net trading income is recognised in profit or loss on an accrual basis.

5.19 Contributions to the Deposit Protection Agency

Contributions to the Deposit Protection Agency are recorded as expenses on an accrual basis.

5.20 Income tax

Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that their accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank and its subsidiaries to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.21 Earnings per share

The Bank and its subsidiaries present basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank and its subsidiaries by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Since 10 May 2009, the conversion preference of the preference shares expired. Therefore, the preference shares' rights are equivalent to the ordinary shares. Basic earnings per share is calculated from net profit divided by the total number of ordinary shares and preference shares.

5.22 Segment reporting

Segment results that are reported to the Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.23 Foreign currencies

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Bank and its subsidiaries at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

*Foreign operations*

The asset and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

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The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until the investment derecognised, except to extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Bank disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Bank disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

#### 5.24 Derivatives

Recognition of derivatives is as follows:

- 1 Derivatives for trading are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.
- 2 Derivatives for hedging, Gains or losses resulting from the changes in fair values of contracts are recognised in accordance with the standard accounting treatment for income or expenses on hedged items as follows:
  1. Where hedged items are measured at fair value, hedging instruments are measured at fair value consistently.
  2. Where hedged items are measured on an accrual basis, hedging instruments are measured on an accrual basis consistently.

#### 5.25 Sales of bills of exchange

Sales, with recourse clause, of bills of exchange that carry no acceptances or aval of the financial institutions are recorded as liabilities under the caption of "Liabilities under commercial papers sold". The amount of loans recorded upon the purchase of the bills are credited when the bills are due and collected.

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5.26 Significant accounting policies of the life insurance subsidiary

5.26.1 Recognition of revenues

Premium income is recognised as revenue when premium is received and on the effective date of the insurance policies for the first year premium. For renewal insurance policies, premium income is recognised as revenue when premium is received. Premium due and uncollected is additionally recognised as revenue when the policy is still in force and in the process of collection.

5.26.2 Life insurance policy reserves

Life insurance policy reserves represent the accumulated total liability for the life insurance policies in force on the reporting date. Such reserves are established to meet the estimated future obligations of all the life insurance policies in force using generally accepted actuarial principles and methods.

The assumptions used in the calculation include mortality rate, discount interest rate and other terms that are established at the time the contract is issued.

*Unearned premium reserves*

Unearned premium reserves for group insurance and short-term riders are calculated on a pro-rata basis i.e. incorporating the outstanding duration of each policy.

5.26.3 Unpaid policy benefits

Unpaid policy benefits are recorded for the estimated cost of all claims notified but not settled at the reporting date, using the information available at the time. Unpaid policy benefits are also made for the cost of claims incurred but not reported as at the reporting date based on the subsidiary's experience and historical data. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statement of comprehensive income in later years.

**6 Acquisitions of non-controlling interests**

On 16 February 2015, the Bank acquired an additional 2,907,241 shares or 4.37% interest in SCB Life Assurance PCL for Baht 3,401 million, increasing its ownership from 94.66% to 99.03% of the issued and paid up share capital.

In May 2015, the Bank acquired an additional 90,776 shares or 0.14% interest in SCB Life Assurance PCL for Baht 104 million, increasing its ownership from 99.03% to 99.17% of the issued and paid up share capital.



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**7 Financial risk management**

*Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Bank and its subsidiaries' risk management framework. The Board has established at the Bank and, to the extent required, at its subsidiaries an Asset and Liability Committee (ALCO), Executive Committee, Audit Committee, Risk Management Committees, which are collectively responsible for developing, implementing and monitoring the Bank and its subsidiaries risk management policies in specified areas and reporting regularly to the Board of Directors on their activities.

The Bank and its subsidiaries' risk management policies are established to identify and analyse the risks faced by the Bank and its subsidiaries, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank and its subsidiaries, through implementing and monitoring appropriate policies, procedures and measures, aim to establish an effective and efficient internal control environment, in which all employees understand their roles and obligations.

The Bank's Audit Committee is responsible for monitoring compliance with the Bank and its subsidiaries' risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank and its subsidiaries. The Bank's Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

**7.1 Credit risk**

Credit risk refers to risk arising from the failure of either debtors to repay principal and interest as agreed, or of counterparties to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange, and other types of debts; and those off-financial reporting such as derivatives trading and letters of guarantee.

The Bank has established a credit function organisational structure based on a system of checks and balances. Business units are clearly separated from credit approval units. Credit approval authority at each level is assigned to match potential risk or loss levels. Credit risk management policies for critical credit risk have been developed and approved by the Board of Directors. For example:

- Credit policy guide
- Collateral and NPA appraisal policy
- Classification, Provision and Bad Debt Write-Off Policy and Practice
- Credit risk model governance policy
- Credit risk rating for non-retail exposures
- Counterparty risk management policy
- Country risk management policy

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Since credit risk varies by type of credit, different risk measurement methods are applied, ranging from basic statistical tools to more advanced ones, to appropriately reflect the credit risk of each type of product/transaction.

The Bank has credit risk reporting on a regular basis. The Bank and its subsidiaries credit risk report, including loan growth, debt quality, credit concentration, and investment diversification, is presented to the Risk Management Committee on a monthly basis.

7.2 Interest rate risk

Interest rate risk arises from the change in interest rates which will affect the net interest earnings in the current reporting period and in the future and/or economic value. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities, equity and off-financial reporting items.

The Bank uses various derivative transactions to manage its own asset and liability positions in order to manage interest rate exposure. The use of derivative transactions is in accordance with the policies and guidelines from the Board of Directors and is under the review and control of the Assets and Liabilities Committee (ALCO).

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**For the three-month period ended 30 June 2015 (Unaudited)**

As at 30 June 2015 and 31 December 2014, significant financial assets and liabilities can be repriced as follows:

	<b>Consolidated</b>							Total
	30 June 2015							
	Reprice on demand	3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	29,392	29,392
Interbank and money market items *	4,588	238,378	10,425	4,445	1,147	-	30,084	289,067
Investments, net	-	112,328	153,115	84,126	151,591	-	31,672	532,832
Loans to customers **	1,029,703	327,907	165,845	238,755	7,515	46,003	-	1,815,728
Accrued interest receivables	-	-	-	-	-	-	4,437	4,437
<b>Total financial assets</b>	<b>1,034,291</b>	<b>678,613</b>	<b>329,385</b>	<b>327,326</b>	<b>160,253</b>	<b>46,003</b>	<b>95,585</b>	<b>2,671,456</b>
<b>Financial liabilities</b>								
Deposits	1,052,396	335,976	442,092	13,416	-	-	61,450	1,905,330
Interbank and money market items	12,761	96,675	3,607	24,552	2,150	-	11,484	151,229
Debt issued and borrowings	-	97	32	75,442	40,064	-	-	115,635
Other liabilities	-	-	-	-	-	-	9,512	9,512
<b>Total financial liabilities</b>	<b>1,065,157</b>	<b>432,748</b>	<b>445,731</b>	<b>113,410</b>	<b>42,214</b>	<b>-</b>	<b>82,446</b>	<b>2,181,706</b>
<b>Difference</b>	<b>(30,866)</b>	<b>245,865</b>	<b>(116,346)</b>	<b>213,916</b>	<b>118,039</b>	<b>46,003</b>	<b>13,139</b>	<b>489,750</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Net of deferred revenue

	<b>Consolidated</b>							Total
	31 December 2014							
	Reprice on demand	3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	42,132	42,132
Interbank and money market items *	5,169	247,097	11,414	3,802	1,208	-	23,160	291,850
Investments, net	-	66,042	139,186	138,452	131,346	-	27,085	502,111
Loans to customers **	1,015,417	317,417	169,697	227,284	4,577	42,743	-	1,777,135
Accrued interest receivables	-	-	-	-	-	-	3,814	3,814
<b>Total financial assets</b>	<b>1,020,586</b>	<b>630,556</b>	<b>320,297</b>	<b>369,538</b>	<b>137,131</b>	<b>42,743</b>	<b>96,191</b>	<b>2,617,042</b>
<b>Financial liabilities</b>								
Deposits	1,008,618	291,357	429,708	112,053	-	-	53,607	1,895,343
Interbank and money market items	11,271	83,567	5,015	28,161	1,350	-	10,922	140,286
Debt issued and borrowings	-	105	5	73,789	40,018	-	-	113,917
Other liabilities	-	-	-	-	-	-	7,786	7,786
<b>Total financial liabilities</b>	<b>1,019,889</b>	<b>375,029</b>	<b>434,728</b>	<b>214,003</b>	<b>41,368</b>	<b>-</b>	<b>72,315</b>	<b>2,157,332</b>
<b>Difference</b>	<b>697</b>	<b>255,527</b>	<b>(114,431)</b>	<b>155,535</b>	<b>95,763</b>	<b>42,743</b>	<b>23,876</b>	<b>459,710</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Net of deferred revenue

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**For the three-month period ended 30 June 2015 (Unaudited)**

	<b>The Bank</b>							Total
	30 June 2015							
	Reprice on demand	3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	29,267	29,267
Interbank and money market items *	2,580	235,765	6,557	-	-	-	28,580	273,482
Investments, net	-	101,294	152,745	63,314	19,790	-	17,283	354,426
Loans to customers **	1,023,492	327,907	165,845	237,490	7,515	44,894	-	1,807,143
Accrued interest receivables	-	-	-	-	-	-	4,097	4,097
<b>Total financial assets</b>	<b>1,026,072</b>	<b>664,966</b>	<b>325,147</b>	<b>300,804</b>	<b>27,305</b>	<b>44,894</b>	<b>79,227</b>	<b>2,468,415</b>
<b>Financial liabilities</b>								
Deposits	1,048,548	335,683	442,089	13,416	-	-	60,978	1,900,714
Interbank and money market items	18,675	96,675	3,607	24,551	2,150	-	11,652	157,310
Debt issued and borrowings	-	1	32	76,133	40,064	-	-	116,230
Other liabilities	-	-	-	-	-	-	9,522	9,522
<b>Total financial liabilities</b>	<b>1,067,223</b>	<b>432,359</b>	<b>445,728</b>	<b>114,100</b>	<b>42,214</b>	<b>-</b>	<b>82,152</b>	<b>2,183,776</b>
<b>Difference</b>	<b>(41,151)</b>	<b>232,607</b>	<b>(120,581)</b>	<b>186,704</b>	<b>(14,909)</b>	<b>44,894</b>	<b>(2,925)</b>	<b>284,639</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Net of deferred revenue

	<b>The Bank</b>							Total
	31 December 2014							
	Reprice on demand	3 months	Reprice within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non Performing Loans	Non interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	41,922	41,922
Interbank and money market items *	2,788	245,007	7,574	-	-	-	21,673	277,042
Investments, net	-	55,884	138,280	119,609	10,776	-	15,541	340,090
Loans to customers **	1,010,167	317,417	169,697	226,095	4,577	41,626	-	1,769,579
Accrued interest receivables	-	-	-	-	-	-	3,544	3,544
<b>Total financial assets</b>	<b>1,012,955</b>	<b>618,308</b>	<b>315,551</b>	<b>345,704</b>	<b>15,353</b>	<b>41,626</b>	<b>82,680</b>	<b>2,432,177</b>
<b>Financial liabilities</b>								
Deposits	1,004,668	291,041	429,705	112,053	-	-	52,921	1,890,388
Interbank and money market items	16,930	83,567	5,015	28,160	1,350	-	10,992	146,014
Debt issued and borrowings	-	1	5	74,462	40,018	-	-	114,486
Other liabilities	-	-	-	-	-	-	7,786	7,786
<b>Total financial liabilities</b>	<b>1,021,598</b>	<b>374,609</b>	<b>434,725</b>	<b>214,675</b>	<b>41,368</b>	<b>-</b>	<b>71,699</b>	<b>2,158,674</b>
<b>Difference</b>	<b>(8,643)</b>	<b>243,699</b>	<b>(119,174)</b>	<b>131,029</b>	<b>(26,015)</b>	<b>41,626</b>	<b>10,981</b>	<b>273,503</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Net of deferred revenue

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As at 30 June 2015 and 31 December 2014, interest earning and interest bearing financial instruments were as follows:

	<b>Consolidated</b>					
	30 June 2015			31 December 2014		
	Average	Interest	Average interest rate	Average	Interest	Average interest rate
	<i>(in million Baht)</i>			<i>(in million Baht)</i>		
Interbank and money market items, net (Assets)	290,201	2,026	1.4	231,568	4,380	1.9
Investments, net	517,472	6,722	2.6	503,149	13,127	2.6
Loans to customers *	1,796,431	53,306	5.9	1,756,208	105,846	6.0
Deposits	1,900,337	18,386	1.9	1,859,127	37,334	2.0
Interbank and money market items (Liabilities)	145,757	646	0.9	129,706	1,605	1.2
Debt issued and borrowings	114,776	1,699	3.0	104,464	3,341	3.2

	<b>The Bank</b>					
	30 June 2015			31 December 2014		
	Average	Interest	Average interest rate	Average	Interest	Average interest rate
	<i>(in million Baht)</i>			<i>(in million Baht)</i>		
Interbank and money market items, net (Assets)	275,005	1,815	1.3	215,849	3,967	1.8
Investments, net	347,258	3,516	2.0	354,129	7,443	2.1
Loans to customers *	1,788,361	53,129	5.9	1,748,787	105,512	6.0
Deposits	1,895,551	18,405	1.9	1,855,558	37,418	2.0
Interbank and money market items (Liabilities)	151,662	651	0.9	135,003	1,615	1.2
Debt issued and borrowings	115,358	1,692	2.9	104,726	3,325	3.2

\* Net of deferred revenue

### 7.3 Foreign exchange risk

Foreign exchange risk is the risk that occurs from changes in exchange rate which may affect the value of the financial instruments or may cause volatility in the Bank's earnings or fluctuations in value of the financial assets and liabilities.

It is the Bank's policy to manage foreign exchange risk by setting risk limits on foreign exchange risk exposures. These limits are net open position limits, open position by currency, management action triggers, and value at risk which are monitored on a daily basis and in compliance with the Bank of Thailand's regulations on foreign exchange.

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**For the three-month period ended 30 June 2015 (Unaudited)**

As at 30 June 2015 and 31 December 2014, the Bank has financial assets and liabilities denominated in the various currencies as follows:

	THB	USD	Consolidated		Others	Total
			EURO	YEN		
			30 June 2015			
			<i>(in million Baht)</i>			
<b>Financial assets</b>						
Cash	28,788	269	80	58	197	29,392
Interbank and money market items *	260,255	26,536	438	373	1,465	289,067
Investments, net	517,772	13,921	78	362	699	532,832
Loans to customers **	1,685,945	115,548	2,154	288	11,793	1,815,728
Accrued interest receivables	3,767	663	5	-	2	4,437
<b>Total financial assets</b>	<b>2,496,527</b>	<b>156,937</b>	<b>2,755</b>	<b>1,081</b>	<b>14,156</b>	<b>2,671,456</b>
<b>Financial liabilities</b>						
Deposits	1,823,583	79,354	1,279	275	839	1,905,330
Interbank and money market items	137,207	13,811	210	1	-	151,229
Debt issued and borrowings	40,224	75,411	-	-	-	115,635
Other liabilities	8,810	701	-	-	1	9,512
<b>Total financial liabilities</b>	<b>2,009,824</b>	<b>169,277</b>	<b>1,489</b>	<b>276</b>	<b>840</b>	<b>2,181,706</b>
<b>On-financial reporting items, net</b>	<b>486,703</b>	<b>(12,340)</b>	<b>1,266</b>	<b>805</b>	<b>13,316</b>	<b>489,750</b>
<b>Off-financial reporting items - contingencies</b> <b>(currency swap contracts)</b>	<b>-</b>	<b>16,649</b>	<b>(1,783)</b>	<b>(620)</b>	<b>(12,251)</b>	<b>1,995</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Net of deferred revenue

	THB	USD	Consolidated		Others	Total
			EURO	YEN		
			31 December 2014			
			<i>(in million Baht)</i>			
<b>Financial assets</b>						
Cash	40,993	598	193	82	266	42,132
Interbank and money market items *	255,631	32,248	394	336	3,241	291,850
Investments, net	492,682	8,893	3	-	533	502,111
Loans to customers **	1,648,685	124,102	2,670	270	1,408	1,777,135
Accrued interest receivables	3,269	534	7	-	4	3,814
<b>Total financial assets</b>	<b>2,441,260</b>	<b>166,375</b>	<b>3,267</b>	<b>688</b>	<b>5,452</b>	<b>2,617,042</b>
<b>Financial liabilities</b>						
Deposits	1,816,309	76,525	1,135	428	946	1,895,343
Interbank and money market items	126,240	13,876	169	1	-	140,286
Debt issued and borrowings	40,292	73,625	-	-	-	113,917
Other liabilities	7,122	663	-	-	1	7,786
<b>Total financial liabilities</b>	<b>1,989,963</b>	<b>164,689</b>	<b>1,304</b>	<b>429</b>	<b>947</b>	<b>2,157,332</b>
<b>On-financial reporting items, net</b>	<b>451,297</b>	<b>1,686</b>	<b>1,963</b>	<b>259</b>	<b>4,505</b>	<b>459,710</b>
<b>Off-financial reporting items - contingencies</b> <b>(currency swap contracts)</b>	<b>-</b>	<b>(2,656)</b>	<b>(1,294)</b>	<b>484</b>	<b>(3,192)</b>	<b>(6,658)</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Net of deferred revenue

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	<b>The Bank</b>					Total
	30 June 2015					
	THB	USD	EURO	YEN	Others	
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Cash	28,743	193	80	58	193	29,267
Interbank and money market items *	249,728	21,515	438	373	1,428	273,482
Investments, net	353,900	3	3	-	520	354,426
Loans to customers **	1,679,080	113,828	2,154	288	11,793	1,807,143
Accrued interest receivables	3,432	658	5	-	2	4,097
<b>Total financial assets</b>	<b>2,314,883</b>	<b>136,197</b>	<b>2,680</b>	<b>719</b>	<b>13,936</b>	<b>2,468,415</b>
<b>Financial liabilities</b>						
Deposits	1,824,392	74,028	1,279	275	740	1,900,714
Interbank and money market items	143,194	13,905	210	1	-	157,310
Debt issued and borrowings	40,128	76,102	-	-	-	116,230
Other liabilities	8,820	701	-	-	1	9,522
<b>Total financial liabilities</b>	<b>2,016,534</b>	<b>164,736</b>	<b>1,489</b>	<b>276</b>	<b>741</b>	<b>2,183,776</b>
<b>On-financial reporting items, net</b>	<b>298,349</b>	<b>(28,539)</b>	<b>1,191</b>	<b>443</b>	<b>13,195</b>	<b>284,639</b>
<b>Off-financial reporting items - contingencies</b> (currency swap contracts)	<b>-</b>	<b>16,654</b>	<b>(1,783)</b>	<b>(620)</b>	<b>(12,251)</b>	<b>2,000</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Net of deferred revenue

	<b>The Bank</b>					Total
	31 December 2014					
	THB	USD	EURO	YEN	Others	
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Cash	40,919	464	193	82	264	41,922
Interbank and money market items *	246,249	26,827	394	336	3,236	277,042
Investments, net	339,553	1	3	-	533	340,090
Loans to customers **	1,642,713	122,518	2,670	270	1,408	1,769,579
Accrued interest receivables	3,003	530	7	-	4	3,544
<b>Total financial assets</b>	<b>2,272,437</b>	<b>150,340</b>	<b>3,267</b>	<b>688</b>	<b>5,445</b>	<b>2,432,177</b>
<b>Financial liabilities</b>						
Deposits	1,816,921	71,209	1,135	428	695	1,890,388
Interbank and money market items	131,948	13,896	169	1	-	146,014
Debt issued and borrowings	40,188	74,298	-	-	-	114,486
Other liabilities	7,123	662	-	-	1	7,786
<b>Total financial liabilities</b>	<b>1,996,180</b>	<b>160,065</b>	<b>1,304</b>	<b>429</b>	<b>696</b>	<b>2,158,674</b>
<b>On-financial reporting items, net</b>	<b>276,257</b>	<b>(9,725)</b>	<b>1,963</b>	<b>259</b>	<b>4,749</b>	<b>273,503</b>
<b>Off-financial reporting items - contingencies</b> (currency swap contracts)	<b>-</b>	<b>(3,092)</b>	<b>(1,294)</b>	<b>484</b>	<b>(3,192)</b>	<b>(7,094)</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Net of deferred revenue

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7.4 Equity risk

Equity risk is the risk arising from changes in the price of equities or common stock that may cause volatility in the Bank's earning or fluctuations in the value of the Bank's financial assets. The Bank and its subsidiaries have policies to manage the risk by maintaining long-term equity investments and investing in growth potential equities and/or those intended to support the business. The Bank has established the Policy that only companies within the Financial Group that are engaged in the financial business with specific supervisory bodies and those permitted to engage in portfolio management can engage in equity investment under relevant applicable regulations. The Bank has closely managed and monitored market situations to provide information for management to monitor the risk to the Bank. (Further details of equity investments are provided under notes 12 and 13).

7.5 Liquidity risk

Liquidity risk is the risk that the Bank may not be able to meet its obligations as they fall due, because of an inability to realise assets or to cover funding requirements at an appropriate price, thus resulting in losses to the Bank.

The Bank has set a standardised risk management framework for the SCB Financial Group companies which follow the Bank of Thailand's Consolidated Supervision framework. The Board of Directors has approved the SCB Financial Group Risk Management Policy which set the risk management policy, organisation structure, risk limits, risk measurement and liquidity risk monitoring practices and procedures.

The Bank has implemented a system to monitor liquidity management on a daily basis in both Baht and foreign currencies by applying a number of risk management tools, such as net daily liquidity position report in both the remaining time to maturity and with behavioral adjustments, individual foreign currency position report. In addition, the Bank also determines relevant risk limits to be adopted to measure, monitor and control liquidity risk to remain at an acceptable level, which is further reported to the senior management of the Bank on a daily basis.

The Bank also conducts stress test on regular basis to estimate impact under each stress scenario as required by the Bank of Thailand and using scenarios developed by the Bank. The stress test results may result in the development of contingency funding plan. The contingency funding plan establishes appropriate action plans based on specific scenarios and assigns clear roles and responsibility to manage liquidity in the event of a given crisis.

As at 30 June 2015, the liquidity ratio (liquid assets to total deposits) stood at 28.4% on a bank-only basis (*31 December 2014: 28.5%*).



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**For the three-month period ended 30 June 2015 (Unaudited)**

As at 30 June 2015 and 31 December 2014, financial assets and liabilities were classified according to their contractual maturity as follows:

	<b>Consolidated</b>						Total
	30 June 2015						
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	29,392	29,392
Interbank and money market items*	20,930	251,628	5,743	9,584	1,182	-	289,067
Investments, net	-	112,314	153,380	84,125	151,591	31,422	532,832
Loans to customers**	198,932	278,920	203,207	593,377	541,292	-	1,815,728
Accrued interest receivables	324	4,108	-	5	-	-	4,437
<b>Total financial assets</b>	<b>220,186</b>	<b>646,970</b>	<b>362,330</b>	<b>687,091</b>	<b>694,065</b>	<b>60,814</b>	<b>2,671,456</b>
<b>Financial liabilities</b>							
Deposits	1,105,262	334,299	447,636	18,133	-	-	1,905,330
Interbank and money market items	24,245	84,854	13,740	26,240	2,150	-	151,229
Debt issued and borrowings	-	97	32	75,442	40,064	-	115,635
Other liabilities	-	2,328	7,098	86	-	-	9,512
<b>Total financial liabilities</b>	<b>1,129,507</b>	<b>421,578</b>	<b>468,506</b>	<b>119,901</b>	<b>42,214</b>	<b>-</b>	<b>2,181,706</b>
<b>Net liquidity gap</b>	<b>(909,321)</b>	<b>225,392</b>	<b>(106,176)</b>	<b>567,190</b>	<b>651,851</b>	<b>60,814</b>	<b>489,750</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Including non-performing loans and net of deferred revenue

	<b>Consolidated</b>						Total
	31 December 2014						
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	42,132	42,132
Interbank and money market items *	19,681	250,307	6,649	13,991	1,222	-	291,850
Investments, net	-	66,142	139,186	138,452	131,346	26,985	502,111
Loans to customers**	210,713	276,897	189,362	587,368	512,795	-	1,777,135
Accrued interest receivables	255	3,559	-	-	-	-	3,814
<b>Total financial assets</b>	<b>230,649</b>	<b>596,905</b>	<b>335,197</b>	<b>739,811</b>	<b>645,363</b>	<b>69,117</b>	<b>2,617,042</b>
<b>Financial liabilities</b>							
Deposits	1,053,263	289,946	433,281	118,853	-	-	1,895,343
Interbank and money market items	22,194	73,677	5,015	38,050	1,350	-	140,286
Debt issued and borrowings	-	105	5	73,789	40,018	-	113,917
Other liabilities	-	1,316	6,018	452	-	-	7,786
<b>Total financial liabilities</b>	<b>1,075,457</b>	<b>365,044</b>	<b>444,319</b>	<b>231,144</b>	<b>41,368</b>	<b>-</b>	<b>2,157,332</b>
<b>Net liquidity gap</b>	<b>(844,808)</b>	<b>231,861</b>	<b>(109,122)</b>	<b>508,667</b>	<b>603,995</b>	<b>69,117</b>	<b>459,710</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Including non-performing loans and net of deferred revenue

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<b>The Bank</b>							
30 June 2015							
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	Total
<i>(in million Baht)</i>							
<b>Financial assets</b>							
Cash	-	-	-	-	-	29,267	29,267
Interbank and money market items *	18,017	248,945	1,520	5,000	-	-	273,482
Investments, net	-	101,030	153,009	63,314	19,790	17,283	354,426
Loans to customers**	192,663	278,920	203,092	591,176	541,292	-	1,807,143
Accrued interest receivables	-	4,097	-	-	-	-	4,097
<b>Total financial assets</b>	<b>210,680</b>	<b>632,992</b>	<b>357,621</b>	<b>659,490</b>	<b>561,082</b>	<b>46,550</b>	<b>2,468,415</b>
<b>Financial liabilities</b>							
Deposits	1,100,942	334,006	447,633	18,133	-	-	1,900,714
Interbank and money market items	30,327	84,853	13,740	26,240	2,150	-	157,310
Debt issued and borrowings	-	1	32	76,133	40,064	-	116,230
Other liabilities	-	2,328	7,108	86	-	-	9,522
<b>Total financial liabilities</b>	<b>1,131,269</b>	<b>421,188</b>	<b>468,513</b>	<b>120,592</b>	<b>42,214</b>	<b>-</b>	<b>2,183,776</b>
<b>Net liquidity gap</b>	<b>(920,589)</b>	<b>211,804</b>	<b>(110,892)</b>	<b>538,898</b>	<b>518,868</b>	<b>46,550</b>	<b>284,639</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 280 million

\*\* Including non-performing loans and net of deferred revenue

<b>The Bank</b>							
31 December 2014							
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	Total
<i>(in million Baht)</i>							
<b>Financial assets</b>							
Cash	-	-	-	-	-	41,922	41,922
Interbank and money market items *	16,424	248,145	2,473	10,000	-	-	277,042
Investments, net	-	55,884	138,280	119,609	10,776	15,541	340,090
Loans to customers**	205,405	276,897	189,281	585,201	512,795	-	1,769,579
Accrued interest receivables	-	3,544	-	-	-	-	3,544
<b>Total financial assets</b>	<b>221,829</b>	<b>584,470</b>	<b>330,034</b>	<b>714,810</b>	<b>523,571</b>	<b>57,463</b>	<b>2,432,177</b>
<b>Financial liabilities</b>							
Deposits	1,048,627	289,630	433,278	118,853	-	-	1,890,388
Interbank and money market items	27,922	73,677	5,015	38,050	1,350	-	146,014
Debt issued and borrowings	-	1	5	74,462	40,018	-	114,486
Other liabilities	-	1,316	6,018	452	-	-	7,786
<b>Total financial liabilities</b>	<b>1,076,549</b>	<b>364,624</b>	<b>444,316</b>	<b>231,817</b>	<b>41,368</b>	<b>-</b>	<b>2,158,674</b>
<b>Net liquidity gap</b>	<b>(854,720)</b>	<b>219,846</b>	<b>(114,282)</b>	<b>482,993</b>	<b>482,203</b>	<b>57,463</b>	<b>273,503</b>

\* Before deducting allowance for doubtful accounts amounting to Baht 235 million

\*\* Including non-performing loans and net of deferred revenue

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**Loans to deposits ratio**

As at 30 June 2015 and 31 December 2014, the loans to deposits ratios in the consolidated financial statements were as follows:

	30 June 2015	31 December 2014
Gross loans to deposits ratio (Consolidated financial statements)	95.3	93.8
Gross loans to deposits and B/E ratio (Consolidated financial statements)	95.3	93.8

**8 Fair value of assets and liabilities**

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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8.1 Financial instruments measured at fair value

The fair value of financial instruments carried at fair value in the consolidated and the Bank statement of financial position are as follows:

	<b>Consolidated</b>			<b>The Bank</b>		
	Fair value			Fair value		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in million Baht)</i>					
<b>30 June 2015</b>						
<b>Financial assets</b>						
Derivative assets	-	51,148	51,148	-	51,381	51,381
- Foreign exchange rate	-	30,252	30,252	-	30,487	30,487
- Interest rate	-	20,866	20,866	-	20,866	20,866
- Others	-	30	30	-	28	28
Trading securities	495	23,186	23,681	-	23,170	23,170
Available-for-sale securities	30,070	344,702	374,772	17,014	299,733	316,747
<b>Financial liabilities</b>						
Derivative liabilities	26	50,610	50,636	-	50,680	50,680
- Foreign exchange rate	-	32,697	32,697	-	32,787	32,787
- Interest rate	-	17,866	17,866	-	17,866	17,866
- Others	26	47	73	-	27	27
<b>31 December 2014</b>						
<b>Financial assets</b>						
Derivative assets	-	43,317	43,317	-	43,446	43,446
- Foreign exchange rate	-	23,971	23,971	-	24,102	24,102
- Interest rate	-	19,319	19,319	-	19,319	19,319
- Others	-	27	27	-	25	25
Trading securities	388	27,285	27,673	-	27,274	27,274
Available-for-sale securities	26,018	315,677	341,695	15,263	282,209	297,472
<b>Financial liabilities</b>						
Derivative liabilities	20	42,206	42,226	-	42,300	42,300
- Foreign exchange rate	-	25,115	25,115	-	25,209	25,209
- Interest rate	-	17,091	17,091	-	17,091	17,091
- Others	20	-	20	-	-	-

The Bank and its subsidiaries determine Level 2 fair values for debt securities using quoted market prices for identical or similar instruments in inactive markets or other inputs that are observable market data.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and its subsidiaries and counterparty when appropriate.

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8.2 Financial instruments not measured at fair value

The following table analyses financial instruments not measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	<b>Consolidated</b>			<b>The Bank</b>		
	Carrying value	Fair value		Carrying value	Fair value	
		Level 2	Level 3		Level 2	Level 3
	<i>(in million Baht)</i>					
<b>30 June 2015</b>						
<b>Financial assets</b>						
Interbank and money market items, net	288,787	288,787	-	273,202	273,202	-
Derivative assets	356	1,449	-	356	1,449	-
Held-to-maturity securities	133,824	143,726	-	14,239	15,455	-
General investments	555	-	555	270	-	270
Loans to customers and accrued interest receivables, net	1,758,149	1,758,149	-	1,749,978	1,749,978	-
<b>Financial liabilities</b>						
Deposits	1,905,330	1,905,351	-	1,900,714	1,900,735	-
Interbank and money market items	151,229	151,247	-	157,310	157,328	-
Liabilities payable on demand	13,106	13,106	-	13,104	13,104	-
Derivative liabilities	248	564	-	248	564	-
Debt issued and borrowings	115,635	115,635	-	116,230	116,230	-

	<b>Consolidated</b>			<b>The Bank</b>		
	Carrying value	Fair value		Carrying value	Fair value	
		Level 2	Level 3		Level 2	Level 3
	<i>(in million Baht)</i>					
<b>31 December 2014</b>						
<b>Financial assets</b>						
Interbank and money market items, net	291,615	291,615	-	276,807	276,807	-
Derivative assets	313	1,011	-	313	1,011	-
Held-to-maturity securities	132,467	145,198	-	15,075	17,876	-
General investments	276	-	276	269	-	269
Loans to customers and accrued interest receivables, net	1,721,935	1,721,935	-	1,714,871	1,714,871	-
<b>Financial liabilities</b>						
Deposits	1,895,343	1,895,531	-	1,890,388	1,890,576	-
Interbank and money market items	140,286	140,315	-	146,014	146,043	-
Liabilities payable on demand	7,400	7,400	-	7,399	7,399	-
Derivative liabilities	187	445	-	187	445	-
Debt issued and borrowings	113,917	113,917	-	114,486	114,486	-

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The following methods and assumptions are used by the Bank in estimating fair market values of financial instruments as disclosed herein:

Cash:	The carrying amounts approximate fair value.
Interbank and money market items (Assets):	Fair value calculated based on present value of estimated cash flows, using the current interest rate in the money market.
Derivatives:	The fair values of derivatives are obtained from quoted market prices in active markets. Fair values of derivatives in an illiquid market are obtained using an average price (quoted from several reliable sources), valuation technique and a benchmark price of instruments which have similar characteristics, as appropriate.
Investments:	<p>The following methodologies are used to determine the fair value of securities held by the Bank.</p> <ul style="list-style-type: none"> <li>- The fair value of government debt securities is estimated based on the Thai Bond Market Association's last average bid price. In situations where no auction prices are available, the fair value is estimated based on the last executed price. For government debt securities with no active market price, the fair value is estimated based on the yield curve of government debt securities plus a risk premium.</li> <li>- The bidding prices at The Stock Exchange of Thailand on the last business day of the period are used to estimate the fair value of listed private sector debt and equity securities. The fair value of non-listed private sector debt securities is estimated by applying the BoT valuation formula and the risk free yield curve plus the appropriate risk premium.</li> <li>- The fair value of unit trusts is estimated based on the net asset value at the reporting date.</li> <li>- The fair value of foreign debt and equity securities listed on foreign stock exchanges is estimated by using the bid prices at such exchanges as of the last business day of the period. The fair value of non-listed foreign debt and equity securities is determined based on values quoted by reliable international financial institutions.</li> </ul>
Loans to customers and accrued interest receivables:	<ul style="list-style-type: none"> <li>- For variable-rate loans that are repriced frequently and have no significant change in credit risk, fair values are based on carrying values.</li> <li>- Fair values of other loans are estimated using discounted cash flow analyses, using market interest rates or the fair value of collateral.</li> <li>- The carrying amount of accrued interest receivables approximates fair value.</li> </ul>

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- Deposits and interbank and money market items (Liabilities):
- The fair values disclosed for deposits which are payable on demand by the depositor, are equal to the carrying values of such deposits.
  - Fair values for fixed-deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposits.
  - The carrying amount of interbank and money market items approximates their fair value.
- Liabilities payable on demand: The carrying amount of liabilities payable on demand approximates fair value.
- Debt issued and borrowings:
- The carrying amounts of short-term borrowings maturing within 90 days approximate their fair values.
  - Fair values of other borrowings are estimated using discounted cash flow analyses based on the Bank's current borrowing rates for similar types of borrowing arrangements.

## **9 Maintenance of capital fund**

The Bank and its subsidiaries, which are financial institutions, are subject to various capital and regulatory requirements of the Bank of Thailand. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiaries must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's and its subsidiaries' assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory practices. The Bank's and its subsidiaries' capital amounts and classifications are also subject to qualitative judgments by the Bank of Thailand as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the Bank of Thailand.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 17 December 2012, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 30 June 2015 and 31 December 2014, the Consolidated Supervision group and the Bank's total capital funds can be categorised as follows:

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	<b>Basel III</b>	
	<b>Consolidated Supervision</b>	
	30 June 2015	31 December 2014
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net gain after appropriations	191,294	181,143
Disclosed reserves		
Other comprehensive income	19,355	18,014
Other owner changes items	(2,383)	-
Capital deduction items on CET1	<u>(7,330)</u>	<u>(7,354)</u>
Total Tier 1 capital	<u>253,052</u>	<u>243,919</u>
Tier 2 capital		
Subordinated debt	40,000	40,000
Allowance for classified assets of “normal” category	<u>17,970</u>	<u>17,835</u>
Total Tier 2 capital	<u>57,970</u>	<u>57,835</u>
<b>Total capital funds</b>	<b><u>311,022</u></b>	<b><u>301,754</u></b>
<b>Total risk weighted assets</b>	<b>1,834,805</b>	<b>1,776,687</b>
Total capital / Total risk weighted assets (minimum 8.50%)	17.0%	17.0%
Total Tier 1 capital / Total risk weighted assets (minimum 6.00%)	13.8%	13.7%
Total Tier 1 common equity / Total risk weighted assets (minimum 4.50%)	13.8%	13.7%
Total Tier 2 capital / Total risk weighted assets	3.2%	3.3%
Capital after deducting capital add-on arising from Single Lending Limit*	307,364	
Capital ratio after deducting capital add-on arising from Single Lending Limit*	16.8%	

\* Effective in January 2015

	<b>Basel III</b>	
	<b>The Bank</b>	
	30 June 2015	31 December 2014
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net gain after appropriations	179,408	172,983
Other comprehensive income	18,537	17,349
Capital deduction items on CET1	<u>(6,085)</u>	<u>(5,835)</u>
Total Tier 1 capital	<u>243,976</u>	<u>236,613</u>
Tier 2 capital		
Subordinated debt	40,000	40,000
Allowance for classified assets of “normal” category	<u>17,970</u>	<u>17,835</u>
Total Tier 2 capital	<u>57,970</u>	<u>57,835</u>
<b>Total capital funds</b>	<b><u>301,946</u></b>	<b><u>294,448</u></b>
<b>Total risk weighted assets</b>	<b>1,805,264</b>	<b>1,742,345</b>



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		<b>Basel III The Bank</b>	
		30 June 2015	31 December 2014
		<i>(in million Baht)</i>	
Total capital / Total risk weighted assets	(minimum 8.50%)	16.7%	16.9%
Total Tier 1 capital / Total risk weighted assets	(minimum 6.00%)	13.5%	13.6%
Total Tier 1 common equity / Total risk weighted assets	(minimum 4.50%)	13.5%	13.6%
Total Tier 2 capital / Total risk weighted assets		3.2%	3.3%
Capital after deducting capital add-on arising from Single Lending Limit*		299,162	
Capital ratio after deducting capital add-on arising from Single Lending Limit*		16.6%	

\* Effective in January 2015

Disclosures of capital maintenance information under the Notification of the Bank of Thailand number Sor Nor Sor 6/2553 dated 18 June 2010, Consolidated Supervision, the Notification of the Bank of Thailand number Sor Nor Sor 13/2555 dated 8 November 2012, Capital Components for Locally - Registered Commercial Banks, the Notification of the Bank of Thailand number Sor Nor Sor 19/2555 dated 17 December 2012, Consolidated Supervision (#2), the Notification of the Bank of Thailand number Sor Nor Sor 4/2556 dated 2 May 2013, the Public Disclosures of Capital Maintenance for Commercial Banks and the Notification of the Bank of Thailand number Sor Nor Sor 5/2556 dated 2 May 2013, the Public Disclosures of Capital Maintenance for Financial Group, were as follows:

Location of disclosure	The Bank's website under Investor Relations section at <a href="http://www.scb.co.th/en/about-scb/investor-relations/financial-information/pillar">http://www.scb.co.th/en/about-scb/investor-relations/financial-information/pillar</a>
Date of disclosure	Within 4 months after the period end date as indicated in the notification.
Information as of	31 December 2014

The disclosure for the period ended 30 June 2015 will be provided on or before 31 October 2015 on the Bank's website as noted above.

*Capital management*

The Bank and its subsidiaries policies are to maintain a strong capital base so as to provide a cushion against future uncertainties, engender market confidence in the Bank's robustness and to support business growth. Further, the impact of the level of capital on shareholders' returns is also considered together with the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security afforded by a sound capital position.

The Bank and its subsidiaries have complied with BoT imposed capital requirements throughout the period and, as noted in the table above, its capital level is well in excess of the minimum requirements.

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**10 Interbank and money market items, net (Assets)**

As at 30 June 2015 and 31 December 2014, interbank and money market items, net (Assets) were as follows:

	<b>Consolidated</b>					
	30 June 2015			31 December 2014		
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
<b>Domestic items:</b>						
Bank of Thailand and Financial Institutions Development Fund	11,803	200,850	212,653	8,851	209,600	218,451
Commercial banks	1,404	17,754	19,158	1,809	14,232	16,041
Specialised financial institutions*	-	12,000	12,000	-	10,000	10,000
Other financial institutions**	1,795	13,530	15,325	1,344	4,215	5,559
<b>Total</b>	<b>15,002</b>	<b>244,134</b>	<b>259,136</b>	<b>12,004</b>	<b>238,047</b>	<b>250,051</b>
Add accrued interest receivables	-	669	669	1	156	157
Less allowance for doubtful accounts	-	(153)	(153)	-	(141)	(141)
<b>Total domestic items</b>	<b>15,002</b>	<b>244,650</b>	<b>259,652</b>	<b>12,005</b>	<b>238,062</b>	<b>250,067</b>
<b>Foreign items:</b>						
US Dollar	3,483	23,044	26,527	4,835	26,051	30,886
Japanese YEN	373	-	373	336	-	336
Euro	384	54	438	394	-	394
Other currencies	1,688	227	1,915	2,111	7,908	10,019
<b>Total</b>	<b>5,928</b>	<b>23,325</b>	<b>29,253</b>	<b>7,676</b>	<b>33,959</b>	<b>41,635</b>
Add accrued interest receivables	-	9	9	-	7	7
Less allowance for doubtful accounts	-	(127)	(127)	-	(94)	(94)
<b>Total foreign items</b>	<b>5,928</b>	<b>23,207</b>	<b>29,135</b>	<b>7,676</b>	<b>33,872</b>	<b>41,548</b>
<b>Total domestic and foreign items</b>	<b>20,930</b>	<b>267,857</b>	<b>288,787</b>	<b>19,681</b>	<b>271,934</b>	<b>291,615</b>

\* Specialised financial institutions mean financial institutions which operate under specific development mandates such as the Small and Medium Enterprise Development Bank of Thailand, Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation but excluding the Small Business Credit Guarantee Corporation

\*\* Other financial institutions mean financial institutions which have a license to offer interest on loans under the Finance Institution Act and, excluding those itemised separately above, such as Finance companies, Securities companies, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited

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	<b>The Bank</b>					
	30 June 2015			31 December 2014		
	Demand	Time	Total	Demand	Time	Total
	<i>(in million Baht)</i>					
<b>Domestic items:</b>						
Bank of Thailand and Financial Institutions Development Fund	11,803	200,850	212,653	8,851	209,600	218,451
Commercial banks	581	8,646	9,227	1,118	11,233	12,351
Specialised financial institutions*	-	12,000	12,000	-	10,000	10,000
Other financial institutions**	1,795	13,530	15,325	1,344	4,215	5,559
<b>Total</b>	<b>14,179</b>	<b>235,026</b>	<b>249,205</b>	<b>11,313</b>	<b>235,048</b>	<b>246,361</b>
<i>Add</i> accrued interest receivables	-	73	73	-	137	137
<i>Less</i> allowance for doubtful accounts	-	(153)	(153)	-	(141)	(141)
<b>Total domestic items</b>	<b>14,179</b>	<b>234,946</b>	<b>249,125</b>	<b>11,313</b>	<b>235,044</b>	<b>246,357</b>
<b>Foreign items:</b>						
US Dollar	1,430	20,077	21,507	2,274	23,188	25,462
Japanese YEN	373	-	373	336	-	336
Euro	384	54	438	394	-	394
Other currencies	1,651	227	1,878	2,107	2,238	4,345
<b>Total</b>	<b>3,838</b>	<b>20,358</b>	<b>24,196</b>	<b>5,111</b>	<b>25,426</b>	<b>30,537</b>
<i>Add</i> accrued interest receivables	-	8	8	-	7	7
<i>Less</i> allowance for doubtful accounts	-	(127)	(127)	-	(94)	(94)
<b>Total foreign items</b>	<b>3,838</b>	<b>20,239</b>	<b>24,077</b>	<b>5,111</b>	<b>25,339</b>	<b>30,450</b>
<b>Total domestic and foreign items</b>	<b>18,017</b>	<b>255,185</b>	<b>273,202</b>	<b>16,424</b>	<b>260,383</b>	<b>276,807</b>

\* Specialised financial institutions mean financial institutions which operate under specific development mandates such as the Small and Medium Enterprise Development Bank of Thailand, Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation but excluding the Small Business Credit Guarantee Corporation

\*\* Other financial institutions mean financial institutions which have a license to offer interest on loans under the Finance Institution Act and, excluding those itemised separately above, such as Finance companies, Securities companies, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited

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**11 Derivatives**

Financial derivatives are financial instruments whose characteristics are derived from fair value of underlying assets, or from interest and exchange rates or indices. The following derivatives are used by the Bank:

- 1 Forward exchange contracts which are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.
- 2 Currency and interest rate swaps which are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies and may also involve the exchange of related interest payments.
- 3 Interest rate swaps which are agreements that involve the exchange of interest obligations for a specified period without exchanging the underlying or notional principal.
- 4 Equity derivatives which are agreements that determined values based on level of the underlying equity's price or price of equity group or Equity Index.
- 5 Credit derivatives which are agreements to buy or sell guarantees of credit risk related to the ability to repay underlying assets.
- 6 Commodity derivatives which are a purchase or a sale of an underlying product or the exchange of cash flow calculated from a reference volume of product multiplied by the agreed price within a period of time and conditions as agreed in the contract.

The Bank has implemented policies to manage the foreign exchange risk and interest rate risk arising from the volatility of foreign exchange rates and interest rates by using derivatives for serving the client's needs as well as the Bank's assets and liabilities management needs. The Bank controls the counterparty risks by setting-up the credit limits, and controls the market risk by setting-up limits for management action triggers, net open position, basis point value, value at risk and management stress triggers.

The total notional amount of the derivatives at the period end does not represent the risk exposure arising from derivative transactions. The risks arising from derivatives will depend on the changes in the price of each derivative type before maturity of the contract.

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As at 30 June 2015 and 31 December 2014, the notional amounts of derivatives were as follows:

	<b>Consolidated</b>			
	30 June 2015			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	897,869	15,796	18,584	932,249
Currency swap contracts	91,356	305,195	183,275	579,826
Interest rate swap contracts	383,457	1,134,479	337,043	1,854,979
Equity derivatives	672	-	-	672
Commodity derivatives	704	-	-	704

	<b>Consolidated</b>			
	31 December 2014			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	811,075	22,035	17,739	850,849
Currency swap contracts	87,427	271,805	180,684	539,916
Interest rate swap contracts	359,015	1,068,787	283,818	1,711,620
Equity derivatives	678	-	-	678

	<b>The Bank</b>			
	30 June 2015			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	897,911	15,796	18,584	932,291
Currency swap contracts	91,356	307,222	192,873	591,451
Interest rate swap contracts	383,457	1,134,479	337,043	1,854,979
Equity derivatives	470	-	-	470
Commodity derivatives	704	-	-	704

	<b>The Bank</b>			
	31 December 2014			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	811,185	22,035	17,739	850,959
Currency swap contracts	87,335	273,782	185,883	547,000
Interest rate swap contracts	359,015	1,068,787	283,818	1,711,620
Equity derivatives	470	-	-	470

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As at 30 June 2015 and 31 December 2014, carrying amount and notional amount classified by type of risk were as follows:

Type of risk	<b>Consolidated</b>					
	30 June 2015		Notional amount	31 December 2014		Notional amount
	Carrying amount			Carrying amount		
Assets	Liabilities	(in million Baht)	Assets	Liabilities		
Foreign exchange rate	30,335	32,891	1,512,075	24,003	25,253	1,390,765
Interest rate	21,139	17,920	1,854,979	19,600	17,140	1,711,620
Equity derivatives	2	46	672	27	20	678
Commodity derivatives	28	27	704	-	-	-
<b>Total</b>	<b>51,504</b>	<b>50,884</b>	<b>3,368,430</b>	<b>43,630</b>	<b>42,413</b>	<b>3,103,063</b>

Type of risk	<b>The Bank</b>					
	30 June 2015		Notional amount	31 December 2014		Notional amount
	Carrying amount			Carrying amount		
Assets	Liabilities	(in million Baht)	Assets	Liabilities		
Foreign exchange rate	30,570	32,981	1,523,742	24,134	25,347	1,397,959
Interest rate	21,139	17,920	1,854,979	19,600	17,140	1,711,620
Equity derivatives	-	-	470	25	-	470
Commodity derivatives	28	27	704	-	-	-
<b>Total</b>	<b>51,737</b>	<b>50,928</b>	<b>3,379,895</b>	<b>43,759</b>	<b>42,487</b>	<b>3,110,049</b>

The carrying amount of derivative assets and liabilities comprises trading book derivatives are measured at fair value and banking book derivatives are measured on an accrual basis in accordance with the accounting policy disclosed in note 5.24.

As at 30 June 2015 and 31 December 2014, the proportions, determined based on the notional amount of derivatives contracts divided by type of counterparty were as follows:

Counterparty	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
			(%)	
Financial institutions	75.47	76.08	75.19	75.88
Affiliated companies	-	-	0.37	0.26
Third parties	24.53	23.92	24.44	23.86

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**12 Investments, net**

12.1 Classification of investments in securities

As at 30 June 2015 and 31 December 2014, the investments in securities of the Bank and its subsidiaries were classified as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015 Fair value	31 December 2014 Fair value	30 June 2015 Fair value	31 December 2014 Fair value
	<i>(in million Baht)</i>			
<b>Trading securities</b>				
Government and state enterprise securities	21,882	25,981	21,866	25,970
Corporate debt securities	1,093	453	1,093	453
Foreign debt securities	211	851	211	851
Domestic equity securities	495	388	-	-
<b>Total</b>	<b>23,681</b>	<b>27,673</b>	<b>23,170</b>	<b>27,274</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015 Fair value	31 December 2014 Fair value	30 June 2015 Fair value	31 December 2014 Fair value
	<i>(in million Baht)</i>			
<b>Available-for-sale securities</b>				
Government and state enterprise securities	314,128	290,414	299,508	281,937
Corporate debt securities	18,376	17,130	-	-
Foreign debt securities	11,912	7,821	225	244
Domestic equity securities	24,995	23,321	13,886	12,282
Foreign equity securities	5,361	2,981	3,128	2,981
Other securities	-	28	-	28
<b>Total</b>	<b>374,772</b>	<b>341,695</b>	<b>316,747</b>	<b>297,472</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015 Cost / Amortised cost	31 December 2014 Cost / Amortised cost	30 June 2015 Cost / Amortised cost	31 December 2014 Cost / Amortised cost
	<i>(in million Baht)</i>			
<b>Held-to-maturity securities</b>				
Government and state enterprise securities	131,759	131,297	13,291	14,898
Corporate debt securities	36	36	683	676
Foreign debt securities	265	258	265	258
Other securities	1,800	1,800	-	-
<b>Total</b>	<b>133,860</b>	<b>133,391</b>	<b>14,239</b>	<b>15,832</b>
<i>Less allowance for impairment</i>	<i>(36)</i>	<i>(924)</i>	<i>-</i>	<i>(757)</i>
<b>Total</b>	<b>133,824</b>	<b>132,467</b>	<b>14,239</b>	<b>15,075</b>

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	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015 Cost	31 December 2014 Cost	30 June 2015 Cost	31 December 2014 Cost
	<i>(in million Baht)</i>			
<b>General investments</b>				
Domestic non-marketable equity securities	725	447	440	440
Foreign non-marketable equity securities	17	16	17	16
<b>Total</b>	<b>742</b>	<b>463</b>	<b>457</b>	<b>456</b>
<i>Less</i> allowance for impairment	(187)	(187)	(187)	(187)
<b>Total</b>	<b>555</b>	<b>276</b>	<b>270</b>	<b>269</b>
<b>Total investments, net</b>	<b>532,832</b>	<b>502,111</b>	<b>354,426</b>	<b>340,090</b>

12.2 Unrealised gains (losses) on available-for-sale securities and held-to-maturity securities

As at 30 June 2015 and 31 December 2014, unrealised gains (losses) on available-for-sale securities and held-to-maturity securities were as follows:

Type of securities	<b>Consolidated</b>							
	30 June 2015				31 December 2014			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value	Amortised cost	Unrealised gains	Unrealised losses	Fair value
	<i>(in million Baht)</i>							
Available-for-sale securities	362,598*	13,442	(1,268)	374,772	330,694*	11,851	(850)	341,695
Held-to-maturity securities	133,860	9,949	(83)	143,726	133,391	11,819	(12)	145,198
<b>Total</b>	<b>496,458</b>	<b>23,391</b>	<b>(1,351)</b>	<b>518,498</b>	<b>464,085</b>	<b>23,670</b>	<b>(862)</b>	<b>486,893</b>

  

Type of securities	<b>The Bank</b>							
	30 June 2015				31 December 2014			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value	Amortised cost	Unrealised gains	Unrealised losses	Fair value
	<i>(in million Baht)</i>							
Available-for-sale securities	306,666*	10,515	(434)	316,747	289,091*	8,720	(339)	297,472
Held-to-maturity securities	14,239	1,216	-	15,455	15,832	2,044	-	17,876
<b>Total</b>	<b>320,905</b>	<b>11,731</b>	<b>(434)</b>	<b>332,202</b>	<b>304,923</b>	<b>10,764</b>	<b>(339)</b>	<b>315,348</b>

\* Net of allowance for impairment



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12.3 Investments in companies with holding of 10% and upwards

As at 30 June 2015 and 31 December 2014, investments in mutual funds and financial services companies as well as other companies, other than subsidiaries and associate, of which the Bank and its subsidiaries hold 10% or more of the fund or the paid-up capital in each company, classified by industry, were as follows:

	Number of companies	Consolidated		The Bank	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(in million Baht)			
Mutual funds and financial services	2	-	28	-	28
Others	6 - 7	75	75	75	75
		<u>75</u>	<u>103</u>	<u>75</u>	<u>103</u>

12.4 Investments in companies with problems in their financial positions

As at 30 June 2015, the Bank and its subsidiaries held investments in a number of securities issued by companies with problems in their financial positions and operating results. The Bank and its subsidiaries have made a provision for diminution in the value of securities equal to the amount by which the aggregate cost exceeds the aggregate market value. The aggregate cost is Baht 95 million (31 December 2014: Baht 95 million).

**13 Investments in subsidiaries and associates, net**

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries had investments in associates, net of any impairment provisions, as follows:

	Type of business	Type of share	Direct and indirect shareholding		Consolidated Investment value			
			30 June 2015	31 December 2014	Cost method		Equity method	
					30 June 2015	31 December 2014	30 June 2015	31 December 2014
			(%)		(in million Baht)			
<b>Associates</b>								
<b>Finance</b>								
VinaSiam Bank*	Banking	Ordinary	33.0	33.0	697	697	572	612
<b>Service</b>								
Supernap (Thailand) Co., Ltd.	Data center	Ordinary	24.9	24.5	351	89	349	85
<b>Total investments in associates, net</b>					<u>1,048</u>	<u>786</u>	<u>921</u>	<u>697</u>

\* The Company will be dissolved in 2015.

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As at 30 June 2015 and 31 December 2014, the Bank had investments in subsidiaries and associates, net of impairment provisions, as follows:

			<b>The Bank</b>			
			Direct shareholding		Investment value Cost method	
			30	31	30	31
			June	December	June	December
			2015	2014	2015	2014
Type of business	Type of share		(%)		(in million Baht)	
<b>Subsidiaries</b>						
<b>Finance &amp; Insurance</b>						
Cambodian Commercial Bank Ltd.	Banking	Ordinary	100.0	100.0	964	964
Rutchayothin Assets Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	25	25
SCB Securities Co., Ltd.	Securities	Ordinary	100.0	100.0	2,107	2,107
SCB Asset Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	222	222
Siam Commercial Leasing PCL*	Collection	Ordinary	99.4	99.4	9,976	9,976
SCB Life Assurance PCL	Life insurance	Ordinary	99.2	94.7	12,538	9,033
<b>Services</b>						
SCB Training Centre Co., Ltd.	Training center	Ordinary	100.0	100.0	390	390
Siam Phitiwat Co., Ltd.	Appraisal services	Ordinary	100.0	100.0	10	10
SCB Plus Co., Ltd.	Collection	Ordinary	100.0	100.0	1	1
<b>Other</b>						
Sor. Or. Kor. PCL**	Commercial	Ordinary	99.7	99.7	582	785
<b>Indirect subsidiary</b>						
Mahisorn Co., Ltd.***	Property management	Ordinary	-	-	-	-
<b>Associates</b>						
<b>Finance</b>						
VinaSiam Bank*	Banking	Ordinary	33.0	33.0	697	697
<b>Service</b>						
Supernap (Thailand) Co., Ltd.	Data center	Ordinary	10.0	10.0	141	36
Total					27,653	24,246
Less allowance for impairment					(2,274)	(2,117)
<b>Total investments in subsidiaries and associates, net</b>					<b><u>25,379</u></b>	<b><u>22,129</u></b>

\* The Company will be dissolved in 2015.

\*\* The entire business was transferred to the Bank on 1 October 2012, was discontinued on 27 November 2012 and is being liquidated.

\*\*\* Subsidiary of SCB Plus

All subsidiaries and associates were registered and operate in Thailand except for the Cambodian Commercial Bank Ltd., which was registered and operates in Cambodia and VinaSiam Bank which was registered and operates in Vietnam.

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The summarised financial information of the associates was as follows:

	30 June 2015 (Unaudited)			31 December 2014 (Audited)		
	Total assets	Total liabilities	Equity <i>(in million Baht)</i>	Total assets	Total liabilities	Equity
Finance	2,877	1,143	1,734	4,078	2,224	1,854
Other	1,398	-	1,398	351	4	347
	<b>4,275</b>	<b>1,143</b>	<b>3,132</b>	<b>4,429</b>	<b>2,228</b>	<b>2,201</b>

	For the six-month period ended 30 June					
	2015 (Unaudited)			2014 (Unaudited)		
	Revenue	Expenses	Net loss <i>(in million Baht)</i>	Revenue	Expenses	Net loss
Finance	43	200	(157)	76	146	(70)
Other	1	10	(9)	-	-	-
	<b>44</b>	<b>210</b>	<b>(166)</b>	<b>76</b>	<b>146</b>	<b>(70)</b>

<i>Six-month period ended 30 June</i>	VinaSiam Bank		Supernap (Thailand) Co.,Ltd.	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			

Carrying amount of interests in associates

Group's share of:

- Profit from continuing operations	(52)	(22)	1	-
- Total comprehensive income	<b>(52)</b>	<b>(22)</b>	<b>1</b>	<b>-</b>

As at 30 June 2015 and 31 December 2014, the Bank and a subsidiary have equity securities in companies received as a result of troubled debt restructuring, which represent more than 20% of the paid-up capital of each company. The Bank did not record these securities as investments in subsidiaries and associates. These investments were in Siam Media and Communication Co., Ltd. and S.G. Star Properties Limited. Their financial statements have reported balances which do not have a material impact on the Bank's financial statements.

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**14 Loans to customers and accrued interest receivables, net**

14.1 Classified by product as at 30 June 2015 and 31 December 2014

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Overdrafts	118,997	117,313	118,542	116,919
Loans	1,209,265	1,158,725	1,202,207	1,152,643
Bills	277,516	286,184	277,516	286,184
Finance leases	188,934	188,418	188,934	188,418
Others	42,253	46,922	41,181	45,842
Less deferred revenue	(21,237)	(20,427)	(21,237)	(20,427)
Total loans to customers, net	1,815,728	1,777,135	1,807,143	1,769,579
Add accrued interest receivables	4,437	3,814	4,097	3,544
Total loans to customers and accrued interest receivables, net	1,820,165	1,780,949	1,811,240	1,773,123
Less allowance for doubtful accounts				
- allowance established per BoT regulations				
- Individual approach	(38,668)	(35,669)	(37,921)	(34,912)
- Collective approach	(5,661)	(5,420)	(5,661)	(5,420)
- allowance established in excess of BoT regulations	(17,626)	(17,925)	(17,619)	(17,920)
Less revaluation of allowance for debt restructuring	(61)	-	(61)	-
<b>Total</b>	<b>1,758,149</b>	<b>1,721,935</b>	<b>1,749,978</b>	<b>1,714,871</b>

14.2 Classified by currency and residential status of customers as at 30 June 2015 and 31 December 2014

	<b>Consolidated</b>					
	30 June 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,685,945	-	1,685,945	1,648,637	48	1,648,685
US Dollar	82,261	33,287	115,548	84,277	39,825	124,102
Other currencies	14,235	-	14,235	4,348	-	4,348
<b>Total</b>			<b>1,815,728</b>			<b>1,777,135</b>

	<b>The Bank</b>					
	30 June 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,679,080	-	1,679,080	1,642,665	48	1,642,713
US Dollar	82,261	31,567	113,828	84,277	38,241	122,518
Other currencies	14,235	-	14,235	4,348	-	4,348
<b>Total</b>			<b>1,807,143</b>			<b>1,769,579</b>

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14.3 Classified by business type and quality of loan classification as at 30 June 2015 and 31 December 2014

	Consolidated											
	30 June 2015					31 December 2014						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	16,253	250	85	24	28	16,640	17,775	242	216	29	22	18,284
Manufacturing and commercial	559,206	31,938	5,501	5,016	10,604	612,265	570,126	33,308	5,221	2,527	10,132	621,314
Real estate and construction	138,849	1,074	304	597	2,440	143,264	120,804	1,260	650	447	2,088	125,249
Utilities and services	233,813	1,856	1,313	1,078	1,234	239,294	215,559	1,868	1,950	448	1,306	221,131
Housing loans	459,072	11,019	4,780	3,430	1,871	480,172	442,250	11,054	4,526	3,145	2,084	463,059
Others	301,606	14,789	3,767	1,666	2,265	324,093	305,532	14,614	4,098	1,669	2,185	328,098
<b>Total *</b>	<b>1,708,799</b>	<b>60,926</b>	<b>15,750</b>	<b>11,811</b>	<b>18,442</b>	<b>1,815,728</b>	<b>1,672,046</b>	<b>62,346</b>	<b>16,661</b>	<b>8,265</b>	<b>17,817</b>	<b>1,777,135</b>

	The Bank											
	30 June 2015					31 December 2014						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	16,188	250	85	24	28	16,575	17,647	242	216	29	22	18,156
Manufacturing and commercial	558,093	31,938	5,501	5,016	10,604	611,152	569,209	33,308	5,221	2,527	10,132	620,397
Real estate and construction	138,849	1,074	304	597	1,389	142,213	120,800	1,260	650	447	1,029	124,186
Utilities and services	233,281	1,856	1,313	1,078	1,234	238,762	215,031	1,868	1,950	448	1,306	220,603
Housing loans	459,062	11,019	4,780	3,430	1,871	480,162	442,243	11,054	4,526	3,145	2,084	463,052
Others	295,850	14,789	3,767	1,666	2,207	318,279	300,677	14,614	4,098	1,669	2,127	323,185
<b>Total *</b>	<b>1,701,323</b>	<b>60,926</b>	<b>15,750</b>	<b>11,811</b>	<b>17,333</b>	<b>1,807,143</b>	<b>1,665,607</b>	<b>62,346</b>	<b>16,661</b>	<b>8,265</b>	<b>16,700</b>	<b>1,769,579</b>

\* Net of deferred revenue, excludes accrued interest receivables

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14.4 Finance leases

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries had finance leases as follows:

	<b>Consolidated and The Bank</b>							
	30 June 2015				31 December 2014			
	Amount due				Amount due			
	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years	Total
Total of gross investments in the lease	60,947	124,586	3,401	188,934	60,208	125,810	2,400	188,418
<i>Less</i> deferred revenue				<u>(21,022)</u>				<u>(20,326)</u>
Present value of the lease payments				167,912				168,092
Allowance for doubtful accounts				<u>(5,661)</u>				<u>(5,420)</u>
Finance leases, net				<u><b>162,251</b></u>				<u><b>162,672</b></u>

14.5 Loans to listed companies identified for delisting

	<b>Consolidated and The Bank</b>							
	30 June 2015				31 December 2014			
	Loans and accrued				Loans and accrued			
	No. of companies	interest receivables*	Collateral	Amount of provision	No. of companies	interest receivables*	Collateral	Amount of provision
Listed companies identified for delisting	4	2,606	1,952	480	3	3,005	1,952	788

\* Including loans to financial institutions but excluding other expenses

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14.6 Non-Performing Loans

As at 30 June 2015 and 31 December 2014, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful loss and loss under the BoT's guideline. The amounts were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	22,396	21,791	22,017	21,413
% of Non-Performing Loans to total loans (net)	1.1	1.1	1.1	1.1
Non-Performing Loans (gross)	46,003	42,743	44,894	41,626
% of Non-Performing Loans to total loans	2.2	2.1	2.2	2.1

As at 30 June 2015, Rutchayothin Assets Management Co., Ltd. which is a subsidiary of the Bank, had Non-Performing Loans of Baht 488 million (*31 December 2014: Baht 488 million*). However, the Non-Performing Loans based on principal of loan purchased from the group as at 30 June 2015 was Baht 1,050 million (*31 December 2014: Baht 1,059 million*).

14.7 Non-accrual loans

Non-accrual loans, gross, (including loans to financial institutions) as at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Loans where recognition of income has been suspended *	45,214	39,240	44,099	38,116
% of loans where recognition of income has been suspended	2.2	1.9	2.1	1.9

\* Non-accrual loans as announced by the Notification of the Bank of Thailand number Sor Nor Sor 21/2555

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14.8 Classified assets

The Bank and its subsidiaries had classified assets as at 30 June 2015 and 31 December 2014 as follows:

	<b>Consolidated</b>					
	30 June 2015					
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,712,473	256,857	-	-	13	1,969,343
Special Mention	61,647	-	-	-	3	61,650
Sub-Standard	15,786	-	-	-	2	15,788
Doubtful	11,811	-	-	-	6	11,817
Doubtful Loss	18,448	-	1,913	704	697	21,762
	<b><u>1,820,165</u></b>	<b><u>256,857</u></b>	<b><u>1,913</u></b>	<b><u>704</u></b>	<b><u>721</u></b>	<b><u>2,080,360</u></b>

	<b>Consolidated</b>					
	31 December 2014					
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,675,361	252,620	-	-	11	1,927,992
Special Mention	62,790	-	-	-	1	62,791
Sub-Standard	16,709	-	-	-	3	16,712
Doubtful	8,265	-	-	-	4	8,269
Doubtful Loss	17,824	-	2,397	997	631	21,849
	<b><u>1,780,949</u></b>	<b><u>252,620</u></b>	<b><u>2,397</u></b>	<b><u>997</u></b>	<b><u>650</u></b>	<b><u>2,037,613</u></b>

	<b>The Bank</b>					
	30 June 2015					
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,704,663	250,198	-	-	13	1,954,874
Special Mention	61,647	-	-	-	3	61,650
Sub-Standard	15,786	-	-	-	2	15,788
Doubtful	11,811	-	-	-	6	11,817
Doubtful Loss	17,333	-	3,263	700	697	21,993
	<b><u>1,811,240</u></b>	<b><u>250,198</u></b>	<b><u>3,263</u></b>	<b><u>700</u></b>	<b><u>721</u></b>	<b><u>2,066,122</u></b>

\* Net of deferred revenue



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**The Bank**  
31 December 2014

	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,668,659	246,951	-	-	11	1,915,621
Special Mention	62,790	-	-	-	1	62,791
Sub-Standard	16,709	-	-	-	3	16,712
Doubtful	8,265	-	-	-	4	8,269
Doubtful Loss	16,700	-	3,778	991	631	22,100
	<b>1,773,123</b>	<b>246,951</b>	<b>3,778</b>	<b>991</b>	<b>650</b>	<b>2,025,493</b>

\* Net of deferred revenue

14.9 Allowance for doubtful accounts

14.9.1 Loans classified by quality as at 30 June 2015 and 31 December 2014 (inclusive of accrued interest receivables)

	<b>Consolidated</b>						Total
	30 June 2015						
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
Loans and accrued interest receivables	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***		
	<i>(in million Baht)</i>			<i>(in million Baht)</i>			
Minimum allowance under BoT regulations							
- Normal	1,712,473	1,527,627*	1	15,219	154,449	2,364	17,583
- Special Mention	61,647	50,432*	2	1,009	10,152	1,964	2,973
- Sub-Standard	15,786	7,577**	100	7,577	971	399	7,976
- Doubtful	11,811	4,201**	100	4,201	705	280	4,481
- Doubtful Loss	18,448	10,662**	100	10,662	1,635	654	11,316
Total	<u>1,820,165</u>	<u>1,600,499</u>		<u>38,668</u>	<u>167,912</u>	<u>5,661</u>	<u>44,329</u>
Allowance established in excess of BoT regulations							<u>17,626</u>
<b>Total</b>							<b><u>61,955</u></b>

\* Net of cash and near cash collateral

\*\* Net of PV cashflow from loan receivables or selling collateral

\*\*\* Excluding revaluation allowance for troubled debt restructuring

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<b>Consolidated</b>							
31 December 2014							
	Individual approach (All loans except for finance leases)				Collective approach (Finance leases)		Total
	Loans and accrued interest receivables  <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***	
Minimum allowance under BoT regulations							
- Normal	1,675,361	1,490,991*	1	14,862	154,538	2,240	17,102
- Special Mention	62,790	52,337*	2	1,047	9,895	1,811	2,858
- Sub-Standard	16,709	7,199**	100	7,199	1,151	424	7,623
- Doubtful	8,265	2,812**	100	2,812	719	262	3,074
- Doubtful Loss	17,824	9,749**	100	9,749	1,789	683	10,432
<b>Total</b>	<b>1,780,949</b>	<b>1,563,088</b>		<b>35,669</b>	<b>168,092</b>	<b>5,420</b>	<b>41,089</b>
Allowance established in excess of BoT regulations							17,925
<b>Total</b>							<b>59,014</b>

<b>The Bank</b>							
30 June 2015							
	Individual approach (All loans except for finance leases)				Collective approach (Finance leases)		Total
	Loans and accrued interest receivables  <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***	
Minimum allowance under BoT regulations							
- Normal	1,704,663	1,520,151*	1	15,201	154,449	2,364	17,565
- Special Mention	61,647	50,432*	2	1,009	10,152	1,964	2,973
- Sub-Standard	15,786	7,577**	100	7,577	971	399	7,976
- Doubtful	11,811	4,201**	100	4,201	705	280	4,481
- Doubtful Loss	17,333	9,933**	100	9,933	1,635	654	10,587
<b>Total</b>	<b>1,811,240</b>	<b>1,592,294</b>		<b>37,921</b>	<b>167,912</b>	<b>5,661</b>	<b>43,582</b>
Allowance established in excess of BoT regulations							17,619
<b>Total</b>							<b>61,201</b>

\* Net of cash and near cash collateral

\*\* Net of PV cashflow from loan receivables or selling collateral

\*\*\* Excluding revaluation allowance for troubled debt restructuring

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<b>The Bank</b>							
31 December 2014							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			Total
	Loans and accrued interest receivables  <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***	
Minimum allowance under BoT regulations							
- Normal	1,668,659	1,484,553*	1	14,846	154,538	2,240	17,086
- Special Mention	62,790	52,337*	2	1,047	9,895	1,811	2,858
- Sub-Standard	16,709	7,199**	100	7,199	1,151	424	7,623
- Doubtful	8,265	2,812**	100	2,812	719	262	3,074
- Doubtful Loss	16,700	9,008**	100	9,008	1,789	683	9,691
<b>Total</b>	<b><u>1,773,123</u></b>	<b><u>1,555,909</u></b>		<b><u>34,912</u></b>	<b><u>168,092</u></b>	<b><u>5,420</u></b>	<b><u>40,332</u></b>
Allowance established in excess of BoT regulations							<u>17,920</u>
<b>Total</b>							<b><u>58,252</u></b>

\* Net of cash and near cash collateral

\*\* Net of PV cashflow from loan receivables or selling collateral

\*\*\* Excluding revaluation allowance for troubled debt restructuring

Following an assessment of the ultimate collectability of the Bank's consolidated loan portfolio, the management of the Bank and its subsidiaries believe that the allowance for doubtful accounts established was adequate as at 30 June 2015 and 31 December 2014 and in compliance with the BoT's guidelines. The aggregate allowance is based on both quantitative criteria noted above and qualitative criteria that reflects management judgment.

#### 14.9.2 Changes to the allowance for doubtful accounts

As at 30 June 2015 and 31 December 2014, the changes to the allowance for doubtful accounts were as follows:

<b>Consolidated</b>							
30 June 2015							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
As at 1 January 2015	17,102	2,858	7,623	3,074	10,432	17,925	59,014
Bad debt and doubtful accounts	481	115	353	1,407	7,558	(290)	9,624
Bad debts written off	-	-	-	-	(6,674)	-	(6,674)
Others	-	-	-	-	-	(9)	(9)
<b>As at 30 June 2015</b>	<b><u>17,583</u></b>	<b><u>2,973</u></b>	<b><u>7,976</u></b>	<b><u>4,481</u></b>	<b><u>11,316</u></b>	<b><u>17,626</u></b>	<b><u>61,955</u></b>

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<b>Consolidated</b>							
31 December 2014							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2014	16,311	1,833	5,872	2,232	12,686	21,008	59,942
Bad debt and doubtful accounts	791	1,025	1,751	842	13,980	(3,496)	14,893
Bad debts written off	-	-	-	-	(15,843)	-	(15,843)
Others	-	-	-	-	(391)	413	22
<b>As at 31 December 2014</b>	<b><u>17,102</u></b>	<b><u>2,858</u></b>	<b><u>7,623</u></b>	<b><u>3,074</u></b>	<b><u>10,432</u></b>	<b><u>17,925</u></b>	<b><u>59,014</u></b>

<b>The Bank</b>							
30 June 2015							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2015	17,086	2,858	7,623	3,074	9,691	17,920	58,252
Bad debt and doubtful accounts	479	115	353	1,407	7,570	(291)	9,633
Bad debts written off	-	-	-	-	(6,674)	-	(6,674)
Others	-	-	-	-	-	(10)	(10)
<b>As at 30 June 2015</b>	<b><u>17,565</u></b>	<b><u>2,973</u></b>	<b><u>7,976</u></b>	<b><u>4,481</u></b>	<b><u>10,587</u></b>	<b><u>17,619</u></b>	<b><u>61,201</u></b>

<b>The Bank</b>							
31 December 2014							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2014	16,295	1,833	5,871	2,231	11,369	21,005	58,604
Bad debt and doubtful accounts	791	1,025	1,752	843	13,996	(3,498)	14,909
Bad debts written off	-	-	-	-	(15,674)	-	(15,674)
Others	-	-	-	-	-	413	413
<b>As at 31 December 2014</b>	<b><u>17,086</u></b>	<b><u>2,858</u></b>	<b><u>7,623</u></b>	<b><u>3,074</u></b>	<b><u>9,691</u></b>	<b><u>17,920</u></b>	<b><u>58,252</u></b>

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**15 Troubled debt restructuring**

The financial statements for the six-month period ended 30 June 2015 and 2014, includes the following changes through various types of troubled debt restructuring:

Types of debt restructuring	No. of accounts		Consolidated and The Bank				Transferred assets		
			Outstanding debts		Fair value		Types	Fair value	
			Before debt restructuring	After debt restructuring	2015	2014			2015
	2015	2014	2015	2014	2015	2014			
	<i>(in million Baht)</i>						<i>(in million Baht)</i>		
Transfers of assets	-	2	-	16	-	16	Immovable properties	-	12
Debt restructuring in various forms	929	779	5,289	5,081	5,272	5,043	Immovable properties	9	-
Changes to repayment conditions	5,722	4,100	8,113	5,065	8,019	5,053			
<b>Total</b>	<b>6,651</b>	<b>4,881</b>	<b>13,402</b>	<b>10,162</b>	<b>13,291</b>	<b>10,112</b>			

As at 30 June 2015 and 2014, troubled debt restructuring compared with total loans including loans to financial institutions were as follows:

	Consolidated			
	2015		2014	
	No. of accounts	Outstanding debts	No. of accounts*	Outstanding debts*
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Balance of troubled debt restructured	6,651	13,402	4,881	10,162
Total loans including loans to financial institutions	1,835,184	2,077,021	1,013,809	1,991,358

	The Bank			
	2015		2014	
	No. of accounts	Outstanding debts	No. of accounts*	Outstanding debts*
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Balance of troubled debt restructured	6,651	13,402	4,881	10,162
Total loans including loans to financial institutions	1,729,447	2,061,438	936,708	1,978,602

The average term of troubled debt restructured as of 30 June 2015 is 11.5 years (*30 June 2014: 11.1 years*).

As at 30 June 2015 and 31 December 2014, the Bank and its subsidiaries had outstanding balances relating to restructured loans, including troubled debt, were as follows:

	Consolidated and The Bank			
	30 June 2015		31 December 2014	
	No. of accounts	Outstanding debts	No. of accounts*	Outstanding debts*
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Restructured loans which were classified as NPL	6,907	15,117	3,828	12,226
Restructured loans which were not classified as NPL	7,087	21,870	8,896	23,640
<b>Total</b>	<b>13,994</b>	<b>36,987</b>	<b>12,724</b>	<b>35,866</b>

\* The comparative data has been revised. Explanation provided in the paragraph below.

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In line with regulations, troubled debt restructured does not include loans that are rescheduled at regular market rates, typically the interest rate at the time a loan was booked. Rescheduled loans at regular market rates which were previously disclosed under restructured loans as at 31 December 2014 amounted to Baht 14,103 million comprising 4,945 accounts at both the consolidated and the Bank level. This amount has been excluded in the revised amounts presented above - revising both the aggregate restructured loans and the restructured loans which were not classified as NPL. As a result, the revised disclosure on restructured loans will facilitate better market comparisons.

Supplementary information relating to restructured loans for the six-month periods ended 30 June 2015 and 2014 were as follows:

	<b>Consolidated and The Bank</b>	
	2015	2014
	<i>(in million Baht)</i>	
Interest income recognised in the statement of comprehensive income	1,423	1,053
Loss on debt restructuring recognised in the statement of comprehensive income	14	22
Cash collected	6,132	3,219

**Revaluation allowance for debt restructuring**

As at 30 June 2015 and 31 December 2014, the changes to the revaluation allowance for debt restructuring was as follows:

	<b>Consolidated and The Bank</b>	
	30 June 2015	31 December 2014
	<i>(in million Baht)</i>	
Beginning balance	-	374
Increase (decrease) during the period/year	61	(374)
<b>Ending balance</b>	<b>61</b>	<b>-</b>

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**16 Disclosure of the statement of cash flows of the asset management company**

In accordance with the BoT's letter number Sor Nor Sor (01) Wor 3258/2543 dated 27 November 2000, relating to the regulations of the asset management company ("AMC"), the Bank is required to disclose the statements of cash flows of the AMC in the notes to the financial statements. The statements of cash flows of Rutchayothin Assets Management Co., Ltd. were as follows:

**Rutchayothin Assets Management Co., Ltd.**  
**Statement of cash flows**

	Six-month period ended 30 June	
	2015	2014
	<i>(in million Baht)</i>	
<b>Cash flows from operating activities</b>		
Profit before tax	276	7
<i>Adjustment for</i>		
Reversal of impairment loss on loans and debt securities	(34)	(12)
Net gain on investments	-	(4)
	242	(9)
Net interest expense	7	8
Profit (loss) from operations before changes in operating assets and liabilities	249	(1)
<i>(Increase) decrease in operating assets</i>		
Intercompany and money market items	(258)	(20)
Investments	9	9
<i>Increase in operating liabilities</i>		
Accrued expense	-	1
Net cash used in operating activities	-	(11)
<b>Cash flows from investing activities</b>		
Proceeds from sales of available-for-sale securities	-	11
Net cash from investing activities	-	11
Net increase in cash	-	-
Cash at 1 January	-	-
<b>Cash at 30 June</b>	-	-

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**17 Properties for sale, net**

As at 30 June 2015 and 31 December 2014, the changes to the properties for sale, net were as follows:

	Beginning balance	Consolidated 30 June 2015		Ending balance
		Additions	Disposals/ Decreases	
		<i>(in million Baht)</i>		
Foreclosed assets				
Immovable assets	9,724	935	(643)	10,016
Movable assets	694	3,399	(3,598)	495
Total	10,418	4,334	(4,241)	10,511
Others	298	310	(333)	275
Total properties for sale	10,716	4,644	(4,574)	10,786
Less allowance for impairment	(995)	-	292	(703)
<b>Total properties for sale, net</b>	<b>9,721</b>	<b>4,644</b>	<b>(4,282)</b>	<b>10,083</b>

	Beginning balance	Consolidated 31 December 2014		Ending balance
		Additions	Disposals/ Decreases	
		<i>(in million Baht)</i>		
Foreclosed assets				
Immovable assets	9,561	2,474	(2,311)	9,724
Movable assets	1,119	7,131	(7,556)	694
Total	10,680	9,605	(9,867)	10,418
Others	298	611	(611)	298
Total properties for sale	10,978	10,216	(10,478)	10,716
Less allowance for impairment	(1,328)	(40)	373	(995)
<b>Total properties for sale, net</b>	<b>9,650</b>	<b>10,176</b>	<b>(10,105)</b>	<b>9,721</b>

	Beginning balance	The Bank 30 June 2015		Ending balance
		Additions	Disposals/ Decreases	
		<i>(in million Baht)</i>		
Foreclosed assets				
Immovable assets	9,710	935	(639)	10,006
Movable assets	693	3,399	(3,598)	494
Total	10,403	4,334	(4,237)	10,500
Others	299	310	(333)	276
Total properties for sale	10,702	4,644	(4,570)	10,776
Less allowance for impairment	(991)	-	291	(700)
<b>Total properties for sale, net</b>	<b>9,711</b>	<b>4,644</b>	<b>(4,279)</b>	<b>10,076</b>



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	<b>The Bank</b>			Ending balance
	Beginning balance	31 December 2014		
		Additions	Disposals/ Decreases	
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets	9,545	2,474	(2,309)	9,710
Movable assets	1,111	7,131	(7,549)	693
Total	<u>10,656</u>	<u>9,605</u>	<u>(9,858)</u>	<u>10,403</u>
Others	299	611	(611)	299
Total properties for sale	<u>10,955</u>	<u>10,216</u>	<u>(10,469)</u>	<u>10,702</u>
Less allowance for impairment	<u>(1,319)</u>	<u>(40)</u>	<u>368</u>	<u>(991)</u>
<b>Total properties for sale, net</b>	<b><u>9,636</u></b>	<b><u>10,176</u></b>	<b><u>(10,101)</u></b>	<b><u>9,711</u></b>

The losses on sales of properties for sale recognised in the consolidated statement of comprehensive income for the six-month periods ended 30 June 2015 and 2014 were Baht 681 million and Baht 647 million respectively, and for the Bank's statement of comprehensive income were Baht 681 million and Baht 589 million, respectively.

Immovable assets for sale classified by internal appraisers as at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Foreclosed assets				
Immovable assets				
Appraised by internal appraisers	10,016	9,724	10,006	9,710
<b>Total</b>	<b><u>10,016</u></b>	<b><u>9,724</u></b>	<b><u>10,006</u></b>	<b><u>9,710</u></b>

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**18 Premises and equipment, net**

As at 30 June 2015 and 31 December 2014, the changes to the premises and equipment, net were as follows:

	<b>Consolidated</b>									
	30 June 2015									
	Beginning balance	Cost Additions/ Transfer in	Disposals/ Transfer out	Ending balance	Beginning balance	Accumulated depreciation		Ending balance	Allowance for impairment	Net balance
						Depreciation	Disposals			
	<i>(in million Baht)</i>									
Land										
Cost	5,855	10	(8)	5,857	-	-	-	-	(352)	5,505
Appraisal *	8,050	-	-	8,050	-	-	-	-	-	8,050
Premises										
Cost	14,610	139	(58)	14,691	(7,156)	(187)	50	(7,293)	(137)	7,261
Appraisal *	8,790	-	-	8,790	(1,207)	(141)	-	(1,348)	(18)	7,424
Equipment	21,431	541	(314)	21,658	(16,528)	(770)	276	(17,022)	(74)	4,562
Others	438	336	(680)	94	-	-	-	-	-	94
<b>Total</b>	<b>59,174</b>	<b>1,026</b>	<b>(1,060)</b>	<b>59,140</b>	<b>(24,891)</b>	<b>(1,098)</b>	<b>326</b>	<b>(25,663)</b>	<b>(581)</b>	<b>32,896</b>

\* Appraisal values are based on valuations completed in 2010 for the Bank and 2013 for its subsidiary

Depreciation presented in the consolidated profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 1,098 million and Baht 1,112 million, respectively.

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	Cost					Consolidated 31 December 2014						
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	Transfer out from disposal of subsidiary	Ending balance	Beginning balance	Depreciation	Disposals	Transfer out from disposal of subsidiary	Ending balance	Allowance for impairment	Net balance
Land												
Cost	6,239	-	(5)	(379)	5,855	-	-	-	-	-	(352)	5,503
Appraisal *	8,113	-	(26)	(37)	8,050	-	-	-	-	-	-	8,050
Premises												
Cost	14,854	159	(231)	(172)	14,610	(7,182)	(384)	178	232	(7,156)	(155)	7,299
Appraisal *	8,872	-	(3)	(79)	8,790	(949)	(285)	5	22	(1,207)	-	7,583
Equipment	21,573	1,056	(921)	(277)	21,431	(16,016)	(1,553)	814	227	(16,528)	-	4,903
Others	378	1,195	(1,135)	-	438	-	-	-	-	-	-	438
<b>Total</b>	<b>60,029</b>	<b>2,410</b>	<b>(2,321)</b>	<b>(944)</b>	<b>59,174</b>	<b>(24,147)</b>	<b>(2,222)</b>	<b>997</b>	<b>481</b>	<b>(24,891)</b>	<b>(507)</b>	<b>33,776</b>

\* Appraisal values are based on valuations completed in 2010 for the Bank and 2013 for its subsidiary

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 30 June 2015 amounted to Baht 16,452 million (31 December 2014: Baht 15,962 million).

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	<b>The Bank</b>									
	30 June 2015									
	Beginning balance	Cost		Ending balance	Beginning balance	Accumulated depreciation		Ending balance	Allowance for impairment	Net balance
	Additions/ Transfer in	Disposals/ Transfer out			Depreciation	Disposals				
	<i>(in million Baht)</i>									
Land										
Cost	5,665	-	-	5,665	-	-	-	-	(351)	5,314
Appraisal *	7,478	-	-	7,478	-	-	-	-	-	7,478
Premises										
Cost	14,146	86	(49)	14,183	(6,817)	(171)	46	(6,942)	(137)	7,104
Appraisal *	8,711	-	-	8,711	(1,189)	(138)	-	(1,327)	-	7,384
Equipment	20,390	518	(272)	20,636	(15,730)	(737)	241	(16,226)	(74)	4,336
Others	443	336	(680)	99	-	-	-	-	-	99
<b>Total</b>	<b>56,833</b>	<b>940</b>	<b>(1,001)</b>	<b>56,772</b>	<b>(23,736)</b>	<b>(1,046)</b>	<b>287</b>	<b>(24,495)</b>	<b>(562)</b>	<b>31,715</b>

\* Appraisal values are based on valuations completed in 2010

Depreciation presented in the Bank's profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 1,046 million and Baht 1,047 million, respectively.

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<b>The Bank</b>										
31 December 2014										
	Cost				Accumulated depreciation				Allowance	Net
	Beginning	Additions/	Disposals/	Ending	Beginning	Depreciation	Disposals	Ending	for	balance
	balance	Transfer in	Transfer out	balance	balance			balance	impairment	
	<i>(in million Baht)</i>									
Land										
Cost	5,670	-	(5)	5,665	-	-	-	-	(351)	5,314
Appraisal *	7,504	-	(26)	7,478	-	-	-	-	-	7,478
Premises										
Cost	14,204	157	(215)	14,146	(6,605)	(374)	162	(6,817)	(137)	7,192
Appraisal *	8,714	-	(3)	8,711	(911)	(278)	-	(1,189)	-	7,522
Equipment	20,110	1,013	(733)	20,390	(14,902)	(1,455)	627	(15,730)	-	4,660
Others	378	1,186	(1,121)	443	-	-	-	-	-	443
<b>Total</b>	<b>56,580</b>	<b>2,356</b>	<b>(2,103)</b>	<b>56,833</b>	<b>(22,418)</b>	<b>(2,107)</b>	<b>789</b>	<b>(23,736)</b>	<b>(488)</b>	<b>32,609</b>

\* Appraisal values are based on valuations completed in 2010

The gross amount of the Bank's fully depreciated premises and equipment that were still in use as at 30 June 2015 amounted to Baht 15,731 million (31 December 2014: Baht 15,243 million).

The fair value of land and premises was determined by external independent property valuers with appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value of land and premises was determined by the independent valuers using the market approach for land and the depreciated replacement cost approach for premises, all of which are categorised as Level 3 in the fair value hierarchy.

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**19 Goodwill and other intangible assets, net**

As at 30 June 2015 and 31 December 2014, the changes to the goodwill and other intangible assets, net were as follows:

	<b>Consolidated</b> 30 June 2015				Accumulated amortisation				Net balance
	Cost				Amortisations				
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	Ending balance	Beginning balance <i>(in million Baht)</i>	Amortisations	Disposals	Ending balance	
Goodwill	9,669	-	-	9,669	-	-	-	-	9,669
Software licenses	5,924	262	(28)	6,158	(4,217)	(257)	7	(4,467)	1,691
Others	35	-	-	35	(5)	-	-	(5)	30
<b>Total</b>	<b>15,628</b>	<b>262</b>	<b>(28)</b>	<b>15,862</b>	<b>(4,222)</b>	<b>(257)</b>	<b>7</b>	<b>(4,472)</b>	<b>11,390</b>

Amortisation presented in the consolidated profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 257 million and Baht 254 million, respectively.

	<b>Consolidated</b> 31 December 2014					Accumulated amortisation					Net balance
	Cost					Amortisations					
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	Transfer out from subsidiary	Ending balance	Beginning balance <i>(in million Baht)</i>	Amortisations	Disposals	Transfer out from subsidiary	Ending balance	
Goodwill	9,669	804	-	(804)	9,669	-	-	-	-	-	9,669
Software licenses	5,499	486	(23)	(38)	5,924	(3,745)	(512)	17	23	(4,217)	1,707
Others	35	-	-	-	35	(4)	(1)	-	-	(5)	30
<b>Total</b>	<b>15,203</b>	<b>1,290</b>	<b>(23)</b>	<b>(842)</b>	<b>15,628</b>	<b>(3,749)</b>	<b>(513)</b>	<b>17</b>	<b>23</b>	<b>(4,222)</b>	<b>11,406</b>

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 30 June 2015 amounted to Baht 2,732 million (31 December 2014: Baht 2,248 million).

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	Beginning balance	Cost Additions/ Transfer in	Ending balance	The Bank 30 June 2015 Accumulated amortisation		Ending balance	Net balance
				Beginning balance <i>(in million Baht)</i>	Amortisations		
Goodwill	804	-	804	-	-	-	804
Software licenses	5,144	187	5,331	(3,817)	(224)	(4,041)	1,290
<b>Total</b>	<b>5,948</b>	<b>187</b>	<b>6,135</b>	<b>(3,817)</b>	<b>(224)</b>	<b>(4,041)</b>	<b>2,094</b>

Amortisation presented in the Bank's profit or loss for the six-month periods ended 30 June 2015 and 2014 amounted to Baht 224 million and Baht 223 million, respectively.

	Beginning balance	Cost Additions/ Transfer in	Ending balance	The Bank 31 December 2014 Accumulated amortisation		Ending balance	Net balance
				Beginning balance <i>(in million Baht)</i>	Amortisations		
Goodwill	-	804	804	-	-	-	804
Software licenses	4,783	361	5,144	(3,368)	(449)	(3,817)	1,327
<b>Total</b>	<b>4,783</b>	<b>1,165</b>	<b>5,948</b>	<b>(3,368)</b>	<b>(449)</b>	<b>(3,817)</b>	<b>2,131</b>

The gross amount of the Bank's fully amortised intangible assets that were still in use as at 30 June 2015 amounted to Baht 2,620 million (*31 December 2014: Baht 2,140 million*).

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**20 Assets pending transfer**

As at 30 June 2015 and 31 December 2014, assets pending transfer were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Sundry receivables	2,948	2,228	2,969	2,228
Pending for E-Banking receivables	809	831	809	831
Prepayment of option premium	322	695	322	695
Others	239	350	239	350
<b>Total</b>	<b><u>4,318</u></b>	<b><u>4,104</u></b>	<b><u>4,339</u></b>	<b><u>4,104</u></b>

**21 Other assets, net**

As at 30 June 2015 and 31 December 2014, other assets, net were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Collateral per Credit Support Annex	15,994	13,062	15,994	13,062
Prepaid expenses	4,836	4,936	4,741	4,875
Securities business receivables and receivables from clearing house	3,242	1,962	-	-
Accrued interest on investment and interest rate product	2,391	2,845	1,145	1,615
Net inter-account balance	1,388	1,655	1,377	1,655
Accrued service income	688	1,007	1,832	2,280
Receivable from sales of NPL	637	2,443	637	2,443
Others	5,359	4,492	2,761	2,628
<b>Total</b>	<b><u>34,535</u></b>	<b><u>32,402</u></b>	<b><u>28,487</u></b>	<b><u>28,558</u></b>



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**22 Deposits**

22.1 Classified by product as at 30 June 2015 and 31 December 2014:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Demand	61,544	53,853	60,978	52,921
Savings	1,043,718	999,410	1,039,964	995,706
Fixed				
- Less than 6 months	209,551	139,313	209,258	139,003
- 6 months and less than 1 year	183,057	269,061	183,054	269,052
- Over 1 year	407,460	433,706	407,460	433,706
<b>Total</b>	<b><u>1,905,330</u></b>	<b><u>1,895,343</u></b>	<b><u>1,900,714</u></b>	<b><u>1,890,388</u></b>

22.2 Classified by currency and residence of customer as at 30 June 2015 and 31 December 2014

	<b>Consolidated</b>					
	30 June 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,822,845	738	1,823,583	1,815,897	412	1,816,309
US Dollar	70,675	8,679	79,354	67,078	9,447	76,525
Other currencies	1,677	716	2,393	1,603	906	2,509
<b>Total</b>	<b><u>1,895,197</u></b>	<b><u>10,133</u></b>	<b><u>1,905,330</u></b>	<b><u>1,884,578</u></b>	<b><u>10,765</u></b>	<b><u>1,895,343</u></b>

  

	<b>The Bank</b>					
	30 June 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,823,684	708	1,824,392	1,816,542	379	1,816,921
US Dollar	70,675	3,353	74,028	67,078	4,131	71,209
Other currencies	1,677	617	2,294	1,603	655	2,258
<b>Total</b>	<b><u>1,896,036</u></b>	<b><u>4,678</u></b>	<b><u>1,900,714</u></b>	<b><u>1,885,223</u></b>	<b><u>5,165</u></b>	<b><u>1,890,388</u></b>

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**23 Interbank and money market items (Liabilities)**

As at 30 June 2015 and 31 December 2014, interbank and money market items (Liabilities) were as follows:

	30 June 2015		Consolidated		31 December 2014	
	Demand	Time	Total	Demand	Time	Total
<i>(in million Baht)</i>						
<b>Domestic items:</b>						
Bank of Thailand and Financial Institutions Development Fund	-	24,591	24,591	-	26,702	26,702
Commercial banks	1,734	53,000	54,734	1,871	48,000	49,871
Specialised financial institutions*	1,626	30,268	31,894	1,574	24,613	26,187
Other financial institutions**	16,402	7,303	23,705	13,857	7,405	21,262
<b>Total domestic items</b>	<b>19,762</b>	<b>115,162</b>	<b>134,924</b>	<b>17,302</b>	<b>106,720</b>	<b>124,022</b>
<b>Foreign items:</b>						
US Dollar	1,989	11,822	13,811	2,507	11,372	13,879
Japanese Yen	1	-	1	1	-	1
Euro	210	-	210	169	-	169
Other currencies	2,283	-	2,283	2,215	-	2,215
<b>Total foreign items</b>	<b>4,483</b>	<b>11,822</b>	<b>16,305</b>	<b>4,892</b>	<b>11,372</b>	<b>16,264</b>
<b>Total domestic and foreign items</b>	<b>24,245</b>	<b>126,984</b>	<b>151,229</b>	<b>22,194</b>	<b>118,092</b>	<b>140,286</b>
<b>The Bank</b>						
	30 June 2015		The Bank		31 December 2014	
	Demand	Time	Total	Demand	Time	Total
<i>(in million Baht)</i>						
<b>Domestic items:</b>						
Bank of Thailand and Financial Institutions Development Fund	-	24,591	24,591	-	26,702	26,702
Commercial banks	1,734	53,000	54,734	1,849	48,000	49,849
Specialised financial institutions*	1,626	30,267	31,893	1,574	24,613	26,187
Other financial institutions**	22,358	7,303	29,661	19,587	7,405	26,992
<b>Total domestic items</b>	<b>25,718</b>	<b>115,161</b>	<b>140,879</b>	<b>23,010</b>	<b>106,720</b>	<b>129,730</b>
<b>Foreign items:</b>						
US Dollar	2,083	11,822	13,905	2,524	11,372	13,896
Japanese Yen	1	-	1	1	-	1
Euro	210	-	210	169	-	169
Other currencies	2,315	-	2,315	2,218	-	2,218
<b>Total foreign items</b>	<b>4,609</b>	<b>11,822</b>	<b>16,431</b>	<b>4,912</b>	<b>11,372</b>	<b>16,284</b>
<b>Total domestic and foreign items</b>	<b>30,327</b>	<b>126,983</b>	<b>157,310</b>	<b>27,922</b>	<b>118,092</b>	<b>146,014</b>

\* Specialised financial institutions mean financial institutions which operate under specific development mandates such as the Small and Medium Enterprise Development Bank of Thailand, Bank for Agriculture and Agricultural Co-operatives, Export-Import Bank of Thailand, Government Savings Banks, Government Housings Bank, Islamic Bank of Thailand and Secondary Mortgage Corporation but excluding the Small Business Credit Guarantee Corporation

\*\* Other financial institutions mean financial institutions which have a license to offer interest on loans under the Finance Institution Act and, excluding those itemised separately above, such as Finance companies, Securities companies, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited

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**24 Debt issued and borrowings**

As at 30 June 2015 and 31 December 2014, debt issued and borrowings were as follows:

	Interest rate (%)	Year of maturity	30 June 2015		Consolidated			
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Bonds								
- US Dollar	3.38 - 3.39	2016 - 2019	-	75,411	75,411	-	73,625	73,625
Subordinated bonds								
- Baht	4.50 - 4.65	2022 - 2024	40,000	-	40,000	40,000	-	40,000
Structured notes								
- Baht	0.54 - 0.77	2015	96	-	96	104	-	104
Others			128	-	128	188	-	188
<b>Total</b>			<b>40,224</b>	<b>75,411</b>	<b>115,635</b>	<b>40,292</b>	<b>73,625</b>	<b>113,917</b>

  

	Interest rate (%)	Year of maturity	30 June 2015		The Bank			
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Bonds								
- US Dollar	3.38 - 3.39	2016 - 2019	-	76,102	76,102	-	74,298	74,298
Subordinated bonds								
- Baht	4.50 - 4.65	2022 - 2024	40,000	-	40,000	40,000	-	40,000
Others			128	-	128	188	-	188
<b>Total</b>			<b>40,128</b>	<b>76,102</b>	<b>116,230</b>	<b>40,188</b>	<b>74,298</b>	<b>114,486</b>

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**25 Provisions**

As at 30 June 2015 and 31 December 2014, provisions were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Reserve for pension and gratuity	3,479	3,354	3,199	3,079
Reserve for claims	2,431	2,287	2,423	2,280
Possible loss from Asset Transfer Agreement with TAMC	-	1,146	-	1,105
Possible loss from legal cases	306	306	300	300
Provisions for commitments as off-financial reporting items	115	115	115	115
Others	28	3	28	2
<b>Total</b>	<b>6,359</b>	<b>7,211</b>	<b>6,065</b>	<b>6,881</b>

*Pension and other post-retirement employee benefits*

The Bank operates a number of pension and post-retirement benefit plans including both defined contribution plans and defined benefit plans. All defined benefit plans are unfunded.

Present value of unfunded obligations as at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Severance Payment (“SP”) benefits scheme	2,725	2,630	2,487	2,394
Other schemes	754	724	712	685
<b>Total present value of unfunded obligations</b>	<b>3,479</b>	<b>3,354</b>	<b>3,199</b>	<b>3,079</b>

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**Movement in net present value of defined benefits liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	<b>Consolidated</b>			
	30 June 2015		31 December 2014	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
Beginning balance	2,630	724	2,470	675
<b>Included in profit or loss</b>				
Current service cost	127	22	224	41
Interest cost	54	15	99	28
	<u>181</u>	<u>37</u>	<u>323</u>	<u>69</u>
<b>Other</b>				
Decrease from disposal of subsidiary	-	-	(38)	(1)
Benefits paid	(86)	(7)	(125)	(19)
	<u>(86)</u>	<u>(7)</u>	<u>(163)</u>	<u>(20)</u>
<b>Ending balance</b>	<u><b>2,725</b></u>	<u><b>754</b></u>	<u><b>2,630</b></u>	<u><b>724</b></u>

	<b>The Bank</b>			
	30 June 2015		31 December 2014	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
Beginning balance	2,394	685	2,223	636
<b>Included in profit or loss</b>				
Current service cost	113	20	195	37
Interest cost	49	14	91	26
	<u>162</u>	<u>34</u>	<u>286</u>	<u>63</u>
<b>Other</b>				
Benefits paid	(69)	(7)	(115)	(14)
	<u>(69)</u>	<u>(7)</u>	<u>(115)</u>	<u>(14)</u>
<b>Ending balance</b>	<u><b>2,487</b></u>	<u><b>712</b></u>	<u><b>2,394</b></u>	<u><b>685</b></u>

**Defined benefit obligation**

**Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>Consolidated and The Bank</b>	
	30 June 2015	31 December 2014
	(%)	
Discount rate	4.1 - 4.2	4.1 - 4.2
Future salary growth	5.5 - 10.0	5.5 - 10.0
Medical cost trend rate	4.0 - 4.8	4.0 - 4.8
Price inflation rate	3.5	3.5

Assumptions regarding the mortality have been based on published statistics and mortality tables.

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*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated</b>		<b>The Bank</b>	
	1% increase	1% decrease	1% increase	1% decrease
	<i>(in million Baht)</i>			
Effect on defined benefit obligations	(218)	266	(201)	247

Post-employee benefit expenses included in the statement of comprehensive income for the six-month periods ended 30 June 2015 and 2014 were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Recognised in profit or loss:</b>				
Defined contribution plans	476	459	418	401
Defined benefit plans	218	197	196	174
<b>Total post-employment benefit expenses</b>	<b>694</b>	<b>656</b>	<b>614</b>	<b>575</b>

**26 Liabilities under insurance contracts**

Liabilities under insurance contracts represent the liabilities of the insurance subsidiary. As at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>	
	30 June 2015	31 December 2014
	<i>(in million Baht)</i>	
SCB Life		
Life insurance policy reserves	169,208	150,702
Others	1,296	1,055
<b>Total</b>	<b>170,504</b>	<b>151,757</b>

Insurance contract liabilities for SCB life are calculated as described in note 5.26.

**27 Liabilities pending transfer**

As at 30 June 2015 and 31 December 2014, liabilities pending transfer were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Pending for payment E-banking	5,177	8,345	5,177	8,345
Other payables	2,222	1,826	2,200	1,668
Others	3,603	4,096	3,554	4,014
<b>Total</b>	<b>11,002</b>	<b>14,267</b>	<b>10,931</b>	<b>14,027</b>

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**28 Other liabilities**

As at 30 June 2015 and 31 December 2014, other liabilities were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Accrued expenses	16,662	18,545	13,788	15,284
Interest payable	9,563	7,832	9,578	7,838
Securities business payables and payables to clearing house	3,070	1,855	-	-
Other payable per Credit Support Annex	1,053	865	1,053	865
Withholding tax payable	486	628	431	504
Margin deposits	326	297	270	238
Others	908	1,115	749	1,067
<b>Total</b>	<b>32,068</b>	<b>31,137</b>	<b>25,869</b>	<b>25,796</b>

**29 Reserve**

*Legal reserve*

Under the Public Companies Act, the Bank and its subsidiaries, which are public companies are required to set aside as a legal reserve at least 5% of their net profit, net of accumulated deficit brought forward (if any), until the reserve is not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

According to the Civil and Commercial Code, subsidiaries which are private companies must appropriate to a reserve fund at each distribution of dividend at least 5% of the profit arising from the business of the Company until the reserve fund reaches 10% of the capital of the Company. Such reserve fund is not available for distribution as dividend.

*Other reserves*

*Valuation surplus*

The valuation surplus account comprises the cumulative net change in the valuation of premises included in the financial statements at valuation until such premises are sold or otherwise disposed of.

*Fair value changes in available-for-sale investments*

The fair value changes in available-for-sale investments account comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

*Others*

Others comprise of currency transaction differences and movements in reserves as follows:

*Currency translation differences*

The currency translation differences account comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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*Movements in reserves*

Movements in reserves are shown in the statement of changes in equity.

**30 Dividends**

At the annual general meeting of the shareholders of the Bank held on 2 April 2015, the shareholders approved the appropriation of dividend of Baht 4.50 per share, amounting to Baht 15,296 million. The dividend was paid to shareholders on 30 April 2015.

At the annual general meeting of the shareholders of the Bank held on 3 April 2014, the shareholders approved the appropriation of dividend of Baht 3.75 per share, amounting to Baht 12,747 million. The dividend was paid to shareholders on 2 May 2014.

**31 Assets pledged as collateral and under restriction**

As at 30 June 2015 and 31 December 2014, assets pledged as collateral and under restriction were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Investments				
Securities pledged as collateral for repurchase	52,329	54,250	52,329	54,250
Others	30,630	30,678	272	286
<b>Total</b>	<b>82,959</b>	<b>84,928</b>	<b>52,601</b>	<b>54,536</b>

**32 Contingencies**

As at 30 June 2015 and 31 December 2014, contingencies were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Avals to bills	3,777	3,434	3,777	3,434
Guarantees of loans	283	220	106	117
Liability under unmatured import bills	8,836	6,792	8,836	6,792
Letters of credit	32,759	35,346	32,528	35,196
Other contingencies				
- Amount of unused bank overdrafts	149,473	127,028	148,777	126,443
- Other guarantees	180,964	178,776	179,207	177,936
- Receivables / payables from investments	30,427	10,070	28,765	9,902
- Others	20,189	899	17,641	-
<b>Total</b>	<b>426,708</b>	<b>362,565</b>	<b>419,637</b>	<b>359,820</b>

As at 30 June 2015, the Bank had commitments of Baht 3 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2014: Baht 3 million).



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**33 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and its subsidiaries and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has business transactions with related parties or persons. Interest rate for staff loans under the staff welfare scheme is charged in accordance with the Bank's regulations for such loans. Interest rate and other pricing for other related parties are at the same rate as in the normal course of business with the same business conditions as general customers. For other income and expenses are charged at market price as normal business or the price as stipulated in the agreement. Transactions with related parties or persons were as follows:

**33.1 Loans, deposits, borrowings and contingencies**

Loans, deposits, borrowings and contingencies to related parties or persons as at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>							
	30 June 2015				31 December 2014			
	Loans*	Deposits	Borrow-ings	Contin-gencies	Loans*	Deposits	Borrow-ings	Contin-gencies
	<i>(in million Baht)</i>							
Associates	-	741	-	-	-	321	-	-
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	10,132	-	-	-	8,200	-	-
Entities in which the directors, management or close members of their families have significant influence	-	806	1	107	-	681	1	107
Directors and key executive officers	94	735	16	-	102	768	16	-
<b>Total</b>	<b>94</b>	<b>12,414</b>	<b>17</b>	<b>108</b>	<b>102</b>	<b>9,970</b>	<b>17</b>	<b>108</b>

\* Net of provision (1%)

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	<b>The Bank</b>							
	30 June 2015				31 December 2014			
	Loans*	Deposits	Borrow- ings	Contin- gencies	Loans*	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Subsidiaries								
Finance & Insurance	-	6,137	1,128	12,301	-	5,039	1,727	7,853
Others	-	347	-	-	-	274	-	-
<b>Total subsidiaries</b>	<b>-</b>	<b>6,484</b>	<b>1,128</b>	<b>12,301</b>	<b>-</b>	<b>5,313</b>	<b>1,727</b>	<b>7,853</b>
Associates	-	741	-	-	-	321	-	-
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	10,132	-	-	-	8,200	-	-
Entities in which the directors, management or close members of their families have significant influence	-	806	1	107	-	681	1	107
Directors and key executive officers	94	735	16	-	102	768	16	-
<b>Total</b>	<b>94</b>	<b>18,898</b>	<b>1,145</b>	<b>12,409</b>	<b>102</b>	<b>15,283</b>	<b>1,744</b>	<b>7,961</b>

\* Net of provision (1%)

### 33.2 Income and expenses

Significant income and expenses between the Bank and its subsidiaries, associates and related companies for the three-month periods ended 30 June 2015 and 2014 are as follows:

	<b>Consolidated</b>							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Major shareholder	-	-	65	5	-	-	48	6

	<b>The Bank</b>							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	4	5,241	22	556	4	5,839	35	716
Major shareholder	-	-	65	5	-	-	48	6

Significant income and expenses between the Bank and its subsidiaries, associates and related companies for the six-month periods ended 30 June 2015 and 2014 are as follows:

	<b>Consolidated</b>							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Major shareholder	-	-	125	10	-	-	93	11

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	<b>The Bank</b>							
	2015				2014			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	7	8,022	43	1,304	8	8,367	50	1,418
Major shareholder	-	-	125	10	-	-	93	11

### 34 Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, holding the position of Executive Vice President or higher.

The Bank has not paid benefits to directors and executives other than the benefits that are normally paid such as meeting allowances, reward, salary, bonus, cost of living allowance, transportation charges and fringe benefits according to the Bank's regulations.

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
<i>For the three-month period ended 30 June</i>	<i>(in million Baht)</i>			
Short-term employee benefits	328	317	280	274
Post-employment benefits	41	1	40	-
<b>Total</b>	<b>369</b>	<b>318</b>	<b>320</b>	<b>274</b>

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
<i>For the six-month period ended 30 June</i>	<i>(in million Baht)</i>			
Short-term employee benefits	1,005	856	875	711
Post-employment benefits	43	20	40	18
<b>Total</b>	<b>1,048</b>	<b>876</b>	<b>915</b>	<b>729</b>

### 35 Long-term leases and service agreements

As at 30 June 2015 and 31 December 2014, the remaining rental and service expenses to be paid for long-term leases and service agreements were as follows:

Type of lease	Period	<b>Consolidated</b>		<b>The Bank</b>	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		<i>(in million Baht)</i>			
Land and/or premises	Within 1 year	1,814	1,859	1,678	1,703
	1 - 5 years	1,563	1,682	1,467	1,550
	Over 5 years	182	192	182	192
Equipment	Within 1 year	97	3	95	1
	1 - 5 years	1	2	-	-
Vehicles	Within 1 year	225	241	212	228
	1 - 5 years	247	305	228	284

# The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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### 36 Operating segments

As at 30 June 2015 and 2014, operating segments were as follows:

Information on the Bank's operating model and business segments is set out in the annual report. Specifically, the Bank has four Business Groups: the Corporate Segment which serves corporate and commercial customers; the SME Segment which serves SME customers (prior to 2015 referred to as Business Banking); the Retail Segment which serves individuals and small businesses; and the Special Business unit which is responsible for NPL resolution. In addition, the Bank has three major subsidiaries: SCB Securities Co., Ltd., SCB Asset Management Co., Ltd. and SCB Life Assurance PCL.

In the information provided below, the results of subsidiaries together with the income from the Banks' investments, interbank and money market, that is not allocated to a specific business unit, are presented under the "Others" column. The results of the Special Business unit are allocated back to the business units from which the workout assets were transferred. With respect to fee income earned by subsidiaries, it is allocated to the appropriate business unit (Corporate Segment, SME Segment or Retail Segment) in the Management Discussion and Analysis that accompanies the financial statements but is stated under "Others" in the analysis below. Finally, operating expenses are both direct and indirect business expenses of each business unit as well as allocation of common expenses to these units.

The Bank has determined that the Chief Operating Decision Maker is the Executive Committee. Financial information of the Business Groups measured on a basis that is consistent with internal reporting was as follows:

<i>Three-month period ended 30 June 2015</i>	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
			<i>(in million Baht)</i>		
Net interest income	4,249	3,627	10,214	2,724	20,814
Net fees income & dividend and other income	2,624	888	7,216	1,719	12,447
Total operating income	6,873	4,515	17,430	4,443	33,261
Total operating expenses	(1,877)	(1,311)	(8,249)	(329)	(11,766)
Profit before impairment loss and income tax	4,996	3,204	9,181	4,114	21,495
Impairment loss and income tax					(8,263)
Net profit					13,232

<i>Three-month period ended 30 June 2014</i>	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
			<i>(in million Baht)</i>		
Net interest income	3,893	3,703	9,564	3,268	20,428
Net fees income & dividend and other income	2,396	842	7,117	2,813	13,168
Total operating income	6,289	4,545	16,681	6,081	33,596
Total operating expenses	(1,767)	(1,274)	(8,118)	(625)	(11,784)
Profit before impairment loss and income tax	4,522	3,271	8,563	5,456	21,812
Impairment loss and income tax					(7,101)
Net profit					14,711

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<i>Six-month period ended 30 June 2015</i>	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
Net interest income	8,327	7,225	20,121	5,673	41,346
Net fees income & dividend and other income	5,399	1,795	14,857	2,406	24,457
Total operating income	13,726	9,020	34,978	8,079	65,803
Total operating expenses	(3,722)	(2,649)	(16,372)	(1,521)	(24,264)
Profit before impairment loss and income tax	10,004	6,371	18,606	6,558	41,539
Impairment loss and income tax					(15,141)
Net profit					26,398

<i>Six-month period ended 30 June 2014</i>	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
Net interest income	7,561	7,392	19,024	5,820	39,797
Net fees income & dividend and other income	4,911	1,758	14,063	3,945	24,677
Total operating income	12,472	9,150	33,087	9,765	64,474
Total operating expenses	(3,536)	(2,510)	(15,894)	(868)	(22,808)
Profit before impairment loss and income tax	8,936	6,640	17,193	8,897	41,666
Impairment loss and income tax					(13,648)
Net profit					28,018

	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
Investments in associates	-	-	-	921	921
Loans*	657,316	350,471	798,238	9,703	1,815,728
Total assets	767,348	327,745	773,709	910,223	2,779,025
Total liabilities	598,141	161,529	1,244,828	480,034	2,484,532

	Corporate Segment	SME Segment	Consolidated		Total
			Retail Segment	Others	
Investments in associates	-	-	-	697	697
Loans*	655,542	340,547	772,220	8,826	1,777,135
Total assets	766,877	319,389	750,683	862,754	2,699,703
Total liabilities	544,962	161,202	1,268,898	438,343	2,413,405

\* Net of deferred revenue

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**37 The financial position and results of operations classified by domestic and foreign business**

37.1 As at 30 June 2015 and 31 December 2014, the financial position classified by domestic and foreign business was as follows:

	<b>Consolidated</b>							
	30 June 2015			31 December 2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Total assets	2,722,741	103,714	(47,430)	2,779,025	2,631,657	98,383	(30,337)	2,699,703
Interbank and money market items, net (Assets)	278,501	10,286	-	288,787	274,400	17,215	-	291,615
Investments, net *	533,203	550	-	533,753	502,305	503	-	502,808
Loans to customers and accrued interest receivables, net	1,726,695	31,454	-	1,758,149	1,684,038	37,897	-	1,721,935
Deposits	1,894,341	10,989	-	1,905,330	1,883,467	11,876	-	1,895,343
Interbank and money market items (Liabilities)	139,407	11,822	-	151,229	130,397	9,889	-	140,286
Debt issued and borrowings	39,533	76,102	-	115,635	39,620	74,297	-	113,917
	<b>The Bank</b>							
	30 June 2015			31 December 2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Total assets	2,535,539	96,754	(47,430)	2,584,863	2,461,101	92,046	(30,337)	2,522,810
Interbank and money market items, net (Assets)	267,974	5,228	-	273,202	264,078	12,729	-	276,807
Investments, net *	379,255	550	-	379,805	361,716	503	-	362,219
Loans to customers and accrued interest receivables, net	1,720,231	29,747	-	1,749,978	1,678,546	36,325	-	1,714,871
Deposits	1,895,180	5,534	-	1,900,714	1,884,112	6,276	-	1,890,388
Interbank and money market items (Liabilities)	145,488	11,822	-	157,310	136,125	9,889	-	146,014
Debt issued and borrowings	40,128	76,102	-	116,230	40,189	74,297	-	114,486

\* Includes net investments in subsidiaries and associates

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37.2 The results of operations classified by domestic and foreign business for the three-month periods ended 30 June 2015 and 2014 were as follows:

	<b>Consolidated</b>							
	2015			2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	30,756	889	(596)	31,049	30,416	813	(607)	30,622
Interest expense	(9,974)	(857)	596	(10,235)	(9,970)	(831)	607	(10,194)
Net interest income	20,782	32	-	20,814	20,446	(18)	-	20,428
Net fees and service income	6,800	16	-	6,816	6,076	80	-	6,156
Other operating income	5,617	13	-	5,630	7,007	5	-	7,012
Other operating expenses	(16,903)	6	-	(16,897)	(14,889)	(115)	-	(15,004)
Profit before tax	16,296	67	-	16,363	18,640	(48)	-	18,592

  

	<b>The Bank</b>							
	2015			2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	28,940	860	(596)	29,204	28,895	789	(607)	29,077
Interest expense	(9,986)	(854)	596	(10,244)	(10,010)	(828)	607	(10,231)
Net interest income	18,954	6	-	18,960	18,885	(39)	-	18,846
Net fees and service income	7,971	4	-	7,975	7,318	64	-	7,382
Other operating income	4,799	5	-	4,804	8,753	4	-	8,757
Other operating expenses	(16,322)	20	-	(16,302)	(14,435)	(102)	-	(14,537)
Profit before tax	15,402	35	-	15,437	20,521	(73)	-	20,448

37.3 The results of operations classified by domestic and foreign business for the six-month periods ended 30 June 2015 and 2014 were as follows:

	<b>Consolidated</b>							
	2015			2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	61,493	1,763	(1,179)	62,077	60,902	1,562	(1,261)	61,203
Interest expense	(20,216)	(1,694)	1,179	(20,731)	(21,191)	(1,476)	1,261	(21,406)
Net interest income	41,277	69	-	41,346	39,711	86	-	39,797
Net fees and service income	13,419	26	-	13,445	12,327	119	-	12,446
Other operating income	10,994	18	-	11,012	12,229	2	-	12,231
Other operating expenses	(32,960)	(36)	-	(32,996)	(29,069)	(166)	-	(29,235)
Profit before tax	32,730	77	-	32,807	35,198	41	-	35,239

  

	<b>The Bank</b>							
	2015			2014				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	57,955	1,707	(1,179)	58,483	57,866	1,511	(1,261)	58,116
Interest expense	(20,238)	(1,689)	1,179	(20,748)	(21,230)	(1,473)	1,261	(21,442)
Net interest income	37,717	18	-	37,735	36,636	38	-	36,674
Net fees and service income	15,888	-	-	15,888	14,933	91	-	15,024
Other operating income	7,576	12	-	7,588	10,922	5	-	10,927
Other operating expenses	(31,815)	(4)	-	(31,819)	(28,184)	(134)	-	(28,318)
Profit before tax	29,366	26	-	29,392	34,307	-	-	34,307

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**38 Interest income**

Interest income included in profit or loss for the six-month periods ended 30 June 2015 and 2014 was as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Interbank and money market items	2,026	1,974	1,815	1,694
Investments and trading transactions	314	260	314	260
Investments in debt securities	6,408	6,156	3,202	3,511
Loans	48,264	47,463	48,087	47,302
Hire-purchase and finance leases	5,042	5,333	5,042	5,332
Others	23	17	23	17
<b>Total</b>	<b>62,077</b>	<b>61,203</b>	<b>58,483</b>	<b>58,116</b>

**39 Interest expense**

Interest expense included in profit or loss for the six-month periods ended 30 June 2015 and 2014 was as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Deposits	14,081	14,877	14,100	14,917
Interbank and money market items	646	824	651	830
Contributions to Deposit Protection Agency	4,313	4,051	4,313	4,051
Debt issued				
- Subordinated debentures	907	907	907	907
- Others	761	731	776	737
Borrowings	22	16	-	-
Others	1	-	1	-
<b>Total</b>	<b>20,731</b>	<b>21,406</b>	<b>20,748</b>	<b>21,442</b>

**40 Net fees and service income**

Net fees and service income included in profit or loss for the six-month periods ended 30 June 2015 and 2014 was as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptances, avals and guarantees	631	682	624	677
- ATM, Debit cards, Credit Cards and other banking electronic	6,101	5,811	6,104	5,813
- Others	9,548	8,614	11,594	10,937
Total fees and service income	16,280	15,107	18,322	17,427
Fees and service expense	(2,835)	(2,661)	(2,434)	(2,403)
<b>Net fees and service income</b>	<b>13,445</b>	<b>12,446</b>	<b>15,888</b>	<b>15,024</b>



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**41 Net trading income**

Net trading income included in profit or loss for the six-month periods ended 30 June 2015 and 2014 was as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign currency related derivatives	3,833	4,153	3,267	4,290
- Interest rate related derivatives	678	(891)	678	(891)
- Debt securities	205	580	166	554
- Equity securities	40	83	-	33
- Others	-	3	-	3
<b>Total</b>	<b>4,756</b>	<b>3,928</b>	<b>4,111</b>	<b>3,989</b>

**42 Net gain on investments**

Net gain on investments included in profit or loss for the six-month periods ended 30 June 2015 and 2014 was as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Gain (loss) on sales				
- Available-for-sale securities	666	499	379	311
- Held-to-maturity securities	(92)	(72)	-	-
- General investments	-	44	-	44
- Investment in subsidiaries and associates	-	1,813	-	2,777
<b>Total</b>	<b>574</b>	<b>2,284</b>	<b>379</b>	<b>3,132</b>
Gain (loss) on impairment				
- Available-for-sale securities	4	(1)	4	-
- General investments	-	-	-	1
- Investment in subsidiaries and associates	(39)	13	(196)	13
<b>Total</b>	<b>(35)</b>	<b>12</b>	<b>(192)</b>	<b>14</b>
<b>Net gain on investments</b>	<b>539</b>	<b>2,296</b>	<b>187</b>	<b>3,146</b>

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**43 Impairment loss on loans and debt securities**

Bad debt, doubtful accounts and loss on debt restructuring included in profit or loss for the six-month periods ended 30 June 2015 and 2014 were as follows:

	Note	Consolidated		The Bank	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
Interbank and money market items		45	182	45	182
Available-for-sale securities		(1)	(1)	(1)	(1)
Held-to-maturity securities		(19)	-	(19)	-
Loans to customers *		8,693	6,224	8,701	6,246
Loss on debt restructuring	15	14	22	14	22
<b>Total</b>		<b>8,732</b>	<b>6,427</b>	<b>8,740</b>	<b>6,449</b>

\* Includes bad debt recovery

**44 Income tax**

*Income tax recognised in profit or loss*

<i>Three-month period ended 30 June</i>	Consolidated		The Bank	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
<b>Current tax expense</b>				
Current period	3,259	3,938	2,636	3,482
<b>Deferred tax expense</b>				
Movements in temporary differences	(127)	(57)	(110)	(110)
<b>Total income tax expense</b>	<b>3,132</b>	<b>3,881</b>	<b>2,526</b>	<b>3,372</b>

<i>Six-month period ended 30 June</i>	Consolidated		The Bank	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
<b>Current tax expense</b>				
Current period	5,971	7,499	4,877	6,459
<b>Deferred tax expense</b>				
Movements in temporary differences	438	(278)	444	(297)
<b>Total income tax expense</b>	<b>6,409</b>	<b>7,221</b>	<b>5,321</b>	<b>6,162</b>

*Income tax recognised in other comprehensive income*

<i>Three-month period ended 30 June</i>	Consolidated					
	Before tax	2015 Tax benefit	Net of tax	Before tax	2014 Tax expense	Net of tax
<i>(in million Baht)</i>						
Investments	(737)	54	(683)	897	(211)	686
Premises and equipment	-	-	-	(1)	-	(1)
<b>Total</b>	<b>(737)</b>	<b>54</b>	<b>(683)</b>	<b>896</b>	<b>(211)</b>	<b>685</b>

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<i>Three-month period ended 30 June</i>	<b>The Bank</b>					
	Before tax	2015 Tax expense	Net of tax <i>(in million Baht)</i>	Before tax	2014 Tax expense	Net of tax
Investments	334	(67)	267	331	(66)	265
Premises and equipment	-	-	-	(1)	-	(1)
<b>Total</b>	<b>334</b>	<b>(67)</b>	<b>267</b>	<b>330</b>	<b>(66)</b>	<b>264</b>

<i>Six-month period ended 30 June</i>	<b>Consolidated</b>					
	Before tax	2015 Tax expense	Net of tax <i>(in million Baht)</i>	Before tax	2014 Tax expense	Net of tax
Investments	745	(291)	454	2,349	(444)	1,905
Premises and equipment	-	-	-	(1)	-	(1)
<b>Total</b>	<b>745</b>	<b>(291)</b>	<b>454</b>	<b>2,348</b>	<b>(444)</b>	<b>1,904</b>

<i>Six-month period ended 30 June</i>	<b>The Bank</b>					
	Before tax	2015 Tax expense	Net of tax <i>(in million Baht)</i>	Before tax	2014 Tax expense	Net of tax
Investments	1,608	(344)	1,264	661	(132)	529
Premises and equipment	-	-	-	(1)	-	(1)
<b>Total</b>	<b>1,608</b>	<b>(344)</b>	<b>1,264</b>	<b>660</b>	<b>(132)</b>	<b>528</b>

**Reconciliation of effective tax rate**

<i>Three-month period ended 30 June</i>	<b>Consolidated</b>			
		2015 <i>Rate (%)</i>	2014 <i>Rate (%)</i>	
Profit before income tax expense		<i>(in million Baht)</i> 16,363	<i>(in million Baht)</i> 18,592	
Income tax using the Thai corporation tax rate	20.0	3,273	3,718	
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(141)	163	
<b>Total</b>	<b>19.1</b>	<b>3,132</b>	<b>20.9</b>	<b>3,881</b>

<i>Three-month period ended 30 June</i>	<b>The Bank</b>			
		2015 <i>Rate (%)</i>	2014 <i>Rate (%)</i>	
Profit before income tax expense		<i>(in million Baht)</i> 15,437	<i>(in million Baht)</i> 20,448	
Income tax using the Thai corporation tax rate	20.0	3,087	4,090	
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(561)	(718)	
<b>Total</b>	<b>16.4</b>	<b>2,526</b>	<b>16.5</b>	<b>3,372</b>

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<i>Six-month period ended 30 June</i>	<b>Consolidated</b>			
		2015		2014
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		<u>32,807</u>		<u>35,239</u>
Income tax using the Thai corporation tax rate	20.0	6,561	20.0	7,048
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(152)		173
<b>Total</b>	<b><u>19.5</u></b>	<b><u>6,409</u></b>	<b><u>20.5</u></b>	<b><u>7,221</u></b>

<i>Six-month period ended 30 June</i>	<b>The Bank</b>			
		2015		2014
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		<u>29,392</u>		<u>34,307</u>
Income tax using the Thai corporation tax rate	20.0	5,878	20.0	6,861
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(557)		(699)
<b>Total</b>	<b><u>18.1</u></b>	<b><u>5,321</u></b>	<b><u>18.0</u></b>	<b><u>6,162</u></b>

*Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Bank and its subsidiaries have applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 30 June 2015 and 31 December 2014 in accordance with the clarification issued by the FAP in 2012.

**Deferred tax**

Deferred tax assets and liabilities as at 30 June 2015 and 31 December 2014 were as follows:

	<b>Consolidated</b>		<b>The Bank</b>	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	<i>(in million Baht)</i>			
Deferred tax assets	67	68	11	11
Deferred tax liabilities	(4,193)	(3,563)	(3,631)	(2,941)
<b>Net</b>	<b><u>(4,126)</u></b>	<b><u>(3,495)</u></b>	<b><u>(3,620)</u></b>	<b><u>(2,930)</u></b>

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Movements in deferred tax assets and liabilities during for the six-month periods ended 30 June 2015 and 2014 were as follows:

	At 1 January 2015	Consolidated (Charged) / Credited to:			At 30 June 2015
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	Retained earnings	
<b><i>Deferred tax assets</i></b>					
Derivative assets	-	(13)	-	98	85
Investments	231	(139)	12	-	104
Investments in subsidiaries and associates	376	24	-	-	400
Loans to customers and accrued interest receivables	103	(44)	-	-	59
Properties for sale	199	(58)	-	-	141
Premises and equipment	1	-	-	-	1
Goodwill and other intangible assets	113	(13)	-	-	100
Other assets	10	328	-	-	338
Deposits	108	(10)	-	-	98
Provisions	1,444	(171)	-	-	1,273
Liabilities under insurance contracts	33	(3)	-	-	30
Other liabilities	703	(349)	-	-	354
<b>Total</b>	<b>3,321</b>	<b>(448)</b>	<b>12</b>	<b>98</b>	<b>2,983</b>
<b><i>Deferred tax liabilities</i></b>					
Investments	(2,501)	16	(303)	-	(2,788)
Loans to customers and accrued interest receivables	(400)	(26)	-	-	(426)
Premises and equipment	(3,861)	13	-	-	(3,848)
Goodwill and other intangible assets	(21)	2	-	-	(19)
Other assets	(32)	4	-	-	(28)
Other liabilities	(1)	1	-	-	-
<b>Total</b>	<b>(6,816)</b>	<b>10</b>	<b>(303)</b>	<b>-</b>	<b>(7,109)</b>
<b>Net</b>	<b>(3,495)</b>	<b>(438)</b>	<b>(291)</b>	<b>98</b>	<b>(4,126)</b>

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	At 1 January 2014	Consolidated (Charged) / Credited to:			At 30 June 2014
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	Transfer out from disposal of subsidiary	
<b><i>Deferred tax assets</i></b>					
Investments	286	(2)	(47)	(13)	224
Investments in subsidiaries and associates	115	-	-	-	115
Loans to customers and accrued interest receivables	773	54	-	-	827
Properties for sale	266	(10)	-	-	256
Premises and equipment	1	-	-	-	1
Goodwill and other intangible assets	133	(9)	-	-	124
Other assets	116	-	-	(106)	10
Deposits	207	(146)	-	-	61
Provisions	1,345	24	-	(8)	1,361
Liabilities under insurance contracts	256	5	-	(225)	36
Other liabilities	59	306	-	(1)	364
<b>Total</b>	<b>3,557</b>	<b>222</b>	<b>(47)</b>	<b>(353)</b>	<b>3,379</b>
<b><i>Deferred tax liabilities</i></b>					
Investments	(1,638)	11	(396)	-	(2,023)
Loans to customers and accrued interest receivables	(478)	56	-	-	(422)
Premises and equipment	(3,884)	(2)	(1)	21	(3,866)
Goodwill and other intangible assets	(27)	3	-	-	(24)
Other assets	(27)	(11)	-	-	(38)
Other liabilities	-	(1)	-	-	(1)
<b>Total</b>	<b>(6,054)</b>	<b>56</b>	<b>(397)</b>	<b>21</b>	<b>(6,374)</b>
<b>Net</b>	<b>(2,497)</b>	<b>278</b>	<b>(444)</b>	<b>(332)</b>	<b>(2,995)</b>

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	At 1 January 2015	The Bank (Charged) / Credited to:			At 30 June 2015
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	Retained earnings	
<i>Deferred tax assets</i>					
Derivative assets	-	(13)	-	98	85
Investments	213	(137)	12	-	88
Investments in subsidiaries and associates	376	24	-	-	400
Loans to customers and accrued interest receivables	103	(44)	-	-	59
Properties for sale	198	(58)	-	-	140
Goodwill and other intangible assets	113	(13)	-	-	100
Other assets	-	318	-	-	318
Deposits	99	(9)	-	-	90
Provisions	1,378	(164)	-	-	1,214
Other liabilities	690	(355)	-	-	335
<b>Total</b>	<b>3,170</b>	<b>(451)</b>	<b>12</b>	<b>98</b>	<b>2,829</b>
<i>Deferred tax liabilities</i>					
Investments	(1,933)	17	(356)	-	(2,272)
Loans to customers and accrued interest receivables	(401)	(25)	-	-	(426)
Premises and equipment	(3,735)	12	-	-	(3,723)
Other assets	(31)	3	-	-	(28)
<b>Total</b>	<b>(6,100)</b>	<b>7</b>	<b>(356)</b>	<b>-</b>	<b>(6,449)</b>
<b>Net</b>	<b>(2,930)</b>	<b>(444)</b>	<b>(344)</b>	<b>98</b>	<b>(3,620)</b>

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	At 1 January 2014	The Bank (Charged) / Credited to:		At 30 June 2014
		Profit or loss	Other comprehensive income	
<i>(in million Baht)</i>				
<b>Deferred tax assets</b>				
Investments	190	-	2	192
Investments in subsidiaries and associates	114	-	-	114
Loans to customers and accrued interest receivables	710	116	-	826
Properties for sale	264	(9)	-	255
Goodwill and other intangible assets	133	(9)	-	124
Deposits	207	(146)	-	61
Provisions	1,275	22	-	1,297
Other liabilities	46	298	-	344
<b>Total</b>	<b>2,939</b>	<b>272</b>	<b>2</b>	<b>3,213</b>
<b>Deferred tax liabilities</b>				
Investments	(1,631)	11	(134)	(1,754)
Loans to customers and accrued interest receivables	(449)	27	-	(422)
Premises and equipment	(3,738)	(2)	-	(3,740)
Other assets	(26)	(11)	-	(37)
<b>Total</b>	<b>(5,844)</b>	<b>25</b>	<b>(134)</b>	<b>(5,953)</b>
<b>Net</b>	<b>(2,905)</b>	<b>297</b>	<b>(132)</b>	<b>(2,740)</b>

#### 45 Basic earnings per share

Basic earnings per share in the consolidated and the Bank's financial statements for the three-month periods ended 30 June 2015 and 2014 were calculated as follows:

	Consolidated		The Bank	
	2015	2014	2015	2014
<i>(in million Baht / million shares)</i>				
Profit attributable to ordinary shareholders of the Bank (basic)	<u>13,218</u>	<u>14,723</u>	<u>12,911</u>	<u>17,076</u>
Number of ordinary and preference shares outstanding	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>3.89</u></b>	<b><u>4.33</u></b>	<b><u>3.80</u></b>	<b><u>5.02</u></b>

Basic earnings per share in the consolidated and the Bank's financial statements for the six-month periods ended 30 June 2015 and 2014 were calculated as follows:

	Consolidated		The Bank	
	2015	2014	2015	2014
<i>(in million Baht / million shares)</i>				
Profit attributable to ordinary shareholders of the Bank (basic)	<u>26,369</u>	<u>27,852</u>	<u>24,071</u>	<u>28,144</u>
Number of ordinary and preference shares outstanding	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>7.76</u></b>	<b><u>8.19</u></b>	<b><u>7.08</u></b>	<b><u>8.28</u></b>



**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the six-month period ended 30 June 2015**  
**For the three-month period ended 30 June 2015 (Unaudited)**

The preference of the preference shares expired in 2009; therefore, their rights are equivalent to ordinary shares. Basic earnings per share for the three-month and six-month periods ended 30 June 2015 and 2014 were based on the profit attributable to ordinary shareholders of the Bank and the number of ordinary and preference shares outstanding during the period.

**46 Events after the reporting period**

51,537 preference shares have been converted into 51,537 ordinary shares. The Bank registered the conversion of the preference shares with the Ministry of Commerce on 8 July 2015.