

**The Siam Commercial Bank Public Company Limited,  
Hong Kong Branch  
Financial Disclosure Statement  
For the year ended 31 December 2016**

## Statement of Compliance

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

We have prepared this unaudited Financial Disclosure Statement of The Siam Commercial Bank Public Company Limited, Hong Kong Branch (“the Branch”) as of 31 December, 2016. It is compiled in accordance with the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155).

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

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

The Siam Commercial Bank Public Company Limited,  
Hong Kong Branch



Theerapan Nunthapolpat  
General Manager

31 March 2017

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

<b>I. Profit and Loss Account</b>	<b>For the period ended 31 Dec 2016 HK\$ in thousands</b>	<b>For the period ended 31 Dec 2015 HK\$ in thousands</b>
<b>Income</b>		
Interest Income	585,246	663,276
Interest expense	(510,564)	(564,047)
Net interest income	<u>74,682</u>	<u>99,229</u>
Fees and commission income	3,432	3,074
Fees and commission expenses	(2,742)	(8,112)
Net fee and commission income	<u>(690)</u>	<u>(5,038)</u>
Gains less losses arising from trading in foreign currencies	12,627	803
Other income	126	24
Total operating income	<u>88,125</u>	<u>95,018</u>
<b>Expenses</b>		
Operating expenses		
- Staff expense	(4,331)	(4,430)
- Rental expenses	(2,981)	(2,913)
- Head Office allocated expenses	(1,513)	(2,260)
- Other expenses	(2,580)	(2,522)
Total operating expenses	<u>(11,405)</u>	<u>(12,125)</u>
Operating profit before impairment losses	76,720	82,893
Net credit (charge) for debt provision	17,146	24,623
<b>Profit before taxation</b>	<u>93,866</u>	<u>107,516</u>
Tax expense	(7,740)	(9,083)
<b>Profit after taxation</b>	<u><u>86,126</u></u>	<u><u>98,433</u></u>

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**II. Balance Sheet**

	31 Dec 2016 HK\$ in millions	30 Jun 2016 HK\$ in millions
<b>Assets</b>		
Cash and balances with banks	9	9
Placements with banks which have		
- A residual contractual maturity within one month	329	1,553
- A residual contractual maturity more than one month but not more than twelve months	0	0
Amount due from overseas offices of the institution	11,495	12,422
Trade bills	0	27
Loans and advances		
- Loans and advances to customers	2,695	3,597
- Individual impairment allowances	(27)	(36)
Accrued interest receivables	95	112
Investment in securities	533	0
Property, plant and equipment	0	0
Other assets	1,875	2,264
<b>Total assets</b>	<u>17,004</u>	<u>19,948</u>
<b>Liabilities</b>		
Deposits and balances from banks	0	0
Deposits from customers		
- Demand deposits and current accounts	0	0
- Time, call and notice deposits	674	640
Amount due to overseas offices of the institution	5,952	6,860
Debt securities issued	8,542	11,660
Other liabilities	1,836	788
<b>Total liabilities</b>	<u>17,004</u>	<u>19,948</u>

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**III. Additional Balance Sheet Information**

	31 Dec 2016 HK\$ in millions	30 Jun 2016 HK\$ in millions
<b>(a) Loans and advances</b>		
Trade financing	0	27
Loan and advances to customers	2,695	3,597
Loan Accrued interest	95	112
Individual impairment allowances	(27)	(36)
	<u>2,763</u>	<u>3,700</u>

**(b) Overdue and rescheduled loans and advances**

There were no impaired or overdue loans and advances to banks, other financial institutions or customers as of 31 December 2016 (30 June 2016: Nil).

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

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

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

	31 Dec 2016 HK\$ in millions		30 Jun 2016 HK\$ in millions	
	Gross advances	Gross advances covered by collateral	Gross advances	Gross advances covered by collateral
Trade financing	0	0	27	0
Loans and advances for use inside Hong Kong	0	0	53	0
Loans and advances for use outside Hong Kong	2,695	0	3,544	0
	<u>2,695</u>	<u>0</u>	<u>3,624</u>	<u>0</u>

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

	31 Dec 2016 HK\$ in millions	Percentage of total loans	30 Jun 2016 HK\$ in millions	Percentage of total loans
- Asia Pacific (excluding Hong Kong)	1,869	69.4%	2,567	70.8%
- Hong Kong	826	30.6%	1,057	29.2%
- Others	0	0.0%	0	0.0%
	<u>2,695</u>	<u>100.0%</u>	<u>3,624</u>	<u>100.0%</u>

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

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

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

As of 31 December 2016

<b>Types of counterparties</b>	<b>On- balance sheet exposures HK\$ in millions</b>	<b>Off-balance sheet exposures HK\$ in millions</b>	<b>Total HK\$ in millions</b>
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	155	155
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,885	0	1,885
4. Other entities of central government not reported in item (1) above	0	0	0
5. Other entities of local government not report in item (2) above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China were the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
	1,885	155	2,040
<b>Total assets after provision</b>	17,004		
<b>On-balance sheet exposures as percentage of total assets</b>	11.08%		

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

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

As of 30 June 2016

<b>Types of counterparties</b>	<b>On- balance sheet exposures HK\$ in millions</b>	<b>Off-balance sheet exposures HK\$ in millions</b>	<b>Total HK\$ in millions</b>
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	155	155
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,586	0	2,586
4. Other entities of central government not reported in item (1) above	0	0	0
5. Other entities of local government not report in item (2) above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China were the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	53	0	53
	2,639	155	2,794
<b>Total assets after provision</b>	19,948		
<b>On-balance sheet exposures as percentage of total assets</b>	13.23%		

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

As of 31 December 2016  
(HK\$ in million)

	Banks	Official Sector	Non-financial Private sector	Total
- Developed countries	310	533	0	843
Of which,				
- United Kingdom	2	0	0	2
- Japan	308	533	0	841
- Offshore centres	3	0	826	829
Of which,				
- Hong Kong SAR	3	0	826	829
- Singapore	0	0	0	0
- Cayman Islands	0	0	0	0
- Developing Asia and Pacific	13,376	0	1,869	15,245
Of which,				
- China	0	0	1,869	1,869
- Thailand	13,376	0	0	13,376
	<u>13,689</u>	<u>533</u>	<u>2,695</u>	<u>16,917</u>

As of 30 June 2016  
(HK\$ in million)

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

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



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**V. Currency risk**

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

**As of 31 December 2016**

	HK\$ in millions		
	USD	OTHERS	TOTAL
Spot assets	16,319	537	16,856
Spot liabilities	(16,875)	(24)	(16,899)
Forward purchases	598	22	620
Forward sales	(22)	(533)	(555)
Net long position	<u>20</u>	<u>2</u>	<u>22</u>

**As of 30 June 2016**

	HK\$ in millions		
	USD	OTHERS	TOTAL
Spot assets	19,917	5	19,922
Spot liabilities	(19,866)	(26)	(19,892)
Forward purchases	0	22	22
Forward sales	(22)	0	(22)
Net long position	<u>29</u>	<u>1</u>	<u>30</u>

There was no structural position held by the branch as of 31 December 2016 and 30 June 2016.

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**VI. Off-balance sheet exposures**

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

	31 Dec 2016 HK\$ in millions	30 Jun 2016 HK\$ in millions
Contingent liabilities and commitments		
– Direct credit substitutes	388	0
– Other commitments	348	325
– Exchange rate and gold contracts	1,175	44
	1,911	369
	1,911	369

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

**(b) Derivative transactions**

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

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**VII. Liquidity**

	<b>For the period ended 31 Dec 2016 Percentage</b>
The average liquidity maintenance ratio for the financial period	287.11%

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

The average liquidity maintenance ratio is the simple average of each calendar month's average liquidity maintenance ratio as reported in the "Return of Liquidity Position of an Authorized Institution".

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

The management of liquidity is in compliance with the Liquidity Risk Management Guidelines of Hong Kong Branch. Hong Kong Branch manages liquidity on a daily basis and includes intraday position, so that payment and financial obligations for both on and off balance sheet are met on a timely basis.

The Liquidity Risk Management Guidelines set out the liquidity management framework that is consistent with Head Office policy and practices, with adjustments to local regulatory requirements and operating environment that Hong Kong Branch needs to comply with. Liquidity risk management indicators and limits are established to identify, measure, monitor and control the liquidity risk. Hong Kong Branch also performs cashflow projections and stress testing regularly to identify liquidity risk exposures and impacts.

Head Office's Balance Sheet Management and Group Treasury functions monitor and support Hong Kong Branch's liquidity management.

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**Section B – Bank Information (Consolidated basis)**

**VIII. Capital and Capital Adequacy**

	<b>31 Dec 2016</b>	<b>30 Jun 2016</b>
(a) Capital adequacy ratio (Basel III)	17.7%	17.4%

	<b>31 Dec 2016 HK\$ in millions</b>	<b>30 Jun 2016 HK\$ in millions</b>
(b) Total capital ( paid up and premium )	9,762	9,949
(c) Total amount of shareholders' fund	72,332	70,664

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

(a) Total assets	630,293	611,656
(b) Total liabilities	557,960	540,992
(c) Total loans and advances	420,446	411,478
(d) Total deposits	438,426	412,623

	<b>For the period ended 31 Dec 2016 HK\$ in millions</b>	<b>For the period ended 31 Dec 2015 HK\$ in millions</b>
(e) Pre-tax profit	12,806	12,605

- 1 The conversion rates of HKD/THB as of 31 December 2016, 30 June 2016 and 31 December 2015 were 4.62, 4.53 and 4.66 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 31 December 2016 which is the latest information available to the public.

**X. Remuneration system**

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