

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Financial Disclosure Statement
For the year ended 31 December 2020**

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 2020. It is compiled in accordance with the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155).

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

27 April 2021

The disclosure statement has been lodged with the Hong Kong Monetary Authority’s public registry and is available at the registered office of The Siam Commercial Bank Public Company Limited, Hong Kong Branch and the website <https://www.scb.co.th/en/corporate-banking/international-network/hong-kong.html> for public information.

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

I. Profit and Loss Account

	For the period ended 31 Dec 2020 HK\$ in thousands	For the period ended 31 Dec 2019 HK\$ in thousands
Income		
Interest income	189,288	489,624
Interest expense	(156,898)	(430,731)
Net interest income	32,390	58,893
Fees and commission income	11,158	11,180
Total fee and commission income	11,158	11,180
Gains less losses arising from trading in foreign currencies	3,773	2,334
Other income	882	790
Total operating income	48,203	73,197
Expenses		
Operating expenses		
- Staff expenses	(5,332)	(5,190)
- Rental expenses	(3,650)	(3,368)
- Head Office allocated expenses	(2,145)	(2,035)
- Other expenses	(2,194)	(2,492)
Total operating expenses	(13,321)	(13,085)
Operating profit before impairment losses	34,882	60,112
Net credit (charge) for debt provision	(475)	2,026
Profit before taxation	34,407	62,138
Tax expense	(2,920)	(5,280)
Profit after taxation	31,487	56,858

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II. Balance Sheet

	31 Dec 2020 HK\$ in millions	30 Jun 2020 HK\$ in millions
Assets		
Cash and balances with banks	11	14
Placement with banks which have a residual contractual maturity within one month	70	0
Amount due from overseas offices of the institution	13,991	14,129
Trade bills	8	4
Loans and advances		
- Loans and advances to customers	1,618	1,621
- Allowances for doubtful accounts	(4)	(4)
Accrued interest receivables	4	15
Other assets	10	10
Total assets	<u>15,708</u>	<u>15,789</u>
Liabilities		
Deposits from customers		
- Time, call and notice deposits	1,095	924
Amount due to overseas offices of the institution	14,502	14,747
Other liabilities	111	118
Total liabilities	<u>15,708</u>	<u>15,789</u>

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III. Additional Balance Sheet Information

	31 Dec 2020 HK\$ in millions	30 Jun 2020 HK\$ in millions
(a) Loans and advances		
Trade financing	8	4
Loan and advances to customers	1,618	1,621
Loan accrued interest	4	15
Allowance for doubtful accounts	(4)	(4)
	<u>1,626</u>	<u>1,636</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 2020 (30 June 2020: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 31 December 2020 (30 June 2020: Nil).

There were no loans and advances which were rescheduled as of 31 December 2020 (30 June 2020: Nil).

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

	31 Dec 2020 HK\$ in millions		30 Jun 2020 HK\$ in millions	
	Gross advances	Gross advances covered by collateral	Gross advances	Gross advances covered by collateral
Trade financing	8	0	4	0
Loans and advances for use in Hong Kong :				
- Manufacturing	271	0	271	0
Loans and advances for use outside Hong Kong	1,347	0	1,350	0
	<u>1,626</u>	<u>0</u>	<u>1,625</u>	<u>0</u>

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

	31 Dec 2020 HK\$ in millions	Percentage of total loans	30 Jun 2020 HK\$ in millions	Percentage of total loans
- Asia Pacific (excluding Hong Kong)	897	55.2%	896	55.1%
- Hong Kong	729	44.8%	729	44.9%
	<u>1,626</u>	<u>100.0%</u>	<u>1,625</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 2020

Types of counterparties	On-balance sheet exposures HK\$ in millions	Off-balance sheet exposures HK\$ in millions	Total HK\$ in millions
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	155	155
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	897	0	897
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	44	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
	----- 897	----- 199	----- 1,096
	=====	=====	=====
Total assets after provision	15,708		
	=====		
On-balance sheet exposures as percentage of total assets	5.71%		
	=====		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 30 June 2020

Types of counterparties	On-balance sheet exposures HK\$ in millions	Off-balance sheet exposures HK\$ in millions	Total HK\$ in millions
1. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	0	155	155
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	896	0	896
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
	<u>896</u>	<u>155</u>	<u>1,051</u>
 Total assets after provision	 <u>15,789</u>		
 On-balance sheet exposures as percentage of total assets	 <u>5.68%</u>		

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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 2020
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	4	0	0	4
Of which,				
- United Kingdom	2	0	0	2
- United States	2	0	0	2
- Offshore centres	73	0	731	804
Of which,				
- Hong Kong SAR	73	0	731	804
- Developing Asia and Pacific	13,993	0	897	14,890
Of which,				
- China	0	0	897	897
- Thailand	13,993	0	0	13,993
	<u>14,070</u>	<u>0</u>	<u>1,628</u>	<u>15,698</u>

**As of 30 June 2020
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	9	0	0	9
Of which,				
- United Kingdom	6	0	0	6
- United States	3	0	0	3
- Offshore centres	3	0	731	734
Of which,				
- Hong Kong SAR	3	0	731	734
- Developing Asia and Pacific	14,142	0	896	15,038
Of which,				
- China	0	0	896	896
- Thailand	14,142	0	0	14,142
	<u>14,154</u>	<u>0</u>	<u>1,627</u>	<u>15,781</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 2020

	HK\$ in millions		
	USD	Others	Total
Spot assets	15,562	66	15,628
Spot liabilities	(15,490)	(101)	(15,591)
Forward purchases	0	36	36
Forward sales	(36)	0	(36)
Net long position	<u>36</u>	<u>1</u>	<u>37</u>

As of 30 June 2020

	HK\$ in millions		
	USD	Others	Total
Spot assets	15,654	75	15,729
Spot liabilities	(15,541)	(141)	(15,682)
Forward purchases	0	67	67
Forward sales	(80)	0	(80)
Net long position	<u>33</u>	<u>1</u>	<u>34</u>

There was no structural position held by the branch as of 31 December 2020 and 30 June 2020.

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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 2020 HK\$ in millions	30 Jun 2020 HK\$ in millions
Contingent liabilities and commitments		
– Trade-related contingent items	376	417
– Exchange and gold contracts	72	160
– Other commitments	1,418	1,368
	<u>1,866</u>	<u>1,945</u>

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

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VII. Liquidity

(a) Liquidity Maintenance Ratio

	For the quarter ended 31 Dec 2020 Percentage	For the quarter ended 31 Dec 2019 Percentage
The average liquidity maintenance ratio for the quarter period	67.51%	64.59%

Starting 1 January 2018, 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" for that quarter.

(b) Liquidity Risk Management Approach

Qualitative disclosures

(i) Governance of liquidity risk management

The management of liquidity is in compliance with the Liquidity Risk Management Guidelines of Hong Kong Branch. 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. Hong Kong Branch also follows the guidance set forth by the HKMA in the Supervisory Policy Manuals. The Liquidity Risk Management Guidelines also sets out the responsibilities of Hong Kong Branch Assets and Liabilities Committee (ALCO) and the various functions in Head Office and Hong Kong Branch that are responsible for liquidity risk monitoring, control and reporting.

(ii) Funding strategy

Hong Kong Branch tries to maintain a diversified and stable pool of funding sources in the short-, medium- and long-term tenor.

(iii) Liquidity risk mitigation

Specific early warning indicators are established for each key area to assess if the liquidity risk of the Hong Kong Branch is at an appropriate level.

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VII. Liquidity (continued)

(iv) Stress testing

Hong Kong Branch performs regular stress tests for all currencies in aggregate and for positions in HKD, USD and other foreign currencies in which Hong Kong Branch has significant positions. Head Office also conducts stress testing regularly on a consolidated basis.

(v) Contingency funding plan

Hong Kong Branch has a contingency funding plan which set out the policies, procedures and action plans for responding to the event of severe disruptions, so that some or all of Hong Kong Branch activities can be funded in a timely manner and at a reasonable cost.

Quantitative disclosures

(i) Sources of funding

Mainly from intragroup borrowings and customers deposits.

(ii) Hong Kong Branch follows Head Office guidelines and limits on liquidity exposures and funding needs for individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.

(iii) Cash flows and the resultant liquidity gaps

(HK\$ millions)

Position as of 31 December 2020	Total amount	Estimated cash flows arising from selected assets, liabilities and off-balance sheet items (based on behavioural assumptions)										Balancing amount
		Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3	> 3 months up to 6	> 6 months up to 1	> 1 year up to 2 years	> 2 years up to 3	> 3 years up to 5	Over 5 years	
On-balance sheet liabilities	15,677	1,079	10	1,024	11,869	649	354	620	0	0	0	71
Off-balance sheet obligations	1,830	43	36	1,189	76	2	370	114	0	0	0	0
On-balance sheet assets	15,712	275	1,560	691	11,552	650	353	620	0	0	0	10
Off-balance sheet claims	36	0	36	0	0	0	0	0	0	0	0	0
Contractual Maturity Mismatch	(1,759)	(846)	1,551	(1,522)	(393)	(1)	(371)	(114)	0	0	0	0
Cumulative Contractual Maturity Mismatch	(1,759)	(846)	704	(818)	(1,211)	(1,212)	(1,584)	(1,698)	(1,698)	(1,698)	(1,698)	0

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Section B – Bank Information (Consolidated basis)

VIII. Capital and Capital Adequacy

	31 Dec 2020	30 Jun 2020
(a) Capital adequacy ratio (Basel III)	18.2%	18.1%

	31 Dec 2020 HK\$ in millions	30 Jun 2020 HK\$ in millions
(b) Total capital (paid up and premium)	11,642	11,314
(c) Total amount of shareholders' fund	106,270	101,323

IX. Other financial information (audited)

(a) Total assets	845,969	780,060
(b) Total liabilities	739,699	678,737
(c) Total loans and advances	585,697	539,750
(d) Total deposits	624,585	565,437

	For the period ended 31 Dec 2020 HK\$ in millions	For the period ended 31 Dec 2019 HK\$ in millions
(e) Pre-tax profit	8,719	15,323

- The conversion rates of HKD/THB as of 31 December 2020, 30 June 2020 and 31 December 2019 were 3.88, 3.99 and 3.87 respectively.
- Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 31 December 2020 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.