

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

Statement of Compliance


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

We have prepared this unaudited Financial Disclosure Statement of The Siam Commercial Bank Public Company Limited, Hong Kong Branch (“the Branch”) as of 30 June, 2016. It is compiled in accordance with the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155).

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

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

The Siam Commercial Bank Public Company Limited,
Hong Kong Branch


Theerapan Nunthapolpat
General Manager

28 September 2016

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

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

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II. Balance Sheet

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

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III. Additional Balance Sheet Information

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

(b) Overdue and rescheduled loans and advances

There were no impaired or overdue loans and advances to banks, other financial institutions or customers as of 30 June 2016 (31 December 2015: Nil).

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

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

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

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

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

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

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

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 30 June 2016

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	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
Total assets after provision	19,948		
On-balance sheet exposures as percentage of total assets	13.23%		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 31 December 2015

Types of counterparties	On- balance sheet exposures HK\$ in millions	Off-balance sheet exposures HK\$ in millions	Total HK\$ in millions
8. Central governments, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	143	12	155
9. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
10. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,006	0	3,006
11. Other entities of central government not reported in item (1) above	0	0	0
12. Other entities of local government not report in item (2) above	0	0	0
13. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China were the credit is granted for use in Mainland China	0	0	0
14. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	60	0	60
	3,209	12	3,221
Total assets after provision	24,102		
On-balance sheet exposures as percentage of total assets	13.31%		

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

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

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

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

	Banks	Non-financial Private sector	Others	Total
- Developed countries	7	0	0	7
Of which,				
- United Kingdom	2	0	0	2
- United States	5	0	0	5
- Offshore centres	4,347	1,428	0	5,775
Of which,				
- Hong Kong SAR	1,297	1,428	0	2,725
- Singapore	2,146	0	0	2,146
- Cayman Islands	904	0	0	904
- Developing Asia and Pacific	15,306	3,006	0	18,312
Of which,				
- China	0	3,006	0	3,006
- Thailand	15,306	0	0	15,306
	<u>19,660</u>	<u>4,434</u>	<u>0</u>	<u>24,094</u>

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

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V. Currency risk

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

As of 30 June 2016

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

As of 31 December 2015

	HK\$ in millions		
	USD	CNY	TOTAL
Spot assets	23,986	25	24,011
Spot liabilities	(23,964)	(24)	(23,988)
Net long position	<u>22</u>	<u>1</u>	<u>23</u>

There was no forward positions nor structural position held by the branch as of 30 June 2016 and 31 December 2015.

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VI. Off-balance sheet exposures

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

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

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

(b) Derivative transactions

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

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VII. Liquidity

	For the period ended 30 Jun 2016 Percentage
The average liquidity maintenance ratio for the financial period	136.12%

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

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

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

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Section B – Bank Information (Consolidated basis)

VIII. Capital and Capital Adequacy

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

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

IX. Other financial information (audited)

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

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

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

X. Remuneration system

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