

**The Siam Commercial Bank Public Company Limited,
Hong Kong Branch
Interim Financial Disclosure Statement
For the period ended 30 June 2019**

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, 2019. 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 September 2019

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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Financial Disclosure as of 30 June 2019**

Section A – Branch information (Hong Kong office only)

I. Profit and Loss Account	For the period ended 30 Jun 2019 HK\$ in thousands	For the period ended 30 Jun 2018 HK\$ in thousands
Income		
Interest income	277,396	169,813
Interest expense	(242,957)	(141,016)
Net interest income	34,439	28,797
Fees and commission income	5,851	12,926
Fees and commission expenses	0	0
Net fee and commission income	5,851	12,926
Gains less losses arising from trading in foreign currencies	2,085	899
Other income	18	16
Total operating income	42,393	42,638
Expenses		
Operating expenses		
- Staff expense	(2,544)	(2,303)
- Rental expenses	(1,651)	(1,646)
- Head Office allocated expenses	(1,050)	(900)
- Other expenses	(2,329)	(1,143)
Total operating expenses	(7,574)	(5,992)
Operating profit before impairment losses	34,819	36,646
Net credit (charge) for debt provision	(189)	(733)
Profit before taxation	34,630	35,913
Tax expense	(2,900)	(2,979)
Profit after taxation	31,730	32,934

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II. Balance Sheet

	30 Jun 2019 HK\$ in millions	31 Dec 2018 HK\$ in millions
Assets		
Cash and balances with banks	8	6
Placements with banks which have		
- A residual contractual maturity within one month	0	533
- A residual contractual maturity more than one month but not more than twelve months	0	0
Amount due from overseas offices of the institution	16,069	11,684
Trade bills	49	73
Loans and advances		
- Loans and advances to customers	1,478	1,770
- Allowances for doubtful accounts	(7)	(6)
Accrued interest receivables	53	39
Investment in securities	0	0
Property, plant and equipment	0	0
Other assets	9	9
Total assets	<u>17,659</u>	<u>14,108</u>
Liabilities		
Deposits and balances from banks	0	0
Deposits from customers		
- Demand deposits and current accounts	0	0
- Time, call and notice deposits	1,508	957
Amount due to overseas offices of the institution	16,036	13,019
Debt securities issued	0	0
Other liabilities	115	132
Total liabilities	<u>17,659</u>	<u>14,108</u>

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III. Additional Balance Sheet Information

	30 Jun 2019 HK\$ in millions	31 Dec 2018 HK\$ in millions
(a) Loans and advances		
Trade financing	49	73
Loan and advances to customers	1,478	1,770
Loan accrued interest	53	39
Allowance for doubtful accounts	(7)	(6)
	<u>1,573</u>	<u>1,876</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 2019 (31 December 2018: Nil).

No repossessed assets were held for impaired or overdue loans and advances as of 30 June 2019 (31 December 2018: Nil).

There were no loans and advances which were rescheduled as of 30 June 2019 (31 December 2018: Nil).

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

	30 Jun 2019 HK\$ in millions		31 Dec 2018 HK\$ in millions	
	Gross advances	Gross advances covered by collateral	Gross advances	Gross advances covered by collateral
Trade financing	49	0	73	0
Loans and advances for use in Hong Kong :				
- Manufacturing	273	0	274	0
Loans and advances for use outside Hong Kong	1,205	0	1,496	0
	<u>1,527</u>	<u>0</u>	<u>1,843</u>	<u>0</u>

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

	30 Jun 2019 HK\$ in millions	Percentage of total loans	31 Dec 2018 HK\$ in millions	Percentage of total loans
- Asia Pacific (excluding Hong Kong)	1,053	69.0%	1,208	65.5%
- Hong Kong	474	31.0%	635	34.5%
- Others	0	0.0%	0	0.0%
	<u>1,527</u>	<u>100.0%</u>	<u>1,843</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 2019

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	156	156
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	1,054	0	1,054
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 where 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
	1,054	156	1,210
Total assets after provision	17,659		
On-balance sheet exposures as percentage of total assets	5.97%		

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III. Additional Balance Sheet Information (continued)

(e) Non-bank mainland exposures

As of 31 December 2018

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	157	157
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	1,209	0	1,209
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 where 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
	----- 1,209	----- 157	----- 1,366
	=====	=====	=====
Total assets after provision	14,108		
	=====		
On-balance sheet exposures as percentage of total assets	8.57%		
	=====		

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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 2019
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	3	0	0	3
Of which,				
- United Kingdom	1	0	0	1
- United States	2	0	0	2
- Offshore centres	7	0	474	481
Of which,				
- Hong Kong SAR	4	0	474	478
- Singapore	3	0	0	3
- Developing Asia and Pacific	16,118	0	1,054	17,172
Of which,				
- China	0	0	1,054	1,054
- Thailand	16,118	0	0	16,118
	<u>16,128</u>	<u>0</u>	<u>1,528</u>	<u>17,656</u>

**As of 31 December 2018
(HK\$ in millions)**

	Banks	Official Sector	Non-financial Private Sector	Total
- Developed countries	3	0	0	3
Of which,				
- United Kingdom	2	0	0	2
- United States	1	0	0	1
- Offshore centres	538	0	636	1,174
Of which,				
- Hong Kong SAR	535	0	636	1,171
- Singapore	3	0	0	3
- Developing Asia and Pacific	11,718	0	1,209	12,927
Of which,				
- China	0	0	1,209	1,209
- Thailand	11,718	0	0	11,718
	<u>12,259</u>	<u>0</u>	<u>1,845</u>	<u>14,104</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 2019

	HK\$ in millions		
	USD	Others	Total
Spot assets	17,545	84	17,629
Spot liabilities	(17,514)	(84)	(17,598)
Forward purchases	0	0	0
Forward sales	0	0	0
Net long position	<u>31</u>	<u>0</u>	<u>31</u>

As of 31 December 2018

	HK\$ in millions		
	USD	Others	Total
Spot assets	13,971	72	14,043
Spot liabilities	(13,942)	(72)	(14,014)
Forward purchases	0	0	0
Forward sales	0	0	0
Net long position	<u>29</u>	<u>0</u>	<u>29</u>

There was no structural position held by the branch as of 30 June 2019 and 31 December 2018.

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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 2019 HK\$ in millions	31 Dec 2018 HK\$ in millions
Contingent liabilities and commitments		
- Direct credit substitutes	390	392
- Trade-related contingent items	552	14
- Sale and repurchase agreements	1,046	0
- Other commitments	1,221	1,766
	<u>3,209</u>	<u>2,172</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

	30 Jun 2019 HK\$ in millions	31 Dec 2018 HK\$ in millions
Exchange rate – related derivative contract		
- Notional amount	0	0
- Positive fair value	0	0
- Negative fair value	0	0

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VII. Liquidity

Liquidity Maintenance Ratio

	For the quarter ended 30 Jun 2019 Percentage	For the quarter ended 30 Jun 2018 Percentage
The average liquidity maintenance ratio for the quarter period	63.26%	67.96%

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.

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Section B – Bank Information (Consolidated basis)

VIII. Capital and Capital Adequacy

	30 Jun 2019	31 Dec 2018
(a) Capital adequacy ratio (Basel III)	17.1%	17.1%
	30 Jun 2019	31 Dec 2018
	HK\$ in millions	HK\$ in millions
(b) Total capital (paid up and premium)	11,465	10,893
(c) Total amount of shareholders' fund	100,469	91,989

IX. Other financial information (audited)

(a) Total assets	828,948	769,591
(b) Total liabilities	728,479	677,602
(c) Total loans and advances	548,752	517,649
(d) Total deposits	556,193	521,448
	For the period	For the period
	ended 30 Jun 2019	ended 30 Jun 2018
	HK\$ in millions	HK\$ in millions
(e) Pre-tax profit	6,294	6,560

- 1 The conversion rates of HKD/THB as of 30 June 2019, 31 December 2018 and 30 June 2018 were 3.94, 4.14 and 4.23 respectively.
- 2 Section B – Bank Information (Consolidated Basis) were prepared in accordance with the information as of 30 June 2019 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.