## Capital Fund
### Item 1: Capital Structure

<table>
<thead>
<tr>
<th>Items</th>
<th>Amounts in Million Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets maintained under Section 32</td>
<td>11,012</td>
</tr>
<tr>
<td>Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts</td>
<td></td>
</tr>
<tr>
<td>1 Capital for maintenance of assets under Section 32</td>
<td>10,349</td>
</tr>
<tr>
<td>2 Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches located in other countries, the parent company and subsidiaries of the head office</td>
<td>4,379</td>
</tr>
<tr>
<td>Total Capital Fund</td>
<td>10,349</td>
</tr>
</tbody>
</table>

### Item 2: Capital Adequacy

#### Table 1: Minimum capital requirement for credit risk classified by type of assets under the Standardised Approach (SA)

<table>
<thead>
<tr>
<th>Items</th>
<th>Amounts in Million Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing claims</td>
<td></td>
</tr>
<tr>
<td>1 Claims on sovereigns and central banks, and multilateral development banks (MDBs)</td>
<td>4</td>
</tr>
<tr>
<td>2 Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms</td>
<td>622</td>
</tr>
<tr>
<td>3 Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate</td>
<td>2,927</td>
</tr>
<tr>
<td>4 Claims on retail portfolios</td>
<td>897</td>
</tr>
<tr>
<td>5 Claims on housing loans</td>
<td>58</td>
</tr>
<tr>
<td>6 Other assets</td>
<td>97</td>
</tr>
<tr>
<td>Non-performing claims</td>
<td>138</td>
</tr>
<tr>
<td>Total minimum capital requirement for credit risk under the SA</td>
<td>4,743</td>
</tr>
</tbody>
</table>

#### Table 2: Minimum capital requirement for market risk for positions in the trading book (Standardized measurement approach/Internal model approach)

<table>
<thead>
<tr>
<th>Items</th>
<th>Amounts in Million Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Standardised approach</td>
<td>-</td>
</tr>
<tr>
<td>2 Internal model approach</td>
<td>376</td>
</tr>
<tr>
<td>Total minimum capital requirement for market risk</td>
<td>376</td>
</tr>
</tbody>
</table>

#### Table 3: Minimum capital requirement for operational risk

<table>
<thead>
<tr>
<th>Items</th>
<th>Amounts in Million Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardised approach</td>
<td>987</td>
</tr>
<tr>
<td>Total minimum capital requirement for operational risk</td>
<td>987</td>
</tr>
</tbody>
</table>

#### Table 4: Total risk-weighted capital ratio

<table>
<thead>
<tr>
<th>Items</th>
<th>Unit: %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>As at 30 June 2009</td>
</tr>
<tr>
<td>Total capital to risk-weighted assets</td>
<td>12.71%</td>
</tr>
</tbody>
</table>
## Market risk exposures

### Item 1: Market risk under the Internal Model Approach

#### Table 1: Disclosure on each type of market risk under the Internal Model Approach

*Amounts in Million Baht*

<table>
<thead>
<tr>
<th>Type of market risk</th>
<th>As at 30 June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rate risk</strong></td>
<td></td>
</tr>
<tr>
<td>Maximum VaR during the reporting period</td>
<td>160</td>
</tr>
<tr>
<td>Average VaR during the reporting period</td>
<td>123</td>
</tr>
<tr>
<td>Minimum VaR during the reporting period</td>
<td>78</td>
</tr>
<tr>
<td>VaR at the end of the period</td>
<td>153</td>
</tr>
<tr>
<td><strong>Equity position risk</strong></td>
<td></td>
</tr>
<tr>
<td>Maximum VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>Average VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>Minimum VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>VaR at the end of the period</td>
<td>-</td>
</tr>
<tr>
<td><strong>Foreign exchange rate risk</strong></td>
<td></td>
</tr>
<tr>
<td>Maximum VaR during the reporting period</td>
<td>77</td>
</tr>
<tr>
<td>Average VaR during the reporting period</td>
<td>41</td>
</tr>
<tr>
<td>Minimum VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>VaR at the end of the period</td>
<td>61</td>
</tr>
<tr>
<td><strong>Commodity risk</strong></td>
<td></td>
</tr>
<tr>
<td>Maximum VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>Average VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>Minimum VaR during the reporting period</td>
<td>-</td>
</tr>
<tr>
<td>VaR at the end of the period</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total market risk</strong></td>
<td></td>
</tr>
<tr>
<td>Maximum VaR during the reporting period</td>
<td>160</td>
</tr>
<tr>
<td>Average VaR during the reporting period</td>
<td>125</td>
</tr>
<tr>
<td>Minimum VaR during the reporting period</td>
<td>88</td>
</tr>
<tr>
<td>VaR at the end of the period</td>
<td>158</td>
</tr>
</tbody>
</table>
The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch
Pillar 3 Disclosures
As at 30 June 2009

Table 2 : Backtesting result (Hypothetical P&L v.s. VaR)

<table>
<thead>
<tr>
<th>Date</th>
<th>VaR (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-Jun-08</td>
<td>-2,000,000.00</td>
</tr>
<tr>
<td>03-Jul-08</td>
<td>-1,750,000.00</td>
</tr>
<tr>
<td>14-Jul-08</td>
<td>-1,500,000.00</td>
</tr>
<tr>
<td>24-Jul-08</td>
<td>-1,250,000.00</td>
</tr>
<tr>
<td>04-Aug-08</td>
<td>-1,000,000.00</td>
</tr>
<tr>
<td>14-Aug-08</td>
<td>-750,000.00</td>
</tr>
<tr>
<td>25-Aug-08</td>
<td>-500,000.00</td>
</tr>
<tr>
<td>04-Sep-08</td>
<td>-250,000.00</td>
</tr>
<tr>
<td>14-Sep-08</td>
<td>0.00</td>
</tr>
<tr>
<td>25-Sep-08</td>
<td>250,000.00</td>
</tr>
<tr>
<td>03-Oct-08</td>
<td>500,000.00</td>
</tr>
</tbody>
</table>

Analysis
There were two exceptions from Backtesting result as of 30 June 2009, the reason of those exceptions could be summarized as follow;

1 On 7 Jan 2009, the significant unfavorable upward shift of long term THB interest rate and also THB bond yield curve, by about 15-27 bps and 20-32 bps, respectively, contributed to a larger loss than the IR Trading VaR and Total Trading VaR estimation.

2 On 11 May 2009, increasing in cross currency swap rate, especially for two years tenor, contributed to the large amount of loss to our position. In addition, the unfavorable upward shift of THB interest rate and also bond yield curve also generated the significant loss. Consequently, our total trading loss was greater than the estimated loss from VaR.

The number of exception presented above is in the acceptable range set by the Bank of Thailand. There is no further action or any additional charge imposed.

Authorised Signatory
(Mr. Willie Tham)
Chief Executive Officer
Announced on 25 September 2009