

Bank of China (Thai) Public Co., Ltd

Pillar 3 Disclosures

For the year ended December 31, 2021

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Scope of Application

Pursuant to the Bank of Thailand's (BOT) Notification No. FPG. 4/2556 Re: Disclosure Requirement on Capital Adequacy for a Commercial Bank, Bank of China (Thai) Public Co., Ltd ("the Bank") hereby discloses information regarding capital, risk exposures, risk assessment processes and additional disclosure of capital under the BCBS requirements (Solo Basis).

1. Capital

1.1 Capital Structure

- Common Equity Tier 1 (CET1)
 - Paid-up capital (common stock) deducted by buyback of common stock
 - Legal reserves
 - Other items of owner's equity
 - Items to be deducted from CET1
 - Net losses
 - Goodwill
 - Deferred tax assets
 - Intangible assets
 - Accumulated loss from ECL recognition
- The Bank does not have additional Tier 1 capital currently.
- Tier 2 Capital

The Bank issued THB 2,326 million of subordinated debentures pursuant to Tier 2 subordinated debenture to Bank of China (Hong Kong). The debentures are qualifying capital instruments under Basel III and could be fully counted as Tier 2 capital.

The Bank is a wholly owned subsidiary of Bank of China (Hong Kong). The following table is a breakdown of the Bank's capital as of December 31, 2021, compared with the position of the Bank as of December 31, 2020.

Table 1: Capital Structure

Capital Structure	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
1. Tier 1 capital	10,218,423,182.02	10,119,435,933.35
1.1 Common equity tier 1 (CET1)	10,218,423,182.02	10,119,435,933.35
1.1.1 Paid-up capital (common stock) deducted by buyback of common stock	10,000,000,000.00	10,000,000,000.00
1.1.2 Warrants to buy common stock	-	-
1.1.3 Premium (Discount) on the value of common stock (net)	-	-
1.1.4 Legal reserves	21,036,886.20	24,439,022.55
1.1.5 Net profits (losses) after appropriated in accordance with the resolution of shareholders general meeting or the rules specified by parent of the financial group (Taking into account the impact from ECL)	398,006,037.84	462,646,628.46
1.1.6 Other items of owner's equity (1.1.7.1+1.1.7.2)	(43,163,720.10)	(267,467,329.15)
1.1.6.1 Accumulated other comprehensive income	-	-
1.1.6.2 Other items from owner changes	-	-
1.1.7 Items of subsidiaries conducting commercial banking business, only the portion of the shareholders who have no controlling authority that can be counted as CET 1 of the financial group	-	-
1.1.8 Adjustment items not allowed to affect the capital	-	-
1.1.9 Items to be deducted from CET1 (1.1.10.1+1.1.10.2)	157,456,021.93	100,182,388.51
1.1.9.1 Items to be deducted from CET1 *	-	-
1.1.9.2 Items to be deducted from Additional tier 1, for remaining parts, in case where Additional tier 1 is insufficient for the deductions in full	-	-
1.2 Additional tier 1	-	-
2. Tier 2 capital	2,325,729,000.00	2,325,729,000.00
2.1 Proceeds received from issuing preferred shares with accrued dividends deducted by buyback of such preferred shares	-	-
2.2 Warrants to buy preferred shares with accrued dividends	-	-
2.3 Proceeds received from issuing debt instruments with claims subordinated to depositors and general creditors	2,325,729,000.00	2,325,729,000.00
2.4 Premiums (or discounts) on value of instruments under 2.1 to 2.3 received by locally-registered commercial banks	-	-
2.5 General provision for performing loans	-	-
2.6 Surplus of provision	-	-
2.7 Items of subsidiaries, only the portion of the shareholders and outsiders who have no controlling authority that can be counted as Tier 2 capital of the financial group	-	-
2.8 Items to be deducted from Tier 2 capital ***	-	-
3. Total regulatory capital	12,544,152,182.02	12,445,164,933.35

1.2 Capital Adequacy

The Bank is required to calculate and report capital adequacy ratio to Bank of Thailand on a monthly basis, and is required to maintain a minimum Capital Adequacy Ratio of 11% since year 2019, with the minimum ratio of Common Equity Tier 1 and Tier 1 capital to risk weighted assets at 7.0% and 8.5% respectively according to Basel III/Pillar I. The Bank actively monitors and ensures capital above the minimum requirement. As of Dec 31, 2021, The Bank's Capital Adequacy Ratio (CAR) was 19.75%.

For each risk type under Pillar I, The Bank adopts the following approaches to calculate the regulatory capital requirements:

- Credit Risk: Standardized Approach
- Market Risk: Standardized Approach
- Operational Risk: Basic Indicator Approach

The Bank's Capital adequacy ratio is shown in Table 2. The minimum capital requirements for credit risk, market risk and operational risk at the end of 2019 and 2020 are shown in Table 3

Table 2: Capital Adequacy

Capital Ratio	Dec 2020	Dec 2021
1. Total capital to risk-weighted assets	21.88%	19.75%
2. Tier 1 capital to risk-weighted assets	17.82%	16.06%
3. Common Equity Tier 1 capital to risk-weighted assets	17.82%	16.06%

Table 3: Minimum Capital Requirement for Each Type of Risks

Minimum capital requirement for credit risk	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
Performing claims		
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	113,672,481.65	221,125,021.98
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	1,358,190,678.58	1,763,353,504.05
3. Claims on corporate, non-central government public sector entities (PSEs) treated as claims on corporate	4,072,582,771.80	4,184,733,850.59
4. Claims on retail portfolios	42,645,570.95	27,945,660.56
5. Claims on housing loans	210,149,223.92	196,166,041.43
6. Other assets	62,197,806.50	54,068,987.71
Non-performing claims	116,982,678.54	103,262,660.94
First-to-default credit derivatives and Securitization	-	-
Total minimum capital requirement for credit risk	5,976,421,211.95	6,550,655,727.26

Minimum capital requirement for market risk	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
1. Standardized approach	56,014,122.59	81,144,777.38
2. Internal model approach	-N.A.-	-N.A.-
Total minimum capital requirement for market risk	56,014,122.59	81,144,777.38

Minimum capital requirement for operational risk	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
1. Calculate by Basic Indicator Approach	253,697,795.71	195,916,237.42
2. Calculate by Standardized Approach	-N.A.-	-N.A.-
3. Calculate by Alternative Standardized Approach	-N.A.-	-N.A.-
Total minimum capital requirement for operational risk	253,697,795.71	195,916,237.42

2. Risk Exposure and Assessment

2.1 Credit Risk

Credit risk is the risk of loss that a customer or counterparty is unable to or unwilling to meet its contractual obligations. Credit risk exists in the trading book and banking book, as well

as from on- and off-balance sheet transactions of the Bank. It arises principally from lending, trade finance and treasury businesses.

2.1.1 Credit Risk Management Process

The Bank has established credit risk management framework to achieve and maintain high quality credit assets. The framework stipulates the establishment of comprehensive credit policy and procedures, which include independent credit review process, credit approval process, proper credit monitoring and risk reporting mechanism, as well as adequate risk mitigation measures. In order to provide a sound control environment with clear segregation of duties to ensure effective credit risk management process, the Bank has set up the following credit risk management structure:

- The Board of Directors and Risk Oversight Committee (ROC) are responsible for overseeing and supervising the Bank's overall credit risk management, as well as reviewing and approving high level risk exposures.
- Country Head is responsible for managing the Bank's credit risk and approving risk exposures or transactions within his authority. The Bank's senior management is responsible for approving the detailed credit risk management procedures.
- The business units are responsible and accountable for conducting internal credit ratings, assessing, monitoring and reporting credit risk of customers on an ongoing basis.
- Risk management unit is responsible for undertaking risk assessment independently, monitoring credit risk profiles, approving internal ratings, loan grades and impairment allowance. The credit risk management function is in charge of formulating credit risk management procedures, conducting portfolio management and performing stress test on credit risk. It is also responsible for reporting to the senior management and the risk management unit of the parent bank.

2.1.2 Credit Asset Classification and Impairment

The Bank pursues asset grades to reflect asset quality in accordance with BOCHK's guidelines of asset classification and requirements from BOT. The BOCHK divides asset into five-category (Pass, Special Mention, Sub-Standard, Doubtful and Loss), while BOT classified asset into 3 stages (Stage 1: Performing, Stage 2: Under-performing and Stage 3: Non-performing).

The credit assets are classified by taking into consideration quantitative measure such as the length of days which the principal or interest of credit facility is past due and qualitative measures such as the Significant Credit Deterioration Criteria (SCDC)

To comply with the requirements of Thai Financial Reporting Standard 9 (TFRS 9), the Bank assesses the expected credit loss (ECL) impairment of its credit assets regularly to reflect changes in credit risk since initial recognition which the Bank has adopted ECL% proxy approach from BOCHK to apply for estimation of credit loss.

The Bank calculates the ECL for Stage 1 exposures and Stage 2 exposures by assessing relevant credit information like forward-looking macroeconomic factors and obligors' credit information. ECL for Stage 3 exposures are assessed by considering future discounted cash flow.

Stage 1 exposures shall recognize ECL impairment within the next 12 months while Stage 2 exposures and Stage 3 exposures shall recognize lifetime ECL impairment.

Table 4: Outstanding amounts of significant on-balance sheet assets and off-balance sheet items before adjusted by credit risk mitigation

Outstanding amounts of on-balance sheet and off-balance sheet items	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
1. On-balance sheet assets (1.1 + 1.2 + 1.3+ 1.4)	67,644,030,000.00	70,206,852,137.82
1.1 Net loans ^{1/}	52,191,299,500.75	59,148,692,114.01
1.2 Net Investment in debt securities ^{2/}	12,873,976,000.00	8,927,906,772.85
1.3 Net Deposits ^{3/}	2,530,390,791.86	2,077,819,647.76
1.4 Derivative	48,363,707.39	52,433,603.20
2. Off-balance sheet items ^{4/} (2.1 + 2.2 + 2.3)	28,384,615,883.35	19,738,977,227.13
2.1 Aval of bills, guarantees, and letter of credits	18,254,179,764.86	10,993,239,277.23
2.2 OTC derivatives ^{5/}	6,131,706,448.06	7,711,267,910.35
2.3 Undrawn committed line	3,998,729,670.43	1,034,470,039.54

* Above amount show position disclosure in banking book and trading book.

1/ Including accrued interest receivables and net of deferred incomes, Expected Credit Losses and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

2/ Excluding accrued interest receivables and net of allowances for revaluation of securities and Expected Credit Losses of securities.

3/ Including accrued interest receivables and net of Expected Credit Loss

4/ Before multiplying credit conversion factor

5/ Including equity-related derivatives

Table 5: Outstanding amounts of on-balance sheet assets and off balance sheet items before credit risk mitigation classified by residual maturity

Outstanding amounts of on-balance sheet and off-balance sheet items	Dec 31, 2021 Unit: THB		
	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total
1. On-balance sheet assets (1.1 + 1.2 + 1.3+ 1.4)	35,183,817,941.58	35,023,034,196.24	70,206,852,137.82
1.1 Net loans ^{1/}	26,683,769,304.89	32,464,922,809.13	59,148,692,114.01
1.2 Net Investment in debt securities ^{2/}	6,369,795,385.74	2,558,111,387.11	8,927,906,772.85
1.3 Net Deposits ^{3/}	2,077,819,647.76		2,077,819,647.76
1.4 Derivative	52,433,603.20		52,433,603.20
2. Off-balance sheet items ^{4/} (2.1 + 2.2 + 2.3)	19,460,478,060.58	278,499,166.56	19,738,977,227.13
2.1 Aval of bills, guarantees, and letter of credits	10,993,239,277.23		10,993,239,277.23
2.2 OTC derivatives ^{5/}	7,711,267,910.35		7,711,267,910.35
2.3 Undrawn committed line	755,970,872.99	278,499,166.56	1,034,470,039.54
Outstanding amounts of on-balance sheet and off-balance sheet items	Dec 31, 2020 Unit: THB		
	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total
1. On-balance sheet assets (1.1 + 1.2 + 1.3+ 1.4)	26,764,405,084.37	40,879,624,915.65	67,644,030,000.02
1.1 Net loans ^{1/}	20,384,665,726.40	31,806,633,774.37	52,191,299,500.77
1.2 Net Investment in debt securities ^{2/}	3,804,410,931.72	9,069,565,068.28	12,873,976,000.00
1.3 Net Deposits ^{3/}	2,530,390,791.86	-	2,530,390,791.86
1.4 Derivative	44,937,634.39	3,426,073.00	48,363,707.39
2. Off-balance sheet items ^{4/} (2.1 + 2.2 + 2.3)	7,770,690,935.23	20,613,924,948.12	28,384,615,883.35
2.1 Aval of bills, guarantees, and letter of credits	394,493,517.87	17,859,686,247.00	18,254,179,764.86
2.2 OTC derivatives ^{5/}	5,230,593,448.06	901,113,000.00	6,131,706,448.06
2.3 Undrawn committed line	2,145,603,969.31	1,853,125,701.12	3,998,729,670.43

^{1/} Including accrued interest receivables and net of deferred incomes, Expected Credit Losses and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

^{2/} Excluding accrued interest receivables and net of allowances for revaluation of securities and Expected Credit Losses of securities.

^{3/} Including accrued interest receivables and net of Expected Credit Loss

^{4/} Before multiplying credit conversion factor

^{5/} Including equity-related derivatives

Table 6: Outstanding amounts of on-balance sheet assets and off-balance sheet items before adjusted credit risk mitigation classified by country or geographic area of debtor

Country or geographic area of debtor	Dec 31,2021 Unit:THB On-balance sheet assets				
	Total	Net loans ^{1/}	Net Investment in debt securities ^{2/}	Net Deposits ^{3/}	Derivative
Australia (AU)	321,419,325.54	313,428,759.35		7,990,566.20	
Canada (CA)	136,253.57			136,253.57	
Switzerland (CH)	73,045.55			73,045.55	
China (CN)	1,844,174,577.08	422,695,285.26	1,330,788,359.43	90,690,932.39	
European Union (EU)	53,876,821.58			53,876,821.58	
United Kingdom (GB)	42,206,770.87			42,206,770.87	
Hong Kong (HK)	862,986,245.31	855,847,454.26		438,320.59	6,700,470.46
Japan (JP)	5,058,468.28			5,058,468.28	
Cayman Islands (KY)	3,358,536,324.06	3,358,536,324.06			
Malaysia (MY)	1,830,204,076.00	1,830,204,076.00			
Philippines (PH)	128,861,828.77	128,861,828.77			
Singapore (SG)	996,336,762.92	960,312,498.97		36,024,263.95	
Thailand (TH)	57,540,569,634.03	48,406,153,393.39	7,597,118,413.42	1,491,564,694.48	45,733,132.74
United States (US)	668,079,998.82	318,320,488.53		349,759,510.29	
British Virgin Islands (VG)	2,205,335,231.78	2,205,335,231.78			
Vietnam (VN)	348,996,773.64	348,996,773.64			
Total	70,206,852,137.82	59,148,692,114.01	8,927,906,772.85	2,077,819,647.76	52,433,603.20
Country or geographic area of debtor	Dec 31,2021 Unit:THB Off-balance sheet items ^{4/}				
	Total	Aval of bills, guarantees, and letter of credits	OTC derivatives	Undrawn committed line	
Canada (CA)	7,572,309.63	7,572,309.63			
China (CN)	85,170,164.93	85,170,164.93			
European Union (EU)	73,239,930.81	73,239,930.81			
Singapore (SG)	911,207,223.23	911,207,223.23			
Thailand (TH)	15,663,108,896.55	7,858,285,158.63	6,770,353,698.37	1,034,470,039.54	
United States (US)	2,057,764,490.01	2,057,764,490.01			
Hong Kong (HK)	940,914,211.98	-	940,914,211.98	-	
Total	19,738,977,227.13	10,993,239,277.23	7,711,267,910.35	1,034,470,039.54	
Country or geographic area of debtor	Dec 31,2020 Unit:THB On-balance sheet assets				
	Total	Net loans ^{1/}	Net Investment in debt securities ^{2/}	Net Deposits ^{3/}	Derivative
Australia (AU)	307,065,071.39	302,926,461.85		4,138,609.54	
China (CN)	1,117,953,919.92		694,001,638.91	423,952,281.01	
France (FR)	41,794,555.29			41,794,555.29	
Hong Kong (HK)	1,919,560,450.03	1,239,823,775.19		679,201,405.77	535,269.07
India (IN)	720,434.41	720,434.41			
Japan (JP)	538,782.96			538,782.96	
Cayman Islands (KY)	2,901,543,756.63	2,901,543,756.63			
Malaysia (MY)	1,784,197,451.09	1,784,197,451.09			
Philippines (PH)	176,040,319.54	176,040,319.54			
Singapore (SG)	1,107,349,208.79	1,084,536,388.79		22,812,820.00	
Thailand (TH)	54,737,862,963.73	41,214,919,748.45	12,179,974,361.09	1,295,140,415.87	47,828,438.32
United Kingdom (GB)	16,930,823.10			16,930,823.10	
United States (US)	45,881,098.30			45,881,098.30	
British Virgin Islands (VG)	3,104,796,694.26	3,104,796,694.26			
Vietnam (VN)	381,794,470.55	381,794,470.55			
Total	67,644,030,000.02	52,191,299,500.77	12,873,976,000.00	2,530,390,791.86	48,363,707.39
Country or geographic area of debtor	Dec 31,2020 Unit:THB Off-balance sheet items ^{4/}				
	Total	Aval of bills, guarantees, and letter of credits	OTC derivatives	Undrawn committed line	
China (CN)	14,139,229,576.92	14,139,229,576.92			
Hong Kong (HK)	776,619,475.34	32,566,762.37	744,052,712.97		
Cayman Islands (KY)	67,732,710.85			67,732,710.85	
Malaysia (MY)	4,470,591.70	4,470,591.70			
Singapore (SG)	864,080,333.18	864,080,333.18			
Thailand (TH)	12,532,483,195.36	3,213,832,500.70	5,387,653,735.08	3,930,996,959.58	
Total	28,384,615,883.35	18,254,179,764.86	6,131,706,448.06	3,998,729,670.43	

* Country or geographic area classification is on registration basis.

1/ Including accrued interest receivables and net of deferred incomes, Expected Credit Losses and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

2/ Excluding accrued interest receivables and net of allowances for revaluation of securities and Expected Credit Losses of securities.

3/ Including accrued interest receivables and net of Expected Credit Loss

4/ Before multiplying credit conversion factor

Table 7: Outstanding amounts of Financial Assets and Commitments before adjusted credit risk mitigation and General provision and Specific Provision

Items	Dec 31, 2021 Unit: THB			
	Outstanding		Specific Provision under SA	Net Amount
	Default Exposures	Non-default Exposures		
1. Loans including accrued interest receivables	1,905,153,475.50	51,970,000,257.15	1,471,291,658.25	52,403,862,074.40
2. Investment in debt securities		12,790,121,234.73	12,489,266.30	12,777,631,968.43
3. Deposits including accrued interest receivables		2,530,402,655.53	11,863.67	2,530,390,791.86
4. Contingent Liabilities, Undrawn Commitments and Loan Guarantee	74,150,000.00	22,336,269,054.92	157,509,619.62	22,252,909,435.29
Total	1,979,303,475.50	89,626,793,202.32	1,641,302,407.84	89,964,794,269.98

Table 8: Outstanding amounts of Loans including accrued interest receivables and Investment in debt securities before adjusted credit risk mitigation classified by country or geographic area* and BOT's Loan Classification Criteria

Dec 31, 2021 Unit: THB								
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}				Investment in debt securities			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Australia (AU)		328,079,139		328,079,139		-	-	-
China (CN)	422,738,906.18			422,738,906	1,331,200,100.84			1,331,200,101
Hong Kong (HK)	857,818,254.31			857,818,254				-
Cayman Islands (KY)	2,697,872,830.70		1,265,884,959	3,963,757,789				-
Malaysia (MY)	1,847,897,430.93			1,847,897,431				-
Philippines (PH)	133,661,265.51			133,661,266				-
Singapore (SG)	1,007,321,739.29			1,007,321,739				-
Thailand (TH)	48,249,550,169.40	689,851,983	634,865,575	49,574,267,727	7,604,174,604.09			7,604,174,604
United States (US)	318,354,598.67			318,354,599				-
British Virgin Islands (VG)	2,209,820,248.19			2,209,820,248				-
Vietnam (VN)	353,276,289.05			353,276,289				-
Total	58,098,311,732.24	1,017,931,122.27	1,900,750,533.84	61,016,993,388.35	8,935,374,704.93	-	-	8,935,374,704.93

* Country or geographic area classification is on registration basis.

^{1/} Including loans and accrued interest receivables of interbank and money market

Table 9: Outstanding amounts of loans including accrued interest receivables and investment in debt securities before adjusted by credit risk mitigation classified by country or geographical area of debtor* and asset classification as prescribed by the Bank of Thailand

Dec 31, 2021 Unit: THB				
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Specific provision for
	General provision	Specific provision under SA	Bad debt written-off during period	Investment in debt securities
Australia (AU)		14,650,379.93		
China (CN)		43,620.91		411,741.41
Hong Kong (HK)		1,970,800.06		
Cayman Islands (KY)		605,221,465.41		
Malaysia (MY)		17,693,354.93		
Philippines (PH)		4,799,436.74		
Singapore (SG)		47,009,240.32		
Thailand (TH)		1,168,114,334.06	27,898,071.22	7,056,190.67
United States (US)		34,110.14		
British Virgin Islands (VG)		4,485,016.42		
Vietnam (VN)		4,279,515.41		
Total	-	1,868,301,274.33	27,898,071.22	7,467,932.08
Dec 31, 2020 Unit: THB				
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Specific provision for
	General provision	Specific provision under SA	Bad debt written-off during period	Investment in debt securities
Australia (AU)	-	6,941,189.45	-	-
China (CN)	-	-	-	133,598.69
Hong Kong (HK)	-	3,026,171.79	-	-
India (IN)	-	16.85	-	-
Cayman Islands (KY)	-	422,483,545.13	-	-
Malaysia (MY)	-	18,694,871.81	-	-
Philippines (PH)	-	4,026,787.40	-	-
Singapore (SG)	-	22,115,156.11	-	-
Thailand (TH)	-	980,561,989.71	-	12,355,667.60
British Virgin Islands (VG)	-	9,653,956.86	-	-
Vietnam (VN)	-	3,787,973.14	-	-
Total	-	1,471,291,658.25	-	12,489,266.30

* Country or geographic area classification is on registration basis.

^{1/} Including Expected Credit Losses and bad debt written-off during period of loans including accrued interest receivables of interbank and money market

Table 10: Outstanding amounts of Loans including accrued interest receivables before adjusted credit risk mitigation classified by type of business and BOT's Loan Classification Criteria

Type of business	Dec 31, 2021 Unit: THB			
	Stage 1	Stage 2	Stage 3	Total
Agriculture	1,936,725,270.63		254,926,693.15	2,191,651,964
Air Transportation	-		1,265,884,958.77	1,265,884,959
Commercial Bank	9,498,033,577.71			9,498,033,578
Construction	999,411,639.15			999,411,639
Education & Health	1,723,161,084.23			1,723,161,084
Energy	2,421,419,088.62			2,421,419,089
Logistics	2,385,744,982.06			2,385,744,982
Manufacture	13,042,964,239.41	190,102,044.46	230,042,335.34	13,463,108,619
Metals, minerals and steel	1,910,182,082.25	458,375,362.02		2,368,557,444
Non-Bank FI	4,078,160,950.80			4,078,160,951
Oil&Gas	2,433,481,984.11			2,433,481,984
Property	6,068,633,407.95			6,068,633,408
Retail and Wholesale	3,131,126,243.07	9,776,631.04	139,600,000.00	3,280,502,874
Services	4,483,173,384.38	346,075,300.25		4,829,248,685
Telecommunication	1,566,290,262.95			1,566,290,263
Loan to Financial Institution	-			-
Credit Card	62,654,003.48	2,252,204.78	2,614,451.37	67,520,660
Housing Loan	2,357,149,531.43	11,349,579.72	7,682,095.21	2,376,181,206
Total	58,098,311,732.24	1,017,931,122.27	1,900,750,533.84	61,016,993,388.35

*Including loans and accrued interest receivables of interbank and money market

Table 11: Provisions (General provision and Specific provision) and bad debt written-off during period for loans including accrued interest receivables classified by types of business

Type of business	Dec 31, 2021 Unit: THB		
	General provision	Specific provision under SA	Bad debt written-off during period
Agriculture	-	258,600,423	-
Air Transportation	-	580,515,792	-
Commercial Bank	-	289,899	-
Construction	-	11,159,929	27,898,071.22
Education & Health	-	7,905,211	-
Energy	-	13,348,256	-
Logistics	-	3,912,428	-
Manufacture	-	136,444,208	-
Metals, minerals and steel	-	313,438,879	-
Non-Bank FI	-	66,238,661	-
Oil&Gas	-	33,372,833	-
Property	-	53,284,862	-
Retail and Wholesale	-	152,257,801	-
Services	-	219,868,146	-
Telecommunication	-	2,871,470	-
Loan to Financial Institution	-	-	-
Credit Card	-	7,352,201	-
Housing Loan	-	7,440,276	-
Total	-	1,868,301,274	27,898,071.22
Type of business	Dec 31, 2020 Unit: THB		
	General provision	Specific provision under SA	Bad debt written-off during period
Agriculture	-	224,695,382	-
Air Transportation	-	402,209,348	-
Commercial Bank	-	46,534	-
Construction	-	41,738,292	-
Education & Health	-	14,035,235	-
Energy	-	6,559,126	-
Logistics	-	11,006,749	-
Manufacture	-	134,613,473	-
Metals, minerals and steel	-	52,991,805	-
Non-Bank FI	-	144,591,621	-
Oil&Gas	-	39,964,064	-
Property	-	85,743,402	-
Retail and Wholesale	-	173,363,113	-
Services	-	115,129,630	-
Telecommunication	-	2,247,183	-
Loan to Financial Institution	-	20,131	-
Credit Card	-	11,473,058	-
Housing Loan	-	10,863,513	-
Total	-	1,471,291,658	-

Table 12: Reconciliation of change in provisions (General provision and Specific provision) for loans including accrued interest receivables

Item	Dec 31, 2021 Unit: THB		
	General provision	Specific provision under SA	Total
Provisions at the beginning of the period	-	1,641,302,407.84	1,641,302,407.84
Bad debts written-off during the period	-	-	-
Increases or Decreases of provisions during the period	-	360,421,355.99	360,421,355.99
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	-	-
Provisions at the end of the period	-	2,001,723,763.83	2,001,723,763.83
Item	Dec 31, 2020 Unit: THB		
	General provision	Specific provision under SA	Total
Provisions at the beginning of the period	-	1,010,408,969.84	1,010,408,969.84
Bad debts written-off during the period	-	-	-
Increases or Decreases of provisions during the period	-	630,893,438.00	630,893,438.00
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	-	-
Provisions at the end of the period	-	1,641,302,407.84	1,641,302,407.84

* Including outstanding amount of loans including accrued interest receivables of interbank and money market

Table 13: Outstanding amounts of on-balance sheet assets and off-balance sheet items classified by type of assets under the SA

Type of asset	Dec 31, 2021 Unit: THB		
	On-balance sheet assets ^{1/}	Off-balance sheet item ^{2/}	Total
1. Performing claims	70,156,483,947.81	11,931,252,113.32	82,087,736,061.13
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	10,403,030,153.81		10,403,030,153.81
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	11,909,354,964.46	8,822,951.20	11,918,177,915.66
1.3 Claims on corporate , non-central government public sector entities (PSEs) treated as claims on corporate	44,620,385,865.75	10,737,529,920.81	55,357,915,786.56
1.4 Claims on retail portfolios	60,462,098.17	278,273,181.30	338,735,279.47
1.5 Housing loans	2,423,025,313.96	906,626,060.01	3,329,651,373.97
1.6 Other assets	740,225,551.66		740,225,551.66
2. Non-performing claims	934,257,826.32	2,927,832.21	937,185,658.53
3. First-to-default credit derivatives and Securitization			-
Total	71,090,741,774.13	11,934,179,945.53	83,024,921,719.66
Type of asset	Dec 31, 2020 Unit: THB		
	On-balance sheet assets ^{1/}	Off-balance sheet item ^{2/}	Total
1. Performing claims	67,759,564,175	10,725,303,776	78,484,867,950
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	13,248,384,728		13,248,384,728
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	8,362,575,643	66,350,671	8,428,926,314
1.3 Claims on corporate , non-central government public sector entities (PSEs) treated as claims on corporate	42,325,315,649	9,345,916,893	51,671,232,542
1.4 Claims on retail portfolios	69,021,448	447,894,564	516,916,012
1.5 Housing loans	2,865,992,397	865,141,648	3,731,134,045
1.6 Other assets	888,274,310		888,274,310
2. Non-performing claims	1,052,517,277	7,141,605	1,059,658,882
3. First-to-default credit derivatives and Securitization	-	-	-
Total	68,812,081,452	10,732,445,380	79,544,526,832

^{1/} Net of specific provision

^{2/} After multiplying with credit conversion factor and net of specific provision

2.1.3 Credit Rating

When calculating the risk weighted assets (RWA) using the standardized approach (SA) under Basel III, the Bank uses credit ratings from qualified External Credit Assessment Institutions (ECAIs) specified by the BOT:

- Public sector and financial institution borrowers: S&P, Moody's, Fitch and Fitch (Thailand);
- Private sector borrowers: TRIS, Fitch, Fitch (Thailand), S&P and Moody's;

Corporate Business Department is responsible for collecting external rating of corporate customers; Risk Management Department is responsible for collecting external rating of financial institutions, PSEs, central banks, and sovereigns.

The Bank follows the process of mapping the ECAI ratings with corresponding borrower's risk weights prescribed by BOT.



Table 14: Outstanding amount of net on-balance sheet assets and off-balance sheet items* after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA

Dec 31, 2021 Unit: THB												
Type of asset	Rated outstanding amount					Unrated outstanding amount						
Risk weight (%)	0	20	50	100	150	0	20	35	50	75	100	150
Performing claims	-	6,973,950,742.17	12,469,392,661.59	19,440,089,119.40	62,951,714.30	8,641,491,981.02	-	2,351,418,490.38	-	410,342,103.05	31,738,099,249.22	-
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns				2,010,227,472.52		8,392,802,681.29						
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		2,853,178,665.81	252,404,043.82	8,812,595,206.03								
3. Claims on corporate, non-central government public sector entities (PSEs) treated as claims on corporate		4,120,772,076.36	12,216,988,617.77	8,617,266,440.85	62,951,714.30						30,339,936,937.28	
4. Claims on retail portfolios										338,735,279.47		
5. Claims on housing loans								2,351,418,490.38		71,606,823.58	906,626,060.01	
6. Other assets						248,689,299.73					491,536,251.93	
Risk weight (%)	0	20	50	100	150	0	20	35	50	75	100	150
Non-performing claims ^{1/}											934,054,049.32	3,131,609.21
Capital deduction items prescribed by the Bank of Thailand												

Dec 31, 2020 Unit: THB												
Type of asset	Rated outstanding amount					Unrated outstanding amount						
Risk weight (%)	0	20	50	100	150	0	20	35	50	75	100	150
Performing claims	-	4,186,853,248.93	14,350,361,526.11	16,948,261,319.74	195,252,474.03	12,840,292,236.40	-	2,760,471,138.90	-	622,437,269.21	26,580,938,736.89	-
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns						12,214,998,531.01					1,033,386,196.84	
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		1,992,035,195.00	9,065,196,551.04	7,416,182,672.61								
3. Claims on corporate, non-central government public sector entities (PSEs) treated as claims on corporate		2,194,818,053.93	5,285,164,975.07	9,532,078,647.13	195,252,474.03						24,116,976,287.13	
4. Claims on retail portfolios										516,916,011.55		
5. Claims on housing loans								2,760,471,138.90		105,521,257.66	865,141,648.36	
6. Other assets						625,293,705.39					565,434,604.56	
Risk weight (%)	0	20	50	100	150	0	20	35	50	75	100	150
Non-performing claims ^{1/}											1,052,018,854.44	7,640,027.56
Capital deduction items prescribed by the Bank of Thailand												

* After multiplying credit conversion factor. 1/ For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

2.1.4 Credit Risk Mitigation

Main types of collateral taken by the Bank include cash, counter guarantee from other financial institutions, corporate guarantee, and mortgage. The cash collateral shall be deposited and pledged for control. Counter guarantee from financial institutions shall be controlled by Head Office, and the Bank shall review each guarantor quarterly case by case. Main types of guarantor include personal guarantor, corporate guarantor, and financial institutions.

Table 15: Part of outstanding that is secured by collateral* under SA classified by type of assets and collateral

Type of asset	Dec 31, 2021 Unit: THB	
	Eligible financial collateral ^{1/}	Guarantee and credit derivatives
Performing assets		
Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	-	-
Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	-
Claims on corporate, non-central government public sector entities (PSEs) treated as claims on corporate	496,711,752.23	11,909,444,373.79
Claims on retail portfolios	-	-
Claims on housing loans	-	-
Other assets	-	-
Total	496,711,752.23	11,909,444,373.79
Type of asset	Dec 31, 2020 Unit: THB	
	Eligible financial collateral ^{1/}	Guarantee and credit derivatives
Performing assets		
Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	-	-
Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	-
Claims on corporate, non-central government public sector entities (PSEs) treated as claims on corporate	302,454,000.00	10,044,488,104.66
Claims on retail portfolios	-	-
Claims on housing loans	-	-
Other assets	-	-
Total	302,454,000.00	10,044,488,104.66

* Values after on-balance sheets and off-balance sheets netting 1/ Eligible financial collateral that the Bank of Thailand allows to use for risk mitigation. Commercial banks applying the comprehensive approach shall disclose the value after haircut.

2.2 Market Risk

Market risk is defined as the risk of potential losses of the bank arising from the price volatility or position value including assets, liabilities and contingent liabilities held by the bank. Market risk factors affecting such price or value are change in interest rate, foreign exchange, equity price and commodity price.

BOCT market risk consists of Interest Rate Risk (IRR) and Foreign Exchange (FX) Risk in the Trading Book and Banking Book. IRR refers to the risk of loss due to shifts in the benchmark rate, causing depreciation of values of interest rate-based asset classes. FX risk refers to the risk of loss to an investment due to changes in the currency exchange rate in which the investment is priced. Currently, BOCT adopts the Standardized Model to quantify its Market risk RWA and Capital requirement. Market risk RWA arises solely out of FX Spot, forwards and currency swaps, even though the aggregate foreign currency exposure is small compared to the size of the overall portfolio, The Bank has implemented the following market risk control:

- Establishing Market Risk Limits, e.g. Bank-wide FX Exposure, Trading Book FX Exposure, Profit/loss Limit, Value at risk (VaR), Price Value of Basis Point (PVBP).
- The Bank has established the Market risk management policy approved by BODs to ensure having an appropriate framework and management system for managing and controlling market risk.
- Global Markets Department is responsible for monitoring and reporting market risk related transactions, and ensuring that the level of market risks is within the risk limits determined by BODs.
- Risk Management Department are responsible for implementing market risk management policies, and identifying, measuring, monitoring, controlling and reporting market risk exposures.

Table 16: Minimum capital requirements for each type of market risk under the Standardized Approach

Capital requirement for market risk	Dec 31, 2020 Unit: THB	Dec 31, 2021 Unit: THB
Interest rate risk	94,824.54	56,690.45
Equity position risk	-	-
Foreign exchange rate risk	55,919,298.05	81,088,086.93
Commodity risk	-	-
Total minimum capital requirements	56,014,122.59	81,144,777.38

2.3 Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external event. It includes Legal and Compliance risk and IT risk, but excludes Strategic and Reputational risk.

All business units and staffs are responsible for systematically managing operational risk according to The Bank's Three Lines of Defense. The Bank stipulated policy and measure of operational risk which cover all major operational risk points and each department shall monitor its operational risk management according to this policy and measure.

Operational risk management tools such as Risk And Control Assessment (RACA), Key Risk Indicators and Loss Data Collection are used to identify, assess and monitor operational risk exposures. Operational risk incidents that have significant impact shall be closely monitor and report to senior management and Risk Oversight Committee.

In year 2021, the potential for high-impact, remote-probability events remains, but day-to-day operational risk has largely been mitigated by effective control and management. Moreover, BOCT is cognizant of the reputational risks posed by money laundering activities and customer complaints. Accordingly, it has maintained and developed policies and processes to control these risks. The Market Conduct Policy has been enforced to ensure the soundness of the Bank's operation and process and aims to standardize procedures of management on fair customer treatment.

BOCT currently adopts the Basic Indicator Approach (“BIA”) to quantify its operational risk RWA and Capital requirement.

2.4 Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk refers to losses of earnings and /or economic value of BOCT as a result of changes in interest rates, which can be incurred from on and off-balance sheet exposures in banking book. The objective of IRRBB is to control the movement of interest rate within acceptable level as well as in line with business strategies and risk appetite and tolerance as was endorsed by Board of director. The Bank manages the interest rate risk of the banking book primarily through interest rate re-pricing gap analysis. The data generated by gap analysis is used to perform sensitivity analysis, assist decision making regarding the re-pricing of the interest-earning assets and interest-bearing liabilities. BOCT currently monitors IRRBB on daily basis at 100 bps by following the Group’s regulation and BOT’s regulation. Moreover, ALCO regularly evaluates cost of fund and use of fund in order to maintain the appropriate interest rate regarding to risk appetite of BOCT.

Table 17: The effect of changes in interest rates on net earnings

Currency	Dec 31, 2021 Unit: THB Effect to net earnings
Thai Baht (THB)	31,610,950.00
US Dollar (USD)	(20,499,766.66)
Chinese Yuan (CNY)	(8,358,326.80)
Others	(478,468.23)
Total effect	2,274,388.31
Currency	Dec 31, 2020 Unit: THB Effect to net earnings
Thai Baht (THB)	3,028,450.00
US Dollar (USD)	(6,693,767.74)
Chinese Yuan (CNY)	(3,403,520.03)
Others	(179,012.24)
Total effect	(7,247,850.01)

**Percentage changes in interest rates of 100 bps has been applied.*

3. Additional disclosure of capital under the BCBS requirements (Composition of capital disclosure requirements)

For the subordinated debenture which is classified as Tier 2 Capital, the 20% regulatory amortization deduction will be required from year 2022-2027.

Table for disclosure of main features of regulatory capital instruments

	Heading	Details
1	Investor name	BANK OF CHINA (HONG KONG) LIMITED
2	Unique identifier	Callable Subordinate instruments intended to qualify as Tier 2 Capital of Bank of China (Thai) Public Company Limited which will be required to be written down (full or partially) when government authority decides to grant financial assistance to the issuer No.1/2017 Due B.E. 2027
	<i>Inclusion of the instruments in the capital under the regulations of the Bank of Thailand</i>	
3	Instrument type (Common equity tier 1 / Additional tier 1 / Tier 2 capital)	Tier 2 Capital
4	Having the features in accordance with the Basel III or not	Yes
5	If having the features not in accordance with the Basel III, specify such features	n.a.
6	To be gradually deducted or be included in full	Gradually deduct after 5 years
7	Eligible at solo / group / group and solo	Solo Basis
8	Amount recognised in regulatory capital (unit : million Baht)	2,325.73
9	Par value of instrument (unit : Baht)	2,325,729,000
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	21 August 2017
12	Perpetual or dated	Dated
13	Original maturity date	19 August 2027
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	The issuer may exercise its right to early redemption upon the 5th anniversary of the issue date (the first redemption date, 21 August 2022).
16	Subsequent call dates, if applicable	n.a.
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	USD 3M LIBOR + 0.30%
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	n.a.
25	If convertible, fully or partially	n.a.
26	If convertible, conversion rate	n.a.
27	If convertible, mandatory or optional conversion	n.a.
28	If convertible, specify instrument type convertible into	n.a.
29	Write-down feature	
30	If write-down, write-down trigger(s)	n.a.
31	If write-down, full or partial	n.a.
32	If write-down, permanent or temporary	n.a.
33	If temporary write-down, description of write-up mechanism	n.a.
34	Position in subordination hierarchy in liquidation (specify instrument type which is subordinate to this instrument)	n.a.