



中國銀行

(泰国) 股份有限公司  
BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED

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# **Bank of China (Thai) Public Company Limited**

## **Interim Pillar 3 Disclosure**

**As of 30 June 2022**

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## **Introduction and Scope of Information**

Bank of China (Thai) Public Company Limited (“the Bank”) has adopted Basel III Framework regarding the capital and risk assessment by using the announcement of Bank of Thailand (“BoT”). The Basel’s regulatory framework consists of three pillars:

Pillar I: provides guidelines on minimum capital requirements for credit risk, market risk and operational risk.

Pillar II: addresses the key principles of supervisory review processes and relevant internal risk assessment beyond Pillar I, with an emphasis on the bank's internal capital adequacy assessment process (ICAAP).

Pillar III: aims to reinforce market discipline through guidelines for public disclosure of key information on capital adequacy and risk exposure as well as risk assessment and management.

This report is the Interim Pillar 3 Disclosure of the Bank as of June 30, 2022, it is reported on semi-annual basis and based on the financial data at the End of June and December. The disclosure is governed by the Bank’s internal policy and the report is not required to be externally audited. The report is published and available on the bank’s website - [www.bankofchina.co.th](http://www.bankofchina.co.th).

## **Capital Structure and Capital Adequacy**

The Bank has maintained sufficient capital fund to comply with BoT’s minimum capital regulatory requirements and support future business growth. At 30 June 2022, the Bank total capital fund was THB 12,452 million, structured of Common Equity Tier 1 (CET 1) capital of THB 10,127 million, Tier 1 capital of THB 10,127 million (there was no Additional Tier 1 capital), and Tier 2 capital of THB 2,325 million.

Detailed capital components are as follow:

### **Common Equity Tier 1 (CET1)**

- Issued and paid-up share capital (common stock) deducted by stock buyback
- Legal reserves
- Net profit after appropriated
- Other items of owner’s equity
- Items to be deducted from CET1
  - Net losses
  - Intangible assets
  - Deferred tax assets

## Tier 2 capital

The Bank issued THB 2,325 million of subordinated debentures pursuant to Tier 2 subordinated debenture to Bank of China (Hong Kong) Limited. The debenture has qualifying capital instruments under Basel III and could be fully counted as part of Tier 2 capital.

Table 1: Capital Structure

Unit: Thousand Baht

Items	Jun 30, 2022	Dec 31, 2021
<b>1. Tier 1 Capital</b>	<b>10,127,065</b>	<b>10,119,436</b>
1.1 Common Equity Tier 1 (CET1)	10,127,065	10,119,436
1.1.1 Paid-up capital (common stock) deducted by buyback of common stock	10,000,000	10,000,000
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	36,964	24,439
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)	700,612	462,647
1.1.6 Other items of owner's equity (1.1.7.1+1.1.7.2)	(43,810)	(267,467)
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	(395,191)	-
1.1.9 Items to be deducted from CET1 (1.1.10.1+1.1.10.2)	171,510	100,182
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	-	-
<b>2. Tier 2 Capital</b>	<b>2,325,729</b>	<b>2,325,729</b>
<b>3. Total Regulatory Capital</b>	<b>12,452,794</b>	<b>12,445,165</b>

## Capital Adequacy

Under BoT's minimum regulatory capital requirement, the Bank is required to maintain a minimum ratio of total capital to risk-weighted assets at 11.0%, with the minimum ratio of Common Equity Tier 1 and Tier 1 capital to risk-weighted assets at 7.0% and 8.5% respectively.

Total Capital Adequacy Ratios of the Bank at 30 June 2022 was 21.98%. CET1 Ratio and Tier 1 Ratio was 17.88%, which remained higher than minimum requirements of BoT.

Table 2: Capital Adequacy

Total Risk-weighted Capital Ratio and Tier 1 Risk-weighted Capital Ratio		
Ratio (%)	Jun 30, 2022	Dec 31, 2021
1. Total Capital to Risk-weighted Assets	21.98%	19.75%
<i>Minimum Capital Ratio Requirement</i>	11.00%	11.00%
2. Tier 1 Capital to Risk-weighted Assets	17.88%	16.06%
<i>Minimum Capital Ratio Requirement</i>	8.50%	8.50%

## **Approach for Capital Requirements in Each Risk Type**

With BoT's approval, the Bank has adopted the Standardized Approach ("SA") to calculate the Credit Risk and Market Risk, obtained Basic Indicator Approach ("BIA") for Operational Risk.

Table 3: Approaches

Approach implemented by risk type	Approach
Credit risk	Standardized Approach (SA)
Market risk	Standardized Approach (SA)
Operational risk	Basic Indicator Approach (BIA)

## **Minimum Capital Requirements Classified by Risk Types**

Table 4: Minimum Capital Requirement for Credit Risk

Unit: Thousand Baht

Minimum Capital Requirement For Credit Risk Classified by Type of Assets	Jun 30, 2022	Dec 31, 2021
<b>Performing Claims</b>		
1. Claims on sovereigns and central banks	-	-
2. Claims on provincial administrations, government entities, and state enterprises (PSEs)	213,710	221,125
3. Claims on financial institutions	1,211,580	1,763,354
4. Claims on corporates	4,015,051	4,184,734
5. Claims on retail portfolios	24,998	27,946
6. Claims on housing loans	187,779	196,166
7. Other assets	49,490	54,069
Non-performing Claims	102,192	103,263
First-to-default credit derivatives and Securitization	-	-
<b>Total Minimum Capital Requirement for Credit Risk</b>	<b>5,804,800</b>	<b>6,550,656</b>

Table 5: Minimum Capital Requirement for Market Risk for the Positions in Trading Book

Unit: Thousand Baht

Minimum Capital Requirement For Market Risk for Positions in Trading Book	Jun 30, 2022	Dec 31, 2021
1. Standardized Approach	107,023	81,145
2. Internal Model Approach	-N.A.-	-N.A.-
<b>Total Minimum Capital Requirement for Market Risk</b>	<b>107,023</b>	<b>81,145</b>

Table 6: Minimum Capital Requirement for Operation Risk

Unit: Thousand Baht

Minimum Capital Requirement For Operational Risk (BIA)	Jun 30, 2022	Dec 31, 2021
1. Calculate by Basic Indicator Approach	203,388	195,916
2. Calculate by Standardized Approach	-N.A.-	-N.A.-
3. Calculate by Alternative Standardized Approach	-N.A.-	-N.A.-
<b>Total Minimum Capital Requirement for Operational Risk</b>	<b>203,388</b>	<b>195,916</b>

Table 7: Minimum capital Requirement for Each Type of Market Risk

Unit: Thousand Baht

Minimum Capital Requirement For Each Type of Market Risk	Jun 30, 2022	Dec 31, 2021
Interest Rate Risk	-	57
Equity Position Risk	-	-
Foreign Exchange Rate Risk	107,023	81,088
Commodity Risk	-	-
<b>Total Minimum Capital Requirement</b>	<b>107,023</b>	<b>81,145</b>