**Citibank, N.A. Bangkok Branch**

# Basel III Pillar 3

## Capital and Liquidity Management Disclosure

**31 December 2024**

**Basel III – Pillar 3**
**Capital and Liquidity Management Disclosure**

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# 1. Scope of Application

The Capital Requirements Directive, often referred to as Basel III, introduced the need for banks operating under this new legislative framework to publish certain information relating to their risk management and capital adequacy. The disclosure of this information is known as Pillar 3 and is designed to complement the two other pillars of the Basel III, namely the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The disclosure has been prepared in accordance with the BOT Notification No. SorNorSor. 14/2562 Re : Disclosure of Information on Capital Fund Maintenance for Commercial Banks which requires foreign banks to disclose information of the branch in Thailand only. Therefore, this disclosure reflects only information of the Bangkok Branch. Citi's capital and global risk management is presented in Citi Annual Report 2024 at http://www.citigroup.com/citi/investor/corporate_governance.html.

In December 2008, Citibank, N.A. Bangkok Branch (hereafter referred to as "the Bank" or "Citibank") adopted the Standardized Approach (SA) for credit and operational risks and the Hybrid Approach between Standardized and Internal Model Approaches for market risk.

# 2. Capital

## 2.1 Capital Structure

Capital has historically generated by cash injections from Citibank Head Office and net earnings retained in Thailand. As of December 31, 2024, Citibank recorded total capital of Baht 24,300 million. The detailed capital composition can be found in the "Capital Structure" table.

## 2.2 Capital Adequacy

Generally, capital is used primarily to support assets in Citibank's businesses and to absorb credit, market and operational risks. The Bank's capital management framework is designed to ensure that Citibank maintains sufficient capital consistent with the Bank's risk profile and all applicable regulatory standards and guidelines. Citibank, N.A., Bangkok Branch is a branch of Citigroup's main global banking entity. As such, it does not have its own Board of Directors as one exists at the parent level. The Country Coordinating Committee (CCC) thus assumes much of the responsibilities of a Board of Directors at the local level. Senior Management oversight of the capital adequacy assessment process lies with the CCC which approves polices concerning capital adequacy and strategies by evaluating business plans and risk levels.

## 3. Risk Exposure and Assessment

The Enterprise Risk Management Framework, Policy and Procedures, and the related specific risks policies and procedures are the policies by which the Bank's risk management functions. The objective of these policies is to implement risk management and control practices such that consistent criteria are used to appraise similar risks; leading to prudent management of the overall risk profile, and optimization of risk versus return. The policies and principles for risk and control assessment require that appropriate controls and tools are in place to manage, measure and actively mitigate risks taken by the Bank. The global policies and local programs and procedures contain limits and control framework which set guidelines to ensure that business concentrations are within the Bank's risk and loss tolerance levels.

The Country Senior Management's objectives, budgets, portfolios, and investments must be prudent and reflect their view of risk and reward arising from market conditions and should dynamically adjust these strategies and budgets to fit changing environments. Business concentrations must be managed with the goal of a diversified portfolio and risks undertaken should not be disproportionate to the Bank's capital. Stress testing is a core responsibility which acts as one of the many preventive measures of extreme event risks. Significant stress losses will be escalated to the Country Senior Management.

Material Risk Managers must be vigilant in ensuring that they communicate and escalate risk awareness to other parts of the organization that may be impacted by developments in their respective risk domains. All business activity must report into the Compliance/Control, Risk, or Finance systems to ensure they are properly tracked and monitored. Material Risk Managers must periodically review communications with or actions by regulators, any material legal affairs of Citibank, and compliance with applicable laws on all Risk Management related matters. Internal Audit and Control units will test important risks as per their audit plans. Each business unit/function will perform self-assessments of their important risks on a quarterly basis. Any material issues raised by internal control, audit, or other reviews and steps taken to address any such issues should be highlighted to Senior Management.

## 4. Risk Categorization under Pillar 1

### 4.1 Wholesale Credit Risk (Corporate and Commercial)

Credit Risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit Risk may arise in many of the Bank's business activities which include lending, sales, and trading, derivatives, securities transactions, settlement, and when the Bank acts as an intermediary on behalf of its clients and other third parties.

*Sources of Credit Risk*

Sources that may heighten credit risk are as follows:

- Funding customers that are not in the Bank's designated Target Markets,
- Funding customers that do not pass the required underwriting criteria,
- Insufficient due diligence prior to loan approval that results in inadequate customers in the credit portfolio,
- Deterioration of a customer's credit rating,
- Collateral arrangements that are not perfected first priority security interest,
- Documentation that does not fully protect the Bank in case of default by the customer, and
- Delayed identification of red flags in customer behavior or financial status.

### 4.1.1 Credit Risk Management

*Credit Risk Management Processes*

Risk tolerance is governed by the Bank's credit and product polices and standards as well as Local Operating Procedures (LOP). The policies document the core standards and methodology for identifying, measuring, approving, and reporting risk in the respective businesses and drive escalation of larger exposures and exceptions to higher approval levels. Credit authority levels, delegation processes, approval processes for portfolio classification, product and transaction approval, other types of required approvals, and the appointment of credit officers and their responsibilities are defined in these documents. LOP's were developed locally to incorporate applicable local regulations, market practices, and requirements and are used in conjunction with the credit policies.

*Structure and Responsibilities of Credit Risk Management Units*

Major risks are managed across designated functional units that focus on analysis, approval, early warning monitoring, remedial management, and portfolio monitoring. The respective policies provide guidance on the minimum requirements for each function, thereby ensuring consistent risk management standards across the Bank.

*Credit Risk Measurement, Monitoring, and Reporting Systems*

Each unit follows established processes that quantify and measure risk in addition to reporting it independently from the respective business, both in report format and data that is aggregated in bank-wide risk systems. Indicators used to measure, monitor, and report risk include but are not limited to the following:

- Portfolio and obligor limits
  - Leading indicators (i.e., review extensions, exceptions to credit acceptance standards)
- Stress test results
- Portfolio profitability measures
- Cost of credit and non-performing loans; and
- Past due and impairment indicators.

*Credit Risk Control limits*

Each individual credit exposure is subject to an obligor limit as applicable to the obligor profile which helps maintain a diversified credit portfolio of risk assets. In addition, concentration reporting provides cross section views into the portfolio by name or across names. Reporting views include but are not limited to the following:

- Country reporting
- Industry reporting
- Product reporting
- Single name exposure reporting, and
- Tenor exposure reporting.

*Past due, Impairment and Provision*

The risk tolerance monitoring process covers all credit facilities, whether they are performing or delinquent. Each customer classification has specified monitoring activities and associated frequencies for action.

In the Wholesale portfolio, an integral part of the monitoring process is the early identification of credit deterioration which, in turn, allows for the proactive workout of the exposure and prompt execution of risk mitigation techniques. Classification is the process of categorizing facilities based on credit quality and/or the ability or willingness of the obligor to honor its commitments. Classification does not necessarily equate to a loss on a facility. It may merely signify that the facility is under pressure due to a variety of causes, and the facility requires special attention to ensure that Citibank does not experience a loss. Classification should thus be viewed as consisting of two levels:

Problem Levels: Classification categories Pass Watch List, Special Mention and Substandard-Performing generally denote that a facility has a potential or well-defined weakness that requires attention.

- Pass Watch List is considered if a facility exhibits potential weakness but that weakness is mitigated by current and projected financial and operating strength of the obligor.
- Special Mention is considered if there is a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospect of the facility.
- Substandard facility has a well-defined weakness and could jeopardize repayment capacity,

Loss Levels: Classification categories Substandard-Non Performing, Doubtful and Loss indicate that the likelihood of an actual loss is high. Substandard-Non Performing and Doubtful identify a potential loss, while Loss identifies an actual loss. In most cases, classification of Substandard-Non Performing and Doubtful requires an additional reserve build and Loss, an actual write-off. Early identification and proactive management of facilities in the Special Mention and Substandard-Performing classification can result in lower exposure in the event that the facility continues to deteriorate to Substandard-Non Performing, Doubtful or Loss.

The equivalent Citi classifications to IFRS9/TFRS9 can be approximated as follows.

| **Citi** | **IFRS/TFRS9** |
|---|---|
| Pass, Pass Watch List | Stage 1 |
| Special Mention, Substandard-Performing | Stage 2 |
| Substandard-Non Performing, Doubtful, Loss | Stage 3 |

Expected Credit Losses (ECL) are calculated as per IFRS9/TFRS9 methodology through the Global EBA & ICAAP Credit Loss Model for Wholesale Portfolio, an IFRS9-based model that generates ECL forecasts based on given macro-economic assumptions.

#### *4.1.2 Credit risk mitigation*

Credit risk is managed across designated functional units that focus on credit analysis and underwriting, credit approval, early warning monitoring, remedial management, and portfolio monitoring. The respective credit policies provide guidance on the minimum requirements for each function, thereby ensuring consistent credit risk management standards across the Bank. Each unit follows established processes that quantify and measure credit risk in addition to reporting it independently from the respective business, both in report format and data that is aggregated in bank-wide credit risk systems. Indicators used to measure, monitor, and report risk include but are not limited to the below:

- Portfolio and obligor limits and exposure against those limits,
- Criticized and classified exposure,
- Stress test results,
- Portfolio profitability measures,
- Cost of credit and non-performing loans, and
- Past due and impairment indicators.

Each individual credit exposure is subject to an obligor limit as applicable to the obligor profile, which helps maintain a diversified credit portfolio of risk assets. In addition, concentration reporting provides cross sectional views into the portfolio by name or across names.

Hedging and mitigating credit risk is done through eligible collateral, personal and/or corporate guarantees, and derivatives. Hedges and risk mitigation are subject to applicable credit policies. Cross-product netting and cross-product margining can be achieved through a qualifying master netting agreement that provides for termination, cross-default, and close-out netting across multiple types of financial transactions documented under multiple agreements. Close-out netting occurs when termination values of all transactions documented under a single agreement are calculated and netted to determine a single lump sum close-out amount that is either due to, or by, a counterparty. Determination on whether a margin can function as a legally recognizable risk mitigant against exposure and thereby decrease Citibank's exposure is made on a counterparty by counterparty and agreement by agreement basis, considering such factors as the place of organization of the counterparty, the insolvency laws applicable, the location of the margin, and the relevant documentation. Margining must be covered by an ISDA, Credit Support Agreement (where appropriate) or equivalent Master Agreements if required by local law and/or as required by Legal.

Collateral and other secured assets should have perfected first priority security interest. This includes physical collateral (evaluated by an approved independent appraiser) as well as cash and financial securities. All qualifying collateral that is pledged to support direct and contingent risk exposures must be legally enforceable and documented with insurance coverage as applicable. An approved technology system for collateral data collection and aggregation is used to track current collateral values for regulatory capital treatment. Collateral is reviewed annually or more often as deemed appropriate. Acceptable guarantees are personal, third-party, and corporate guarantees. Risk from collateral is mitigated by accepting only approved assets. Guarantees are primarily from qualified parties that are related to obligors or acceptable third parties in the form of Stand-By Letters of Credit (SBLCs). Citibank does not maintain open positions in credit derivatives markets.

### 4.2 Market Risk for Trading Book

Market risk / Price risk is the earnings risk from changes in interest rates, foreign exchange rates, and equity and commodity prices as well as in their implied volatilities. Price risk arises in non-trading as well as trading portfolios.

The risks in Citibank's trading portfolios are estimated using a common set of standards that define, measure, limit, and report market risk. Each business is required to establish, with approval from independent Market Risk Management, a market risk limit framework that clearly defines approved risk profiles and is within the parameters of Citigroup's overall risk appetite. Each trading portfolio has its own market risk limit framework encompassing these measures and other controls/components, including permitted product lists, issuer limit, loss trigger and a new product approval process for complex products.

Risk in trading portfolios is monitored using a series of measures that include the followings:

- Factor sensitivities – Market Risk Management ensures that factor sensitivities are calculated, monitored, and in most cases, limited for all relevant risks taken in a trading portfolio,

- Value-at-Risk (VaR) – VaR limits and/or triggers are put in place at the overall trading level, and regular back testing of the model against hypothetical P&L is carried out. The VaR results are reviewed by senior management,

- Stress testing – Group/regional level stress testing has been designed and developed based on a set of standard scenarios that quantify the potential impact of extreme market movements,

- Supervisory Stress Test - based on standard stress parameters, is calculated and submitted to BOT on a quarterly basis and included in the ICAAP as one Stress scenario.

Market risk is monitored by independent market risk managers with Internal Audit overseeing compliance with market risk policies as part of their routine audit process.

The bank operates restrictively with the regulated Net Open Position limits as provided by the regulator. The holdings of investment securities by the bank are mostly government bonds and, coupled with active monitoring and controls in place, there is no significant market risk perceived.

Boundaries between banking and trading books are reviewed by desk heads, Market Risk, Treasury Operations Head and Controller.

*Trading Risk Measurement*

Risk in trading portfolios is monitored using a series of measures that include the followings:

- Factor sensitivities – Market Risk Management ensures that factor sensitivities are calculated, monitored, and in most cases, limited for all relevant risks taken in a trading portfolio
- Value-at-Risk (VaR) – VaR limits and/or triggers are put in place at the overall trading level, and regular back testing of the model against hypothetical P&L is carried out. The VaR results are reviewed by senior management
- Stress testing – Group/regional level stress testing has been designed and developed based on a set of standard scenarios that quantify the potential impact of extreme market movement
- Supervisory Stress Test - based on standard stress parameters is calculated and submitted to BOT on a quarterly basis and included in the ICAAP as one Stress scenario.

*Capital Charge*

For market risk capital charge, Citibank got approval from BOT to use a hybrid model which is a mixture of both Internal Model Approach (IMA) and Standardized Approach (SA).

The IMA is used to calculate capital charge for risk taking activities across all trading positions for all asset classes e.g. Interest Rate Risks, Foreign Exchange Risks etc. based on the VaR.

The SA is used only to calculate the capital charge arising from the funding of trading positions. The capital charge is calculated based on long or short position over a tenor bucket.

### 4.3 Operational Risk

Operational risk is defined as the risk of loss resulting from inadequacy or failure of a commercial bank's internal control processes, people and systems, or from external events, including legal risk (e.g. prosecutorial or litigation risk or authority-imposed fine as well as any loss stemming from out of court settlement agreement, etc.). However, this type of risk excludes strategic risk and reputational risk (BOT's notification No.SorNorSor. 95/2551).

Source of Operational Risk

There are five Event Types (Categories) used by the Bank for categorizing Operational Risk:

- Clients, Products and Business Practices
- Execution, Delivery and Process Management
- Fraud, Theft and Unauthorized Activity
- Employment Practices and Workplace Environment, and
- Physical Asset and Infrastructure.

Mitigating Operational Risk

The Bank maintains an Operational Risk Management (ORM) Framework with a Governance Structure to ensure effective management of operational risk across Citi. The Governance Structure presents three lines of defence, as follows.

First Line of Defence: The Business owns all risks arising from its activities, including its Operational Risk, and is responsible for its management. For example, the operational risks of new product strategies must be understood and addressed. The Business Senior management, in partnership with the Independent Risk, must determine each Business' Key Operational Risks. In-Business Risk Management is responsible for identifying and reporting of operational risks as they emerge and communicating these risks to Independent Control Functions in the second line of defence, who can create a comprehensive view of Citi's risks across managed businesses.

Specific examples of programs that are in place to mitigate Operational Risk include the following:

Citibank Thailand's Continuity of Business (CoB) standards support the safety of Citi's personnel and the soundness of its businesses through consistent enterprise-wide CoB risk management practices, including but not limited to risk assessment, recovery planning, testing, and crisis management. It's Citi's objective to ensure Business and Technology senior management engagement and oversight over the CoB practices. Citi is aware that failure to plan for and mitigate the effects of business disruptions could result in financial loss, legal or regulatory repercussions, reputational damage, or even physical harm to staff. This is why Citi's CoB Standards globally are aligned to the Federal Financial Institutions Examination Council (FFIEC) IT Examination Handbook on Business Continuity Planning, the Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System, as well as the International Standards Organization's ISO 22301 and ISO 22313 Standards on Societal Security – Business Continuity Management Systems. In addition, Citi's CoB Testing Standards define the testing required for business, application, and technology recovery strategies (including End User Computing and Third Parties) for the following business disruption scenarios:

- Unavailability of or "Denial of Access" to Primary Premises (includes Unavailability of Staff)
- Unavailability or "Denial of Service" of Technology due to a Data Center or Technology Room Outage
- Unavailability of services provided by External Third-Parties

Citi applies a risk-based approach in defining CoB testing requirements by distinguishing between Business Functions and supporting applications that have been classified as "Franchise Critical" versus all others classified with a subordinate business criticality level. It is also the objective of these standards to establish oversight, at the Citi-level, of the Business processes, to ensure appropriate consistency in practices. In summary, Citi's CoB program is designed to safeguard Citi's staff, business operations, and technology under a diverse set of conditions, including the resolution to ensure effective risk management and the resiliency of Citibank Thailand's continuity of business.

In addition, as the reliance on digital banking technology grows, Citi continues to enhance its Cyber Risk mitigation with an intelligence-led and information-sharing approach to Information Security. Citi brings together experts from its Global Information Security (GIS), Citi Security & Investigative Services (CSIS), and Security Operations Center (SOC) to ensure effective collaboration, information sharing, and strategic intelligence analysis that can support, enhance, and contribute to Citi's information security risk decision-making.

Citi's information security strategy is spearheaded by the Cyber Security Fusion Center (CSFC) located in three cities globally (Warren, NJ, U.S.A. Budapest, Hungary, and Singapore) that connects its collective intelligence around the clock with automation, analytics, and most important, human judgment, to support Citi's three strategic objectives:

- Prevent cyber-attacks against Citi and our critical partners by deterring, detecting, predicting, planning for, and preempting threats
- Reduce Citi's vulnerability and risk to cyber-attacks by sharing new knowledge and providing relentless follow-up on priority issues
- Minimize damage and recovery time from cyber-attacks that do occur by serving as a coordinating entity

The CSFC provides real time cyber security support (including timely and actionable intelligence) to each country through daily coordinated regional cyber calls (to share the latest cyber incidents and preventative actions) and provides a forum for local country incident escalation and immediate action to mitigate cyber risk.

Second Line of Defence: Citi's Independent Control Functions establish the second line of defense to oversee and challenge the effectiveness of controls and manage operational risks across Businesses, Regions, and Functions. The Second Line of Defense Control Functions include Risk Management and its ORM organization, Compliance, Finance, Human Resources, and Legal. Legal and Compliance additionally advise on legal and regulatory issues that affect the Bank's risk and control environment and may provide information related to certain emerging risks.

ORM oversees the implementation of the ORM Framework for the management of operational risk across Citi. ORM Managers engage with the Business and the respective Chief Risk Officers (CROs) to ensure effective implementation of the ORM Framework by focusing on i) identification, analysis, and assessment of operational risks; ii) effective challenge of key control issues and operational risks; and iii) anticipation and mitigation of operational risk events. ORM ensures that validation and verification is established for critical framework elements.

For all products subject to review pursuant to the Citi New Activity Policy or any other such new product approval policy or standard, relevant operational risks should be identified and documented where approval is required to ensure that these risks, both initially and ongoing, are properly considered, controlled, and, where needed, approved by ORM and/or Independent Risk Management. The objective of the review, tailored as appropriate for the product or service, is to ensure that all relevant risks, including economic, operational, regulatory, reputational, and other franchise risks, are identified, evaluated, determined appropriate for the business and its customers, and that the necessary approvals, controls and accountabilities are in place. The review should include an evaluation designed to determine whether the business has the requisite expertise and resources to successfully execute on the business plan and whether the proposed new business activities pose a high risk to the business or materially alter the businesses existing risk profile with respect to these activities.

Third Line of Defence: Internal Audit recommends enhancement on an on-going basis and provides independent assessment and evaluation.

Bank management places a very high value on maintaining an effective control environment to mitigate operational risk; therefore, a number of tools have been put in place to mitigate this risk. These tools include Managers Control Assessment (MCA), operational loss reporting, Integrated Corrective Action Plan System ("iCAPS") - which is the Citi system used for tracking issues and their associated CAPs, new activity approval process, and several escalation mechanisms related to operational risk.

Operational Risk Assessment

The Bank implemented Governance, Risk & Compliance (GRC) Standard and Procedure in 2019 that aim to achieve greater convergence across the company through common frameworks, assessment methodologies, processes and platforms for managing operational, compliance, conduct, legal and reputational risk and better alignment and transparency between the 1st, 2nd & 3rd Line of Defense. The Management's Control Assessment (MCA) Standard and Procedure establish a comprehensive self-assessment program, methodology and tools to support managers in mitigating their GRC Risks through consistent :

- Risk and control identification
- Risk and control assessment and monitoring
- Residual risk management

Individual residual risks and aggregated residual risk ratings are automatically derived between Tier 1 to 5, where Tier 1 is the highest risk and Tier 5 is the lowest risk. The MCA Governance Entity Owner (MGE owner) must review the main risk drivers of the MGE Residual Risk Rating and where necessary take steps to manage residual risk down. MGE rating for Thailand has been Tier 4 residual risk (low risk) since implementation in 2019. Control issues have little to no impact on the ability to meet business objectives and are mainly self-identified by management. Corrective action plans are generally short-term and compensating controls are consistently in place. Management has sufficient resources to fully correct all open issues timely.

For all products subject to review pursuant to the Citi New or Complex Products, Services and Business Line Policy or any other such new product approval policy or standard, relevant operational risks should be identified and documented where approval is required to ensure that these risks, both initially and ongoing, are properly considered and controlled.

The Bank currently uses the Standardized Approach (SA-OR) for calculating operational risk capital based on revenue, which is categorized into eight business lines according to the Bank of Thailand.

Bank of Thailand (BOT)'s requirement- Notification No. Sor.Nor.Sor. 95/2551: The calculation of value equivalent to operational risk-weighted asset by using SA-OR can be summarized in the formula below:

$$\text{ERWASA-OR} = 12.5 \times \text{KSA-OR}$$

$$\text{KSA-OR} = \frac{\sum \max\left[\sum(\text{GI1-8} \times \beta\text{1-8}),0\right] \text{Year1-3}}{3}$$

Where

ERWASA-OR = Value equivalent to operation risk-weighted asset under SA-OR

KSA-OR = Minimum capital base for operational risk under SA-OR

GI1-8 = Annual gross income for each of eight business lines

β1-8 = Constant risk value under SA-OR which is assigned a different value for each type of eight business lines

To derive operational risk, the Bank has methodology as follows;

1. Allocating gross income for each business line by local General Ledgers (GL) with Local Product ID (PROD MIS). One GL with PROD MIS can go to only one type of income.
2. Apply beta in below table to each GI which is standardized approach from BOT to derive operational risk for year.

| Gross Income type | Beta |
|---|---|
| Corporate Finance | 18% |
| Trading and Sales | 18% |
| Retail Banking | 12% |
| Commercial Banking | 15% |
| Payment and Settlement | 18% |
| Agency Services | 15% |
| Asset Management | 12% |
| Retail Brokerage | 12% |

3. Calculate average amount of current year and 2 years prior.
4. Compute operational risk weight by multiplying 12.5.

Note that the current calculation of Operational Risk RWA for the Bank includes historical income from the Consumer business. This approach was decided in the absence of explicit instruction from the Bank of Thailand to remove this income from the Bank's RWA calculation.

To achieve a qualitative risk appetite, the Bank is committed to effective operational risk management and has a consistent, transparent replicable methodology and framework. Our Framework ensures operational risks are adequately identified, measured, monitored, managed, and reported by all business segments. Citi implemented the Operational Risk Management Policy and related Standards to assist in consistent and effective execution globally.

The Bank's Framework is aimed at achieving:

- Effective management of operational risks by determining that a well-controlled operating environment is in place; and
- Accurate operational risk measurement and quantification of the Bank's operational risk capital.

# 5. Risk Categorization and Additional Capital Requirement under Pillar 2

## 5.1 Credit Concentration Risk

**Wholesale Credit (Corporate and Commercial)**

Credit concentration risk refers to the risk of material loss due to large exposures to individual counterparts or groups of counterparts whose likelihood of default is driven by common underlying factors.

*Sources of Credit Concentration Risk*

Major sources of credit concentration risk include the following:

- Large exposures to specific names or highly correlated names,
- Concentration of risk to specific sectors or countries,
- Concentration of risk to certain banking products, and
- Concentration of risk to specific market factors.

*Mitigating Credit Concentration Risk*

Credit concentration risk is mitigated through established limits on specific portfolio characteristics such as obligor risk ratings, industry concentration, and banking product types. These limits are regularly reviewed by management and escalated at certain thresholds. While the Corporate portfolio can potentially have some exposure concentrations, these are monitored through a monthly report, measuring relationship exposures against Single Lending Limit rules, and through the industry concentration tracking on the Risk Management update to CCC.

The CCB portfolio has a high degree of granularity with small exposures that are individually limited by maximum customer facility limits as mandated by the credit policies, therefore, concentration risk is limited in this portfolio. Though there is one relatively large exposure within CCB, credit risk is fully mitigated by an intra-Citi SBLC from Citi Singapore.

*Credit Concentration Risk Assessment*

Assessment of large borrower and industry concentration risks is done in compliance with BOT Notification No. 2/2564 (August 2021).

From time to time there are a few large borrowers but the concentration risk is mitigated with these borrowers being highly rated local/multinational companies and banks with healthy credit profile, and/or relationships that have corporate guarantees/support from parent companies. Also, majority of the exposure is short tenor. Thus, it is not considered material to reflect this concentration risk with additional reserves or capital requirement.

Similarly, industry concentration risk is tracked on monthly basis against internal benchmarks and any concerns are escalated to the CCC. There are no instances of material breach on these internal benchmarks.

### 5.2 Interest Rate Risk in the Banking Book (IRRBB)

IRRBB arises from the gapping mismatch between assets and liabilities. The Bank manages this risk at a country and legal vehicle levels. IRRBB is managed by Treasury on a legal vehicle basis; most of the risk is concentrated in Citibank. The capital charge of IRRBB is determined from Treasury perspective (Treasury Layer under Gap methodology).

Interest rate gaps arise from customer flows and Treasury gapping activities. Interest rate risk is measured using earnings and economic value impacts (stress test).

- Interest Rate Exposure (IRE): instantaneous shocks across the yield curve. Multiple rate scenarios are used in the calculation (+/- 100 basis points – Citi Internal monitoring, 200 basis points).

- Stress Testing: Group/regional level of stress testing has been designed and developed based on a set of standard scenarios that quantify the potential impact of extreme market movements.

*Mitigating IRRBB*

Market risk-taking activity is limited to the Treasury Department which is subject to limits and triggers across all products and risk factors. There are defined processes and procedures for limit approvals, changes, delegations, reporting, and escalation in case of limit excesses or trigger breaches.

*IRRBB Assessment*

IRRBB is monitored by independent Market Risk managers with Internal Audit overseeing compliance with market risk policies as part of their routine audit process.

### 5.3 Liquidity Risk

Citibank, N.A. Bangkok Branch is fully integrated into the overall Citi liquidity and funding processes as well as liquidity monitoring framework within a high effective standard. The Country Funding and Liquidity Plan complies with Liquidity Risk Management Policy with an annual review that includes analysis of the balance sheet as well as business conditions that impact liquidity. This ensures a well-funded balance sheet through secured financing, unsecured interbank borrowing, intercompany borrowing, and capital.

*Sources of Liquidity Risk*

- Illiquidity of trading assets
- Lack of markets participants, or avoidance of unsecured trading/lending
- High concentration either on single assets or unsecured funding
- Insufficient credit appetite or credit rating deterioration, or sudden unexpected cash outflows
- Inability to analyze firm-wide cash flows through its contractual profiles
- Counterparty credit limits preventing access to liquidity.

*Mitigating Liquidity Risk*

The Bank has established a robust control framework which ensures that liquidity risk is effectively managed within predefined and agreed risk tolerances. This control framework incorporates the following.

- A group wide Liquidity Risk Management Policy
- Contingency funding plans covering Thailand vehicles
- Liquid asset maintenance required by the BOT
- Day-to-day management and monitoring of limits and ratios by the Country Local Markets Treasury team and Independent Market Risk Manager, and
- Senior management oversight from the CCC and Regional Corporate Treasury.

This framework remained broadly unchanged and governed throughout the market crisis, proving the ability of effective liquidity risk management. Senior management also reviews the key ratios at least monthly to assess the liquidity strength. Additionally, stress testing results form a key element of the liquidity framework as it sets out potential funding requirements under stress scenarios and incremental actions that can be taken to ensure that the requirements are met.

*Intraday Liquidity Management:*

To eliminate the liquidity risk as well as preventing the gridlock and facilitate the smooth settlement, the Bank is required to post collateral against the usage of the Intraday Credit lines offered by BOT via their Intraday Liquidity Facility (ILF) window. Eligible securities that qualify as ILF collateral are Government bills and bonds, Central Bank bills and bonds, Promissory Note for debt restructuring, and bonds or debentures issued by Government Agencies or State Enterprises or Specialized Financial Institutions.

BOT requires bank to maintain ILF funds no less than 10% of the lower between (1) the average value of fund transfer (outgoing transfer) via settlement system (Bahtnet) fortnightly and (2) the value of funds transfer (outgoing transfer) via Bahtnet on the same day. In addition, BOT requires bank to maintain Securities Requirement for Settlement (SRS) to reduce the settlement risk in multilateral net settlement system including check clearing system (ICAS). Eligible securities that qualify as SRS bonds are the same as securities eligible for ILF. Bank is required to maintain SRS securities at least equivalent to 100% of bank's potential debit position which is calculated based on the net clearing position during the past 12 months.

Market Treasury (MT) will ensure that bank meets the ILF and SRS requirement as well as cash reserve requirement. During the day, MT will closely monitor ILF usage in Bahtnet and net cash flow position during the day to gauge if MT has to borrow funds from the market or top up securities if necessary, to facilitate the settlement transactions in Bahtnet.

*Liquidity Risk Assessment*

Thailand CCC and Country Treasurer monitor the liquidity of the Thailand vehicles by tracking asset levels, collateral, and funding availability to maintain the flexibility required to meet financial commitments. Management of liquidity is performed daily and is monitored by the MT team, which includes liquidity planning and the use of ratios, limits, triggers, and stress testing with the addition of management of the transfer pricing system. To mitigate the risk associated with intraday volatility, escalation triggers for intraday liquidity monitoring have been established. Any failure to meet the minimum funding requirement will be escalated to seniors/CCC together with the corrective action. In addition, 5 days cash flow forecast is being provided daily to estimate short-term cash inflows/outflows. A series of standard firm wide liquidity ratios has been established to monitor the structural elements of Citi's liquidity. Triggers for management discussion (including at CCC), which may result in other actions, have been set against particular ratios.

Key ratios:

- Deposit as a percentage of loans
- Resolution Liquidity and Positioning (RLAP)
- Term Liquidity Stress Test (TLST)
- Significant funding sources as a percentage of third party liabilities
- Liquidity Coverage Ratios (LCR)
- Net Stable Funding Ratios (NSFR)

Reporting:

- Deposits (daily)
- Daily Resolution Liquidity and Positioning (RLAP) (daily)
- Daily 5 Days Cash Flow Projection report (daily)
- Daily Term Liquidity Stress Test (TLST) (daily)
- Significant funding sources analysis (monthly)
- Liquidity Coverage Ratios (local NSFR and US NSFR) (monthly)
- Net Stable Funding Ratio (local NSFR and US NSFR) (monthly)

### 5.4 Strategic Risk

Strategic risk is the immediate and potential impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to external and internal changes. This risk is a function of the compatibility of the Bank's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation.

*Sources of Strategic Risk*

Sources of strategic risk include the following:

- Inconsistency between risk management practices and strategic initiatives. Lack of clearly defined business strategy and/or risk appetite,
- Strategic goals overly emphasizing new and existing business growth or expansion which may lead to earnings volatility or capital pressures. Strategic initiatives being aggressive or incompatible with developed business strategies, communication channels, operating systems, and service delivery networks with a possible impact on franchise value,
- Strategic decisions that may be either difficult or costly to reverse. Potential return inadequate to justify level of risk. Inability to attract sufficient revenue to justify effort/expense,
- Insufficient operating policies and programs to support strategic initiatives. Non-adherence to product programs, business policies, or procedures,
- Unclear or inconsistent strategic goals leading to an imbalance between the risk tolerance and willingness to supply supporting resources. Limited structure and managerial and/or technical talent within the Bank to support long-term strategies,
- Ineffective evaluation of new products, services, or acquisitions as a result of deficiency in management decision-making and risk recognition. Product mix inconsistent with strategy, economic/competitive environment, or the Bank's present or future resources and capabilities,
- A serious flaw in management information systems in order to support strategic initiatives,
- Target market that is ambiguous, high risk, or inconsistent with the Bank's strategy or operating environment. Shifts in major markets or customer preferences,
- Failure to manage risk from complex and/or large notional deals,
- Inability to stay competitive, whatever the cause, and
- Conversion

*Mitigating Strategic Risk*

The following factors and management practices are considered effective risk mitigation:

- Clear communication of strategic initiatives. Citigroup's strategic initiatives are clearly communicated at a broad scope from the global and regional levels down to branches at the country level, and tailored where appropriate to fit within the local market. The Bank's risk management framework is leveraged from Citigroup standards to the most possible extent but always revised when considered necessary to address risk areas existing at the country level. Business strategy is also periodically reviewed to align with changing economic, market, and industry changes

- Products and target markets consistent with strategy, risk appetite, operating environment, and available resources with emphasis on markets in which the Bank is or can be a leading player
- Governance structures are in place to review the results and operations of each legal vehicle. Any potential structural changes are assessed and reviewed by local/regional/global cross-functional teams and approved by the Legal Vehicle Management Committee
- Strong awareness of and commitment to risk management at every level of the organization with well-coordinated, multi-layered management and supervision (i.e. by product, region, and function)
- Management-owned issue identification and tracking process (i.e. internal control oversight)
- Regional and global best practices are shared with all countries in the form of policy, procedures, and product programs
- Independent risk and capital market approval committees
- Track record of timely and effective corrective actions and competitive returns as well as record of successfully managing change
- Scenario planning and stress testing, including severe crisis analysis, and
- Continual tight management or elimination of the activities carried out by the Bank that are non-core activities to keep the exposure at low levels and free up resources that can be used to enhance the Bank's responsiveness to a changing business environment..

*Strategic Risk Assessment*

The benefits of managing and mitigating strategic risk extend beyond the positive effects on maintaining capital adequacy. Consistent attention is paid to the key risk drivers through control and risk monitoring processes (i.e. MCA), leading to the long-term success of the Bank's business, and enabling management to systematically think about the future and identify opportunities amidst shifts in industries, technology, customers, and competitors. In addition, the Bank places great importance on talent development, and technology and process improvements. It also benefits from its global technology platform, which allows for processing of data on a consolidated and regional basis, providing synergy, consistency, and risk protection.

While strategic risk is considered a material risk for the Bank, strong governance processes and controls around the approval of new products, activities, complex transactions, structures, and core processes help mitigate such risks. A separate stress test for strategic risk is not performed.

### 5.5 Reputation Risk

Reputation risk is defined as the risk to current or potential earnings or capital arising from changes in the business environment, improper implementation of decisions, or adverse perception of the image of the firm on the part of customers, counterparties, shareholders, investors, or regulators. As a service-based company, this risk is material and closely related to franchise risk. Part of the assessment process of all products and lines of business is a specific assessment of reputation risk impacting the franchise's reputational position. Among other things, the suitability and appropriateness of products offered and the intrinsic sophistication of clients in understanding the risk factors behind the same are considered. There are specified rules of conduct that ensure that the reputational and regulatory risks of the franchise are kept in mind at all times.

Mitigations for reputation risk exist across the franchise at numerous levels and functions. The Bank has a comprehensive grievance addressing mechanism where there is an escalation process to ensure that all complaints are handled with an unbiased and objective approach.

Reputation risk is a function of the adequacy of the Bank's internal risk management process as well as the manner, speed, and efficiency with which management responds to influences on bank-related transactions. Managing reputation risk is a key focus for the Bank's management as it impacts not only existing service relationships but also the ability to establish new ones. In addition to the potential effect on the Bank's relationships, reputation risk has the potential to trigger other types of risk; for example, an adverse reputation may cause a bank run in deposits (thereby affecting liquidity risk) or increase the number of court cases in which the Bank is a defendant (captured in operational risk).

The early identification, escalation, and resolution of potential issues that may significantly impact Citi's reputation or its relationship with key stakeholders is critical to protecting Citi's brand and maintaining commitment to a pristine control environment, responsible finance, and world class practices. Every employee is accountable for escalating a potential issue that may pose a franchise risk. Notification must be timely, preferably the same day. The Bank follows the firm-wide Escalation Policy as well as the escalation pathways defined in the Citi Governance Policy. Refer to Appendices 12a to 12b for further details.

*Sources of Reputation Risk*

Ensuring effective management of reputation risk requires the management to be aware of the types of issues that may give rise to reputation risk concerns. Some of these issues appear below:

- Lack of transparency – The economic substance of a transaction cannot be determined from the structure without significant analysis,
- Identity of the true party – The identity of a party to the transaction cannot be readily determined because of the complexity or the use of special purpose vehicles (SPVs), charitable trusts, or other legal entities,
- Circularity – The transaction, or aspects of it, are circular with the customer and/or its affiliates on both sides of the transaction,
- Fragmentation – The transaction has multiple parts so that no one document describes the whole transaction, creating the risk that a reader might review documents for one part of the transaction and not understand that it is part of a larger transaction,
- Unusual terms – The transaction is off-market or contains terms that are significantly different from what one would expect considering the substance of the transaction,
- Lack of clear business purpose – The transaction does not have a clear business purpose,
- Principal motivation – A principal motivation for the transaction is a regulatory, legal, accounting, or tax result,
- Event risk in regulatory/legal/accounting systems – The rules governing the transaction are not predictable and could be subject to sudden application of different standards because of political or social developments,
- Multiple jurisdictions – Multiple jurisdictions are involved with internal approvals sought individually in each, making it more difficult to manage the process or to provide effective oversight,
- Absence of rules/guidance – Local jurisdiction does not have sufficiently developed rules or practices or there is a need to assess whether local legal or accounting opinions cannot be relied upon,
- Lack of approvals/opinions – Unwillingness of clients to disclose or discuss with regulators or unwillingness of competent counsel to provide written satisfactory advice or opinions,
- Significant impact – The transaction will have a significant impact on the customer’s financial condition or results, or the transaction is a material financing transaction that will not be reflected as debt on the client’s balance sheet or otherwise be clearly disclosed to investors,
- Disproportionate economies – Compensation for the transaction appears to be disproportionate to the services provided or to market norms,

- Information leakage – Information leakages occur when the confidentiality of information is compromised, whether intentionally or inadvertently. System leakages and failures are covered under operational risk,
- Rating downgrades – A downgrade of Citi's rating to below investment grade will adversely affect the public's perception of the bank. A downgrade reflects higher risk, thereby causing an increase in the spread of Citi's CDS. A downgrade to Baa1 by Moody's or BBB+ by S&P would trigger a review of potential reputation risk concerns; this ratings threshold, however, is relative and subject to the concurrent ratings of other US banks,
- Customer complaints – Public perception can be measured through the number of customer complaints received,
- Litigation – High-profile litigations may sway public perception of Citi, and

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- Regulatory sanctions – Recommendations, findings, rulings, and the like by various regulatory bodies may result in necessary corrective action on the Bank's part.

*Mitigating Reputation Risk*

Mitigating factors for reputation risk exist across the franchise at numerous levels and functions. Citi has a comprehensive grievance addressing mechanism where there is an escalation process to ensure that all complaints are handled with an unbiased and objective approach.

Citi's corporate reputation is a valuable corporate asset and the way information is communicated to the media and the public has an impact on its reputation. Importance is given to ensuring fair and accurate reporting of the company's business to all external stakeholders and audiences. As an internal control for reputational risk management, Citi has a strict Public Disclosure and Communication Policy that details the guidelines for speaking to the media and the sharing of company and product information. Only authorized spokespersons can speak on behalf of or about Citi with the media, investors, securities analysts, or government officials. External communication is reviewed to ensure clarity and consistency as well as transparency. For cases where there is possible impact on Citi's reputation, senior management and Public Affairs work closely together to negate any potential impact. Internally, Public Affairs is the key guardian of Citi's reputation and there is an escalation policy in place that ensures Public Affairs is kept informed of any potential negative impact arising from internal business decisions, staff behavior, customer complaints, business partner relationships, or regulatory actions.

*Reputation Risk Assessment*

Reputation risk is assessed on a qualitative basis rather than a quantitative one; therefore, the assessment will not result in a stand-alone numerical capital requirement that may duplicate the requirements assessed from other risks. As part of this ICAAP, the RMCO and CFO consults the CCO to assess the reputation risk, if any, that may significantly impact the Bank's operations or require monetary or non-monetary support from headquarters or other sources. While reputation risk is considered a material risk for the Bank, strong controls exist around the approval of new products, new activities, and complex transactions for wholesale products.

The governance structures implemented across the group are built with the objective of capturing and controlling reputation and franchise risk. As a result, the Bank continues to perform well as reflected in its consistent financial performance. The businesses continue to generate net income amid a continuing challenging operating environment. The Bank is well regarded in the Thai market among peers, regulators and the community and continues to receive a large number of awards and positive recognition for its services.

### 5.6 Information Technology (IT) Risk

Information risk refers to a risk that may arise from the use of IT in financial institution's business operations as well as the risk from cyber threats; that is, if such IT is disrupted or unavailable, there will be an impact on the financial institution's systems or operations.

IT Risk is considered a material risk for Citi Thailand as it can materialize into critical disruptions of business or system failures impacting our clients, employees, and stakeholders. Depending on the magnitude of an IT incident, it can cause insufficient enablement, degraded performance or timely delivery of Citi business functions, products, and services.

*Sources of IT Risk*

Citi's IT Risk focuses on both external and internal sources. External sources such as its engagement with third-party service provider covering the concentrated dependency with the service provider to deliver undisrupted operations and services to its clients. For internal sources, the focus is on its decision to new and emerging technologies covering the product selection/architecture as well as the decommission of its existing legacy technology. A significant focus has also been placed in its handling of technology change management to ensure seamless client experience with sound risk management.

*Mitigating IT Risk*

Citi's IT Risk is mitigated via a range of control processes which seek to reduce likelihood and impact of any IT related incident. Citi's technology controls, its Information Technology Management Policy and associated technology standards are aligned to COBIT (Control Objectives for Information and Related Technologies). IT Risks and associated control processes can be summarized per below:

• IT Benefit / Value Enhancement Risk – Risk arising when technology does not meet business requirements are mitigated with controls in managing the IT Architecture. The controls cover applications managed by only recognized Citi organizations, a prescribed timeframe on identified architecture deficiencies, and a structured governance and review oversight on change management.

• IT Program / Project Delivery Risk – Risk arising from a failure to achieve the planned outcomes from a project leading to failure to timely deliver required products, services or capabilities are mitigated with a series of controls. The controls cover managing from approved security configuration, managing timely recovery of franchise critical applications, managing data recovery and retention, managing external third-parties to service level agreement, managing event incidents to timely resolution, managing inventory and assets, managing technology change implementation.

• IT Operations and Service Delivery Risk – Risk arising from degraded performance of technology processes, assets and services to a level that is insufficient to support Citi business functions, products, and services. This risk is mitigated with controls in managing the organization programs and projects to its policy and standards.

In addition, Citi continues to enhance its Cyber Risk mitigation with an intelligence-led and information-sharing approach to Information Security. Its follow-the-sun Cyber Security Fusion Center (CSFC) provides real time cyber security support to each country through daily coordinated regional cyber calls and provides a forum for local country incident escalation and immediate action to mitigate cyber risk.

*IT Risk Assessment*

Citi's IT Risk assessment is built-in with its operational control processes. The risk assessment is performed periodically and independently. And every assessment results are reviewed in various governance forums for the required escalation and action. While IT Risk, including Cyber Risk, is considered a material risk, given the controls in place and track record, we consider this risk to be well mitigated and therefore no specific capital charge is deemed required.

IT Risk is considered a component of Operational Risk by Citibank's Risk Taxonomy, therefore, it is included in the capital coverage calculation of Operational Risk under the Standard Approach in Pillar 1.

### 5.7 Legal and Compliance Risk

Legal and compliance risk refers to a risk due to non-conformance with laws, regulations, requirements, standards and practices that apply to transactions/arrangements of the financial institution, including fair customer treatment practices. Failing to comply with those laws/regulations/guidelines may result in a fine, punishment or loss as the complaint or petition is filed or from being prosecuted.

*Sources of Legal and Compliance Risk*

Compliance Risk is the risk to current or projected financial condition and resilience, arising from violations of laws or regulations, or from nonconformance with prescribed practices, internal policies and procedures, or ethical standards. Compliance Risk encompasses the risk of noncompliance with all laws and regulations, as well as prudent ethical standards, and contractual obligations. It also includes exposure to litigation (known as Legal Risk) from all aspects of banking.

*Mitigating Legal and Compliance Risk*

- AWARENESS: Knowledge and awareness of applicable laws, rules and regulations and associated material risks that impact Citi, its businesses, and processes is essential to effective Compliance Risk management.
- ASSESSMENT: Once key risks are identified, they are further assessed to understand how Compliance Risk is managed and overseen following Assessment Processes: Compliance Risk Assessment, Compliance Risk Monitoring, Compliance Testing.
- ACTION: Compliance assessment activities may identify issues or risks that need to be addressed through Issue Identification, Escalation, and Remediation; Compliance Risk Metrics; Accountability and Consequence Management; Governance and Executive Reporting.
- MANAGERS AND CONTROL ASSESSMENTS (MCA): The MCA process is a diagnostic, self-assessment tool for managers to identify and address weaknesses in the design and execution of internal controls that mitigate the most significant Operational and Compliance risks throughout Citi's global, regional, and country product lines and independent control functions.

*Legal and Compliance Risk Assessment*

The Bank performed a review of the historical fines and legal costs paid and deemed that the risk does not require additional capital add-on as the potential for Compliance and Legal risk is embedded within other material risks. Furthermore, the historical fines and legal costs together with the maximum fines that the Bank may be required to pay in case of non-compliance were not significant enough to warrant additional capital.

## 6. Key Internal Governance Committees / Forums

Strong governance is driven through the involvement of senior management in various governance meetings. The key meetings are detailed below:

| Committee | Role of Committee | Committee Members | Frequency |
|---|---|---|---|
| Country Coordinating Committee (CCC) | A high level strategic committee in which senior managers of all businesses and functions are brought together to raise and discuss issues, including legal, compliance, regulatory, risk, control, or public relations that could affect the franchise. It also provides a clearinghouse for the escalation process up to region and corporate management. | CCO, All Business Heads, Heads of global functions (Finance, RMCO, Legal, Compliance, ORM, HR, O&T, CSIS, IA, Government Affairs, Public Affairs) | Monthly |
| Country Third Party Risk Management Committee (CTPRMC) | The Country Third Party Risk Management Committee is responsible for providing comprehensive senior management accountability and oversight for Citi's use and management of Third Parties as required per local regulatory requirements and in line with its scope as defined in the Country Committee charter. | CCO, O&T Head, OTBRC Head, BISO, CBCM, RMO, CFO, CBORC, ORM, CCCO/ICRM, Legal, Global Markets Head, TTS Head, BCMA Head, SS Head, CCB Head, and GCB Head.Counsel, CCCO, and Country ORM Head. | Quarterly |
| Information Technology Steering Forum (ITSF) | Facilitate IT related updates to the business units to ensure that they are aware of the risks and issues being faced by technology. ITSF was established to address the gap that was found in the published 2018 BoT IT Risk Guidelines. ITSF is not a chartered committee. | CCO, CFO, SCOO, TTS Prod Head, CCB Head, ICRM Head, CST Head | Bi-Monthly |
| Legal Entity Management Forum (LEMF) | Bring senior managers of all businesses and functions together to raise and discuss issues important to each Legal Vehicle and support a consistent view of the Citi to regulators, minimize reputational risk, and monitor that legal entities within Thailand jurisdictions are operated as approved and in accordance with applicable laws and Citi Legal Entity Management Policy. | CCO, CFO, Country Controller, Country Legal Counsel, ICRM Head Country Treasurer, Country Tax Counsel, ORM Head, Country Human Resources Officer, Country Risk Manager, Country Government affairs, Country Operational & Technology Officer | Semi-Annual |

## Table 1 Key Prudential Metrics

Unit : Million Baht

| Item | Dec-24 | Jun-24 |
|---|---|---|
| **1 Capital Fund** | | |
| Total capital | 24,300 | 24,300 |
| Fully loaded ECL total capital | 24,300 | 24,300 |
| **2 Risk Weighted Assets** | | |
| Total Risk weighted assets (RWA) | 104,089 | 92,442 |
| **3 Total capital to risk-weighted assets (%)** | | |
| Total capital ratio | 23.34% | 26.29% |
| Fully loaded ECL total capital ratio | 23.34% | 26.29% |
| **4 Capital Buffers Ratio (%)** | | |
| Conservation Buffer | 2.50% | 2.50% |
| Countercyclical Buffer | 0.00% | 0.00% |
| Capital Buffer | 2.50% | 2.50% |
| Total capital ratio after minimum capital requirement | 20.84% | 23.79% |
| **5 Liquidity Coverage Ratio (LCR) (%)** | | |
| Total high-quality liquid assets (HQLA) | 91,429 | 120,899 |
| Total net cash outflows within the 30-day time horizon | 18,851 | 36,814 |
| LCR (%) | 485.02% | 328.41% |

## Table 2 : Capital of Foreign Banks Branches

Unit : Million Baht

| Item | Dec-24 | Jun-24 |
|---|---|---|
| **1. Assets required to be maintained under Section 32** | **25,476** | **25,281** |
| **2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)** | **26,345** | **26,211** |
| 2.1 Capital for maintenance of assets under Section 32 | 24,300 | 24,300 |
| 2.2 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 | 2,045 | 1,911 |
| **3. Total regulatory capital (3.1 - 3.2)** | **24,300** | **24,300** |
| 3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1) | 24,300 | 24,300 |
| 3.2 Deductions | **0** | **0** |

Note: Revision of calculation under 2., as the summation of net capital and NIOF.

## Table 3 Minimum Capital Requirements

Unit : Million Baht

| Credit Risk Classified by Type of Assets under the Standardised Approach | Dec-24 | Jun-24 |
|---|---|---|
| **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 | 5 | 4 |
| 2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms | 3,402 | 2,389 |
| 3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate | 4,734 | 4,638 |
| 4. Claims on retail portfolios | - | - |
| 5. Claims on housing loans | - | - |
| 6. Other assets | 138 | 94 |
| **Non-performing claims** | 8 | - |
| **First-to-default credit derivatives and Securitisation** | - | - |
| **Total minimum capital requirement for credit risk under the SA** | 8,288 | 7,126 |

| Market Risk | Dec-24 | Jun-24 |
|---|---|---|
| 1. Standardised Approach | N/A | N/A |
| 2. Internal Model Approach | 885 | 593 |
| Total Minimum capital requirement for market risk | 885 | 593 |

| Operational Risk | Dec-24 | Jun-24 |
|---|---|---|
| Calculated by Standardised Approach | 2,277 | 2,450 |

| Capital Ratio | Dec-24 | Jun-24 |
|---|---|---|
| Total capital to risk-weighted assets | 23.34% | 26.29% |

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

Unit : Million Baht

| | Item | Dec-24 | Dec-23 |
|---|---|---|---|
| 1 | **On-Balance Sheet assets (1.1 + 1.2 + 1.3 + 1.4)** | **208,612** | **214,466** |
| | 1.1 Net Loans and accrued interest, Net | 40,222 | 93,032 |
| | 1.2 Net Investment in debt securities | 89,373 | 71,324 |
| | 1.3 Deposits (Including accrued interest receivables) | 49,581 | 22,431 |
| | 1.4 Derivative Assets | 29,436 | 27,679 |
| 2 | **Off-balance Sheet assets (2.1 + 2.2 + 2.3)** | **3,187,934** | **2,950,145** |
| | 2.1 Aval of Bills, guarantees, and letter of credits | 8,987 | 8,397 |
| | 2.2 OTC Derivatives | 3,151,163 | 2,915,655 |
| | 2.3 Undrawn Committed Line | 27,784 | 26,093 |

## Citibank, N.A. Bangkok Branch

**Table 5 Outstanding amounts of on-balance sheet assets and off-balance sheet items before adjusted by Credit risk mitigation classified by country or geographic area of debtor**

**Dec-24** Unit : Million Baht

| Country or Geographic area of debtor | On-Balance Sheet Assets | | | | | Off-Balance Sheet items | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Net Loans and Accrued Interest | Net Investment in Debt Securities | Deposits (including Accrued interest receivable) | Derivative Assets | Total | Aval of Bills, guarantees, and letter of credits | OTC Derivatives | Undrawn Committed Line |
| 1. Thailand | **148,594** | 40,175 | 89,373 | 1,578 | 17,468 | **2,359,745** | 7,227 | 2,325,408 | 27,110 |
| 2. Asia Pacific (Excluded Thailand) | **49,235** | 47 | - | 47,984 | 1,204 | **173,185** | 292 | 172,893 | - |
| 3. North America and Latin America | **5,795** | - | - | - | 5,795 | **322,272** | 756 | 321,512 | 4 |
| 4. Africa and Middle East | - | - | - | - | - | **164** | 164 | - | - |
| 5. Europe | **4,988** | - | - | 19 | 4,969 | **332,569** | 548 | 331,351 | 670 |
| **Total** | **208,612** | **40,222** | **89,373** | **49,581** | **29,436** | **3,187,935** | **8,987** | **3,151,164** | **27,784** |

**Dec-23** Unit : Million Baht

| Country or Geographic area of debtor | On-Balance Sheet Assets | | | | | Off-Balance Sheet items | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Net Loans and Accrued Interest | Net Investment in Debt Securities | Deposits (including Accrued interest receivable) | Derivative Assets | Total | Aval of Bills, guarantees, and letter of credits | OTC Derivatives | Undrawn Committed Line |
| 1. Thailand | **183,969** | 92,912 | 71,324 | 1,104 | 18,629 | 2,315,091 | 8,049 | 2,281,628 | 25,414 |
| 2. Asia Pacific (Excluded Thailand) | **22,024** | 120 | - | 21,283 | 621 | 65,441 | 343 | 65,090 | 8 |
| 3. North America and Latin America | **5,888** | - | - | - | 5,888 | 425,547 | 3 | 425,544 | - |
| 4. Africa and Middle East | - | - | - | - | - | - | - | - | - |
| 5. Europe | **2,585** | - | - | 44 | 2,541 | 144,065 | 2 | 143,393 | 670 |
| **Total** | **214,466** | **93,032** | **71,324** | **22,431** | **27,679** | **2,950,144** | **8,397** | **2,915,655** | **26,092** |

**Table 6 Outstanding amounts of on-balance sheet assets and off-balance sheet items before Credit risk mitigation classified by residual maturity**

Unit : Million Baht

| | Item | Dec-24 | |
|---|---|---|---|
| | | Maturity Not Exceeding 1 year | Maturity Exceeding 1 year |
| | **On-Balance Sheet assets (1.1 + 1.2 + 1.3 + 1.4)** | **121,979** | **86,633** |
| | 1.1 Net Loans and accrued interest, Net | 38,111 | 2,110 |
| | 1.2 Net Investment in debt securities | 25,544 | 63,829 |
| | 1.3 Deposits (Including accrued interest receivables) | 49,582 | - |
| | 1.4 Derivative Assets | 8,742 | 20,694 |
| 2 | **Off-balance Sheet assets (2.1 + 2.2 + 2.3)** | **1,620,021** | **1,567,913** |
| | 2.1 Aval of Bills, guarantees, and letter of credits | 3,640 | 5,347 |
| | 2.2 OTC Derivatives | 1,589,468 | 1,561,695 |
| | 2.3 Undrawn Committed Line | 26,913 | 871 |

| | Item | Dec-23 | |
|---|---|---|---|
| | | Maturity Not Exceeding 1 year | Maturity Exceeding 1 year |
| 1 | **On-Balance Sheet assets (1.1 + 1.2 + 1.3 + 1.4)** | **152,463** | **62,003** |
| | 1.1 Net Loans and accrued interest, Net | 81,216 | 11,816 |
| | 1.2 Net Investment in debt securities | 37,866 | 33,458 |
| | 1.3 Deposits (Including accrued interest receivables) | 22,429 | 2 |
| | 1.4 Derivative Assets | 10,952 | 16,727 |
| 2 | **Off-balance Sheet assets (2.1 + 2.2 + 2.3)** | **1,561,862** | **1,388,283** |
| | 2.1 Aval of Bills, guarantees, and letter of credits | 4,294 | 4,104 |
| | 2.2 OTC Derivatives | 1,531,497 | 1,384,158 |
| | 2.3 Undrawn Committed Line | 26,071 | 21 |

Net Loans includes Interest Receivables and net of deferred income, allowance for expected credit loss and including net loans and accrued interest of interbank and money market

Deposit includes accrued interest and net from allowance for expected credit loss

Off-balance sheet items presents notional amount before applyinc credit converstion factor.

**Table 7 Outstanding amounts of financial instruments before credit risk mitigation and provision (General Provision and Specific Provision)**

Unit : Million Baht

| Item | Dec-24 Outstanding Amount Defaulted Exposures | Non-Defaulted Exposures | Total | Provision under SA General Provision | Specifice Provision | Provision[1/] | Net Amount[2/] |
|---|---|---|---|---|---|---|---|
| 1.1 Net Loans and accrued interest, Net | 468 | 40,309 | 40,777 | 156 | 555 | 711 | 40,066 |
| 1.2 Net Investment in debt securities | - | 89,416 | 89,416 | 0 | 44 | 44 | 89,372 |
| 1.3 Deposits (Including accrued interest receivables | - | 49,582 | 49,582 | 0 | 1 | 1 | 49,581 |
| 1.4 Derivative Assets | - | 29,436 | 29,436 | 0 | 0 | 0 | 29,436 |

Unit : Million Baht

| Item | Dec-23 Outstanding Amount Defaulted Exposures | Non-Defaulted Exposures | Total | Provision under SA General Provision | Specifice Provision | Provision[1/] | Net Amount[2/] |
|---|---|---|---|---|---|---|---|
| 1.1 Net Loans and accrued interest, Net | 635 | 93,082 | 93,717 | 385 | 686 | 1071 | 92,646 |
| 1.2 Net Investment in debt securities | - | 71,354 | 71,354 | -3 | 30 | 27 | 71,327 |
| 1.3 Deposits (Including accrued interest receivables | - | 22,431 | 22,431 | 0 | 0 | 0 | 22,431 |
| 1.4 Derivative Assets | - | 27,679 | 27,679 | 0 | 0 | 0 | 27,679 |

[1/] Allowance for expected credit loss under TFRS9. For financial instrument measured at fair value through other comprenhensive income, provision is not reported as per TFRS7 disclosure of Finanicial Instrument. The outstanding balance under this instrument is to be reported with net amount after provision.

[2/] Outstanding amount - provision

[3/] Including interest receivables and net of deferred income, allowance for expected credit loss and including net loans and accrued interest of interbank and money market

[4/] Excluding interest receivables and net allowances for revaluation of securities and allowance for expected credit loss

[5/] Including accrued interest and net from allowance for expected credit loss

[6/] Before multiplying credit conversion factor

**Table 8 Outstanding amounts of loans and including accrued interest receivables and investment in debt securities before adjusted by credit risk mitigation by countries and geographic area of debtors and classification defined by the Bank**

Unit : Million Baht

| Item | Dec-24 Net Loans and Accrued Interest Performing | Under-performing | Non-performing | POCI | Total | Net Investment in Debt Securities Performing | Total |
|---|---|---|---|---|---|---|---|
| 1. Thailand | 38,351 | 1,825 | - | - | 40,176 | 89,373 | 89,373 |
| 2. Asia Pacific (Excluded Thailand) | 46 | - | - | - | 46 | - | - |
| 3. North America and Latin America | - | - | - | - | - | - | - |
| 4. Europe | - | - | - | - | - | - | - |
| **Total** | **38,397** | **1,825** | **-** | **-** | **40,222** | **89,373** | **89,373** |

Unit : Million Baht

| Item | Dec-23 Net Loans and Accrued Interest Performing | Under-performing | Non-performing | POCI | Total | Net Investment in Debt Performing | Total |
|---|---|---|---|---|---|---|---|
| 1. Thailand | 91,754 | 1,158 | - | - | 92,912 | 71,324 | 71,324 |
| 2. Asia Pacific (Excluded Thailand) | 120 | - | - | - | 120 | - | - |
| 3. North America and Latin America | - | - | - | - | - | - | - |
| 4. Europe | - | - | - | - | - | - | - |
| **Total** | **91,874** | **1,158** | **-** | **-** | **93,032** | **71,324** | **71,324** |

**Table 9 Provisions (General Provision and Specific Provision) and bad debt written off during period for loan including interest receivables and investment in debt securities classified by country and geographic area.**

Unit : Million Baht

| Item | Dec-24 | | | | |
|---|---|---|---|---|---|
| | Net Loans and Accrued Interest[1/] | | | Net Investment in Debt Securities | |
| | General Provision | Specific Provision | Bad debt written-off during the period | Performing | Total |
| 1. Thailand | | 555 | - | 43 | 43 |
| 2. Asia Pacific (Excluded Thailand) | | - | - | - | - |
| **Total** | **156** | **555** | **-** | **43** | **43** |

Unit : Million Baht

| Item | Dec-23 | | | | |
|---|---|---|---|---|---|
| | Net Loans and Accrued Interest | | | Net Investment in Debt Securities | |
| | General Provision | Specific Provision | Bad debt written-off during the period | Performing | Total |
| 1. Thailand | | 686 | - | 30 | 30 |
| 2. Asia Pacific (Excluded Thailand) | | - | - | - | - |
| **Total** | **385** | **686** | **-** | **30** | **30** |

[1/] Including specific provision and bad debt written off during the period of loan and interest receivable for interbank and money market

**Table 10 Outstanding amount of loan including interest receivables before adjusted by credit risk mitigation classified by type of business and classification defined by the Bank of Thailand**

Unit : Million Baht

| Type of Business | Dec-24 | | | | |
|---|---|---|---|---|---|
| | Performing | Under-performing | Non-performing | POCI | Total |
| - Agriculture and mining | 40 | 41 | - | - | 81 |
| - Manufacturing and commerce | 25,408 | 1,779 | - | - | 27,187 |
| - Real estate business and construction | 89 | - | - | - | 89 |
| - Public utilities and services | 4,690 | 5 | - | - | 4,695 |
| - Housing Loans | - | - | - | - | - |
| - Credit Card | - | - | - | - | - |
| - Personal Consumption | - | - | - | - | - |
| - Interbank and money market | 5,733 | - | - | - | 5,733 |
| - Leasing service | 1,189 | - | - | - | 1,189 |
| - Other financial services | 1,247 | - | - | - | 1,247 |
| - Others | 1 | - | - | - | 1 |
| **Total** | **38,397** | **1,825** | **-** | **-** | **40,222** |

Unit : Million Baht

| Type of Business | Dec-23 | | | | |
|---|---|---|---|---|---|
| | Performing | Under-performing | Non-performing | POCI | Total |
| - Agriculture and mining | 33 | 34 | - | - | 67 |
| - Manufacturing and commerce | 27,741 | 1,124 | - | - | 28,865 |
| - Real estate business and construction | 80 | - | - | - | 80 |
| - Public utilities and services | 5,272 | - | - | - | 5,272 |
| - Housing Loans | - | - | - | - | - |
| - Credit Card | - | - | - | - | - |
| - Personal Consumption | - | - | - | - | - |
| - Interbank and money market | 55,959 | - | - | - | 55,959 |
| - Leasing service | 1,288 | - | - | - | 1,288 |
| - Other financial services | 1,490 | - | - | - | 1,490 |
| - Others | 11 | - | - | - | 11 |
| **Total** | **91,874** | **1,158** | **-** | **-** | **93,032** |

**Table 11 Provision (General Provision and Specific Provision) and bad debt written-off during period for loan including interest receivables classifed by types of business**

Unit : Million Baht

| Type of Business | Dec-24 | | | Dec-23 | | |
|---|---|---|---|---|---|---|
| | General Provision | Specific Provision | Bad debt written off | General Provision | Specific Provision | Bad debt written off |
| - Agriculture and mining | | 0.2 | - | | 0.1 | - |
| - Manufacturing and commerce | | 536.9 | - | | 672.4 | - |
| - Real estate business and construction | | - | - | | - | - |
| - Public utilities and services | | 15.4 | - | | 8.8 | - |
| - Housing Loans | | - | - | | - | - |
| - Credit Card | | - | - | | - | - |
| - Personal Consumption | | - | - | | - | - |
| - Interbank and money market | | 0.2 | - | | 1.2 | - |
| - Leasing service | | 0.2 | - | | 0.3 | - |
| - Other financial services | | 2.3 | - | | 2.7 | - |
| - Others | | - | - | | - | - |
| **Total** | **156** | **555.2** | **-** | **385** | **685.5** | **-** |

**Table 12 Reconciliation of change in provisions (General Provision and Specific Provisions) for loans including interest receivables***

Unit : Million Baht

| Descriptions | Dec-24 | | | Dec-23 | | |
|---|---|---|---|---|---|---|
| | General Provision | Specific Provision | Total | General Provision | Specific Provision | Total |
| Provision at the beginning of the period | 385 | 685 | 1,070 | 414 | 690 | 1,104 |
| Bad Debt written-off during the period | - | - | - | - | - | - |
| Increased/Decreased of provision | (229) | (130) | (359) | (29) | (5) | (34) |
| Other provisions | - | - | - | - | - | - |
| **Provision at the end of the period** | **156** | **555** | **711** | **385** | **685** | **1,070** |

*Including Interbank and Money Market

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

Unit : Million Baht

| Credit Risk Classified by Type of Assets under the Standardised Approach | Dec-24 | | | Dec-23 | | |
|---|---|---|---|---|---|---|
| | On-balance sheet | Off-balance sheet | Total | On-balance sheet | Off-balance sheet | Total |
| **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 | 90,637 | 171 | 90,808 | 72,145 | 149 | 72,294 |
| 2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms | 85,199 | 27,943 | 113,142 | 106,292 | 18,464 | 124,756 |
| 3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate | 35,850 | 7,432 | 43,282 | 36,599 | 6,238 | 42,837 |
| 4. Claims on retail portfolios | - | - | - | - | - | - |
| 5. Claims on housing loans | - | - | - | - | - | - |
| 6. Other assets | 1,322 | - | 1,322 | - | - | - |
| **Non-performing claims** | - | 50 | 50 | - | - | - |
| **First-to-default credit derivatives and Securitisation** | - | - | - | - | - | - |
| **Total minimum capital requirement for credit risk under the SA** | 213,008 | 35,596 | 248,604 | 215,036 | 24,851 | 239,887 |

## Table 14 Minimum capital requirement for each type of market risk under the Standardized Approach

Unit: Million Baht

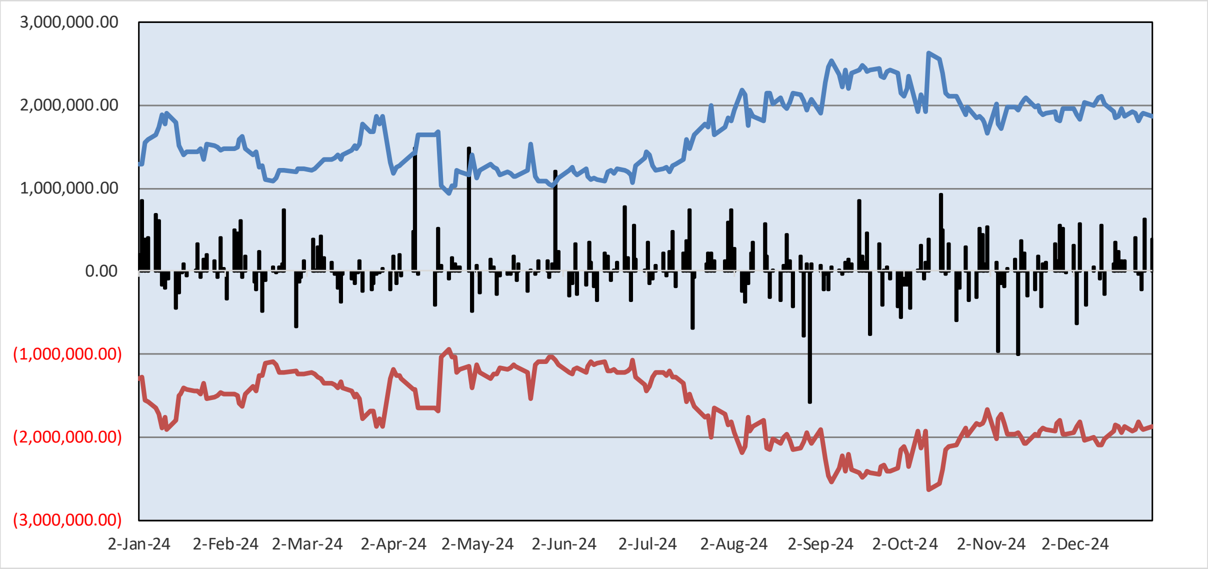
| Minimum capital requirement for market risk under the standardised approach | Dec-24 | Jun-24 |
|---|---|---|
| Interest rate risk | - | - |
| Equity position risk | - | - |
| Foreign exchange rate risk | - | - |
| Commodity risk | - | - |
| **Total minimum capital requirement** | - | - |

## Table 15 Market risk under Internal Model Approach

Unit: Million Baht

| Type of Market Risk | Dec-24 | Jun-24 |
|---|---|---|
| **Interest rate risk** | | |
| Maximum VaR during the reporting period | 91 | 72 |
| Average VaR during the reporting period | 67 | 49 |
| Minimum VaR during the reporting period | 40 | 37 |
| VaR at the end of the period | 64 | 47 |
| **Equitiy position risk** | | |
| Maximum VaR during the reporting period | - | - |
| Average VaR during the reporting period | - | - |
| Minimum VaR during the reporting period | - | - |
| VaR at the end of the period | - | - |
| **Foreign exchange rate risk** | | |
| Maximum VaR during the reporting period | 25 | 58 |
| Average VaR during the reporting period | 9 | 9 |
| Minimum VaR during the reporting period | 3 | 0 |
| VaR at the end of the period | 4 | 7 |
| **Commodity risk** | | |
| Maximum VaR during the reporting period | - | - |
| Average VaR during the reporting period | - | - |
| Minimum VaR during the reporting period | - | - |
| VaR at the end of the period | - | - |
| **Total market risk** | | |
| Maximum VaR during the reporting period | 89 | 70 |
| Average VaR during the reporting period | 67 | 49 |
| Minimum VaR during the reporting period | 41 | 35 |
| VaR at the end of the period | 63 | 47 |

## Table 16 Backtesting result




* Commercial banks are allowed to disclose the information in form of "Graph"
** Together with an analysis of outliners from Backtesting

**Backtesting Outliners**

| P&L date (T) | VaR (in THB MM) (T - 1) | Hypo P&L (in THB MM) (T) | Explanation |
|---|---|---|---|
| 11-Apr-24 | 1,420.62 | 1,479.27 | **This is a positive VAR back testing break. The positive breaks was mainly due to the increase on THB THOR rate whereas the risk position were positive DV01 resulting to a gain** |
| 30-Apr-24 | 1,152.53 | 1,488.39 | **This is a positive VaR backtesting break. The positive break was mainly due to the FX fixing effect on FX option position, which resulted to a gain.** |
| 31-May-24 | 1,067.33 | 1,200.08 | **This is a positive VaR backtesting break. The positive break was mainly due to the FX fixing effect on FX option position, which resulted to a gain.** |

## Table 17 Equity Exposures in th Banking Book

Unit: Million Baht

| Equity Exposures | Dec-24 | Dec-23 |
|---|---|---|
| 1 Equity Exposures | | |
| 1.1 Equity listed and publicly traded in the stock exchange | | |
| - Book Value | | |
| - Fair Value | | |
| 1.2 Other Equities | N/A | N/A |
| 2 Gain/(Losses) of sales of equities in the reporting period | | |
| 3 Net revaluation surplus (deficit) from valuation of AFS equity | | |
| 4 Minimum capital requirement for equity exposure classified by calculation methods | | |
| - SA | | |
| - IRB | | |
| 5 Equity values for commercial banks applyin IRB which the Bank of Thailand Allows to use | | |

## Table 18 The effect of changes in interest rates to net earnings

Unit: Million Baht

| Currency | Dec-24 Effect to net earnings | Jun-24 Effect to net earnings |
|---|---|---|
| THB | 17 | - 166 |
| USD | - 5 | - 9 |
| EURO | - | - |
| Others | - | - |
| **Total effect** | **11** | **- 175** |

Percentage changes in interest rates of 100 bps

**Table 19 Liqudity Coverage Ratio (LCR)**

| | Average Q4 2024 | Average Q4 2023 |
|---|---|---|
| 1 Total High Quality Liquid Assets (HQLA) | 110,420 | 121,012 |
| 2 Total net cash outflows within the 30-days time horizon | 31,589 | 26,647 |
| 3 LCR*(%) | 380.20% | 466.10% |
| Minimum LCR as specified by the Bank of Thailand (%) | 100% | 100% |

LCR* in item (3) is not necessarily equal to the total high-quality liquid assets (1) divided by the total net cash outflows within the 30-day time horizon (item (2))

Commercial banks are required to maintain the liquidity coverage ratio in accordance with the guidelines as specified by the Bank of Thailand. The LCR is expected to encourage commercial banks to have robust and adequate liquidity position so that they can survive short-term severe liquidity stress. The minimum LCR, which is the ratio of high-quality liquid assets to total net cash outflows within the 30-day time horizon, of 60% was introduced on 1 January 2016, and increased by 10% each year until it reaches 100% in 2020.

The average LCR for the 4th quarter of 2024 of the "Bank" was 380%, which was 280% higher than the minimum LCR as specified by the Bank of Thailand. This average figure was calculated from the ratio as of the end of each month which was 277% at October, 379% at November and 485% at December. The LCR consists of two main components, namely:

1) **High-quality liquid assets (HQLA)** include unencumbered high-quality assets with low risk and low volatility that can be easily monetized without any significant changes to their values, even in times of liquidity stress. The value of each type of HQLA is after the application of both haircuts and any applicable caps as specified by the Bank of Thailand.
The average HQLA of the "Bank" during the last quarter of 2024 was 110,420 million Baht which was Level 1 assets, namely government bonds and cash. On this, the "Bank" holds several types of high-quality liquid assets to ensure the diversification of the stock of HQLA.

2) **The amount of net cash outflows** is equal to expected cash outflows within the 30-day time horizon minus expected cash inflows within the 30-day time horizon under liquidity stress scenarios; but the expected cash inflows must not exceed 75% of the expected cash outflows.
The average net COF of the "Bank" for the 4th quarter of 2024 was 31,589 million Baht, which was the average of net cash outflows within the 30-day time horizon as at the end of October - December. The expected cash outflows on which the "Bank" focuses under the severe liquidity stress scenarios are Deposits run-off at the run-off rates as specified by the Bank of Thailand. On the other hand, expected cash inflows are mostly from loan repayments from high-quality counterparties and customers, to which the inflow rates as specified by the Bank of Thailand have been assigned.

In addition, the "Bank" also regularly examines its liquidity gaps and funding concentrations, which is part of the assessment and analysis of liquidity risk, to ensure that it has adequate liquidity to support the business. And, as the "Bank" has developed risk-monitoring tools in accordance with the internal policy and business directions so that the "Bank" can better manage its liquidity positions.

**Table 20 LCR Comparison**

| | Average 2024 | Average 2023 |
|---|---|---|
| 3rd Quarter | 325.00% | 458.22% |
| 4th Quarter | 380.20% | 466.10% |