Citibank, N.A. Bangkok Branch

Financial statements for the year ended
31 December 2024
and
Independent Auditor's Report

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Independent Auditor's Report

To the Management of Citibank, N.A. Bangkok Branch

Opinion

I have audited the financial statements of Citibank, N.A. Bangkok Branch (the "Branch"), which comprise the statement of financial position as at 31 December 2024, the related statements of profit or loss and other comprehensive income, changes in accounts with head office and other branches of the same juristic person and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information. The Branch is a part of Citibank, N.A. and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

In my opinion, the accompanying financial statements present fairly, in all material respects, the assets used in, and liabilities arising out of, the Branch's operations in Thailand as at 31 December 2024 and its financial performance and cash flows in Thailand for the year then ended in accordance with the Thai Financial Reporting Standard (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Branch in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs and the regulations of the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jedsada Lu

(Jedsada Leelawatanasuk)
Certified Public Accountant
Registration No. 11225

KPMG Phoomchai Audit Ltd.
Bangkok
29 April 2025

Citibank, N.A. Bangkok Branch

Statement of financial position

Assets	*Note*	31 December 2024	31 December 2023
		(in thousand Baht)	
Cash		57,452	35,762
Interbank and money market items, net	*8, 24*	55,024,764	77,992,106
Financial assets measured at fair value through profit or loss	*9*	21,241,156	5,944,515
Derivative assets	*10, 24*	29,436,393	27,678,789
Investments, net	*11*	89,021,601	71,185,926
Loans to customers and accrued interest receivables, net	*12, 13*	34,621,612	37,085,830
Leasehold building improvements, equipment and right-of-use assets, net	*14*	483,996	142,014
Intangible assets, net	*15*	-	-
Deferred tax assets, net	*16*	89,464	202,710
Other assets, net	*17, 24*	4,166,425	1,399,258
Total assets		**234,142,863**	**221,666,910**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch
Statement of financial position

Liabilities and accounts with head office and other branches of the same juristic person	*Note*	31 December 2024	31 December 2023
		(in thousand Baht)	
Liabilities			
Deposits	*18, 24*	148,186,127	140,426,951
Interbank and money market items	*19, 24*	10,652,405	19,783,974
Liabilities payable on demand		1,831,903	2,173,976
Derivative liabilities	*10, 24*	28,536,959	26,427,020
Provisions for employee benefits	*20*	402,610	392,266
Accrued expenses	*24*	1,038,800	1,094,730
Other liabilities	*21, 24*	13,093,863	3,054,795
Total liabilities		**203,742,667**	**193,353,712**
Accounts with head office and other branches of the same juristic person			
Funds brought in to maintain assets under the Act	*6, 35*	24,299,590	25,799,590
Balance of inter-office accounts with head office and other branches of the same juristic person, net	*24*	1,730,000	1,461,560
Other components of accounts with head office and other branches of the same juristic person	*29*	238,101	(240,917)
Retained earnings		4,132,505	1,292,965
Total accounts with head office and other branches of the same juristic person		**30,400,196**	**28,313,198**
Total liabilities and accounts with head office and other branches of the same juristic person		**234,142,863**	**221,666,910**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statement of profit or loss and other comprehensive income

	Note	Year ended 31 December 2024	2023
		(in thousand Baht)	
Interest income	*26*	5,572,684	4,853,811
Interest expenses	*27*	1,069,407	929,207
Net interest income		**4,503,277**	**3,924,604**
Fees and service income		1,183,819	856,890
Fees and service expenses		1,661,854	1,681,542
Net fees and service expenses	*28*	**(478,035)**	**(824,652)**
Net gains on financial instruments measured at fair value through profit or loss	*29*	3,080,788	1,985,882
Net (gains) losses from investments	*30*	58,591	(31,541)
Other operating income	*31*	1,694,919	2,267,213
Total operating income		**8,859,540**	**7,321,506**
Other operating expenses			
Employee expenses	*24, 33*	1,263,497	1,593,055
Premises and equipment expenses	*24*	1,282,693	1,532,245
Taxes and duties		189,211	177,270
Intragroup charges	*24*	788,058	896,660
Others	*34*	409,328	255,763
Total other operating expenses		**3,932,787**	**4,454,993**
Expected credit losses (reversal)	*32*	2,707	(27,271)
Profit from operations before income tax		**4,924,046**	**2,893,784**
Income tax	*16*	1,013,448	590,701
Profit for the year		**3,910,598**	**2,303,083**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on remeasurements of defined benefit plans	*20*	23,995	9,531
Income tax relating to items that will not be reclassified	*16*	(4,799)	(1,906)
Total items that will not be reclassified subsequently to profit or loss		**19,196**	**7,625**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statement of profit or loss and other comprehensive income

	Note	Year ended 31 December 2024	2023
		(in thousand Baht)	
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of debt instruments measured at fair value through other comprehensive income	*29*	598,773	(440,391)
Income tax relating to items that will be reclassified	*16*	(119,755)	88,078
Total items that will be reclassified subsequently to profit or loss		**479,018**	**(352,313)**
Other comprehensive income for the year, net of income tax		**498,214**	**(344,688)**
Total comprehensive income for the year		**4,408,812**	**1,958,395**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statement of changes in accounts with head office and other branches of the same juristic person

	Note	Funds brought in to maintain of assets under the Act	Balance of inter-office accounts with head office and other branches of the same juristic person, net	Other components of accounts with head office and other branches of the same juristic person: Net change in fair value of available-for-sale investments	Other components of accounts with head office and other branches of the same juristic person: Net change in fair value of debt instruments measured at FVOCI	Retained earnings	Total
				(in thousand Baht)			
Year ended 31 December 2023							
Balance at 1 January 2023		**25,799,590**	**1,220,029**	**-**	**111,396**	**14,462,322**	**41,593,337**
Transactions with head office and other branches, recorded directly in head office and other branches of the same juristic person							
Contributions by and distributions to head office and other branches of the same juristic person of the Branch							
Movement in balance of inter-office accounts with head office and other branches of the same juristic person, net		-	241,531	-	-	-	241,531
Profit remitted to head office	*24, 36*	-	-	-	-	(13,932,059)	(13,932,059)
Income tax on profit remittance	*24, 36*	-	-	-	-	(1,548,006)	(1,548,006)
Total contributions by and distributions to head office and other branches of the same juristic person of the Branch		**-**	**241,531**	**-**	**-**	**(15,480,065)**	**(15,238,534)**
Comprehensive income for the year							
Profit for the year		-	-	-	-	2,303,083	2,303,083
Other comprehensive income							
Net change in fair value of debt instruments measured at FVOCI, net of income tax	*29*	-	-	-	(352,313)	-	(352,313)
Gains on remeasurements of defined benefit plans, net of income tax	*20*	-	-	-	-	7,625	7,625
Total other comprehensive income		-	-	-	(352,313)	7,625	(344,688)
Total comprehensive income for the year		**-**	**-**	**-**	**(352,313)**	**2,310,708**	**1,958,395**
Balance at 31 December 2023		**25,799,590**	**1,461,560**	**-**	**(240,917)**	**1,292,965**	**28,313,198**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch
Statement of changes in accounts with head office and other branches of the same juristic person

	Note	Funds brought in to maintain of assets under the Act	Balance of inter-office accounts with head office and other branches of the same juristic person, net	Other components of accounts with head office and other branches of the same juristic person: Net change in fair value of available-for-sale investments	Other components of accounts with head office and other branches of the same juristic person: Net change in fair value of debt instruments measured at FVOCI	Retained earnings	Total
		(in thousand Baht)					
Year ended 31 December 2024							
Balance at 1 January 2024		**25,799,590**	**1,461,560**	**-**	**(240,917)**	**1,292,965**	**28,313,198**
Capital repatriation	*35*	**(1,500,000)**	**-**	**-**	**-**	**-**	**(1,500,000)**
Transactions with head office and other branches, recorded directly in head office and other branches of the same juristic person							
Contributions by and distributions to head office and other branches of the same juristic person of the Branch							
Movement in balance of inter-office accounts with head office and other branches of the same juristic person, net		-	268,440	-	-	-	268,440
Profit remitted to head office	*24, 36*	-	-	-	-	(981,229)	(981,229)
Income tax on profit remittance	*24, 36*	-	-	-	-	(109,025)	(109,025)
Total contributions by and distributions to head office and other branches of the same juristic person of the Branch		**-**	**268,440**	**-**	**-**	**(1,090,254)**	**(821,814)**
Comprehensive income for the year							
Profit for the year		-	-	-	-	3,910,598	3,910,598
Other comprehensive income							
Net change in fair value of debt instruments measured at FVOCI, net of income tax	*29*	-	-	-	479,018	-	479,018
Gains on remeasurements of defined benefit plans, net of income tax	*20*	-	-	-	-	19,196	19,196
Total other comprehensive income		-	-	-	479,018	19,196	498,214
Total comprehensive income for the year		**-**	**-**	**-**	**479,018**	**3,929,794**	**4,408,812**
Balance at 31 December 2024		**24,299,590**	**1,730,000**	**-**	**238,101**	**4,132,505**	**30,400,196**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statement of cash flows

	Year ended 31 December	
	2024	2023
	(in thousand Baht)	
Cash flows from operating activities		
Profit from operations before income tax	4,924,046	2,893,784
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities		
Depreciation and amortisation expense	68,782	111,215
Expected credit losses (Reversal)	2,707	(27,271)
Net gains (losses) from investments	(58,591)	31,541
Gains on disposal and written-off leasehold building improvements and equipments	4,265	243
Unrealised (gains) losses on forward and derivatives contracts, net	352,335	(2,021,857)
Provision for employee benefits	36,214	36,765
Employee benefit obligation paid	(1,874)	(16,834)
Net interest income	(4,503,277)	(3,924,604)
Interest received	5,655,038	4,568,586
Interest paid	(1,067,118)	(866,675)
Income tax paid	(894,041)	(2,211,885)
Profit (Loss) from operations before changes in operating assets and liabilities	**4,518,486**	**(1,426,992)**
Decrease (increase) in operating assets		
Interbank and money market items	22,774,416	17,114,217
Financial assets measured at fair value through profit or loss	(15,296,641)	(2,778,445)
Loans to customers and accrued interest receivables	2,564,741	4,380,258
Other assets	(2,580,541)	2,852,505
Increase (decrease) in operating liabilities		
Deposits	7,759,176	(13,818,663)
Interbank and money market items	(9,131,569)	(296,305)
Liabilities payable on demand	(342,073)	(78,056)
Other liabilities	9,709,599	(1,122,868)
Net cash provided by (used in) operating activities	**19,975,594**	**4,825,651**

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statement of cash flows

	Year ended 31 December	
	2024	2023
	(in thousand Baht)	
Cash flows from investing activities		
Net proceeds from purchase and sale of instruments measured at fair value through other comprehensive income	(17,194,880)	10,432,434
Purchases of equipment	(446,922)	(26,756)
Proceeds from sales of equipment	9,712	208
Net cash provided by investing activities	**(17,632,090)**	**10,405,886**
Cash flows from financing activities		
Capital Repatriation	(1,500,000)	-
Profit remitted to head office	(981,229)	(13,932,059)
Income tax paid on profit remitted to head office	(109,025)	(1,548,006)
Decrease in balance of inter-office accounts with head office and other branches of the same juristic person, net	268,440	241,531
Net cash used in financing activities	**(2,321,814)**	**(15,238,534)**
Net cash decrease	**21,690**	**(6,997)**
Cash at 1 January	35,762	42,759
Cash at 31 December	**57,452**	**35,762**
Supplementary disclosures of cash flows information		
Non-cash transactions		
Net change in fair value of investments in debt securities measured at fair value through other comprehensive income	(598,773)	440,406

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the year ended 31 December 2024

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the management of Citibank, N.A. Bangkok Branch (the "Branch") on 29 April 2025.

1 General information

The Branch was granted a license by the Ministry of Finance to carry out domestic banking business in Thailand under the Commercial Banking Act. The Branch was granted a license to undertake its commercial banking business in September 1985.

The Branch has its registered office at 399, Interchange 21 Building Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The Branch is a part of Citibank, N.A. and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only those transactions which are recorded locally.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs"); guidelines promulgated by the Federation of Accounting Professions; and presented as prescribed by the Bank of Thailand ("BoT") notification number Sor Nor Sor 21/2561, directive dated 31 October 2018, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group.*

2.2 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Branch's functional currency. All financial information has been rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated.

2.3 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Branch's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4.1 Impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information;

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Financial assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(b) Cash

Cash comprises of cash on hand and cash on collection.

(c) Financial instruments

1. Recognition and initial measurement

The Branch initially recognises loans to customers and accrued interest receivables, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Branch becomes a party to the contractual provisions of the instrument.

Financial assets or financial liabilities that are not measured at fair value through profit or loss ("FVTPL") are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issuance.

2. Classification and measurement of financial instruments

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost ("AMC"), fair value through other comprehensive income ("FVOCI") or fair value through profit and loss ("FVTPL").

A financial asset is measured at AMC if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest ("SPPI") on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Branch may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. In addition, on initial recognition, the Branch may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AMC or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

Business model assessment of financial assets

The Branch makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the financial assets;
- how the performance of the portfolio is evaluated and reported to the Branch's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how investment managers are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Branch's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the branch's continuing recognition of the assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment,

"Principal" is defined as the fair value of the financial asset on initial recognition.

"Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Branch considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Branch considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Branch's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Subsequent measurement and gain and loss of financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gain and loss including any interest or dividend income, and recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit loss. Interest income, foreign exchange gain and loss and expected credit loss are recognised in profit or loss. Any gain or loss on derecognition is recognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest rate method, foreign exchange gain and loss and expected credit loss are recognised in OCI. On derecognition, gain and loss accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends incomes are recognised as income in profit or loss on the date on which The Branch's right to receive payment is established, unless the dividend clearly represents a recovery of part of cost of the investment. Other net gain and loss are recognised in OCI and are never reclassified to profit and loss.

Classification, subsequent measurement and gain and loss of financial liabilities

Financial liabilities are classified as measured as amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initiation recognition. Financial liabilities at FVTPL are measured at fair value and net gain and loss, including any interest, expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective inter rate method. Interest expense and foreign exchange gain and loss are recognised in profit or loss. Any gain or loss on the derecognition is also recognised in profit or loss.

The Branch records their obligations to return borrowed collateral, in the form of security for private repurchase or securities borrowing and lending transaction. Where these securities are used to further borrow or lend in other transactions in financial liabilities measured at FVTPL.

Reclassifications

Reclassifications of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Branch changes its business model for managing financial assets in which case all affected financial assets are reclassified prospectively from the reclassification date.

3. Derecognition

Derecognition of financial assets

The Branch derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Branch neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Branch is recognised as a separate asset or liability.

The Branch enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Branch retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Branch neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Branch continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Branch retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised or a servicing liability if the fee to be received is not expected to compensate the entity adequately for performing the servicing.

Derecognition of financial liabilities

The Branch derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Branch also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

4. Modifications of financial assets and financial liabilities

Modifications of financial assets

If the terms of a financial asset are modified, then the Branch evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Branch plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Branch first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

Modifications of financial liabilities

The Branch derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any non-cash assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

5. Impairment of financial assets

Impairment of financial assets

The Branch recognises allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

Measurement of ECL

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment, or financial guarantee. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

Estimates of expected cash shortfalls are determined by multiplying the probability of default (PD) by the loss given default (LGD) and the expected exposure at the time of default (EAD).

Forward-looking macro-economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP growth and unemployment rates. These assumptions are determined using all reasonable and supportable information, which includes both available internal and external information and are consistent with those used for financial and capital planning.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Branch is exposed to credit risk, except in the case of certain revolving facilities for which a behavioural life is estimated.

The estimation of expected cash shortfalls on collateralised financial instruments reflects the expected amount and timing of cash flows from foreclosure of the collateral less the costs of obtaining and selling the collateral, regardless of whether the foreclosure is deemed probable or not.

Cash shortfalls are discounted using the initial effective interest rate.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Branch expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Branch if the commitment is drawn down and the cash flows that the Branch expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Branch expects to recover.

In order to assess the expected credit loss, models are developed based on historical repayment, default information, and other information indicating default risk behaviour. In case that the models cannot capture the risk, the management overlay principle, covering industry, model and other risks, will be applied.

Regarding to BOT Notification number Sor Nor Sor 22/2562 *Re: Guidelines on Holding of Minimum Provisions for Financial Institutions and Financial Business Groups.* The Bank of Thailand sets out additional guidelines to accommodate the adoption of the Thai Financial Reporting Standard No.9 – Financial Instruments (TFRS 9) for the calculation of provisions based on expected credit losses. The Branch must hold available provisions of 1% of unimpaired assets and off-balance sheet items (minimum provisions). If the Branch holds available provisions less than minimum provisions, it must manage to hold capital for such difference.

Staging

For ECL recognition, financial assets are classified in any of the below three stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

Performing (Stage 1): Financial assets that have not had a Significant Increase in Credit Risk

Financial assets that have not had a Significant Increase in Credit Risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investments that are considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Under-performing (Stage 2): Financial assets have a SICR

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 or more days past due and not credit-impaired will be considered as under-performing assets.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk such as internal credit rating downgrade. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers' ability to repay. Qualitative indicators include operating results, financial liquidity, and other reliable indicators.

Financial assets can be transferred to Stage 1 in case they have proven that their ability to repay is back to normal.

Non-performing (Stage 3): Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default are those for which the repayment is highly unlikely or there is a significant deterioration in loan quality. Also, those that are at least 90 days past due in respect of principal and/or interest.

Evidence that financial assets are credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a significant discount that reflects incurred credit losses.

ECL of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Financial assets that are credit impaired require a lifetime provision.

Improvement in credit risk

A period may elapse from the point at which instruments enter Stage 2 or Stage 3 and are reclassified back to Stage 1.

For financial assets that are credit-impaired (Stage 3), and have not been subject to restructuring, a transfer to Stage 2 or Stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

Financial assets within Stage 2 can only be transferred to Stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to Stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to Stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to Stage 1. This includes instances where management actions led to instruments being classified as Stage 2, requiring that action to be resolved before loans are reclassified to Stage 1.

Loans to customer under modification

For modified loans to commercial customers, exposures under Stage 3 can be transferred to Stage 2 when the customer performs under the revised terms of the contract for 3 months or 3 periods, whichever is longer. A further monitoring for 9 months or 9 periods, whichever is longer, is required for such customers to be transferred to Stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full. When transferring to Stage 1, credit risk will be reset at the transferring date.

For modified loans to commercial customers, exposures under Stage 2 that were not previously credit impaired can be transferred to Stage 1 when the customer performs under the revised terms of the contract for 3 consecutive months or 3 periods, whichever is longer, and the customer is expected to repay its remaining obligations in full.

Allowance for expected credit losses on Purchased or Originated Credit impaired Instruments (POCI)

The Branch measures expected credit loss on a lifetime basis for POCI instruments throughout the life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Branch recognises the change in lifetime expected credit losses arising subsequent to initial recognition in profit or loss and the cumulative change as a loss provision. Where lifetime ECL on POCI instruments are less than those at initial recognition, then the favourable differences are recognised as impairment gains in profit or loss and as impairment loss where the ECL are greater.

Allowances for ECL are presented in the statement of financial position

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, the Branch separately present ECL of drawn component by deducting from the gross carrying amount while ECL of undrawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in other components of accounts with head office and other branches of the same juristic person.

Write-off of credit impaired instruments and reversal of impairment

To the extent financial instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery, and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognised when cash is received and recorded as a decrease in the amount of the expected credit loss in profit or loss.

If, in a subsequent period, the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised credit impairment loss is reversed by adjusting the expected credit loss account. The amount of the reversal is recognised in profit or loss.

6. Interest recognition

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Branch estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

7. *Securities purchased under reverse sale-and-repurchase agreements / Securities sold under sale-and-purchase agreements*

The Branch enters into agreement to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to resale commitment are presented as assets under the caption of "Interbank and money market items, net", or "Loans to customers and accrued interest receivable, net", depending upon type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivable. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" in the statement of financial position, at the amount received from the sale of those securities, and the underlying securities are treated as collateral. The difference between the purchase and sale considerations is recognised as interest income or expense, as the case maybe, over transaction period.

(d) Leasehold building improvements and equipment

Recognition and measurement

Owned assets

Leasehold building improvements and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold building improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

Any gains or losses on disposal of item of leasehold building improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold building improvements and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of leasehold building improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Branch, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold building improvements and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

Leasehold building improvements	3 - 10	years
Furniture, fixtures and equipment	1 - 10	years

No depreciation is provided on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Impairment for non-financial assets

The carrying amounts of the Branch's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to account with the accounts with head office and other branches of the same juristic person, in which case it is charged to the accounts with head office and other branches of the same juristic person.

Calculation of recoverable amount

The recoverable amount of a non-financial assets is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior years in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Employee benefits

Defined benefit plans

The Branch's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Branch determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Branch recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits - Share-based payments

The Branch participates in equity-settled share-based compensation plans for its employees that are offered by the ultimate parent company of the Branch, Citigroup Inc. The fair value of the services received in exchange for the grant of the stock options is recognised as an expense in the profit or loss over the vesting periods of the grant.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options grants, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Branch revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss.

(g) Provisions

A provision is recognised if, as a result of a past event, the Branch has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Asset retirement obligations

The Branch estimates and recognises a liability for costs associated with the retirement or removal of an asset from service, regardless of the uncertainty of timing or whether performance will be required. For the Branch, this applies to certain real estate restoration activities in the office space, which are rented under lease agreements.

(h) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Branch has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Branch's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Branch measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Branch uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Branch measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Branch determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value hierarchy classification is based upon whether the fair value estimates are determined using observable or unobservable inputs and the significance of those inputs to the overall valuation. Observable fair value estimates are based on pricing inputs and assumptions that can be independently corroborated with external market data. Unobservable fair value estimates are those which are based upon assumptions that cannot be independently corroborated.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Branch recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(i) Fee and service income

Fee and service income are recognised when a customer obtains services in an amount that reflects the consideration to which the Branch expect to be entitled to. In addition, judgment is required in determining the timing of revenue recognition.

(j) Net gain on financial instruments measured at FVTPL

Net gain on financial instruments comprises gain less losses related to trading, fair value changes, transfer of financial assets measured at FVTPL, foreign exchange differences or translation of assets and liabilities denominated in foreign currency into the functional currency.

(k) Contributions to the Deposit Protection Agency and Financial Institutions Development Fund

Contributions to the Deposit Protection Agency and Financial Institutions Development Fund are recorded as expenses on an accrual basis.

(l) Financial guarantee and loan commitments

Financial guarantees are contracts that require the Branch to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with TFRS 9.

(m) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to items recognised directly in the accounts with head office and other branches of the same juristic person or in other comprehensive income.

Pillar Two model rules published by the OECD have been enacted or substantively enacted in certain jurisdictions where Citigroup operates. As of 31 December 2024, the government of Thailand has enacted legislation to implement the global minimum top-up tax ("Pillar Two rules") which would only come into effect in 2025.

The Branch is an offshore branch of Citibank, N.A incorporated in the United States. As of 31 December 2024, the US has not proposed legislation to implement global minimum top-up tax. Therefore, there is no tax impact for the year ended 31 December 2024.

According to Citigroup's initial assessment based on the most recent information available regarding the financial performance of the constituent entities of Citigroup, if the top-up tax had been applied in 2024, no top-up tax liability would be expected for the branch since Thailand would be expected to satisfy the Transitional Country-by-country Report Safe Harbour.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction (i) affects neither accounting nor taxable profit or loss. (ii) does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Branch expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Branch; a person or entity that are under common control or under the same significant influence as the Branch; or the Branch has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(o) Expense allocation from Head-office

The expenses are recognised when incurred and are allocated based on the nature of expense and the business activity which they are related. This includes direct attribution to specific business units or functions, and some cases, allocation based on reasonable and consistent methodologies such as headcount or revenue attribution.

(p) Leases

At inception of a contract, the Branch assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Branch uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Branch allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Branch has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Branch recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date by the end of the lease. The estimated useful lives of right-of-use assets are determined on the same basis as those of premises and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Branch's incremental borrowing rate and subsequently at AMC using the effective interest method. The lease payments includes fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Branch is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Branch determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustment to reflect the terms of the lease and type of the asset leased.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Branch presents right-of-use assets that do not meet the definition of investment properties in premises and equipment and lease liabilities in other liabilities in the statement of financial position.

(q) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when the Branch has a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(r) Profit remittance to Head-office

The Branch complies with the BOT regulations on remittance of profits to the head office of foreign branch under the notification of Bank of Thailand no. FPG. 8/2562 dated 29 January 2020 Re: Regulations on Components of Capital for Foreign Bank Branches, attachment 1.3.

4 Financial risk management

Financial risk management policies

The Branch uses a comprehensive range of quantitative tools for monitoring and managing its major risks. Some of these tools are common to a number of risk factors, while others are tailored to the particular features of specific risk categories. These quantitative tools generate information to quantify the susceptibility of the market value of single positions or portfolios to changes in market parameters (sensitivity analysis), measure aggregate risk using statistical techniques, and capture exposure to risks from extreme movements in market prices through scenario analysis.

The most important risks the Branch is exposed to are credit risk, market risk and liquidity risk. These three categories of risks are further described below:

4.1 Credit risk

Credit risk refers to risk arising from the failure of either debtors to repay principal and interest as agreed, or of counterparties to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange and other types of debts; and those off-financial reporting such as derivatives trading, letters of guarantee etc.

Credit policies/Framework

To properly manage credit risk, the Branch follows relevant Citibank global credit risk policies and frameworks to ensure that credit decisions are prudently made and make credit risk management an integral part of all credit-related business processes. The established policies ensure diversification of the credit portfolio to address various concentration risks covering single exposure concentration risk on a group basis that is economically interdependent, industry/business sector concentration risk and country exposure concentration risk. Additionally, the Branch's Stress Testing process ensures a consistent framework to assess the Branch's ability to withstand extreme but plausible adverse changes to economic conditions.

Credit approval process

In managing credit risk, the Branch segregates the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balance and independent decision making. Individual credit risk is analysed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and risk levels of credit requested.

Where appropriate, the Branch demands the placement of adequate collateral by customers in various forms including, for example, deposits, securities, and personal/corporate guarantees, etc.

The Branch has contingent liabilities by issuing loan payment and other forms of guarantees, as well as issuing letters of credit and endorsing aval on commercial bills and notes for its customers. Such contingent transaction activities require assessment on financial condition of customers in the same manner as done for direct lending. The Branch also makes a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

Credit review

The Internal Audit unit, which is an independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes. Moreover, the Fundamental Credit Review (FCR) team performs periodic credit reviews to ensure that the credit process is effectively conducted in accordance with policies and procedures, and in compliance with the regulatory requirements.

Internal Rating Framework

Risk ratings are typically based on credit analysis factors and/or market condition indicators, considering both the quantitative and qualitative information. The Branch uses Citibank's centrally developed internal credit risk models for supporting all bank-wide activities such as setting of risk appetite statements, underwriting process, monitoring/measuring and predicting changes in portfolio quality and early response to deterioration trends.

Credit risk models have been developed to determine probability of default (PD), exposure at default (EAD), and loss given default (LGD). All models comprise both quantitative and qualitative factors / information. For the qualitative aspect, the data is collected from historical financials or from service providers. In addition to the wide range of activities described above, the Branch also uses credit risk models in the process to determine loan loss provisioning, regulatory capital, and economic capital.

Currently, the Branch uses different centrally developed risk rating models according to different borrower segment. Internal rating models for the commercial (Wholesale) portfolio are based on most recent financial position and qualitative assessment on the profile of the borrowers.

Exposures and the corresponding credit risk grades are subject to review at a frequency stipulated in the policy. Risk rating models are reviewed periodically, and the performance of the models is subject to regular monitoring. This is a process to keep both risk grade and models up to date.

A credit risk grade is ranked from lowest to highest. The lower the number in the rank, the lower the probability of default. The highest rating represents non-performing loans with probability of default of 100%.

Information related to ECL

Significant Increase in Credit Risk

SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a SICR.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. If the thresholds are exceeded, the instrument is considered to have experienced a SICR.

Qualitative factors assessed include those linked to current credit risk management processes. Indicators could include weak operating results or observed liquidity issues among a number of other factors.

Definition of default

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of 90 or more days past due on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

Loan Loss Provisioning, TFRS9, and ECL model

Since 1 January 2020, the Branch has recognised loss allowances based on the expected credit loss (ECL) model of TFRS9, which is designed to be forward-looking. The TFRS9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), such as loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. These financial instruments are divided into three groups, depending on the stage of credit quality deterioration ("Staging"). The ECL model parameters are estimated based on statistical techniques and supported by expert judgement.

Incorporation of forward-looking information

TFRS9 requires that expected credit loss should consider the effect from the economic movement or so-called forward-looking factor. Modelling newly regulated credit risk should also incorporate the state of economy, which is best represented by GDP growth and some of its components.

The Branch applies forward-looking factor into the ECL models. Macroeconomic inputs / projections are provided by the Enterprise Scenario Group (ESG) team of Citibank. Then, statistical techniques are applied to transform the data into a multiple scenario analysis. Finally, the scenarios are used to derive lifetime parameters, which are applied in the calculation of expected credit losses and in the identification of significant deterioration in credit quality of financial assets as described previously.

The ESG group formulates three forward-looking economic scenarios; a base case, which is the baseline scenario, and two less likely scenarios, one upside and one downside scenario. Macroeconomic variables include economic data and forecasts. Examples of the macroeconomic variables used in the forward-looking information are Gross Domestic Product (GDP), interest rate, and unemployment rate.

Model Adjustment for Wholesale portfolio

The ECL is projected using statistical model by incorporating reasonable and supportable forward-looking macroeconomic forecasts. However, the statistically based ECL does not reflect the level of expected volatility of credit losses due to deviation in realized default and heterogeneous size of loans in the portfolio. To ensure the ECL estimate is adequate and within a given confidence interval to reflect the expected credit losses, the Branch use Expected Loss Scalar Model determined by judgmental assessment of the level of risk for various factors, e.g., macro condition, external factors such as legal and regulatory, portfolio concentration, collateral, and other relevant qualitative factors, by the reporting entity combining with statistically based ECL to arrive at the final ECL in order to capture the variability in ECL estimates.

4.1.1 Credit quality analysis

The following tables set out information about the credit quality as of 31 December 2024 and 2023 of financial assets measured at amortised cost without taking into account collateral or other credit enhancement. The Branch classified risk levels based on most recent financial position, behaviours and qualitative factors.

	2024			
	Stage 1	Stage 2	Stage 3	Total
		(in million Baht)		
Loans to customers and accrued interest receivables, net				
Strong	23,098	34	17	23,149
Satisfactory	9,885	1,848	1	11,734
Credit-impaired	-	-	450	450
Gross carrying amount	32,983	1,882	468	35,333
Less allowance for expected credit loss	(49)	(38)	(468)	(555)
Less excess amortisation*				-
Less general provision**				(156)
Total loans to customers and accrued interest receivables, net	**32,934**	**1,844**	**-**	**34,622**

* The Branch amortises the excess reserve which arised from changes in accounting policies according to TFRSs-Financial Instruments to the profit or loss using straight-line method over 5 years consecutively from 1 January 2020 according to BoT Circular number Thor Por Tor. For Nor Sor. (23) Wor. 1603/2562, directive dated 6 November 2019, regarding "*The Clarification on Management of Excess Reserve*".

** The Branch set-up general provision according to BoT Notification number Sor Nor Sor 22/2562 *Re: Guidelines on Holding of Minimum Provisions for Financial Institutions and Financial Business Groups.* The Branch must hold available provisions of 1% of unimpaired assets and off-balance sheet items.

	2023			
	Stage 1	Stage 2	Stage 3	Total
		(in million Baht)		
Loans to customers and accrued interest receivables, net				
Strong	30,288	137	-	30,425
Satisfactory	5,963	1,031	-	6,994
Credit-impaired	-	-	635	635
Gross carrying amount	36,251	1,168	635	38,054
Less allowance for expected credit loss	(42)	(7)	(635)	(684)
Less excess amortisation*				(114)
Less general provision**				(170)
Total loans to customers and accrued interest receivables, net	**36,209**	**1,161**	**-**	**37,086**

* The Branch amortises the excess reserve which arised from changes in accounting policies according to TFRSs-Financial Instruments to the profit or loss using straight-line method over 5 years consecutively from 1 January 2020 according to BoT Circular number Thor Por Tor. For Nor Sor. (23) Wor. 1603/2562, directive dated 6 November 2019, regarding "*The Clarification on Management of Excess Reserve*".

** The Branch set-up general provision according to BoT Notification number Sor Nor Sor 22/2562 *Re: Guidelines on Holding of Minimum Provisions for Financial Institutions and Financial Business Groups.* The Branch must hold available provisions of 1% of unimpaired assets and off-balance sheet items.

Major investments in debt securities of the Branch are investments in government and state enterprise securities which are considered as low-risk financial assets.

4.1.2 Collateral held and other credit enhancements

In addition to determining counterparty credit quality through risk rating, the Branch also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Branch. The type of eligible collateral consists of financial and non-financial collaterals which are valued primarily based on their quality and liquidity. The value of collateral is primarily assessed on a prudent basis to ensure that the value assigned to the collateral remains current.

The assessment of the suitability of collateral for a specific credit transaction is part of the credit decision-making process, which is undertaken in a conservative way, including the collateral haircuts that are applied. The Branch strives to avoid "wrong-way" risk characteristics where the borrower's counterparty risk is positively correlated with the risk of deterioration in the collateral value.

For 'guarantee', the process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for borrowers.

Loan-to-Value (LTV) ratio is used in entire credit processes, for example,
- Credit evaluation process – different risk levels require different LTVs
- Credit approval process – LTV is one of the factors to determine the level of approval authorities. At present, the Branch defines the approval authority based on business type, industry, the customer's risk rating as well as LTV criteria whereby LTV criteria is applied for Commercial Banking customer at appropriate level depend on industry.

Collateral Appraisal Approach:

The appraisal shall be conducted by applying one or more of the approaches specified in the codes of professional ethics and standards of appraisal practice.

The following table sets out the principal types of collateral held against different types of loans to customers as at 31 December 2024 and 2023 in note 12.

Principal type of collateral held	2024	2023
	(in million Baht)	
Cash	55	258
Guarantee/SBLC	212	2,686
Real Estate	-	45
None	34,938	34,966

4.1.3 Concentration of credit risk

The Branch monitors concentration in different dimensions including industry sector, concentrations of credit risk from loans to customers and financial institutions, loan commitments and financial guarantees as of 31 December 2024 and 2023 is shown below.

	Loans to customers and Interbank Assets	Undrawn loan commitment	Financial guarantee
		(in million Baht)	
At 31 December 2024			
Carrying amount	40,789	-	-
Amount committed/guaranteed	-	27,784	3,053
Concentration by sector			
Financial institutions	5,456	752	1,012
Agricultural and mining	81	806	-
Manufacturing and commerce	27,723	17,830	1,417
Property development and construction	90	104	6
Infrastructure and services	3,341	2,773	82
Others	4,098	5,519	536
Total	**40,789**	**27,784**	**3,053**

	Loans to customers and Interbank Assets	Undrawn loan commitment	Financial guarantee
		(in million Baht)	
At 31 December 2023			
Carrying amount	93,730	-	-
Amount committed/guaranteed	-	26,093	2,716
Concentration by sector			
Financial institutions	55,677	2,218	751
Agricultural and mining	68	17	-
Manufacturing and commerce	29,546	17,557	1,635
Property development and construction	80	46	6
Infrastructure and services	3,049	1,481	228
Others	5,310	4,774	96
Total	**93,730**	**26,093**	**2,716**

4.2 Market risk

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, foreign exchange rates, equity prices and commodity prices), the correlations among them and their levels of volatility.

The Branch is a party to financial instruments in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in foreign exchange rates and interest rates. These financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, options, forwards and swap contracts. These instruments involve, to varying degrees, elements of credit, foreign exchange and interest in excess of the amount recognised in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Branch's involvement in particular classes of financial instruments. The Branch does not engage in speculation with derivative financial instruments.

The Branch enters into options, forwards and swap contracts as part of its risk management strategy primarily to manage market risk arising from the Branch's underlying assets and liabilities and to offset risk created by its customers. The utilisation of options, forwards and swap contracts for these purposes is governed by the Risk Management Committee's approved guidelines and monitored by a risk manager.

(a) Value at Risk for Trading book

The Branch adopts various tools for Market risk management in Trading book which includes Value-at-Risk (VaR), sensitivities to yield curve and basis shifts (basis point value), and stress testing.

Value-at-Risk (VaR) estimates the potential loss with 99% confidence level as result of changing market conditions in normal market circumstances over a 1 day time horizon. Normal market conditions assumes that extreme or stress events do not happen.

As at 31 December 2024 and 2023, the Branch's Value at Risk in Trading book was as follows:

	2024	2023
	(in million Baht)	
Value-at-Risk	63	44

(b) Interest rate risk in the Banking Book

Interest rate fluctuation affects the Branch's interest income and expenses as well as economic value of equity. Four main sub-types of interest rate risk are defined as follows:

- Repricing risk is the risk from maturity / timing mismatches of the Branch's assets and liabilities, which cause interest rates at reset to differ due to yield curve movements. For example, assuming all other factors are constant, if the Branch's assets can be repriced faster than liabilities (a positive gap), interest margins increase when interest rates rise. On the other hand, if the Branch's ability to reprice assets is slower than liabilities (a negative gap), then interest margins narrow when interest rates rise.
- Yield curve risk arises from interest rates at different maturities changing differently.
- Basis risk occurs when the Bank's assets and liabilities are based on different reference interest rates, e.g., fixed-deposit rates, interbank lending rates, THBFIX interest rates, etc. Therefore, any change in reference rates will affect interest rates tied with assets and liabilities differently.

- Options risk arises from implicit and explicit options in the Branch's assets and liabilities and off-financial reporting items, where exercising these options might affect the Branch's revenue and costs. For example, an option on three-month deposit that allows early withdrawal before maturity will, if exercised, cause the Branch's costs to rise sooner than expected.

The Branch adopts various tools for interest rate risk management which includes risk tolerance limits for Banking book. Limits are determined based on impact assessment on Net Interest Income (NII) and Economies value of equity (EVE).

As at 31 December 2024 and 2023 the Branch's interest rate risk exposures based on the results of the aforementioned tools were as follows:

- Impact on Net interest Income (NII) in the event that interest rates rise by 1%:

	2024	2023
	(in million Baht)	
Currency		
THB	17	6
USD	(5)	(45)
Total impact on net interest income	**12**	**(39)**
% change in net interest income	**0.25%**	**(0.99)%**

- Impact on Economic Value of Equity (EVE) the event that interest rates rise by 1%:

	2024	2022
	(in million Baht)	
Currency		
THB	(62)	(98)
USD	(6)	(43)
Total impact on economic value of equity	**(68)**	**(141)**
% change in total capital	**(0.28)%**	**(0.55)%**

Interest rate risk arises from the potential for a change in market interest rates to have an adverse effect on the net interest earnings of the Branch in the current year, and in future years. Interest rate risk arises from the structure and characteristics of the Branch's assets, liabilities and accounts with head office and other branches of the same juristic person, and in the mismatch in repricing dates of its assets and liabilities.

Details of the Branch's interest rate risk based on the period to the earlier of the contractual repricing date or maturity at 31 December 2024 and 2023 were as follows:

	2024								
	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total	Average interest rate
				(in thousand Baht)					*(% per annum)*
Financial assets									
Cash	-	-	-	-	-	57,452	-	57,452	-
Interbank and money market items*	1,618,567	53,351,836	21,278	-	-	34,564	-	55,026,245	3.81%
Financial assets measured at FVTPL	-	-	1,096,397	19,519,409	625,350	-	-	21,241,156	2.35%
Investments in debt securities**	-	-	25,475,609	63,589,092	-	-	-	89,064,701	2.03%
Loans to customers and accrued interest receivables***	13,726,819	17,638,520	3,371,401	-	-	127,958	468,444	35,333,142	3.58%
Total financial assets	**15,345,386**	**70,990,356**	**29,964,685**	**83,108,501**	**625,350**	**219,974**	**468,444**	**200,722,696**	
Financial liabilities									
Deposits	141,740,296	5,867,606	578,225	-	-	-	-	148,186,127	0.34%
Interbank and money market items	10,652,405	-	-	-	-	-	-	10,652,405	0.77%
Liabilities payable on demand	-	-	-	-	-	1,831,903	-	1,831,903	-
Lease liability	-	2,866	8,369	51,969	100,329	-	-	163,533	2.99%
Total financial liabilities	**152,392,701**	**5,870,472**	**586,594**	**51,969**	**100,329**	**1,831,903**	**-**	**160,833,968**	
Undrawn committed line	-	-	-	-	-	27,784,028	-	27,784,028	
Guarantee of loans	-	-	-	-	-	3,052,709	-	3,052,709	
Letters of credit	-	-	-	-	-	188,351	-	188,351	
Other contingencies	-	-	-	-	-	5,746,370	-	5,746,370	

* Excluding allowance for expected credit losses amounting to Baht 1.48 million
** Excluding allowance for expected credit losses amounting to Baht 43.44 million
*** Including non-performing loans and excluding allowance for expected credit losses amounting to Baht 711.53 million

	2023								
	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Non-performing assets	Total	Average interest rate
				(in thousand Baht)					*(% per annum)*
Financial assets									
Cash	-	-	-	-	-	35,762	-	35,762	-
Interbank and money market items*	1,156,317	68,567,292	8,042,488	-	-	328,697	-	78,094,794	2.60%
Financial assets measured at FVTPL	-	-	653,869	4,153,876	1,136,770	-	-	5,944,515	2.61%
Investments in debt securities**	-	-	37,831,867	22,827,288	10,552,814	-	-	71,211,969	1.58%
Loans to customers and accrued interest receivables***	11,826,546	21,711,003	3,084,257	703,700	-	98,765	629,530	38,053,801	2.81%
Total financial assets	**12,982,863**	**90,278,295**	**49,612,481**	**27,684,864**	**11,689,584**	**463,224**	**629,530**	**193,340,841**	
Financial liabilities									
Deposits	90,384,518	3,191,934	488,148	-	-	46,362,351	-	140,426,951	0.17%
Interbank and money market items	19,783,974	-	-	-	-	-	-	19,783,974	0.43%
Liabilities payable on demand	-	-	-	-	-	2,173,976	-	2,173,976	-
Lease liability	-	7,186	17,271	636	-	-	-	25,093	4.03%
Total financial liabilities	**110,168,492**	**3,199,120**	**505,419**	**636**	-	**48,536,327**	-	**162,409,994**	
Undrawn committed line	-	-	-	-	-	26,092,615	-	26,092,615	
Guarantee of loans	-	-	-	-	-	2,715,524	-	2,715,524	
Letters of credit	-	-	-	-	-	542,558	-	542,558	
Other contingencies	-	-	-	-	-	5,139,144	-	5,139,144	

* Excluding allowance for expected credit losses amounting to Baht 102.69 million

** Excluding allowance for expected credit loss amounting to Baht 26.87 million

*** Including non-performing loans and excluding allowance for expected credit losses amounting to Baht 967.97 million

(c) Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in related note to the financial statements, as at 31 December 2024 and 2023, the Branch's net foreign currency positions categorised by major foreign currencies were as follows:

	2024			2023		
	US Dollar	Euro [1]	Other currencies [1]	US Dollar	Euro [1]	Other currencies [1]
	(in thousand USD)					
Spot	546,144	(4,483)	(2,068)	79,224	15,819	1,029
Forward	(548,781)	3,597	2,824	208,881	16,382	566
Net position	**(2,637)**	**(886)**	**756**	**129,657**	**563**	**(463)**

[1] Balance denominated in Euro and other currencies are stated in US Dollar equivalents.

(d) Sensitivity analysis

Market risk in the trading book

The Branch uses a number of sensitivities measurements to monitor market risk in the trading book. The key measurements are PV01 and FX Delta. PV01 is used to monitor the interest rate risk which it measures the impact on value of a portfolio value due to the increase in interest rates of a 1 basis point. FX Delta is the rate of change of the portfolio value with respect to changes of foreign currency. FX Delta is used to monitor the exchange rate risk for each currency.

The methodology and parameters that the Branch use to calculate these sensitivity measurements are in accordance with the international standards. As at 31 December 2024 and 2023, the key sensitivities were as follows:

	2024	2023
	Interest rate sensitivities (PV01) *(in thousand Baht)*	
THB	(1,734)	(4,425)
USD	(47)	(202)
Other currencies	43	(7)
Total	**(1,738)**	**(4,634)**
	Exchange rate sensitivities (FX Delta) *(in thousand USD)*	
USD	(12,626)	4,619
EURO	(534)	(1,350)
Other currencies	784	2,452
Total	**(12,376)**	**5,721**

Market risk in the banking book

The Branch uses the repricing gap approach to determine the impact of interest rate changes on net interest income and economic value of equity on a monthly basis. The repricing gap uses the remaining term or next repricing date as stipulated in the contract. There are established interest rate risk limits to monitor and control the impact of interest rate changes on the net interest income and economic value. Changes to the net interest income and economic value are computed assuming different size shocks in interest rate yield curves. As at 31 December 2024 and 2023, the effect of changes in interest rates to earnings (net) by 100 bps parallel in the next 1 year were as follows:

	2024		2023	
Currency	Upward shift 100 bps	Downward shift 100 bps	Upward shift 100 bps	Downward shift 100 bps
		(in million Baht)		
THB	17	(17)	6	(6)
USD	(5)	5	(45)	45
Total effect of change in interest rate	**12**	**(12)**	**(39)**	**39**

4.3 Liquidity risk

Liquidity risk is the risk that the Branch either does not have sufficient financial resources available to meet the obligations as they fall due, or can only access these financial resources at excessive cost.

The Branch manages its liquidity position under the Bank of Thailand's liquidity reserve regulations and other applicable regulations. The Treasury Department is responsible for managing the Branch's liquidity position by providing short-term and long-term funding sources as well as investing in highly liquid assets in both Thai Baht and foreign currencies. The Branch also ensures that its liquidity position is suitable and sufficient for the current and foreseeable market conditions. The Assets and Liabilities Management Sub-committee supervises management of liquidity risk.

Liquidity risk management ensures the protection of the Branch's solvency and the ability to support asset portfolios with funding of appropriate term and at reasonable cost.

The Branch monitors liquidity risk for each currency. An internal system used for cash flow monitoring captures future expected cash flows, both by day and by currency. The monitoring process also includes the ongoing assessment of the ability to sell liquid assets, mostly trading securities.

In accordance with the Bank of Thailand Notification No. Sor Nor Sor 2/2561 dated 25 January 2018, regarding to *Liquidity coverage ratio disclosure standards*, the Branch intends to disclose Liquidity coverage ratio as of 31 December 2024 within 4 months after the year end date, as indicated in the notification, through the Branch's website www.citigroup.com/global/about-us/global-presence/thailand.

Details of the maturities of financial assets and financial liabilities as at 31 December 2024 and 2023 were as follows:

	2024						
	At call	Less than 3 Months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	Total
				(in thousand Baht)			
Financial assets							
Cash	-	-	-	-	-	57,452	57,452
Interbank and money market items*	1,618,603	53,386,329	21,313	-	-	-	55,026,245
Derivative assets	-	3,672,695	5,027,467	20,694,290	41,941	-	29,436,393
Financial assets measured at FVTPL	-	-	1,096,397	19,519,409	625,350	-	21,241,156
Investments in debt securities**	-	-	25,475,609	63,589,092	-	-	89,064,701
Loans to customers and accrued interest receivables***	21,576,835	8,577,115	3,453,252	1,725,940	-	-	35,333,142
Other assets	-	3,814,305	-	-	-	-	3,814,305
Total financial assets	**23,195,438**	**69,450,444**	**35,074,038**	**105,528,731**	**667,291**	**57,452**	**233,973,394**
Financial liabilities							
Deposits	141,740,296	5,867,606	578,225	-	-	-	148,186,127
Interbank and money market items	10,652,405	-	-	-	-	-	10,652,405
Liabilities payable on demand	1,831,903	-	-	-	-	-	1,831,903
Derivative liabilities	-	3,449,303	5,524,717	19,562,497	442	-	28,536,959
Lease liability	-	2,866	8,369	51,969	100,329	-	163,533
Other liabilities	-	12,694,906	-	-	-	-	12,694,906
Total financial liabilities	**154,224,604**	**22,014,681**	**6,111,311**	**19,614,466**	**100,771**	**-**	**202,065,833**
Net liquidity gap	**(131,029,166)**	**47,435,763**	**28,962,727**	**85,914,265**	**566,520**	**57,452**	**31,907,561**

* Excluding allowance for expected credit loss amounting to Baht 1.48 million
** Excluding allowance for expected credit loss amounting to Baht 43.44 million
*** Including non-performing loans and excluding allowance for expected credit losses amounting to Baht 711.53 million

	2023						
	At call	Less than 3 Months	3 months to 1 year	1 to 5 years	Over 5 years	No maturity	Total
				(in thousand Baht)			
Financial assets							
Cash	-	-	-	-	-	35,762	35,762
Interbank and money market items*	1,156,318	68,817,791	8,120,685	-	-	-	78,094,794
Derivative assets	-	4,173,065	6,712,379	16,726,856	66,489	-	27,678,789
Financial assets measured at FVTPL	-	-	653,869	4,153,876	1,136,770	-	5,944,515
Investments in debt securities**	-	-	37,831,867	22,827,288	10,552,814	-	71,211,969
Loans to customers and accrued interest receivables***	20,995,293	12,596,117	3,098,345	1,364,046	-	-	38,053,801
Other assets	-	1,093,127	-	-	-	-	1,093,127
Total financial assets	**22,151,611**	**86,680,100**	**56,417,145**	**45,072,066**	**11,756,073**	**35,762**	**222,112,757**
Financial liabilities							
Deposits	136,746,869	3,191,934	488,148	-	-	-	140,426,951
Interbank and money market items	19,783,974	-	-	-	-	-	19,783,974
Liabilities payable on demand	2,173,976	-	-	-	-	-	2,173,976
Derivative liabilities	-	4,523,367	5,601,838	16,245,258	56,557	-	26,427,020
Lease liability	-	7,186	17,271	636	-	-	25,093
Other liabilities	-	2,671,651	-	-	-	-	2,671,651
Total financial liabilities	**158,704,819**	**10,394,138**	**6,107,257**	**16,245,894**	**56,557**	**-**	**191,508,665**
Net liquidity gap	**(136,553,208)**	**76,285,962**	**50,309,888**	**28,826,172**	**11,699,516**	**35,762**	**30,604,092**

* Excluding allowance for expected credit loss amounting to Baht 102.69 million
** Excluding allowance for expected credit loss amounting to Baht 26.87 million
*** Including non-performing loans and excluding allowance for expected credit loss amounting to Baht 967.97 million

5 Fair value of financial asset and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at 31 December 2024 and 2023. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
			(in million Baht)				
At 31 December 2024							
Financial assets							
Financial assets	21,241	-	21,241	-	21,241	-	21,241
Derivative assets							
- Foreign exchange rate	15,504	-	15,504	-	15,504	-	15,504
- Interest rate	13,732	-	13,732	-	13,732	-	13,732
- Commodity option	200	-	200	-	200	-	200
Investments, net	-	89,022	89,022	-	89,022	-	89,022
Financial liabilities							
Derivative liabilities							
- Foreign exchange rate	15,255	-	15,255	-	15,255	-	15,255
- Interest rate	13,081	-	13,081	-	13,081	-	13,081
- Commodity option	200	-	200	-	200	-	200

	Carrying amount			Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
			(in million Baht)				
At 31 December 2023							
Financial assets							
Financial assets	5,945	-	5,945	-	5,945	-	5,945
Derivative assets							
- Foreign exchange rate	12,516	-	12,516	-	12,516	-	12,516
- Interest rate	14,607	-	14,607	-	14,607	-	14,607
- Commodity option	556	-	556	-	556	-	556
Investments, net	-	71,186	71,186	-	71,186	-	71,186
Financial liabilities							
Derivative liabilities							
- Foreign exchange rate	12,267	-	12,267	-	12,267	-	12,267
- Interest rate	13,605	-	13,605	-	13,605	-	13,605
- Commodity option	556	-	556	-	556	-	556

The Branch determines Level 2 fair values for investments in debt instruments measured at FVOCI and financial assets measured at FVTPL are based on quoted market prices, where available. If quoted market prices are not available, market value is based on quoted market prices of comparable instruments after adjustment for the risk involved.

Level 2 fair values for simple over-the-counter derivative are based on inputs which are observable from independent and reliable market data sources. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date.

Fair values of derivative financial assets reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the counterparty when appropriate.

The Branch recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the years ended 31 December 2024 and 2023.

Methods and assumptions in estimating fair values of financial assets and financial liabilities as disclosed herein:

Cash, Interbank and money market items (asset and liabilities) and liabilities payable on demand

The fair values of cash, interbank and money market items (assets and liabilities) and liabilities payable on demand approximate the carrying values at which they are stated in the statement of financial position, as these predominantly carry market variable rates of interest and/or are short term.

Loans to customers

For floating-rate loans to customers that reprice frequently and have no significant change in credit risk, fair value approximates carrying value at the reporting date. The fair value of fixed rate loans to customers that reprice within 1 year of the report date approximates the carrying value at the reporting date. The fair value of other fixed interest loans to customers is estimated using discounted cashflow analysis and using interest rates currently being offered for loans to customers with similar credit quality. There is no significant difference with the carrying amount.

Deposits

The fair value of deposits which are payable on demand by the depositor is equal to the carrying value of such deposits. The carrying amounts of floating-rate, fixed-term money market accounts, certificates of deposit and fixed rate deposits repricing within 1 year approximate their market value at the reporting date. The fair value of other fixed interest deposits is estimated using discounted cashflow calculation that applies interest rates currently being offered on deposit to schedule of aggregate expected monthly maturities on time deposits. There is no significant difference with the carrying amount.

Lease liability

The carrying value of lease liability is estimated using discounted cashflow and using incremental borrowing rate currently being offered for unsecured borrowing with the same tenor.

6 Maintenance of capital funds

The Branch maintains its capital funds in accordance with Section 32 of the Financial Institution Business Act, B.E. 2551 by maintaining its capital fund as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand as at 31 December 2024 and 2023, can be summarised as follows:

	2024	2023
	(in million Baht)	
Government bonds	25,476	26,688
Total	**25,476**	**26,688**

As at 31 December 2024 and 2023, the Branch's capital fund can be summarised as follow:

	2024	2023
	(in million Baht)	
Assets maintained under Section 32	**25,476**	**26,688**
Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts		
Net fund brought into maintenance assets under Section 32	24,300	25,800
Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches of the same juristic person, the parent company and subsidiaries of the head office	2,045	1,657
Total	**26,345**	**27,457**
Capital fund before deductible items	24,300	25,800
Capital Fund *(in million Baht)*	**24,300**	**25,800**
Capital Adequacy Ratio *(%)*	**23.34**	**27.40**

According to Bank of Thailand notification number For Kor Kor (12) Wor 1030/2562 dated 10 July 2019 required to disclose capital after deducting capital add-on arising from Single Lending Limit, effective on 15 July 2019.

As at 31 December 2024 and 2023, the Branch does not have a capital add-on arising from single lending limit.

As at 31 December 2024 and 2023, the Branch adopted the Standardised Approach for credit risk and operational risk and used Hybrid Approach, and a combination of Standardised and Internal Models, for market risk as approved by the Bank of Thailand and in accordance with the Bank of Thailand notification to calculate minimum capital requirements.

As at 31 December 2024 and 2023, the Branch met the minimum Capital Adequacy Ratio requirements established by the Bank of Thailand, which is in compliance with the requirements of Basel III, for total Capital Adequacy Ratio at minimum of 11%. This includes capital conservation buffer as required by the BoT commencing 1 January 2016.

In accordance with the Bank of Thailand Notification No. Sor Nor Sor 4/2556 dated 2 May 2013, Re: *"The Public Disclosure of Capital Maintenance for Commercial Banks"*, the Branch intends to disclose Capital Maintenance information as of 31 December 2024 within 4 months after the year end date as indicated in the notification through the Branch's website www.citigroup.com/global/about-us/global-presence/thailand

Capital management

The Branch's policies are to maintain a strong capital base so as to provide a cushion against future uncertainties, engender market confidence in the Branch's robustness and to support business growth.

The Branch has complied with the BoT's imposed capital requirements throughout the period and, as noted in the table above, its capital level is well in excess of the minimum requirements.

7 Classification of financial assets and financial liabilities

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised costs	Total
		(in million Baht)		
At 31 December 2024				
Financial assets				
Cash	-	-	57	57
Interbank and money market items, net	-	-	55,025	55,025
Financial assets measured at FVTPL	21,241	-	-	21,241
Derivatives assets	29,436	-	-	29,436
Investments, net	-	89,022	-	89,022
Loans to customers and accrued interest receivables, net	-	-	34,622	34,622
Other financial assets	-	-	3,814	3,814
Total	**50,677**	**89,022**	**93,518**	**233,217**
Financial liabilities				
Deposits	-	-	148,186	148,186
Interbank and money market items	-	-	10,652	10,652
Liability payable on demand	-	-	1,832	1,832
Derivatives liabilities	28,537	-	-	28,537
Lease liabilities	-	-	164	164
Other financial liabilities	-	-	12,695	12,695
Total	**28,537**	**-**	**173,529**	**202,066**

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised costs	Total
		(in million Baht)		
At 31 December 2023				
Financial assets				
Cash	-	-	36	36
Interbank and money market items, net	-	-	77,992	77,992
Financial assets measured at FVTPL	5,945	-	-	5,945
Derivatives assets	27,679	-	-	27,679
Investments, net	-	71,186	-	71,186
Loans to customers and accrued interest receivables, net	-	-	37,086	37,086
Other financial assets	-	-	1,093	1,093
Total	**33,624**	**71,186**	**116,207**	**221,017**
Financial liabilities				
Deposits	-	-	140,427	140,427
Interbank and money market items	-	-	19,784	19,784
Liability payable on demand	-	-	2,174	2,174
Derivatives liabilities	26,427	-	-	26,427
Lease liabilities	-	-	25	25
Other financial liabilities	-	-	2,672	2,672
Total	**26,427**	**-**	**165,082**	**191,509**

8 Interbank and money market items, net (assets)

	2024	2023
	(in thousand Baht)	
Domestic items		
Bank of Thailand	1,241,934	820,432
Commercial banks	5,753,822	55,626,959
Specialised financial institutions	20	21
Other financial institutions	3,858	4,070
Total	**6,999,634**	**56,451,482**
Add accrued interest receivables and undue interest receivables	22,597	316,089
Less allowance for expected credit loss	(1,481)	(24,080)
Total domestic items, net	**7,020,750**	**56,743,491**
Foreign items		
US Dollar	46,733,294	20,945,593
Euro	1,062,851	190,167
Other currencies	195,902	178,855
Total	**47,992,047**	**21,314,615**
Add accrued interest receivables and undue interest receivables	11,967	12,608
Less allowance for expected credit loss	-	(78,608)
Total foreign items, net	**48,004,014**	**21,248,615**
Total domestic and foreign items, net	**55,024,764**	**77,992,106**

9 Financial assets measured at fair value through profit or loss

	2024	2023
	Fair value (in million Baht)	
Government and state enterprise securities	21,241	5,945
Total	**21,241**	**5,945**

10 Derivatives

As at 31 December 2024 and 2023, the fair value and notional amount of derivatives classified by type of risk were as follows:

	2024			2023		
	Fair value		Notional	Fair value		Notional
Type of risks	Assets	Liabilities	Amount	Assets	Liabilities	Amount
			(in thousand Baht)			
Foreign currency related	15,504,271	15,255,395	852,102,218	12,516,094	12,266,648	626,121,751
Interest rate related	13,731,876	13,081,318	2,296,661,173	14,607,178	13,604,855	2,284,112,277
Commodities	200,246	200,246	2,400,026	555,517	555,517	5,420,725
Total	**29,436,393**	**28,536,959**	**3,151,163,417**	**27,678,789**	**26,427,020**	**2,915,654,753**

The "notional amount" is a measure of volume, which may be used for examining changes in derivative activities over time. The notional amount is the face value of the contract. Unlike on-financial reporting financial instruments, the notional amount of a derivative does not necessarily reflect the amount at risk, which is generally only a small fraction of this value.

Proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

At 31 December	2024	2023
	(%)	
Counterparties		
Financial institutions	96	97
Third parties	4	3
Total	**100**	**100**

11 Investments, net

As at 31 December 2024 and 2023, the Branch classified investment types, as follows:

	2024	2023
	(in thousand Baht)	
Investments in debt securities measured at FVOCI		
Government and state enterprise securities	89,021,261	71,185,098
Total	**89,021,261**	**71,185,098**
Allowance for expected credit loss - excess amortization	**-**	**(3,454)**
Allowance for expected credit loss	**43,440**	**30,325**
Investments in equity securities designated measured at FVOCI		
Domestic non-marketable equity instruments	340	828
Total	**340**	**828**
Total investments, net	**89,021,601**	**71,185,926**

12 Loans to customers and accrued interest receivables, net

12.1 Classified by type of loans

	2024	2023
	(in thousand Baht)	
Overdrafts	1,318,390	1,287,138
Loans	33,744,889	36,289,427
Bills	141,905	378,471
Total loans to customers	35,205,184	37,955,036
Add accrued interest receivables and undue interest income	127,958	98,765
Total loans net of accrued interest receivables	**35,333,142**	**38,053,801**
Less allowance for expected credit loss	(711,530)	(967,971)
Total loans to customers and accrued interest receivables, net	**34,621,612**	**37,085,830**

12.2 Classified by currency and residency of debtors

	2024			2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in thousand Baht)					
Baht	33,494,423	46,625	33,541,048	34,629,816	119,462	34,749,278
US Dollar	1,647,973	-	1,647,973	3,169,413	-	3,169,413
Other currencies	16,163	-	16,163	36,345	-	36,345
Total	**35,158,559**	**46,625**	**35,205,184**	**37,835,574**	**119,462**	**37,955,036**

12.3 Classified by type of business and loan classification

	2024			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	(in thousand Baht)			
Agriculture and Mining	40,573	40,542	-	81,115
Manufacturing and Commerce	25,419,405	1,835,700	467,886	27,722,991
Property development and construction	89,004	617	-	89,621
Infrastructure and services	3,336,422	4,019	558	3,340,999
Others	4,097,678	738	-	4,098,416
Total	**32,983,082**	**1,881,616**	**468,444**	**35,333,142**

	2023			
	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)	Total
	(in thousand Baht)			
Agriculture and Mining	33,708	33,893	-	67,601
Manufacturing and Commerce	27,776,838	1,134,422	635,009	29,546,269
Property development and construction	80,237	-	-	80,237
Infrastructure and services	3,049,314	53	-	3,049,367
Others	5,310,310	17	-	5,310,327
Total	**36,250,407**	**1,168,385**	**635,009**	**38,053,801**

12.4 Classified by loan classification

The Branch has classified loans to customers and accrued interest receivables (excluding interbank and money market items) in accordance with the BoT's notifications, regarding the Classification and Provisions made by Financial Institutions, as follows:

	2024	2023
	(in thousand baht)	
Loans to customers and accrued interest receivables		
Stage 1 (Performing)	32,983,082	36,250,407
Stage 2 (Under - performing)	1,881,616	1,168,385
Stage 3 (Non - Performing)	468,444	635,009
Total	**35,333,142**	**38,053,801**

12.5 Non-performing loans

The Branch used the guideline specified in the BoT notification number Sor Nor Sor 23/2561 dated 31 October 2018, regarding to *Regulation Asset Classification and Provisioning of a Financial Institution* in determining Non-Performing Loans. As at 31 December 2024 and 2023, the Branch has Non-Performing Loans (including loans to interbank and money market items) based on BoT's guidelines as follows:

	2024	2023
Non-performing loans, gross *(in thousand Baht)*	468,444	635,009
Total loans used for NPLs ratio calculation (1) *(in thousand Baht)*	40,789,112	93,730,428
Percentage of total loans (2)	1.15	0.68

(1) Total loans used for NPLs ratio calculation are loans to customers as presented in the statement of financial position and loans to financial institutions as included in interbank and money market items.

(2) The ratio of NPLs Gross to total loans before allowance for doubtful accounts of non-performing loans.

As of 31 December 2024 and 2023, the Branch has non-performing loans, net ("NPLs Net") (including financial institutions) based on the BoT notification as follows:

	2024	2023
Non-performing loans, net *(in thousand Baht)*	-	-
Total loans used for NPLs net ratio calculation (1) *(in thousand Baht)*	40,077,532	93,044,908
Percentage of total loans (2)	0.00	0.00

(1) Total loans used for NPLs ratio calculation are loans to customers as presented in the statements of financial position and loans to financial institutions, as included in interbank and money market items, after allowance for doubtful accounts of non-performing loans.

(2) The ratio of NPLs net to total loans after allowance for doubtful accounts of non-performing loans.

As at 31 December 2024, allowance for expected credit loss of 468 million *(2023: Baht 635 million)* have been provided against the Branch's non-performing loans.

13 Allowance for expected credit losses

Movements in the allowance for expected credit loss during the years ended 31 December 2024 and 2023 were as follows.

	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	Excess Provision and General provision	Total
			(in thousand Baht)		
Interbank and money market items					
As at 1 January 2024	1,207	-	-	101,481	102,688
Changes from remeasurement of ECL	1,481	-	-	-	1,481
Purchased or acquired	-	-	-	-	-
Derecognised	(1,207)	-	-	-	(1,207)
Excess amortisation*	-	-	-	(93,675)	(93,675)
General provision**	-	-	-	(7,806)	(7,806)
As at 31 December 2024	**1,481**	**-**	**-**	**-**	**1,481**
Loans to customers and accrued interest receivable					
As at 1 January 2024	41,789	7,518	635,009	283,655	967,971
Changes on changes in stages	(686)	679	7	-	-
Changes from remeasurement of ECL	8,230	29,996	8,706	-	46,932
Originated	6,468	2	9,833	-	16,303
Derecognised	(7,255)	(47)	(185,110)	-	(192,412)
Excess amortisation*	-	-	-	(113,397)	(113,397)
General provision**	-	-	-	(13,867)	(13,867)
As at 31 December 2024	**48,546**	**38,148**	**468,445**	**156,391**	**711,530**
Investments in debt instruments					
As at 1 January 2024	30,325	-	-	(3,454)	26,871
Changes from remeasurement of ECL	(1,482)	-	-	-	(1,482)
Purchased or acquired	29,217	-	-	-	29,217
Derecognised	(14,621)	-	-	-	(14,621)
Excess amortisation*	-	-	-	3,454	3,454
As at 31 December 2024	**43,439**	**-**	**-**	**-**	**43,439**

	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	Excess Provision and General provision	Total
			(in thousand Baht)		
Loan commitments					
As at 1 January 2024	11,595	20,122	11	12,909	44,637
Changes from changes in stages	8,560	(2,248)	-	-	6,312
Changes from remeasurement of ECL	(13,052)	(4,739)	15	-	(17,776)
New loan commitments	589	53,436	-	-	54,025
Derecognised	-	1	-	-	1
Excess amortisation*	-	-	-	5,332	5,332
General provision**	-	-	-	114,823	114,823
As at 31 December 2024	**7,692**	**66,572**	**26**	**133,064**	**207,354**
Other assets					
As at 1 January 2024	6,406	-	-	4,428	10,834
Changes from remeasurement of ECL	(4,156)	-	-	(1,431)	(5,587)
Excess amortisation*	-	-	-	-	-
General provision**	-	-	-	1,060	1,060
As at 31 December 2024	**2,250**	**-**	**-**	**4,057**	**6,307**

* The Branch amortises the excess reserve which arose from changes in accounting policies according to TFRSs-Financial Instruments Standards to the profit or loss using straight-line method over 5 years consecutively from 1 January 2020 according to BoT Circular number Thor Por Tor. For Nor Sor. (23) Wor. 1603/2562, directive dated 6 November 2019, regarding *"The Clarification on Management of Excess Reserve"*.

** The Branch set-up general provision according to BoT Notification number Sor Nor Sor 22/2562 Re: *Guidelines on Holding of Minimum Provisions for Financial Institutions and Financial Business Groups.* The Branch must hold available provisions of 1% of unimpaired assets and off-balance sheet items

	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	Excess Provision and General provision	Total
			(in thousand Baht)		
Interbank and money market items					
As at 1 January 2023	3,278	-	-	187,352	190,630
Changes from remeasurement of ECL	(1,012)	-	-	-	(1,012)
Purchased or acquired	-	-	-	-	-
Derecognised	(1,059)	-	-	-	(1,059)
Excess amortisation*	-	-	-	(93,675)	(93,675)
General provision**	-	-	-	7,804	7,804
As at 31 December 2023	**1,207**	**-**	**-**	**101,481**	**102,688**

	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	Excess Provision and General provision	Total
			(in thousand Baht)		
Loans to customers and accrued interest receivable					
As at 1 January 2023	39,218	15,283	635,009	226,793	916,303
Changes on changes in stages	(919)	919	-	-	-
Changes from remeasurement of ECL	(1,663)	(2,736)	-	-	(4,399)
Originated	8,119	33	-	-	8,152
Derecognised	(2,966)	(5,981)	-	-	(8,947)
Excess amortisation*	-	-	-	(113,398)	(113,398)
General provision**	-	-	-	170,260	170,260
As at 31 December 2023	**41,789**	**7,518**	**635,009**	**283,655**	**967,971**
Investments in debt instruments					
As at 1 January 2023	31,778	-	-	(6,907)	24,871
Changes from remeasurement of ECL	(3,564)	-	-	-	(3,564)
Purchased or acquired	12,103	-	-	-	12,103
Derecognised	(9,992)	-	-	-	(9,992)
Excess amortisation*	-	-	-	3,453	3,453
As at 31 December 2023	**30,325**	**-**	**-**	**(3,454)**	**26,871**
Loan commitments					
As at 1 January 2023	38,578	10,127	18	(10,664)	38,059
Changes from changes in stages	14,759	7,036	-	-	21,795
Changes from remeasurement of ECL	(44,695)	3,006	(7)	-	(41,696)
New loan commitments	3,242	754	-	-	3,996
Derecognised	(289)	(801)	-	-	(1,090)
Excess amortisation*	-	-	-	5,332	5,332
General provision**	-	-	-	18,241	18,241
As at 31 December 2023	**11,595**	**20,122**	**11**	**12,909**	**44,637**
Other assets					
As at 1 January 2023	10,240	-	-	(103)	10,137
Changes from remeasurement of ECL	(3,834)	-	-	-	(3,834)
Excess amortisation*	-	-	-	103	103
General provision**	-	-	-	4,428	4,428
As at 31 December 2023	**6,406**	**-**	**-**	**4,428**	**10,834**

* The Branch amortises the excess reserve which arose from changes in accounting policies according to TFRSs-Financial Instruments Standards to the profit or loss using straight-line method over 5 years consecutively from 1 January 2020 according to BoT Circular number Thor Por Tor. For Nor Sor. (23) Wor. 1603/2562, directive dated 6 November 2019, regarding "*The Clarification on Management of Excess Reserve*".

** The Branch set-up general provision according to BoT Notification number Sor Nor Sor 22/2562 Re: *Guidelines on Holding of Minimum Provisions for Financial Institutions and Financial Business Groups*. The Branch must hold available provisions of 1% of unimpaired assets and off-balance sheet items

14 Leasehold building improvements, equipment and right-of-use assets, net

Changes in leasehold building improvements, equipment and right-of-use assets during the years ended 31 December 2024 and 2023 were as follows:

		Cost					**Accumulated depreciation**				
	Net book value as of 1 January 2024	Beginning balance	Additions	Transfers	Disposals	Ending balance	Beginning balance	Depreciation	Transfer/ Disposals	Ending balances	Net book value as of 31 December 2024
						(in thousand Baht)					
Leasehold building improvements	26,515	125,370	57,163	1,872	(44,909)	139,496	98,855	24,931	(44,909)	78,877	60,619
Furniture, fixtures and equipment	85,753	368,026	49,495	-	(103,307)	314,214	282,273	33,289	(89,330)	226,232	87,982
Asset under construction	5,733	5,733	168,829	(2,668)	-	171,894	-	-	-	-	171,894
Right-of-use assets	24,013	83,615	172,230	-	(64,800)	191,045	59,602	10,562	(42,620)	27,544	163,501
Total	**142,014**	**582,744**	**447,717**	**(796)**	**(213,016)**	**816,649**	**440,730**	**68,782**	**(176,859)**	**332,653**	**483,996**

		Cost					Accumulated depreciation				
	Net book value as of 1 January 2023	Beginning balance	Additions	Transfers	Disposals	Ending balance	Beginning balance	Depreciation	Transfer/ Disposals	Ending balances	Net book value as of 31 December 2023
						(in thousand Baht)					
Leasehold building improvements	50,005	122,305	-	6,142	(3,077)	125,370	72,300	29,547	(2,992)	98,855	26,515
Furniture, fixtures and equipment	112,709	347,810	21,699	5,299	(6,782)	368,026	235,101	53,796	(6,624)	282,273	85,753
Asset under construction	12,115	12,115	5,733	(12,115)	-	5,733	-	-	-	-	5,733
Right-of-use assets	52,093	83,956	-	-	(341)	83,615	31,863	27,872	(133)	59,602	24,013
Total	**226,922**	**566,186**	**27,432**	**(674)**	**(10,200)**	**582,744**	**339,264**	**111,215**	**(9,749)**	**440,730**	**142,014**

The cost of the Branch's fully depreciated leasehold building improvements and equipment that was still in use as at 31 December 2024 amounted to Baht 232 million *(2023: Baht 174 million)*.

15 Intangible assets, net

As at 31 December 2024 and 2023, changes in intangible assets were as follows:

		Cost				Accumulated amortisation				
	Net book value as of 1 January 2024	Beginning balance	Additions	Written-off	Ending balance	Beginning balance	Amortisation	Accumulated amortisation on transfer out	Ending balance	Net book value as of 31 December 2024
					(in thousand Baht)					
Computer Software	-	362	-	-	362	362	-	-	362	-
Total	-	**362**	-	-	**362**	**362**	-	-	**362**	-

		Cost				Accumulated amortisation				
	Net book value as of 1 January 2023	Beginning balance	Additions	Written-off	Ending balance	Beginning balance	Amortisation	Accumulated amortisation on transfer out	Ending balance	Net book value as of 31 December 2023
					(in thousand Baht)					
Computer Software	-	362	-	-	362	362	-	-	362	-
Total	-	**362**	-	-	**362**	**362**	-	-	**362**	-

16 Income tax

Income tax recognised in profit or loss

	2024	2023
	(in thousand Baht)	
Current tax		
Current year	1,012,003	663,946
Adjustment for prior years	12,753	(55,304)
	1,024,756	**608,642**
Deferred tax		
Movements in temporary differences	(11,308)	(17,941)
	(11,308)	**(17,941)**
Total	**1,013,448**	**590,701**

Income tax recognised in other comprehensive income

	2024			2023		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Investment in debt securities measured at FVOCI	598,773	(119,755)	479,018	(440,391)	88,078	(352,313)
Actuarial gains	23,995	(4,799)	19,196	9,531	(1,906)	7,625
Total	**622,768**	**(124,554)**	**498,214**	**(430,860)**	**86,172**	**(344,688)**

Reconciliation of effective tax rate

	2024		2023	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax		4,924,046		2,893,784
Income tax using the Thai corporation tax rate	20.0	984,809	20.0	578,757
Expenses not deductible for tax purposes	0.4	20,521	1.7	49,250
Adjustment in prior year	0.3	12,753	(1.9)	(55,304)
Others	(0.1)	(4,635)	0.6	17,998
Total	**20.6**	**1,013,448**	**20.4**	**590,701**

Deferred tax

Deferred tax assets and liabilities determined after offsetting are included in the statements of financial position as follows:

	2024	2023
	(in thousand Baht)	
Total	157,108	205,674
Set off of tax	(67,644)	(2,964)
Net deferred tax assets	**89,464**	**202,710**

Movements in deferred tax assets and liabilities during the years ended 31 December 2024 and 2023 were as follows:

	At 1 January 2024	(Charged)/credited to: Profit or loss	(Charged)/credited to: Other comprehensive income	At 31 December 2024
		(in thousand Baht)		
Deferred tax assets				
Depreciation expense on equipment	1,971	(368)	-	1,603
Expected Credit Loss	11,094	40,612	-	51,706
Provision for employee benefit	132,380	(24,923)	(4,799)	102,658
Unrealised loss on investments in debt securities measured at FVOCI	60,229	-	(60,229)	-
Lease liability	-	823	-	823
Others	-	318	-	318
Total	**205,674**	**16,462**	**(65,028)**	**157,108**
Deferred tax liabilities				
Unrealised gain on investments in debt securities measured at FVOCI	-	-	(59,525)	(59,525)
Gain from financial assets measured at FVTPL	(2,964)	(4,335)	-	(7,299)
Right-of-use assets	-	(820)	-	(820)
Total	**(2,964)**	**(5,155)**	**(59,525)**	**(67,644)**
Net	**202,710**	**11,307**	**(124,553)**	**89,464**

	At 1 January 2023	(Charged)/credited to: Profit or loss	Other comprehensive income	At 31 December 2023
		(in thousand Baht)		
Deferred tax assets				
Depreciation expense on equipment	1,574	397	-	1,971
Expected credit losses	9,660	1,434	-	11,094
Provision for employee benefit	113,401	20,885	(1,906)	132,380
Unrealised loss on investments in debt securities measured at FVOCI	-	-	60,229	60,229
Loss from financial assets measured at FVTPL	1,810	(1,810)	-	-
Intangible assets	1	(1)	-	-
Total	**126,446**	**20,905**	**58,323**	**205,674**
Deferred tax liabilities				
Unrealised gain on investments in debt securities measured at FVOCI	(27,849)	-	27,849	-
Gain from financial assets measured at FVTPL	-	(2,964)	-	(2,964)
Total	**(27,849)**	**(2,964)**	**27,849**	**(2,964)**
Net	**98,597**	**17,941**	**86,172**	**202,710**

17 Other assets, net

	2024	2023
	(in thousand Baht)	
Other accounts receivable	3,263,431	867,138
Accrued income	410,681	225,987
Prepaid expenses and deferred expenses	8,962	78,402
Refundable deposits	13,842	10,530
Others	475,816	228,035
Total	**4,172,732**	**1,410,092**
Less Allowance for expected credit losses	(6,307)	(10,834)
Other assets, net	**4,166,425**	**1,399,258**

18 Deposits

18.1 Classified by type of deposits

	2024	2023
	(in thousand Baht)	
Current*	57,424,895	46,362,352
Savings**	84,315,401	90,384,518
Term		
- Less than 6 months	6,339,127	3,517,654
- 6 months but less than 1 year	106,704	162,427
Total	**148,186,127**	**140,426,951**

*Current accounts include silent account for the year ended 31 December 2024 amounting to Baht 0.84 million *(2023: Baht 0.87 million).*

**Saving accounts include silent account for the year ended 31 December 2024 amounting to Baht 81.65 million *(2023: Baht 122.1 million).*

18.2 Classified by currency and residency of depositors

	2024			2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
			(in thousand Baht)			
Baht	120,232,197	5,238,019	125,470,216	109,298,006	3,777,423	113,075,429
US Dollar	20,302,582	175,494	20,478,076	25,580,022	232,438	25,812,460
Other currencies	2,228,458	9,377	2,237,835	1,531,164	7,898	1,539,062
Total	**142,763,237**	**5,422,890**	**148,186,127**	**136,409,192**	**4,017,759**	**140,426,951**

19 Interbank and money market items (liabilities)

	2024	2023
	(in thousand Baht)	
Domestic items		
Commercial banks	14,838	8,279,057
Other financial institutions	6,391,421	8,186,545
Total domestic items	**6,406,259**	**16,465,602**
Foreign items		
Baht	4,242,488	3,313,501
US Dollar	3,658	4,871
Total foreign items	**4,246,146**	**3,318,372**
Total domestic and foreign items	**10,652,405**	**19,783,974**

20 Provisions for employee benefits

	2024	2023
	(in thousand Baht)	
Statement of financial position obligations for:		
Post-employment benefits (Legal Severance Payment Plan)	402,610	392,266
Other long-term employee benefits*	71,867	67,952
Total	**474,477**	**460,218**

* Other long-term employee benefits are included under other liabilities in the statement of financial position.

Year ended 31 December	2024	2023
	(in thousand Baht)	
Statement of profit or loss and other comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits (Legal Severance Payment Plan)	36,214	36,765
Other long-term employee benefits	12,727	13,264
Total	**48,941**	**50,029**
Recognised in other comprehensive income:		
Actuarial gains recognised during the year	(23,995)	(9,531)
Total	**24,946**	**40,498**

The statement of financial position obligation was determined as follow:

	2024	2023
	(in thousand Baht)	
Present value of unfunded obligations	402,610	392,266
Statement of financial position obligation	**402,610**	**392,266**

Movement in the present value of defined benefit obligations:

	2024	2023
	(in thousand Baht)	
At 1 January	392,266	381,866
Include in profit or loss:		
Current service cost	27,433	26,960
Interest on obligation	8,781	9,805
	36,214	**36,765**
Include in other comprehensive income:		
Actuarial (gains) losses		
- Financial assumptions	6,260	9,271
- Experience adjustment	(30,255)	(18,802)
	(23,995)	**(9,531)**
Other		
Benefit paid	(1,875)	(16,834)
	(1,875)	**(16,834)**
At 31 December	**402,610**	**392,266**

Actuarial (gains) losses recognised in other comprehensive income arising from:

	2024	2023
	(in thousand Baht)	
Financial assumptions	6,260	9,271
Experience adjustment	(30,255)	(18,802)
Total	**(23,995)**	**(9,531)**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2024	2023
Discount rate *(%)*	2.3	2.5
Future salary growth *(%)*	4.0 - 10.0	4.0 - 10.0
Retirement age *(years)*	55 - 60	55 - 60
Employee turnover	3.0 - 20.0	3.0 - 20.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect to the defined benefit obligation	1% increase in assumption		1% decrease in assumption	
	2024	2023	2024	2023
	(in thousand Baht)			
Discount rate	(29,622)	(29,458)	34,131	33,925
Future salary growth	28,538	27,958	(25,073)	(24,573)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

21 Other liabilities

	2024	2023
	(in thousand Baht)	
Other accounts payable	12,481,328	1,882,911
Unearned income	1,790	73,829
Withholding tax payable	24,945	26,281
VAT payable	3,126	17,456
Lease liabilities	163,533	25,093
Allowance for expected credit loss on commitments	207,353	44,637
Others	211,788	984,588
Total	**13,093,863**	**3,054,795**

22 Offsetting of financial assets and financial liabilities

	Gross Amounts	Amounts offset in statements of financial position	Net amount presented in statements of financial position	Amounts not offset in financial statements - amount eligible for offsetting per contracts	Net amounts	Items in statement of financial position	Note
			(in million Baht)				
At 31 December 2024							
Financial assets							
Reverse sale-and-repurchase	5,299	-	5,299	5,299	-	Interbank and money market items, net (Assets)	8
Derivatives assets	29,436	-	29,436	(121)	29,557	Derivatives assets	10
Total	**34,735**	**-**	**34,735**	**5,178**	**29,557**		
At 31 December 2023							
Financial assets							
Reverse sale-and-repurchase	55,342	-	55,342	55,342	-	Interbank and money market items, net (Assets)	8
Derivatives assets	27,679	-	27,679	79	27,600	Derivatives assets	10
Total	**83,021**	**-**	**83,021**	**55,421**	**27,600**		

23 Commitments and contingent liabilities

(a) Service agreement

At 31 December 2024 and 2023, the Branch has commitments from office premises and utilities to pay annual service fees as follows:

	2024	2023
	(in million Baht)	
Within one year	5	43
After one year but within five years	18	16
After five years	16	20
Total	**39**	**79**

(b) Commitments and contingent liabilities were as follows:

	2024	2023
	(in thousand Baht)	
Guarantees of loans	3,052,709	2,715,524
Liabilities under unmatured import bills	512,556	710,030
Letters of credit	188,351	542,558
Other contingencies		
- Undrawn committed line	27,784,028	26,092,615
- Other guarantees	4,379,947	3,573,602
- Others	853,867	855,512
Total	**36,771,458**	**34,489,841**

24 Related parties

For the purposes of these financial statements, parties are considered to be related to the Branch if the Branch has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Branch and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management personnel and other related parties were as follows:

Name of entities	**Country of incorporation/ nationality**	**Nature of relationships**
Key management personnel	Thai / Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly including any director (whether executive or otherwise) of the Branch
Citigroup Inc.	United States of America	Ultimate parent of the Group
Citibank Oversea Investment Corporation	United States of America	99.99 % shareholding of subsidiaries in Thailand
Citibank, N.A. New York	United States of America	Head office of the Branch
Citicorp Securities (Thailand) Limited	Thailand	Major shareholder is Citibank Overseas Investment Corporation

Name of entities	Country of incorporation/ nationality	Nature of relationships
Citi Consumer Products (Thailand) Limited	Thailand	Major shareholder is Citibank Overseas Investment Corporation (Dissolution on 28th December 2023)
Citigroup Global Markets Limited	United Kingdom	Subsidiaries of Citigroup Inc.
Citigroup Global Markets Inc.	United States of America	Subsidiaries of Citigroup Inc.
Citibank, N.A. Hong Kong	Hong Kong	Subsidiaries of Citigroup Inc.
Citi (Nominees) Limited	United States of America	Subsidiaries of Citigroup Inc.
Citibank, N.A. Singapore	Singapore	Subsidiaries of Citigroup Inc.
Citicorp Investment Bank Singapore	Singapore	Subsidiaries of Citigroup Inc.
Citibank, N.A. Tokyo Branch	Japan	Subsidiaries of Citigroup Inc.
Citibank, BHD. Kuala Lumpur	Malaysia	Subsidiaries of Citigroup Inc.
Citibank Europe Plc. - Ireland	Ireland	Subsidiaries of Citigroup Inc.
Citibank, N.A. India	India	Subsidiaries of Citigroup Inc.
Citibank, N.A. London	United Kingdom	Subsidiaries of Citigroup Inc.
Citigroup Technology Inc. (CTI)	United States of America	Subsidiaries of Citigroup Inc.
Citibank Taiwan Limited	Taiwan	Subsidiaries of Citigroup Inc.
Citigroup Global Markets Hong Kong	Hong Kong	Subsidiaries of Citigroup Inc.
N.C.B. Trust Limited	United States of America	Subsidiaries of Citigroup Inc.
Citibank Europe Plc. - Luxembourg	Luxembourg	Subsidiaries of Citigroup Inc.
Citibank Dublin-Ireland	Ireland	Subsidiaries of Citigroup Inc.
Citibank Europe Plc - Paris	France	Subsidiaries of Citigroup Inc.
Citibank Dubai	United Arab Emirates	Subsidiaries of Citigroup Inc.
Citigroup Global Markets Japan Inc.	Japan	Subsidiaries of Citigroup Inc.
Citibank Nominees Singapore	Singapore	Subsidiaries of Citigroup Inc.
Citibank Finance Limited (Singapore)	Singapore	Subsidiaries of Citigroup Inc.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Income	
Interest income	Market rate
Fees and service income	Market rate
Expense	
Interest expense	Market rate
Fees and service expenses	Contractually agreed price
Intragroup charges	Contractually agreed price
Premises and equipment expenses	Contractually agreed price

Significant transactions for the years ended 31 December with related parties were as follows:

Significant transactions with related companies

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Related parties		
Interest income		
Citibank Taiwan Limited	28,765	32,277
Citicorp Investment Bank Singapore	660,001	433,729
Citibank, N.A. New York	62,820	53,470
Citibank, N.A. India	-	(2)
Citibank, N.A. Hong Kong	10,596	5,417
Citibank Europe Plc. - Ireland	12,924	5,650
Others	12,557	8,512
Total	**787,663**	**539,053**
Fees and service income		
Citi Consumer Products (Thailand) Limited	1	17
Citibank Europe Plc. - Ireland	34,982	26,817
Citibank, N.A. Singapore	29,679	21,370
Citibank, N.A. London	48,233	44,447
Citicorp Securities (Thailand) Limited	17,309	13,738
Citibank, N.A. New York	15,340	16,811
Citibank, N.A. Hong Kong	22,242	25,094
Others	40,881	40,528
Total	**208,667**	**188,822**
Interest expense		
Citibank, N.A. Singapore	-	16,164
Citibank, N.A. New York	16,509	4,448
Others	809	659
Total	**17,318**	**21,271**
Fees and services expenses		
Citibank, N.A. Singapore	750,964	891,298
Citibank, N.A. Hong Kong	147,628	129,467
Citibank, BHD. Kuala Lumpur	113,162	105,385
Citibank, N.A. New York	381,019	-
Others	101,260	151,884
Total	**1,494,033**	**1,278,034**
Intragroup charges		
Citibank, N.A. New York	595,398	698,245
Citibank N.A. Singapore	51,461	109,880
Citibank N.A. Hong Kong	8,519	95,332
Citigroup Transaction Services (M) Sdn. Bhd.	38,460	69,671
Citibank, N.A. Regional Operating Headquarters	43,464	69,922
Others	50,756	(146,390)
Total	**788,058**	**896,660**

Significant transactions with related companies

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Premises and equipment expenses		
Citibank, N.A. Singapore	513,198	604,071
Citigroup Technology Infrastructure (Hong Kong) Limited	103,774	116,290
Citibank, N.A. New York	(40,941)	191,388
Citigroup Services Japan G.K.	121,915	-
Others	539	18,599
Total	**698,485**	**930,348**

The above fees and service expenses, intragroup charges and other expenses include the charges relating to the services provided by the head office and other related entities.

	2024	2023
	(in thousand Baht)	
Profit remitted		
Citibank, N.A. New York	**1,090,254**	**15,480,065**

Key management personnel compensation

The Branch's directors and management levels from manager or vice president upwards including other equivalent positions shall not be entitled to any other benefits than the normal benefits, for instance, salaries, directors' bonuses, post-employment benefits and share based payments of a company in the Branch of its major shareholder as follows:

	2024	2023
	(in thousand Baht)	
Key management personnel compensation		
Short-term employee benefits	109,670	11,037
Post-employment benefits	3,554	2,116
Others	4,794	-
Total	**118,018**	**13,153**

Significant balances as at 31 December 2024 and 2023 with related parties were as follows:

	2024	2023
	(in thousand Baht)	
Assets		
Interbank and money market items, net		
Citibank Taiwan Limited	5,483,650	321,856
Citicorp Investment Bank Singapore	42,495,494	20,957,110
Others	180	(272)
Total	**47,979,324**	**21,278,694**

	2024	2023
	(in thousand Baht)	
Derivative assets		
Citibank, N.A. New York	5,766,341	5,901,210
Citibank, N.A. London	4,183,431	1,808,549
Citigroup Global Markets Limited	61,032	117,986
Citibank, N.A. Singapore	372,186	134,595
Citibank, N.A. Tokyo Branch	45,056	116,438
Citigroup Global Markets Japan Inc.	503,964	-
Citibank Europe Plc. - Ireland	279,562	304,799
Others	1,186	16,724
Total	**11,212,758**	**8,400,301**
Other assets		
Citigroup Global Markets Inc.	261,782	67,834
Citigroup Global Markets Limited	(1,172)	260,018
Citigroup Global Markets Japan Inc.	-	(621,419)
Citibank Europe Plc. - Ireland	(1,418,424)	-
Others	9,188	(58,980)
Total	**(1,148,626)**	**(352,547)**
Liabilities		
Deposits and interbank and money market items		
Citicorp Securities (Thailand) Limited	2,120,244	1,582,514
Citibank Europe Plc. - Ireland	28,563	53,548
Citigroup Global Markets Inc.	206,699	165,692
Citi Consumer Products (Thailand) Limited	84,996	289,711
Citicorp Investment Bank Singapore	9,386	9,386
Citigroup Global Markets Limited	167,936	26,447
Citigroup Global Markets Hong Kong	98,625	122,848
Citigroup Inc.	47,534	47,534
Citibank, BHD. Kuala Lumpur	65,067	68,141
Citibank Europe Plc - Luxembourg	201,378	228,088
Citibank Europe Plc - Paris	189,299	8,016
Citibank Europe Plc -Germany	191,917	115,839
Citibank Europe plc - Belgium	190,168	-
Citibank (China) Co. Ltd.	177,373	-
Citibank, N.A. Hong Kong	120,699	-
Citibank, N.A. New York	107,471	-
Others	209,340	373,730
Total	**4,216,695**	**3,091,494**
Derivative liabilities		
Citibank, N.A. New York	6,291,486	7,306,668
Citigroup Global Markets Limited	424,919	830,823
Citibank, N.A. Singapore	711,058	89,779
Citibank, N.A. London	1,833,059	1,427,068
Citigroup Global Markets Japan	237,577	329,381
Citibank, N.A. Tokyo Branch	160,116	-
Others	8,965	2,950
Total	**9,667,180**	**9,986,669**

	2024	2023
	(in thousand Baht)	
Accrued expense		
Citicorp Securities (Thailand) Limited	424	342
Citigroup Services and Technology (China) Limited	773	1,451
Total	**1,197**	**1,793**
Other liabilities		
Citibank, N.A. New York	64	64
Citigroup Global Markets Inc.	215,028	7,350
Citigroup Inc.	36,376	50,378
Others	-	322
Total	**251,468**	**58,114**
Balances of inter-office accounts with head office and other branches of same juristic person		
Citibank, N.A. Singapore	144,528	(4,260)
Citibank, N.A. Hong Kong	(368,439)	(869,824)
Citibank, N.A. New York	1,128,408	1,894,570
Citi (Nominees) Limited	-	118,781
Citibank Dublin - Ireland	186,125	165,247
Citibank, N.A. Tokyo Branch	(90,715)	26,703
Citibank, N.A. London	212,609	(45,462)
Citibank Dubai	174,552	139,817
Citibank, N.A. India	45,924	37,942
Citibank, N.A. Jersey Branch	191,157	-
Citibank, N.A. Israel	150,149	-
Citibank, N.A. Sydney	(157,283)	-
Citibank, N.A. Swiss Branch	100,134	-
Others	12,851	(1,954)
Total	**1,730,000**	**1,461,560**
Derivatives (notional amount)		
Citibank, N.A. London	114,384,844	57,909,686
Citigroup Global Markets Limited	10,074,077	12,288,824
Citibank, N.A. New York	317,142,106	425,439,712
Citigroup Global Markets Japan Inc.	8,726,162	4,053,469
Citibank N.A. - Japan	8,122,162	2,405,991
Citibank, N.A. Singapore	108,162,284	44,302,463
Citibank Europe Plc. - Ireland	12,269,059	10,582,212
Others	1,056,368	743,012
Total	**579,937,062**	**557,725,369**

Commitments to related parties comprise the notional amounts of derivatives assets and liabilities disclosed under note 10.

As at 31 December 2024, commitments with related parties were due to mature on 2 January 2025 to 20 August 2039 *(2023: 2 January 2024 to 3 February 2034).*

Significant agreements with related parties

(a) Operational support service agreements

The Branch entered into a service agreement with another related party. Under the terms of the agreement, the Branch provides the related party several services including technological support, financial control, staff training, quality assurance, compliance and others. The agreement is open-ended. However, it can be terminated by either party by giving at least three months prior written notice to the other party. For the year ended 31 December 2024, the Branch earned service fees of Baht 29.3 million *(2023: Baht 38.0 million).*

25 The financial position and results of operations classified by domestic and foreign business

The Branch does not present the financial position and results of operations classified by domestic and foreign business in the financial statements since the Branch is engaged in only one domestic business in Thailand.

26 Interest income

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Interbank and money market items	2,051,182	2,436,861
Investment in debt securities	2,287,978	1,325,999
Loans to customers	1,231,366	1,090,608
Others	2,158	343
Total	**5,572,684**	**4,853,811**

27 Interest expenses

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Deposits	323,095	178,733
Interbank and money market items	94,984	68,307
Contribution to Deposit Protection Agency	651,328	682,167
Total	**1,069,407**	**929,207**

28 Net fees and service expenses

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Fees and service income		
- Acceptances, aval and guarantees	57,734	49,021
- Others	1,126,085	807,869
Total	**1,183,819**	**856,890**
Fees and service expenses		
- Fees from related parties	1,494,033	1,278,034
- Others	167,821	403,508
Total	**1,661,854**	**1,681,542**
Net fee and service expenses	**(478,035)**	**(824,652)**

29 Net gains on financial instruments measured at fair value through profit or loss

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Foreign currencies and foreign exchange derivatives	62,513	(154,839)
Interest rates derivatives	(16,915)	(134,939)
Debt securities	187,757	(8,280)
Others	2,847,433	2,283,940
Total	**3,080,788**	**1,985,882**

30 Net gains (losses) from investments

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Gains (Losses) on derecognition		
- Investments in debt instrument measured at FVOCI	58,591	(31,541)
Total	**58,591**	**(31,541)**

31 Other operating income

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Gain (loss) on sale of HFS and other assets	2,049	(457,767)
Service fee - discontinued operations	1,691,877	2,736,574
Others	993	(11,594)
Total	**1,694,919**	**2,267,213**

The Branch provides a service arrangement which includes technology infrastructure and support services to buyer of the consumer business. The service fee income is booked as flat to the intergroup related party expenses charged to Citibank Thailand, there is no mark up on the service fee income. This service arrangement ended in 2024.

32 Expected credit losses (reversal)

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Interbank and money market items	(101,207)	(87,942)
Investment in debt instruments measured at FVOCI	16,568	2,000
Loans to customers and accrued interest receivables	(256,441)	51,668
Loan commitments and financial guarantees	162,716	6,578
Other assets	(4,039)	425
Write-off	185,110	-
Total	**2,707**	**(27,271)**

33 Employee expenses

For the year ended 31 December	*Note*	2024	2023
		(in thousand Baht)	
Salaries, wages and bonus		1,012,937	1,055,528
Post-employment benefits - defined benefit plans	*20*	36,214	36,765
Post-employment benefits - defined contribution plans		70,368	72,312
Others		143,978	428,450
Total		**1,263,497**	**1,593,055**

The defined contribution plan comprises a provident fund established by the Branch for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Branch at rates ranging from 3% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

34 Other expenses

For the year ended 31 December	2024	2023
	(in thousand Baht)	
Sales and marketing expenses	696	912
Others	408,632	254,851
Total	**409,328**	**255,763**

35 Capital Repatriation

On April 30th, 2024, the branch reduced its capital by remitting THB 1,500 million to its head office. This is due to the excess capital post retail business divestiture. The amount of capital remittance had been reviewed and approved by BoT taking into consideration of potential business growth to support country economics, sufficient buffer for future risk including the changes in regulatory requirements, as well as peer's benchmarking. The Branch received BoT's Approval on March 15th, 2024, Letter Bot.For.Gor.Gor. (01)175/2567 Re: Capital Reduction Request.

36 Profit remitted to head office

	Approval date	Payment date	Amount *(in thousand Baht)*
2024			
Profit for the year 2023	30 Sep 2024	27 Nov 2024	1,090,254
2023			
Partial profit for the year 2021	16 Feb 2023	1 Mar 2023	1,116,340
Profit for the year 2022	25 Sep 2023	31 Oct 2023	14,363,725
			15,480,065