



Citibank, N.A. Bangkok Branch

Basel III Pillar 3

Risk and Capital Management Disclosure

30 June 2016



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Table 1 : Capital structure

Unit : Million Baht

Item	Jun-16	Dec-15
1 Assets required to be maintained under Section 32	21,743	21,743
2 Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	25,096	23,724
2.1 Capital for maintenance of assets under Section 32	21,743	21,743
2.2 Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches located in other countries, the parent company and subsidiaries of the head office	3,353	1,981
3 Total regulatory capital (3.1 - 3.2)	21,701	21,690
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	21,743	21,743
3.2 Deductions	42	53

Table 2 Minimum capital requirements*

Unit : Million Baht

Credit risk classified by type of assets under the Standardised Approach (SA)	Jun-16	Dec-15
Performing claims		
1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	57	11
2 Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	2,269	2,563
3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	4,374	4,114
4 Claims on retail portfolios	3,227	3,134
5 Claims on housing loans	24	26
6 Other assets	402	338
Non-performing claims	30	36
First-to-default credit derivatives and Securitisation	0	0
Total minimum capital requirement for credit risk under the Standardised Approach (SA)	10,383	10,222

Market risk	Jun-16	Dec-15
1. Standardised Approach	0	0
2. Internal Model Approach	629	567
Total minimum capital requirement for market risk	629	567

Operational Risk	Jun-16	Dec-15
Calculate by Standardised Approach	2,564	2,377

Unit : %

Ratio	Jun-16		Dec-15	
	Capital Adequacy Ratio	Minimum Adequacy Ratio	Capital Adequacy Ratio	Minimum Adequacy Ratio
1. Total capital to risk-weighted assets	14.59	9.125	14.00	8.50
2. Tier 1 capital to risk-weighted assets **	0	0	0	0

* Include conservation buffer 0.625% since Jan 2016

** Disclosure only Bank that locally registered

Table 3 Minimum capital requirement for each type of market risk under the Standardised Approach

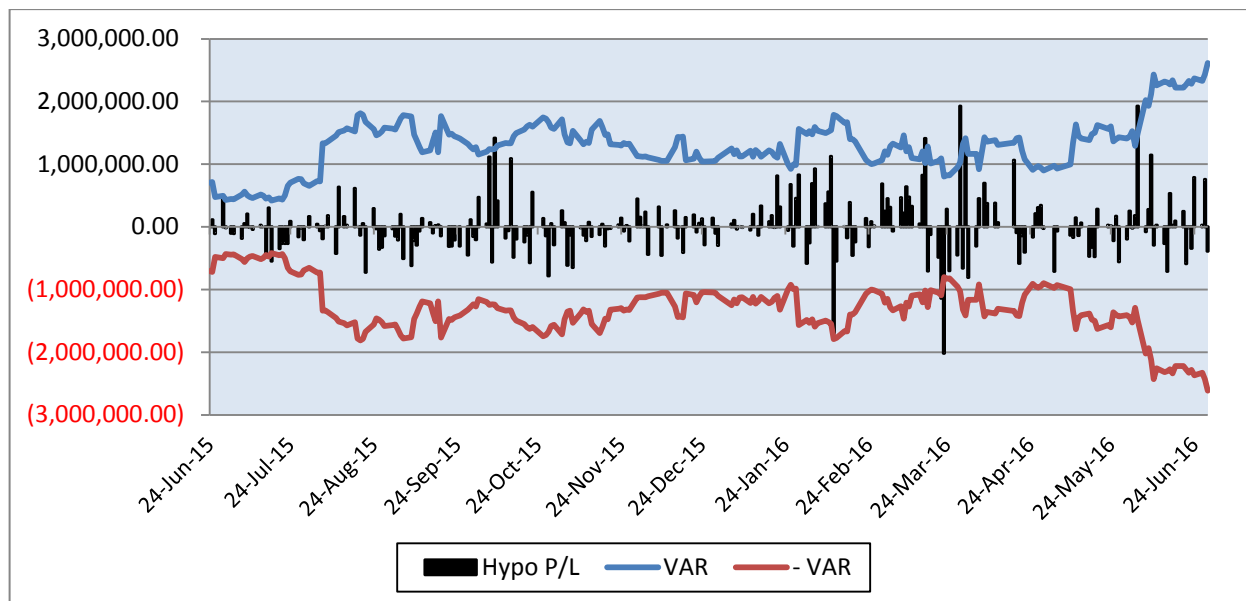
Unit : Million Baht

Minimum capital requirement for market risk under the Standardised Approach	Jun 2016	Dec 2015
Interest rate risk	0	0
Equity position risk	0	0
Foreign exchange rate risk	0	0
Commodity risk	0	0
Total minimum capital requirement	0	0

Table 4 Market risk under Internal Model Approach

Unit: Million Baht

Type of Market Risk	Jun-16	Dec-15
Interest rate risk		
Maximum VaR during the reporting period	95	67
Average VaR during the reporting period	51	45
Minimum VaR during the reporting period	30	15
VaR at the end of the period	90	41
Equity position risk		
Maximum VaR during the reporting period	0	0
Average VaR during the reporting period	0	0
Minimum VaR during the reporting period	0	0
VaR at the end of the period	0	0
Foreign exchange rate risk		
Maximum VaR during the reporting period	24	27
Average VaR during the reporting period	8	11
Minimum VaR during the reporting period	1	1
VaR at the end of the period	9	14
Commodity risk		
Maximum VaR during the reporting period	0	0
Average VaR during the reporting period	0	0
Minimum VaR during the reporting period	0	0
VaR at the end of the period	0	0
Total market risk		
Maximum VaR during the reporting period	92	65
Average VaR during the reporting period	50	45
Minimum VaR during the reporting period	28	15
VaR at the end of the period	88	40

Table 5 Backtesting result


* Commercial banks are allowed to disclose the information in form of "Graph"

** Together with an analysis of outliers from Backtesting

Backtesting Outliers

P&L date (T)	VaR (T - 1)	Hypo P&L (T)	Explanation
20-Jul-15	-\$417K	-\$544K	Daily Hypo P/L was -\$544k, higher than Trading VAR -\$417k. It was mainly due to lower THB IRS rate in 2Y; whereas Trading THB IRS position was at +\$50k/bp (all trading position from Trading & LMT desk).
23-Mar-16	-\$1,093K	-\$1,139K	Daily Hypo P/L was -\$1,139k, slightly higher than Trading VAR -\$1,093k. It was mainly due to the sharp weakening of THB spot rate against USD; whereas Citi Thailand held long THB position. Secondly, the hypo loss was also generated from THB cross currency swap position; while Citi Thailand held negative DV01 in >6mth till 20Y buckets and the market yield for the respective tenor went up significantly.
24-Mar-16	-\$802K	-\$2,015K	Daily Hypo P/L was -\$2,015k, higher than Trading VAR -\$802k. It was mainly generated from THB IRS position where the IRS rate went down and Citi Thailand held positive DV01 in Trading portfolio (including LMT's Trading portfolio). Secondly, THB cross currency swap rate was also lower; whereas Trading position was positive DV01.