Citibank, N.A. Bangkok Branch

Basel III Pillar 3

Capital and Liquidity Management Disclosure

30 June 2022

Tables

Capital:

Liquidity:

Table 1 : Key Prudential Metrics

Unit : Million Baht

	Item	Jun-22	Dec-21
1	**Capital Fund**		
1	Total Capital	25,688	25,664
1	Fully loaded ECL total Capital	25,688	25,664
2	**Risk Weighted Assets**		
2	Total Risk Weighted Assets (RWA)	169,808	169,825
3	**Total Capital to risk weighted assets (%)**		
3	Total Capital Ratio	15.13%	15.11%
3	Fully loaded ECL total capital ratio	15.13%	15.11%
4	**Capital Buffers Ratio (%)**		
4	Conservation Buffer	2.50%	2.50%
4	Counter cyclicle Buffer	0.00%	0.00%
4	Capital Buffer (Sum of 4.1 and 4.2)	2.50%	2.50%
4	Total Capital Ratio after minimum capital requirement	15.13%	15.11%
5	**Liquidity Coverage Ratio (LCR %)**		
5	Total high-quality liquid assets (HQLA)	74,063	69,410
5	Total net cash outflows within the 30 day time horizon	16,149	24,766
5	LCR (%)	458.62%	280.26%

Table 2 : Capital structure

Unit : Million Baht

Item	Jun-22	Dec-21
1. Assets required to be maintained under Section 32	**25,800**	**25,800**
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)		
2.1 Capital for maintenance of assets under Section 32	25,800	25,800
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	3,204	4,002
3. Total regulatory capital (3.1 - 3.2)		
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and	25,800	25,800
3.2 Deductions	**111**	**135**

Table 3 Minimum capital requirements

Unit : Million Baht

Credit risk classified by type of assets under the SA	Jun-22	Dec-21
Performing claims		
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities	28	20
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and	2,590	2,066
3. claims on corporates , non-central government public sector entities	5,858	5,340
4. Claims on retail portfolios	5,469	5,402
5. Claims on housing loans	3	3
6. Other assets	444	1,838
Non-performing claims	46	51
First-to-default credit derivatives และ Securitisation	**0**	**0**
Total minimum capital requirement for credit risk under the SA	**14,438**	**14,720**

Market risk	Jun-22	Dec-21
1. Standardised approach	N/A	N/A
2. Internal model approach	799	480
Total minimum capital requirement for market risk	**799**	**480**

Opeational isk	Jun-22	Dec-21
Calculate by Standardised Approach	3,441	3,451

Capital ratio	Jun-22	Dec-21
Total capital to risk-weighted assets	15.13%	15.11%

Table 4 Minimum capital requirement for each type of market risk under the Standardized Approach

Unit : Million Baht

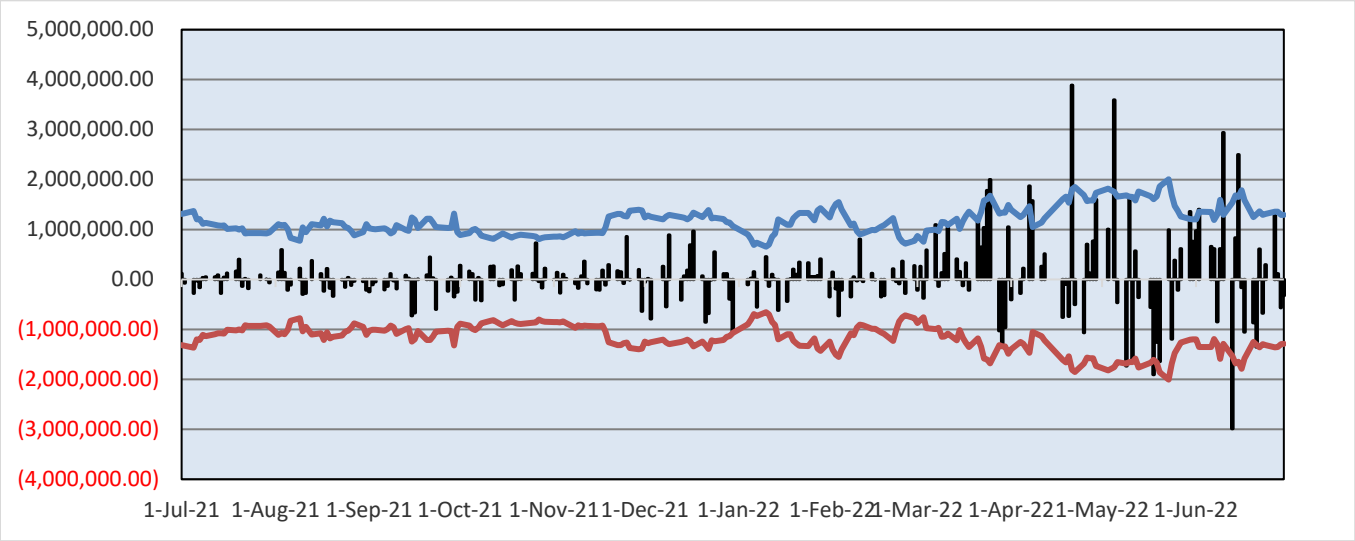
Minimum capital requirement for market risk under the standardised approach	Jun-22	Dec-21
Interest rate risk	-	-
Equity position risk	-	-
Foreign exchange rate risk	-	-
Commodity risk	-	-
Total minimum capital requirement	-	-

Table 5 Market risk under Internal Model Approach

Unit: Million Baht

Type of Market Risk	Jun-22	Dec-21
Interest rate risk		
Maximum VaR during the reporting period	70	47
Average VaR during the reporting period	45	36
Minimum VaR during the reporting period	23	26
VaR at the end of the period	44	36
Equitiy position risk		
Maximum VaR during the reporting period	-	-
Average VaR during the reporting period	-	-
Minimum VaR during the reporting period	-	-
VaR at the end of the period	-	-
Foreign exchange rate risk		-
Maximum VaR during the reporting period	28	15
Average VaR during the reporting period	5	3
Minimum VaR during the reporting period	1	1
VaR at the end of the period	11	3
Commodity risk		
Maximum VaR during the reporting period	-	-
Average VaR during the reporting period	-	-
Minimum VaR during the reporting period	-	-
VaR at the end of the period	-	-
Total market risk		
Maximum VaR during the reporting period	71	47
Average VaR during the reporting period	46	36
Minimum VaR during the reporting period	23	26
VaR at the end of the period	46	36

Table 6 Backtesting result



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

** Together with an analysis of outliners from Backtesting

Backtesting Outliners

P&L date (T)	VaR (in THB MM) (T - 1)	Hypo P&L (in THB MM) (T)	Explanation
8-Mar-22	996.55	1,093.88	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB rate curve 2Y to 3Y tenor by 8.50 to 9.50 bps with a positive $151k DV01, resulting to a $1.4mm gain & Onshore THB USD XCCY 5Y tenor by 10.50 bps with a negative $39k DV01, resulting to a $407k loss**
22-Mar-22	1,178.57	1,210.76	**This is a positive VAR back testing break. The gain mainly driven by increase of onshore THB rate curve 3Y tenor by 11.50 bps with a positive $80k DV01, resulting to a $924k gain**

25-Mar-22	1,605.51	1,778.01	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR 7Y tenor by 11.00 bps with a positive $82k DV01, resulting to a $905k gain & Onshore THB rate curve 3Y to 5Y tenor by 14.50 to 15.00 bps with a positive $60k DV01, resulting to a $857k gain**
28-Mar-22	1,679.10	1,995.65	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR 7Y tenor by 12.00 bps with a positive $82k DV01, resulting to a $986k gain & Onshore THB rate curve 3Y tenor by 4.50 bps with a positive $80k DV01, resulting to a $358k gain**
30-Mar-22	1,339.39	-1,340.68	**The break was mainly driven by the delta effect of derivative positions amounting to a $1.37mm loss and is mainly coming from the following: - Onshore THB rate curve 2Y to 3Y tenor which decreased by 14.50 bps with a positive $131k DV01, resulting to a $1.89mm loss. The MFCV vols for onshore THB IRS in 2Y and 3Y are 7 to 8 bps which are lower than the actual THB interest rate movement at 14.5bps, hence VAR backtesting break.**
8-Apr-22	1,466.23	1,871.70	**This is a positive VAR back testing break. The gain mainly driven by increase of Offshore THB rate curve 4Y to 5Y tenor by 11.00 bps with a positive $86k DV01**
11-Apr-22	1,051.09	1,577.28	**This is a positive VAR back testing break. The gain mainly driven by increase of offshore THB rate curve 4Y to 5Y tenor by 11.00 to 12.50 bps with a positive $85k DV01**
22-Apr-22	1,806.78	3,888.05	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR 7Y tenor by 18.00 bps with a positive $71k DV01, resulting to a $1.28mm gain & Offshore THB rate curve 5Y tenor which increased by 13.00 bps with a positive $75k DV01, resulting to a $980k gain**
6-May-22	1,756.73	3,590.05	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR 7Y to 10Y tenor by 20.00 bps with a positive $69k DV01, resulting to a $1.38mm gain & Offshore THB rate curve 5Y tenor by 17.50 bps with a positive $70k DV01, resulting to a $1.23mm gain**
10-May-22	1,683.27	-1,729.80	**The break was mainly driven by the delta effect of derivative positions amounting to a $1.61mm loss and is mainly coming from the following: - Onshore THB rate curve 2Y tenor which decreased by 11.00 bps with a positive $64k DV01, resulting to a $703k loss. The MFCV vols for Onshore THB rate curve 2Y is 7bps which are lower than the actual THB**

			interest rate movement at 11bps, hence VAR backtesting break.
19-May-22	1,607.34	-1,903.47	**The break was mainly driven by the delta effect of derivative positions amounting to a $2.08mm loss and is mainly coming from the following: - Onshore THB THOR 7Y tenor which decreased by 17.00 bps with a positive $75k DV01, resulting to a $1.28mm loss. The MFCV vols for onshore THB THOR in 7Y is 15bps which are lower than the actual THB interest rate movement at 17bps, hence VAR backtesting break.**
31-May-22	1,207.37	1,355.70	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB rate curve 2Y tenor by 7.00 bps with a positive $68k DV01, resulting to a $476k gain & Onshore THB THOR 7Y tenor by 5.50 bps with a positive $68k DV01, resulting to a $372k gain**
6-Jun-22	1,355.17	1,402.39	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB rate curve 2Y tenor by 10.00 bps with a positive $78k DV01, resulting to a $781k gain & Offshore THB rate curve 5Y tenor by 4.00 bps with a positive $51k DV01, resulting to a $203k gain**
13-Jun-22	1,291.91	2,939.39	**This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB rate curve 3Y tenor by 26.00 bps with a positive $67k DV01, resulting to a $1.75mm gain & Offshore THB rate curve 5Y tenor which increased by 27.50 bps with a positive $49k DV01, resulting to a $1.34mm gain**
14-Jun-22	1,534.18	-2,986.02	**The break was mainly driven by the delta effect of derivative positions amounting to a $2.29mm loss and is mainly coming from the following: - Onshore THB THOR curve 7Y tenor which decreased by 13.00 bps with a positive $57k DV01, resulting to a $743k loss. - Onshore THB rate curve 3Y to 4Y tenor which decreased by 6.50 to 8.00 bps with a positive $91k DV01, resulting to a $629k loss. - Onshore THB THOR curve 2Y tenor which decreased by 8.00 bps with a positive $59k DV01, resulting to a $474k loss. - Offshore THB rate curve curve 5Y tenor which decreased by 6.50 bps with a positive $48k DV01, resulting to a $309k loss. - Onshore THB THOR curve 1Y tenor which increased by 2.50 bps with a negative $65k DV01, resulting to a $162k loss. Based on the comparison against implied MFVC vols/day from CVAR, the implied rate movement is**

			lower (implied daily vols for THOR curve 7Y at 7bps) than the actual rate movement (13bps). Hence, VaR backtesting break
16-Jun-22	1,650.35	2,496.20	**This is a positive VAR back testing break. The gain mainly driven by increase of Offshore THB rate curve 3Y to 7Y tenor by 18.50 to 23.50 bps with a positive $57k DV01, resulting to a $1.32mm gain & Onshore THB THOR 2Y to 3Y tenor by 8.00 to 9.50 bps with a positive $91k DV01, resulting to a $815k gain**
22-Jun-22	1,307.18	-1,353.41	**The break was mainly driven by the delta effect of derivative positions amounting to a $839k loss and is mainly coming from the following:** **- Onshore THB rate curve 3Y tenor which decreased by 10.00 bps with a positive $68k DV01, resulting to a $677k loss.** **Based on the comparison against implied MFVC vols/day from CVAR, the implied rate movement is lower (implied daily vols for Onshore THB rate curve 3Y at 8bps) than the actual rate movement (10bps). Hence, VaR backtesting break**

Table 7 Liquidity Coverage Ratio (LCR)

	Average Q2 2022	Average Q2 2021
1 Total High quality Liquid Asstes (HQLA)	72,280	72,453
2 Total net cash outflows within the 30-days time horizon	16,516	19,317
3 LCR* (%)	439%	388%
Minimum LCR as specified by the Bank of Thailand (%)	100%	100%

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

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

The average LCR for the 2nd quarter of 202 of the "Bank" was 439%, which was higher than the minimum LCR as specified by the Bank of Thailand. This average figure was calculated from the ratio as of the end of each month, which was 441% at April, 416% at May and 459% at June. The LCR consists of 2 main components, namely:

1) **High-quality liquid assets (HQLA)** include unencumbered high-quality assets with low risk and low volatility that can be easily monetized without any significant changes to their values, even in times of liquidity stress. The value of each type of HQLA is after the application of both haircuts and any applicable caps as specified by the Bank of Thailand.

   The average HQLA of the "Bank" during the 2nd quarter of 2022 was 72,280 million Baht which was Level 1 assets, namely government bonds and cash. On this, the "Bank" holds several types of high-quality liquid assets to ensure the diversification of the stock of HQLA.

2) **The amount of net cash outflows** is equal to expected cash outflows within the 30-day time horizon minus expected cash inflows within the 30-day time horizon under liquidity stress scenarios; but the expected cash inflows must not exceed 75% of the expected cash outflows.

   The average net COF of the "Bank" for the 2nd quarter of 2022 was 16,516 million Baht, which was the average of net cash outflows within the 30-day time horizon as at the end of April – June. The expected cash outflows on which the "Bank" focuses under the severe liquidity stress scenarios are Deposits run-off at the run-off rates as specified by the Bank of Thailand. On the other hand, expected cash inflows are mostly from loan repayments from high-quality counterparties and customers, to which the inflow rates as specified by the Bank of Thailand have been assigned.

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

Table 8 LCR Comparison

	Average 2022	Average 2021
1st Quarter	452%	487%
2nd Quarter	439%	389%