



Citibank, N.A. Bangkok Branch

Basel III Pillar 3

Capital and Liquidity Management Disclosure

30 June 2021

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Table 1 : Key Prudential Metrics

Unit : Million Baht

Description	Jun-21	Dec-20
1 Capital Fund		
1.1 Total Capital	25,631	25,589
1.2 Fully loaded ECL total capital	25,631	25,589
2 Risk Weighted Assets		
2.1 Total Risk Weighted Assets (RWA)	166,398	165,203
3 Total capital to risk-weighted assets (%)		
3.1 Total capital ratio	15.40%	15.49%
3.2 Fully loaded ECL total capital ratio	15.40%	15.49%
4 Capital Buffers Ratio (%)		
4.1 Conservation Buffer	2.50%	2.50%
4.2 Countercyclical Buffer	0.00%	0.00%
4.3 Capital Buffer (Sum of 4.1 and 4.2)	2.50%	2.50%
4.4 Total capital ratio after minimum capital requirement	12.90%	12.99%
5 Liquidity Coverage Ratio (LCR)%		
5.1 Total high-quality liquid assets (HQLA)	78,241	58,251
5.2 Total net cash outflows within the 30-day time horizon	25,459	14,329
5.3 LCR (%)	307.32%	406.54%

Table 2 : Capital structure

Unit : Million Baht

Item	Jun-21	Dec-20
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)	39,233	43,175
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	13,433	17,375
3 Total regulatory capital (3.1 - 3.2)	25,631	25,589
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	25,800	25,800
3.2 Deductions	169	211

Table 3 Minimum capital requirement for credit risk classified by type of assets under the SA

Unit : Million Baht

Minimum capital requirement for credit risk classified by type of assets under the SA*	Jun-21	Dec-20
Performing claims		
1. Claims on sovereigns and central banks, multilateral development banks (MDBs),	33	183
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	4,648	4,335
3. Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate	4,303	4,015
4. Claims on retail portfolios	5,021	5,224
5. Claims on housing loans	4	4
6. Other assets	262	403
Non-performing claims	59	56
First-to-default credit derivatives and Securitisation		
Total minimum capital requirement for credit risk under the SA	14,330	14,220

Minimum capital requirement for market risk for positions in the trading book by Internal Model Approach

Unit : Million Baht

Minimum capital requirement for market risk (positions in the trading book)*	Jun-21	Dec-20
Internal model approach	466	425
Total minimum capital requirement for market risk	466	425

Minimum capital requirement for operational risk (SA)

Unit : Million Baht

Minimum capital requirement for operational risk*	Jun-21	Dec-20
Calculate by Standardised Approach	3,508	3,528
Total minimum capital requirement for operational risk	3,508	3,528

Total risk-weighted capital ratio and Tier 1 risk-weighted capital ratio

Unit : %

Ratio	Jun-21		Dec-20	
	Capital Adequacy Ratio	Minimum Adequacy Ratio*	Capital Adequacy Ratio	Minimum Adequacy Ratio*
1. Total capital to risk-weighted assets	15.40	11.00	15.49	11.00
2. Tier 1 capital to risk-weighted assets **	0	0	0	0

* Include conservation buffer 2.5% for 4-year accumulation since Jan 2016

** Disclosure only Bank that locally registered

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

Unit : Million Baht

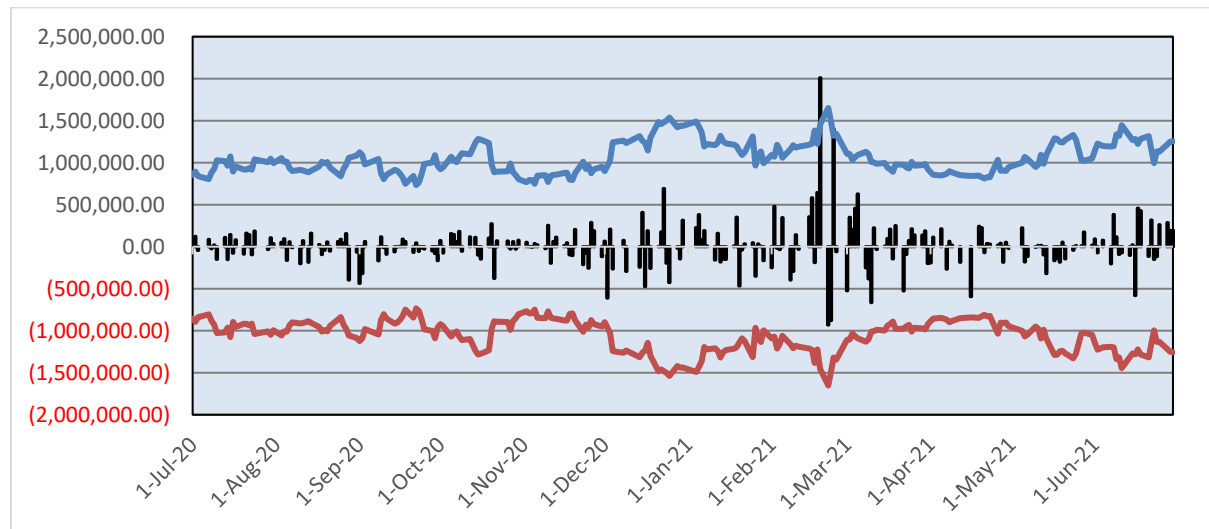
Minimum capital requirement for market risk under the standardized approach	Jun 2021	Dec 2020
Interest rate risk	0	0
Equity position risk	0	0
Foreign exchange rate risk	0	0
Commodity risk	0	0
Total minimum capital requirement	0	0

Table 5 Market risk under Internal Model Approach

Unit: Million Baht

Type of Market Risk	Jun-21	Dec-20
Interest rate risk		
Maximum VaR during the reporting period	53	45
Average VaR during the reporting period	36	30
Minimum VaR during the reporting period	26	22
VaR at the end of the period	41	43
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	8	8
Average VaR during the reporting period	3	2
Minimum VaR during the reporting period	1	0
VaR at the end of the period	4	0
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	53	46
Average VaR during the reporting period	36	30
Minimum VaR during the reporting period	26	22
VaR at the end of the period	40	43

Table 6 Backtesting result



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

** Together with an analysis of outliers from Backtesting

Backtesting Outliners

P&L date (T)	VaR (in THB MM) (T - 1)	Hypo P&L (in THB MM) (T)	Explanation
22-Feb-21	1,454.27	2,010.36	This is a positive VAR back testing break. The gain mainly driven by the increase of THB LIBOR in 4Y tenor by 11bps whereas the risk position was +\$215k/bp, resulting to \$2.47MM gain. This profit was netted with the loss for -\$0.8MM from onshore THB USD XCCY from 2Y to 3Y tenors which increased by 6.5 to 7.5bps whereas the risk position was -\$112k/bp.
25-Feb-21	1,320.03	1,396.85	This is a positive VAR back testing break. The gain mainly driven by the increase of THB LIBOR in 3Y to 4Y tenor by 4 to 6 bps whereas the risk position was +\$236k/bp, resulting to \$1.35MM gain. This profit was netted with the loss for -\$0.4MM from onshore THB USD XCCY from 2Y to 3Y tenors which increased by 2.5 to 4bps whereas the risk position was -\$111k/bp.

Table 7 Liquidity Coverage Ratio (LCR)

	Unit : Million Baht	
	Average Q2'2021	Average Q2'2020
(1) Total high-quality liquid assets (HQLA)	72,453	65,171
(2) Total net cash outflows within the 30-day time horizon*	19,317	14,263
(3) LCR** (%)	388%	456%
<i>Minimum LCR as specified by the Bank of Thailand (%)</i>	<i>100%</i>	<i>100%</i>

*Cash outflows effective Jan 2019 were included the estimated excess operational deposits per the local regulatory requirement

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

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

The average LCR for the 2nd quarter of 2021 of the “Bank” was 388%, 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 431% at April, 426% at May and 307% 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 2021 was 72,453 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 2021 was 19,317 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

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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

Unit : %

	Average 2021*	Average 2020*
1st quarter	487%	363%
2nd quarter	388%	456%

*Effective Jan 2019, LCR was calculated based on the estimated excess operational deposits per the local regulatory requirement