



Citibank, N.A. Bangkok Branch

Basel III Pillar 3

Capital and Liquidity Management Disclosure

30 June 2023

Tables**Capital:**

Table 1	Key Prudential Metrics.....	2
Table 2	Capital Structure.....	3
Table 3	Minimum capital requirements.....	4
Table 4	Minimum capital requirement for each type of Market risk under the Standardized approach.....	4
Table 5	Market risk under Internal Model Approach.....	5
Table 6	Backtesting result.....	6

Liquidity:

Table 7	Liquidity Coverage Ratio (LCR).....	8
Table 8	LCR Comparison.....	9

Unit : Million Baht

Item	Jun-23	Dec-22
1 Capital Fund		
1.1 Total capital	25,800	25,800
1.2 Fully loaded ECL total capital	25,800	25,800
2 Risk Weighted Assets		
2.1 Total Risk weighted assets (RWA)	105,188	113,243
3 Total capital to risk-weighted assets (%)		
3.1 Total capital ratio	24.53%	22.78%
3.2 Fully loaded ECL total capital ratio	24.53%	22.78%
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	13.53%	11.78%
5 Liquidity Coverage Ratio (LCR) (%)		
5.1 Total high-quality liquid assets (HQLA)	132,541	132,187
5.2 Total net cash outflows within the 30-day time horizon	29,148	20,561
5.3 LCR (%)	454.72%	642.90%

Table 2 : Capital Structure

Unit: Million Baht

Item	Jun-23	Dec-22
1. Assets required to be maintained under Section 32	25,800	25,800
2. Sum of net capital for maintenance of assets		
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	2,596	1,547
3. Total regulatory capital (3.1 - 3.2)		
3.1 Total regulatory capital before deductions (The lowest amount among countries, the parent company and subsidiaries of the head office	25,800	25,800
3.2 Deductions	-	-

Table 3 Minimum Capital Requirements

Unit: Million Baht

Credit Risk Classified by Type of Assets under the Standardised Approach	Jun-23	Dec-22
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	8	66
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	2,620	1,824
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	5,091	5,723
4. Claims on retail portfolios	-	-
5. Claims on housing loans	-	-
6. Other assets	133	193
Non-performing claims	-	-
First-to-default credit derivatives and Securitisation	-	-
Total minimum capital requirement for credit risk under the SA	7,850	7,806

Market Risk	Jun-23	Dec-22
1. Standardised Approach	N/A	N/A
2. Internal Model Approach	812	1,357
Total Minimum capital requirement for market risk	812	1,357

Operational Risk	Jun-23	Dec-22
Calculated by Standardised Approach	2,908	3,292

Capital Ratio	Jun-23	Dec-22
Total capital to risk-weighted assets	24.53%	22.78%

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

Unit: Million Baht

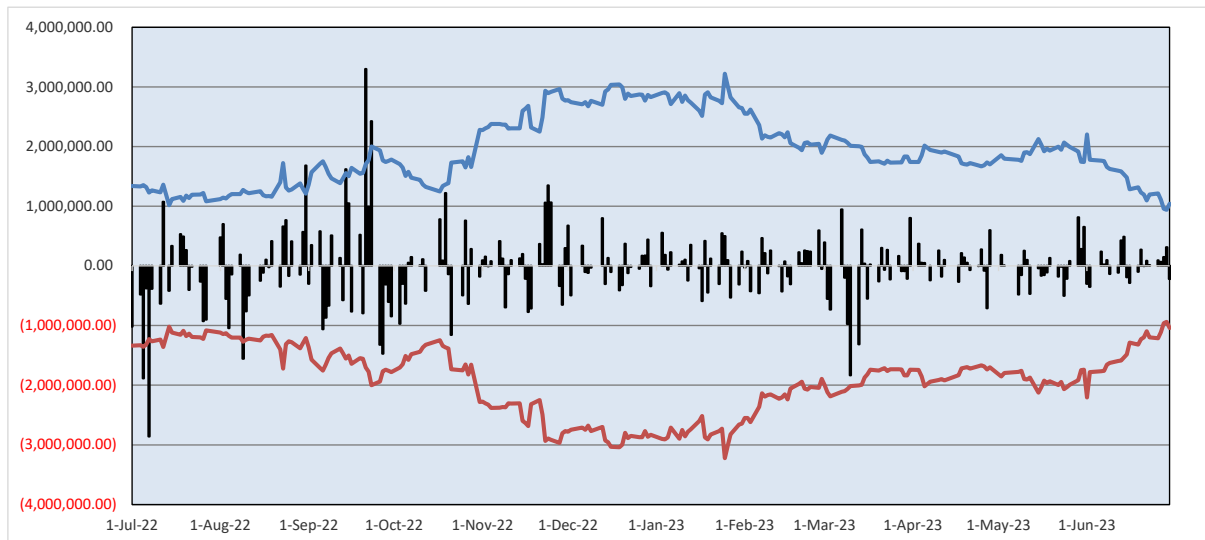
Minimum capital requirement for market risk under the standardised approach	Jun-23	Dec-22
Interest Rate Risk	-	-
Equity Position Risk	-	-
Foreign Exchange Rate Risk	-	-
Commodity Risk	-	-
Total minimum capital requirement	-	-

Table 5 Market risk under Internal Model Approach

Unit: Million Baht

Type of Market Risk	Jun-23	Dec-22
Interest rate risk		
Maximum VaR during the reporting period	114	103
Average VaR during the reporting period	71	63
Minimum VaR during the reporting period	32	35
VaR at the end of the period	37	96
Equity 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	62	47
Average VaR during the reporting period	7	6
Minimum VaR during the reporting period	1	1
VaR at the end of the period	2	6
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	115	105
Average VaR during the reporting period	71	64
Minimum VaR during the reporting period	33	35
VaR at the end of the period	37	98

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 Outliers

P&L date	VaR (in THB MM)	Hypo P&L (in THB MM)	Explanation
(T)	(T - 1)	(T)	
6-Jul-22	1,354.09	-1,884.20	The break was mainly driven by the delta effect of derivative positions amounting to a \$1.52mm loss and is mainly coming from the following: - Onshore THB rate curve 2Y tenor which decreased by 12.50 bps with a positive \$71k DV01, resulting to a \$893k loss. - Onshore THB THOR 7Y tenor which decreased by 11.00 bps with a positive \$54k DV01, resulting to a \$590k loss
8-Jul-22	1,229.23	-2,860.23	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 in 2Y at 8bps and implied volatility for THOR curve in 7Y is at 8bps) than the actual rate movement (11bps - 12.5bps). Hence, VaR backtesting break The break was mainly driven by the delta effect of derivative positions amounting to a \$2.00mm loss and is mainly coming from the following: - Onshore THB rate curve 2Y tenor which decreased by 14.00 bps with a positive \$72k DV01, resulting to a \$1.00mm loss. - Onshore THB THOR 2Y to 3Y tenor which decreased

			<p>by 11.50 bps with a positive \$76k DV01, resulting to a \$871k loss</p> <p>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 2Y at 8bps, implied daily vols for THOR in 2Y & 3Y are 8bps & 9bps) than the actual rate movement (14bps & 11.5bps). Hence, VaR backtesting break</p>
10-Aug-22	1,273.30	-1,557.02	<p>The break was mainly driven by the delta effect of derivative positions amounting to a loss of \$804k and is mainly coming from the following:</p> <ul style="list-style-type: none"> - Onshore THB USD XCCY 1Y tenor which increased by 7.16 bps with a negative \$50k DV01, resulting to a \$356k loss. - Onshore THB rate curve 4Y tenor which decreased by 6.50 bps with a positive \$41k DV01, resulting to a \$266k loss. <p>Based on the comparison against implied MFVC vols/day from CVAR, the implied rate movement is lower (implied daily vols for Onshore THB USD XCCY curve 1Y at 1bps, implied daily vols for Onshore THB rate curve 4Y at 3bps) than the actual rate movement (7.16bps & 6.5bps). Hence, VaR backtesting break</p>
1-Sep-22	1,209.86	1,682.89	<p>This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR rate 3Y tenor by 13 bps with a positive \$38k DV01 and the increase of THB THOR rate 10Y tenor by 12.5bps with a positive \$39k DV01, resulting to a \$0.98mm gain & Offshore THB rate 4Y to 5Y tenor which increased by 15.5 bps to 16.5 bps with a positive \$21k DV01, resulting to a \$0.34mm gain</p>
15-Sep-22	1,554.09	1,618.66	<p>This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR rate 7Y tenor by 9.5 bps with a positive \$77k DV01 resulting to a \$0.7mm gain, and the increase of onshore THB rate 3Y tenor by 10bps with a positive \$48k DV01, resulting to a \$0.48mm gain & onshore THB X ccy swap rate 1Y tenor which decreased by 10.35 bps with a negative \$35k DV01, resulting to a \$0.36mm gain</p>
22-Sep-22	1,704.04	3,300.60	<p>This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR rate 1.5Y to 2Y tenor by 16 bps to 16.84 bps with a positive \$102k DV01 resulting to a \$1.64mm gain, and the increase of onshore THB rate 3Y to 4Y tenor by 14.5 bps to 16 bps with a positive \$78k DV01, resulting to a \$1.2mm gain & THB THOR rate 10Y tenor which increased by 6.5 bps with a positive \$38k DV01, resulting to a \$0.25mm gain</p>
26-Sep-22	2,000.60	2,423.64	<p>This is a positive VAR back testing break. The gain mainly driven by increase of Onshore THB THOR rate 2Y to 3Y tenor by 12 bps with a positive \$125k DV01 resulting to a \$1.5mm gain, and the increase of onshore THB rate 4Y tenor by 11 bps with a positive \$29k DV01, resulting to a \$0.3mm gain & THB THOR rate 10Y tenor which increased by 8.5 bps with a positive \$37k DV01, resulting to a \$0.31mm gain</p>

Table 7 Liquidity Coverage Ratio (LCR)

	Average Q2 2023	Average Q2 2022
1 Total High Quality Liquid Assets (HQLA)	136,731	72,280
2 Total net cash outflows within the 30-days time horizon	30,586	16,516
3 LCR*(%)	447.88%	438.55%
Minimum LCR as specified by the Bank of Thailand (%)	100%	100%

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

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

The average LCR for the 2nd quarter of 2023 of the “Bank” was 448%, 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 466% at April, 423% at May and 455% 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 2023 was 136,731 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 2023 was 30,586 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.

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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 2023	Average 2022
1st Quarter	395.63%	452.28%
2nd Quarter	447.88%	438.55%