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# Liquidity Coverage Ratio (LCR)

## Disclosures

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For the half-year ended June 30, 2025

(Translation: Please refer to the Thai text for the official version)

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## Liquidity Coverage Ratio (LCR) Disclosures

### 1. Overview of Liquidity Risk Management Framework of the Bank

The Bank is fully aware and recognizes the importance of regulatory requirements and manages liquidity risks as deemed appropriate based on market conditions and liquidity risk tolerance. The Bank has clearly established the liquidity risk management framework to be able to manage and control such risk in accordance with its policy, strategy and monitor such risk within its liquidity risk tolerance approved by the Board of Directors with the appropriate operating costs and sufficient liquidity for debt repayment and various obligations upon maturity or being called under normal and extreme circumstances.

#### o Liquidity Risk Measurements

The Bank assesses liquidity risk on a daily basis to ensure that it has adequate liquidity for its business operations.

The Bank regularly conducts liquidity risk measurement through a variety of tools, along with the Liquidity Coverage Ratio (LCR), such as Net Stable Funding Ratio (NSFR), Funding Concentration and simulate LCR impact by using Liquidity Gap to forecast net cash flow under crisis situations covering three scenarios i.e., Bank-specific crisis, Market-wide crisis, and Combination of both circumstances.

Additionally, the Bank has a liquidity contingency plan which is tested on a regular basis and outlines early-warning indicators together with an action plan that allows the Bank to promptly prepare and manage the crisis events and successfully resume normal operations.

#### o To manage and control liquidity risk from Funding Sources & Concentration

To support the Bank's business growth and minimize the funding concentration, the Bank has monitored the risk by establishing a concentration internal trigger level to ensure that funding sources are well-diversified by customer type, deposit type, and maturity.

For currency mismatch, the Bank has prepared and considered the appropriate strategy to manage the liquidity in THB and major foreign currencies to ensure liquidity sufficiency for current and future needs.

#### o Liquidity Risk Management under LCR

According to BOT notification, LCR is designed to promote more short-term resilience of banking sector by ensuring that the adequate level of HQLA is maintained to support the liquidity needs under a 30-calendar day liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Asset (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days under liquidity crisis (Net Cash Outflows)}}$$

➤ **Optimized Liquidity Risk Management within LCR Framework**

In alignment with Krungsri's strategic priorities and its role as a Domestic Systemically Important Bank (D-SIB) in Thailand, the bank continues to pursue its strategic position as a leading financial institution in ASEAN. The bank emphasizes selective growth execution, particularly in the corporate segment, while maintaining a cautious stance in SME and retail lending due to economic uncertainties. The bank is actively supporting vulnerable segments through initiatives like the "You Fight, We Help" debt relief program and continues to expand its Social and Sustainable Finance (SSF) portfolio.

The bank's liquidity management strategy in Q2/2025 reflects a proactive and disciplined approach aimed at maintaining financial resilience amid economic uncertainty. The bank focused on optimizing its funding cost by adjusting its deposit mix. This shift not only lowered funding costs but also enhanced liquidity stability. The bank's liquidity oversight is conducted on a group-wide basis, with decentralized management across subsidiaries and centralized monitoring to ensure readiness and support when needed. This comprehensive strategy underscores Krungsri's commitment to maintaining robust liquidity and financial flexibility in a challenging macroeconomic environment.

The bank employs a structured and forward-looking approach to liquidity management, using the Liquidity Coverage Ratio (LCR) as a key internal benchmark. This ensures that sufficient high-quality liquid assets are maintained to meet short-term obligations under both normal and stressed conditions. To support this objective, the bank implements a range of proactive measures, including regular business projections, scenario analyses, and ongoing monitoring of forecasting accuracy. These practices enable the Bank to anticipate funding requirements and formulate cost-effective funding strategies. Liquidity forecasts are prepared for the projected period, allowing for timely and informed decision-making in managing LCR and optimizing the funding mix.

➤ **Managed Funds**

The Bank prepares the liquidity for the asset management company under financial business group from the expected cash outflows based on BOT guidelines and specified LCR

template to alleviate the severity and impact from the situations or factors causing the business disruption.

## 2. Maintenance of LCR for the half-year ended June 30, 2025

We have regularly and proactively conducted the LCR simulation and impact analysis on any event that may have the impact on the funding liquidity risk amid volatility of Foreign Exchange, Capital and Financial markets, and Fund flow due to political uncertainties and risk factors from external in order to be well prepared and effectively manage the liquidity position covering both normal business and crisis situations. This is to ensure an adequate supply of cash and other liquid assets for the business operations of the Bank and to prepare supporting of regulatory changes in the future.

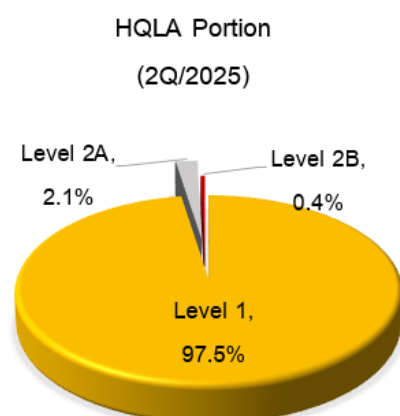
The average LCR as of 2Q/2025 increased to 187% which was still well above the Bank's internal trigger level and the BOT minimum requirement of 100% resulting from the Bank's strategic liquidity risk management under LCR including regularly and proactively conducted the LCR simulation and impact analysis on any event that may have the impact on the funding liquidity risk.

The Bank's average LCR is calculated based on the data at each month-end in the specified quarter and primarily comprised of two major factors as follows:

- 1) **HQLA is unencumbered high-quality liquid asset** that can be easily and immediately converted into cash at little or no loss of value even in times of stress. The value of HQLA is subject to a haircut based on quality of each asset level such as 0% haircut for Level 1 liquid asset.

The average HQLA after haircut was approximately THB 441,909 million as of 2Q/2025 which decreased by THB 44,687 million or 9.2% compared to 2Q/2024, mainly due to a decrease of reverse repo transactions

The Bank places importance on managing liquidity appropriately to be well prepared for the volatility in the financial market and business expansion. Additionally, the Bank had sufficient liquidity by maintaining Level 1 assets about 97.5% of total HQLA including government bonds, central bank bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.

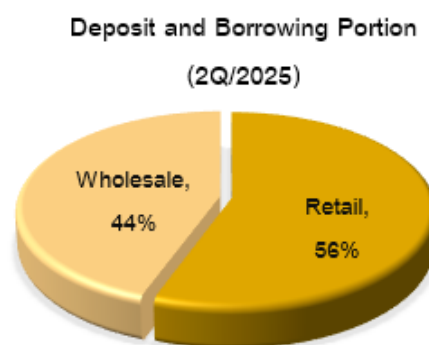


- 2) **Net Cash Outflows** are defined as the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the

subsequent 30 calendar days. However, total expected cash inflows are capped at 75% of total expected cash outflows.

As of 2Q/2025, the average net cash outflows after LCR factor were THB 236,497 million, which decreased by THB 76,474 million or 24.4% from 2Q/2024, mainly due to the decrease of cash outflow from a significant drop in non-operational corporate deposits. Meanwhile, the cash inflow increased from Nostro accounts and loan repayment from corporate customers.

For main source of funds, the Bank's deposit and borrowings as of 2Q/2025 increased mainly from retail customers, which is about 56% of total deposits. We have stimulated various deposit campaigns and mobile banking services to support continuous expansion of the retail customer base. Meanwhile, 44% is from Wholesale customers. The Bank continuously encourages the corporate customers having deposits account to facilitate clearing, custody or cash management service in order to boost operational deposit.



### 3. Comparison of LCR by Quarter

Unit: THB million

|  | 2Q/2025<br>(Monthly Average) | 2Q/2024<br>(Monthly Average) |
|--|------------------------------|------------------------------|
| (1) Total HQLA                             | 441,909                      | 486,596                      |
| (2) Total net cash outflows in 30 days     | 236,497                      | 312,971                      |
| (3) LCR <sup>1</sup> (percentage)          | 187                          | 155                          |
| LCR – BOT minimum requirement (percentage) | 100                          | 100                          |

Remark: <sup>1</sup> The LCR (3) is computed as an average ratio of month-end LCR in the quarter which may not be equal to LCR computed with the average values of HQLA (1) and Net COF (2).

Unit: Percentage

|           | 2025<br>(Monthly Average) | 2024<br>(Monthly Average) |
|-----------|---------------------------|---------------------------|
| Quarter 1 | 187                       | 162                       |
| Quarter 2 | 187                       | 155                       |