Quantitative and Qualitative Disclosure about Liquidity Coverage Ratio (LCR)

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Included in the following section on quantitative and qualitative disclosure about liquidity coverage ratio is information regarding to Deutsche Bank AG, Bangkok Branch according to Bank of Thailand's related notifications. More information of parent bank can be found under website https://www.db.com/ir/en/regulatory-reporting.htm

1 Liquidity Coverage Ratio (LCR)

Unit: Million Baht

	Average Q4 2023	Average Q4 2022
1. Total High Quality Liquid Assets (HQLA)	36,403	31,432
2. Total Net Cash Outflows within the 30-day time horizon	17,663	14,482
3. LCR (%)	212	220
Minimum LCR as specified by the Bank of Thailand (%)	100	100

2 LCR of the preceding quarters

Unit: %

	Average 2023	Average 2022
3rd Quarter	178	192
4th Quarter	212	220

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 (B.E.2559) and increased by 10% each year until it reaches 100% in 2020 (B.E.2563).

$$\text{LCR} = \frac{\text{High Quality Liquid Asset (HQLA)}}{\text{Total net cash outflows within the 30-day time horizon under liquidity stress scenarios}}$$

The average LCR for the 4th quarter of 2023 (B.E.2566) of the "Bank" is 212%, which is 112% higher than the minimum LCR as specified by the Bank of Thailand. This LCR is the average of LCRs as at the end of October – 180%, November – 205% and December – 251%. 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" for the 4th quarter of 2023 (B.E.2566) is 36,403 million Baht (100% of which is Level 1 assets, such as bonds issued by Bank of Thailand, government bonds and reverse repo transactions, etc.), which is the average of HQLA as at the end of October – December. 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 (net COF)** 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 4th quarter of 2023 (B.E.2566) is 17,663 million Baht, which is the average of net cash outflows within the 30-day time horizon as at the end of October – December. The expected cash outflows on which the "Bank" focuses under the severe liquidity stress scenarios are the run-off of deposits and borrowings and account payable securities, to which the run-off rates as specified by the Bank of Thailand have been assigned. On the other hand, expected cash inflows are mostly from loan repayments from high-quality customers and account receivable securities, 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 international standards and business directions so that the "Bank" can better manage its liquidity positions.