The LCR regulation was introduced to Thailand in 2016 as one of the guidelines to strengthen country financial system. This ratio aims to ensure that financial institutions maintain an adequate liquidity buffer to cover the net liquidity outflow under gravely stressed conditions over a period of 30 days. The minimum requirement of the LCR was equally step up 10% each year to reach 100% in 2020. LCR has helped commercial banks to maintain sufficient liquid assets to support outflow from external factors with ability to absorb shocks arising from financial and economic stress. SMBC Bangkok keeps close monitoring on daily LCR to assure liquidity risk is well managed and comply with regulatory requirement.

The LCR requires internationally active banks to hold a stock of HQLA at least as large as estimated total net cash outflows over the stress period, as summarized in the following formula

$$\frac{\text{Stock of HQLA}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

The summary of comparative quarterly LCR is as follows:

Table 1 — Unit : Mil THB

LCR element	Q4 2025 (Average)	Q4 2024 (Average)
(1) Total HQLA	301,520.33	291,768.94
(2) Total net cash outflows	133,064.86	96,959.25
(3) LCR (%)	227	301
Minimum required LCR (%)	100	100

Table 2 — Percent (%)

Comparative LCR	2025 (Average)	2024 (Average)
Q3 LCR	263	351
Q4 LCR	227	301

In the fourth quarter of FY 2025, the average LCR is maintained at 227%. It is higher than the minimum required in Bank of Thailand's regulation. The number is calculated as simple averages of month-end LCR as of January, February and March 2026 with 236%, 219% and 226% respectively. The two components in LCR calculation are as follows.

1. High-quality liquid assets (HQLA). HQLA as described in BIS Executive summary are cash or assets that can be converted into cash quickly through sales (or by being pledged as collateral) with no significant loss of value. A liquid asset can be included in the stock of HQLA if it is unencumbered, meets minimum liquidity criteria and its operational factors demonstrate that it can be disposed of to generate liquidity when needed. HQLA include Level 1 assets, which can be included without limit, and Level 2 assets, which

cannot exceed 40% of the liquidity reserve. Level 2 assets are themselves subdivided into Level 2A assets, whose value is subject to a 15% haircut, and Level 2B assets, which are subject to higher haircuts but cannot exceed 15% of the stock of HQLA.

In the fourth quarter of FY 2025, the average HQLA was raised to THB 301,520 million. The calculation is taken from the averages of HQLA as of end of January, February and March 2026. SMBC Bangkok hold a pool of unencumbered HQLA that are readily available to meet cash flow obligation under stress scenarios, as defined in the LCR rules. 82% of HQLA is level 1 assets comprising of balance with central banks and highly rated bonds issued by Thai governments or Bank of Thailand. The other portion that applied in HQLA calculation is head office committed line as allowed by Bank of Thailand to foreign bank's branch to count the undrawn committed line from its head office as liquid asset up to 40% of the minimum requirement.

2. Estimated net cash outflows (Net COF). Total net cash outflows are defined as the total expected cash outflow minus the total expected cash inflows arising in the stress scenario for the subsequent 30 calendar days. The total expected outflows are determined by multiplying the outstanding balances of various categories of liabilities and off-balance sheet commitments by the supervisory rates at which they are expected to run off or be drawn down. Total expected cash inflows are estimated by applying inflow rates to the outstanding balances of various contractual receivables. The difference between the stressed outflows and inflows is the minimum size of the HQLA stock. The amount of inflows that can offset outflows is capped at 75% of total expected cash outflows.

The average of estimated net cash outflows in the fourth quarter of FY 2025 is THB 133,065 million. The number is calculated as the average of the monthly amount of Estimated net cash outflow as end of January, February and March 2026. Main factor of Net COF changed from last year is the increase in customer deposit. Bank has paid full attention to customer deposits, customer loans including Intra-group transactions which have significant impact to LCR management. In LCR calculation, all items are weighted by Bank of Thailand rates as prescribed in the regulation.

At set forth in LCR management framework, we continued to maintain a strong average LCR position well above the 100% of regulatory minimum required. The average LCR as of 4Q25 decreased to 227% versus 301% as of 4Q24, impact from higher Net Cash Outflow.

SMBC Bangkok has strong policy to monitor our liquidity status via risk management tools such as Liquidity gap, liquidity ratios including funding concentration to assure sound and smooth liquidity risk management.

More information of SMBC Group is reachable at
http://www.smfg.co.jp/english/investor