

# **ANZ Bank (Thai) Public Company Limited**

Financial statements for the year ended  
30 September 2022  
and  
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## Independent Auditor's Report

### To the Shareholders ANZ Bank (Thai) Public Company Limited

#### *Opinion*

I have audited the financial statements of ANZ Bank (Thai) Public Company Limited (the "Bank"), which comprise the statement of financial position as at 30 September 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended; and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 30 September 2022 and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Emphasis of Matter*

I draw attention to Notes 1 and 2 in the financial statements, which described the fact for changing the presence of the Bank and the basis of financial statements preparation. My opinion is not modified in respect of this matter.



### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs and the regulations of the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

*Orawan C.*

(Orawan Chotiwiriyakul)  
Certified Public Accountant  
Registration No. 10566

KPMG Phoomchai Audit Ltd.  
Bangkok  
18 November 2022

# ANZ Bank (Thai) Public Company Limited

## Statement of financial position

Assets	Note	30 September	
		2022	2021
		<i>(in thousand Baht)</i>	
Cash		76	603
Interbank and money market items, net	8, 13, 24	18,689,369	15,860,969
Financial assets measured at fair value through profit or loss	9	-	1,489,321
Derivative assets	10, 24	79,710	4,767,958
Investments, net	11, 13	1,848,773	5,848,004
Loans to customers and accrued interest receivables, net	12, 13	-	19,401,512
Leasehold building improvements and equipment, net		-	18,867
Deferred tax assets	34	-	31,807
Trading securities receivable		-	245,161
Other assets	14, 24	20,717	334,408
<b>Total assets</b>		<b>20,638,645</b>	<b>47,998,610</b>

The accompanying notes are an integral part of these financial statements.

# ANZ Bank (Thai) Public Company Limited

## Statement of financial position

Liabilities and equity	Note	30 September	
		2022	2021
		<i>(in thousand Baht)</i>	
<b>Liabilities</b>			
Deposits	15	-	13,902,441
Interbank and money market items	16, 24	238,000	8,310,874
Liabilities payable on demand		-	943
Derivative liabilities	10, 24	29,058	4,156,179
Lease liabilities		6,816	11,392
Provisions for employee benefits	24	23,272	71,031
Other liabilities	13, 17, 24	292,007	1,066,882
<b>Total liabilities</b>		<b>589,153</b>	<b>27,519,742</b>
<b>Equity</b>			
Share capital	20		
Authorised share capital <i>(2,000,000,000 ordinary shares, par value at Baht 10 per share)</i>		20,000,000	20,000,000
Issued and paid-up share capital <i>(2,000,000,000 ordinary shares, par value at Baht 10 per share)</i>		20,000,000	20,000,000
Other reserves		(3,689)	18,287
Retained earnings			
Appropriated			
Legal reserve	21	23,029	23,029
Unappropriated		30,152	437,552
<b>Total equity</b>		<b>20,049,492</b>	<b>20,478,868</b>
<b>Total liabilities and equity</b>		<b>20,638,645</b>	<b>47,998,610</b>

(Warin Paaopanchon)  
Chief Financial Officer

(Sarah Marie Berry)  
President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

**ANZ Bank (Thai) Public Company Limited**  
**Statement of profit or loss and other comprehensive income**

		For the year ended 30 September	
	Note	2022	2021
		<i>(in thousand Baht)</i>	
Interest income	24, 25	525,669	564,244
Interest expenses	24, 26	83,342	70,439
<b>Net interest income</b>		<b>442,327</b>	<b>493,805</b>
Fees and service income		13,163	15,100
Fees and service expenses		14,971	10,618
<b>Net fees and service income</b>	27	<b>(1,808)</b>	<b>4,482</b>
Net gains on financial instruments measured at fair value through profit or loss	28	66,762	97,051
Net gain (loss) on investments	29	(35,967)	1,291
Loss arising from derecognition of loans to customers		(82,340)	-
Other operating income	24	12,816	8,766
<b>Total operating income</b>		<b>401,790</b>	<b>605,395</b>
<b>Other operating expenses</b>			
Employee expenses	24, 30	287,098	274,210
Directors' remuneration		4,600	4,600
Premises and equipment expenses	31	54,199	41,316
Taxes and duties		18,583	16,646
Provision for discontinued operation		150,646	-
Others	24, 32	65,251	61,285
<b>Total other operating expenses</b>		<b>580,377</b>	<b>398,057</b>
Reversal of expected credit loss	33	(181,173)	(37,469)
<b>Profit from operations before income tax expense</b>		<b>2,586</b>	<b>244,807</b>
Income tax expense	34	47,892	49,160
<b>Profit (loss) for the period</b>		<b>(45,306)</b>	<b>195,647</b>
<b>Other comprehensive income (expense)</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Losses on investments in debt instruments measured at fair value through other comprehensive income		(26,548)	(30,585)
Income tax relating to items that will be reclassified	34	5,218	6,117
<b>Total items that will be reclassified subsequently to profit or loss, net of tax</b>		<b>(21,330)</b>	<b>(24,468)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Income tax relating to items that will not be reclassified	34	(646)	-
<b>Total items that will not be reclassified subsequently to profit or loss, net of tax</b>		<b>(646)</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(67,282)</b>	<b>171,179</b>
<b>Earnings per share</b>			
Basic earnings per share <i>(in Baht)</i>	35	(0.02)	0.10



(Warin Paaopanchon)  
Chief Financial Officer



(Sarah Marie Berry)  
President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

**ANZ Bank (Thai) Public Company Limited**

**Statement of changes in equity**

	Other reserves					Retained earnings			Total equity
	Gains (losses) on measuring investments in debt instruments	Gains on remeasuring available-for-sale investments	Actuarial losses on defined benefit plans <i>(in thousand Baht)</i>	Total Other reserves	Legal reserve	Unappropriated			
<b>Year ended 30 September 2021</b>									
<b>Balance at 1 October 2020</b>	20,000,000	-	(2,586)	34,484	13,246	251,688		20,299,418	
Impact of changes in accounting policies									
<b>Balance at 1 October 2020 - restated</b>	-	45,341	-	8,271	-	-		8,271	
	20,000,000	45,341	(2,586)	42,755	13,246	251,688		20,307,689	
Comprehensive income (loss) for the year									
Profit for the year	-	-	-	-	-	195,647		195,647	
Other comprehensive income (loss)	-	(24,468)	-	(24,468)	-	-		(24,468)	
<b>Total comprehensive income (loss) for the year</b>	-	(24,468)	-	(24,468)	-	195,647		171,179	
Transfer to legal reserve	-	-	-	-	9,783	(9,783)		-	
<b>Balance as at 30 September 2021</b>	20,000,000	20,873	(2,586)	18,287	23,029	437,552		20,478,868	



(Warin Paoopanchon)  
Chief Financial Officer



(Sarah Marie Berry)  
President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.



**ANZ Bank (Thai) Public Company Limited**

Statement of changes in equity

	Issued and paid-up share capital	Other reserves				Retained earnings		Total equity
		Gains (losses) on measuring investments in debt instruments measured at fair value through other comprehensive income	Actuarial losses on defined benefit plans	Total Other reserves	Legal reserve	Unappropriated		
<b>Year ended 30 September 2022</b>								
<b>Balance at 1 October 2021</b>	20,000,000	20,873	(2,586)	18,287	23,029	437,552	20,478,868	
Comprehensive income (loss) for the year	-	-	-	-	-	(45,306)	(45,306)	
Loss for the year	-	-	-	-	-	(362,094)	(362,094)	
Dividend	-	(21,330)	(646)	(21,976)	-	-	(21,976)	
Other comprehensive income (loss)	-	(21,330)	(646)	(21,976)	-	(407,400)	(429,376)	
<b>Total comprehensive income (loss) for the year</b>	-	(21,330)	(646)	(21,976)	-	(407,400)	(429,376)	
<b>Balance as at 30 September 2022</b>	20,000,000	(457)	(3,232)	(3,689)	23,029	30,152	20,049,492	

(in thousand Baht)

Note

36



(Warin Paopanchon)  
Chief Financial Officer



(Sarah Marie Berry)  
President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

**ANZ Bank (Thai) Public Company Limited**  
**Statement of cash flows**

	Note	For the year ended 30 September 2022 <i>(in thousand Baht)</i>	2021
<b><i>Cash flows from operating activities</i></b>			
Profit from operations before income tax expense		2,586	244,807
<i>Adjustments to reconcile profit from operations before income tax expense to cash receipts (payments)</i>			
Depreciation and amortisation		8,800	9,336
Impairment of leasehold building improvements and equipment		9,437	-
Reversal of expected credit loss		(181,173)	(37,469)
Net gains on financial instruments measured at fair value through profit or loss		(66,762)	(97,051)
Net gain on investments		35,967	(1,291)
Loss arising from derecognition of loans to customers		82,340	-
Loss from sale of fixed assets		41	-
Provision made (reversal)		(47,759)	1,920
Provision made for discontinued business		160,580	-
Net interest income		(442,327)	(493,805)
Interest received		663,086	568,419
Interest paid		(91,763)	(72,039)
Income tax paid		(27,266)	(47,059)
Profit from operations before changes in operating assets and liabilities		<u>105,787</u>	<u>75,768</u>
<b><i>Decrease (increase) in operating assets</i></b>			
Interbank and money market items (assets)		(2,822,319)	(3,743,837)
Derivative assets		4,773,227	(636,623)
Financial assets measured at fair value through profit or loss		1,459,009	(1,038,467)
Loans to customers		19,393,661	1,566,929
Trading securities receivable		245,161	(194,344)
Other assets		286,799	(136,936)
<b><i>Increase (decrease) in operating liabilities</i></b>			
Deposits		(13,902,441)	2,845,178
Interbank and money market items (liabilities)		(8,072,874)	(1,090,215)
Liabilities payable on demand		(943)	(6,967)
Derivative liabilities		(4,127,121)	125,646
Trading securities payable		-	(28,420)
Other liabilities		(900,009)	671,272
<b>Net cash used in operating activities</b>		<u><b>(3,562,063)</b></u>	<u><b>(1,591,016)</b></u>
<b><i>Cash flows from investing activities</i></b>			
Purchases of investments in debt instruments measured at fair value through other comprehensive income		(724,383)	(591,346)
Proceeds of investments in debt instruments measured at fair value through other comprehensive income		4,652,000	2,188,000
Purchases of leasehold building improvements and equipment		-	(961)
Proceeds of leasehold building improvements and equipment		296	-
<b>Net cash from investing activities</b>		<u><b>3,927,913</b></u>	<u><b>1,595,693</b></u>
<b><i>Cash flows from financing activities</i></b>			
Dividend payment	36	(362,094)	-
Payment of lease liabilities		(4,283)	(4,686)
<b>Net cash used in financing activities</b>		<u><b>(366,377)</b></u>	<u><b>(4,686)</b></u>
<b>Net decrease in cash</b>		<b>(527)</b>	<b>(9)</b>
Cash as at 1 October		603	612
<b>Cash as at 30 September</b>		<u><b>76</b></u>	<u><b>603</b></u>
<b>Supplementary disclosures of cash flow information</b>			
<b>Significant non-cash items</b>			
Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income		(26,548)	(30,585)



(Warin Paaopanchon)



(Sarah Marie Berry)

# **ANZ Bank (Thai) Public Company Limited**

## **Notes to the financial statements**

**For the year ended 30 September 2022**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Financial risk management
5	Fair value of financial assets and financial liabilities
6	Maintenance of capital fund
7	Classification of financial assets and financial liabilities
8	Interbank and money market items, net (assets)
9	Financial assets measured at fair value through profit or loss
10	Derivatives
11	Investments, net
12	Loans to customers and accrued interest receivables, net
13	Allowance for expected credit losses
14	Other assets
15	Deposits
16	Interbank and money market items (liabilities)
17	Other liabilities
18	Advance received from electronic payment
19	Offsetting of financial assets and financial liabilities
20	Share capital
21	Reserves
22	Assets pledged as collateral
23	Contingent liabilities
24	Related parties
25	Interest income
26	Interest expenses
27	Net fees and service income
28	Net gain on financial instruments measured at fair value through profit or loss
29	Net gain (loss) on investments
30	Employees expenses
31	Premises and equipment expenses
32	Other expenses
33	Reversal of expected credit loss
34	Income tax
35	Basic earnings (loss) per share
36	Dividend

# **ANZ Bank (Thai) Public Company Limited**

## **Notes to the financial statements**

**For the year ended 30 September 2022**

These notes form an integral part of financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 November 2022.

### **1 General information**

ANZ Bank (Thai) Public Company Limited (the “Bank”) was registered and incorporated as a juristic person in Thailand under the Public Limited Company Act B.E. 2535. The Bank’s head office is located at 63 Athenee Tower, 8<sup>th</sup> Floor, Unit 801-804, Wireless Road, Lumpini, Pathumwan, Bangkok. The Bank does not have any other branches.

The Bank, incorporated as a commercial bank in Thailand, was given the banking license by The Ministry of Finance on 15 June 2015.

The immediate and ultimate parent companies during the financial year are ANZ Funds Pty. Ltd. and ANZ Banking Group Limited. Both are incorporated in Australia.

The management has intention to change the presence from Subsidiary Bank to the Representative office. The Bank has submitted the proposed action plan to Bank of Thailand on 19 April 2022 and the Bank got the approval from the Bank of Thailand on 18 August 2022.

### **2 Basis of preparation of the financial statements**

#### **2.1 *Statement of compliance***

The financial statements are prepared in accordance with Financial reporting; guidelines promulgated by the Federation of Accounting Professions; and presented as prescribed by the Bank of Thailand (“BoT”) Notification number Sor Nor Sor 21/2561, directive dated 31 October 2018, regarding to “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a financial group” as well as other related regulations of Bank of Thailand.

As describe in note 1, The Bank changed its basis of financial statements preparation from going concern basis to non-going concern basis. Therefore, the remaining assets as at 30 September 2022 were presented at the lower of carrying value or net realisable of other consideration and the liabilities as of that date were presented at the estimated settlement amount.

In addition, the Bank has not early adopted a number of new and revised TFRS, which are not yet effective for the current year in preparing these financial statements. The Bank has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the year of initial application.

#### **2.2 *Functional and presentation currency***

The financial statements are prepared and presented in Thai Baht, which is the Bank’s functional currency. All financial information presented in Thai Baht and has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### 2.3 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Bank's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 (f) Establishing the criteria for determination whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL;

#### (ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 2022 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 13 Impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

## 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except as described in note 2.

### (a) Foreign currencies

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign exchange difference arising from translation is recognised in profit or loss.

### (b) Cash

Cash comprises cash in hand and cash in collection.

### (c) Leasehold building improvements and equipment

#### *Recognition and measurement*

#### *Owned assets*

Leasehold building improvements and equipment are measured at cost less accumulated depreciation and impairment losses.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold building improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold building improvements and equipment.

Any gains and losses on disposal of an item of leasehold building improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold building improvements and equipment, and are recognised in profit or loss.

### *Subsequent costs*

The cost of replacing a part of an item of leasehold building improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold building improvements and equipment are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount of leasehold building improvements and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of leasehold building improvements and equipment. The estimated useful lives are as follows:

Leasehold building improvements	5 years (or remaining of lease contract)
Furniture, fixtures and office equipment	5 years
Computer equipment	3 years
Vehicles	5 years

No depreciation is provided on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **(d) Intangible assets**

#### *Software licenses*

Software licenses that are acquired by the Bank and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

*Amortisation*

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for the software licenses is 3 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(e) Impairment of non - financial assets**

The carrying amounts of the Bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

Impairment losses recognised in prior years in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(f) Financial instruments**

*Recognition and initial measurement*

The Bank initially recognises loans to customer and deposits on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

*Classification and subsequent measurement of financial asset*

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset, which are not equity instrument, that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

*Business model assessment*

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

*Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)*

For the purposes of this assessment,

‘Principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank’s claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).



# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### *Reclassifications of financial assets*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

### *Modifications of financial assets*

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall financial instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new financial asset.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

### *Derecognition of financial assets*

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, which are not equity instrument designated at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

### *Classification and subsequent measurement of financial liabilities*

Financial liabilities are debts issued that have contractual obligation to pay principal or interest before liquidation.

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

*Modifications of financial liabilities*

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any non-cash assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

*Derecognition of financial liabilities*

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

*Impairment*

*Measurement of Expected Credit Loss*

The measurement of ECL reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period;
- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward-looking information through the use of macro-economic variables.

For ECL recognition, financial assets are classified in any of the 3 stages at each reporting date. A financial asset can move between stages during its lifetime. ECL are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a Significant Increase in Credit Risk (SICR) since origination, an allowance for expected credit losses equivalent to 12 months ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, ECL are estimated based on default events that are possible over the remaining time to maturity.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

- Stage 2: Where there has been a SICR since origination, an allowance equivalent to lifetime ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the financial instrument returns to a Stage 1 classification and a 12 month ECL applies.
- Stage 3: Financial assets that are credit-impaired or in default, an allowance equivalent to lifetime ECL is recognized. For impaired financial assets that have not been subject to restructuring, a transfer to stage 2 or stage 1 is permitted only where the asset is no longer considered to be impaired. A financial instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For the Bank, ECL are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on an individual basis when transferred to Stage 3.

### *Expected Life of financial instrument*

When estimating ECL in Stage 2 and 3, the Bank considers the expected lifetime over which it is exposed to credit risk. For non-revolving credit facilities, the Bank uses the maximum contractual period as the expected lifetime of financial instrument. For revolving credit facilities, the expected life reflects the Bank's contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

### *Definition of default, credit impaired and write-offs*

The definition of default used in measuring expected credit losses is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the Bank, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the Bank's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are credited to credit impairment charge in the profit or loss.

### **(g) Derivatives**

Derivative financial instruments are used to manage exposure to interest and foreign exchange rates and arising from operational, financing and investment activities. Derivative financial instruments that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value from the date a derivative contract is entered into (trade date) and are subsequently remeasured at their fair value. The gain or loss on remeasurement is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss on remeasurement depends on the nature of the item being hedged.

All derivatives are carried as assets when fair value is positive as "Derivatives assets" and as liabilities when fair value is negative as "Derivatives liabilities" in the statements of financial position.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

The fair value of forward exchange agreements is their market price at the reporting date, being the present value of the quoted forward price.

The fair value of interest rate swaps is calculated by discounting future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

### (h) *Employee benefits*

#### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed in profit or loss during the year as the related service is provided.

#### *Defined benefit plans*

The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Bank determines the interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (i) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting year of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

### (j) Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### (k) Measurement of fair values

The Bank has an established control framework with respect to the measurement of fair values. This includes a valuation team in Group level that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports through to the Chief Financial Officer.

The valuation team in Group level regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank recognised transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

### (l) Interest

#### *Effective interest rate*

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

# **ANZ Bank (Thai) Public Company Limited**

## **Notes to the financial statements**

**For the year ended 30 September 2022**

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

### *Calculation of interest income and expense*

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### **(m) Fees and service income**

Fees and service income are recognised as revenue when a customer obtains control of the services in an amount that reflects the consideration to which the Bank expects to be entitled to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time.

### **(n) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) *Earnings per share***

The Bank presents basic earnings per share for its ordinary shares which is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the number of ordinary shares issued during the period.

**(p) *Offsetting***

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Bank has a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

**(q) *Related parties***

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Bank; a person or entity that are under common control or under the same significant influence as the Bank; or the Bank has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

**(r) *Leases***

At inception of a contract, the Bank as a lessee assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease in TFRS 16.

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Bank is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets that do not meet the definition of investment property and lease liabilities in the statement of financial position.

## 4 Financial risk management

### *Risk management framework*

The use of financial instruments is fundamental to the Bank's businesses of providing banking and other financial services to our customers. The associated financial risks (primarily credit, market, and liquidity risks) are a significant portion of the Bank's key material risks. The Board of Directors is responsible for establishing and overseeing the Bank's risk management framework that is adopted from and aligned to the ANZ Banking Group Limited's risk management framework and relevant regulatory requirements. The Board of Directors has delegated authority to the Risk Management Committee ("RMC") to develop and monitor compliance with the Bank's risk management policies.

The Bank, through its training and management standards and procedures, aims to maintain a disciplined and robust control environment in which all employees understand their roles and obligations.

The notes below detail the Bank's financial risk management policies, processes and quantitative disclosures in relation to the key financial risks.



# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### 4.1 Operational risk

Operational risk is the risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and/or systems, or from external events. This definition includes legal risk, and the risk of reputational loss or damage arising from inadequate or failed internal processes, people and systems, but excludes strategic risk.

The Bank operates a three-lines-of-defence model to manage Operational Risk, with each line of defence having defined roles, responsibilities and escalation paths to support effective communication and effective management of our operational risk. The Bank also has ongoing review mechanisms to ensure Operational Risk and Compliance Framework continues to meet organisational needs and regulatory requirements.

The Board has approved the ANZ Thai Operational Risk Management Policy. This policy is an addendum to the ANZ Banking Group Limited's Operational Risk and Compliance Framework and aligns to relevant Bank of Thailand policy requirements. The Risk Management Committee assists the Board in the effective discharge of its responsibilities for operational risk management and for the management of the related compliance obligations. The committee also assists the Board by providing an objective oversight of the implementation by management of the Bank's risks management framework and its related operation and by enabling an institution-wide view of current and future risk position relative to its risk appetite and capital strength.

### 4.2 Credit risk

Credit risk is the risk of financial loss resulting from a counterparty failing to fulfil its obligations; or a decrease in credit quality of a counterparty resulting in a financial loss. Credit Risk incorporates the risks associated with the Bank lending to customers who could be impacted by climate change or by changes to laws, regulations, or other policies adopted by governments or regulatory authorities, including carbon pricing and climate change adaptation or mitigation policies.

Credit Risk framework is top down, being defined by credit principles and policies. Credit policies, requirements and procedures cover all aspects of the credit life cycle - for example: transaction structuring, risk grading, initial approval, ongoing management and problem debt management.

Responsibility for the strategies and policies relating to the management of credit risk lies with the Board of Directors. Responsibility for day to day management of credit risk is delegated by the Board of Directors to the Bank's Risk Management Committee.

#### *Credit risk overview, management and control responsibilities*

Granting credit facilities to customers is one of the Bank's major sources of income. As this activity is also a principal risk, the Bank dedicates considerable resources to its management. The Bank assumes credit risk from traditional lending to customers as well as from interbank, treasury, trade finance and capital markets.

Credit risk management framework ensures that approach has consistently apply across the Bank when the Bank measures, monitors and manages the credit risk appetite set by the Board of Directors. The Board is assisted and advised by the Risk Management Committee and the Credit Committee in discharging its duty to oversee credit risk. The Risk Management Committee reviews and proposes the credit risk appetite and credit strategies while the Credit Committee approves credit transactions beyond the discretion of executive management.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

The Bank quantifies credit risk through an internal credit rating system (masterscales) to ensure consistency across exposure types and to provide a consistent framework for reporting and analysis. The system uses models and other tools to measure the following for customer exposures:

Probability of Default (PD)	Expressed by a Customer Credit Rating (CCR), reflecting the Bank's assessment of a customer's ability to service and repay debt.
Exposure at Default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of default.
Loss Given Default (LGD)	Expressed by a Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of loan covered by security which the Bank can realise if a customer defaults. The A-G scale is supplemented by a range of other SIs which cover factors such as cash cover and sovereign backing.

The Bank's specialist credit risk teams develop and validate the Bank's PD and LGD rating models. The outputs from these models drive our day-to-day credit risk management decisions including origination, pricing, approval levels, regulatory capital adequacy, economic capital allocation, credit provisioning and credit monitoring.

All customers with whom the Bank has a credit relationship are assigned a CCR at origination using the approach for the Large and More Complex Lending rating model that provides a consistent and structured assessment, with judgement required around the use of out-of-model factors. The Bank handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.

### *Credit review*

The Audit unit, independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes. An annual Credit Review, as required by the Bank of Thailand, is carried out by the qualified independent unit under Australia and New Zealand Banking Group Limited (ANZBGL). The review exercise is to ensure that the credit process and account administration are effectively conduct in compliance with policies and procedures, and in compliance with the regulatory requirements.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### Credit quality analysis

The following tables set out information about the credit quality as at 30 September 2022 of financial assets measured at amortised cost and investments in debt instruments measured at FVOCI without taking into account collateral or other credit enhancement. The description of stage 1-3 are disclosed in note 3.

	30 September 2022	
	Stage 1	Total
	<i>(in thousand Baht)</i>	
<b><i>Interbank and money market items (asset)</i></b>		
Investment grades	18,689,369	18,689,369
Gross carrying amount	18,689,369	18,689,369
Less allowance for expected credit loss	-	-
<b>Net carrying amount</b>	<b>18,689,369</b>	<b>18,689,369</b>
<b><i>Investments in debt instruments measured at FVOCI</i></b>		
Investment grades	1,848,773	1,848,773
Gross carrying amount	1,848,773	1,848,773
Allowance for expected credit loss	-	-
<b><i>Undrawn loan commitments and financial guarantee contracts</i></b>		
Financial guarantee	18,749	18,749

	30 September 2021			
	Stage 1	Stage 2	Excess reserve	Total
	<i>(in thousand Baht)</i>			
<b><i>Interbank and money market items (asset)</i></b>				
Investment grades	15,868,819	-	-	15,868,819
Gross carrying amount	15,868,819	-	-	15,868,819
Less allowance for expected credit loss	(7,850)	-	-	(7,850)
<b>Net carrying amount</b>	<b>15,860,969</b>	<b>-</b>	<b>-</b>	<b>15,860,969</b>
<b><i>Loans to customers and accrued interest receivables</i></b>				
Investment grades	12,817,315	-	-	12,817,315
Speculative grades	6,413,033	325,453	-	6,738,486
Gross carrying amount	19,230,348	325,453	-	19,555,801
Less allowance for expected credit loss	(106,109)	(9,131)	(39,049)	(154,289)
<b>Net carrying amount</b>	<b>19,124,239</b>	<b>316,322</b>	<b>(39,049)</b>	<b>19,401,512</b>
<b><i>Investments in debt instruments measured at FVOCI</i></b>				
Investment grades	5,848,004	-	-	5,848,004
Gross carrying amount	5,848,004	-	-	5,848,004
Allowance for expected credit loss	(6,664)	-	-	(6,664)

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

	30 September 2021			
	Stage 1	Stage 2	Excess reserve	Total
		<i>(in thousand Baht)</i>		
<b><i>Undrawn loan commitments and financial guarantee contracts</i></b>				
Committed unused credit line	2,000,000	9,210	-	2,009,210
Financial guarantee	1,854,605	145,735	-	2,000,340

***Collateral held and other credit enhancements***

The Bank uses collateral for on and off-balance sheet exposures to mitigate credit risk if a counterparty cannot meet its repayment obligations. Where there is sufficient collateral, an expected credit loss is not recognised. This is largely the case for certain lending products that are secured by corresponding investment for which the margin loans are utilised and for reverse repurchase agreements. For some products, the collateral provided by customers is fundamental to the product's structuring, so it is not strictly the secondary source of repayment - for example, lending secured by trade receivables is typically repaid by the collection of those receivables. In case there is no collateral or the collateral does not cover exposures, the Bank holds collateral and other credit enhancements against certain of its credit exposures such as letter of guarantee to mitigate the risk of credit exposures.

***Information related to ECL***

***Significant increase in credit risk (SICR)***

In determining what constitutes a SICR, the Bank considers both qualitative and quantitative information:

- i. **Internal credit rating grade**  
For the Bank's portfolio, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the probability of default of the borrower and incorporates both borrower and non-borrower specific information, including forward-looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.
- ii. **Backstop criteria**  
The Bank uses 30 days past due arrears as a backstop criteria.

***Forward-looking information***

Forward-looking information is incorporated into both our assessment of whether a financial asset has experienced a SICR since its initial recognition and in our estimate of ECL. In applying forward-looking information for estimating ECL, the Bank considers four probability-weighted forecast economic scenarios.

The four scenarios are described in terms of macro-economic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the portfolio and country of the borrower. Examples of the variables include unemployment rates, GDP growth rates, house price indices, commercial property price indices and consumer price indices. Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario, as well as specific portfolio considerations where required.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### Management overlay

The Bank calculated the ECL based on the model, management overlay was considered when underlying assumptions or data used to estimate ECLs do not reflect current circumstances, events or conditions of the Bank at the reporting date as post-model adjustments.

### Concentrations of credit risk

The Bank monitors its credit portfolio to manage risk concentration and rebalance the portfolio. The Bank also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer by sector. Composition of financial instruments that give rise to credit risk by industry sector are presented below.

	Interbank and money market items (asset)	30 September 2022 Investments in debt instruments (in thousand Baht)	Financial guarantee
Gross carrying amount	18,689,369	1,848,773	-
Credit facilities	-	-	18,749

### Concentrations by sector

#### Financial institutions

Government	2,309	1,848,773	-
Commercial banks	18,687,060	-	-

	Interbank and money market items (asset)	Investments in debt instruments (in thousand Baht)	30 September 2021 Loans to customers and accrued interest receivables	Credit facilities	Financial guarantee
Gross carrying amount	15,868,819	5,848,004	19,555,801	-	-
Credit facilities	-	-	-	2,099,210	2,000,340

### Concentrations by sector

#### Corporate customers

Manufacturing and commerce	-	-	11,681,751	-	-
Real estate and construction	-	-	1,697,080	-	-
Infrastructure and services	-	-	977,453	-	-
Others	-	-	5,199,517	-	-

#### Financial institutions

Government	408,308	5,848,004	-	-	-
Commercial banks	15,460,511	-	-	-	-

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### 4.3 Market risk

Market risk is the risk to the Bank's earnings arising from changes in any interest rates, foreign exchange rates, credit spreads, volatility and correlations; or fluctuation in bond, commodity or equity prices.

The Bank's risk management and control framework for Market Risk involves quantifying the magnitude of market risk within trading and balance sheet portfolios through independent risk measurement. This identifies the range of possible outcomes, the likely timeframe, and the likelihood of the outcome occurring. Then we allocate an appropriate amount of capital to support these activities.

#### *Market risk overview, management and control responsibilities*

Market risk stems from the Bank's trading and balance sheet management activities and the impact of changes and correlation between interest rates, foreign exchange rates, credit spreads and volatility in bond, commodity or equity prices. The Board delegates responsibility for day-to-day management of both market risks and compliance with market risk policies to the Risk Management Committee (RMC) and the Asset & Liability Management Committee (ALCO).

Within overall strategies and policies established by the Board, business units and risk management have joint responsibility for the control of market risk. The Market Risk team (a specialist risk management unit independent of the business) allocates market risk limits at various levels and monitors and reports on them daily. The detailed framework allocates individual limits to manage and control exposures using risk factors and profit and loss limits.

Management, measurement and reporting of market risk is undertaken in two broad categories:

- Trade Market Risk: Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions.
- Non-Traded Market Risk: Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products

#### *Measurement of market risk*

The Bank primarily manage and control market risk using Value at Risk (VaR), sensitivity analysis and stress testing. VaR gauges the Group's possible daily loss based on historical market movements. The Bank's VaR approach for both traded and non-traded risk is historical simulation. We use historical changes in market rates, prices and volatilities over the previous 500 business days using one-day holding period. Back testing is used to ensure our VaR models remain accurate.

The Bank measures VaR at a 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for the relevant holding period.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**(a) Interest rate risk**

Interest rate risk is the potential loss from changes in market interest rates or their implied volatilities.

As at 30 September 2022 and 2021, financial assets and liabilities classified by types of interest rates were as follows:

	Floating interest rate	30 September 2022 Fixed interest rate      Non-interest bearing <i>(in thousand Baht)</i>		Total
<b>Financial assets</b>				
Cash	-	-	76	76
Interbank and money market items*	7,870	18,584,016	97,483	18,689,369
Investments, net	-	1,848,773	-	1,848,773
<b>Total financial assets</b>	<b>7,870</b>	<b>20,432,789</b>	<b>97,559</b>	<b>20,538,218</b>
<b>Financial liabilities</b>				
Interbank and money market items	-	238,000	-	238,000
<b>Total financial liabilities</b>	<b>-</b>	<b>238,000</b>	<b>-</b>	<b>238,000</b>

\*Before deducting allowance for expected credit losses

	Floating interest rate	30 September 2021 Fixed interest rate      Non-interest bearing <i>(in thousand Baht)</i>		Total
<b>Financial assets</b>				
Cash	-	-	603	603
Interbank and money market items*	5,695	15,245,424	617,700	15,868,819
Financial assets measured at fair value through profit or loss	-	1,489,321	-	1,489,321
Investments, net	-	5,848,004	-	5,848,004
Loans to customers and accrued interest receivables*	9,441,942	10,039,274	74,585	19,555,801
Trading securities receivable	-	-	245,161	245,161
<b>Total financial assets</b>	<b>9,447,637</b>	<b>32,622,023</b>	<b>938,049</b>	<b>43,007,709</b>
<b>Financial liabilities</b>				
Deposits	-	13,090,059	812,382	13,902,441
Interbank and money market items	-	8,090,469	220,405	8,310,874
<b>Total financial liabilities</b>	<b>-</b>	<b>21,180,528</b>	<b>1,032,787</b>	<b>22,213,315</b>

\*Before deducting allowance for expected credit losses

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

The Bank's average interest bearing financial assets and financial liabilities, together with the average interest rates as at 30 September 2022 and 2021 and are as follows:

	30 September 2022		
	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)
<b>Financial assets</b>			
Interbank and money market items	10,845,949	63,907	0.59
Investments, net	5,176,039	46,540	0.90
Loans to customers	21,413,157	415,222	1.94
<b>Total</b>	<b>37,435,145</b>	<b>525,669</b>	<b>1.40</b>
<b>Financial liabilities</b>			
Deposits	10,912,757	51,683	0.47
Interbank and money market items	5,019,011	31,489	0.63
<b>Total</b>	<b>15,931,768</b>	<b>83,172</b>	<b>0.52</b>

	30 September 2021		
	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)
<b>Financial assets</b>			
Interbank and money market items	10,671,601	54,069	0.51
Investments, net	7,909,297	83,507	1.06
Loans to customers	24,064,408	426,668	1.77
<b>Total</b>	<b>42,645,306</b>	<b>564,244</b>	<b>1.32</b>
<b>Financial liabilities</b>			
Deposits	12,965,296	60,468	0.47
Interbank and money market items	8,676,119	9,722	0.11
<b>Total</b>	<b>21,641,415</b>	<b>70,190</b>	<b>0.32</b>

Significant financial assets and financial liabilities classified by earlier of maturity or interest repricing as at 30 September 2022 and 2021 are as follows:

	30 September 2022						Total
	Immediate Repricing	3 months	Reprice within 3 - 12 months	1-5 years	Reprice over 5 years	Non interest bearing	
<b>Financial assets</b>							
Cash	-	-	-	-	-	76	76
Interbank and money market items*	7,870	18,584,016	-	-	-	97,483	18,689,369
Investments, net	-	1,848,773	-	-	-	-	1,848,773
<b>Total financial assets</b>	<b>7,870</b>	<b>20,432,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,559</b>	<b>20,538,218</b>
<b>Financial liabilities</b>							
Interbank and money market items	-	238,000	-	-	-	-	238,000
<b>Total financial liabilities</b>	<b>-</b>	<b>238,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,000</b>

\* Before deducting allowance for expected credit losses



**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

	30 September 2021						Total
	Immediate Repricing	3 months	Reprice within 3 - 12 months	1-5 years	Reprice over 5 years	Non interest bearing	
<i>(in thousand Baht)</i>							
<b>Financial assets</b>							
Cash	-	-	-	-	-	603	603
Interbank and money market items*	5,695	13,927,101	1,318,323	-	-	617,700	15,868,819
Financial assets measured at fair value through profit or loss	-	1,489,321	-	-	-	-	1,489,321
Investments, net	-	500,523	3,280,791	2,066,690	-	-	5,848,004
Loans to customers and accrued interest receivables*	-	17,223,815	1,475,402	781,999	-	74,585	19,555,801
Trading securities receivable	-	-	-	-	-	245,161	245,161
<b>Total financial assets</b>	<b>5,695</b>	<b>33,140,760</b>	<b>6,074,516</b>	<b>2,848,689</b>	<b>-</b>	<b>938,049</b>	<b>43,007,709</b>
<b>Financial liabilities</b>							
Deposits	5,569,698	5,430,361	2,090,000	-	-	812,382	13,902,441
Interbank and money market items	-	8,090,469	-	-	-	220,405	8,310,874
<b>Total financial liabilities</b>	<b>5,569,698</b>	<b>13,520,830</b>	<b>2,090,000</b>	<b>-</b>	<b>-</b>	<b>1,032,787</b>	<b>22,213,315</b>

\*Before deducting allowance for expected credit losses

**(b) Currency exchange rate risk**

Currency risk is the potential loss arising from changes in foreign exchange rates or their implied volatilities.

As at 30 September 2022 and 2021, net open position assets (liabilities) denominated in various currencies, are as follows:

	30 September 2022	30 September 2021
<i>(in thousand US Dollar)</i>		
<b>Net foreign currency exposure</b>		
USD	(657)	3,407
EUR <sup>(*)</sup>	(14)	360
AUD <sup>(*)</sup>	(5)	57
Others <sup>(*)</sup>	60	80

<sup>(\*)</sup> Balance is stated in USD equivalent

**4.4 Liquidity risk**

Liquidity risk is the risk that the Bank is unable to meet payment obligations as they fall due, including repaying depositors or maturing wholesale debt; or the Bank having insufficient capacity to fund increases in assets.

Key principles in managing the Bank Liquidity and Funding Risk include maintain the Bank's ability to meeting liquidity 'survival horizons' under a range of stress scenarios to meet cash flow obligations over a short-to-medium term horizon; maintaining a strong structural funding profile; and maintaining a portfolio of high-quality liquid assets to act as a source of liquidity in times of stress.

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### Liquidity risk overview, management and control responsibilities

Management of liquidity and funding risks are overseen by ALCO. The Bank's liquidity and funding risks are governed by a set of principles approved by the Board of Directors.

According to Bank of Thailand notification number Sor Nor Sor 2/2561, dated 25 January 2018, the Bank is required to disclose Liquidity Coverage Ratio (LCR) in the Bank's website. The Bank will disclose the LCR of the Bank as at 30 September 2022 in the Bank's website, [www.anz.com/thailand/en/auxiliary/resource-centre/](http://www.anz.com/thailand/en/auxiliary/resource-centre/), under Financial Report section, within 4 months after the year end date.

The remaining periods to maturity of significant financial assets and financial liabilities as at 30 September 2022 and 2021 are as follows:

	30 September 2022						Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years**	Maturity over 5 years	No maturity	
	(in thousand Baht)						
<b>Financial assets</b>							
Cash	-	-	-	-	-	76	76
Interbank and money market items*	7,870	18,584,016	-	-	-	97,483	18,689,369
Investments, net	-	1,848,773	-	-	-	-	1,848,773
<b>Total financial assets</b>	<b>7,870</b>	<b>20,432,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,559</b>	<b>20,538,218</b>
<b>Financial liabilities</b>							
Interbank and money market items	-	238,000	-	-	-	-	238,000
<b>Total financial liabilities</b>	<b>-</b>	<b>238,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,000</b>
<b>Net liquidity gap</b>	<b>7,870</b>	<b>20,194,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,559</b>	<b>20,300,218</b>

\* Before deducting allowance for expected credit losses

\*\* Based on basis of preparation, all financial assets and liabilities will be settled within 12 months

	30 September 2021						Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	(in thousand Baht)						
<b>Financial assets</b>							
Cash	-	-	-	-	-	603	603
Interbank and money market items*	5,695	13,927,101	1,318,323	-	-	617,700	15,868,819
Financial assets measured at fair value through profit or loss	-	1,489,321	-	-	-	-	1,489,321
Investments, net	-	500,523	3,280,791	2,066,690	-	-	5,848,004
Loans to customers and accrued interest receivables*	-	7,879,207	1,767,402	9,834,607	-	74,585	19,555,801
Trading securities receivable	-	245,161	-	-	-	-	245,161
<b>Total financial assets</b>	<b>5,695</b>	<b>24,041,313</b>	<b>6,366,516</b>	<b>11,901,297</b>	<b>-</b>	<b>692,888</b>	<b>43,007,709</b>
<b>Financial liabilities</b>							
Deposits	6,382,080	5,430,361	2,090,000	-	-	-	13,902,441
Interbank and money market items	220,405	8,090,469	-	-	-	-	8,310,874
<b>Total financial liabilities</b>	<b>6,602,485</b>	<b>13,520,830</b>	<b>2,090,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,213,315</b>
<b>Net liquidity gap</b>	<b>(6,596,790)</b>	<b>10,520,483</b>	<b>4,276,516</b>	<b>11,901,297</b>	<b>-</b>	<b>692,888</b>	<b>20,794,394</b>

\* Before deducting allowance for expected credit losses

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

***Derivatives***

The remaining periods to maturity of the notional amount of derivatives as at 30 September 2022 and 2021 are as follows:

	Less than 1 year	30 September 2022 Notional amount		Total
		Within 1-5 years*	More than 5 years*	
		<i>(in thousand Baht)</i>		
<b><i>Foreign currency related</i></b>				
Forward exchange contracts	10,347,230	-	-	10,347,230
Currency swap contracts	135,183	-	-	135,183

\* Based on basis of preparation, all derivatives will be settled within 12 months

	Less than 1 year	30 September 2021 Notional amount		Total
		Within 1-5 years	More than 5 years	
		<i>(in thousand Baht)</i>		
<b><i>Foreign currency related</i></b>				
Forward exchange contracts	66,445,570	3,914,367	-	70,359,937
Currency swap contracts	20,825,332	18,928,542	291,467	40,045,341

<b><i>Interest rate related</i></b>				
Interest rate swap	77,872,528	134,086,212	10,728,008	222,686,748

**5 Fair value of financial assets and financial liabilities**

**5.1 Financial assets, liabilities and derivatives measures at fair value**

The fair values of financial instruments carried at fair value in the statement of financial position are as follows:

	Fair value			Total
	Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>		
<b>30 September 2022</b>				
<b>Financial assets</b>				
Derivative assets				
- Foreign exchange rate	-	79,710	-	79,710
Investment, net	-	1,848,773	-	1,848,773
<b>Financial liabilities</b>				
Derivative liabilities				
- Foreign exchange rate	-	29,058	-	29,058

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

	Fair value			Total
	Level 1	Level 2 <i>(in thousand Baht)</i>	Level 3	
<b>30 September 2021</b>				
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	-	1,489,321	-	1,489,321
<b>Derivative assets</b>				
- Foreign exchange rate	-	3,003,793	-	3,003,793
- Interest rate	-	1,764,165	-	1,764,165
Investment, net	-	5,848,004	-	5,848,004
<b>Financial liabilities</b>				
<b>Derivative liabilities</b>				
- Foreign exchange rate	-	2,380,011	-	2,380,011
- Interest rate	-	1,776,168	-	1,776,168

There were no transfers between the Level of the fair value hierarchy during the year ended 30 September 2022.

Type	Valuation technique
Forward exchange contracts	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate swaps	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate to a credit risk adjustment for the Bank and counter parties that reflected based on credit spreads derived from current credit spreads derived from current credit default swap or bond prices.
Investments in government bonds	The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association (“ThaiBMA”) as of the reporting date.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

5.2 Financial assets, liabilities and derivatives not measured at fair value

Fair values hierarchy of financial instruments which are not measured at fair value and for which there is a significant difference with carrying amount as of 30 September 2022 and 2021 are as follows:

	Carrying amount	Fair value Level 3
	<i>(in thousand Baht)</i>	
<b>30 September 2021</b>		
<b>Financial assets</b>		
Loans to customers and accrued interest receivables, net	19,401,512	19,574,210
<b>Financial liabilities</b>		
Deposits	13,902,441	13,895,867

As at 30 September 2022, the Bank has no exposure on the financial assets and financial liabilities which are not measured at fair value and for which there is a significant difference with carrying amount.

Type	Valuation technique
Interbank and money market items (assets and liabilities) and Deposits:	Fair value of Interbank and money market items calculated based on present value of estimated cash flows, using the current interest rate in the money market.
Loans to customers and accrued interest receivables:	Fair value of fixed rate loans to customers that have remaining maturity within 1 year of the reporting date approximates the carrying value at the reporting date. Fair value for fixed interest loans to customers which the remaining maturity more than 1 year is estimated using discounted cash flow analysis and using interest rates currently being offered for loans to customers with similar terms to borrowers of similar credit quality.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**6 Maintenance of capital fund**

The ratios of capital to assets (Capital Adequacy Ratio) as of 30 September 2022 and 2021 were calculated from the financial statements of the Bank. The Bank has chosen to adopt the Standardised Approach (SA) for credit risk and market risk weight assets calculation, and Basic Indicator Approach (BIA) for operational risk weight assets calculation which is consistent with BoT requirements.

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
<b><i>Tier 1 capital</i></b>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,000,000	20,000,000
Legal reserve	23,029	23,029
Retained earnings after appropriation	-	56,665
Other reserves	(3,689)	18,287
Less Capital deduction items on CET1	(45,369)	(31,807)
<b>Total Tier 1 Capital Base</b>	<b>19,973,971</b>	<b>20,066,174</b>
<b><i>Tier 2 capital</i></b>		
Provision for normal classified assets	63	142,124
<b>Total Tier 2 Capital Base</b>	<b>63</b>	<b>142,124</b>
<b>Total Capital Base</b>	<b>19,974,034</b>	<b>20,208,298</b>
<b>Total Risk-Weighted Assets</b>	<b>2,490,600</b>	<b>32,790,433</b>

	The BoT's regulatory minimum requirement	30 September 2022	The BoT's regulatory minimum requirement (%)	30 September 2021
Capital Adequacy Ratio	11.00	801.98	11.00	61.63
Tier-1 Capital ratio	8.50	801.97	8.50	61.20
Tier-1 Common Equity ratio	7.00	801.97	7.00	61.20
Tier-2 Capital ratio	-	0.01	-	0.43

According to Bank of Thailand notification number For Gor Gor (12) Wor 1030/2562 dated 10 July 2019, the Bank is required to disclose capital after deducting capital add-on arising from Single Lending Limit, effective dated 15 July 2019. As at 30 September 2022 and 2021, the Bank has no add-on arising from Single Lending Limit.

In accordance with the Bank of Thailand Notification No. Sor Nor Sor 14/2562 dated 28 June 2019, Re: "The Disclosure of Capital Requirements of Commercial Banks (No. 2)", the Bank intends to disclose Capital Maintenance information as of 30 September 2022 within 4 months after the year end date, as indicated in the notification, through the Bank's website [www.anz.com/thailand/en/auxiliary/resource-centre/](http://www.anz.com/thailand/en/auxiliary/resource-centre/)

***Capital management***

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**7 Classification of financial assets and financial liabilities**

	30 September 2022			Total
	FVTPL	FVOCI	Amortised Cost	
<b><i>Financial assets</i></b>				
Cash	-	-	76	76
Interbank and money market items, net	-	-	18,689,369	18,689,369
Derivative assets	79,710	-	-	79,710
Investments, net	-	1,848,773	-	1,848,773
Other financial assets	-	-	12,860	12,860
<b>Total</b>	<b>79,710</b>	<b>1,848,773</b>	<b>18,702,305</b>	<b>20,630,788</b>
<b><i>Financial liabilities</i></b>				
Interbank and money market items	-	-	238,000	238,000
Derivative liabilities	29,058	-	-	29,058
Other financial liabilities	-	-	165,020	165,020
<b>Total</b>	<b>29,058</b>	<b>-</b>	<b>403,020</b>	<b>432,078</b>
	30 September 2021			Total
	FVTPL	FVOCI	Amortised Cost	
<b><i>Financial assets</i></b>				
Cash	-	-	603	603
Interbank and money market items, net	-	-	15,860,969	15,860,969
Financial assets measured at fair value through profit or loss	1,489,321	-	-	1,489,321
Derivative assets	4,767,958	-	-	4,767,958
Investments, net	-	5,848,004	-	5,848,004
Loans to customers and accrued interest receivables, net	-	-	19,401,512	19,401,512
Other financial assets	-	-	320,777	320,777
<b>Total</b>	<b>6,257,279</b>	<b>5,848,004</b>	<b>35,583,861</b>	<b>47,689,144</b>
<b><i>Financial liabilities</i></b>				
Deposits	-	-	13,902,441	13,902,441
Interbank and money market items	-	-	8,310,874	8,310,874
Liabilities payable on demand	-	-	943	943
Derivative liabilities	4,156,179	-	-	4,156,179
Other financial liabilities	-	-	1,053,869	1,053,869
<b>Total</b>	<b>4,156,179</b>	<b>-</b>	<b>23,268,127</b>	<b>27,424,306</b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**8 Interbank and money market items, net (assets)**

	30 September <i>Note</i>	30 September 2021
	<i>(in thousand Baht)</i>	
<b>Domestic</b>		
Bank of Thailand	2,309	408,308
Commercial banks	12,507,900	15,251,154
<b>Total</b>	<b>12,510,209</b>	<b>15,659,462</b>
<i>Add</i> accrued interest receivables and undue interest income	885	3,175
<i>Less</i> allowance for expected credit losses	13 -	(7,850)
<b>Total domestic, net</b>	<b>12,511,094</b>	<b>15,654,787</b>
<b>Foreign</b>		
USD	6,135,186	60,697
EUR	10,217	20,800
JPY	959	1,223
AUD	30,979	120,204
Others	413	3,258
<b>Total</b>	<b>6,177,754</b>	<b>206,182</b>
<i>Add</i> accrued interest receivables and undue interest income	521	-
<i>Less</i> allowance for expected credit losses	13 -	-
<b>Total foreign, net</b>	<b>6,178,275</b>	<b>206,182</b>
<b>Total domestic and foreign, net</b>	<b>18,689,369</b>	<b>15,860,969</b>

**9 Financial assets measured at fair value through profit or loss**

As at 30 September 2022 and 2021, financial assets measured at fair value through profit or loss consist of

	30 September 2022	30 September 2021
	<i>Fair value</i> <i>(in thousand Baht)</i>	
Government bonds	-	1,489,321
<b>Total</b>	<b>-</b>	<b>1,489,321</b>

**10 Derivatives**

**Derivatives held for trading**

As at 30 September 2022 and 2021, the fair value and notional amount of derivatives classified by type of risks are as follows:

Type of risks	30 September 2022			30 September 2021		
	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount
	<i>(in thousand Baht)</i>					
Foreign exchange rate	79,710	29,058	10,482,413	3,003,793	2,380,011	110,405,278
Interest rate	-	-	-	1,764,165	1,776,168	222,686,748
<b>Total</b>	<b>79,710</b>	<b>29,058</b>	<b>10,482,413</b>	<b>4,767,958</b>	<b>4,156,179</b>	<b>333,092,026</b>



**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

As at 30 September 2022 and 2021, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

	30 September 2022	30 September 2021
<b>Counterparties</b>		
Financial institutions	82.53	29.59
Related parties	17.47	55.24
Other parties	-	15.17
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**11 Investments, net**

As at 30 September 2022 and 2021, the Bank classifies investment types as follows:

	Note	30 September 2022	30 September 2021
<b>Investments in debt instruments at FVOCI</b>			
Government bonds		1,848,773	5,848,004
<b>Total</b>		<b>1,848,773</b>	<b>5,848,004</b>
<b>Allowance for expected credit losses</b>	13	-	6,664

**12 Loans to customers and accrued interest receivables, net**

**12.1 Classified by type of loans**

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
Loans to customers	-	19,481,242
<i>Add</i> accrued interest receivables and undue interest income	-	74,559
Total loans to customers and accrued interest receivables	-	19,555,801
<i>Less</i> allowance for expected credit losses	-	(154,289)
<b>Total loans to customers and accrued interest receivables, net</b>	<b>-</b>	<b>19,401,512</b>

**12.2 Classified by currency and residence of debtors**

As at 30 September 2022 and 2021, the Bank's loans are to Thai resident customer only.

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
THB	-	13,414,092
USD	-	4,444,629
EUR	-	1,697,080
<b>Total</b>	<b>-</b>	<b>19,555,801</b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**12.3 Classified by account status**

	Loans to customers and accrued interest receivables	Allowance for expected credit losses (Note 13)
	(in thousand Baht)	
<i>Loans to customers and accrued interest receivables</i>		
<i>At 30 September 2022</i>		
Stage1 - Performing	-	-
Stage2 - Under-performing	-	-
Excess reserve	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
	Loans to customers and accrued interest receivables	Allowance for expected credit losses (Note 13)
	(in thousand Baht)	
<i>Loans to customers and accrued interest receivables</i>		
<i>At 30 September 2021</i>		
Stage1 - Performing	19,230,348	106,109
Stage2 - Under-performing	325,453	9,131
Excess reserve	-	39,049
<b>Total</b>	<u>19,555,801</u>	<u>154,289</u>

**13 Allowance for expected credit losses**

Movements of allowance for expected credit losses for the year ended 30 September 2022 and 2021 are as follows.

	30 September 2022		
	Performing	Under- performing	Total
	(in thousand Baht)		
<i>Interbank and money market items, net</i>			
Beginning balance	7,850	-	7,850
Changes on revaluation of loss allowance and derecognition	(7,850)	-	(7,850)
<b>Ending balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Investment, net</i>			
Beginning balance	6,664	-	6,664
Derecognition	(6,664)	-	(6,664)
<b>Ending balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Loans to customers and accrued interest receivables, net</i>			
Beginning balance	106,109	9,131	115,240
Derecognition	(106,109)	(9,131)	(115,240)
<b>Ending balance</b>	<u>-</u>	<u>-</u>	<u>-</u>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

	30 September 2022		
	Performing	Under-performing	Total
	<i>(in thousand Baht)</i>		
<b><i>Undrawn loan commitments and financial guarantee contracts</i></b>			
Beginning balance	11,239	1,131	12,370
Changes on revaluation of loss allowance and derecognition	(11,239)	(1,131)	(12,370)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
	30 September 2021		
	Performing	Under-performing	Total
	<i>(in thousand Baht)</i>		
<b><i>Interbank and money market items, net</i></b>			
Beginning balance	2,084	-	2,084
Changes on revaluation of loss allowance and derecognition	2,391	-	2,391
New financial assets originated or purchased	3,375	-	3,375
<b>Ending balance</b>	<b>7,850</b>	<b>-</b>	<b>7,850</b>
<b><i>Investment, net</i></b>			
Beginning balance	10,339	-	10,339
Changes on revaluation of loss allowance and derecognition	(4,204)	-	(4,204)
New financial assets originated or purchased	529	-	529
<b>Ending balance</b>	<b>6,664</b>	<b>-</b>	<b>6,664</b>
<b><i>Loans to customers and accrued interest receivables, net</i></b>			
Beginning balance	95,628	43,217	138,845
Stage transfer	1,267	(1,267)	-
Changes on revaluation of loss allowance and derecognition	1,602	(32,819)	(31,217)
New financial assets originated or purchased	7,612	-	7,612
<b>Ending balance</b>	<b>106,109</b>	<b>9,131</b>	<b>115,240</b>
<b><i>Undrawn loan commitments and financial guarantee contracts</i></b>			
Beginning balance	11,292	7,271	18,563
Stage transfer	592	(592)	-
Changes on revaluation of loss allowance and derecognition	(1,578)	(5,548)	(7,126)
New financial assets originated or purchased	933	-	933
<b>Ending balance</b>	<b>11,239</b>	<b>1,131</b>	<b>12,370</b>

Regarding the approval of dissolution and return the Commercial Banking license from the Bank of Thailand, the Bank has realised all the remaining excess allowance for expected credit loss during the year which initially would be amortised on a straight-line basis over 5 years.

Movements in excess allowance for expected credit losses for the year ended 30 September 2022 are as follow:

	As at 1 October 2021	Profit during the period <i>(in thousand Baht)</i>	As at 30 September 2022
Excess allowance for expected credit losses	39,049	(39,049)	-

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**14 Other assets**

	<i>Note</i>	30 September 2022	30 September 2021
		<i>(in thousand Baht)</i>	
Collateral per Credit Support Annex		-	283,590
Accrued interest receivables		-	27,990
Advance to intercompany	24	12,860	9,196
Guarantee deposits		5,131	4,751
Prepaid fees		1,625	7,393
Others		1,101	1,488
<b>Total</b>		<b><u>20,717</u></b>	<b><u>334,408</u></b>

**15 Deposits**

**15.1 Classified by type of deposits**

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
Current	-	6,382,080
Fixed		
- Less than 6 months	-	2,612,605
- More than 6 months but not over 1 year	-	4,907,756
<b>Total</b>	<b><u>-</u></b>	<b><u>13,902,441</u></b>

**15.2 Classified by currency and residence of depositors**

	30 September 2022			30 September 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
THB	-	-	-	7,701,946	5,491	7,707,437
USD	-	-	-	6,080,850	-	6,080,850
GBP	-	-	-	37	-	37
EUR	-	-	-	18,456	-	18,456
JPY	-	-	-	1,107	-	1,107
AUD	-	-	-	94,554	-	94,554
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,896,950</u></b>	<b><u>5,491</u></b>	<b><u>13,902,441</u></b>

**16 Interbank and money market items (liabilities)**

	30 September 2022			30 September 2021		
	At call	Term	Total	At call	Term	Total
	<i>(in thousand Baht)</i>					
<b>Domestic</b>						
Other financial institutions	-	238,000	238,000	220,405	-	220,405
<b>Total domestic items</b>	<b><u>-</u></b>	<b><u>238,000</u></b>	<b><u>238,000</u></b>	<b><u>220,405</u></b>	<b><u>-</u></b>	<b><u>220,405</u></b>
<b>Foreign</b>						
USD	-	-	-	-	8,090,469	8,090,469
<b>Total foreign items</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>8,090,469</u></b>	<b><u>8,090,469</u></b>
<b>Total domestic and foreign items</b>	<b><u>-</u></b>	<b><u>238,000</u></b>	<b><u>238,000</u></b>	<b><u>220,405</u></b>	<b><u>8,090,469</u></b>	<b><u>8,310,874</u></b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**17 Other liabilities**

	<i>Note</i>	30 September 2022	30 September 2021
		<i>(in thousand Baht)</i>	
Due from intercompany	24	41,835	37,028
Accrued expenses		37,823	48,123
Collateral per Credit Support Annex		-	888,764
Provision for discontinued business		127,670	-
Income tax payable		11,497	27,636
Expected credit loss for financial guarantee and other commitment	13	-	12,370
Interest payable		7	8,453
Others		73,175	44,508
<b>Total</b>		<b><u>292,007</u></b>	<b><u>1,066,882</u></b>

**18 Advance received from electronic payment**

In accordance with the BoT notification number Sor Nor Chor 7/2561 dated 16 April 2018, Re: Regulations on Service Business relating to Electronic Money (e-Money) and Sor Nor Chor 2/2562 dated 20 December 2019, Re: Regulations on Service Business relating to Electronic Fund Transfer (EFT) require the Bank to disclose advance received from e-Money and EFT. As at 30 September 2022, the Bank did not hold any amount of money in this regard (30 September 2021: nil).

**19 Offsetting of financial assets and financial liabilities**

30 September 2022								
				Amount of unoffsetting in statement of financial position				
				Offsetting				
		Amount to be offset in statement of financial position	Net amount presented in statement of financial position	amount which is not met the accounting standard's conditions	Relevant financial collateral amount	Net amount	Item in statement of financial position	Note
<i>(in thousand Baht)</i>								
<b>Financial assets</b>								
Derivative assets	79,710	-	79,710	-	-	79,710	Derivative assets	10
<b>Total</b>	<b><u>79,710</u></b>	<b><u>-</u></b>	<b><u>79,710</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>79,710</u></b>		
<b>Financial liabilities</b>								
Derivative liabilities	29,058	-	29,058	-	-	29,058	Derivative liabilities	10
<b>Total</b>	<b><u>29,058</u></b>	<b><u>-</u></b>	<b><u>29,058</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,058</u></b>		

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

		30 September 2021						
		Amount of unoffsetting in statement of financial position						
		Offsetting amount which is not met the accounting standard's conditions						
		Amount to be offset in statement of financial position	Net amount presented in statement of financial position	amount which is not met the accounting standard's conditions	Relevant financial collateral amount	Net amount	Item in statement of financial position	Note
		Gross carrying amount	(in thousand Baht)					
<b>Financial assets</b>								
Derivative assets	4,767,958	-	4,767,958	-	(888,764)	3,879,194	Derivative assets	10
<b>Total</b>	<b>4,767,958</b>	<b>-</b>	<b>4,767,958</b>	<b>-</b>	<b>(888,764)</b>	<b>3,879,194</b>		
<b>Financial liabilities</b>								
Derivative liabilities	4,156,179	-	4,156,179	-	(283,590)	3,872,589	Derivative liabilities	10
<b>Total</b>	<b>4,156,179</b>	<b>-</b>	<b>4,156,179</b>	<b>-</b>	<b>(283,590)</b>	<b>3,872,589</b>		

## 20 Share capital

On 16 September 2022, the Extraordinary General Meeting of Shareholders No. 2/2022 resolved to approve the reduction of the Bank's registered capital from Baht 20,000 million to Baht 5,000 million by reducing 1,500 million shares held by ANZ Funds Pty. Ltd. at the par value of Baht 10 per share. The Bank is currently in the process of the capital reduction.

## 21 Reserves

### Legal reserve

Pursuant to Section 116 of the Public Companies Act B.E. 2535, the Bank is required to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### Other components of equity

The fair value reserve comprises:

- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of allowance for expected credit loss.

### Remeasurements of defined benefit plans

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI and presented as a part of other reserves.

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**22 Assets pledged as collateral**

Assets pledged as collateral as at 30 September 2022 and 2021 consist of:

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
Government bonds		
- Pledged for liquidity management with the BoT	-	393,786
<b>Total</b>	<b>-</b>	<b>393,786</b>

**23 Contingent liabilities**

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
Guarantees of loans	12,517	751,947
Letters of credit	-	50,472
Other contingencies	6,232	1,197,921
<b>Total</b>	<b>18,749</b>	<b>2,000,340</b>

**24 Related parties**

Relationships with key management and other related parties are as follows:

Name of entity/Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thai and other nationality	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly including any director (whether executive or otherwise).
Australia and New Zealand Banking Group Limited	Australia	Ultimate parent company of the Bank
ANZ Funds Pty. Ltd.	Australia	Parent company of the Bank
Australia and New Zealand Banking Group Limited Singapore	Singapore	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited United Kingdom	United Kingdom	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Japan	Japan	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited New Zealand	New Zealand	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Frankfurt	Germany	Affiliates of ANZ Group
ANZ Global Services and Operations (Manila), Inc.	Philippines	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited, Manila, Philippines	Philippines	Affiliates of ANZ Group
ANZ Support Services India Private Limited	India	Affiliates of ANZ Group

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

<b>Name of entity/Personnel</b>	<b>Country of incorporation/nationality</b>	<b>Nature of relationship</b>
Australia New Zealand Banking Group Limited New York	United States	Affiliates of ANZ Group
PT Bank ANZ Indonesia	Indonesia	Affiliates of ANZ Group

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Interest rate	Based on market rate
Services	Contractually agreed price
Derivatives	Based on market price

Significant transactions with key management and other related parties are as follows:

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Interest income	3,194	501
Other operating income	12,816	8,766
Interest expense	20,546	8,673
Loss from sale of loan	34,012	-
Technology service expenses charged by ANZ Banking Group	46,789	40,449
<b><i>Key management personnel</i></b>		
Short-term employee benefits	92,516	97,943
Post-employment benefit	41,461	7,190
<b>Total key management personnel compensation</b>	<b>133,977</b>	<b>105,133</b>

Significant balances and business transactions with other related parties

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Interbank and money market items (assets)</i></b>		
Australia and New Zealand Banking Group Limited	30,979	120,204
Australia and New Zealand Banking Group Limited New Zealand	-	930
Australia and New Zealand Banking Group Limited Singapore	6,084,537	-
	<b>6,115,516</b>	<b>121,134</b>
<b><i>Derivative assets</i></b>		
Australia and New Zealand Banking Group Limited	70,450	1,537,123
Australia and New Zealand Banking Group Limited Japan	-	582
	<b>70,450</b>	<b>1,537,705</b>
<b><i>Other assets</i></b>		
Australia and New Zealand Banking Group Limited	<b>12,860</b>	<b>9,196</b>
<b><i>Interbank and money market items (liabilities)</i></b>		
Australia and New Zealand Banking Group Limited Singapore	-	<b>8,090,469</b>
<b><i>Derivative liabilities</i></b>		
Australia and New Zealand Banking Group Limited	25,920	1,988,023
Australia and New Zealand Banking Group Limited Japan	-	23
	<b>25,920</b>	<b>1,988,046</b>



**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
<b><i>Other liabilities</i></b>		
Australia and New Zealand Banking Group Limited	41,807	36,836
Australia and New Zealand Banking Group Limited Singapore	-	22
ANZ Support Services India Private Limited	-	122
ANZ Global Services and Operations (Manila), Inc.	28	48
	<u>41,835</u>	<u>37,028</u>
<b><i>Other guarantees</i></b>		
Australia and New Zealand Banking Group Limited	2,300	9,246
Australia and New Zealand Banking Group Limited United Kingdom	-	203,001
Australia and New Zealand Banking Group Limited Singapore	13,149	15,018
Australia and New Zealand Banking Group Limited Frankfurt	-	283,425
Australia and New Zealand Banking Group Limited New Zealand	-	16,961
	<u>15,449</u>	<u>527,651</u>
<i>For the year ended 30 September</i>	2022	2021
	<i>Notional amount</i>	
	<i>(in thousand Baht)</i>	
<b><i>Derivatives - Foreign currency related</i></b>		
Australia and New Zealand Banking Group Limited	1,831,473	23,585,929
Australia and New Zealand Banking Group Limited Japan	-	19,209
	<u>1,831,473</u>	<u>23,605,138</u>
<b><i>Derivatives - Interest rate related</i></b>		
Australia and New Zealand Banking Group Limited	-	<u>160,397,476</u>

***Significant agreements with related parties***

***Outsourcing Services***

As a wholly owned subsidiary of ANZBGL, the Bank, upon its commencement date of the banking business, has entered into the outsourcing participation agreement, agreeing to terms and conditions of the Global Master Service Agreement and the Global Head Terms, in obtaining certain non-strategic services including technology from ANZBGL as well as its 2 hubs, namely ANZ Global Services and Operations (Manila) Inc., and ANZ Support Services India Private Limited. Fees payable are based upon the terms of each participation agreement which include actual costs incurred plus a margin, in accordance with the terms in the agreements. During the year, the Bank has incurred an expense amounting to AUD 1.3 Million (30 September 2021: AUD 0.48 million).

**25 Interest income**

<i>For the year ended 30 September</i>	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
Interbank and money market items	24	63,907	54,069
Investments in debt securities		46,540	83,507
Loans to customers		415,222	426,668
<b>Total</b>		<u>525,669</u>	<u>564,244</u>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**26 Interest expenses**

<i>For the year ended 30 September</i>	<i>Note</i>	2022	2021
		<i>(in thousand Baht)</i>	
Deposits		37,690	46,267
Interbank and money market items	24	31,489	9,722
Contribution to Deposit Protection Agency		13,993	14,201
Lease liabilities		170	249
<b>Total</b>		<b><u>83,342</u></b>	<b><u>70,439</u></b>

**27 Net fees and service income**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Fees and service income		
- Acceptance, avals and guarantees	5,263	3,135
- Others	7,900	11,965
	<u>13,163</u>	<u>15,100</u>
Fees and service expenses	<u>(14,971)</u>	<u>(10,618)</u>
<b>Net</b>	<b><u>(1,808)</u></b>	<b><u>4,482</u></b>

**28 Net gain on financial instruments measured at fair value through profit or loss**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Foreign currencies and foreign currency related derivatives	(555,523)	90,925
Interest rate related derivatives	640,502	18,559
Debt securities	(18,217)	(12,433)
<b>Net</b>	<b><u>66,762</u></b>	<b><u>97,051</u></b>

**29 Net gain (loss) on investments**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Gain (loss) on sales		
- Investments measured at fair value through other comprehensive income	(35,967)	1,291
<b>Total</b>	<b><u>(35,967)</u></b>	<b><u>1,291</u></b>

**30 Employees expenses**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Salary and bonus	185,125	207,937
Employee defined benefit plans	5,264	7,168
Others	96,709	59,105
<b>Total</b>	<b><u>287,098</u></b>	<b><u>274,210</u></b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

**31 Premises and equipment expenses**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Rental and service expenses	10,062	9,123
Depreciation	8,800	9,336
Data communication cost	6,422	5,765
Telephone expense	2,298	2,505
Information service fee	3,160	3,789
Impairment	9,437	-
Others	14,020	10,798
<b>Total</b>	<b><u>54,199</u></b>	<b><u>41,316</u></b>

**32 Other expenses**

<i>For the year ended 30 September</i>	Note	2022	2021
		<i>(in thousand Baht)</i>	
Consultant and professional fee		6,741	9,543
Information service subscription		5,341	5,907
License fee		31	35
Head Office allocation charges	24	35,716	37,134
Loss from sale fixed assets		41	-
Others		17,381	8,666
<b>Total</b>		<b><u>65,251</u></b>	<b><u>61,285</u></b>

**33 Reversal of expected credit loss**

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Interbank and money market items	(7,850)	5,766
Investment in debt instruments measured at fair value to other comprehensive income	(6,664)	(3,675)
Loans to customers and accrued interest receivables	(154,289)	(33,367)
Credit facilities and financial guarantees	(12,370)	(6,193)
<b>Total</b>	<b><u>(181,173)</u></b>	<b><u>(37,469)</u></b>

**34 Income tax**

*Income tax recognised in profit or loss*

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
<b>Current tax expense</b>		
Current year	11,498	50,605
Prior year	15	(290)
	<b><u>11,513</u></b>	<b><u>50,315</u></b>
<b>Deferred tax expense</b>		
Movements in temporary differences	36,394	(1,538)
Prior year	(15)	383
	<b><u>36,379</u></b>	<b><u>(1,155)</u></b>
<b>Total</b>	<b><u>47,892</u></b>	<b><u>49,160</u></b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

*Income tax recognised in other comprehensive income*

*For the year ended  
30 September*

	Before tax	2022 Tax benefit	Net of Tax (in thousand Baht)	Before tax	2021 Tax (expense)	Net of Tax
Investment in debt instruments at fair value through other comprehensive income	(26,548)	5,218	(21,330)	(30,585)	6,117	(24,468)
Defined benefit plans	-	(646)	(646)	-	-	-
<b>Total</b>	<b><u>(26,548)</u></b>	<b><u>4,572</u></b>	<b><u>(21,976)</u></b>	<b><u>(30,585)</u></b>	<b><u>6,117</u></b>	<b><u>(24,468)</u></b>

*Reconciliation of effective tax rate*

*For the year ended 30 September*

	2022		2021	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>2,586</u>		<u>244,807</u>
Income tax using the Thai corporation tax rate	20.0	517	20.0	48,961
Expenses not deductible for tax purposes		6		106
Unrecognised deferred tax assets		10,975		-
Reversal of movements in temporary differences		36,394		-
Adjustment for prior years		-		93
<b>Total</b>	<b><u>1,852.0</u></b>	<b><u>47,892</u></b>	<b><u>20.1</u></b>	<b><u>49,160</u></b>

As at 30 September 2022 the Bank did not record deferred tax assets because it is not highly probable that future taxable profit will be available against which the Bank can use the benefits therefrom.

**Deferred tax**

Deferred tax assets and liabilities as of 30 September 2022 and 2021 are as follows:

	30 September 2022	30 September 2021
	<i>(in thousand Baht)</i>	
Deferred tax assets	-	36,715
Deferred tax liabilities	-	(4,908)
<b>Total</b>	<b><u>-</u></b>	<b><u>31,807</u></b>

**ANZ Bank (Thai) Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 30 September 2022**

Movements in total deferred tax assets and liabilities during the year ended 30 September 2022 and 2021 are as follows:

	At 1 October 2021	(Charged) / Credited to:		At 30 September 2022
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Intangible assets	4,704	(4,704)	-	-
Provisions for employee benefits	14,207	(13,561)	(646)	-
Other assets	2,997	(2,997)	-	-
Other liabilities	14,807	(14,807)	-	-
<b>Total</b>	<b>36,715</b>	<b>(36,069)</b>	<b>(646)</b>	<b>-</b>
<i>Deferred tax liabilities</i>				
Investments	4,908	310	(5,218)	-
<b>Total</b>	<b>4,908</b>	<b>310</b>	<b>(5,218)</b>	<b>-</b>
<b>Net</b>	<b>31,807</b>	<b>(36,379)</b>	<b>4,572</b>	<b>-</b>
	At 1 October 2020	(Charged) / Credited to:		At 30 September 2021
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Intangible assets	5,943	(1,239)	-	4,704
Provisions for employee benefits	13,823	384	-	14,207
Other assets	3,478	(481)	-	2,997
Other liabilities	12,869	1,938	-	14,807
<b>Total</b>	<b>36,113</b>	<b>602</b>	<b>-</b>	<b>36,715</b>
<i>Deferred tax liabilities</i>				
Investments	11,578	(553)	(6,117)	4,908
<b>Total</b>	<b>11,578</b>	<b>(553)</b>	<b>(6,117)</b>	<b>4,908</b>
<b>Net</b>	<b>24,535</b>	<b>1,155</b>	<b>6,117</b>	<b>31,807</b>

# ANZ Bank (Thai) Public Company Limited

## Notes to the financial statements

For the year ended 30 September 2022

### 35 Basic earnings (loss) per share

The calculations of basic earnings per share for the year ended 30 September 2022 and 2021 were based on the profit for the year attributable to equity holders of the Bank and the number of ordinary shares outstanding during the year as follows:

<i>For the year ended 30 September</i>	2022	2021
	<i>(in thousand Baht / thousand shares)</i>	
<b>Profit (loss) for the year attributable to shareholders of the Bank (basic)</b>	<b><u>(45,306)</u></b>	<b><u>195,647</u></b>
<b>The number of ordinary shares outstanding</b>	<b><u>2,000,000</u></b>	<b><u>2,000,000</u></b>
<b>Basic earnings (loss) per share <i>(in Baht)</i></b>	<b><u>(0.02)</u></b>	<b><u>0.10</u></b>

### 36 Dividend

On 26 August 2022, the Board of Directors meeting of the Bank approved to pay an interim dividend from unappropriated retained earnings at the rate of Baht 0.18 per share, totalling Baht 362.09 million. The dividend was made on 19 September 2022.



(Warin Paaopanchon)  
Chief Financial Officer



(Sarah Marie Berry)  
President and Chief Executive Officer