

ANZ Bank (Thai) Public Company Limited

Financial statements for the year ended
30 September 2016
and
Independent Auditor's Report



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Independent Auditor's Report

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

I have audited the accompanying financial statements of ANZ Bank (Thai) Public Company Limited (the "Bank"), which comprise the statement of financial position as at 30 September 2016, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 30 September 2016, and the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect from the change in accounting policy of the Bank from 1 October 2015. The corresponding figures presented are based on the audited financial statements as at and for the period ended 30 September 2015 after making the adjustments described in note 3 (c).

A handwritten signature in black ink, appearing to read 'P. Gulsantihamrong'.

(Pantip Gulsantihamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
16 January 2017



ANZ Bank (Thai) Public Company Limited
Statement of financial position

Assets	Note	30 September	
		2016	2015 (Restated)
		<i>(in thousand Baht)</i>	
Cash		689	7
Interbank and money market items, net	8, 23	7,896,866	6,546,290
Derivative assets	9, 23	233,148	2,593
Investments, net	10	9,398,903	9,615,143
Loans to customers and accrued interest receivables, net	11		
Loans to customers		7,693,065	3,648,000
Accrued interest receivables		38,277	4,020
Total loans to customers and accrued interest receivables		7,731,342	3,652,020
<i>Less</i> allowance for doubtful accounts	12	(76,930)	(36,480)
Total loans to customers and accrued interest receivables, net		7,654,412	3,615,540
Leasehold building improvements and equipment, net	13	77,250	82,557
Deferred tax assets	14	100,385	79,497
Receivables from investments		74,423	-
Other assets	15, 23	24,730	22,144
Total assets		25,460,806	19,963,771

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

ANZ Bank (Thai) Public Company Limited
Statement of financial position

Liabilities and equity	<i>Note</i>	30 September	
		2016	2015 (Restated)
<i>(in thousand Baht)</i>			
Liabilities			
Deposits	16	1,226,013	328
Interbank and money market items	17, 23	4,163,988	-
Liabilities payable on demand		14,920	4,863
Derivative liabilities	9, 23	215,545	129,590
Payables from investments		16,529	-
Employee benefit obligations		14,555	-
Other liabilities	18, 23	227,025	147,123
Total liabilities		5,878,575	281,904
Equity			
Share capital	19		
Authorised share capital		20,000,000	20,000,000
Issued and paid-up share capital		20,000,000	20,000,000
Other reserves		6,554	(3,442)
Deficit		(424,323)	(314,691)
Total equity		19,582,231	19,681,867
Total liabilities and equity		25,460,806	19,963,771



(Warin Paaopanchon)
Chief Financial Officer



(Panadda Manoleehakul)
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 / period ended	
		30 September	
	<i>Note</i>	2016	2015
			(Restated)
		<i>(in thousand Baht)</i>	
Interest income	23	379,259	91,357
Interest expense	23	14,310	672
Net interest income	25	364,949	90,685
Fees and service income		13,725	82
Fees and service expenses		6,483	574
Net fees and service income (expenses)	26	7,242	(492)
Net trading income	27	(20,491)	2,176
Net gain on investments	28	12,618	-
Total operating income		364,318	92,369
Other operating expenses			
Employee expenses	23, 29	320,802	94,407
Directors' remuneration		5,070	3,067
Premises and equipment expenses	30	63,119	22,488
Taxes and duties		5,604	739
Intangible assets expenses	3 (c), 23	28,282	199,717
Others	31	33,002	63,807
Total operating expenses		455,879	384,225
Impairment provision on loans	32	41,458	101,472
Loss from operations before income tax expense		(133,019)	(393,328)
Income tax expense (income)	33	(23,387)	(78,637)
Net loss for the year / period		(109,632)	(314,691)
Other comprehensive income (loss)			
Gains (losses) on remeasuring available-for-sale investments		12,495	(4,302)
Income tax on other comprehensive income (loss)	33	(2,499)	860
Total other comprehensive income (loss), net of income tax		9,996	(3,442)
Total comprehensive income (loss) for the year / period		(99,636)	(318,133)
Loss per share			
Basic loss per share <i>(in Baht)</i>	34	(0.05)	(0.41)



(Warin Paaopanchon)
Chief Financial Officer



(Panadda Manoleehakul)
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 (Restated)

	<i>Note</i>	Issued and paid-up share capital	Other reserves <i>(in thousand Baht)</i>	Deficit	Total equity
For the period from 27 November 2014 to 30 September 2015					
Issue of shares on incorporation 27 November 2014	<i>19</i>	500,000	-	-	500,000
Transactions with owners, recorded directly in equity					
<i>Contribution by owners</i>					
Issue of ordinary shares	<i>19</i>	19,500,000	-	-	19,500,000
Total contribution by owners		20,000,000	-	-	20,000,000
Comprehensive income (loss) for the period					
Loss for the period		-	-	(314,691)	(314,691)
Other comprehensive income (loss)					
Available-for-sale investments			(3,442)	-	(3,442)
Net change in fair value recognised in equity, net of tax			(3,442)	-	(3,442)
Total other comprehensive income (loss)			(3,442)	-	(3,442)
Total comprehensive income (loss) for the period			(3,442)	(314,691)	(318,133)
Balance as at 30 September 2015		20,000,000	(3,442)	(314,691)	19,681,867

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 <i>(in thousand Baht)</i>	Deficit	Total equity
For the year ended 30 September 2016				
Balance at 1 October 2015	20,000,000	(3,442)	(314,691)	19,681,867
Comprehensive income (loss) for the year	-	-	(109,632)	(109,632)
Loss for the year				
Other comprehensive income (loss)				
Available-for-sale investments				
Net change in fair value recognised in equity, net of tax	-	9,996	-	9,996
Total other comprehensive income (loss)	-	9,996	-	9,996
Total comprehensive income (loss) for the year	-	9,996	(109,632)	(99,636)
Balance as at 30 September 2016	20,000,000	6,554	(424,323)	19,582,231

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

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

	For the year / period ended	
	30 September	
	2016	2015
		(Restated)
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Loss from operations before income tax expense	(133,019)	(393,328)
<i>Adjustments for</i>		
Depreciation and amortisation	19,785	4,107
Impairment provision on loans	41,458	101,472
Loss on sales of leasehold building improvements and equipment	1,110	-
Net trading income	20,491	-
Net gain on investments	(12,618)	-
Provision made	14,555	-
	<u>(48,238)</u>	<u>(287,749)</u>
Net interest income	(364,949)	(90,685)
Proceeds from interest	373,663	74,988
Interest paid	(9,072)	(672)
Income tax paid	<u>(821)</u>	<u>(739)</u>
Loss from operations before changes in operating assets and liabilities	(49,417)	(304,857)
<i>(Increase) decrease in operating assets</i>		
Interbank and money market items	(1,352,734)	(6,609,700)
Derivative assets	(240,015)	(2,593)
Investment in securities for trading	(308,444)	-
Loans to customers	(4,045,065)	(3,648,000)
Receivables from investments	(74,423)	-
Other assets	(1,521)	(7,528)
<i>Increase (decrease) in operating liabilities</i>		
Deposits	1,225,685	328
Interbank and money market items	4,163,988	-
Liabilities payable on demand	10,057	4,863
Derivative liabilities	85,955	129,590
Payables from investments	16,529	-
Other liabilities	74,664	147,123
Net cash used in operating activities	<u>(494,741)</u>	<u>(10,290,774)</u>
<i>Cash flows from investing activities</i>		
Purchases of available-for-sale investments	(13,464,284)	(12,922,555)
Proceeds from sales of available-for-sale investments	13,975,300	3,300,000
Purchases of leasehold building improvements and equipment	(18,156)	(86,664)
Proceeds from sales of leasehold building improvements and equipment	2,570	-
Purchases of intangible assets	(7)	-
Net cash from (used in) investing activities	<u>495,423</u>	<u>(9,709,219)</u>
<i>Cash flows from financing activities</i>		
Proceeds from issuance of ordinary shares	-	20,000,000
Net cash from financing activities	<u>-</u>	<u>20,000,000</u>
Net increase in cash	682	7
Cash as at 1 October 2015 and 27 November 2014	<u>7</u>	<u>-</u>
Cash as at 30 September	<u>689</u>	<u>7</u>
Supplementary disclosures of cash flow information		
Significant non-cash items		
Gains (losses) on remeasuring available-for-sale investments	12,495	(4,302)

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

ANZ Bank (Thai) Public Company Limited

Notes to the financial statements

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ANZ Bank (Thai) Public Company Limited

Notes to the financial statements

These notes form an integral part of the 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 16 January 2017.

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, 8th Floor, Unit 801-807, 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, whilst the Bank through its notification requirement under the banking license, has commenced its legal day-1 on Monday 29 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.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and presented as prescribed by the Bank of Thailand (BoT) Notification number Sor Nor Sor 21/2558, directive dated 4 December 2015, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in change in certain of the Bank’s accounting policies. The effects of this change, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new TFRS, The FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Bank’s operations are disclosed in note 35.

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Notes to the financial statements

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Trading securities	Fair value
Available-for-sale securities	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 4 (j)

(c) *Functional and presentation currency*

The financial statements are 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.

(d) *Use of judgments and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements is included in the following notes:

Note 9	Derivatives
Note 12	Allowance for doubtful accounts

Measurement of fair values

A number of the Bank's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Details of the methods and assumptions over the measurement of fair values are provided in notes 6.

3 Change in accounting policy

(a) *Overview*

From 1 October 2015, consequent to the adoption of new TFRS as set out in note 2, the Bank has adopted the following new TFRS that has a material impact on the financial statements:

- TFRS 13 *Fair Value Measurement*

In addition, the Bank has changed its accounting policy relating to the capitalisation of internally generated software assets.

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Notes to the financial statements

A description of the nature and effect of adoption of this new TFRS and the change in accounting policy is included in note 3(b) and (c) below.

(b) *Fair value measurement*

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly; the Bank has included additional disclosures in this regard (See notes 6).

In accordance with the transitional provisions of TFRS 13, the Bank has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

(c) *Capitalisation of internally generated software assets*

From 1 October 2015, according to the Group Accounting Policy for internally generated software, the Bank made a number of changes to the application of its accounting policy relating to the capitalisation of internally generated software assets by changing the threshold for capitalisation of software development spend from Baht 132 million to Baht 660 million. The effects of the change are recognised retrospectively in the financial statements. The impact of the change is as follows:

	Effect of change in accounting policy		
	As previously reported	Adjustment Increase (decrease) <i>(in thousand Baht)</i>	As restated
<i>Statement of financial position</i>			
<i>At 30 September 2015</i>			
Intangible assets, net	183,509	(183,509)	-
Deferred tax	42,796	36,701	79,497
Deficit	(167,883)	(146,808)	(314,691)
<i>Statement of profit or loss and other comprehensive income</i>			
<i>For the period ended 30 September 2015</i>			
Intangible assets expenses	-	199,717	199,717
Other expenses	80,015	(16,208)	63,807
Tax income	41,936	36,701	78,637
Loss for the period	(167,883)	(146,808)	(314,691)

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policy.

(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.

ANZ Bank (Thai) Public Company Limited

Notes to the financial statements

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) Investments

Investments in debt securities

Debt securities held for trading are classified as trading securities and stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

The fair value of investments in debt securities traded in Thai established market are calculated based on the Thai Bond Market Association yield curve at the reporting date, or at the latest trading date prior to the reporting date if there is no trading on that date.

Initial recognition

Purchases and sales of investment are initially recognised on trade date which is the date that the Bank commits to purchase or sell the investments.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Bank disposes part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(d) Loans to customers

Loans to customers are stated at the outstanding principal amount, except for Bank overdrafts which include accrued interest receivable. Bill purchased at a discount is stated at the face value of the bills, net of deferred revenue.

(e) Allowance for doubtful accounts

The allowance for doubtful accounts is based on management's review and assessment of the status of individual debtors and the Bank's classification of loans as prescribed by the BoT's regulations. Such assessment takes into consideration various factors including the risk involved, value of the collateral and the current status of individual debtors.

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Notes to the financial statements

The BoT has guidelines for establishing a minimum level of allowance for doubtful accounts, which is primarily determined by applying specified percentages to the different classifications of financing in conjunction with the consideration of collateral valuation. Financing classification is based principally on the period that a financing is past due. The Bank has set up the minimum allowance for doubtful accounts according to the BoT regulations.

Based on the BoT's regulations, the Bank has classified its loan portfolios into six categories, primarily based on the non-accrual period. For loans classified as pass and special-mention, the calculation of allowances for doubtful accounts is based on the regulatory minimum percentage requirement, taking into consideration the collateral value, where the collateral type and date of the latest appraisal are qualifying factors. For loans classified as sub-standard, doubtful and doubtful of loss, the allowance on these accounts will be set at 100 percent of the difference between the outstanding book value of the debt and the present value of future cash flows expected to be received, or the expected proceeds from the disposal of collateral, in accordance with the BoT's regulations.

The allowance for doubtful accounts established during the year is charged as an expense in profit or loss.

Bad debts written-off are recorded as charges to the allowance for doubtful accounts. All bad debts recovered are recognised as revenue in profit or loss from operations.

(f) Leasehold building improvements and equipment

Recognition and measurement

Owned assets

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

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.

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 net within other income 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, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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Notes to the financial statements

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	10 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.

(g) *Intangible assets*

Software licenses

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

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.

(h) *Impairment*

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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

ANZ Bank (Thai) Public Company Limited

Notes to the financial statements

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

Impairment losses recognised in prior periods 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.

(i) Financial instruments

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.

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.

At this stage, the Bank enters into derivative transactions for trading purpose only.

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Notes to the financial statements

(j) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss during the period 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 periods, discounting that amount.

The calculation of defined benefit obligations is performed 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 period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized 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 benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(k) *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.

(l) *Recognition of income*

Interest income on loans to customers is recognised on an accrual basis, except for interest on loans to customers classified as overdue in excess of three months where, regardless of whether the loans to customers are covered by collateral, the interest is recognised on a cash basis in accordance with the BoT's regulations. The accrued interest income from loans to customers is reversed against interest

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income when interest income on loans overdue for more than three months or being downgraded to classified assets.

Interest income on interbank and money market items and investments is recognised on an accrual basis. Discounts received on purchase of debt securities are recognised on effective interest method over the period to maturity.

Fees and service income is recognised on an accrual basis.

(m) Recognition of expenses

Interest expense is recognised on an accrual basis.

(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 year.

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 and jointly-controlled entities 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 expect, 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.

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 judgment 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.

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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. 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) *Loss per share*

The Bank presents basic loss per share for its ordinary shares which is calculated by dividing the loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares issued during the year.

(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) *Trade date - Settlement date policy*

The Bank recognises investments in debt securities, interbank and money market items and derivatives on trade date.

5 Financial risk management

Risk management policies

Financial instruments are fundamental to the Bank's business, constituting the core element of its operations. Accordingly, the risks associated with financial instruments are a significant component of the risks for monitoring and managing. The Board of Directors is responsible for Bank strategies and policies relating to risk management that are adopted from ANZ Banking Group Limited and compliance with regulatory requirement.

The important risks for the Bank are operational risk, credit risk, market risk and liquidity risk that are further described below:

5.1 Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and 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 Board of Directors has approved the ANZ Operational Risk Measurement and Management Policy. This policy is an addendum to the ANZ Global Operational Risk Measurement and Management Policy under ANZ Operational Risk Framework and outlines specific Bank of Thailand policy requirements not specifically addressed in the ANZ Operational Risk Framework. The Risk Management Committee assists the Board in the effective discharge of its responsibilities for operational risk management and for the management of the relative compliance obligations. The committee also assists the Board by providing an objective oversight of the implementation by management the Bank risk 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.

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5.2 Credit risk

Credit risk is the risk of financial loss from counterparties being unable to fulfil their contractual loan or other credit obligations. The credit risks arise not only from traditional lending to customers, but also from inter-bank, treasury, and international trade.

The Bank has a comprehensive framework to manage Credit Risk. The framework is top down, being defined by credit principles and policies. Credit policies, requirements and procedures cover all aspects of the credit life cycle such as transaction structuring, risk grading, initial approval, ongoing management and problem debt management. The effectiveness of the credit risk management framework is assessed through various compliance and monitoring processes. These, together with portfolio selection, define and guide the credit process, organisation and staff.

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 Risk Management Committee [RMC].

5.3 Market risk

Market risk is the risk to the Bank's earnings arising from changes in market rates, prices and volatilities lead to a decline in the value of assets and liabilities, including financial derivatives. Market risk is generated through both trading and banking book activities.

The Bank conducts trading operations in interest rates, foreign exchange, and government securities.

The Bank has a detailed risk management and control framework to support its trading and banking book activities. The framework incorporates a risk measurement approach to quantify the magnitude of market risk within trading and banking book portfolios. This approach and related analysis identifies the range of possible outcomes that can be expected over a given period of time, establishes the relative likelihood of those outcomes and allocates an appropriate amount of capital to support these activities.

Responsibility for the strategies and policies and comprehensive limit relating to the management of market risk lies with the Board of Directors. Responsibility for day to day management of both market risk and compliance with market risk policy is delegated by the Board of Directors to the RMC and the Assets & Liabilities Management Committee.

Market risk management is supported by a comprehensive limit and policy framework to control the amount of risk that the Bank will accept. Market risk limits are allocated to trading book and banking book and are reported and monitored by Market Risk on a daily basis. The detailed limit framework allocates individual limits to manage and control asset classes (e.g. interest rates, currency), risk factors and profit and loss limits (to monitor and manage the performance of the trading portfolio).

(a) *Interest rate risk*

Interest rate risk is the potential loss arising from the change in the value of a financial instrument due to changes in market interest rates or their implied volatilities.

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Significant financial assets and liabilities classified by types of interest rate as at 30 September 2016 and 2015 are as follows:

	2016			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in thousand Baht)</i>			
<i>Financial assets</i>				
Cash	-	-	689	689
Interbank and money market items*	9,339	6,600,000	1,353,527	7,962,866
Investments, net	-	9,398,903	-	9,398,903
Loans to customers and accrued interest receivable**	2,781,327	4,911,738	38,277	7,731,342
Receivables from investments	-	-	74,423	74,423
Total financial assets	<u>2,790,666</u>	<u>20,910,641</u>	<u>1,466,916</u>	<u>25,168,223</u>
<i>Financial liabilities</i>				
Deposits	-	875,856	350,157	1,226,013
Interbank and money market items	-	4,163,988	-	4,163,988
Payables from investments	-	-	16,529	16,529
Total financial liabilities	<u>-</u>	<u>5,039,844</u>	<u>366,686</u>	<u>5,406,530</u>

* Before deducting allowance for doubtful accounts amounting to Baht 66 million

** Before deducting allowance for doubtful accounts amounting to Baht 77 million

	2015			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing	
	<i>(in thousand Baht)</i>			
<i>Financial assets</i>				
Cash	-	-	7	7
Interbank and money market items*	515	6,499,248	111,519	6,611,282
Investments, net	-	9,615,143	-	9,615,143
Loans to customers and accrued interest receivable**	-	3,648,000	4,020	3,652,020
Total financial assets	<u>515</u>	<u>19,762,391</u>	<u>115,546</u>	<u>19,878,452</u>
<i>Financial liabilities</i>				
Deposits	-	-	328	328
Total financial liabilities	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>

* Before deducting allowance for doubtful accounts amounting to Baht 65 million

** Before deducting allowance for doubtful accounts amounting to Baht 36 million



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The Bank's average interest bearing financial assets and financial liabilities, together with the average interest rates as at 30 September 2016 and 2015 are as follows:

	2016		
	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)
Financial assets			
Interbank and money market items	2,550,002	62,822	2.46
Investments	8,580,113	123,566	1.44
Loans to customers	6,700,119	145,972	2.18
Total	17,830,234	332,360	1.86
Financial liabilities			
Deposits	551,467	3,524	0.64
Interbank and money market items	1,112,961	10,666	0.96
Total	1,664,428	14,190	0.85
2015			
	Average balance (in thousand Baht)	Interest	Average interest rate (% per annum)
Financial assets			
Interbank and money market items	11,538,742	36,642	1.03
Investments	7,940,659	29,593	1.49
Loans to customers	2,115,231	9,913	1.88
Total	21,594,632	76,148	1.41
Financial liabilities			
Interbank and money market items	169,353	672	1.59
Total	169,353	672	1.59

Significant financial assets and financial liabilities classified by earlier of maturity or interest repricing as at 30 September 2016 and 2015 are as follows:

	2016						Total
	At call	3 months	Reprice within 3 - 12 months	1-5 years	Maturity over 5 years	Non-interest bearing	
<i>(in thousand Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	689	689
Interbank and money market items*	9,339	6,600,000	-	-	-	1,353,527	7,962,866
Investments, net	-	-	7,006,985	2,150,118	241,800	-	9,398,903
Loans to customers and accrued interest receivable**	-	5,018,065	2,215,000	460,000	-	38,277	7,731,342
Receivables from investments	-	-	-	-	-	74,423	74,423
Total financial assets	9,339	11,618,065	9,221,985	2,610,118	241,800	1,466,916	25,168,223

* Before deducting allowance for doubtful accounts amounting to Baht 66 million

** Before deducting allowance for doubtful accounts amounting to Baht 77 million

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	At call	2016				Non interest bearing	Total
		3 months	Reprice within 3 - 12 months	1-5 years	Maturity over 5 years		
<i>(in thousand Baht)</i>							
Financial liabilities							
Deposits	195,070	680,786	-	-	-	350,157	1,226,013
Interbank and money market items	-	4,163,988	-	-	-	-	4,163,988
Payables from investments	-	-	-	-	-	16,529	16,529
Total financial liabilities	195,070	4,844,774	-	-	-	366,686	5,406,530

	At call	2015				Non interest bearing	Total
		3 months	Reprice within 3 - 12 months	1-5 years			
<i>(in thousand Baht)</i>							
Financial assets							
Cash	-	-	-	-	7	-	7
Interbank and money market items*	515	5,408,160	1,091,088	-	111,519	-	6,611,282
Investments, net	-	3,490,144	4,966,181	1,158,818	-	-	9,615,143
Loans to customers and accrued interest receivable**	500,000	1,000,000	1,548,000	600,000	4,020	-	3,652,020
Total financial assets	500,515	9,898,304	7,605,269	1,758,818	115,546	-	19,878,452

Financial liabilities							
Deposits	-	-	-	-	-	328	328
Total financial liabilities	-	-	-	-	-	328	328

* Before deducting allowance for doubtful accounts amounting to Baht 65 million

** Before deducting allowance for doubtful accounts amounting to Baht 36 million

(b) Currency exchange rate risk

Currency risk is the potential loss arising from the decline in the value of a financial instrument due to changes in foreign exchange rates or their implied volatilities.

As at 30 September 2016 and 2015, net open position assets (liabilities) denominated in various currencies, are as follows:

	2016	2015
<i>(in thousand US Dollar)</i>		
Net foreign currency exposure		
US Dollar	840	178,938
AUD (*)	18	(16)
EUR (*)	15	-
JPY (*)	112	-
Others (*)	14	-

(*) Balance is stated in USD equivalent.

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5.4 Liquidity risk

Liquidity Risk is the risk that the Bank is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that the Bank has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is closely monitored.

The Bank's liquidity risk is governed by a set of principles which are approved by the Board of Directors. In response to the impact of the global financial crisis, the framework has been reviewed and updated regularly.

The remaining periods to maturity of significant financial assets and financial liabilities as at 30 September 2016 and 2015 based on contractual maturity are as follows:

	2016						Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
<i>(in thousand Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	689	689
Interbank and money market items*	1,362,434	6,600,432	-	-	-	-	7,962,866
Investments, net	-	-	7,006,985	2,150,118	241,800	-	9,398,903
Loans to customers and accrued interest receivable**	-	5,044,486	2,226,826	460,030	-	-	7,731,342
Receivables from investment	-	-	-	-	-	74,423	74,423
Total financial assets	1,362,434	11,644,918	9,233,811	2,610,148	241,800	75,112	25,168,223
Financial liabilities							
Deposits	545,227	680,786	-	-	-	-	1,226,013
Interbank and money market items	-	4,163,988	-	-	-	-	4,163,988
Payables from investments	-	-	-	-	-	16,529	16,529
Total financial liabilities	545,227	4,844,774	-	-	-	16,529	5,406,530
Net liquidity gap	817,207	6,800,144	9,233,811	2,610,148	241,800	58,583	19,761,693

* Before deducting allowance for doubtful accounts amounting to Baht 66 million

** Before deducting allowance for doubtful accounts amounting to Baht 77 million

	2015						Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	No maturity		
<i>(in thousand Baht)</i>							
Financial assets							
Cash	-	-	-	-	-	7	7
Interbank and money market items*	110,452	5,409,732	1,091,098	-	-	-	6,611,282
Investments, net	-	3,490,144	4,966,181	1,158,818	-	-	9,615,143
Loans to customers and accrued interest receivable**	500,731	1,000,384	1,550,905	600,000	-	-	3,652,020
Total financial assets	611,183	9,900,260	7,608,184	1,758,818	7	7	19,878,452
* Before deducting allowance for doubtful accounts amounting to Baht 65 million							
** Before deducting allowance for doubtful accounts amounting to Baht 36 million							

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	2015					Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	No maturity	
Financial liabilities						
Deposits	328	-	-	-	-	328
Total financial liabilities	328	-	-	-	-	328
Net liquidity gap	610,855	9,900,260	7,608,184	1,758,818	7	19,878,124

Derivatives

The remaining periods to maturity of the notional amount of derivatives as at 30 September 2016 and 2015 are as follows:

	2016			Total
	Less than 1 year	Notional amount Within 1-5 years	More than 5 years	
Foreign currency related				
Forward exchange contracts	22,142,278	-	-	22,142,278
Currency swap contracts	-	4,167,398	-	4,167,398
Interest rate related				
Interest rate swap	11,048,733	22,614,479	5,651,425	39,314,637

	2015			Total
	Less than 1 year	Notional amount Within 1-5 years	More than 5 years	
Foreign currency related				
Forward exchange contracts	9,515,713	-	-	9,515,713

6 Fair value of financial instruments

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 CFO.

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.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Bank uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).

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- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or 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. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the year ended 30 September 2016.

6.1 Financial instruments carried at fair value

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

	Fair value Level 2 <i>(in thousand Baht)</i>
30 September 2016	
Financial assets	
Derivative assets	
- Foreign exchange rate	199,265
- Interest rate	33,883
Trading securities	291,580
Available-for-sale securities	9,107,323
Financial liabilities	
Derivative liabilities	
- Foreign exchange rate	181,761
- Interest rate	33,784

The Bank determines Level 2 fair values for debt securities using quoted market prices for identical or similar instruments in inactive markets or other inputs that are observable market data.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and counterparty when appropriate.

6.2 Financial instruments not carried 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 are as follows:

	Carrying amount	Fair value Level 3
	<i>(in thousand Baht)</i>	
30 September 2016		
Financial assets		
Loans to customers and accrued interest receivable	7,731,342	7,711,212
Financial liabilities		
Deposits	1,226,013	1,220,579



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The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments as disclosed herein.

Interbank and money market items (assets and liabilities) and Deposits:	Fair value calculated based on present value of estimated cash flows, using the current interest rate in the money market.
Derivatives:	Fair value of the derivative assets and liabilities as described in Note 4 (i).
Investments:	Fair value of investments as described in Note 4 (c).
Loans to customers and accrued interest receivable:	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.
Liabilities payable on demand:	The carrying amount of liabilities payable on demand approximates fair value.

7 Maintenance of capital fund

The ratios of capital to assets (Capital Adequacy Ratio) as of 30 September 2016 and 2015 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.

	2016	2015 (Restated)
	<i>(in thousand Baht)</i>	
<i>Tier 1 capital</i>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,000,000	20,000,000
Deficit	(314,690)	-
Other reserves	3,932	(1,377)
Less Capital deduction items on CET1	(210,020)	(394,188)
Total Tier 1 Capital Base	<u>19,479,222</u>	<u>19,604,435</u>
<i>Tier 2 capital</i>		
Provision for normal classified assets	<u>137,915</u>	<u>65,534</u>
Total Tier 2 Capital Base	<u>137,915</u>	<u>65,534</u>
Total Capital Base	<u>19,617,137</u>	<u>19,669,969</u>
Total Risk-Weighted Assets	<u>12,200,413</u>	<u>5,925,957</u>

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	The BoT's regulatory minimum requirement	2016 (%)	2015 (Restated)
Capital Adequacy Ratio	9.125	160.79	331.93
Tier-1 Capital ratio	6.625	159.66	330.82
Tier-1 Common Equity ratio	5.125	159.66	330.82
Tier-2 Capital ratio	-	1.13	1.11

In accordance with the Bank of Thailand Notification No. Sor Nor Sor 4/2556 dated 2 May 2013, Re: "Information Disclosure Regarding Capital Fund Maintenance for Commercial Banks", the Bank intends to disclose Capital Maintenance information as of 30 September 2016 within 4 months after the period end date, as indicated in the notification, through the Bank's website <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 (nil credit ratings).

8 Interbank and money market items, net (assets)

	At call	2016 Term	Total <i>(in thousand Baht)</i>	At call	2015 Term	Total
Domestic:						
Bank of Thailand	28,848	-	28,848	9,474	-	9,474
Commercial banks	9,369	6,600,000	6,609,369	550	-	550
Total	38,217	6,600,000	6,638,217	10,024	-	10,024
Add accrued interest receivable	-	432	432	-	-	-
Less allowance for doubtful accounts	-	(66,000)	(66,000)	-	-	-
Total domestic, net	38,217	6,534,432	6,572,649	10,024	-	10,024
Foreign:						
USD	108,844	-	108,844	6,198	6,499,248	6,505,446
EUR	583,845	-	583,845	-	-	-
JPY	520,935	-	520,935	-	-	-
AUD	109,820	-	109,820	94,230	-	94,230
Others	773	-	773	-	-	-
Total	1,324,217	-	1,324,217	100,428	6,499,248	6,599,676
Add accrued interest receivable	-	-	-	-	1,582	1,582
Less allowance for doubtful accounts	-	-	-	-	(64,992)	(64,992)
Total foreign, net	1,324,217	-	1,324,217	100,428	6,435,838	6,536,266
Total domestic and foreign, net	1,362,434	6,534,432	7,896,866	110,452	6,435,838	6,546,290

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9 Derivatives

Derivatives held for trading

As at 30 September 2016 and 2015, the fair value and notional amount of derivatives classified by type of risks are as follows:

Type of risks	2016		Notional amount (in thousand Baht)	2015		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Foreign currency related	199,265	181,761	26,309,676	2,593	129,590	9,515,713
Interest rate related	33,883	33,784	39,314,637	-	-	-
Total	233,148	215,545	65,624,313	2,593	129,590	9,515,713

As at 30 September 2016 and 2015, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

Counterparties	2016 (%)	2015
Financial institutions	26.20	87.39
Related parties	63.69	12.61
Other parties	10.11	-
Total	100.00	100.00

10 Investments, net

10.1 Classification of investments in securities

As at 30 September 2016 and 2015, the Bank classifies investment types as follows:

	2016	2015
	Fair value (in thousand Baht)	
Trading securities		
Government bonds	291,580	-
Total	291,580	-
Available-for-sale securities		
Government bonds	9,107,323	9,615,143
Total	9,107,323	9,615,143
Total investments, net	9,398,903	9,615,143



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10.2 Unrealised gains (losses) on available-for-sale securities

As at 30 September 2016 and 2015, unrealised gains (losses) on available-for-sale securities and are as follows:

	2016 <i>(in thousand Baht)</i>			Fair value
	Amortised cost	Unrealised gains	Unrealised losses	
<i>Available-for-sale securities</i>				
Government bonds	9,099,130	13,326	(5,133)	9,107,323
Total investments, net	9,099,130	13,326	(5,133)	9,107,323

	2015 <i>(in thousand Baht)</i>			Fair value
	Amortised cost	Unrealised gains	Unrealised losses	
<i>Available-for-sale securities</i>				
Government bonds	9,619,446	140	(4,443)	9,615,143
Total investments, net	9,619,446	140	(4,443)	9,615,143

11 Loans to customers and accrued interest receivable, net

11.1 Classified by type of loans

	2016 <i>(in thousand Baht)</i>	2015
Loans	7,693,065	3,648,000
Total	7,693,065	3,648,000
<i>Add</i> accrued interest receivable	38,277	4,020
Total loans and accrued interest receivable	7,731,342	3,652,020
<i>Less</i> allowance for doubtful accounts - Minimum allowance as BoT's regulations - Individual approach	(76,930)	(36,480)
Total loans to customers and accrued interest receivable, net	7,654,412	3,615,540

11.2 Classified by currency and residence of debtors

As at 30 September 2016 and 2015, the Bank's loans are to Thai resident customer and denominated in Baht and US dollar.

	2016 Domestic <i>(in thousand Baht)</i>	2015 Domestic
Thai Baht	5,308,000	3,648,000
US Dollar	2,385,065	-
Total	7,693,065	3,648,000



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11.3 Classified by industry and loan classification

	2016	2015
	Pass	
	<i>(in thousand Baht)</i>	
Agriculture	292,780	-
Manufacturing and commerce	2,812,289	1,898,000
Infrastructure and services	200,000	500,000
Others	4,387,996	1,250,000
Total	<u>7,693,065</u>	<u>3,648,000</u>

11.4 Classified by loan classification

	2016			
	Loans to customers and accrued interest receivables <i>(in thousand Baht)</i>	Net amount used to set the allowance for doubtful accounts*	Rate used for setting the allowance for doubtful accounts (%)	Allowance for doubtful accounts <i>(in thousand Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	<u>7,731,342</u>	<u>7,693,065</u>	1	<u>76,930</u>
Total	<u>7,731,342</u>	<u>7,693,065</u>		<u>76,930</u>

* The outstanding debt excludes accrued interest receivables.

	2015			
	Loans to customers and accrued interest receivables <i>(in thousand Baht)</i>	Net amount used to set the allowance for doubtful accounts*	Rate used for setting the allowance for doubtful accounts (%)	Allowance for doubtful accounts <i>(in thousand Baht)</i>
Minimum allowance as per BoT's Regulations				
Pass	<u>3,652,020</u>	<u>3,648,000</u>	1	<u>36,480</u>
Total	<u>3,652,020</u>	<u>3,648,000</u>		<u>36,480</u>

* The outstanding debt excludes accrued interest receivables.

12 Allowance for doubtful accounts

	2016	2015
	Pass	
	<i>(in thousand Baht)</i>	
Beginning balance	36,480	-
Doubtful accounts	40,450	36,480
Ending balance	<u>76,930</u>	<u>36,480</u>



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13 Leasehold building improvements and equipment, net

As at 30 September 2016 and 2015, changes in leasehold building improvements and equipment are as follows:

	Beginning balance	Purchases	2016 Cost		Transfer out	Ending balance	
			Transfer in	Disposals			
			<i>(in thousand Baht)</i>				
Leasehold building improvements	30,776	1,387	7,699	(65)	(1,143)	38,654	
Furniture, fixtures and office equipment	12,683	669	4,896	(1,122)	(860)	16,266	
Computer equipment	34,246	1,605	6,163	(995)	(610)	40,409	
Vehicle	1,900	5,409	-	(1,900)	-	5,409	
Assets under construction	7,059	9,086	-	-	(16,145)	-	
Total	86,664	18,156	18,758	(4,082)	(18,758)	100,738	

	Beginning balance	Depreciation	2016 Accumulated depreciation		Transfer out	Ending balance	Net book value
			Transfer in	Disposals			
			<i>(in thousand Baht)</i>				
Leasehold building improvements	776	3,359	139	(5)	(111)	4,158	34,496
Furniture, fixtures and office equipment	634	2,957	156	(171)	(160)	3,416	12,850
Computer equipment	2,601	12,383	179	(97)	(203)	14,863	25,546
Vehicle	96	1,084	-	(129)	-	1,051	4,358
Assets under construction	-	-	-	-	-	-	-
Total	4,107	19,783	474	(402)	(474)	23,488	77,250

	2015 Cost		2015 Accumulated depreciation		Net book value
	Purchases	Ending balance	Depreciation	Ending balance	
	<i>(in thousand Baht)</i>				
Leasehold building improvements	30,776	30,776	776	776	30,000
Furniture, fixtures and office equipment	12,683	12,683	634	634	12,049
Computer equipment	34,246	34,246	2,601	2,601	31,645
Vehicle	1,900	1,900	96	96	1,804
Assets under construction	7,059	7,059	-	-	7,059
Total	86,664	86,664	4,107	4,107	82,557



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14 Deferred tax

Deferred tax assets are as follows:

	2016	2015 (Restated)
	<i>(in thousand Baht)</i>	
Deferred tax assets	<u>100,385</u>	<u>79,497</u>
Total	<u>100,385</u>	<u>79,497</u>

Movements in total deferred tax assets during the year ended 30 September 2016 and 2015 are as follows:

	At 1 October 2015	(Charged) / Credited to:		At 30 September 2016
		Profit or loss <i>(note 33)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments	860	(23)	(2,499)	(1,662)
Intangible assets	46,514	(12,553)	-	33,961
Tax losses	25,974	25,726	-	51,700
Other assets	31	(31)	-	-
Other liabilities	<u>6,118</u>	<u>10,268</u>	<u>-</u>	<u>16,386</u>
Total	<u>79,497</u>	<u>23,387</u>	<u>(2,499)</u>	<u>100,385</u>
		(Charged) / Credited to:		At 30 September 2015
		Profit or loss <i>(note 33)</i> <i>(Restated)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments		-	860	860
Intangible assets		46,514	-	46,514
Tax losses		25,974	-	25,974
Other assets		31	-	31
Other liabilities		<u>6,118</u>	<u>-</u>	<u>6,118</u>
Total		<u>78,637</u>	<u>860</u>	<u>79,497</u>

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15 Other assets

	<i>Note</i>	2016 <i>(in thousand Baht)</i>	2015
Accrued interest receivable		14,116	13,877
Advance to intercompany	23	-	554
Guarantee deposits		5,685	5,530
Others		4,929	2,183
Total		<u><u>24,730</u></u>	<u><u>22,144</u></u>

16 Deposits

16.1 Classified by type of deposits

	2016 <i>(in thousand Baht)</i>	2015
Current	545,227	328
Fixed		
- Less than 6 months	680,786	-
Total	<u><u>1,226,013</u></u>	<u><u>328</u></u>

16.2 Classified by currency and residence of depositors

	2016 Domestic <i>(in thousand Baht)</i>	2015 Domestic
Baht	958,468	328
US Dollar	267,545	-
Total	<u><u>1,226,013</u></u>	<u><u>328</u></u>

17 Interbank and money market items (liabilities)

	2016 <i>(in thousand Baht)</i>	2015
Domestic:		
Commercial banks	-	-
Total domestic items	<u>-</u>	<u>-</u>
Foreign:		
USD	4,163,988	-
Total foreign items	<u>4,163,988</u>	<u>-</u>
Total domestic and foreign	<u><u>4,163,988</u></u>	<u><u>-</u></u>

18 Other liabilities

	<i>Note</i>	2016 <i>(in thousand Baht)</i>	2015
Due from intercompany	23	132,416	95,863
Accrued expenses		79,092	40,466
VAT payable		9,089	6,594
Withholding tax payable		4,903	4,200
Others		1,525	-
Total		<u><u>227,025</u></u>	<u><u>147,123</u></u>

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19 Share capital

	Par value per share (in Baht)	Number	2016		2015	
			Amount (in thousand shares / thousand Baht)	Number	Amount	
Authorised						
At beginning year - ordinary shares	10	2,000,000	20,000,000	50,000	500,000	
Increase of new shares	10	-	-	1,950,000	19,500,000	
At ending year - ordinary shares	10	2,000,000	20,000,000	2,000,000	20,000,000	
Issued and paid-up						
At beginning year - ordinary shares	10	2,000,000	20,000,000	50,000	500,000	
Increase of new shares	10	-	-	1,950,000	19,500,000	
At ending year - ordinary shares	10	2,000,000	20,000,000	2,000,000	20,000,000	

On 21 April 2015, the extraordinary meeting of the shareholders approved to increase the Bank's authorised share capital by Baht 19,500 million from Baht 500 million to Baht 20,000 million by issuing 1,950 million new ordinary shares with par value of Baht 10 each called up at 100%. The new issued and paid-up share capital was registered with the Ministry of Commerce on 11 June 2015.

20 Reserves

The Bank has not provided for legal reserve due to net losses during the year.

21 Assets pledged as collateral

Assets pledged as collateral as at 30 September 2016 and 2015 consist of:

	2016	2015
	(in thousand Baht)	
Government bonds		
- Pledged for liquidity management with the BoT	5,547	9,474
Total	5,547	9,474

22 Contingent liabilities

	2016	2015
	(in thousand Baht)	
Guarantees of loans	477,491	-
Letters of credit	255,044	400,066
Other contingencies	2,090,849	603,655
Total	2,823,384	1,003,721

Litigation

As at 30 September 2016 and 2015, there were no litigation cases outstanding against the Bank.



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Notes to the financial statements

23 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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 Bank (China) Company Limited	China	Affiliates of ANZ Group
ANZ Bank (Vietnam) Limited	Vietnam	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Japan	Japan	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Philippines	Philippines	Affiliates of ANZ Group
ANZ Bank New Zealand Limited	New Zealand	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Hong Kong	Hong Kong	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited India	India	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Frankfurt	Germany	Affiliates of ANZ Group

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

Transactions	Pricing policies
Interest rate	Based on market rate
Services	Contractually agreed price
Derivatives	Based on market price



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

<i>For the year ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Interest income	12,419	1,931
Interest expense	4,721	397
Technology service expenses charged by ANZ Banking Group	23,316	100,787
 <i>Key management personnel</i>		
Short-term employee benefits	109,098	49,631
Post-employment benefit	8,255	-
Total key management personnel compensation	117,353	49,631

Significant balances and business transactions with other related parties

	2016	2015
	<i>(in thousand Baht)</i>	
<i>Interbank and money market items (assets)</i>		
Australia and New Zealand Banking Group Limited	109,820	94,230
Australia and New Zealand Banking Group Limited Singapore	-	6,500,830
ANZ Bank New Zealand Limited	121	-
	109,941	6,595,060
 <i>Derivative assets</i>		
Australia and New Zealand Banking Group Limited	38,772	179
Australia and New Zealand Banking Group Limited Hong Kong	244	-
Australia and New Zealand Banking Group Limited Japan	7	-
	39,023	179
 <i>Other assets</i>		
Australia and New Zealand Banking Group Limited	-	554
 <i>Interbank and money market items (liabilities)</i>		
Australia and New Zealand Banking Group Limited Singapore	4,163,988	-
 <i>Derivative liabilities</i>		
Australia and New Zealand Banking Group Limited	35,401	172
Australia and New Zealand Banking Group Limited Hong Kong	392	-
Australia and New Zealand Banking Group Limited Japan	1,392	-
	37,185	172
 <i>Other liabilities</i>		
Australia and New Zealand Banking Group Limited	132,366	95,477
Australia and New Zealand Banking Group Limited Singapore	50	-
ANZ Bank (Vietnam) Limited	-	386
	132,416	95,863

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	2016	2015
	<i>(in thousand Baht)</i>	
<i>Other guarantees</i>		
Australia and New Zealand Banking Group Limited	10,347	-
Australia and New Zealand Banking Group Limited United Kingdom	870,061	73,655
Australia and New Zealand Banking Group Limited Singapore	638,401	-
Australia and New Zealand Banking (China) Company Limited	-	530,000
Australia and New Zealand Banking Group Limited India	13,960	-
Australia and New Zealand Banking Group Limited Frankfurt	383,606	-
Australia and New Zealand Banking Group Limited Hong Kong	70,000	-
	<u>1,986,375</u>	<u>603,655</u>
<i>Derivatives - Foreign currency related</i>		
Australia and New Zealand Banking Group Limited	2,353,442	1,199,799
Australia and New Zealand Banking Group Limited Japan	21,730	-
Australia and New Zealand Banking Group Limited Hong Kong	105,042	-
	<u>2,480,214</u>	<u>1,199,799</u>
<i>Derivatives – Interest rate related</i>		
Australia and New Zealand Banking Group Limited	<u>39,314,637</u>	<u>-</u>

Significant agreements with related parties

(a) Appointment Letter

On 15 October 2014, which was prior to the incorporation of the Bank, the promoters of the Bank (“Promoters”) had appointed ANZ Banking Group Limited (“ANZBGL”) to act on behalf of the Promoters to facilitate the process of incorporation, management of operational expenses, and preparation for commencement of operations of the Bank. The Appointment Letter was then approved in the statutory meeting of the Bank on 4 November 2014. After the incorporation of the Bank, ANZBGL has been released and discharged from all its obligations and liabilities under any arrangements, performances or agreements, and would be reimbursed for all expenses ANZBGL had paid on the Bank’s behalf under the Appointment Letter.

(b) 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 3 hubs, namely ANZ Global Services and Operations (Chengdu) Company Limited, 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 have not incurred any expenses from this agreement.

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24 Non-cancellable operating lease agreements

The Bank has entered into operating lease and service agreements of premises and office equipment for the periods ranging from 1 year to 4 years. The periods to maturity of long-term lease payments are as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
Within one year	14,444	14,877
After one year but within five years	536	14,826
Total	<u>14,980</u>	<u>29,703</u>

25 Net interest income

For the year ended 30 September

	2016	2015
	<i>(in thousand Baht)</i>	
Interest income		
- Interbank and money market items	62,822	36,642
- Investments in debt securities	123,566	29,593
- Loans to customers	145,972	9,913
- Others	46,899	15,209
	<u>379,259</u>	<u>91,357</u>
Interest expense		
- Deposits	(1,555)	-
- Interbank and money market items	(10,666)	(671)
- Contribution to Deposit Protection Agency	(1,969)	(1)
- Others	(120)	-
	<u>(14,310)</u>	<u>(672)</u>
Net	<u>364,949</u>	<u>90,685</u>

26 Net fees and service income

For the year ended 30 September

	2016	2015
	<i>(in thousand Baht)</i>	
Fees and service income		
- Acceptance, avals and guarantees	6,289	44
- Others	7,436	38
	<u>13,725</u>	<u>82</u>
Fees and service expenses	6,483	574
Net	<u>7,242</u>	<u>(492)</u>

27 Net trading income

For the year ended 30 September

	2016	2015
	<i>(in thousand Baht)</i>	
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and foreign currency related derivatives	(13,119)	2,176
- Interest rate related derivatives	3,659	-
- Debt securities	(11,031)	-
Total	<u>(20,491)</u>	<u>2,176</u>

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28 Net gain from investments

<i>For the year ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Gains on sales		
- Available-for-sale securities	12,618	-
Total	12,618	-

29 Employee expenses

<i>For the year ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Salary and bonus	240,197	77,335
Employee defined benefit plans	14,555	-
Others	66,050	17,072
Total	320,802	94,407

30 Premises and equipment expenses

<i>For the year ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Rental and service expenses	18,086	9,659
Depreciation	19,783	4,107
Data communication cost	6,192	-
Telephone expense	7,494	-
Information service fee	3,961	-
Others	7,603	8,722
Total	63,119	22,488

31 Other expenses

<i>For the year ended 30 September</i>	2016	2015
	<i>(Restated)</i>	
	<i>(in thousand Baht)</i>	
Consultant and professional fee	11,170	48,703
Advertising expenses	7,464	1,391
Information service subscription	4,190	859
License fee	24	10,327
Others	10,154	2,527
Total	33,002	63,807

32 Impairment provision on loans

<i>For the year ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Interbank and money market items	1,008	64,992
Loans to customers	40,450	36,480
Total	41,458	101,472

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33 Income tax expense

Income tax recognised in profit or loss

For the year ended 30 September

	Note	2016	2015 (Restated)
		<i>(in thousand Baht)</i>	
Current tax expense			
Current year		-	-
		-	-
Deferred tax expense			
Movements in temporary differences	14	(23,387)	(78,637)
Total		<u>(23,387)</u>	<u>(78,637)</u>

Income tax recognised in other comprehensive income

*For the year ended
30 September*

	Before tax	2016 Tax expense	Net of Tax	Before tax	2015 Tax benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Available-for-sale securities	12,495	(2,499)	9,996	(4,302)	860	(3,442)
Total	<u>12,495</u>	<u>(2,499)</u>	<u>9,996</u>	<u>(4,302)</u>	<u>860</u>	<u>(3,442)</u>

Reconciliation of effective tax rate

For the year ended 30 September

	2016		2015 (Restated)	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Loss before income tax expense		(133,019)		(393,328)
Income tax using the Thai corporation tax rate	20	(26,604)	20	(78,665)
Expenses not deductible for tax purposes		3,217		28
Total	<u>18</u>	<u>(23,387)</u>	<u>20</u>	<u>(78,637)</u>

The Bank has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 30 September 2016 and 2015.

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34 Basic loss per share

The calculations of basic loss per share for the year ended 30 September 2016 and 2015 were based on the loss for the year attributable to equity holders of the Bank and the weighted average number of ordinary shares outstanding during the year as follows:

<i>For the year ended 30 September</i>	2016	2015
		(Restated)
		<i>(in thousand Baht / thousand shares)</i>
Loss for the year attributable to shareholders of the Bank (basic)	<u>(109,632)</u>	<u>(314,691)</u>
Weighted average number of ordinary shares outstanding	<u>2,000,000</u>	<u>759,091</u>
Basic loss per share <i>(in Baht)</i>	<u>(0.05)</u>	<u>(0.41)</u>

35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Bank's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Bank does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events after the Reporting Period	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
FAP announcement NO. 5/2016	FAP Guidance on derecognition of financial assets and financial liabilities	2017
TAS 7 (revised 2016)	Statement of Cash Flow	2017
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors	2017
TAS 10 (revised 2016)	Events after the Reporting Period	2017
TAS 12 (revised 2016)	Income Taxes	2017
TAS 16 (revised 2016)	Property, Plant and Equipment	2017

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TFRS	Topic	Year effective
TAS 17 (revised 2016)	Leases	2017
TAS 18 (revised 2016)	Revenue	2017
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates	2017
TAS 24 (revised 2016)	Related Party Disclosure	2017
TAS 33 (revised 2016)	Earnings per Share	2017
TAS 36 (revised 2016)	Impairment of Assets	2017
TAS 37 (revised 2016)	Provision, Contingent Liabilities and Contingent Assets	2017
TFRS 13 (revised 2016)	Fair Value Measurement	2017
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment	2017

The Bank has made a preliminary assessment of the potential initial impact on 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.

