

Disclosure of Capital Maintenance Information

Pillar III

For the half-year ended 31 March 2018

I. Scope of Information Disclosure

ANZ Bank (Thai) Public Company Limited (“ANZ Thai” or “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 Bank hereby discloses the capital maintenance information for the six-month period ended 31 March 2018 as specified in Bank of Thailand Notification No. SorNorSor 4/2556 dated 2 May 2013 Re: Disclosure of Capital Maintenance Information for Commercial Banks.

II. Capital

1. Capital Structure

The table below presents the Bank capital structure as at 31 March 2018 and 30 September 2017

Table 1: Capital

	Unit : THB	
Item	31-Mar-18	30-Sep-17
1. Tier 1 capital	19,558,746,593	19,500,487,196
Common equity tier 1 (CET1)	19,558,746,593	19,500,487,196
Paid-up capital (common stock) deducted by buyback of common stock	20,000,000,000	20,000,000,000
Net profits (losses)	- 399,809,747	- 424,323,964
Other comprehensive income	24,648,122	17,419,436
Less deductible items on Common equity tier 1*	- 66,091,782	- 92,608,275
2. Tier 2 capital	147,102,164	190,941,364
General provision for performing loans	147,102,164	190,941,364
Less deductible items on Tier 2 capital	-	-
3. Total regulatory capital (1+2)	19,705,848,757	19,691,428,560

* Intangible assets, and deferred tax asset (DTA)

2. Capital Adequacy

According to the Bank of Thailand's guideline in supervision of capital, commercial banks are required to meet the minimum capital adequacy ratio. For year 2018 and 2017 the minimum capital adequacy ratio is defined at 10.375% and 9.75%, respectively.

The approach applies to assess each risk for the capital adequacy as follows:

- Credit Risk Standardised Approach
- Market Risk Standardised Approach
- Operational Risk Basic Indicator Approach

The following tables represent minimum capital requirement for credit risk, market risk and operational risk as well as capital adequacy ratio of the Bank as at 31 March 2018 and 30 September 2017

Table 2 Minimum capital requirement for credit risk classified by type of assets under the SA

Unit : THB

Minimum capital requirement for credit risk classified by type of assets under the SA	31-Mar-18	30-Sep-17
Performing claims		
1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	-	-
2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	158,299,427	317,494,604
3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	1,368,039,885	1,114,824,324
4 Claims on retail portfolios	-	-
5 Claims on housing loans	-	-
6 Other assets	6,025,777	57,023,709
Non-performing claims	-	-
First-to-default credit derivatives and Securitisation	-	-
Total minimum capital requirement for credit risk under the SA	1,532,365,089	1,489,342,637

Table 3: Minimum capital requirement for market risk for positions in the trading book (Standardized method)

Unit : THB

Minimum capital requirement for market risk (positions in the trading book)	31-Mar-18	30-Sep-17
1. Standardized Approach	248,970,589	125,607,913
2. Internal Model Approach	N/A	N/A
Total minimum capital requirement for market risk	248,970,589	125,607,913

Table 4: Minimum capital requirement for operational risk (Basic Indicator Approach)

Unit : THB

Minimum capital requirement for operational risk	31-Mar-18	30-Sep-17
1. Basic Indicator Approach	85,241,615	75,063,353
2. Standardized Approach	N/A	N/A
3. Alternative Standardized Approach	N/A	N/A
4. Advanced Measurement Approache	N/A	N/A
Total minimum capital requirement for operational risk	85,241,615	75,063,353

Table 5: Ratio of total capital to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and ratio of Common equity tier 1 to risk-weighted assets

Unit : %

Ratio	31-Mar-18		30-Sep-17	
	Capital ratio of the bank	Minimum capital ratio according to the BOT regulations	Capital ratio of the bank	Minimum capital ratio according to the BOT regulations
1. Total capital to risk-weighted assets	109.53	10.375	113.60	9.750
2. Tier 1 capital to risk-weighted assets	108.71	7.875	112.50	7.250
3. Common equity tier 1 to risk-weighted assets	108.71	6.375	112.50	5.750

Table 6: Minimum capital requirements for each type of market risk under the Standardized Approach

Unit : THB

Minimum capital requirements for market risk under SA	31-Mar-18	30-Sep-17
Interest rate risk	232,105,283	96,499,145
Foreign exchange rate risk	16,865,306	29,108,768
Total minimum capital requirements	248,970,589	125,607,913

III. Composition of capital disclosure requirements

Below table is an additional disclosure of capital information in transition period under the Basel III framework.

Table 7 : Disclosure of capital information in transitional period under the Basel III

Unit : THB

Value of capital, inclusions, adjustments and deductions for the period of 31 March 2018		Net amount of item to be included in or deducted from capital under the Basel III
Common equity tier 1 (CET1)		
Items eligible for inclusion in CET1	19,624,838,375	-
<u>adjusted by</u> regulatory adjustment to CET1	-	-
<u>less</u> deduction from CET1	66,091,782	-
Net CET1	19,558,746,593	
Total Tier 1 capital	19,558,746,593	
Tier 2 capital :		
Items eligible for inclusion in Tier 2 capital	147,102,164	
<u>less</u> deduction from Tier 2 capital	-	
Total Tier 2 capital	147,102,164	
Total capital (Tier 1 and Tier 2 capital)	19,705,848,757	
Value of capital, inclusions, adjustments and deductions for the period of 30 September 2017		Net amount of item to be included in or deducted from capital under the Basel III
Common equity tier 1 (CET1)		
Items eligible for inclusion in CET1	19,593,095,472	4,354,859
<u>adjusted by</u> regulatory adjustment to CET1	-	-
<u>less</u> deduction from CET1	92,608,275	557
Net CET1	19,500,487,196	
Total Tier 1 capital	19,500,487,196	
Tier 2 capital :		
Items eligible for inclusion in Tier 2 capital	190,941,364	
<u>less</u> deduction from Tier 2 capital	-	
Total Tier 2 capital	190,941,364	
Total capital (Tier 1 and Tier 2 capital)	19,691,428,560	