

ANZ Bank (Thai) Public Company Limited

Interim financial statements
for the six-month period ended
31 March 2017
and
Independent Auditor's Report



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Independent Auditor's Report

To the Board of Directors of ANZ Bank (Thai) Public Company Limited

Opinion

I have audited the accompanying interim financial statements of ANZ Bank (Thai) Public Company Limited (the "Bank"), which comprise the statement of financial position as at 31 March 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the interim financial statements present fairly, in all material respects, the financial position of the Bank as at 31 March 2017 and the financial performance and cash flows for the six-month period 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 Interim Financial Statements* section of my report. I am independent of the Bank in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that are relevant to my audit of the interim 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.

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

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

In preparing the interim 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 Interim Financial Statements

My objectives are to obtain reasonable assurance about whether the interim 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 interim 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 interim 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 interim 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. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim 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.

A handwritten signature in black ink, appearing to read 'J. Gulsantithamrong'.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
13 June 2017

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

Assets	<i>Note</i>	31 March 2017	30 September 2016
		<i>(in thousand Baht)</i>	
Cash		558	689
Interbank and money market items, net	7, 22	18,119,562	7,896,866
Derivative assets	8, 22	448,433	233,148
Investments, net	9	8,144,792	9,398,903
Loans to customers and accrued interest receivables, net	10		
Loans to customers		10,569,708	7,693,065
Accrued interest receivables		42,243	38,277
Total loans to customers and accrued interest receivables		<u>10,611,951</u>	<u>7,731,342</u>
<i>Less</i> deferred revenue		(74)	-
<i>Less</i> allowance for doubtful accounts	11	<u>(105,697)</u>	<u>(76,930)</u>
Total loans to customers and accrued interest receivables, net		<u>10,506,180</u>	<u>7,654,412</u>
Leasehold building improvements and equipment, net	12	68,320	77,250
Deferred tax assets	13	94,376	100,385
Trading securities receivable		490,193	74,423
Other assets	14, 22	37,145	24,730
Total assets		<u>37,909,559</u>	<u>25,460,806</u>

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	31 March 2017	30 September 2016
		<i>(in thousand Baht)</i>	
<i>Liabilities</i>			
Deposits	15	1,564,402	1,226,013
Interbank and money market items	16, 22	15,723,003	4,163,988
Liabilities payable on demand		121,813	14,920
Derivative liabilities	8, 22	545,002	215,545
Trading securities payable		188,763	16,529
Employee benefit obligations		19,388	14,555
Other liabilities	17, 22	141,279	227,025
Total liabilities		18,303,650	5,878,575
<i>Equity</i>			
Share capital	18		
Authorised share capital		20,000,000	20,000,000
Issued and paid-up share capital		20,000,000	20,000,000
Other reserves		3,399	6,554
Deficit		(397,490)	(424,323)
Total equity		19,605,909	19,582,231
Total liabilities and equity		37,909,559	25,460,806



(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 six-month period ended	
		31 March	
	<i>Note</i>	2017	2016
			(Restate)
		<i>(in thousand Baht)</i>	
Interest income	22, 24	261,490	176,767
Interest expense	22, 25	32,544	4,122
Net interest income		228,946	172,645
Fees and service income		24,983	4,517
Fees and service expenses		3,643	1,600
Net fees and service income	26	21,340	2,917
Net trading income	27	26,755	8,754
Net gain on investment	28	4,784	-
Total operating income		281,825	184,316
Other operating expenses			
Employee expenses	22, 29	134,273	136,678
Directors' remuneration		2,400	2,670
Premises and equipment expenses	30	35,457	30,426
Taxes and duties		8,368	1,868
Intangible assets expenses		2,582	7,759
Others	31	17,348	17,426
Total operating expenses		200,428	196,827
Bad debts, allowance for doubtful accounts and impairment loss	32	47,766	15,543
Profit (loss) from operations before income tax expense		33,631	(28,054)
Income tax expense (income)	33	6,798	(5,546)
Net profit (loss) for the period		26,833	(22,508)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
(Losses) gains on remeasuring available-for-sale investments		(3,944)	36,398
Income tax on other comprehensive income (loss)	33	789	(7,280)
Total other comprehensive income (loss), net of income tax		(3,155)	29,118
Total comprehensive income (loss) for the period		23,678	6,610
Earnings (loss) per share			
Basic earnings (loss) per share <i>(in Baht)</i>	34	0.01	(0.01)



(Warin Paaopanchon)
 Chief Financial Officer



(Panadda Manoleehakul)
 President and Chief Executive Officer

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ANZ Bank (Thai) Public Company Limited
Statement of changes in equity

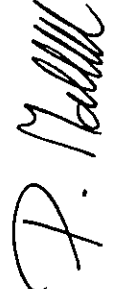
	<i>Note</i>	Issued and paid-up share capital	Other reserves <i>(in thousand Baht)</i>	Deficit	Total equity
For the six-month period ended 31 March 2016					
Balance at 1 October 2015	18	20,000,000	(3,442)	(314,691)	19,681,867
Comprehensive income (loss) for the period					
Loss for the period		-	-	(22,508)	(22,508)
Other comprehensive income (loss)					
Available-for-sale investments					
Net change in fair value recognised in equity, net of tax		-	29,118	-	29,118
Total comprehensive income (loss) for the period		-	29,118	(22,508)	6,610
Balance as at 31 March 2016		20,000,000	25,676	(337,199)	19,688,477

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

ANZ Bank (Thai) Public Company Limited
Statement of changes in equity

	<i>Note</i>	Issued and paid-up share capital	Other reserves <i>(in thousand Baht)</i>	Deficit	Total equity
For the six-month period ended 31 March 2017					
Balance at 1 October 2016	18	20,000,000	6,554	(424,323)	19,582,231
Comprehensive income (loss) for the period					
Profit for the period		-	-	26,833	26,833
Other comprehensive income (loss)					
Available-for-sale investments					
Net change in fair value recognised in equity, net of tax		-	(3,155)	-	(3,155)
Total comprehensive income (loss) for the period		-	(3,155)	26,833	23,678
Balance as at 31 March 2017		20,000,000	3,399	(397,490)	19,605,909


 (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 cash flows

For the six-month period ended
31 March

2017
2016
(Restate)
(in thousand Baht)

Cash flows from operating activities		
Profit (loss) before income tax	33,631	(28,054)
Adjustments for		
Depreciation and amortisation	10,948	16,882
Impairment provision on loans	47,766	15,543
Loss on sales of leasehold building improvements and equipment	-	1,110
Net trading income	(26,755)	(8,754)
Gain on sale of investment, net	(4,784)	-
Provision made	4,834	-
Net interest income	(228,946)	(172,645)
Proceeds from interest	262,019	181,410
Interest paid	(36,934)	(4,064)
Income tax paid	(850)	(539)
Profit from operations before changes in operating assets and liabilities	60,929	889
(Increase) decrease in operating assets		
Interbank and money market items	(10,240,619)	2,119,910
Derivative assets	(185,860)	(35,608)
Investment in securities for trading	(235,351)	(3,324)
Loans to customers	(2,876,568)	(4,340,000)
Trading securities receivable	(415,770)	(2,682,971)
Other assets	(8,207)	(6,560)
Increase (decrease) in operating liabilities		
Deposits	338,389	584,323
Interbank and money market items	11,559,015	2,087,488
Liabilities payable on demand	106,892	(4,594)
Derivative liabilities	329,456	(106,173)
Trading securities payable	172,234	2,104,351
Other liabilities	(81,356)	13,484
Net cash used in operating activities	(1,476,816)	(268,785)
Cash flows from investing activities		
Purchases of available-for-sale investments	(3,521,297)	(11,034,951)
Proceeds from available-for-sale investments	5,000,000	11,326,000
Purchases of leasehold building improvements and equipment	(2,018)	(16,040)
Proceeds from sales of leasehold building improvements and equipment	-	1,636
Purchases of intangible assets	-	(7,762)
Net cash from investing activities	1,476,685	268,883
Net increase (decrease) in cash	(131)	98
Cash as at 1 October	689	7
Cash as at 31 March	558	105

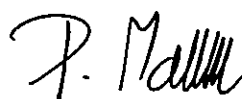
Supplementary disclosures of cash flow information

Significant non-cash items

(Loss) gains on remeasuring available-for-sale investments	(3,944)	36,398
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(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
Notes to the interim financial statements
For the six-month period ended 31 March 2017

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ANZ Bank (Thai) Public Company Limited

Notes to the interim financial statements

For the six-month period ended 31 March 2017

These notes form an integral part of the interim financial statements.

The interim 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 13 June 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 period are ANZ Funds Pty. Ltd. and ANZ Banking Group Limited. Both are incorporated in Australia.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; 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 2016. The initial application of these new and revised TFRS has resulted in change in certain of the Bank’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised 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 2017 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.

(b) Basis of measurement

The interim 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 as explained in Note 3 (j)

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

(c) *Functional and presentation currency*

The interim 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 interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 5	Fair value of assets and liabilities
Note 8	Derivatives
Note 11	Allowance for doubtful accounts
Note 13	Recognition of deferred tax assets : availability of future taxable profit against which tax losses carried forward can be used

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 5.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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 are recognised in profit or loss.

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

(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, 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 are 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.

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

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 period 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.

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

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.

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 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.

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 lives 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.

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

(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.

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.

ANZ Bank (Thai) Public Company Limited
Notes to the interim financial statements
For the six-month period ended 31 March 2017

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.

(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.

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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 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 period 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 period, 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 and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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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 period, 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 period 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. 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 (loss) per share*

The Bank presents basic earnings (loss) per share for its ordinary shares which is calculated by dividing the profit (loss) 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) *Trade date - Settlement date policy*

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

4 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.

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

4.1 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 assist 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 assist 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.

4.2 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].

4.3 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.

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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.

Significant financial assets and liabilities classified by types of interest rate as at 31 March 2017 and 30 September 2016 are as follows:

	31 March 2017			Total
	Floating interest rate	Fixed Interest rate	Non-interest bearing	
	<i>(in thousand Baht)</i>			
Financial assets				
Cash	-	-	558	558
Interbank and money market items*	360	16,850,000	1,354,202	18,204,562
Investments, net	-	8,144,792	-	8,144,792
Loans to customers and accrued interest receivable**	5,202,925	5,366,709	42,243	10,611,877
Trading securities receivable	-	-	490,193	490,193
Total financial assets	5,203,285	30,361,501	1,887,196	37,451,982
Financial liabilities				
Deposits	-	929,643	634,759	1,564,402
Interbank and money market items	-	15,723,003	-	15,723,003
Trading securities payable	-	-	188,763	188,763
Total financial liabilities	-	16,652,646	823,522	17,476,168

* Before deducting allowance for doubtful accounts amounting to Baht 85 million

** Before deducting allowance for doubtful accounts amounting to Baht 106 million

	30 September 2016			Total
	Floating interest rate	Fixed interest rate	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	-	9,398,903	-	9,398,903
Loans to customers and accrued interest receivable**	2,781,327	4,911,738	38,277	7,731,342
Trading securities receivable	-	-	74,423	74,423
Total financial assets	2,790,666	20,910,641	1,466,916	25,168,223

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	Floating interest rate	30 September 2016		Total
		Fixed interest rate	Non-interest bearing	
		<i>(in thousand Baht)</i>		
Financial liabilities				
Deposits	-	875,856	350,157	1,226,013
Interbank and money market items	-	4,163,988	-	4,163,988
Trading securities payable	-	-	16,529	16,529
Total financial liabilities	-	5,039,844	366,686	5,406,530

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

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

The Bank's average interest bearing financial assets and financial liabilities, together with the average interest rates as at 31 March 2017 and 30 September 2016 are as follows:

	31 March 2017		
	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>
Financial assets			
Interbank and money market items	7,391,302	55,326	1.50
Investments	8,828,110	64,992	1.47
Loans to customers	11,032,178	134,067	2.43
Total	27,251,590	254,385	1.87
Financial liabilities			
Deposits	1,124,610	3,520	0.63
Interbank and money market items	6,679,510	26,508	0.79
Total	7,804,120	30,028	0.77
	30 September 2016		
	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>
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

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Significant financial assets and financial liabilities classified by earlier of maturity or interest repricing as at 31 March 2017 and 30 September 2016 are as follows:

	31 March 2017						Total
	At call	3 months	Reprice within 3 - 12 months	1-5 years	Maturity Over 5 years	Non interest bearing	
(in thousand Baht)							
Financial assets							
Cash	-	-	-	-	-	558	558
Interbank and money market items*	360	16,850,000	-	-	-	1,354,202	18,204,562
Investments, net	-	352,264	3,777,917	3,933,641	80,970	-	8,144,792
Loans to customers and accrued interest receivable**	-	7,197,871	3,101,763	270,000	-	42,243	10,611,877
Trading securities receivable	-	-	-	-	-	490,193	490,193
Total financial assets	360	24,400,135	6,879,680	4,203,641	80,970	1,887,196	37,451,982
Financial liabilities							
Deposits	427,596	500,847	1,200	-	-	634,759	1,564,402
Interbank and money market items	-	15,723,003	-	-	-	-	15,723,003
Trading securities payable	-	-	-	-	-	188,763	188,763
Total financial liabilities	427,596	16,223,850	1,200	-	-	823,522	17,476,168

* Before deducting allowance for doubtful accounts amounting to Baht 85 million

** Before deducting allowance for doubtful accounts amounting to Baht 106 million

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

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

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

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As at 31 March 2017 and 30 September 2016, net open position assets (liabilities) denominated in various currencies, are as follows:

	31 March 2017	30 September 2018
	<i>(in thousand US Dollar)</i>	
Net foreign currency exposure		
US Dollar	3,681	840
AUD (*)	(33)	18
EUR (*)	23	15
JPY (*)	271	112
Others (*)	94	14
	(*) Balance is stated in USD equivalent.	

4.4 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 31 March 2017 and 30 September 2016 based on contractual maturity are as follows:

	31 March 2017						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	-	-	-	-	-	558	558
Interbank and money market items*	1,353,053	16,851,509	-	-	-	-	18,204,562
Investments, net	-	352,264	3,777,917	3,933,641	80,970	-	8,144,792
Loans to customers and accrued interest receivable**	-	2,997,724	6,762,902	851,251	-	-	10,611,877
Trading securities receivable	-	-	-	-	-	490,193	490,193
Total financial assets	1,353,053	20,201,497	10,540,819	4,784,892	80,970	490,751	37,451,982
Financial liabilities							
Deposits	1,062,355	500,847	1,200	-	-	-	1,564,402
Interbank and money market items	-	15,723,003	-	-	-	-	15,723,003
Trading securities payable	-	-	-	-	-	188,763	188,763
Total financial liabilities	1,062,355	16,223,850	1,200	-	-	188,763	17,476,168
Net liquidity gap	290,698	3,977,647	10,539,619	4,784,892	80,970	301,988	19,975,814

* Before deducting allowance for doubtful accounts amounting to Baht 85 million

** Before deducting allowance for doubtful accounts amounting to Baht 106 million

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	30 September 2016						Total
	Maturity on demand	3 months	Maturity within 3 - 12 months	1 - 5 years	Maturity over 5 years	No maturity	
	(in thousand Baht)						
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
Trading securities receivable	-	-	-	-	-	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
Trading securities payable	-	-	-	-	-	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

Derivatives

The remaining periods to maturity of the notional amount of derivatives as at 31 March 2017 and 30 September 2016 are as follows:

	31 March 2017			
	Less than 1 year	Within 1-5 years	More than 5 years	Total
	Notional amount (in thousand Baht)			
Foreign currency related				
Forward exchange contracts	37,588,769	-	-	37,588,769
Currency swap contracts	-	-	4,433,346	4,433,346
Interest rate related				
Interest rate swap	23,691,743	10,318,428	60,866,890	94,877,061
	30 September 2016			
	Notional amount (in thousand Baht)			
	Less than 1 year	Within 1-5 years	More than 5 years	Total
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

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5 Fair value of assets and liabilities

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 at 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).
- 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 period during which the change has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the period ended 31 March 2017.

5.1 Financial instruments carried at fair value

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

	Fair value			Total
	Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>		
31 March 2017				
Financial assets				
Derivative assets				
- Foreign exchange rate	-	262,764	-	262,764
- Interest rate	-	185,669	-	185,669
Trading securities	-	523,322	-	523,322
Available-for-sale securities	-	7,621,470	-	7,621,470
Financial liabilities				
Derivative liabilities				
- Foreign exchange rate	-	377,880	-	377,880
- Interest rate	-	167,122	-	167,122

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	Fair value			Total
	Level 1	Level 2 <i>(in thousand Baht)</i>	Level 3	
30 September 2016				
Financial assets				
Derivative assets				
- Foreign exchange rate	-	199,265	-	199,265
- Interest rate	-	33,883	-	33,883
Trading securities	-	291,580	-	291,580
Available-for-sale securities	-	9,107,323	-	9,107,323
Financial liabilities				
Derivative liabilities				
- Foreign exchange rate	-	181,761	-	181,761
- Interest rate	-	33,784	-	33,784

The Bank determines Level 2 fair values for debt securities using quoted market prices from Thai BMA 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.

5.2 Financial instruments not carried at fair value

Fair value hierarchy of financial instruments which are not measured at fair value and for which there is a significant difference with carrying amount as of 31 March 2017 and 30 September 2016 are as follows:

	Carrying amount <i>(in thousand Baht)</i>	Fair value Level 3
31 March 2017		
Financial assets		
Loans to customers and accrued interest receivable	10,611,951	10,595,399
Financial liabilities		
Deposits	1,564,402	1,565,403
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 of Interbank and money market items 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 3 (i).
Investments:	Fair value of investments as described in Note 3 (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.

6 Maintenance of capital fund

The ratios of capital to assets (Capital Adequacy Ratio) as of 31 March 2017 and 30 September 2016 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.

	31 March 2017	30 September 2016
	<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	(424,324)	(314,690)
Other reserves	2,720	3,932
Less Capital deduction items on CET1	(94,380)	(210,020)
Total Tier 1 Capital Base	<u>19,484,016</u>	<u>19,479,222</u>
<i>Tier 2 capital</i>		
Provision for normal classified assets	190,697	137,915
Total Tier 2 Capital Base	<u>190,697</u>	<u>137,915</u>
Total Capital Base	<u>19,674,713</u>	<u>19,617,137</u>
Total Risk-Weighted Assets	<u>20,908,317</u>	<u>12,200,413</u>

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	The BoT's regulatory minimum requirement	31 March 2017 (%)	30 September 2016
Capital Adequacy Ratio	9.750	94.10	160.79
Tier-1 Capital ratio	7.250	93.19	159.66
Tier-1 Common Equity ratio	5.750	93.19	159.66
Tier-2 Capital ratio	-	0.91	1.13

According to Bank of Thailand notification number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose capital after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 31 March 2017 and 30 September 2016, the Bank has no add-on arising from Single Lending Limit.

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 31 March 2017 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).

7 Interbank and money market items, net (assets)

	31 March 2017			30 September 2016		
	At call	Term	Total	At call	Term	Total
	<i>(in thousand Baht)</i>					
Domestic						
Bank of Thailand	132,774	-	132,774	28,848	-	28,848
Commercial banks	390	16,850,000	16,850,390	9,369	6,600,000	6,609,369
Total	133,164	16,850,000	16,983,164	38,217	6,600,000	6,638,217
Add accrued interest receivable	-	1,509	1,509	-	432	432
Less allowance for doubtful accounts	-	(85,000)	(85,000)	-	(66,000)	(66,000)
Total domestic, net	133,164	16,766,509	16,899,673	38,217	6,534,432	6,572,649

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	31 March 2017			30 September 2016		
	At call	Term	Total	At call	Term	Total
	<i>(in thousand Baht)</i>					
Foreign						
USD	90,495	-	90,495	108,844	-	108,844
EUR	552,629	-	552,629	583,845	-	583,845
JPY	561,870	-	561,870	520,935	-	520,935
AUD	7,121	-	7,121	109,820	-	109,820
Others	7,774	-	7,774	773	-	773
Total	1,219,889	-	1,219,889	1,324,217	-	1,324,217
Add accrued interest receivable	-	-	-	-	-	-
Less allowance for doubtful accounts	-	-	-	-	-	-
Total foreign, net	1,219,889	-	1,219,889	1,324,217	-	1,324,217
Total domestic and foreign, net	1,353,053	16,766,509	18,119,562	1,362,434	6,534,432	7,896,866

8 Derivatives

Derivatives held for trading

As at 31 March 2017 and 30 September 2016, the fair value and notional amount of derivatives classified by type of risks are as follows:

Type of risks	31 March 2017			30 September 2016		
	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount
	<i>(in thousand Baht)</i>					
Foreign currency related	262,764	377,880	42,022,115	199,265	181,761	26,309,676
Interest rate related	185,669	167,122	94,877,061	33,883	33,784	39,314,637
Total	448,433	545,002	136,899,176	233,148	215,545	65,624,313

As at 31 March 2017 and 30 September 2016, proportions of the notional amount of derivative transactions, classified by counterparties, consisted of:

Counterparties	31 March 2017	30 September 2016
	(%)	
Financial institutions	23.75	26.20
Related parties	71.15	63.69
Other parties	5.10	10.11
Total	100.00	100.00

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9 Investments, net

9.1 Classification of investments in securities

As at 31 March 2017 and 30 September 2016, the Bank classifies investment types as follows:

	31 March 2017	30 September 2016
	Fair value (in thousand Baht)	
Trading securities		
Government bonds	523,322	291,580
Total	<u>523,322</u>	<u>291,580</u>
Available-for-sale securities		
Government bonds	7,621,470	9,107,323
Total	<u>7,621,470</u>	<u>9,107,323</u>
Total investments, net	<u>8,144,792</u>	<u>9,398,903</u>

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

As at 31 March 2017 and 30 September 2016, unrealised gains (losses) on available-for-sale securities were as follows:

	31 March 2017 (in thousand Baht)			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value
Available-for-sale securities				
Government bonds	7,617,221	8,869	(4,620)	7,621,470
Total investments, net	<u>7,617,221</u>	<u>8,869</u>	<u>(4,620)</u>	<u>7,621,470</u>
	30 September 2016 (in thousand Baht)			
	Amortised cost	Unrealised gains	Unrealised losses	Fair value
Available-for-sale securities				
Government bonds	9,099,130	13,326	(5,133)	9,107,323
Total investments, net	<u>9,099,130</u>	<u>13,326</u>	<u>(5,133)</u>	<u>9,107,323</u>

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10 Loans to customers and accrued interest receivable, net

10.1 Classified by type of loans

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
Loans	10,569,708	7,693,065
Total	10,569,708	7,693,065
Add accrued interest receivable	42,243	38,277
Total loans and accrued interest receivable	10,611,951	7,731,342
Less deferred revenue	(74)	-
Less allowance for doubtful accounts		
- Minimum allowance as BoT's regulations - Individual approach	(105,697)	(76,930)
Total loans to customers and accrued interest receivable, net	<u>10,506,180</u>	<u>7,654,412</u>

10.2 Classified by currency and residence of debtors

As at 31 March 2017 and 30 September 2016, the Bank's loans are to Thai resident customer.

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
Thai Baht	8,064,604	5,308,000
US Dollar	2,505,030	2,385,065
Total	<u>10,569,634</u>	<u>7,693,065</u>

10.3 Classified by industry and loan classification

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
	Pass	
Agriculture	258,376	292,780
Manufacturing and commerce	6,306,113	2,812,289
Infrastructure and services	127,143	200,000
Others	3,878,002	4,387,996
Total	<u>10,569,634</u>	<u>7,693,065</u>

ANZ Bank (Thai) Public Company Limited

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10.4 Classified by loan classification

	31 March 2017			Allowance for doubtful accounts (in thousand Baht)
	Loans to customers and accrued interest receivables (in thousand Baht)	Net amount used to set the allowance for doubtful accounts*	Rate used for setting the allowance for doubtful accounts (%)	
Minimum allowance as per BoT's Regulations				
Pass	10,611,877	10,569,634	1	105,697
Total	10,611,877	10,569,634		105,697

* The outstanding debt excludes accrued interest receivables.

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

* The outstanding debt excludes accrued interest receivables.

11 Allowance for doubtful accounts

	31 March 2017	30 September 2016
	Pass (in thousand Baht)	
Beginning period/year balance	76,930	36,480
Doubtful accounts	28,767	40,450
Ending period/year balance	105,697	76,930

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12 Leasehold building improvements and equipment, net

As at 31 March 2017 and 30 September 2016, changes in leasehold building improvements and equipment are as follows:

	31 March 2017						Ending balance
	Beginning balance	Purchases	Transfer in	Disposals	Transfer out	Cost	
	<i>(in thousand Baht)</i>						
Leasehold building improvements	38,654	-	-	-	-	-	38,654
Furniture, fixtures and office equipment	16,266	-	-	-	-	-	16,266
Computer equipment	40,409	2,018	-	-	-	-	42,427
Vehicle	5,409	-	-	-	-	-	5,409
Total	100,738	2,018	-	-	-	-	102,756

	31 March 2017						Net book value
	Beginning balance	Depreciation	Transfer in	Disposals	Transfer out	Ending balance	
	<i>(in thousand Baht)</i>						
Leasehold building improvements	4,158	1,933	-	-	-	6,091	32,563
Furniture, fixtures and office equipment	3,416	1,627	-	-	-	5,043	11,223
Computer equipment	14,863	6,847	-	-	-	21,710	20,717
Vehicle	1,051	541	-	-	-	1,592	3,817
Total	23,488	10,948	-	-	-	34,436	68,320

	30 September 2016						Ending balance
	Beginning balance	Purchases	Transfer in	Disposals	Transfer out	Cost	
	<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

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	Beginning balance	Depreciation	Transfer in	30 September 2016 Accumulated depreciation		Ending balance	Net book value
				Disposals (in thousand Baht)	Transfer out		
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
Total	4,107	19,783	474	(402)	(474)	23,488	77,250

13 Deferred tax

Deferred tax assets are as follows:

	31 March 2017	30 September 2016
Deferred tax assets	94,376	100,385
Total	94,376	100,385

(in thousand Baht)

Movements in total deferred tax assets during the period ended 31 March 2017 and during the year ended 30 September 2016 are as follows:

	At 1 October 2016	(Charged) / Credited to:		At 31 March 2017
		Profit or loss	Other comprehensive income	
		<i>(note 33)</i>		
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Investments	(1,662)	(496)	789	(1,369)
Intangible assets	33,961	(7,765)	-	26,196
Tax losses	51,700	4,366	-	56,066
Other assets	-	12	-	12
Other liabilities	16,386	(2,915)	-	13,471
Total	100,385	(6,798)	789	94,376

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	At 1 October 2015	(Charged) / Credited to:		At 30 September 2016
		Profit or loss (note 33) (in thousand Baht)	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	6,118	10,268	-	16,386
Total	79,497	23,387	(2,499)	100,385

14 Other assets

	Note	31 March 2017	30 September 2016
<i>(in thousand Baht)</i>			
Accrued interest receivable		17,474	14,116
Advance to intercompany	22	4	-
Guarantee deposits		5,787	5,685
Others		13,880	4,929
Total		37,145	24,730

15 Deposits

15.1 Classified by type of deposits

	31 March 2017	30 September 2016
<i>(in thousand Baht)</i>		
Current	1,062,355	545,227
Fixed		
- Less than 6 months	500,847	680,786
- More than 6 months but not over 1 year	1,200	-
Total	1,564,402	1,226,013

15.2 Classified by currency and residence of depositors

	31 March 2017			30 September 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in thousand Baht)</i>						
Baht	783,885	13,675	797,560	958,468	-	958,468
US Dollar	766,017	-	766,017	267,545	-	267,545
GBP	825	-	825	-	-	-
Total	1,550,727	13,675	1,564,402	1,226,013	-	1,226,013

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16 Interbank and money market items (liabilities)

	31 March 2017	30 September 2016
	Term (in thousand Baht)	
Domestic		
Bank of Thailand	-	-
Commercial banks	-	-
Total domestic	<u>-</u>	<u>-</u>
Foreign		
USD	15,723,003	4,163,988
Total foreign	<u>15,723,003</u>	<u>4,163,988</u>
Total domestic and foreign	<u>15,723,003</u>	<u>4,163,988</u>

17 Other liabilities

	Note	31 March 2017	30 September 2016
		(in thousand Baht)	
Due from intercompany	22	11,038	132,416
Accrued expenses		53,712	79,092
Marginal payables		68,211	-
VAT payable		249	9,089
Withholding tax payable		4,127	4,903
Others		3,942	1,525
Total		<u>141,279</u>	<u>227,025</u>

18 Share capital

	31 March 2017		30 September 2016		
	Par value per share (in Baht)	Number	Amount	Number	Amount
		(in thousand shares / thousand Baht)			
<i>Authorised</i>					
At the beginning of the period/ year - ordinary share	10	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>
At the ending of the period/ year - ordinary share	10	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>
<i>Issued and paid-up</i>					
At the beginning of the period/ year - ordinary share	10	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>
At the ending of the period/ year - ordinary share	10	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>

19 Reserves

The Bank has not provided for legal reserve due to deficit.

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20 Assets pledged as collateral

Assets pledged as collateral as at 31 March 2017 and 30 September 2016 consist of:

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
Government bonds		
- Pledged for liquidity management with the BoT	3,611	5,547
Total	<u>3,611</u>	<u>5,547</u>

21 Contingent liabilities

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
Guarantees of loans	508,056	477,491
Letters of credit	-	255,044
Other contingencies	2,834,143	2,090,849
Total	<u>3,342,199</u>	<u>2,823,384</u>

Litigation

As at 31 March 2017 and 30 September 2016, there is no litigation case outstanding against the Bank.

22 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/ nationalities	Nature of relationship
Key management personnel	Thai and other nationalities	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

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Name of entity/Personnel	Country of incorporation/nationalities	Nature of relationship
Australia and New Zealand Banking Company Limited China	China	Affiliates of ANZ Group
Australia and New Zealand Banking Limited Vietnam	Vietnam	Affiliates of ANZ Group
Australia and New Zealand Banking Group Limited Japan	Japan	Affiliates of ANZ Group
Australia and New Zealand Banking Limited New Zealand	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
ANZ Global Services and Operations (Manila), Inc.	Philippines	Affiliates of ANZ Group
ANZ Support Services India Private Limited	India	Affiliates of ANZ Group
Australia New Zealand Banking Group Limited New York	United States	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

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

<i>For the period ended 31 March</i>	2017	2016
	<i>(in thousand Baht)</i>	
Interest income	546	8,235
Interest expense	22,372	146
Technology service expenses charged by ANZ Banking Group	2,921	-
<i>Key management personnel</i>		
Short-term employee benefits	48,012	59,708
Post - employment benefit	59	-
Total key management personnel compensation	48,071	59,708

Significant balances and business transactions with other related parties

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
<i>Interbank and money market items (assets)</i>		
Australia and New Zealand Banking Group Limited	7,121	109,820
Australia and New Zealand Banking Group Limited New Zealand	116	121
	7,237	109,941

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	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
<i>Derivative assets</i>		
Australia and New Zealand Banking Group Limited	194,771	38,772
Australia and New Zealand Banking Group Limited Hong Kong	506	244
Australia and New Zealand Banking Group Limited Japan	4,990	7
	<u>200,267</u>	<u>39,023</u>
<i>Other assets</i>		
Australia and New Zealand Banking Group Limited	<u>4</u>	<u>-</u>
<i>Interbank and money market items (liabilities)</i>		
Australia and New Zealand Banking Group Limited Singapore	<u>15,723,003</u>	<u>4,163,988</u>
<i>Derivative liabilities</i>		
Australia and New Zealand Banking Group Limited	172,704	35,401
Australia and New Zealand Banking Group Limited Hong Kong	558	392
Australia and New Zealand Banking Group Limited Japan	-	1,392
	<u>173,262</u>	<u>37,185</u>
<i>Other liabilities</i>		
Australia and New Zealand Banking Group Limited	9,447	132,366
Australia and New Zealand Banking Group Limited Singapore	791	50
ANZ Global Services and Operations (Manila) , Inc.	754	-
ANZ Support Services India Private Limited	46	-
	<u>11,038</u>	<u>132,416</u>
<i>Other guarantees</i>		
Australia and New Zealand Banking Group Limited	58,577	10,347
Australia and New Zealand Banking Group Limited United Kingdom	439,768	870,061
Australia and New Zealand Banking Group Limited Singapore	1,059,614	638,401
Australia and New Zealand Banking Group Limited India	13,859	13,960
Australia and New Zealand Banking Group Limited Frankfurt	1,003,052	383,606
Australia and New Zealand Banking Group Limited New York	20,365	-
Australia and New Zealand Banking Group Limited Hong Kong	70,000	70,000
	<u>2,665,235</u>	<u>1,986,375</u>
<i>Derivatives - Foreign currency related</i>		
Australia and New Zealand Banking Group Limited	2,188,327	2,353,442
Australia and New Zealand Banking Group Limited Japan	188,418	21,730
Australia and New Zealand Banking Group Limited Hong Kong	149,643	105,042
	<u>2,526,388</u>	<u>2,480,214</u>
<i>Derivatives – Interest rate related</i>		
Australia and New Zealand Banking Group Limited	<u>94,877,061</u>	<u>39,314,637</u>

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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. During the period the Bank already has fully paid for reimbursed expense for project settlement cost to ANZBGL in January 2017 amounting to AUD 3.69 million (30 September 2016: has no reimbursed expense with the Bank).

(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 period, the Bank has incurred an expense amounting to AUD 231,901 (30 September 2016: nil).

23 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:

	31 March 2017	30 September 2016
	<i>(in thousand Baht)</i>	
Within one year	7,324	14,444
After one year but within five years	137	536
Total	7,461	14,980

24 Interest income

	2017	2016
	<i>(in thousand Baht)</i>	
Interbank and money market items	55,326	30,033
Investments in debt securities	64,992	66,216
Loans to customers	134,067	46,384
Others	7,105	34,134
Total	261,490	176,767

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25 Interest expense

For the period ended 31 March

	2017	2016
	<i>(in thousand Baht)</i>	
Deposits	(2,233)	(90)
Interbank and money market items	(26,508)	(2,747)
Contribution to Deposit Protection Agency	(1,287)	(202)
Others	(2,516)	(1,083)
Total	<u>(32,544)</u>	<u>(4,122)</u>

26 Net fees and service income

For the period ended 31 March

	2017	2016
	<i>(in thousand Baht)</i>	
Fees and service income		
- Acceptance, avals and guarantees	4,124	3,161
- Others	20,859	1,356
	<u>24,983</u>	<u>4,517</u>
Fees and service expenses	(3,643)	(1,600)
Net	<u>21,340</u>	<u>2,917</u>

27 Net trading income

For the period ended 31 March

	2017	2016
	<i>(in thousand Baht)</i>	
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and foreign currency related derivatives	5,411	251
- Interest rate related derivatives	24,014	-
- Debt securities	(2,670)	8,503
Total	<u>26,755</u>	<u>8,754</u>

28 Net gain on investment

For the period ended 31 March

	2017	2016
	<i>(in thousand Baht)</i>	
Gain on sales		
- Available – for sale securities	4,784	-
Total	<u>4,784</u>	<u>-</u>

29 Employee expenses

For the period ended 31 March

	2017	2016
	<i>(in thousand Baht)</i>	
Salary and bonus	88,924	114,238
Employee defined benefit plans	19,389	-
Others	25,960	22,440
Total	<u>134,273</u>	<u>136,678</u>

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30 Premises and equipment expenses

<i>For the period ended 31 March</i>	2017	2016
	<i>(in thousand Baht)</i>	
Rental and service expenses	10,201	9,194
Depreciation	10,947	9,123
Data communication cost	354	3,624
Telephone expense	3,839	3,412
Information service fee	1,892	1,878
Others	8,224	3,195
Total	35,457	30,426

31 Other expenses

<i>For the period ended 31 March</i>	2017	2016
	<i>(Restate)</i>	
	<i>(in thousand Baht)</i>	
Consultant and professional fee	5,251	3,464
Advertising expenses	83	4,666
Information service subscription	3,278	-
License fee	18	-
Others	8,718	9,296
Total	17,348	17,426

32 Bad debts, allowance for doubtful accounts and impairment loss

<i>For the period ended 31 March</i>	2017	2016
	<i>(in thousand Baht)</i>	
Interbank and money market items (Reversal)	19,000	(27,857)
Loans to customers	28,766	43,400
Total	47,766	15,543

33 Income tax

Income tax recognised in profit or loss

<i>For the period ended 31 March</i>	Note	2017	2016
		<i>(Restate)</i>	
		<i>(in thousand Baht)</i>	
Current tax expense			
Current period		-	-
		<u>-</u>	<u>-</u>
Deferred tax expense			
Movements in temporary differences	13	6,798	(5,546)
Total		6,798	(5,546)

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Income tax recognised in other comprehensive income

*For the period ended
31 March*

	Before tax	2017 Tax benefit	Net of Tax (in thousand Baht)	Before tax	2016 Tax expense	Net of Tax
Available-for-sale securities	(3,944)	789	(3,155)	36,398	(7,280)	29,118
Total	(3,944)	789	(3,155)	36,398	(7,280)	29,118

Reconciliation of effective tax rate

For the period ended 31 March

	2017		2016 (Restate)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		33,631		(28,054)
Income tax using the Thai corporation tax rate	20.0	6,726	20.0	(5,611)
Expenses not deductible for tax purposes		72		65
Total	20.2	6,798	19.8	(5,546)

The Bank has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 March 2017 and 2016.

34 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the period ended 31 March 2017 and 2016 were based on the profit (loss) for the period attributable to equity holders of the Bank and the number of ordinary shares outstanding during the period as follows:

For the period ended 31 March

	2017 (in thousand Baht / thousand shares)	2016
Profit (loss) for the period attributable to shareholders of the Bank (basic)	26,833	(22,508)
The number of ordinary shares outstanding	2,000,000	2,000,000
Basic earnings (loss) per share (in Baht)	0.01	(0.01)

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 2017, are set out below. The Bank does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes


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TFRS	Topic
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2016)	Related Party Disclosures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 104 (revised 2016)	Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 13 (revised 2016)	Fair Value Measurement
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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 period of initial application.



(Warin Paaopanchon)
 Chief Financial Officer



(Panadda Manoleehakul)
 President and Chief Executive Officer