



Ref. KTB.ACC. 1033 /2016

May 16 , 2016

The President

The Stock Exchange of Thailand

Bangkok

Dear Sir,

Re : Submission of the Financial Statements

Krung Thai Bank Public Company Limited (“The Bank”) hereby submits the reviewed financial statements of the Bank and its subsidiaries for the three-month period ended March 31, 2016 together with the operating performance as follows:

The Bank and its subsidiaries’ operating results for the three-month period ended March 31, 2016 show the net interest income of Bt.21,341m, an increase of Bt.2,003m, or 10.36% over the Bt.19,338m, of the corresponding period of 2015. Net profit before income tax and allowance for doubtful accounts of Bt.18,259m, shows an increase of Bt.4,338m, or 31.16% over the Bt.13,921m, of the corresponding period of 2015. After deducting income tax and allowance for doubtful accounts of Bt.10,398m, net profit is Bt.7,861m, shows a decrease of Bt.358m, or 4.36% over the Bt.8,219m of the corresponding period of 2015. Net profit Equity holders of the Bank is Bt.7,540m, shows a decrease of Bt.389m, or 4.91% over the Bt.7,929m of the corresponding period of 2015.

The Bank and its subsidiaries’ gross non-performing loans (NPLs) as at March 31, 2016 are Bt.90,031m, show an increase of Bt.13,660m, or 17.89% from Bt.76,371m as at December 31, 2015. The ratio of NPLs to loans increased to 3.70% compared with 3.20% as at December 31, 2015. Net non-performing loans (NPLs) are Bt.45,079m, or 1.89%. For the three-month period ended March 31, 2016, the Bank and its subsidiaries have set aside allowance for doubtful accounts and loss on impairment of Bt.8,623m, show an increase of Bt.4,899m, or 131.55%, compared to 1Q2015. The Bank set aside Bt.6,996m provision for bad debts, doubtful accounts and loss on impairment. In 2016, the Bank’s monthly normalized provision increased from Bt.700m to Bt.1,000m in accordance with the consideration of outstanding loans and economic situation factor. Furthermore, the Bank’s additional provision were provided in amount of

2 / Bt.4,000m, in response to the

Bt.4,000m, in response to the rising in NPLs and the prudent banking practice to maintain coverage ratio at not less than 100%. The Bank and its subsidiaries' coverage ratio was 103.43%, compared to 112.55% as at the end of year 2015.

The Bank's coverage ratio was 101.06%, compared to 110.54% as at the end of year 2015.

Please be advised accordingly.

Sincerely yours,

(Signed) Vorapak Tanyawong

Vorapak Tanyawong

President

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Krung Thai Bank Public Company Limited

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and the Bank's statements of financial position as at March 31, 2016, the related consolidated and the Bank's statements of income and other comprehensive income, statements of changes in equity and statements of cash flows for the three-month period then ended, and condensed notes to the financial information of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of Review

The Office of the Auditor General of Thailand conducted the review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

Conclusion

Based on the review, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Signed) *Yupin Chalanonniwat*

(Mrs. Yupin Chalanonniwat)

Deputy Auditor General

(Signed) *Ratchanee Cholnakijkul*

(Ms. Ratchanee Cholnakijkul)

Director of Financial Audit Office No.2

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH, 2016

	NOTE	(Thousand Baht)			
		CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		MARCH 31, 2016	DECEMBER 31, 2015	MARCH 31, 2016	DECEMBER 31, 2015
		(UNAUDITED/ REVIEWED)	(AUDITED)	(UNAUDITED/ REVIEWED)	(AUDITED)
ASSETS					
CASH		59,965,637	71,470,113	59,863,770	71,294,408
INTERBANK AND MONEY MARKET ITEMS, NET		496,110,177	397,357,971	495,715,786	397,061,378
CLAIMS ON SECURITIES		36,472,100	13,494,400	36,472,100	13,494,400
DERIVATIVES ASSETS	6.2	29,732,343	34,039,142	29,786,417	34,088,515
INVESTMENTS, NET	6.3	225,259,175	247,081,663	225,069,511	246,811,058
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.4	20,311,555	14,650,374	10,664,593	10,664,593
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	6.5				
LOANS TO CUSTOMERS		1,996,587,826	2,033,250,476	1,934,736,971	1,969,827,420
ACCRUED INTEREST RECEIVABLES		4,220,354	5,900,902	3,777,080	5,462,813
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES		2,000,808,180	2,039,151,378	1,938,514,051	1,975,290,233
LESS DEFERRED REVENUE		(5,282,806)	(5,810,002)	(153,737)	(165,766)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	6.6	(93,001,334)	(85,823,934)	(84,275,761)	(77,221,061)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	6.7	(116,435)	(132,627)	(116,435)	(132,627)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET		1,902,407,605	1,947,384,815	1,853,968,118	1,897,770,779
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES		65,608	1,567,806	65,608	1,567,806
PROPERTIES FOR SALE, NET	6.8	29,202,141	30,008,144	29,122,502	29,909,856
PREMISES AND EQUIPMENT, NET		26,855,111	26,354,526	22,245,638	21,376,845
OTHER INTANGIBLE ASSETS, NET		4,422,853	4,571,604	882,366	897,367
DEFERRED TAX ASSETS	6.9	5,404,383	6,996,109	3,404,479	5,020,583
ACCRUED INCOME		3,160,782	3,788,212	2,991,269	3,578,869
OTHER ASSETS, NET		11,811,434	16,564,767	9,774,388	15,071,377
TOTAL ASSETS		2,851,180,904	2,815,329,646	2,780,026,545	2,748,607,834
LIABILITIES AND EQUITY					
DEPOSITS		2,092,753,821	2,135,498,511	2,094,656,762	2,137,446,488
INTERBANK AND MONEY MARKET ITEMS, NET		225,567,471	194,242,842	212,585,318	177,701,199
LIABILITIES PAYABLE ON DEMAND		8,185,463	6,121,116	8,185,463	6,121,116
LIABILITIES TO DELIVER SECURITIES		36,472,100	13,494,400	36,472,100	13,494,400
DERIVATIVES LIABILITIES	6.2	31,633,016	37,232,572	31,633,712	37,234,793
DEBT ISSUED AND BORROWINGS	6.10	117,842,687	116,240,463	86,569,859	86,937,975
BANK'S LIABILITIES UNDER ACCEPTANCES		65,608	1,567,806	65,608	1,567,806
PROVISIONS		14,598,085	14,424,688	13,774,820	13,634,737
OTHER LIABILITIES		56,488,774	46,209,922	49,909,016	39,997,788
TOTAL LIABILITIES		2,583,607,025	2,565,032,320	2,533,852,658	2,514,136,302

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH, 2016

		(Thousand Baht)			
	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		MARCH 31, 2016	DECEMBER 31, 2015	MARCH 31, 2016	DECEMBER 31, 2015
		(UNAUDITED/ REVIEWED)	(AUDITED)	(UNAUDITED/ REVIEWED)	(AUDITED)
LIABILITIES AND EQUITY (CONTINUED)					
EQUITY					
SHARE CAPITAL	6.11				
AUTHORIZED SHARE CAPITAL					
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715
ISSUED AND PAID-UP SHARE CAPITAL					
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715
PREMIUM ON SHARE CAPITAL					
PREMIUM ON ORDINARY SHARE		20,833,734	20,833,734	20,833,734	20,833,734
OTHER COMPONENTS OF EQUITY		20,484,010	10,643,441	11,123,651	6,407,413
RETAINED EARNINGS					
APPROPRIATED					
LEGAL RESERVE	6.12	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED		142,738,827	135,200,033	135,010,958	128,024,841
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		263,262,115	245,882,752	246,173,887	234,471,532
NON-CONTROLLING INTEREST		4,311,764	4,414,574		
TOTAL EQUITY		267,573,879	250,297,326	246,173,887	234,471,532
TOTAL LIABILITIES AND EQUITY		2,851,180,904	2,815,329,646	2,780,026,545	2,748,607,834

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

UNAUDITED/
REVIEWED

(Thousand Baht)

	NOTE	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
INTEREST INCOME	6.18	32,665,877	33,048,487	29,538,913	29,565,537
INTEREST EXPENSES	6.19	11,325,310	13,710,011	10,936,536	13,274,988
INTEREST INCOME, NET		21,340,567	19,338,476	18,602,377	16,290,549
FEES AND SERVICE INCOME		6,130,248	4,992,272	5,019,429	4,563,133
FEES AND SERVICE EXPENSES		921,081	659,757	622,965	506,477
FEES AND SERVICE INCOME, NET		5,209,167	4,332,515	4,396,464	4,056,656
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET		1,826,765	1,091,603	1,844,158	1,120,924
GAINS ON INVESTMENTS, NET		337,690	277,356	337,690	277,356
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD		558,876	913,134	-	-
DIVIDEND INCOME		116,307	175,079	552,708	525,704
OTHER OPERATING INCOME		1,333,378	959,136	567,208	306,491
TOTAL OPERATING INCOME		30,722,750	27,087,299	26,300,605	22,577,680
OTHER OPERATING EXPENSES					
EMPLOYEES' EXPENSES		7,715,216	7,872,518	6,395,730	6,459,790
DIRECTORS' REMUNERATION		14,883	13,520	9,771	7,918
PREMISES AND EQUIPMENT EXPENSES		2,066,328	2,283,916	1,105,072	1,236,632
TAXES AND DUTIES		1,238,284	1,260,920	1,128,970	1,165,183
OTHERS		1,428,921	1,735,331	2,103,370	2,610,905
TOTAL OTHER OPERATING EXPENSES		12,463,632	13,166,205	10,742,913	11,480,428
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES		8,623,234	3,724,416	6,996,302	2,100,000
OPERATING PROFIT BEFORE INCOME TAX EXPENSES		9,635,884	10,196,678	8,561,390	8,997,252
INCOME TAX EXPENSES	6.20	1,775,250	1,977,560	1,575,273	1,840,461
NET PROFIT		7,860,634	8,219,118	6,986,117	7,156,791

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

UNAUDITED/
REVIEWED

(Thousand Baht)

	NOTE	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS		5,928,230	(48,992)	5,928,230	(48,992)
LOSSES ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS		(26,346)	(6,313)	(26,346)	(6,313)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES (EQUITY METHOD)					
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		5,124,331	526,791	-	-
RELATED INCOME TAX EXPENSES					
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		(1,185,646)	9,799	(1,185,646)	9,799
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFIT PLANS		(1,332)	163	-	-
RELATED INCOME TAX EXPENSES					
FOR ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		266	(33)	-	-
OTHER COMPREHENSIVE INCOME, NET		9,839,503	481,415	4,716,238	(45,506)
TOTAL COMPREHENSIVE INCOME		17,700,137	8,700,533	11,702,355	7,111,285
NET PROFIT ATTRIBUTABLE					
EQUITY HOLDERS OF THE BANK		7,539,860	7,928,816	6,986,117	7,156,791
NON-CONTROLLING INTEREST		320,774	290,302		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
EQUITY HOLDERS OF THE BANK		17,379,363	8,410,231	11,702,355	7,111,285
NON-CONTROLLING INTEREST		320,774	290,302		
EARNINGS PER SHARE OF PARENT COMPANY					
BASIC EARNINGS PER SHARE (BAHT)		0.54	0.57	0.50	0.51
DILUTED EARNINGS PER SHARE (BAHT)		0.54	0.57	0.50	0.51

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

UNAUDITED/
REVIEWED

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS						NON- CONTROLLING INTEREST	TOTAL	
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK								
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENTS OF EQUITY			RETAINED EARNINGS			TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK
			APPRAISAL SURPLUS (DEFICIT) ON ASSETS	REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL STATEMENTS				
BEGINNING BALANCE AS AT DECEMBER 31, 2014 (BEFORE RESTATED)	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,860,323	232,142,255	8	232,142,263
EFFECT FROM TFRS 10 CONSOLIDATED FINANCIAL STATEMENTS	-	-	-	-	-	-	-	3,724,385	3,724,385
BALANCE AFTER ADJUSTMENT AS AT DECEMBER 31, 2014	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,860,323	232,142,255	3,724,393	235,866,648
EFFECT FROM TFRS 13 FAIR VALUE MEASUREMENT	-	-	-	-	-	(197,533)	(197,533)	-	(197,533)
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2015	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,662,790	231,944,722	3,724,393	235,669,115
DIVIDEND PAID	-	-	-	-	-	-	-	(358,417)	(358,417)
TOTAL COMPREHENSIVE INCOME	-	-	-	487,598	(6,313)	7,928,946	8,410,231	290,302	8,700,533
ENDING BALANCE AS AT MARCH 31, 2015	72,005,040	20,833,734	6,347,639	6,549,907	26,897	134,591,736	240,354,953	3,656,278	244,011,231
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2016	72,005,040	20,833,734	6,344,916	4,303,723	(5,198)	142,400,537	245,882,752	4,414,574	250,297,326
DIVIDEND PAID	-	-	-	-	-	-	-	(423,584)	(423,584)
TOTAL COMPREHENSIVE INCOME	-	-	-	9,866,915	(26,346)	7,538,794	17,379,363	320,774	17,700,137
ENDING BALANCE AS AT MARCH 31, 2016	72,005,040	20,833,734	6,344,916	14,170,638	(31,544)	149,939,331	263,262,115	4,311,764	267,573,879

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

**UNAUDITED/
REVIEWED**

(Thousand Baht)

	THE BANK'S FINANCIAL STATEMENTS					RETAINED EARNINGS	TOTAL
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENTS OF EQUITY	REVALUATION SURPLUS (DEFICIT)	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL STATEMENTS		
BEGINNING BALANCE AS AT JANUARY 1, 2015 (BEFORE RESTATED)	72,005,040	20,833,734	6,347,639	2,825,983	33,210	121,807,064	223,852,670
EFFECT FROM TFRS 13 FAIR VALUE MEASUREMENT	-	-	-	-	-	(197,533)	(197,533)
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2015	72,005,040	20,833,734	6,347,639	2,825,983	33,210	121,609,531	223,655,137
TOTAL COMPREHENSIVE INCOME	-	-	-	(39,193)	(6,313)	7,156,791	7,111,285
ENDING BALANCE AS AT MARCH 31, 2015	72,005,040	20,833,734	6,347,639	2,786,790	26,897	128,766,322	230,766,422
BEGINNING BALANCE AS AT JANUARY 1, 2016	72,005,040	20,833,734	6,344,916	67,695	(5,198)	135,225,345	234,471,532
TOTAL COMPREHENSIVE INCOME	-	-	-	4,742,584	(26,346)	6,986,117	11,702,355
ENDING BALANCE AS AT MARCH 31, 2016	72,005,040	20,833,734	6,344,916	4,810,279	(31,544)	142,211,462	246,173,887

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
(Thousand Baht)				
CASH FLOWS FROM OPERATING ACTIVITIES				
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	9,635,884	10,196,678	8,561,390	8,997,252
ADJUSTMENTS TO RECONCILE OPERATING PROFIT BEFORE INCOME TAX EXPENSES				
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
DEPRECIATION AND AMORTIZATION EXPENSES	910,252	938,833	370,756	336,325
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	8,623,234	3,724,416	6,996,302	2,100,000
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	(558,876)	(913,134)	-	-
DIVIDEND RECEIVED FROM ASSOCIATES	22,026	-	-	-
LOSS (GAIN) ON DISPOSAL OF ASSETS	(110)	1,835	(21)	(25)
GAIN ON DISPOSAL OF INVESTMENTS	(337,690)	(267,336)	(337,690)	(267,336)
LOSS (GAIN) ON REVALUATION OF INVESTMENTS	4,492	(14,496)	4,492	(14,496)
REVERSAL OF IMPAIRMENT OF PROPERTIES FOR SALE	(122,383)	(103,998)	(74,113)	(115,040)
REVERSAL OF IMPAIRMENT OF INVESTMENTS	(1)	(10,020)	-	(10,020)
REVERSAL OF IMPAIRMENT OF OTHER ASSETS	(1,781)	(7,746)	(1,781)	(7,746)
LOSS ON IMPAIRMENT OF OTHER ASSETS	1,486	47,927	1,486	47,927
AMORTIZATION OF DISCOUNT ON INVESTMENTS	338,187	404,134	338,893	405,221
LOSS ON FOREIGN CURRENCY TRANSLATION	268,393	821,116	268,360	821,067
INCREASE IN PROVISIONS	212,447	156,289	154,156	97,616
INCREASE IN OTHER ACCRUED INCOME	(446,118)	(428,797)	(49,548)	(113,777)
DECREASE IN OTHER ACCRUED EXPENSES	(3,378,607)	(2,950,103)	(2,847,109)	(2,249,727)
	15,170,835	11,595,598	13,385,573	10,027,241
INTEREST INCOME, NET	(21,340,567)	(19,338,476)	(18,602,377)	(16,290,549)
DIVIDEND INCOME	(116,307)	(175,079)	(552,708)	(525,704)
PROCEEDS FROM INTEREST INCOME	35,688,615	33,619,168	32,566,835	30,139,134
CASH PAID ON INTEREST EXPENSES	(13,587,584)	(12,453,026)	(13,176,301)	(12,035,193)
PROCEEDS FROM DIVIDEND INCOME	40,944	37,724	40,944	37,724
CASH PAID ON INCOME TAX EXPENSES	(321,277)	(270,408)	(240,994)	(199,887)
OPERATING INCOME BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES	15,534,659	13,015,501	13,420,972	11,152,766
(INCREASE) DECREASE IN OPERATING ASSETS				
INTERBANK AND MONEY MARKET ITEMS	(98,945,484)	(66,088,540)	(98,847,686)	(66,056,493)
INVESTMENTS IN TRADING SECURITIES	13,376,030	5,418,640	13,376,030	5,418,640
LOANS TO CUSTOMERS	33,601,392	(3,168,365)	34,048,590	(5,149,747)
PROPERTIES FOR SALE	1,405,229	1,909,691	1,324,195	1,894,104
OTHER ASSETS	11,435,577	1,156,179	11,974,655	1,455,725
INCREASE (DECREASE) IN OPERATING LIABILITIES				
DEPOSITS	(42,744,690)	45,298,131	(42,789,726)	45,191,006
INTERBANK AND MONEY MARKET ITEMS	31,324,629	28,154,484	34,884,119	28,227,872
LIABILITIES PAYABLE ON DEMAND	2,064,347	1,294,392	2,064,347	1,294,392
DEBT ISSUED AND SHORT-TERM BORROWINGS	(8,907)	(13,091,044)	-	(9,746,000)
OTHER LIABILITIES	8,668,450	9,833,276	8,387,150	10,233,711
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(24,288,768)	23,732,345	(22,157,354)	23,915,976

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES				
PURCHASES OF AVAILABLE FOR SALE SECURITIES	(38,657,482)	(67,499,884)	(38,657,482)	(67,499,884)
PROCEEDS FROM DISPOSAL OF AVAILABLE FOR SALE SECURITIES	46,462,967	50,452,625	46,462,967	50,452,625
PURCHASES OF HELD TO MATURITY DEBT SECURITIES	(5,751,357)	(40,933,803)	(5,662,005)	(40,694,951)
PROCEEDS FROM DISPOSAL OF HELD TO MATURITY DEBT SECURITIES	9,014,586	18,130,331	8,843,586	17,890,331
PURCHASES OF GENERAL INVESTMENTS	(67,496)	(161,074)	(67,496)	(161,074)
PROCEEDS FROM DISPOSAL OF GENERAL INVESTMENTS	53,377	201,802	53,377	201,802
PURCHASES OF INTANGIBLE ASSETS	(63,297)	(192,557)	(18,288)	(34,140)
PURCHASES OF PREMISES AND EQUIPMENT	(477,586)	(389,007)	(441,705)	(293,680)
PROCEEDS FROM DISPOSAL OF PREMISES AND EQUIPMENT	56,926	24,914	108	25
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	10,570,638	(40,366,653)	10,513,062	(40,138,946)
CASH FLOWS FROM FINANCING ACTIVITIES				
PROCEEDS FROM DEBT ISSUED AND LONG-TERM BORROWINGS	2,240,000	338,000	240,000	-
REPAYMENTS OF DEBT ISSUED AND LONG-TERM BORROWINGS	-	(10,400,000)	-	(10,400,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	2,240,000	(10,062,000)	240,000	(10,400,000)
LOSS ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(26,346)	(6,313)	(26,346)	(6,313)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,504,476)	(26,702,621)	(11,430,638)	(26,629,283)
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	71,470,113	74,769,982	71,294,408	74,585,231
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	59,965,637	48,067,361	59,863,770	47,955,948

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse

SOMCHAI SUJJAPONGSE

CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Vorapak Tanyawong

VORAPAK TANYAWONG

PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (UNAUDITED/REVIEWED)

1. GENERAL INFORMATION

Krung Thai Bank Public Company Limited (the Bank) is a public company limited registered in the Kingdom of Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok, Thailand. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) Interim Financial Reporting, by choosing to present the interim financial statements for transactions occurred on the statement of financial position, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows as on the annual financial statements. Notes to the interim financial statements disclosed significant information.

The interim financial statements are prepared to update the information from the financial statements for the year ended December 31, 2015. Accordingly, these interim financial statements should be used together with that mentioned financial statements.

2.2 Basis of Preparation of the Consolidated and the Bank's Financial Statements

The consolidated financial statements and the Bank's financial statements are presented in accordance with the Notification of the Bank of Thailand (BoT) No. SOR NOR SOR.21/2558 dated December 4, 2015, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BoT's notifications; and with the regulations of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2544 (2001). Moreover, these financial statements are prepared in conformity with generally accepted accounting principles, under Accounting Act B.E. 2543 (2000).

The Consolidated Financial Statements

The consolidated financial statements comprise the accounts of the Bank and its subsidiaries in which the Bank is a controlling interest or holds over 50 percent of paid-up shares capital after eliminating material intercompany transactions and balances. The 8 consolidated subsidiaries are KTB Law Co., Ltd., KTB General Services and Security Co., Ltd. (previously KTB General Services Co., Ltd.), Krung Thai Asset Management Pcl., KTB Computer Services Co., Ltd., KTB Leasing Co., Ltd., KTB Advisory Co., Ltd., KTB Capital Holding Co., Ltd. (registered as the business dissolution with the Ministry of Commerce on December 18, 2014, in the process of liquidation), and Krungthai Card Pcl. (has entity control).

Percentages of shareholdings and investments in the Bank's subsidiaries and associates are shown in Note 6.4.

Investments in associates are accounted in the consolidated financial statements using the equity method.

The Bank's Financial Statements

Investments in subsidiaries and associates are accounted in the Bank's financial statements using the cost method.

The Bank's financial statements for the three-month periods ended March 31, 2016 and 2015 and for the year ended December 31, 2015 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

The English Translation of Financial Statement

This English translation of financial statement has been prepared from the statutory financial statements that were issued in Thai language. In case of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.3 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) Effective in Current Period

The Bank has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations that announced and revised in accordance with the Federation of Accounting Professions, those are effective for the financial statements of the periods beginning on or after January 1, 2016. The Bank's managements have already considered that they have no significant impacts on the Bank's accounting policies, and the Bank's and its subsidiaries' financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Bank uses the same accounting policies and estimation methods for the interim financial statements as for the financial statements for the year ended December 31, 2015.

4. STATUTORY CAPITAL FUND

As at March 31, 2016 and December 31, 2015, the Bank calculated capital fund based on Basel III framework of the BoT. From 2016 onwards, it required commercial banks registered in Thailand to additional maintain the tier 1 capital - equity from the minimum more than 2.5 percent of total risk weighted assets. It could be gradually maintained the additional of more than 0.625 percent each year, beginning on January 1, 2016 to fully amounts on January 1, 2019. The Bank also maintained capital fund and capital adequacy ratios to risk weighted assets in accordance with the BoT's notification as follows:

4. STATUTORY CAPITAL FUND (Continued)

	(Million Baht)	
	<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Tier 1 capital - equity		
Paid-up share capital	72,005.04	72,005.04
Premium on share capital	20,833.74	20,833.74
Legal reserve	7,200.50	7,200.50
Net income after appropriation	117,518.67	117,518.67
Other components of equity	10,885.33	6,928.34
Deduction items from Common Equity Tier 1 capital	(5,394.67)	(6,840.30)
Tier 1 capital - financial instruments	6,382.26	7,445.97
Total tier 1 capital	<u>229,430.87</u>	<u>225,091.96</u>
Tier 2 capital		
Long-term subordinated debt	52,098.48	52,098.48
Allowance for assets classified as pass	21,858.63	22,430.16
Total tier 2 capital	<u>73,957.11</u>	<u>74,528.64</u>
Total capital fund	<u>303,387.98</u>	<u>299,620.60</u>

Capital adequacy ratios to risk weighted assets (%)

	<u>For the year 2016</u>	Minimum
	Minimum plus additional	in accordance with
	<u>in accordance with the BoT's</u>	<u>the BoT's</u>
Tier 1 capital ratios - equity	5.125	4.5
Tier 1 capital ratios	6.625	6.0
Total capital fund ratios	9.125	8.5

Capital Adequacy Ratios to Risk Weighted Assets

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Tier 1 capital ratios - equity	11.56	11.06
Tier 1 capital ratios	11.89	11.43
Total capital fund ratios	15.72	15.22

The Bank discloses information about capital maintenance of the Bank and financial business group under the BoT's notifications on disclosure of capital maintenance for financial business group and disclosure of capital maintenance for commercial banks.

Channel of disclosure	www.ktb.co.th >Investor Relations>Financial Information>Pillar III Disclosures
Date of disclosure	April 30, 2016
Information as at	December 31, 2015

5. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Thai financial reporting standards, requires managements to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. Information about significant areas at estimation uncertainty and assumptions in applying accounting policies has significant effects on the amount recognized in the financial statements.

6. SUPPLEMENTARY INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the three-month periods ended March 31, 2016 and 2015 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Increase (Decrease) in revaluation surplus on available-for-sale				
investments net income tax expenses	9,866.91	487.60	4,742.58	(39.19)
Increase in properties for sale from loan payment	462.73	685.09	462.73	685.09

6.2 Derivatives Held for Trading

The fair values and the notional amounts classified by type of risk

<u>Type of Risk</u>	(Million Baht)					
	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2016</u>			<u>March 31, 2015</u>		
	<u>Fair Value</u>		Notional	<u>Fair Value</u>		Notional
	<u>Assets</u>	<u>Liabilities</u>	<u>Amounts</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Amounts</u>
Exchange rate	21,907.93	24,381.84	1,720,610.42	26,687.47	30,064.91	1,655,572.33
Interest rate	5,703.29	5,096.69	848,587.30	4,466.88	4,244.51	729,036.66
Others	2,121.12	2,154.49	82,359.86	2,884.79	2,923.15	91,132.79
Total	<u>29,732.34</u>	<u>31,633.02</u>	<u>2,651,557.58</u>	<u>34,039.14</u>	<u>37,232.57</u>	<u>2,475,741.78</u>

<u>Type of Risk</u>	(Million Baht)					
	<u>The Bank's Financial Statements</u>					
	<u>March 31, 2016</u>			<u>March 31, 2015</u>		
	<u>Fair Value</u>		Notional	<u>Fair Value</u>		Notional
	<u>Assets</u>	<u>Liabilities</u>	<u>Amounts</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Amounts</u>
Exchange rate	21,912.09	24,382.53	1,720,926.79	26,687.63	30,067.13	1,655,818.68
Interest rate	5,753.21	5,096.69	851,607.68	4,516.09	4,244.51	732,469.36
Others	2,121.12	2,154.49	82,359.87	2,884.79	2,923.15	91,132.79
Total	<u>29,786.42</u>	<u>31,633.71</u>	<u>2,654,894.34</u>	<u>34,088.51</u>	<u>37,234.79</u>	<u>2,479,420.83</u>

6.2 Derivatives Held for Trading (Continued)**The proportion of derivative transactions classified by type of counterparty based on the notional amounts**

<u>Counterparty</u>	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 3, 2015</u>	<u>December 31, 2015</u>	<u>March 3, 2015</u>	<u>December 31, 2015</u>
	<u>Proportion</u>	<u>Proportion</u>	<u>Proportion</u>	<u>Proportion</u>
Financial institutions	79.66%	77.59%	79.57%	77.47%
Financial business group	0.12%	0.12%	0.24%	0.27%
Third parties	20.22%	22.29%	20.19%	22.26%
Total	100.00%	100.00%	100.00%	100.00%

6.3 Investments, Net

(Million Baht)

	<u>Consolidated Financial Statements</u>							
	<u>March 31, 2016</u>				<u>December 31, 2015</u>			
	<u>Cost/ Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Cost/ Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
6.3.1 Trading Securities								
Government & state enterprise securities	10,091.73	8.69	(4.37)	10,096.05	21,474.55	17.48	(0.10)	21,491.93
Private enterprise debt securities	1,288.44	5.52	(0.29)	1,293.67	2,028.49	0.93	(0.68)	2,028.74
Foreign debt securities	-	-	-	-	4,758.06	0.35	-	4,758.41
Domestic marketable equity securities	1.66	0.06	-	1.72	0.03	-	-	0.03
Total	11,381.83	14.27	(4.66)	11,391.44	28,261.13	18.76	(0.78)	28,279.11
<u>Add</u> Allowance for revaluation	9.61				17.98			
Total	11,391.44			11,391.44	28,279.11			28,279.11
6.3.2 Available-for-Sale Securities								
Government & state enterprise securities	65,576.83	637.76	(23.22)	66,191.37	82,686.81	24.95	(1,144.17)	81,567.59
Private enterprise debt securities	2,712.02	42.36	-	2,754.38	2,834.93	24.69	(0.38)	2,859.24
Foreign debt securities	12,216.32	103.55	(0.34)	12,319.53	2,580.28	0.86	(4.63)	2,576.51
Domestic marketable equity securities	4,985.41	5,305.19	(163.10)	10,127.50	5,015.82	1,322.63	(209.58)	6,128.87
Foreign marketable equity securities	535.85	110.46	-	646.31	542.01	66.26	-	608.27
Total	86,026.43	6,199.32	(186.66)	92,039.09	93,659.85	1,439.39	(1,358.76)	93,740.48
<u>Add</u> Allowance for revaluation	6,012.85				84.62			
<u>Less</u> Allowance for impairment	(0.19)				(3.99)			
Total	92,039.09			92,039.09	93,740.48			93,740.48

6.3 Investments, Net (Continued)

(Million Baht)

<u>Consolidated Financial Statements</u>								
<u>March 31, 2016</u>				<u>December 31, 2015</u>				
	Cost/ <u>Amortized Cost</u>	Unrealized <u>Gains</u>	Unrealized <u>Losses</u>	<u>Fair Value</u>	Cost/ <u>Amortized Cost</u>	Unrealized <u>Gains</u>	Unrealized <u>Losses</u>	<u>Fair Value</u>
6.3.3 Held-to-Maturity Debt Securities								
Government & state enterprise securities								
	103,162.96	3,679.13	(818.32)	106,023.77	106,180.23	2,527.01	(2,098.25)	106,608.99
Private enterprise debt securities								
	3,147.52	144.37	(36.02)	3,255.87	3,147.52	82.19	(36.02)	3,193.69
Foreign debt securities								
	14,942.32	-	-	14,942.32	15,174.40	-	-	15,174.40
Total	121,252.80	3,823.50	(854.34)	124,221.96	124,502.15	2,609.20	(2,134.27)	124,977.08
<u>Less</u> Allowance for impairment	(206.76)				(206.76)			
Total	121,046.04			124,221.96	124,295.39			124,977.08
6.3.4 General Investments								
Domestic non-marketable equity securities								
	1,914.43	-	(1,207.13)	707.30	1,900.07	-	(1,207.13)	692.94
Foreign non-marketable equity securities								
	75.30	-	-	75.30	73.74	-	-	73.74
Total	1,989.73	-	(1,207.13)	782.60	1,973.81	-	(1,207.13)	766.68
<u>Less</u> Allowance for impairment	(1,207.13)				(1,207.13)			
Total	782.60			782.60	766.68			766.68
Total investments, net	225,259.17			228,435.09	247,081.66			247,763.35

(Million Baht)

<u>The Bank's Financial Statements</u>								
<u>March 31, 2016</u>				<u>December 31, 2015</u>				
	Cost/ <u>Amortized Cost</u>	Unrealized <u>Gains</u>	Unrealized <u>Losses</u>	<u>Fair Value</u>	Cost/ <u>Amortized Cost</u>	Unrealized <u>Gains</u>	Unrealized <u>Losses</u>	<u>Fair Value</u>
6.3.1 Trading Securities								
Government & state enterprise securities								
	10,091.73	8.69	(4.37)	10,096.05	21,474.55	17.48	(0.10)	21,491.93
Private enterprise debt securities								
	1,288.44	5.52	(0.29)	1,293.67	2,028.49	0.93	(0.68)	2,028.74
Foreign debt securities								
	-	-	-	-	4,758.06	0.35	-	4,758.41
Domestic marketable equity securities								
	1.66	0.06	-	1.72	0.03	-	-	0.03
Total	11,381.83	14.27	(4.66)	11,391.44	28,261.13	18.76	(0.78)	28,279.11
<u>Add</u> Allowance for revaluation	9.61				17.98			
Total	11,391.44			11,391.44	28,279.11			28,279.11

6.3 Investments, Net (Continued)

(Million Baht)

	<u>The Bank's Financial Statements</u>							
	<u>March 31, 2016</u>				<u>December 31, 2015</u>			
	<u>Cost/ Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Cost/ Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
6.3.2 Available-for-Sale Securities								
Government & state enterprise								
securities	65,576.83	637.76	(23.22)	66,191.37	82,686.81	24.95	(1,144.17)	81,567.59
Private enterprise debt securities	2,712.02	42.36	-	2,754.38	2,834.93	24.69	(0.38)	2,859.24
Foreign debt securities	12,216.32	103.55	(0.34)	12,319.53	2,580.28	0.86	(4.63)	2,576.51
Domestic marketable equity								
securities	4,985.41	5,305.19	(163.10)	10,127.50	5,015.82	1,322.63	(209.58)	6,128.87
Foreign marketable equity								
securities	535.85	110.46	-	646.31	542.01	66.26	-	608.27
Total	86,026.43	6,199.32	(186.66)	92,039.09	93,659.85	1,439.39	(1,358.76)	93,740.48
<u>Add</u> Allowance for revaluation	6,012.85				84.62			
<u>Less</u> Allowance for impairment	(0.19)				(3.99)			
Total	92,039.09			92,039.09	93,740.48			93,740.48
6.3.3 Held-to-Maturity Debt Securities								
Government & state enterprise								
securities	102,973.35	3,678.79	(818.32)	105,833.82	105,909.68	2,526.24	(2,098.25)	106,337.67
Private enterprise debt securities	3,147.52	144.37	(36.02)	3,255.87	3,147.52	82.19	(36.02)	3,193.69
Foreign debt securities	14,942.32	-	-	14,942.32	15,174.40	-	-	15,174.40
Total	121,063.19	3,823.16	(854.34)	124,032.01	124,231.60	2,608.43	(2,134.27)	124,705.76
<u>Less</u> Allowance for impairment	(206.76)				(206.76)			
Total	120,856.43			124,032.01	124,024.84			124,705.76
6.3.4 General Investments								
Domestic non-marketable equity								
securities	1,914.38	-	(1,207.13)	707.25	1,900.02	-	(1,207.13)	692.89
Foreign non-marketable equity								
securities	75.30	-	-	75.30	73.74	-	-	73.74
Total	1,989.68	-	(1,207.13)	782.55	1,973.76	-	(1,207.13)	766.63
<u>Less</u> Allowance for impairment	(1,207.13)				(1,207.13)			
Total	782.55			782.55	766.63			766.63
Total investments, net	225,069.51			228,245.09	246,811.06			247,491.98

6.3 Investments, Net (Continued)

As at March 31, 2016 and December 31, 2015, held-to-maturity debt securities in government and state enterprise securities included promissory notes issued by the Thai Asset Management Corporation (TAMC) paid for the transfer of the Bank's impaired assets amounting to Baht 2,824.22 million (Note 6.21) was already due in 2011, and is in the process of transferred price adjustment in order to change to the new one.

As at March 31, 2016 and December 31, 2015, general investments which are domestic non-marketable equity securities of Baht 1,914.38 million and Baht 1,900.02 million included investments in the Islamic Bank of Thailand amounting to Baht 1,048.15 million which the Bank reserved the full amount of allowance for impairment.

As at March 31, 2016 and December 31, 2015, the Bank had investments in foreign securities affected by foreign exchange rate, resulting in a decrease of the carrying amount of Baht 40.47 million and an increase of the carrying amount of Baht 756.39 million, respectively.

In addition, the Bank has acquired the investments in other securities, whereby the Bank holds for equal to or over 10 percent of the paid-up capital, classified into industrial sector and stated at their fair value as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Manufacturing	1.00	1.00	1.00	1.00
Public utilities and services	1,338.06	1,364.87	1,338.06	1,364.87
Others	23.11	23.11	23.11	23.11
Total	<u>1,362.17</u>	<u>1,388.98</u>	<u>1,362.17</u>	<u>1,388.98</u>

6.3.5 As at March 31, 2016, the Bank has investments in 2 listed companies in which their financial position and performance fall under SET's delisted criteria, cost of Baht 1.83 million which are reserved full amount of allowance for impairment.

6.4 Investments in Subsidiaries and Associates, Net**6.4.1 The Bank's Financial Statements**

(Million Baht)

<u>March 31, 2016</u>					
<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	Percentages of Investments		
			<u>Shareholdings</u>	<u>(Cost Method)</u>	<u>Dividend</u>
Subsidiaries					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	-
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	-
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	-
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	-
KTB Leasing Co., Ltd.	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Capital Holding Co., Ltd.*	Holding	Ordinary	100.00	1.00	-
KTB Advisory Co., Ltd.	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	-
Krungthai Card Pcl.**	Credit Card Business	Ordinary	49.45	1,994.60	414.38
Total				4,716.50	414.38
Less Allowance for impairment***				(798.77)	
Total				3,917.73	414.38
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	-
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	-
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	-
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	22.02
Total				6,746.86	22.02
Investments in subsidiaries and associates, net				10,664.59	436.40

6.4 Investments in Subsidiaries and Associates, Net (Continued)**6.4.1 The Bank's Financial Statements (Continued)**

(Million Baht)

<u>December 31, 2015</u>					
<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	Percentages of Investments		
			<u>Shareholdings</u>	<u>(Cost Method)</u>	<u>Dividend</u>
Subsidiaries					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	-
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	159.95
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	150.00
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	-
KTB Leasing Co., Ltd.	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Capital Holding Co., Ltd.*	Holding	Ordinary	100.00	1.00	-
KTB Advisory Co., Ltd.	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	9.64
Krungthai Card Pcl.**	Credit Card Business	Ordinary	49.45	1,994.60	350.63
Total				4,716.50	670.22
Less Allowance for impairment***				(798.77)	
Total				3,917.73	670.22
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	2,100.00
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	158.40
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	37.48
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	217.67
Total				6,746.86	2,513.55
Investments in subsidiaries and associates, net				10,664.59	3,183.77

* Registered as the business dissolution on December 18, 2014 and withdraw from the financial business group.

** The Bank has entity control.

*** Allowance for impairment in subsidiaries occurs from cost higher than book value.

6.4 Investments in Subsidiaries and Associates, Net (Continued)**6.4.3 Financial Positions and Operations of Associates (Continued)**

(Million Baht)

Name of Company	Consolidated Financial Statements			
	March 31, 2016		March 31, 2015	
	"Unreviewed"		"Reviewed"	
	Total Income	Net Profit (Loss)	Total Income	Net Profit (Loss)
Krung Thai IBJ Leasing Co., Ltd.	121.70	33.04	138.06	35.33
KT Zmico Securities Co., Ltd.	349.73	19.12	494.01	72.96
Krungthai Panich Insurance Pcl.	797.88	194.97	775.64	180.98
Krungthai-AXA Life Insurance Pcl.	15,280.92	947.64	14,766.34	1,536.55
	<u>16,550.23</u>	<u>1,194.77</u>	<u>16,174.05</u>	<u>1,825.82</u>

6.5 Loans to Customers and Accrued Interest Receivables, Net**6.5.1 Classified by Type of Loans**

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
	Overdrafts	168,974.96	169,685.27	168,974.96
Loans	1,368,028.41	1,365,738.42	1,353,025.36	1,352,350.50
Bills	403,747.48	438,972.98	411,407.48	446,452.97
Hire purchase receivables	43,340.90	46,299.18	13.69	19.65
Financial lease receivables	9,437.65	9,659.13	-	-
Others	3,058.43	2,895.50	1,315.48	1,319.03
<u>Less</u> Deferred revenue	<u>(5,282.81)</u>	<u>(5,810.00)</u>	<u>(153.74)</u>	<u>(165.76)</u>
Total loans to customers net of deferred revenue	1,991,305.02	2,027,440.48	1,934,583.23	1,969,661.66
<u>Add</u> Accrued interest receivables	<u>4,220.35</u>	<u>5,900.90</u>	<u>3,777.08</u>	<u>5,462.81</u>
Total loans to customers net of deferred revenue, plus accrued interest receivables	1,995,525.37	2,033,341.38	1,938,360.31	1,975,124.47
<u>Less</u> Allowance for doubtful accounts				
1. Minimum reserve under BoT's regulations				
- Individual approach	(64,335.42)	(57,979.33)	(61,684.18)	(55,397.83)
- Collective approach	(3,863.25)	(3,957.69)	-	-
2. Excess allowance	(24,802.66)	(23,886.91)	(22,591.58)	(21,823.23)
<u>Less</u> Revaluation allowance for debt restructuring	<u>(116.43)</u>	<u>(132.63)</u>	<u>(116.43)</u>	<u>(132.63)</u>
Total loans to customers, net	<u>1,902,407.61</u>	<u>1,947,384.82</u>	<u>1,853,968.12</u>	<u>1,897,770.78</u>

As at March 31, 2016 and December 31, 2015, the Bank's other loans of Baht 1,315.48 million and Baht 1,319.03 million included debts resulting from the Bank's liabilities under acceptances or guarantees amounting to Baht 1,260.30 million and Baht 1,267.36 million, respectively.

6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)**6.5.2 Classified by Loan Classification**

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>March 31, 2016</u>			
		Net Amount	%	
	Loans and	Used for Set aside	Used for Set aside	Allowance
	Accrued Interest	the Allowance for	the Allowance for	for Doubtful
	<u>Receivables</u>	<u>Doubtful Accounts</u> ¹	<u>Doubtful Accounts</u> ²	<u>Accounts</u>
1. Minimum reserve under BoT's regulations				
Normal	1,856,078.92	896,593.77	1	13,867.50
Special mention	49,169.75	17,891.21	2	9,379.71
Substandard	24,397.67	13,328.24	100	13,368.89
Doubtful	18,310.23	9,097.30	100	9,097.29
Doubtful of loss	47,568.80	17,859.96	100	22,485.28
2. Excess allowance				24,802.66
Total	1,995,525.37	954,770.48		93,001.33

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>December 31, 2015</u>			
		Net Amount	%	
	Loans and	Used for Set aside	Used for Set aside	Allowance
	Accrued Interest	the Allowance for	the Allowance for	for Doubtful
	<u>Receivables</u>	<u>Doubtful Accounts</u> ¹	<u>Doubtful Accounts</u> ²	<u>Accounts</u>
1. Minimum reserve under BoT's regulations				
Normal	1,904,474.38	911,787.92	1	15,163.11
Special mention	52,246.00	24,455.63	2	11,014.83
Substandard	18,724.70	8,962.59	100	8,975.04
Doubtful	19,083.34	9,696.14	100	9,715.25
Doubtful of loss	38,812.96	12,461.90	100	17,068.79
2. Excess allowance				23,886.91
Total	2,033,341.38	967,364.18		85,823.93

6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)**6.5.2 Classified by Loan Classification (Continued)**

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>March 31, 2016</u>			
		Net Amount	%	
	Loans and Accrued Interest Receivables	Used for Set aside the Allowance for Doubtful Accounts ¹	Used for Set aside the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,807,560.33	888,715.74	1	11,898.87
Special mention	45,090.48	16,407.58	2	8,642.49
Substandard	23,508.72	12,891.45	100	12,932.10
Doubtful	17,657.26	8,730.07	100	8,730.06
Doubtful of loss	44,543.52	14,853.31	100	19,480.66
2. Excess allowance				22,591.58
Total	1,938,360.31	941,598.15		84,275.76

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>December 31, 2015</u>			
		Net Amount	%	
	Loans and Accrued Interest Receivables	Used for Set aside the Allowance for Doubtful Accounts ¹	Used for Set aside the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,854,818.37	904,151.53	1	13,190.30
Special mention	48,212.45	22,878.69	2	10,240.94
Substandard	17,736.65	8,400.72	100	8,413.17
Doubtful	18,393.58	9,313.53	100	9,332.64
Doubtful of loss	35,963.42	9,613.89	100	14,220.78
2. Excess allowance				21,823.23
Total	1,975,124.47	954,358.36		77,221.06

¹ Net amount used for set aside the allowance for doubtful accounts represents outstanding amount of principal excluding accrued interest receivables after deducted collateral, or debts after deducted the present value of expected cash flows from debtors, or present value of expected cash flows from sale of collateral.

² Included loss rate net of recovery.

6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)**6.5.3 Non-Performing Loans (NPLs)**

As at March 31, 2016 and December 31, 2015, the Bank and its subsidiaries had NPLs classified by the BoT's notifications as substandard, doubtful, doubtful of loss, and loss. Those are included loans that are interbank and money market items but excluded accrued interest receivables as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
NPLs before deducting allowance for doubtful accounts	90,030.84	76,370.98	85,466.79	71,847.55
NPLs percentage of total loans	3.70	3.20	3.59	3.09
NPLs after deducting allowance for doubtful accounts	45,079.38	40,611.90	44,323.97	39,880.96
NPLs percentage of net loans	1.89	1.73	1.90	1.74

For the three-month period ended March 31, 2016 and for the year ended December 31, 2015, impaired loans have been written off both principal and accrued interest receivables amounting to Baht 237.07 million and Baht 17,326.10 million, respectively.

6.5.4 Loans to Potential Delisted Companies

As at March 31, 2016 and December 31, 2015, the Bank has loans and accrued interest receivables to 3 potential delisted companies of Baht 10,665.63 million, accrued interest receivables amounting to Baht 0.02 million, totaling to Baht 10,665.65 million which an allowance for doubtful accounts of Baht 7,275.74 million in accordance with the BoT's notifications for loan classification. Moreover, there are 2 potential delisted companies of Baht 163.85 million, accrued interest receivables amounting to Baht 0.03 million, totaling to Baht 163.88 million, respectively.

6.5.5 Troubled Debt Restructuring (TDR)

For the three-month period ended March 31, 2016 and for the year ended December 31, 2015, the original loan value of the 2,580 and 10,072 troubled debt restructuring cases are Baht 7,662.53 million and Baht 41,422.74 million. The repayment for related interest and principal are Baht 1,592.24 million and Baht 17,999.37 million, whereas extended lending increased by Baht 496.42 million and Baht 13,174.23 million. Bad debts from Troubled Debt Restructuring are Baht 1.63 million and Baht 396.21 million, respectively.

TDR for the three-month period ended March 31, 2016 is set out as follows:

Troubled Debt Restructuring Methods	(Million Baht)			
	No. of <u>Cases</u>	<u>The Bank's Financial Statements</u>		
		Outstanding Debt before <u>Restructuring</u>	Type of Transferred <u>Assets</u>	<u>Fair Value</u>
Transfers of assets	5	20.43	Land & Premises	18.80
Change of repayment conditions	106	957.69		
Debt restructuring in various forms	2,469	6,684.41		
	<u>2,580</u>	<u>7,662.53</u>		

6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)**6.5.5 Troubled Debt Restructuring (TDR) (Continued)**

As at March 31, 2016, the Bank has outstanding balance of loans to restructured debts for 30,324 cases amounting to Baht 105,573.98 million, of which 4,727 cases amounting to Baht 8,757.34 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the three-month period ended March 31, 2016, the Bank restructured debts of 2,743 cases which the debts before restructuring were Baht 7,876.33 million.

TDR for the year ended December 31, 2015 was set out as follows:

Troubled Debt Restructuring Methods	No. of Cases	The Bank's Financial Statements		Fair Value
		Outstanding Debt before Restructuring	Type of Transferred Assets	
Transfers of assets	43	1,484.12	Land & Premises	1,468.82
Change of repayment conditions	813	18,972.40		
Debt restructuring in various forms	9,216	20,966.22		
	<u>10,072</u>	<u>41,422.74</u>		

As at December 31, 2015, the Bank has outstanding balance of restructured debts 29,241 cases amounting to Baht 103,262.54 million, of which 2,969 cases amounting to Baht 9,117.39 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the year ended December 31, 2015, the Bank had restructured debts 10,560 cases which the debts before restructuring were Baht 43,871 million.

6.5.6 Financial Lease Receivables (Including Hire Purchase Receivables and Financial Lease Receivables)

	Consolidated Financial Statements							
	March 31, 2016				December 31, 2015			
	Amount Due of the Contract				Amount Due of the Contract			
	Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total	Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total
Gross investment of leases payment	21,541.87	30,549.63	687.05	52,778.55	21,986.09	33,062.60	909.62	55,958.31
Less Unearned financial income				(5,132.75)				(5,649.36)
Present value of minimum leases payment				47,645.80				50,308.95
Allowance for doubtful accounts				(1,954.41)				(2,001.53)
Financial lease receivables, net				<u>45,691.39</u>				<u>48,307.42</u>

	The Bank's Financial Statements							
	March 31, 2016				December 31, 2015			
	Amount Due of the Contract				Amount Due of the Contract			
	Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total	Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total
Gross investment of leases payment	12.19	1.50	-	13.69	14.16	5.49	-	19.65
Less Unearned financial income				(1.34)				(2.05)
Present value of minimum leases payment				12.35				17.60
Allowance for doubtful accounts				(3.37)				(3.49)
Financial lease receivables, net				<u>8.98</u>				<u>14.11</u>

6.6 Allowance for Doubtful Accounts

(Million Baht)

<u>Consolidated Financial Statements</u>							
<u>March 31, 2016</u>							
						Allowance in Excess of	
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	BoT's Regulations	Total
Beginning balances	15,163.11	11,014.83	8,975.04	9,715.25	17,068.79	23,886.91	85,823.93
Allowance for doubtful accounts	(1,342.09)	(1,486.10)	5,432.98	(489.27)	5,567.37	915.75	8,598.64
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	16.20	-	16.20
Bad debt recovered	-	-	-	-	226.33	-	226.33
Bad debt written-off	(43.19)	(149.02)	(1,039.13)	(128.69)	(378.56)	-	(1,738.59)
Others	89.67	-	-	-	(14.85)	-	74.82
Ending balances	13,867.50	9,379.71	13,368.89	9,097.29	22,485.28	24,802.66	93,001.33

(Million Baht)

<u>Consolidated Financial Statements</u>							
<u>December 31, 2015</u>							
						Allowance in Excess of	
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	BoT's Regulations	Total
Beginning balances	11,942.23	12,545.24	6,583.96	5,137.47	14,983.97	24,714.56	75,907.43
Allowance for doubtful accounts	3,070.51	(986.26)	6,425.44	4,907.87	17,822.99	(827.65)	30,412.90
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	(19.41)	-	(19.41)
Bad debt recovered	-	-	-	-	1,947.41	-	1,947.41
Bad debt written-off	(156.71)	(544.15)	(4,034.36)	(330.09)	(17,718.39)	-	(22,783.70)
Others	307.08	-	-	-	52.22	-	359.30
Ending balances	15,163.11	11,014.83	8,975.04	9,715.25	17,068.79	23,886.91	85,823.93

6.6 Allowance for Doubtful Accounts (Continued)

(Million Baht)

	<u>The Bank's Financial Statements</u>						
	<u>March 31, 2016</u>						
	<u>Normal</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Allowance in Excess of BoT's Regulations</u>	<u>Total</u>
Beginning balances	13,190.30	10,240.94	8,413.17	9,332.64	14,220.78	21,823.23	77,221.06
Allowance for doubtful accounts	(1,381.10)	(1,598.45)	4,518.93	(602.58)	5,294.85	768.35	7,000.00
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	16.20	-	16.20
Bad debt recovered	-	-	-	-	200.75	-	200.75
Bad debt written-off	-	-	-	-	(237.07)	-	(237.07)
Others	89.67	-	-	-	(14.85)	-	74.82
Ending balances	<u>11,898.87</u>	<u>8,642.49</u>	<u>12,932.10</u>	<u>8,730.06</u>	<u>19,480.66</u>	<u>22,591.58</u>	<u>84,275.76</u>

(Million Baht)

	<u>The Bank's Financial Statements</u>						
	<u>December 31, 2015</u>						
	<u>Normal</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Allowance in Excess of BoT's Regulations</u>	<u>Total</u>
Beginning balances	10,229.75	11,805.67	5,942.23	4,775.24	12,814.80	22,801.99	68,369.68
Allowance for doubtful accounts	2,653.47	(1,564.73)	2,470.94	4,557.40	16,861.68	(978.76)	24,000.00
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	(19.41)	-	(19.41)
Bad debt recovered	-	-	-	-	1,837.59	-	1,837.59
Bad debt written-off	-	-	-	-	(17,326.10)	-	(17,326.10)
Others	307.08	-	-	-	52.22	-	359.30
Ending balances	<u>13,190.30</u>	<u>10,240.94</u>	<u>8,413.17</u>	<u>9,332.64</u>	<u>14,220.78</u>	<u>21,823.23</u>	<u>77,221.06</u>

For the three-month period ended March 31, 2016, the Bank has set aside allowance for doubtful accounts on a monthly basis of Baht 1,000 million and also set aside an additional of Baht 4,000 million, totaling to Baht 7,000 million.

For the year ended December 31, 2015, the Bank has set aside allowance for doubtful accounts on a monthly basis of Baht 700 million and also set aside an additional of Baht 15,600 million, totaling to Baht 24,000 million.

6.7 Revaluation Allowance for Debt Restructuring

	(Million Baht)	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Beginning balances	132.63	113.22
Transfer from (to) allowance for doubtful accounts	(16.20)	19.41
Ending balances	<u>116.43</u>	<u>132.63</u>

The revaluation allowance for debt restructuring was transferred from allowance for doubtful accounts for restructured debtors, and transferred to allowance for doubtful accounts when the debtors failed to comply with the new troubled debt restructuring agreement.

The revaluation allowance for debt restructuring has not been amortized and recognized as income upon receipt of debt repayment but transferred to allowance for doubtful accounts instead as the restructured debts may again become non-performing.

6.8 Properties for Sale, Net

	(Million Baht)							
	<u>Consolidated Financial Statements</u>							
	<u>March 31, 2016</u>				<u>December 31, 2015</u>			
Type of Properties for Sale	Beginning			Ending	Beginning			Ending
	<u>Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u>	<u>Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u>
Assets from debt repayment								
Immovable properties								
- Appraised by external appraisers	29,363.28	527.28	1,466.71	28,423.85	28,609.54	4,423.90	3,670.16	29,363.28
- Appraised by internal appraisers	846.42	720.68	414.78	1,152.32	1,675.61	1,818.75	2,647.94	846.42
Movable properties	318.75	165.82	232.73	251.84	539.28	983.89	1,204.42	318.75
Total	<u>30,528.45</u>	<u>1,413.78</u>	<u>2,114.22</u>	<u>29,828.01</u>	<u>30,824.43</u>	<u>7,226.54</u>	<u>7,522.52</u>	<u>30,528.45</u>
Others (closed branches)	46.19	-	-	46.19	41.37	4.82	-	46.19
Properties for sale in transit	422.08	188.65	416.60	194.13	944.21	417.25	939.38	422.08
Total	<u>30,996.72</u>	<u>1,602.43</u>	<u>2,530.82</u>	<u>30,068.33</u>	<u>31,810.01</u>	<u>7,648.61</u>	<u>8,461.90</u>	<u>30,996.72</u>
<u>Less</u> Allowance for impairment	(988.58)	-	(122.39)	(866.19)	(1,076.74)	-	(88.16)	(988.58)
Properties for sale, net	<u>30,008.14</u>	<u>1,602.43</u>	<u>2,408.43</u>	<u>29,202.14</u>	<u>30,733.27</u>	<u>7,648.61</u>	<u>8,373.74</u>	<u>30,008.14</u>

6.8 Properties for Sale, Net (Continued)

(Million Baht)

Type of Properties for Sale	The Bank's Financial Statements							
	March 31, 2016				December 31, 2015			
	Beginning			Ending	Beginning			Ending
	<u>Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u>	<u>Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u>
Assets from debt repayment								
Immovable properties								
- Appraised by external appraisers	29,363.28	527.28	1,466.71	28,423.85	28,609.54	4,423.90	3,670.16	29,363.28
- Appraised by internal appraisers	846.42	720.68	414.78	1,152.32	1,675.61	1,818.75	2,647.94	846.42
Movable properties	110.60	-	-	110.60	110.60	-	-	110.60
Total	30,320.30	1,247.96	1,881.49	29,686.77	30,395.75	6,242.65	6,318.10	30,320.30
Others (closed branches)	46.19	-	-	46.19	41.37	4.82	-	46.19
Properties for sale in transit	422.08	188.65	416.60	194.13	944.21	417.25	939.38	422.08
Total	30,788.57	1,436.61	2,298.09	29,927.09	31,381.33	6,664.72	7,257.48	30,788.57
<u>Less</u> Allowance for impairment	(878.71)	-	(74.12)	(804.59)	(894.72)	-	(16.01)	(878.71)
Properties for sale, net	29,909.86	1,436.61	2,223.97	29,122.50	30,486.61	6,664.72	7,241.47	29,909.86

The consolidated and the Bank's financial statements as at March 31, 2016 and December 31, 2015, there are an increase in immovable properties for sale appraised by external appraisers of Baht 527.28 million and Baht 4,423.90 million. Such immovable properties are included items changed from internal appraisers to external appraisers of Baht 387.92 million and Baht 2,539.95 million, respectively.

As at March 31, 2016 and December 31, 2015, the Bank's allowance for impairment of properties for sale has decreased Baht 74.12 million and increased Baht 16.01 million, respectively, from reversal or additional of loss on impairment.

For the three-month periods ended March 31, 2016 and 2015, the Bank generated gains on sale of properties for sale of Baht 496.84 million and Baht 192.64 million, respectively (before deduction of selling expenses of Baht 128.60 million and Baht 80.88 million, respectively).

6.9 Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets and deferred tax liabilities as at March 31, 2016 and December 31, 2015 are as follows:

	(Million Baht)			
	Consolidated Financial Statements		The Bank's Financial Statements	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Deferred Tax Assets	5,404.38	6,996.11	3,404.48	5,020.58
Deferred Tax Liabilities	-	-	-	-
Net	5,404.38	6,996.11	3,404.48	5,020.58

6.9 Deferred Tax Assets and Deferred Tax Liabilities (Continued)

Movements in deferred tax assets and deferred tax liabilities during the period/year are as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>Charged / credited to:</u>			As at <u>March 31, 2016</u>
	As at	Other		
	<u>January 1, 2016</u>	<u>Profit / Loss</u>	<u>Comprehensive Income</u>	
Deferred Tax Assets				
Investments	570.34	(0.78)	(233.66)	335.90
Investments in subsidiaries and associates	159.75	-	-	159.75
Loans to customers and accrued interest receivables, net	3,665.58	57.19	-	3,722.77
Properties for sale	198.61	(24.86)	-	173.75
Premises and equipment	363.09	(1.09)	-	362.00
Provisions	4,138.61	(436.40)	0.27	3,702.48
Guarantee deposit under financial lease	51.37	7.58	-	58.95
Others	542.55	(2.71)	-	539.84
Total	<u>9,689.90</u>	<u>(401.07)</u>	<u>(233.39)</u>	<u>9,055.44</u>
Deferred Tax Liabilities				
Investments	291.63	(0.90)	951.99	1,242.72
Premises and equipment	1,812.76	13.65	-	1,826.41
Loans to customers and accrued interest receivables, net	589.40	(7.47)	-	581.93
Total	<u>2,693.79</u>	<u>5.28</u>	<u>951.99</u>	<u>3,651.06</u>
Net	<u>6,996.11</u>	<u>(406.35)</u>	<u>(1,185.38)</u>	<u>5,404.38</u>

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>Charged / credited to:</u>			As at <u>December 31, 2015</u>
	As at	Adjust to	Other	
	<u>January 1, 2015</u>	<u>Brought Forward Retained Earnings</u>	<u>Profit / Loss Comprehensive Income</u>	
Deferred Tax Assets				
Investments	696.43	-	(209.68)	570.34
Investments in subsidiaries and associates	-	-	159.75	159.75
Loans to customers and accrued interest receivables, net	3,110.27	-	555.31	3,665.58
Properties for sale	215.35	-	(16.74)	198.61
Premises and equipment	372.66	-	(9.57)	363.09
Provisions	3,926.51	49.38	119.89	4,138.61
Guarantee deposit under financial lease	79.72	-	(28.35)	51.37
Others	522.85	-	19.70	542.55
Total	<u>8,923.79</u>	<u>49.38</u>	<u>590.31</u>	<u>9,689.90</u>
Deferred Tax Liabilities				
Investments	897.45	-	0.16	291.63
Premises and equipment	1,763.55	-	49.89	1,812.76
Loans to customers and accrued interest receivables, net	572.72	-	16.68	589.40
Total	<u>3,233.72</u>	<u>-</u>	<u>66.73</u>	<u>2,693.79</u>
Net	<u>5,690.07</u>	<u>49.38</u>	<u>523.58</u>	<u>6,996.11</u>

6.9 Deferred Tax Assets and Deferred Tax Liabilities (Continued)

Movements in deferred tax assets and deferred tax liabilities during the period/year are as follows:

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>Charged / credited to:</u>			
	As at	Other		As at
	<u>January 1, 2016</u>	<u>Profit / Loss</u>	<u>Comprehensive Income</u>	<u>March 31, 2016</u>
Deferred Tax Assets				
Investments	570.34	(0.78)	(233.66)	335.90
Investments in subsidiaries and associates	159.75	-	-	159.75
Loans to customers and accrued interest receivables, net	1,896.89	33.05	-	1,929.94
Properties for sale	175.74	(14.82)	-	160.92
Premises and equipment	324.58	-	-	324.58
Provisions	3,523.60	(436.20)	-	3,087.40
Others	471.58	0.09	-	471.67
Total	<u>7,122.48</u>	<u>(418.66)</u>	<u>(233.66)</u>	<u>6,470.16</u>
Deferred Tax Liabilities				
Investments	291.63	(0.90)	951.99	1,242.72
Premises and equipment	1,810.27	12.69	-	1,822.96
Total	<u>2,101.90</u>	<u>11.79</u>	<u>951.99</u>	<u>3,065.68</u>
Net	<u>5,020.58</u>	<u>(430.45)</u>	<u>(1,185.65)</u>	<u>3,404.48</u>

(Million Baht)

	<u>The Bank's Financial Statements</u>				
	<u>Charged / credited to:</u>				
	As at	Adjust to	Other		As at
	<u>January 1, 2015</u>	<u>Brought Forward Retained Earnings</u>	<u>Profit / Loss</u>	<u>Comprehensive Income</u>	<u>December 31, 2015</u>
Deferred Tax Assets					
Investments	696.43	-	(209.68)	83.59	570.34
Investments in subsidiaries and associates	-	-	159.75	-	159.75
Loans to customers and accrued interest receivables, net	1,552.69	-	344.20	-	1,896.89
Properties for sale	178.94	-	(3.20)	-	175.74
Premises and equipment	324.58	-	-	-	324.58
Provisions	3,332.71	49.38	73.09	68.42	3,523.60
Others	459.23	-	12.35	-	471.58
Total	<u>6,544.58</u>	<u>49.38</u>	<u>376.51</u>	<u>152.01</u>	<u>7,122.48</u>
Deferred Tax Liabilities					
Investments	897.45	-	0.16	(605.98)	291.63
Premises and equipment	1,755.00	-	55.95	(0.68)	1,810.27
Total	<u>2,652.45</u>	<u>-</u>	<u>56.11</u>	<u>(606.66)</u>	<u>2,101.90</u>
Net	<u>3,892.13</u>	<u>49.38</u>	<u>320.40</u>	<u>758.67</u>	<u>5,020.58</u>

6.10 Debt Issued and Borrowings classified by type of debts and sources of fund as follows:

(Million Baht)

<u>Consolidated Financial Statements</u>									
<u>March 31, 2016</u>									
<u>December 31, 2015</u>									
	<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Long term bonds									
2012	Baht	5.40	2016	1,000.00	-	1,000.00	1,000.00	-	1,000.00
2013	Baht	4.65-5.00	2016-2018	10,000.00	-	10,000.00	10,000.00	-	10,000.00
2013 (EMTN Programme)	USD	2.25	2018	-	17,601.69	17,601.69	-	18,024.07	18,024.07
2014	Baht	3.60-4.50	2016-2018	8,630.00	-	8,630.00	8,630.00	-	8,630.00
2015	Baht	2.12-4.00	2016-2025	9,393.00	-	9,393.00	9,593.00	-	9,593.00
2016	Baht	2.04-3.85	2018-2026	2,200.00	-	2,200.00	-	-	-
KTB subordinated debentures									
No.1/2012	Baht	4.50	2022	5,155.00	-	5,155.00	5,155.00	-	5,155.00
No.2/2012	Baht	4.60	2022	15,133.32	-	15,133.32	15,133.32	-	15,133.32
No.1/2014 (EMTN Programme)	USD	5.20	2024	-	24,667.41	24,667.41	-	25,261.98	25,261.98
No.1/2015	MYR	5.10	2025	-	8,997.75	8,997.75	-	8,427.95	8,427.95
- Hybrid debt capital instruments	Baht/USD	3.77-7.38		1,440.00	6,677.82	8,117.82	1,440.00	6,838.78	8,278.78
Bill of exchange (B/E)									
Short term*	Baht	0.00-2.80	2016	50.53	-	50.53	80.19	-	80.19
Long term	Baht	3.06-7.18	2016-2036	6,895.00	-	6,895.00	6,655.00	-	6,655.00
Others	Baht			1.17	-	1.17	1.17	-	1.17
Total				59,898.02	57,944.67	117,842.69	57,687.68	58,552.78	116,240.46

(Million Baht)

<u>The Bank's Financial Statements</u>									
<u>March 31, 2016</u>									
<u>December 31, 2015</u>									
	<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Long term bonds									
2013 (EMTN Programme)	USD	2.25	2018	-	17,601.69	17,601.69	-	18,024.07	18,024.07
KTB subordinated debentures									
No.1/2012	Baht	4.50	2022	5,155.00	-	5,155.00	5,155.00	-	5,155.00
No.2/2012	Baht	4.60	2022	15,133.32	-	15,133.32	15,133.32	-	15,133.32
No.1/2014 (EMTN Programme)	USD	5.20	2024	-	24,667.41	24,667.41	-	25,261.98	25,261.98
No.1/2015	MYR	5.10	2025	-	8,997.75	8,997.75	-	8,427.95	8,427.95
- Hybrid debt capital instruments	Baht/USD	3.77-7.38		1,440.00	6,677.82	8,117.82	1,440.00	6,838.78	8,278.78
Bill of exchange (B/E)									
Short term*	Baht	-	2012	0.70	-	0.70	0.70	-	0.70
Long term	Baht	3.06-7.18	2016-2036	6,895.00	-	6,895.00	6,655.00	-	6,655.00
Others	Baht			1.17	-	1.17	1.17	-	1.17
Total				28,625.19	57,944.67	86,569.86	28,385.19	58,552.78	86,937.97

* Short term bill of exchange (B/E) is included mature B/E but the clients cannot yet to redeem.

6.10 Debt Issued and Borrowings classified by type of debts and sources of fund (Continued)

Bonds under Euro Medium Term Note Programme (EMTN Programme) in an amount of USD 2,500 Million

On March 11, 2013, the Bank issued and offered USD 500 million of unsecured unsubordinated debentures, with a maturity of 5.5 years at a fixed coupon of 2.25 percent per annum. The interest payment is semiannually on 11th of March and September of each year, over the time to maturity.

On June 26, 2014, the Bank issued and offered USD 700 million of subordinated debentures in accordance with Basel III (Subordinated Tier 2), with a maturity of 10.5 years at a fixed coupon of 5.20 percent per annum for the first 5.5 years. After that the interest will equal to 5-year US Treasury Rate plus margin 3.535 percent per annum. The interest payment is semiannually on 26th of June and December of each year, over the time to maturity.

Subordinated Debentures

The Bank may be granted the right to redeem the debentures prior to their maturities, on 5th anniversary of the issued date or on any interest-payment date after 5th anniversary date, except for subordinated debentures under EMTN Programme which can be redeemed prior to their maturities, on 5.5th anniversary of the issued date or on any interest-payment date after 5.5th anniversary date.

Subordinated Debentures under Malaysian Ringgit Medium Term Note Programme in an amount of MYR 5,000 Million

On July 6, 2015, the Bank issued and offered MYR 1,000 million of subordinated debentures in accordance with Basel III (Subordinated Tier 2), with a maturity of 10 years at a coupon of 5.10 percent per annum. The Bank may be granted the right to redeem the debentures prior to their maturities, on 5th anniversary of the issued date.

Hybrid Debt Capital Instruments

Hybrid debt capital instruments of non-cumulative interest, non-interest payment in the year that there is no profit, non-fixed repayment period as tier 1 capital (Hybrid Tier 1) which the Bank may be granted the right to redeem prior to their maturities, however, on 5th anniversary of the issued date or on any interest-payment date after 5th anniversary or when the Bank could no longer threat them as tier 1 capital, subject to approval of the BoT's.

The interest rates are fixed during the first 10 years and floating after the 11th year at the 6-month fixed deposit rate, general customers plus defined rate and semiannually interest payment.

6.11 Share Capital

6.11.1 Ordinary Shares

As at March 31, 2016 and December 31, 2015, the Bank's authorized share capital and issued and paid-up share capital are 13,976,061,250 shares.

6.11.2 Preferred Shares

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

6.11.3 The Bank is the state enterprise, its major shareholder is the Financial Institutions Development Fund (FIDF). As at March 31, 2016, FIDF holds 7,696,248,833 shares or 55.05 percent of paid-up ordinary and preferred shares.

6.12 Legal Reserve

According to the Public Limited Company Act, the Bank is required to appropriate net profit of the year as legal reserve which is not less than 5 percent after deducting accumulated losses brought forward (if any) until legal reserve reaches an amount not less than 10 percent of authorized share capital. The Bank also set full amount of legal reserve.

6.13 Contingent Liabilities

	(Million Baht)	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Avals to bills	7,280.99	6,696.00
Guarantees of loans	3,283.99	6,432.23
Unexpired importd B/E contingencies	3,116.85	-
Letters of credit	36,711.07	37,029.06
Other contingencies		
Unused credit line of overdraft	163,161.51	162,475.49
Other guarantees	148,203.83	143,210.15
Total	<u>361,758.24</u>	<u>355,842.93</u>

Besides the contingent liabilities mentioned above, as at March 31, 2016 and December 31, 2015, the Bank has material contingent liabilities owing to prosecutions of Baht 10,237.48 million and Baht 10,451.50 million, respectively. Such prosecutions comprised of the completed cases in the civil court and the cases proceedings in the Appeal Court and the Supreme Court.

As at March 31, 2016 and December 31, 2015, the Bank has set aside provisions of Baht 462.75 million and Baht 538.01 million, respectively, for estimated losses from such cases.

6.14 Assets with Obligations and Restrictions

	(Million Baht)	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Government and state enterprise bonds pledged as collateral		
- court collateral	125.75	134.87
- repurchase agreements	59,532.80	33,183.96
Properties for sale (debtor is granted the right to buy back or first right for this portion)	4,274.26	4,961.70
Total	<u>63,932.81</u>	<u>38,280.53</u>

6.15 Related Party Transactions

6.15.1 As at March 31, 2016 and December 31, 2015, loans to the Bank's executives (First Vice President and above) are Baht 86.55 million and Baht 93.03 million. The average outstanding balances of such loans at month end are Baht 90.65 million and Baht 91.66 million, respectively.

The loans outstanding as at March 31, 2016 and December 31, 2015 to close family of the Bank's executives mentioned above are Baht 20.75 million and Baht 14.59 million, respectively.

6.15 Related Party Transactions (Continued)**6.15.2 Loans and Obligations**

The balances of loans and obligations to related companies, normal bank pricing policies, as at March 31, 2016 and December 31, 2015 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Loans				
Businesses which the Bank totally held from 10 to 20 percent of their paid-up capital	0.35	0.31	0.35	0.31
Businesses which the Bank acquired equal to or over 10 percent of their paid-up capital from TDR	109.37	110.41	109.37	110.41
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	8.73	8.16
KTB Computer Services Co., Ltd.	-	-	3,818.21	3,942.86
KTB Leasing Co., Ltd.	-	-	47,978.51	50,826.10
Krung Thai Asset Management Pcl.	-	-	0.05	0.05
Krungthai Card Pcl.	-	-	0.64	0.62
Less Allowance for doubtful accounts	-	-	(518.06)	(547.78)
Total	-	-	51,288.08	54,230.01
Associates				
Krung Thai IBJ Leasing Co., Ltd.	3.57	0.07	3.57	0.07
KT Zmico Securities Co., Ltd.	1,238.93	1,080.18	1,238.93	1,080.18
Krungthai Panich Insurance Pcl.	0.22	0.23	0.22	0.23
Less Allowance for doubtful accounts	(12.43)	(10.80)	(12.43)	(10.80)
Total	1,230.29	1,069.68	1,230.29	1,069.68
Business with common directors or common top managements	25,650.31	25,450.35	25,650.31	25,450.35
Less Allowance for doubtful accounts	(168.27)	(205.35)	(168.27)	(205.35)
Total	25,482.04	25,245.00	25,482.04	25,245.00
Obligations				
Businesses which the Bank totally held from 10 to 20 percent of their paid-up capital	11.82	29.19	11.82	29.19
Businesses which the Bank acquired equal to or over 10 percent of their paid-up capital from TDR	0.29	0.29	0.29	0.29
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	29.20	29.20
KTB Computer Services Co., Ltd.	-	-	4.55	4.55
KTB Leasing Co., Ltd.	-	-	1,443.22	1,450.60
Krungthai Card Pcl.	-	-	2.26	2.30
Associates				
Krung Thai IBJ Leasing Co., Ltd.	1.39	1.39	1.39	1.39
Business with common directors or common top managements	3,030.43	210.16	3,030.43	210.16

6.15 Related Party Transactions (Continued)**6.15.3 Deposits and Borrowings**

The balances of deposits and borrowings to related companies, normal bank pricing policies, as at March 31, 2016 and December 31, 2015 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Deposits				
Subsidiaries				
KTB Law Co., Ltd.	-	-	287.88	311.48
KTB General Services and Security Co., Ltd.	-	-	573.09	643.87
KTB Computer Services Co., Ltd.	-	-	174.40	13.75
KTB Leasing Co., Ltd.	-	-	120.69	85.99
KTB Capital Holding Co., Ltd.	-	-	249.30	249.30
KTB Advisory Co., Ltd.	-	-	54.07	53.58
Krungthai Card Pcl.	-	-	443.51	590.00
Associates				
Krung Thai IBJ Leasing Co., Ltd.	8.23	40.56	8.23	40.56
KT Zmico Securities Co., Ltd.	75.33	40.69	75.33	40.69
Krungthai Panich Insurance Pcl.	256.48	24.38	256.48	24.38
Krungthai-AXA Life Insurance Pcl.	662.79	770.70	662.79	770.70
Business with common directors or common top managements	48,021.27	17,340.91	48,021.27	17,340.91
Borrowings				
Associates				
Krungthai-AXA Life Insurance Pcl.	2,930.00	2,730.00	2,930.00	2,730.00

6.15 Related Party Transactions (Continued)**6.15.4 Income and Expenses**

The Bank has significant income and expenses with related parties as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Interest Income				
Subsidiaries				
KTB Computer Services Co., Ltd.	-	-	29.17	35.85
KTB Leasing Co., Ltd.	-	-	398.31	500.56
Krungthai Card Pcl.	-	-	4.97	2.34
Associates				
KT Zmico Securities Co., Ltd.	5.93	4.40	5.93	4.40
Interest Expenses				
Subsidiaries				
KTB Law Co., Ltd.	-	-	0.32	0.35
KTB General Services and Security Co., Ltd.	-	-	1.02	1.93
KTB Computer Services Co., Ltd.	-	-	0.18	0.19
KTB Leasing Co., Ltd.	-	-	-	0.17
Krung Thai Asset Management Pcl.	-	-	0.12	0.17
KTB Capital Holding Co., Ltd.	-	-	0.23	0.31
KTB Advisory Co., Ltd.	-	-	0.05	0.20
Associates				
KT Zmico Securities Co., Ltd.	4.39	5.07	4.39	5.07
Krungthai Panich Insurance Pcl.	-	5.47	-	5.47
Krungthai-AXA Life Insurance Pcl.	-	5.55	-	5.55

6.15 Related Party Transactions (Continued)**6.15.4 Income and Expenses (Continued)**

The Bank has significant income and expenses with related parties as follows:

	(Million Baht)			
	Consolidated Financial Statements		The Bank's Financial Statements	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Other Income				
Subsidiaries				
KTB Law Co., Ltd.	-	-	0.01	0.04
KTB General Services and Security Co., Ltd.	-	-	0.11	0.54
KTB Computer Services Co., Ltd.	-	-	0.02	0.02
KTB Leasing Co., Ltd.	-	-	8.07	8.01
Krung Thai Asset Management Pcl.	-	-	62.40	44.89
KTB Advisory Co., Ltd.	-	-	0.01	-
Krungthai Card Pcl.	-	-	54.17	48.48
Associates				
KT Zmico Securities Co., Ltd.	25.07	4.02	25.07	4.02
Krungthai Panich Insurance Pcl.	-	0.05	-	0.05
Krungthai-AXA Life Insurance Pcl.	453.33	499.59	453.33	499.59
Other Expenses				
Subsidiaries				
KTB Law Co., Ltd.	-	-	239.94	182.43
KTB General Services and Security Co., Ltd.	-	-	591.10	576.43
KTB Computer Services Co., Ltd.	-	-	891.97	1,091.72
KTB Leasing Co., Ltd.	-	-	70.25	75.43
Krungthai Card Pcl.	-	-	11.55	13.38
Associates				
KT Zmico Securities Co., Ltd.	0.55	1.10	0.55	1.10

6.15.5 The Bank has no compensations or other benefits, both monetary and non-monetary, to directors and executives except normal benefits as follows:

	(Million Baht)			
	Consolidated Financial Statements		The Bank's Financial Statements	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Short-term employee benefits	392.83	369.62	238.58	218.11
Post-employment benefits	7.44	7.64	2.99	3.18
Total	<u>400.27</u>	<u>377.26</u>	<u>241.57</u>	<u>221.29</u>

6.15 Related Party Transactions (Continued)

6.15.6 Intercompany Trading Transactions

Subsidiaries

1) KTB Computer Services Co., Ltd. has been designated mainly to provide information technology (IT) services to various work units in the Bank. Service offers consist of introducing IT to the Bank's business operation and modernizing the existing systems in line with the Bank's requirement, rendering system control and maintenance system software development, offering preliminary consultancy service and organizing training in various applications of IT and techniques. The Bank incurs service charges on a cost plus method amounting to Baht 861.60 million and Baht 1,057.55 million for the three-month periods ended March 31, 2016 and 2015, respectively.

Since 2003, the GFMIS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. The Bank and the Office of GFMIS attached to the Secretariat of the Prime Minister have unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursement associated to the investments on the GFMIS project on September 22, 2005. Further, the Bank has signed the hiring contract for the implementation and maintenance with the Office of GFMIS. The Bank incurs service charges for the three-month periods ended March 31, 2016 and 2015 amounting to Baht 30.37 million and Baht 34.17 million, respectively.

2) The Bank has operated student loans in subjects of public relations, policy, regulation, loan payment, documents filling, loan notification, loans status, including loan collection, claim for payment, and prosecution for the Student Loans Fund. KTB LAW Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurs service charges for the three-month periods ended March 31, 2016 and 2015 of Baht 220.91 million and Baht 163.70 million, respectively.

3) Krungthai Card Pcl. has been designated to collect debts. The Bank incurs service charges for the three-month period ended March 31, 2016 of Baht 0.73 million.

4) The Bank incurs service charges on its subsidiaries [including service charges mentioned in No.1) to 3)] for the three-month periods ended March 31, 2016 and 2015 amounting to Baht 1,804.80 million and Baht 1,939.39 million, respectively, at the agreed-upon rate.

5) The Bank generates fees income from service contracts for the three-month periods ended March 31, 2016 and 2015 amounting to Baht 135.04 million and Baht 91.68 million, respectively.

6) Other Information

Intercompany Considerations

Intercompany income and expenses are based on the agreed-upon rate and the amount specified in the contract, whereas cost plus system has been applicable to some certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

Associates

1) For the three-month periods ended March 31, 2016 and 2015, the Bank generates premises rental income from associates of Baht 0.16 million and Baht 0.15 million at the agreed-upon rate.

2) For the three-month periods ended March 31, 2016 and 2015, the Bank generates fees income from supportive service contracts of Baht 453.86 million and Baht 500.79 million at the agreed-upon rate.

6.16 Significant Financial Position and Operations Classified by Domestic and Foreign Business Segment**6.16.1 Financial Position Classified by Business Segment**

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2016</u>			<u>December 31, 2016</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Total assets	2,785,176.97	72,254.54	2,857,431.51	2,747,981.67	68,667.78	2,816,649.45
Interbank and money market items, net	458,089.15	38,021.03	496,110.18	357,256.69	40,101.28	397,357.97
Investments, net	242,479.20	3,091.53	245,570.73	258,635.41	3,096.63	261,732.04
Loans to customers and						
accrued interest receivables, net	1,871,627.56	30,780.05	1,902,407.61	1,922,240.18	25,144.64	1,947,384.82
Deposits	2,088,117.61	4,636.21	2,092,753.82	2,130,163.24	5,335.27	2,135,498.51
Interbank and money market items, net	223,258.67	2,308.80	225,567.47	192,156.66	2,086.18	194,242.84
Debt issued and borrowings	59,898.02	57,944.67	117,842.69	57,687.68	58,552.78	116,240.46

(Million Baht)

	<u>The Bank's Financial Statements</u>					
	<u>March 31, 2016</u>			<u>December 31, 2016</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Total assets	2,714,022.61	72,254.54	2,786,277.15	2,681,259.86	68,667.78	2,749,927.64
Interbank and money market items, net	457,694.76	38,021.03	495,715.79	356,960.10	40,101.28	397,061.38
Investments, net	232,642.57	3,091.53	235,734.10	254,379.02	3,096.63	257,475.65
Loans to customers and						
accrued interest receivables, net	1,823,188.07	30,780.05	1,853,968.12	1,872,626.14	25,144.64	1,897,770.78
Deposits	2,090,020.55	4,636.21	2,094,656.76	2,132,111.22	5,335.27	2,137,446.49
Interbank and money market items, net	210,276.52	2,308.80	212,585.32	175,615.02	2,086.18	177,701.20
Debt issued and borrowings	28,625.19	57,944.67	86,569.86	28,385.19	58,552.78	86,937.97

The consolidated and the Bank's financial statements as at March 31, 2016 and December 31, 2015, the Bank has total assets before eliminating domestic business segment and foreign branches business segment transactions of Baht 6,250.60 million and Baht 1,319.81 million, respectively.

6.16 Significant Financial Position and Operations Classified by Domestic and Foreign Business Segment (Continued)**6.16.2 Operations Classified by Business Segment**

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2016</u>			<u>March 31, 2015</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Interest income	32,230.22	1,353.71	33,583.93	32,646.26	1,163.48	33,809.74
Interest expenses	(11,305.23)	(938.13)	(12,243.36)	(13,694.72)	(776.54)	(14,471.26)
Interest income, net	20,924.99	415.58	21,340.57	18,951.54	386.94	19,338.48
Fees and service income, net	5,179.73	29.44	5,209.17	4,290.08	42.43	4,332.51
Other operating income	4,180.77	(7.76)	4,173.01	3,400.35	15.96	3,416.31
Other operating expenses	(21,024.69)	(62.18)	(21,086.87)	(16,763.79)	(126.83)	(16,890.62)
Operating profit before income tax expenses	9,260.80	375.08	9,635.88	9,878.18	318.50	10,196.68

(Million Baht)

	<u>The Bank's Financial Statements</u>					
	<u>March 31, 2016</u>			<u>March 31, 2015</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Interest income	29,103.25	1,353.71	30,456.96	29,163.31	1,163.48	30,326.79
Interest expenses	(10,916.45)	(938.13)	(11,854.58)	(13,259.70)	(776.54)	(14,036.24)
Interest income, net	18,186.80	415.58	18,602.38	15,903.61	386.94	16,290.55
Fees and service income, net	4,367.02	29.44	4,396.46	4,014.23	42.43	4,056.66
Other operating income	3,309.52	(7.76)	3,301.76	2,214.51	15.96	2,230.47
Other operating expenses	(17,677.03)	(62.18)	(17,739.21)	(13,453.60)	(126.83)	(13,580.43)
Operating profit before income tax expenses	8,186.31	375.08	8,561.39	8,678.75	318.50	8,997.25

The consolidated and the Bank's financial statements for the three-month periods ended March 31, 2016 and 2015, the Bank has total interest income and interest expenses before eliminating domestic business segment and foreign branches business segment transactions of Baht 918.05 million and Baht 761.25 million, respectively.

6.17 Operations Classified by Operating Segment

Segment definition

The Bank is organized into segments for internal management which the Management Committee of each segment is the chief operating decision-maker (CODM). Three reportable segments have been divided based on customer types and nature of businesses:

1) *Retail banking segment*: develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through network branches nationwide.

2) *Wholesale banking segment*: provides credit facilities and financial services to corporate clients; and

3) *Treasury and investment segment*: controls the Bank's financial structure to appropriate to make profit from the Bank's equity investment, foreign currency exchange services, international business and excess liquidity, and also supervising overseas branches and companies in which the Bank has invested.

Other segments comprise of middle offices, back offices, subsidiaries and associates.

Accounting policies for segment reporting

In contrast to the accounting policies for external reporting, the accounting policies of the operating segments are based on the principle of Economic Value Management (EVM), whereby performance is measured based on segment economic profit (EP), as included in the internal management reports that are reviewed by the Bank's CODM. In accordance with the EVM concept, all business units are treated as profit centers, having internal service charge (ISC) between service providing unit and service receiving unit. Fund Transfer Pricing (FTP) concept is used to calculating value of fund for fund provider unit and cost of fund for fund user unit. Income and expenses are allocated according to ownership basis in order to calculate the economic profit.

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2016</u>					
	<u>Retail</u>	<u>Wholesale</u>	<u>Treasury and</u>	<u>Support and</u>		
	<u>Banking</u>	<u>Banking</u>	<u>Investment</u>	<u>Others</u>	<u>Adjustments</u>	<u>Total</u>
Total operating income	14,197.51	9,622.02	2,731.31	4,146.62	25.29	¹ 30,722.75
Total expenses (excluding bad debts, doubtful						
accounts and loss on impairment)	(9,166.30)	(4,812.76)	(1,390.31)	(3,041.23)	4,171.71	^{1,2} (14,238.89)
Bad debts, doubtful accounts and loss on impairment	(1,568.00)	(3,116.13)	68.67	(4,007.77)	-	(8,623.23)
Net profit (loss)	3,463.21	1,693.13	1,409.67	(2,902.38)	4,197.00	7,860.63
Segment assets	855,000.69	1,154,861.84	223,947.58	560,808.73	56,562.06	³ 2,851,180.90
Segment liabilities	1,440,969.05	678,270.52	206,592.42	208,662.94	49,112.10	³ 2,583,607.03

6.17 Operations Classified by Operating Segment (Continued)

(Million Baht)

	<u>Consolidated Financial Statements</u>					<u>Total</u>
	<u>March 31, 2015</u>					
	<u>Retail</u>	<u>Wholesale</u>	<u>Treasury and</u>	<u>Support and</u>	<u>Adjustments</u>	
	<u>Banking</u>	<u>Banking</u>	<u>Investment</u>	<u>Others</u>		
Total operating income	14,319.80	9,031.09	1,905.64	1,825.75	5.02	¹ 27,087.30
Total expenses (excluding bad debts, doubtful accounts and loss on impairment)	(8,679.43)	(5,101.75)	(1,266.64)	(4,591.92)	4,495.98	^{1,2} (15,143.76)
Bad debts, doubtful accounts and loss on impairment	(3,938.65)	(271.20)	(48.30)	533.73	-	(3,724.42)
Net profit (loss)	1,701.72	3,658.14	590.70	(2,232.44)	4,501.00	8,219.12
Segment assets	812,887.12	1,193,549.98	221,175.45	583,961.05	80,972.77	³ 2,892,546.37
Segment liabilities	1,562,031.34	649,606.24	185,492.99	176,750.91	74,653.66	³ 2,648,535.14

¹ In the financial statements, certain gains are presented net of losses and shown either as gains under operating income or as losses under other operating expenses. However, these items from EVM data are predetermined as either income or expense regardless of whether they are gains or losses.

² Capital charge is recorded at each operating segment according to EVM concept, whereas, in the overall Bank's financial statements, capital charge is reversed.

³ Assets and liabilities in the financial statements are ending balances while assets and liabilities from EVM data are average balances.

6.18 Interest Income

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	Interbank and money market items	2,791.07	3,498.87	2,790.61
Investment and trading transactions	25.84	118.59	25.84	118.59
Investment in debt	679.35	856.22	678.34	854.89
Loans	28,336.14	27,584.87	26,032.53	25,085.14
Hire-purchase and finance lease	822.49	984.47	0.65	3.04
Others	10.99	5.47	10.94	5.35
Total interest income	32,665.88	33,048.49	29,538.91	29,565.54

6.19 Interest Expenses

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Deposits	6,852.40	9,161.94	6,854.20	9,165.09
Interbank and money market items	706.51	606.46	629.16	530.08
Contributions to Bank of Thailand (BoT)	2,408.00	2,492.00	2,408.00	2,492.00
Contributions to Deposit Protection Agency (DPA)	52.00	54.13	52.00	54.13
Debt issued				
- Subordinated notes	1,211.52	1,203.92	904.44	917.79
- B/E	78.21	182.79	77.87	112.27
Borrowings	6.88	6.65	1.56	2.13
Others	9.79	2.12	9.30	1.50
Total interest expenses	<u>11,325.31</u>	<u>13,710.01</u>	<u>10,936.53</u>	<u>13,274.99</u>

6.20 Income Tax Expenses

Income tax expenses recognized in profit or losses for the three-month periods ended March 31, 2016 and 2015 are as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Current Tax				
Current period	1,368.90	2,069.41	1,144.82	1,881.18
Deferred Tax				
Movement in temporary differences	406.35	(91.85)	430.45	(40.72)
Total	<u>1,775.25</u>	<u>1,977.56</u>	<u>1,575.27</u>	<u>1,840.46</u>

6.21 The Transfer of Non-Performing Loans to Thai Asset Management Corporation (TAMC)

TAMC was established under the Emergency Decree on Thai Asset Management Corporation B.E. 2544 (2001) with an objective to manage impaired assets of financial institutions by acquisition of impaired assets of financial institutions. The transfer price shall be equal to the value of assets held as collateral, with respect to such impaired assets, according to the appraisal criteria specified by the BoT. TAMC and the Bank agree to recognize and share profit or loss arising from the management of impaired assets at the end of the year 5th and 10th since July 1, 2001. Having confirmed matching asset price, TAMC shall issue non-transferable promissory notes, with 10 year maturity and avaled by the FIDF, to the Bank. TAMC may exercise the right to redeem these promissory notes before their maturities.

6.21 The Transfer of Non-Performing Loans to Thai Asset Management Corporation (TAMC) (Continued)

TAMC permanently dissolved its organization on June 8, 2013 and has employed the Phloenchit Capital Co., Ltd. to manage its outstanding tasks.

On September 11, 2013, the Phloenchit Capital Co., Ltd. officially informed the calculation result of profit and loss from impaired asset management as at November 30, 2012 and asked the Bank to pay loss to TAMC of Baht 2,507.48 million. On October 3, 2013, the Bank opposed the calculation of profit and loss from impaired asset management, regarding to add pledged machines of impaired assets of a debtor amounting to Baht 1,744.48 million, in transfer price for calculate profit and loss from impaired asset management as at November 30, 2012.

As at March 31, 2016 and December 31, 2015, the Bank has net impaired assets transferred to TAMC after adjusting transfer price of Baht 17,743.18 million. For a debtor who pledging machineries as collaterals, the machine values are Baht 1,744.48 million. TAMC has already decreased the face value of promissory notes but the Bank informed TAMC that it denies to receive those promissory notes until transfer price would be concluded. The Bank has been suing TAMC. As at March 31, 2016 and December 31, 2015, TAMC has amount due to the Bank of Baht 2,824.22 million. The 1 promissory notes were issued to the Bank and recorded under held-to-maturity debt securities (Note 6.3). The Bank recorded accrued interest receivables at Baht 9.15 million. As at March 31, 2016, the Supreme Court read the judgment on November 2, 2015, complied with the Appeal Court and the Civil Court, ordered TAMC to set transfer price of pledging machineries to the Bank.

As at March 31, 2016 and December 31, 2015, provisions that may arise from losses on impaired-assets transferred to TAMC were Baht 3,461.48 million. The Bank has been estimated allowance for doubtful accounts at 15 percent upon transfer price. In 2012, the management has considered set more provisions of Baht 800 million as shown in provisions.

6.22 Fair Value of Financial Instruments

Assets and liabilities instruments carried at fair value classified by levels of valuation as follows:

	<u>Consolidated Financial Statements</u>			(Million Baht)
	<u>March 31, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets instruments				
Assets derivatives	-	29,732.34	-	29,732.34
Trading investments	1.72	11,389.72	-	11,391.44
Available-for-sale investments	20,520.44	71,518.65	-	92,039.09
Total	20,522.16	112,640.71	-	133,162.87
Liabilities instruments				
Liabilities derivatives	-	31,633.02	-	31,633.02
Total	-	31,633.02	-	31,633.02

6.22 Fair Value of Financial Instruments (Continued)

Assets and liabilities instruments carried at fair value classified by levels of valuation as follows:

	<u>The Bank's Financial Statements</u>			(Million Baht)
	<u>March 31, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets instruments				
Assets derivatives	-	29,786.42	-	29,786.42
Trading investments	1.72	11,389.72	-	11,391.44
Available-for-sale investments	20,520.44	71,518.65	-	92,039.09
Total	<u>20,522.16</u>	<u>112,694.79</u>	<u>-</u>	<u>133,216.95</u>
Liabilities instruments				
Liabilities derivatives	-	31,633.71	-	31,633.71
Total	<u>-</u>	<u>31,633.71</u>	<u>-</u>	<u>31,633.71</u>

There is no transfer between level 1 and 2 of the fair value hierarchy in the period.

Fair Value Hierarchy

Fair value hierarchy of the above assets and liabilities instruments depends on differences of data inputs in valuation which determined as follows:

- Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.
- Level 2 – other observable inputs both directly and indirectly for those assets and liabilities besides quoted market prices in level 1.
- Level 3 – unobservable inputs for those assets and liabilities.

Valuation Techniques for Level 2

Fair value of derivatives is calculated by using valuation techniques based on generally discounted cash flow analyses and option pricing model. Inputs come from observable market that referred from reliable institutions, such as interest rate yield curves, currency rates, and volatilities.

Fair value of domestic debt securities is calculated by using ThaiBMA's price, while fair value of foreign debt securities is calculated by using market price that evaluated by reliable institutions.

Besides, the Bank has valuation adjustment when using valuation techniques in order to reflect Credit Valuation Adjustment (CVA) by considering from credit spread and simulation that counterparties might be default.

6.23 Operation and Risk Management Policies within the Financial Business Group

The BoT's Notification No. SOR NOR SOR.6/2553 dated June 18, 2010, regarding the Consolidated Supervision Policy requires the Bank to disclose the operation and risk management policies within the financial business group as follows:

The operation and risk management within the financial business group are prepared as regulations to supervise the operation within the financial conglomerate, including the Bank and 11 companies within the financial business group (Note 6.4), in terms of common standards and procedures which conform to the BoT's consolidated supervision policy. The policies are approved by the Bank's board of directors and reviewed at least once a year. The policies also include operations, rules and regulations of business transactions, ratio of business transactions within the financial business group, and other related operating procedures. The operations within the group are conducted in the same manner as public operations and follow the Bank's corporate governance.

In case of the Bank has business transactions with a company within the financial business group as it is the Bank's sector, the Bank will follow the BoT's relenting regulations.

6.24 Events after the Reporting Period

On April 29, 2016, the 23rd Annual General Meeting passed the resolution to approve the appropriation of net profit of the year 2015 amounting to Baht 26,473.75 million.

	(Million Baht)
Dividend - preferred shares (@ Baht 0.9145)	5.03
Dividend - ordinary shares (@ Baht 0.76)	10,621.81
Net profit carried forward	15,846.91

6.25 Others

6.25.1 The Bank has a debtor prosecuted to the Supreme Court's Criminal Division for Holders of Political Positions by the Office of the Attorney General. The Supreme Court issued the order of acceptance on July 25, 2012. This debtor has granted credit limit on December 9, 2003 of Baht 9,900 million which has been drawn down amounting to Baht 8,368.73 million. As at March 31, 2016, the arrears are totally the drawn amount including accrued interest. The Bank also set full amount of allowance for doubtful accounts as the prescription of BoT's regulations. Moreover, such case is related to accrued receivables from default debtors from convertible preferred shares contracts recorded in other assets of Baht 997.87 million with full amount of allowance for impairment. The Supreme Court's Criminal Division for Holders of Political Positions has already judged this suit on August 26, 2015. Moreover, the Bank submitted the letter to the Office of the Attorney General to designate the Department of Legal Execution, the Office of the Attorney General as the Bank's legal executioner. In January 2016, the Office of the Attorney General is already filed a complaint to the Supreme Court to nominate the executing officers. The Supreme Court has already appointed the executing officers. Moreover, the Bank has already informed the prosecuting attorney of the investigate property of all judgement debtors results.

6.25 Others (Continued)

6.25.2 In 2010, the Bank's loans to a company amounting to USD 95.67 million (Baht 2,884.61 million) arising from the Bank's investment in ordinary shares of a foreign financial institution, amounting to 50 percent of authorized shares capital. The Bank has a security sold under repurchase agreement to another company within the group of this foreign financial institution with the specific price and period, which the Bank has no influences over this invested financial institution. The Bank determined this transaction to the loan pledge with ordinary shares as collateral. The differences between par value and loans are recognized to interest income. The Bank has completely received total loan repayment of this contract in July, 2011. Currently, the Bank has not yet transferred those ordinary shares pledged as collateral to the company since the company shall find the new investor should be the financial institution.

6.26 Approval of the Financial Statements

These financial statements have been authorized to issue by the Board of Directors on May 11, 2016.
