



Ref. KTB.ACC. 3655/2011

Date October 20, 2011

The President
The Stock Exchange of Thailand
Bangkok

Dear Sir,

Re : Submission of the Financial Statements

Krung Thai Bank PCL hereby submits unreviewed financial statements of the Bank and its subsidiaries for the three-month period and nine-month period ended September 30, 2011 together with the operating performance and the Management Discussion and Analysis as follows :

Management Discussion and Analysis

This report discusses principal changes in the unreviewed consolidated financial statements for the quarter ended September 30, 2011.

Performance Overview

Net Interest Income

The Bank's net interest income equaled Bt 13,338 m, showing an increase of Bt 3,064 m (29.82%) from 3Q10, due to the increase of interest rate and loan expansion. As a result, Net interest margin (NIM) for 3Q11 was 2.86%, increased from 2.47% in 3Q10.

Net Fee and Service Income

The Bank's net fee and service income for 3Q11 was Bt 2,929 m, showing an increase of Bt 290 m (10.99%) from 3Q10. The increase was mainly from fee and service income, which increase 16.71% from 3Q10.

Total Other Operating Income

The Bank's total other operating income for 3Q11 was Bt 2,550 m, showing an increase of Bt 419 m (19.66%) from 3Q10, mainly due to gain on trading and exchange and other operating income.

Total Other Operating Expenses

The Bank's other operating expenses for 3Q11 was Bt 8,398 m, showing an increase of Bt 1,402 m (20.04%) from 3Q10 mainly from personnel expenses and expense related to banking business transaction. Cost-to-Income Ratio for 3Q11 was 45.47%, showing a decrease from 47.77% in 3Q10 as to the increase of net interest income, net fee and services income and other operating income.

Bad Debts, Doubtful Accounts and Loss on Impairment

The Bank's asset quality continuously improved as shown in the declining of NPLs and NPLs ratio (gross). However, in this quarter the Bank decided to provide additional provision for bad debts and doubtful accounts of Bt 1,500 m to strengthen allowance for doubtful accounts, apart from normalize provision of Bt 500 m per month. Therefore, in 3Q11 the Bank set aside Bt 3,013 m provision for bad debts, doubtful accounts and loss on impairment, which increased Bt 1,479 m (96.41%) from 3Q10.

Net Income

The Bank's pre-provision profit for 3Q11 was Bt 10,419 m, increasing Bt 2,371 m (29.46%) from 3Q10. After deducting bad debts, doubtful accounts and loss on impairment, and income tax expense, the bank's net income was Bt 5,492 m, increasing Bt 500 m (10.02%) from 3Q10.

Financial Positions

Loans to Customers

As at September 30, 2011, the Bank's total loans (less deferred revenue) were Bt 1,317,298 m, increased by Bt 69,457 m or 5.57% from December 31, 2010.

Non Performing Loans (NPLs)

The Bank's NPLs as at September 30, 2011 were Bt 67,090 m, decreased by Bt 9,252 m or 12.12% from December 31, 2010. NPLs ratio (gross) decreased from 5.31% as at December 31, 2010 to 4.36% as at September 30, 2011 and NPLs ratio (net) also reduced from 3.03% as at December 31, 2010 to 2.75% as at September 30, 2011.

In addition, the Bank believed that the level of effect from flood situation and world economic uncertainty were manageable. Also, the Bank provided special measures for our loan customers as needed.

Liabilities

As at September 30, 2011, the Bank's deposits were Bt 1,269,008 m, increased by Bt 20,957 m or 1.68% from December 31, 2010. The Bank's interbank and money market items were Bt 180,884 m, increased by Bt 38,144 m or 26.72%. Also, debts issued and borrowings were Bt 246,124 m, increased by Bt 64,807 or 35.74% due to the B/E issuance. Therefore, the Bank's total liabilities were Bt 1,792,977 m, increased by Bt 156,288 m or 9.55% from December 31, 2010.

Statutory Capital Fund

As at September 30, 2011, the Bank's tier 1 capital was Bt 119,631 m or approximately 9.02% of its risk-weighted assets ("RWA") which was higher than the minimum rate of 4.25% required by the BOT. Total capital fund was Bt 187,166 m or approximately 14.12% of RWA, which was higher than the minimum rate of 8.50% required by the BOT as well. The calculation of tier 1 capital and total capital fund was in line with the new BOT's regulations regarding Basel II. The Bank believes this capital fund is strong and enables the Bank to expand the business as planned.

The following table shows the detail of Interest Income & Interest Expense for Statements of Comprehensive Income.

Unit: Million Baht

| Consolidated Financial Statement | 3Q2554 | 2Q2554 | 3Q2553 |
|--|---------------|---------------|---------------|
| Interest Income | | | |
| Interbank and money market items | 1,843 | 1,699 | 1,195 |
| Investments and trading transactions | 30 | (25) | 98 |
| Investment in debt securities | 1,316 | 983 | 513 |
| Loans | 18,710 | 17,254 | 13,789 |
| Hire purchase and financial lease income | 9 | 4 | - |
| Others | 3 | 2 | 3 |
| Total interest income | 21,911 | 19,917 | 15,598 |
| Interest Expenses | | | |
| Deposits | 4,067 | 3,541 | 2,467 |
| Interbank and money market items | 895 | 577 | 344 |
| Contributions to Deposit Protection Agency | 1,289 | 1,309 | 1,197 |
| Debts issued & Borrowings | 2,294 | 2,159 | 1,315 |
| - Debentures | 779 | 766 | 749 |
| - Others | 1,515 | 1,393 | 566 |
| Others | 28 | 1 | 1 |
| Total interest expenses | 8,573 | 7,587 | 5,324 |
| Total | 13,338 | 12,330 | 10,274 |

Please be advised accordingly.

Sincerely yours,

Apisak Tantivorawong
President