



Ref. KTB.ACC. 196/2011

Date January 20, 2011

The President  
The Stock Exchange of Thailand  
Bangkok

Dear Sir,

Re : Submission of the Financial Statements

Krung Thai Bank PCL hereby submits unaudited financial statements of the Bank and its subsidiaries for the year ended December 31, 2010 together with the operating performance and the Management Discussion and Analysis as follows :

### **Management Discussion and Analysis**

This report discusses principal changes in the unaudited consolidated financial statements for the year ended December 31, 2010.

### **Performance Overview**

#### **Net Interest and Dividend Income**

The Bank's net interest and dividend income was Bt 46,848 m, showing an increase of Bt 4,312 m (10.14%) from 2009.

#### **Net Interest Margin (NIM)**

Net interest margin (based on earning assets) for the year 2010 was 2.93%, decreased from 3.10% in the year 2009.

#### **Non-interest Income**

The Bank's non-interest income for the year 2010 was Bt 15,946 m, showing an increase of Bt 2,161 m (15.68%) from 2009. Also, the Bank's fees and service income for the year 2010 was Bt 11,683 m, representing an increase of Bt 1,315 m (12.68%) from 2009.

#### **Non-interest Expense**

The Bank's non-interest expense for the year 2010 was Bt 35,927 m, showing an increase of Bt 3,464 m (10.67%) from 2009, mainly from personnel expenses.

#### **Cost-to-Income Ratio**

Cost-to-income ratio for the year 2010 was 58.63%, increased from 58.03% in the year 2009.

#### **Provision for Bad Debts and Doubtful Accounts**

In 2010, the Bank set aside Bt 6,124 m provision for bad debts and doubtful accounts, which decreased Bt 119 m (1.91%) from 2009. The Bank normally booked provision for bad debts and doubtful accounts of Bt 500 m per month in 2010.

Net Profit

The Bank's net profit for the year 2010 was Bt 15,207 m, showing an increase of Bt 3,018 m (24.76%) from 2009.

Financial PositionsTotal Loans

As at December 31, 2010, the Bank's total loans (excluding accrued interest receivable and interbank loans) were Bt 1,247,841 m, showing an increase of Bt 175,961 m (16.42%) from as at December 31, 2009.

Non Performing Loans (NPLs)

The Bank's NPLs as at December 31, 2010 were Bt 76,257 m, representing a decrease of Bt 8,663 m (10.20%) from as at December 31, 2009. NPLs ratio (gross) decreased from 6.52% as at December 31, 2009 to 5.30% as at December 31, 2010 and NPLs ratio (net) also decreased from 4.11% as at December 31, 2009 to 3.09% as at December 31, 2010.

Deposits

As at December 31, 2010, the Bank's total deposits were Bt 1,248,027 m, showing an increase of Bt 40,414 m (3.35%) from as at December 31, 2009.

Statutory Capital Fund

As at December 31, 2010, the Bank's tier 1 capital was Bt 115,311 m or approximately 9.98% 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 181,028 m or approximately 15.66% 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.

Please be advised accordingly.

Sincerely yours,  
Krung Thai Bank Public Co., Ltd.

Apisak Tantivorawong  
President