



Ref. KTB.ACC. 1335/2011

Date April 21, 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 ended March 31, 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 three-month period ended March 31, 2011.

The Bank has changed the format of financial statements in accordance with the Notification of the BOT No. Sor Nor Sor. 11/B.E. 2553 (2010), dated 3 December 2010, regarding the Preparation and Announcement of the Financial Statements of Commercial Banks and Holding Company which are Parent Company of Group of Companies Offering Financial Services. This will effect for a financial statement of Q1'11 onward and will not cause a change in net income and total asset calculation.

Performance Overview

Net Interest Income

The Bank's net interest income was Bt 11,365 m, showing an increase of Bt 2,470 m (27.77%) from Q1'10.

Net Interest Margin (NIM)

Net interest margin (based on earning assets) for Q1'11 was 2.47%, increased from 2.29% in Q1'10.

Net Fee and Service Income

The Bank's net fee and service income for Q1'11 was Bt 2,757 m, showing an increase of Bt 394 m (16.67%) from Q1'10.

Total Operating Income

The Bank's total operating income for Q1'11 was Bt 2,566 m, showing an increase of Bt 513 m (24.99%) from Q1'10.

Total Other Operating Expenses

The Bank's other operating expenses for Q1'11 were Bt 7,895 m, showing an increase of Bt 7 m (0.09%) from Q1'10.

Cost-to-Income Ratio

Cost-to-Income Ratio for Q1'11 was 49.32%, showing a decrease from 61.58% in Q1'10.

Bad Debts, Doubtful Accounts and Loss on Impairment

In Q1'11, the Bank set aside Bt 1,514 m provision for bad debts, doubtful accounts and loss on impairment, which decreased Bt 1 m (0.07%) from Q1'10. The Bank booked normalized provision for bad debts, and doubtful accounts of Bt 500 m per month in Q1'11.

Net Income

The Bank's net income for Q1'11 was Bt 5,489 m, showing an increase of Bt 2,415 m (78.56%) from Q1'10.

Financial PositionsLoans to Customers

As at March 31, 2011, the Bank's total loans were Bt 1,301,249 m, showing an increase of 51,619 m or 4.13% from December 31, 2010.

Non Performing Loans (NPLs)

The Bank's NPLs as at March 31, 2011 were Bt 67,875 m, representing a decrease of Bt 8,382 m or 10.99% from December 31, 2010. NPLs ratio (gross) decreased from 5.30% as at December 31, 2010 to 4.18% as at March 31, 2011 and NPLs ratio (net) also decreased from 3.09% as at December 31, 2010 to 2.69% as at March 31, 2011.

Deposits

As at March 31, 2011, the Bank's deposits were Bt 1,295,485 m, showing an increase of Bt 47,434 m or 3.80% from December 31, 2010.

Statutory Capital Fund

As at March 31, 2011, the Bank's tier 1 capital was Bt 107,612 m or 8.64% 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 174,310 m or 14.00% 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. In this quarter, the Bank recorded employee benefits and the past's impact was already adjusted by deducting the Bank's retained earnings. 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

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