

(Translation)

Ref: EID No. 1037/2011

October 19, 2011

The President

The Stock Exchange of Thailand

RE : Divestment of the Nok Airlines Company Limited's common shares

According to the confirmation letter dated October 18, 2011 from Thai Airways International Public Company Limited ("THAI") to buy the common shares representing 10.00% of total paid-up capital of Nok Airlines Company Limited ("NOK"). Krung Thai Bank Public Company Limited ("KTB") would like to inform you the information which is a Connected Transaction details as follows ;

Type of transaction	Selling 5 million common shares or 10.00% of total paid-up capital of NOK
Transaction date	KTB will sell common shares of NOK immediately after condition precedents to the Shareholders Agreement of NOK are completed.
Involved parties	Seller : Krung Thai Bank Public Company Limited Buyer : Thai Airways International Public Company Limited
Details of disposed asset	
Company	Nok Airlines Company Limited
Type of business	Airline business
Registered Capital and Paid-up Capital	Baht 500 million divided into 50 million ordinary shares at par value of 10 Baht per share

NOK financial information (Unit : Million Baht)

	Y 2008	Y 2009	Y 2010
Asset	590.19	619.67	1,385.07
Liability	794.66	484.49	648.35
Shareholder's equity	(204.47)	135.19	736.72
Revenue	3,419.87	2,430.91	4,191.72
Expense	3,920.21	2,089.42	3,567.47
Net income (loss)	(502.45)	339.65	601.53

Number of shares held before the transaction	5 million shares , or 10.00% of total paid-up capital
Number of shares held after the transaction	None
Total sale amount	Baht 165 million or Baht 33 per share
Basis for calculation of total sale amount	Offering price at Baht 33 per share which is based on an actual transfer price by Nok Air Management Company Limited from 3 former NOK's shareholders in August 2011.
Payment condition	Cash
Transaction size	Based on Connected Transaction basis, the size of transaction represents 0.14% of KTB's net tangible asset value as of 30 June 2011. This transaction relates to property or service having value more than 0.03% but less than 3.00% of KTB's net tangible asset value, and such transaction is subject to the Board of Director's approval and disclosure to the Stock Exchange of Thailand.
Relationship of parties involved and connected parties	Financial Institutions Development Fund, who holds 55.15% of paid up common shares of KTB, is a related person with the Ministry of Finance ("MOF"). Whereas MOF holds 51.03% of paid up common shares of THAI
Opinions of the Board of Directors	<p>The Board of Directors meeting No. 18/2011 (806) of KTB ,which was held on September 22, 2011, has approved the sale of common shares of NOK to THAI at the price Baht 33 per share. This transaction is reasonable and will be beneficial to KTB as the offering price is higher than the NOK's book value (Baht 14.73 per share as of December 31, 2010). The Audit Committee and/or Directors did not have any different opinion from the opinion of the Board of Directors ; moreover, the directors who have conflict of interest did not attend and cast votes in such agenda were as follows;</p> <ol style="list-style-type: none"><li>1. Mr. Sathit Limpongpan Chairman of the Board of Directors of KTB Vice Chairman of THAI</li><li>2. Mr. Chulasingh Vasantasingh Chairman of the Audit Committee of KTB Chairman of the Audit Committee of THAI</li></ol>

This transaction is not classified for disclosure of information under Notification of the Board of Governors of the SET concerning the acquisition and disposition of assets of listed company.

Please be informed accordingly.

Sincerely Yours,

(Kittiya Todhanakasem)

First Senior Executive Vice President – Managing Director

Financial Management Group

Equity Investment Department

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