



Ref. KTB.FIR. 191 /2015

Date January 23 , 2015

Singapore Exchange Securities Trading Limited
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804
Attn: Market Control Department

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, 2014 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, 2014.

Thai economy in year 2014 grew slower than anticipation because of the decline in domestic private consumption, slow recovery of export sector and high level of household debt. Hence, the Bank cautiously operated the business, maintained asset quality as well as sustained the profit level. The Bank and its subsidiaries' net profit was Bt 33,196 m, showing a decrease of Bt 1,315 m (3.81%) from last year. The Bank's core revenue came from net interest income and net fee and service income which grew up continuously. In 2Q2014, the Bank has determined to increase its monthly normalized provision for doubtful accounts from Bt 500 m to Bt 700 m in order to provide an appropriate allowance for doubtful accounts given the increase in the Bank's loan portfolio. The Bank also set aside additional provision for bad debts, doubtful accounts and loss on top of normalized provision of Bt 7,800 m. The Bank's total provision expenses for bad debts, doubtful accounts and loss on impairment were Bt 13,658 m, showing an increase of Bt 1,347 m (10.94%) from last year. Since the Bank increased its provision and decreased in NPLs, the coverage ratio increased from 109.47% at the end of 2013 to 126.63% which was well above provisioning level according to relevant regulatory requirements. The Bank aimed to continuously increase the provision in order to strengthen the Bank's provisioning level regarding the prudent banking practice to prepare for any economic uncertainty in the future. The details are as follows:

Net Interest Income

The Bank's net interest income equaled Bt 69,302 m, showing an increase of Bt 4,820 m (7.47%) from year 2013, due to the loan expansion. Net Interest Margin (NIM) decreased to 2.69% in year 2014 from 2.76% in year 2013.

Non Interest Income, net

The Bank's non interest income (net) for 2014 was Bt 27,909 m, showing a decrease of Bt 1,940 m (6.50%) from year 2013. In 2013, the Bank received the dividend income from VAYUPAKSA FUND 1 Bt 1,767 m and gains on investments from VAYUPAKSA FUND 1 Bt 3,186 m because of its maturity date. As a result, total gain related to VAYUPAKSA FUND 1 equaled Bt 4,953 m for year 2013. However, net fee and service income showing an increase of Bt 611 m (3.89%) in

response to the expansion of fees and service income. Gains on tradings and foreign exchange transactions showing an increase of Bt 246 m (5.37%), and share of profit from investments for using equity method showing an increase of Bt 560 m (17.29%) from year 2013.

Total Other Operating Expenses

The Bank's other operating expenses for year 2014 was Bt 43,632 m, showing an increase of Bt 4,046 m (10.22%) from year 2013 mainly from employees' bonus expenses in 1Q2014 and other operating expenses. As a result, Cost-to-Income Ratio for year 2014 was 46.24%, showing an increase from 43.51% in year 2013.

Bad Debts, Doubtful Accounts and Loss on Impairment

In 2014, the Bank set aside Bt 13,658 m provision for bad debts, doubtful accounts and loss on impairment, showing an increase of Bt 1,347 m (10.94%) from year 2013, in accordance with the monthly normalized provision of Bt 700 m and additional provision for bad debts, doubtful accounts and loss. The Bank still continuously increased provision for bad debts, doubtful accounts and loss on impairment in order to build up the Bank's provisioning level.

Net Income

The Bank's pre-provision profit for year 2014 was Bt 53,579 m, showing a decrease of Bt 1,166 m (2.13%) from year 2013. After deducting bad debts, doubtful accounts and loss on impairment, and income tax expense, the Bank's net income was Bt 33,196 m, showing a decrease of Bt 1,315 m (3.81%) from year 2013.

Financial Positions

Loans to Customers

As at December 31, 2014, the Bank's total loans (less deferred revenue) were Bt 1,897,995 m which increased by Bt 186,905 m (10.92%) from end of year 2013. The increase of loan was attributed by government and private sector.

Non Performing Loans (NPLs)

The Bank's NPLs as at December 31, 2014 was Bt 56,182 m, decreased by Bt 276 m (0.49%) from December 31, 2013. NPLs ratio (gross) was 2.41% and NPLs ratio (net) was 1.34% as at December 31, 2014. The NPLs decreased mainly from the Bank's policy to frequently review customer's status. Regarding the slow recovery in Thai economy, the Bank still guarded asset quality level and continuously maintained the coverage ratio at the appropriate level of 126.63% at the end of year 2014.

Liabilities

As at December 31, 2014, the Bank's deposits were Bt 2,151,641 m, increased by Bt 267,860 m (14.22%) from December 31, 2013 due to the offering of new deposit campaign prior to some maturity of fixed deposits in the future. Nonetheless, The Bank's net interbank and money market items were Bt 162,015 m, decreased by Bt 38,974 m (19.39%). Debts issued and borrowings were Bt 104,582 m, decreased by Bt 28,419 m (21.37%) as a result of the maturity of the bill of exchange. In 2Q2014, the Bank issued Basel III-compliant Tier 2 subordinated notes in amount of USD 700 m to replace the redemption of subordinated notes in total amount of Bt 34,000 m. The Bank's total liabilities were Bt 2,507,198 m, increased by Bt 206,455 m (8.97%) from December 31, 2013.

Statutory Capital Fund

As at December 31, 2014, Common Equity Tier 1 capital was Bt 200,943 m (10.47% of its risk-weighted assets (RWA)), Tier 1 capital was Bt 209,453 m (10.91% of its RWA). Total capital was Bt 284,905 (14.85% of its RWA). The calculation was in line with BOT's regulations regarding Basel III compliance. Total capital ratio increased from 14.79% as at December 31, 2013.

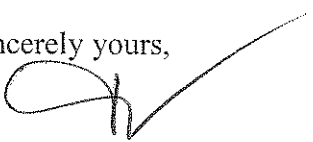
If the Bank calculates net profit of the second half of 2014 as capital, Common Equity Tier 1 capital ratio, Tier I Capital ratio and Total Capital ratio would have been 11.35%, 11.80% and 15.73% respectively.

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

Unit: Million Baht			
Consolidated Financial Statement	2014	2013	%
Interest Income			
Interbank and money market items	14,875	13,224	12.48
Investments and trading transactions	188	190	(1.05)
Investment in debt securities	6,255	6,596	(5.17)
Loans	93,270	87,789	6.24
Hire purchase and financial lease income	4,018	3,584	(12.11)
Others	19	20	(5.00)
Total interest income	118,625	111,403	6.48
Interest Expenses			
Deposits	32,205	28,809	11.79
Interbank and money market items	2,988	4,004	(25.37)
Contributions to BOT and DPA	9,308	8,209	13.39
Debts issued	4,754	5,821	(18.33)
- Debenture	3,929	4,151	(5.35)
- B/E	825	1,670	(50.60)
Borrowings	62	73	(15.07)
Others	6	5	20.00
Total interest expenses	49,323	46,921	5.12
Interest Income, Net	69,302	64,482	7.47

Please be advised accordingly.

Sincerely yours,



(Mr. Vorapak Tanyawong)
President

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2014

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	DECEMBER 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
	(UNAUDITED)	(RESTATE)	(UNAUDITED)	(RESTATE)
ASSETS				
CASH	74,587,619	50,689,508	74,585,231	50,687,465
INTERBANK AND MONEY MARKET ITEMS, NET	456,541,446	448,572,228	456,436,877	448,445,334
CLAIMS ON SECURITIES	13,215,000	-	13,215,000	-
DERIVATIVES ASSETS	16,042,974	21,310,251	16,108,055	21,335,305
INVESTMENTS, NET	245,348,301	230,573,088	245,108,718	230,398,733
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	16,768,015	11,209,982	11,463,358	5,369,563
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET				
LOANS TO CUSTOMERS	1,905,740,968	1,718,734,183	1,900,767,273	1,715,679,231
ACCRUED INTEREST RECEIVABLES	5,190,813	4,647,126	5,202,824	4,775,672
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,910,931,781	1,723,381,309	1,905,970,097	1,720,454,903
<u>LESS</u> DEFERRED REVENUE	(7,746,007)	(7,643,919)	(120,492)	(175,334)
<u>LESS</u> ALLOWANCE FOR DOUBTFUL ACCOUNTS	(71,033,013)	(61,676,632)	(68,369,680)	(60,847,080)
<u>LESS</u> REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(113,222)	(130,221)	(113,222)	(130,221)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	1,832,039,539	1,653,930,537	1,837,366,703	1,659,302,268
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	1,909,763	3,121,789	1,909,763	3,121,789
PROPERTIES FOR SALE, NET	30,733,269	30,661,019	30,486,612	30,386,602
PREMISES AND EQUIPMENT, NET	27,745,113	26,798,824	21,559,347	21,350,942
OTHER INTANGIBLE ASSETS, NET	4,187,727	3,848,182	905,412	637,399
DEFERRED TAX ASSETS	4,132,235	3,876,024	3,892,134	3,719,681
ACCRUED INCOME	4,637,757	4,374,111	4,429,265	4,092,263
OTHER ASSETS, NET	11,461,986	17,867,155	9,683,916	15,445,545
TOTAL ASSETS	2,739,350,744	2,506,832,698	2,727,150,391	2,494,292,889
LIABILITIES AND EQUITY				
DEPOSITS	2,151,641,280	1,883,781,168	2,152,553,446	1,884,261,913
INTERBANK AND MONEY MARKET ITEMS, NET	162,014,934	200,989,265	160,774,651	199,372,480
LIABILITIES PAYABLE ON DEMAND	5,107,990	5,695,007	5,107,990	5,695,007
LIABILITIES TO DELIVER SECURITIES	13,215,000	-	13,215,000	-
DERIVATIVES LIABILITIES	16,245,258	24,544,712	16,245,513	24,544,712
DEBT ISSUED AND BORROWINGS	104,582,439	133,000,654	103,611,501	128,911,083
BANK'S LIABILITIES UNDER ACCEPTANCES	1,909,763	3,121,789	1,909,763	3,121,789
PROVISIONS	14,094,927	14,345,933	13,443,285	13,732,153
DEFERRED TAX LIABILITIES	-	182,682	-	-
OTHER LIABILITIES	38,386,467	35,081,199	36,436,572	32,478,952
TOTAL LIABILITIES	2,507,198,058	2,300,742,409	2,503,297,721	2,292,118,089

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 DECEMBER, 2014

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	DECEMBER 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
LIABILITIES AND EQUITY (CONTINUED)				
EQUITY				
SHARE CAPITAL				
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	12,443,158	6,738,638	9,206,832	6,522,303
RETAINED EARNINGS				
APPROPRIATED				
LEGAL RESERVE	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED	119,670,242	99,312,372	114,606,560	95,613,219
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	232,152,678	206,090,288	223,852,670	202,174,800
NON-CONTROLLING INTEREST	8	1		
TOTAL EQUITY	232,152,686	206,090,289	223,852,670	202,174,800
TOTAL LIABILITIES AND EQUITY	2,739,350,744	2,506,832,698	2,727,150,391	2,494,292,889

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

(Signed) Vorapak Tanyawong
(MR. VORAPAK TANYAWONG)
PRESIDENT

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
INTEREST INCOME	118,624,726	111,402,861	116,675,690	109,959,344
INTEREST EXPENSES	49,322,775	46,921,365	49,043,987	46,773,347
INTEREST INCOME, NET	69,301,951	64,481,496	67,631,703	63,185,997
FEES AND SERVICE INCOME	18,096,062	17,368,570	17,253,395	16,534,548
FEES AND SERVICE EXPENSES	1,772,864	1,656,851	1,842,514	1,786,719
FEES AND SERVICE INCOME, NET	16,323,198	15,711,719	15,410,881	14,747,829
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	4,826,517	4,580,838	4,898,674	4,612,725
GAINS ON INVESTMENTS, NET	235,265	2,559,978	270,156	2,559,488
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	3,798,329	3,238,498	-	-
DIVIDEND INCOME	424,548	2,028,467	2,149,926	2,377,727
OTHER OPERATING INCOME	2,300,611	1,729,957	1,196,438	1,256,818
TOTAL OPERATING INCOME	97,210,419	94,330,953	91,557,778	88,740,584
OTHER OPERATING EXPENSES				
EMPLOYEES' EXPENSES	24,190,585	22,784,898	20,919,316	19,590,790
DIRECTORS' REMUNERATION	102,403	97,944	79,158	76,753
PREMISES AND EQUIPMENT EXPENSES	8,182,815	7,444,003	5,085,668	4,900,249
TAXES AND DUTIES	4,094,459	3,774,118	4,055,991	3,732,256
OTHERS	7,061,799	5,485,018	11,324,138	9,455,145
TOTAL OTHER OPERATING EXPENSES	43,632,061	39,585,981	41,464,271	37,755,193
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	13,657,630	12,310,527	11,399,849	11,599,849
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	39,920,728	42,434,445	38,693,658	39,385,542
INCOME TAX EXPENSES	6,724,737	7,923,170	6,838,349	7,845,624
NET PROFIT	33,195,991	34,511,275	31,855,309	31,539,918

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 COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
OTHER COMPREHENSIVE INCOME				
CHANGES IN REVALUATION SURPLUS ON ASSETS	-	(1,876)	-	(1,876)
GAINS ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	3,380,583	(3,677,140)	3,380,583	(3,677,140)
GAINS (LOSSES) ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(19,937)	59,142	(19,937)	59,142
ACTUARIAL LOSSES ON DEFINED BENEFIT PLANS	(666,862)	(727,509)	(696,680)	(728,122)
SHARE OF OTHER COMPREHENSIVE INCOME FROM ASSOCIATES	3,019,991	(1,648,628)	-	-
INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME	(542,744)	880,107	(536,781)	880,229
OTHER COMPREHENSIVE INCOME, NET	5,171,031	(5,115,904)	2,127,185	(3,467,767)
TOTAL COMPREHENSIVE INCOME	38,367,022	29,395,371	33,982,494	28,072,151
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	33,195,983	34,511,275	31,855,309	31,539,918
NON-CONTROLLING INTEREST	8	-		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	38,367,014	29,395,371	33,982,494	28,072,151
NON-CONTROLLING INTEREST	8	-		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	2.37	2.47	2.28	2.26
DILUTED EARNINGS PER SHARE (BAHT)	2.37	2.47	2.28	2.26

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

(Signed) Vorapak Tanyawong
(MR. VORAPAK TANYAWONG)
PRESIDENT