



Ref. KTB.FIR. 860 /2016

Date April 22 , 2016

Singapore Exchange Securities Trading Limited
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804
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, 2016 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, 2016.

In early of 2016, Thai economy was driven by well-disbursed public spending and continued growth in the tourism sector from Chinese tourists and tourists from other regions. Nonetheless, private consumption was relatively stable, coupled with the contraction in the value of merchandise exports (excluding gold) as a result of a slowdown in major trading partners' economies such as China and ASEAN countries. Hence, overall Thai economy has stabilized from the previous period. The Bank, thus, conservatively operates the business, continuously improves working process as well as gives precedent to asset quality.

Despite the business environment continues to be challenged, the operating income was maintained in the favorable level as the Bank and its subsidiaries' pre-provision profit was Bt 18,259m, increased by Bt 4,338 m (31.16%) from 1Q2015, attributed to the increase of net interest income by Bt 2,003m (10.36%) from the appropriate funding cost management and the shifting toward high yield loans strategy, partly softened impact from the downward interest rate trend as well as the increase of net fee and service income by Bt 876 m (20.22%) from electronic banking services, ATM and credit card services, together with an continued expansion in the gains on trading and foreign exchange transactions by Bt 735 m (67.31%).

Asset quality deteriorated from the weak economic conditions, resulted in an increase of NPLs, partly from corporate, large SME clients combined with the increase of NPLs from SME and retail sectors. Consequently, the Bank and its subsidiaries' provision for bad debts, doubtful accounts and loss on impairment was Bt 8,623 m, showing an increase of Bt 4,899 m (131.55%) from 1Q2015 in accordance with the prudent banking practice to maintain coverage ratio at not less than 100%. The Bank and its subsidiaries' net profit was Bt 7,861 m, decreased by Bt 358 m (4.36%) and net profit, attributable to equity holders of the Bank, was Bt 7,540 m, showing a decrease of Bt 389 m (4.91%) from 1Q2015.

The Bank and its subsidiaries' financial positions for the year ended March 31, 2016

■ Loans to Customers

The Bank and its subsidiaries' total loans to customers (less deferred revenue) were Bt 1,990,409 m which reduced by Bt 37,031 m (1.83%) from end of year 2015, owing to the contraction of all major sectors as the declining demand in the slowdown economy situation and the cautiousness in lending.

However, interbank and money market items, net expanded Bt 98,752 m (24.85%) because of the liquidity position. As a result, total asset raised in amount of Bt 34,955 m (1.24%), to Bt 2,850,285 m as at March 31, 2016.

■ Liabilities

The Bank and its subsidiaries' deposits were Bt 2,092,754 m, decreased by Bt 42,744 m (2.00%) from December 31, 2015 due to the reduction of current deposit and the maturity of term deposit, consistent with the contraction of loans. The Bank and its subsidiaries' loans to customers (less deferred revenue) -to-deposits ratio increased to 95.11% from 94.94% as at December 31, 2015. On the contrary, the Bank's net interbank & money market items and Debts issued & borrowings raised by Bt 30,428 m (15.66%) and Bt 1,603 m (1.38%) respectively. Thus, the Bank and its subsidiaries' total liabilities were Bt 2,582,711 m, raised by Bt 17,679 m (0.69%) from December 31, 2015.

■ Non Performing Loans (NPLs)

The Bank and its subsidiaries' NPLs as at March 31, 2016 were Bt 90,031 m, increased by Bt 13,660 m (17.89%) from December 31, 2015. The increase of NPLs was partly from corporate, large SME clients combined with the increase of NPLs from SME and retail sectors, owing to the weak economic conditions. NPLs ratio (gross) was 3.70% and NPLs ratio (net) was 1.89%.

The Bank's gross non-performing loans (NPLs) were Bt 85,467 m, showing an increase of Bt 13,619 m, or 18.96% from December 31, 2015. NPLs ratio (gross) was 3.59% and NPLs ratio (net) was 1.90%.

The Bank highlighted the stringent collection process along with the tightened debt restructuring as the main priorities to cope with the deteriorated asset quality under unfavorable economic situation.

■ Statutory Capital Fund

As of March 31, 2016 Common Equity Tier 1 capital was Bt 223,049 m (11.56% of its risk-weighted assets (RWA)) and Tier 1 capital was Bt 229,431 m (11.89% of its RWA). Total capital was Bt 303,388 m (15.72% of its RWA), increased from 15.22 % as at December 31, 2015. The calculation was in line with BOT's regulations regarding Basel III compliance.

The Bank and its subsidiaries' performance for the year ended March 31, 2016

The Bank and its subsidiaries' net profit, attributable to equity holders of the Bank, was Bt 7,540 m, showing a reduction of Bt 389 m (4.91%) from 1Q2015. The details are as follows:

■ Net Interest Income

The Bank and its subsidiaries' net interest income^{1/} equaled Bt 21,341 m, increased by Bt 2,003 m (10.36%) from 1Q2015, due to the appropriate funding cost management and the shifting toward high yield loans strategy, partly softened impact from the downward interest rate trend. The policy rate was cut twice in the first and second quarter of 2015, total of 0.5 basis points, followed by the reduction of loan and term deposit rate of the Bank. Consequently, Net Interest Margin^{2/} (NIM) rose to 2.96% from 2.58% in 1Q2015.

■ Non Interest Income, net

The Bank and its subsidiaries' non interest income (net) were Bt 9,382 m, showing an increase of Bt 1,633 m (21.07%) compared to 1Q2015. The main drivers were the growing of net fee and service income^{1/} of Bt 876 m (20.22%) from electronic banking services as well as ATM and credit card businesses. In addition, the gains on trading and foreign exchange transactions increased by Bt 735 m (67.31%), from the growing of businesses related to global market products.

1/ The Bank has reclassified fee from loan from one of KTB's subsidiaries, thus some fee from loan in interest income were grouped as fee income since 3Q2015 onwards. Nonetheless, if Statements of income and other comprehensive income of 1Q2015 were restated, the net interest income and net fee income will be Bt 18,755 m and Bt 4,916 m respectively. Thus, the net interest income and net fee income growth of 1Q2016, compare to 1Q2015, will be Bt 2,586 m (13.79%) and Bt 293 m (5.96%) respectively.

2/ Excluding fee from loan.

■ Total Other Operating Expenses

The Bank and its subsidiaries' other operating expenses were Bt 12,464 m, decreased by Bt 702 m (5.33%) from the same quarter last year, mainly because of the shrinking of premises and equipment expenses and bonus expenses as the declining trend of the year 2015 results. Cost-to-Income Ratio reduced to 40.57% compared to 48.61% in 1Q2015, as a result of the expansion of operating income along with the decrease of operating expense in above mentioned.

■ Bad Debts, Doubtful Accounts and Loss on Impairment

The Bank and its subsidiaries set aside Bt 8,623 m provision for bad debts, doubtful accounts and loss on impairment, increased by Bt 4,899 m (131.55%), compared to 1Q2015. The Bank set aside Bt 6,996 m provision for bad debts, doubtful accounts and loss on impairment. In 2016, the Bank's monthly normalized provision increased from Bt 700 m to Bt 1,000 m in accordance with the consideration of outstanding loans and economic situation factor. Furthermore, the Bank's additional provision were provided in amount of Bt 4,000 m in response to the rising in NPLs and the prudent banking practice to maintain coverage ratio at not less than 100%. The Bank and its subsidiaries' coverage ratio was 103.43%, compared to 112.55% as at the end of year 2015.

The Bank's coverage ratio was 101.06%, compared to 110.54% as at the end of year 2015.

■ Net Income

The Bank and its subsidiaries' pre-provision profit was Bt 18,259 m, showing an increase of Bt 4,338 m (31.16%) from 1Q2015. After deducting bad debts, doubtful accounts and loss on impairment, and income tax expenses, the Bank and its subsidiaries' net income was Bt 7,861 m, decreased by Bt 358 m (4.36%) from 1Q2015. Net profit, attributable to equity holders of the Bank, was Bt 7,540 m, decreased by Bt 389 m (4.91%) from 1Q2015. Income tax expenses was Bt 1,775 m, reduced by Bt 203 m (10.26%) from 1Q2015 due to tax benefit from some provisions setting aside as stated above.

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

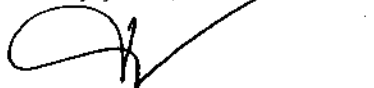
Unit: Million Baht

Consolidated Financial Statement	1Q2016	1Q2015	YoY (%)
Interest Income			
Interbank and money market items	2,791	3,499	(20.23)
Investments and trading transactions	26	119	(78.15)
Investment in debt securities	679	856	(20.68)
Loans ^{1/}	28,336	27,585	2.72
Hire purchase and financial lease income	823	984	(16.36)
Others	11	5	120.00
Total interest income	32,666	33,048	(1.16)
Interest Expenses			
Deposits	6,852	9,162	(25.21)
Interbank and money market items	706	606	16.50
Contributions to BOT and DPA	2,460	2,546	(3.38)
Debts issued	1,290	1,387	(6.99)
- Debenture	1,212	1,204	0.66
- B/E	78	183	(57.38)
Borrowings	7	7	-
Others	10	2	400.00
Total interest expenses	11,325	13,710	(17.40)
Interest Income, Net ^{1/}	21,341	19,338	10.36

1/ The Bank has reclassified fee from loan from one of KTB's subsidiaries, thus some fee from loan in interest income were grouped as fee income since 3Q2015 onwards. Nonetheless, if Statements of income and other comprehensive income of 1Q2015 were restated, the net interest income and net fee income will be Bt 18,755 m and Bt 4,916 m respectively. Thus, the net interest income and net fee income growth of 1Q2016, compare to 1Q2015, will be Bt 2,586 m (13.79%) and Bt 293 m (5.96%) respectively.

Please be advised accordingly.

Sincerely yours,



Vorapak Tanyawong

President

Financial Institutions & Investor Relations Department Tel. +66 2 208 3668-9

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH, 2016

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	MARCH 31, 2016	DECEMBER 31, 2015	MARCH 31, 2016	DECEMBER 31, 2015
	(UNAUDITED/ UNREVIEWED)	(AUDITED)	(UNAUDITED/ UNREVIEWED)	(AUDITED)
ASSETS				
CASH	59,965,637	71,470,113	59,863,770	71,294,408
INTERBANK AND MONEY MARKET ITEMS, NET	496,110,177	397,357,971	495,715,786	397,061,378
CLAIMS ON SECURITIES	36,472,100	13,494,400	36,472,100	13,494,400
DERIVATIVES ASSETS	29,732,343	34,039,142	29,786,417	34,088,515
INVESTMENTS, NET	225,259,175	247,081,663	225,069,511	246,811,058
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	20,311,555	14,650,374	10,664,593	10,664,593
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET				
LOANS TO CUSTOMERS	1,995,692,168	2,033,250,476	1,934,736,971	1,969,827,420
ACCRUED INTEREST RECEIVABLES	4,220,354	5,900,902	3,777,080	5,462,813
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,999,912,522	2,039,151,378	1,938,514,051	1,975,290,233
LESS DEFERRED REVENUE	(5,282,806)	(5,810,002)	(153,737)	(165,766)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(93,001,334)	(85,823,934)	(84,275,761)	(77,221,061)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(116,435)	(132,627)	(116,435)	(132,627)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	1,901,511,947	1,947,384,815	1,853,968,118	1,897,770,779
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	65,608	1,567,806	65,608	1,567,806
PROPERTIES FOR SALE, NET	29,202,141	30,008,144	29,122,502	29,909,856
PREMISES AND EQUIPMENT, NET	26,855,111	26,354,526	22,245,638	21,376,845
OTHER INTANGIBLE ASSETS, NET	4,422,853	4,571,604	882,366	897,367
DEFERRED TAX ASSETS	5,404,383	6,996,109	3,404,479	5,020,583
ACCRUED INCOME	3,160,782	3,788,212	2,991,269	3,578,869
OTHER ASSETS, NET	11,811,434	16,564,767	9,774,388	15,071,377
TOTAL ASSETS	2,850,285,246	2,815,329,646	2,780,026,545	2,748,607,834
LIABILITIES AND EQUITY				
DEPOSITS	2,092,753,821	2,135,498,511	2,094,656,762	2,137,446,488
INTERBANK AND MONEY MARKET ITEMS, NET	224,671,171	194,242,842	212,585,318	177,701,199
LIABILITIES PAYABLE ON DEMAND	8,185,463	6,121,116	8,185,463	6,121,116
LIABILITIES TO DELIVER SECURITIES	36,472,100	13,494,400	36,472,100	13,494,400
DERIVATIVES LIABILITIES	31,633,016	37,232,572	31,633,712	37,234,793
DEBT ISSUED AND BORROWINGS	117,842,687	116,240,463	86,569,859	86,937,975
BANK'S LIABILITIES UNDER ACCEPTANCES	65,608	1,567,806	65,608	1,567,806
PROVISIONS	14,598,085	14,424,688	13,774,820	13,634,737
OTHER LIABILITIES	56,489,416	46,209,922	49,909,016	39,997,788
TOTAL LIABILITIES	2,582,711,367	2,565,032,320	2,533,852,658	2,514,136,302

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 MARCH, 2016

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	MARCH 31, 2016	DECEMBER 31, 2015	MARCH 31, 2016	DECEMBER 31, 2015
	(UNAUDITED/ UNREVIEWED)	(AUDITED)	(UNAUDITED/ UNREVIEWED)	(AUDITED)
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	20,484,010	10,643,441	11,123,651	6,407,413
RETAINED EARNINGS				
APPROPRIATED				
LEGAL RESERVE	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED	142,738,827	135,200,033	135,010,958	128,024,841
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	263,262,115	245,882,752	246,173,887	234,471,532
NON-CONTROLLING INTEREST	4,311,764	4,414,574		
TOTAL EQUITY	267,573,879	250,297,326	246,173,887	234,471,532
TOTAL LIABILITIES AND EQUITY	2,850,285,246	2,815,329,646	2,780,026,545	2,748,607,834

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

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	(UNAUDITED/ UNREVIEWED)	(UNAUDITED/ REVIEWED)	(UNAUDITED/ UNREVIEWED)	(UNAUDITED/ REVIEWED)
INTEREST INCOME	32,665,877	33,048,487	29,538,913	29,565,537
INTEREST EXPENSES	11,325,310	13,710,011	10,936,536	13,274,988
INTEREST INCOME, NET	21,340,567	19,338,476	18,602,377	16,290,549
FEES AND SERVICE INCOME	6,130,248	4,992,272	5,019,429	4,563,133
FEES AND SERVICE EXPENSES	921,081	659,757	622,965	506,477
FEES AND SERVICE INCOME, NET	5,209,167	4,332,515	4,396,464	4,056,656
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	1,826,765	1,091,603	1,844,158	1,120,924
GAINS ON INVESTMENTS, NET	337,690	277,356	337,690	277,356
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	558,876	913,134	-	-
DIVIDEND INCOME	116,307	175,079	552,708	525,704
OTHER OPERATING INCOME	1,333,378	959,136	567,208	306,491
TOTAL OPERATING INCOME	30,722,750	27,087,299	26,300,605	22,577,680
OTHER OPERATING EXPENSES				
EMPLOYEES' EXPENSES	7,715,216	7,872,518	6,395,730	6,459,790
DIRECTORS' REMUNERATION	14,883	13,520	9,771	7,918
PREMISES AND EQUIPMENT EXPENSES	2,066,328	2,283,916	1,105,072	1,236,632
TAXES AND DUTIES	1,238,284	1,260,920	1,128,970	1,165,183
OTHERS	1,428,921	1,735,331	2,103,370	2,610,905
TOTAL OTHER OPERATING EXPENSES	12,463,632	13,166,205	10,742,913	11,480,428
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	8,623,234	3,724,416	6,996,302	2,100,000
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	9,635,884	10,196,678	8,561,390	8,997,252
INCOME TAX EXPENSES	1,775,250	1,977,560	1,575,273	1,840,461
NET PROFIT	7,860,634	8,219,118	6,986,117	7,156,791

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 INCOME AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	(UNAUDITED/ UNREVIEWED)	(UNAUDITED/ REVIEWED)	(UNAUDITED/ UNREVIEWED)	(UNAUDITED/ REVIEWED)
OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	5,928,230	(48,992)	5,928,230	(48,992)
LOSSES ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(26,346)	(6,313)	(26,346)	(6,313)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES (EQUITY METHOD)				
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	5,124,331	526,791	-	-
RELATED INCOME TAX EXPENSES				
FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(1,185,646)	9,799	(1,185,646)	9,799
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
ACTUARIAL GAINS (LOSSES) ON DEFINED BENEFIT PLANS	(1,332)	163	-	-
RELATED INCOME TAX EXPENSES				
FOR ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR	266	(33)	-	-
OTHER COMPREHENSIVE INCOME, NET	9,839,503	481,415	4,716,238	(45,506)
TOTAL COMPREHENSIVE INCOME	17,700,137	8,700,533	11,702,355	7,111,285
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	7,539,860	7,928,816	6,986,117	7,156,791
NON-CONTROLLING INTEREST	320,774	290,302		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	17,379,363	8,410,231	11,702,355	7,111,285
NON-CONTROLLING INTEREST	320,774	290,302		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	0.54	0.57	0.50	0.51
DILUTED EARNINGS PER SHARE (BAHT)	0.54	0.57	0.50	0.51

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

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT