



Ref. KTB.FIR. 1076 /2014

Date April 23, 2014

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 unreviewed financial statements of the Bank and its subsidiaries for the three-month period ended March 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 unreviewed consolidated financial statements for the three-month period ended March 31, 2014.

Due to the decelerated trend of Thai economy from the internal economic factors and uncertainty of global economy, the commercial bank faced with more challenges in the business operation. However, in 1Q2014, the Bank and its subsidiaries intend to provide excellent experiences to all customers and continuously improve its operational performance. As a result, the Bank and its subsidiaries' net profit was Bt 8,310 m, showing a decrease of Bt 236 m (2.76%) from the same period last year. The Bank emphasized in growing the revenue from net interest income and non-interest income (net) and supervised in asset quality. The Bank reported the NPLs ratio (gross) at the level of 2.87% with the coverage ratio at 106.36% which was well above provisioning level according to relevant regulatory requirements. The details are as follows:

Performance Overview

Net Interest Income

The Bank's net interest income equaled Bt 16,820 m, showing an increase of Bt 1,796 m (11.95%) from 1Q2013, due to the loan expansion. Net Interest Margin (NIM) increased from 2.67% in 1Q2013 to 2.72% in 1Q2014.

Non Interest Income, net

The Bank's non-interest income (net) for 1Q2014 was Bt 6,532 m, showing a decrease of Bt 870 m (11.75%) from 1Q2013. The main drivers of non-interest income (net) was the dividend income showing a decrease of Bt 890 m (90.72%) from 1Q2013, mainly due to the maturity of its investment in VAYUPAKSA FUND in 4Q2013. On the contrary, net fee and service income showing an increase of Bt 237 m (6.47%) in response to the expansion

of fee and service income of 7.09% from 1Q2013. Also, the Bank gains on tradings and foreign exchange transactions showing an increase of Bt 178 m (17.00%) from 1Q2013.

Total Other Operating Expenses

The Bank's other operating expenses for 1Q2014 was Bt 11,470 m, showing an increase of Bt 1,160 m (11.25%) from 1Q2013 mainly due to the increase in personnel expenses from employees' salaries base and bonus expense. Cost-to-Income Ratio for 1Q2014 was 50.23%, showing an increase from 47.99% in 1Q2013.

Bad Debts, Doubtful Accounts and Loss on Impairment

In 1Q2014, the Bank set aside Bt 1,776 m provision for bad debts, doubtful accounts and loss on impairment, showing an increase of Bt 157 m (9.70%) from 1Q2013. The Bank's normalized provision policy for bad debts, and doubtful accounts is Bt 500 m per month.

Net Income

The Bank's operating profit before bad debts, doubtful accounts and loss on impairment, and income tax expense for 1Q2014 was Bt 11,882 m, showing a decrease of Bt 234 m (1.93%) from 1Q2013. The Bank's net income was Bt 8,310 m, showing a decrease of Bt 236 m (2.76%) from 1Q2013.

Financial Positions

Loans to Customers

As at March 31, 2014, the Bank's total loans (less deferred revenue) were Bt 1,766,704 m which increased by Bt 55,614 m (3.25%) from end of year 2013. The increase of loan was attributed mostly by private sector loans.

Non Performing Loans (NPLs) (Bank only)

The Bank's NPLs as at March 31, 2014 which was at Bt 60,511 m, increased by Bt 5,485 m (9.97%) from December 31, 2013. NPLs ratio (gross) was 2.87% and NPLs ratio (net) was 1.64% as at March 31, 2014. The increase in NPLs derived mainly from small SME and some retail customers in response to the slowdown in Thai economy and the rising household debt level. Nonetheless, the Bank had its policy to frequently review customer's status. The Bank presented its coverage ratio at 106.36%

Liabilities

As at March 31, 2014, the Bank's deposits were Bt 1,962,582 m, increased by Bt 78,801 m (4.18%) from December 31, 2013 due to the increase of all type of deposits. The Bank's net interbank and money market items were Bt 162,637 m, decreased by Bt 38,352 m (19.08%). Debts issued and borrowings were Bt 107,496 m, decreased by Bt 25,504 m (19.18%) because of the redemption of subordinated notes on its callable date in amount of Bt 21,000 m and the maturity of B/E. Therefore, the Bank's total liabilities were Bt 2,320,211 m, increased by Bt 11,531 m (0.50%) from December 31, 2013.

Statutory Capital Fund

As at March 31, 2014, the Bank's Common Equity Tier 1 capital was Bt 180,616 m (9.39% of its risk-weighted assets (RWA)), Tier 1 capital was Bt 189,126 m (9.83% of its risk-weighted assets (RWA)). Total capital was around Bt 254,943 m (13.26% of its risk-weighted assets (RWA)). The calculation was in line with BOT's regulations regarding Basel III compliance. However, the Bank's total capital ratio decreased from 14.79% at December 31, 2013 because of the redemption of subordinated notes in amount of Bt 21,000 m, resulting to some reduction of Tier 2 capital in accordance with the BOT's guideline.

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

Unit: Million Baht

Consolidated Financial Statement	1Q2014	1Q2013	%
Interest Income			
Interbank and money market items	3,607	3,125	15.42
Investments and trading transactions	51	56	(8.93)
Investment in debt securities	1,824	1,563	16.70
Loans	22,507	20,870	7.84
Hire purchase and financial lease income	933	613	52.20
Others	4	3	33.33
Total interest income	28,926	26,230	10.28
Interest Expenses			
Deposits	7,965	6,709	18.72
Interbank and money market items	606	929	(34.77)
Contributions to Deposit Protection Agency & FIDF	2,283	1,977	15.48
Debts issued & Borrowings	1,220	1,548	(21.19)
- Subordinated notes	957	1,036	(7.63)
- Others	263	512	(48.63)
Borrowings	32	42	(23.81)
Others	-	1	(100.00)
Total interest expenses	12,106	11,206	8.03
Interest Income, Net	16,820	15,024	11.95

Please be advised accordingly.

Sincerely yours,



(Mr. Vorapak Tanyawong)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014

(Thousand Baht)

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	MARCH 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2012	MARCH 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2012
			(RESTATED)			(RESTATED)
ASSETS						
CASH	43,262,519	50,689,508	43,705,259	43,260,399	50,687,465	43,703,573
INTERBANK AND MONEY MARKET ITEMS, NET	398,549,954	448,572,228	332,134,147	398,439,780	448,445,334	332,097,503
CLAIMS ON SECURITIES	979,200	-	-	979,200	-	-
DERIVATIVES ASSETS	15,030,646	21,310,251	10,759,205	15,055,700	21,335,305	10,759,205
INVESTMENTS, NET	271,097,651	230,573,088	290,585,928	270,922,703	230,398,733	290,520,989
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	12,457,696	11,209,982	10,453,797	10,528,468	5,369,563	5,219,543
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET						
LOANS TO CUSTOMERS	1,774,789,644	1,718,734,183	1,534,978,025	1,761,984,467	1,715,679,231	1,538,906,475
ACCRUED INTEREST RECEIVABLES	3,739,642	4,647,126	5,555,693	3,745,135	4,775,672	5,572,988
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	1,778,529,286	1,723,381,309	1,540,533,718	1,765,729,602	1,720,454,903	1,544,479,463
LESS DEFERRED REVENUE	(8,086,053)	(7,643,919)	(4,880,745)	(183,441)	(175,334)	(220,583)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(63,262,336)	(61,676,632)	(55,138,237)	(62,231,995)	(60,847,080)	(54,792,252)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(333,978)	(130,221)	(49,864)	(333,978)	(130,221)	(49,864)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	1,706,846,919	1,653,930,537	1,480,464,872	1,702,980,188	1,659,302,268	1,489,416,764
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	2,668,635	3,121,789	3,437,029	2,668,635	3,121,789	3,437,029
PROPERTIES FOR SALE, NET	30,149,352	30,661,019	35,936,832	29,762,653	30,386,602	35,889,465
PREMISES AND EQUIPMENT, NET	26,676,565	26,798,824	26,124,986	21,207,640	21,350,942	21,640,327
OTHER INTANGIBLE ASSETS, NET	3,987,912	3,848,182	3,723,702	620,990	637,399	626,854
DEFERRED TAX ASSETS	3,920,852	3,876,024	2,727,930	3,799,160	3,719,681	2,616,278
ACCRUED INCOME	4,382,510	4,374,111	3,471,186	4,142,264	4,092,263	3,165,343
OTHER ASSETS, NET	16,007,845	25,805,007	12,964,848	13,722,534	23,383,397	11,791,130
TOTAL ASSETS	2,536,018,256	2,514,770,550	2,256,489,721	2,518,090,314	2,502,230,741	2,250,884,003
LIABILITIES AND EQUITY						
DEPOSITS	1,962,582,127	1,883,781,168	1,666,960,580	1,963,728,198	1,884,261,913	1,667,373,731
INTERBANK AND MONEY MARKET ITEMS, NET	162,636,783	200,989,265	192,011,519	161,152,000	199,372,480	191,091,318
LIABILITIES PAYABLE ON DEMAND	6,515,921	5,695,007	6,077,906	6,515,921	5,695,007	6,077,906
LIABILITIES TO DELIVER SECURITIES	979,200	-	-	979,200	-	-
DERIVATIVES LIABILITIES	14,309,659	24,544,712	9,151,590	14,309,659	24,544,712	9,151,590
DEBT ISSUED AND BORROWINGS	107,495,911	133,000,654	146,636,104	97,844,389	128,911,083	146,716,104
BANK'S LIABILITIES UNDER ACCEPTANCES	2,668,635	3,121,789	3,437,029	2,668,635	3,121,789	3,437,029
PROVISIONS	14,679,562	14,345,933	13,287,455	14,043,555	13,732,153	12,736,792
DEFERRED TAX LIABILITIES	184,828	182,682	143,791	-	-	-
OTHER LIABILITIES	48,158,265	43,019,051	35,936,007	46,250,233	40,416,804	34,044,572
TOTAL LIABILITIES	2,320,210,891	2,308,680,261	2,073,641,981	2,307,491,790	2,300,055,941	2,070,629,042

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

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2014

(Thousand Baht)

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	MARCH 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2012	MARCH 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2012
			(RESTATED)			(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	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	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	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	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	20,833,734	20,833,734
OTHER COMPONENTS OF EQUITY	8,145,403	6,738,638	11,272,535	7,152,179	6,522,303	9,407,572
RETAINED EARNINGS						
APPROPRIATED						
LEGAL RESERVE	7,200,504	7,200,504	6,836,464	7,200,504	7,200,504	6,836,464
UNAPPROPRIATED	107,622,683	99,312,372	71,899,456	103,407,067	95,613,219	71,172,151
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	215,807,364	206,090,288	182,847,229	210,598,524	202,174,800	180,254,961
NON-CONTROLLING INTEREST	1	1	511			
TOTAL EQUITY	215,807,365	206,090,289	182,847,740	210,598,524	202,174,800	180,254,961
TOTAL LIABILITIES AND EQUITY	2,536,018,256	2,514,770,550	2,256,489,721	2,518,090,314	2,502,230,741	2,250,884,003

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

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

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2014	2013	2014	2013
		(RESTATED)		(RESTATED)
INTEREST INCOME	28,926,077	26,230,266	28,545,579	26,028,252
INTEREST EXPENSES	12,106,504	11,206,242	12,038,970	11,194,974
INTEREST INCOME, NET	16,819,573	15,024,024	16,506,609	14,833,278
FEES AND SERVICE INCOME	4,334,212	4,047,349	4,126,186	3,841,835
FEES AND SERVICE EXPENSES	434,088	384,364	457,112	418,417
FEES AND SERVICE INCOME, NET	3,900,124	3,662,985	3,669,074	3,423,418
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	1,224,745	1,046,875	1,230,557	1,047,381
GAINS ON INVESTMENTS, NET	84,365	258,760	84,365	258,760
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	725,826	864,889	-	-
DIVIDEND INCOME	90,813	980,807	345,813	1,031,807
OTHER OPERATING INCOME	506,576	587,900	199,675	294,044
TOTAL OPERATING INCOME	23,352,022	22,426,240	22,036,093	20,888,688
OTHER OPERATING EXPENSES				
EMPLOYEES' EXPENSES	7,184,783	6,729,405	6,344,649	5,884,289
DIRECTORS' REMUNERATION	13,474	12,181	8,610	7,868
PREMISES AND EQUIPMENT EXPENSES	1,855,716	1,748,147	1,177,203	1,149,176
TAXES AND DUTIES	1,066,628	850,048	1,053,217	839,581
OTHERS	1,349,256	970,020	2,438,566	1,995,441
TOTAL OTHER OPERATING EXPENSES	11,469,857	10,309,801	11,022,245	9,876,355
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	1,776,248	1,619,175	1,500,000	1,500,000
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	10,105,917	10,497,264	9,513,848	9,512,333
INCOME TAX EXPENSES	1,795,606	1,950,876	1,720,000	1,920,000
NET PROFIT	8,310,311	8,546,388	7,793,848	7,592,333

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 THREE-MONTH PERIOD ENDED MARCH 31, 2014

	(Thousand Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2014	2013 (RESTATED)	2014	2013 (RESTATED)
OTHER COMPREHENSIVE INCOME				
CHANGES IN REVALUATION SURPLUS ON ASSETS	-	(1,629)	-	(1,629)
GAINS ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	1,600,980	800,531	824,091	725,740
GAINS (LOSSES) ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(29,397)	886	(29,397)	886
INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME	(164,818)	(144,999)	(164,818)	(144,999)
OTHER COMPREHENSIVE INCOME, NET	<u>1,406,765</u>	<u>654,789</u>	<u>629,876</u>	<u>579,998</u>
TOTAL COMPREHENSIVE INCOME	<u>9,717,076</u>	<u>9,201,177</u>	<u>8,423,724</u>	<u>8,172,331</u>
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	8,310,311	8,546,388	7,793,848	7,592,333
NON-CONTROLLING INTEREST	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	9,717,076	9,201,177	8,423,724	8,172,331
NON-CONTROLLING INTEREST	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	0.59	0.61	0.56	0.54
DILUTED EARNINGS PER SHARE (BAHT)	0.59	0.61	0.56	0.54

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

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