



Ref. KTB.FIR. 153 /2016

Date January 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 unaudited financial statements of the Bank and its subsidiaries for the year ended December 31, 2015 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, 2015.

In the year 2015, the overall Thai economy recovered at a gradual pace, mainly supported by government spending as one of the main growth drivers, and private consumption which conformed to the improvement of consumer confidence from government short-term stimulus package. Tax rebate for the purchase of goods and services was another measure to stimulate spending during the year-end period. Besides, the tourism sector has mainly improved from Chinese tourists. Nonetheless, the exports still dropped due to the economic slowdown in China and ASEAN countries. The Bank, thus, carefully operates the business and continuously gives precedent to asset quality.

The Bank and its subsidiaries' pre-provision profit was Bt 65,689 m, showing an increase of Bt 5,784 m (9.66%) from last year. The core revenue grew mainly due to an increase in net interest income by Bt 3,710 m (4.81%) from the shift toward high yield loans and the appropriate funding cost management, by increase in net fee and service income by Bt 2,723 m (14.62%) from bancassurance products and ATM card, and an expansion in the gains on tradings and foreign exchange transactions by Bt 1,875 m (38.85%).

Handwritten signature

In consequence of the rising in NPLs from retail sector, SME sector, and corporate clients in Steel industry combined with the prudent banking practice to retain coverage ratio at appropriate level, the Bank provided provision for bad debts, doubtful accounts and loss on impairment in amount of Bt 24,000 m, consisting of monthly normalized provision of Bt 700 m and additional provision in 2Q2015 of Bt 3,600 m, in 3Q2015 of Bt 6,700 m, and in 4Q2015 of Bt 5,300 m. The Bank and its subsidiaries' provision for bad debts, doubtful accounts and loss on impairment was Bt 30,541 m, showing an increase of Bt 11,898 m (63.82%) from last year. The Bank and its subsidiaries' coverage ratio was 112.52 at the end of year 2015. The Bank and its subsidiaries' net profit, attributable to equity holders of the Bank, was Bt 28,492 m, showing a decrease of Bt 4,699 m (14.16%) from last year.

The Bank and its subsidiaries' financial positions for the year ended December 31, 2015

■ Loans to Customers

As at December 31, 2015, the Bank and its subsidiaries' total loans (less deferred revenue) were Bt 2,027,441 m which increased by Bt 74,445 m (3.81%) from end of year 2014, owing to SMEs and retail sectors. The government's soft loan program to SMEs accelerated demand for loan in last quarter of year 2015.

Total asset increased by Bt 26,190 m (0.94%), from Bt 2,789,143 m as at December 31, 2014 compared to Bt 2,815,333 m as at December 31, 2015.

■ Liabilities

As at December 31, 2015, the Bank and its subsidiaries' deposits were Bt 2,135,499 m, decreased by Bt 15,769 m (0.73%) from December 31, 2014 owing to the maturity of term deposit. The Bank and its subsidiaries' loans to customers (less deferred revenue) -to-deposits ratio increased to 94.94% from 90.78% as at December 31, 2014. The Bank's net interbank and money market items were Bt 194,243 m, rose by Bt 27,028 m (16.16%). Debts issued and borrowings were Bt 116,240 m, declined by Bt 24,731 m (17.54%) as a result of the maturity of short term debenture and the bill of exchange. The bank also redeemed subordinated notes and Hybrid Tier I debenture in total of Bt 12,485 m, replaced by the issuance of MYR denominated Basel III-compliant Tier 2 subordinated notes in amount of Bt 9,091 m. Thus, the Bank and its subsidiaries' total liabilities were Bt 2,565,034 m, raised by Bt 11,758 m (0.46%) from December 31, 2014.

■ Non Performing Loans (NPLs)

The Bank and its subsidiaries' NPLs as at December 31, 2015 was Bt 76,371 m, increased by Bt 18,882 m (32.84%) from December 31, 2014. NPLs ratio (gross) was 3.20% and NPLs ratio (net) was 1.73% NPLs increased mainly due to retail and SME sectors, and the approximate amount of Bt 23,000 m in NPLs from corporate clients in Steel industry. In December 2015, the Bank wrote off NPLs of the above-mentioned corporate client's subsidiary in amount of approximately Bt 12,400 m.

If the NPLs from the above-mentioned corporate client were not included, the Bank and its subsidiaries' NPLs would be Bt 65,863 m, increased by Bt 8,374 m (14.57%) from December 31, 2014. NPLs ratio (gross) and NPLs ratio (net) would be 2.76% and 1.59% respectively. 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 at December 31, 2015, Common Equity Tier 1 capital was Bt 217,646 m (11.06% of its risk-weighted assets (RWA)) and Tier 1 capital was Bt 225,092 m (11.43% of its RWA). Total capital was Bt 299,621 m (15.22% of its RWA). The calculation was in line with BOT's regulations regarding Basel III compliance. However, total capital ratio increased from 14.85 % as at December 31, 2014 since the net profit of the first half of 2015 was allocated for Tier I capital.

If the net profit of the second half of year 2015 was included as capital, Common Equity Tier 1 capital ratio, Tier I Capital ratio and Total Capital ratio would have been 11.66%, 12.04% and 15.83%, respectively.

The Bank and its subsidiaries' performance for the year ended December 31, 2015

The Bank and its subsidiaries' net profit, attributable to equity holders of the Bank, was Bt 28,492 m, showing a reduction of Bt 4,699 m (14.16%) from year 2014. The details are as follows:

■ Net Interest Income

The Bank and its subsidiaries' net interest income^{1/} equaled Bt 80,868 m, showing an increase of Bt 3,710 m (4.81%) from year 2014, due to the shift toward high yield loans and the appropriate funding cost management. As a result, this softened the impact from the twice reduction of policy rate by Bank of Thailand as well as the reduction of loan and term deposit rate by the Bank during the year. Net Interest Margin (NIM) decreased to 2.79% in year 2015 from 2.81% in year 2014.

1/ The Bank newly classified fee from loan from one of KTB's subsidiary, thus some fee from loan in interest income classified as fee income.

■ Non Interest Income, net

The Bank and its subsidiaries' non interest income (net) for year 2015 was Bt 35,741 m, showing an increase of Bt 4,849 m (15.70%) from year 2014. The main drivers were the increase in net fee and service income of Bt 2,723 m (14.62%) from bancassurance products and ATM card. Furthermore, the gains on tradings and foreign exchange transactions increased by Bt 1,875 m (38.85%), from the growing of businesses related to money market and derivative products.

■ Total Other Operating Expenses

The Bank and its subsidiaries' other operating expenses for year 2015 were Bt 50,920 m, showing an increase of Bt 2,775 m (5.76%) from year 2014 mainly because of employees' expenses. However, Cost-to-Income Ratio reduced to 43.67% in year 2015 compared to 44.56% in year 2014, as a result of the expansion of non interest income.

■ Bad Debts, Doubtful Accounts and Loss on Impairment

In year 2015, the Bank and its subsidiaries set aside Bt 30,541 m provision for bad debts, doubtful accounts and loss on impairment, showing an increase of Bt 11,898 m (63.82%) from year 2014. The Bank set aside Bt 24,000 m provision for bad debts, doubtful accounts and loss on impairment in accordance with the monthly normalized provision of Bt 700 m and additional provision of Bt 3,600 m in 2Q2015, Bt 6,700 m in 3Q2015, and Bt 5,300 m in 4Q2015, because of the rising in NPLs from retail sector, SME sector, and corporate clients in Steel industry along with the prudent banking practice to retain coverage ratio at appropriate level. The Bank and its subsidiaries' coverage ratio was 112.52% as at the end of year 2015.

■ Net Income

The Bank and its subsidiaries' pre-provision profit for year 2015 was Bt 65,689 m, showing an increase of Bt 5,784 m (9.66%) from year 2014. After deducting bad debts, doubtful accounts and loss on impairment, and income tax expenses, the Bank and its subsidiaries' net income was Bt 29,539 m, showing a decrease of Bt 4,539 m (13.32%) from year 2014. Net profit, attributable to equity holders of the Bank, was Bt 28,492 m, showing a decrease of Bt 4,699 m (14.16%) from year 2014. Income tax expenses was Bt 5,609 m, showing a decrease of Bt 1,575 m (21.92%) from year 2014 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.

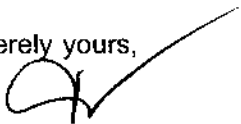
Unit: Million Baht

Consolidated Financial Statement	2015	2014	%
Interest Income			
Interbank and money market items	12,092	14,875	(18.71)
Investments and trading transactions	319	188	69.68
Investment in debt securities	4,963	6,256	(20.67)
Loans ^{1/}	111,438	102,873	8.33
Hire purchase and financial lease income	3,679	4,018	(8.44)
Others	34	20	70.00
Total interest income	132,525	128,230	3.35
Interest Expenses			
Deposits	33,762	32,203	4.84
Interbank and money market items	2,579	3,229	(20.13)
Contributions to BOT and DPA	10,057	9,308	8.05
Debts issued	5,214	6,244	(16.50)
- Debenture	4,716	5,184	(9.03)
- B/E	498	1,060	(53.02)
Borrowings	27	82	(67.07)
Others	18	6	200.00
Total interest expenses	51,657	51,072	1.15
Interest Income, Net	80,868	77,158	4.81

1/-The Bank newly classified fee from loan from one of KTB's subsidiary, thus some fee from loan in interest income classified as fee income.

Please be advised accordingly.

Sincerely yours,



Vorapak Tanyawong
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2015

(Thousand Baht)

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	DECEMBER 31, 2015	DECEMBER 31, 2014	JANUARY 1, 2014	DECEMBER 31, 2015	DECEMBER 31, 2014	JANUARY 1, 2014
	(UNAUDITED)	(RESTATED)	(BROUGHT FORWARD) (RESTATED)	(UNAUDITED)	(AUDITED)	(BROUGHT FORWARD)
ASSETS						
CASH	71,470,113	74,769,982	51,148,722	71,294,408	74,585,231	50,687,465
INTERBANK AND MONEY MARKET ITEMS, NET	397,357,971	456,721,172	448,818,118	397,061,378	456,436,877	448,445,334
CLAIMS ON SECURITIES	13,494,400	13,215,000	-	13,494,400	13,215,000	-
DERIVATIVES ASSETS	34,039,299	16,042,974	21,310,251	34,088,515	16,108,055	21,335,305
INVESTMENTS, NET	247,081,663	245,368,861	230,593,981	246,811,058	245,108,718	230,398,733
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	14,650,374	13,126,050	8,179,413	10,664,593	11,463,358	5,369,563
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET						
LOANS TO CUSTOMERS	2,033,250,476	1,960,740,862	1,769,942,098	1,969,827,420	1,900,767,273	1,715,679,231
ACCRUED INTEREST RECEIVABLES	5,750,331	5,190,813	4,647,126	5,462,813	5,202,824	4,775,672
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES	2,039,000,807	1,965,931,675	1,774,589,224	1,975,290,233	1,905,970,097	1,720,454,903
LESS DEFERRED REVENUE	(5,809,989)	(7,744,820)	(7,643,919)	(165,766)	(120,492)	(175,334)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(85,802,123)	(75,907,427)	(66,170,463)	(77,221,061)	(68,369,680)	(60,847,080)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	(132,627)	(113,222)	(130,221)	(132,627)	(113,222)	(130,221)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	1,947,256,068	1,882,166,206	1,700,644,621	1,897,770,779	1,837,366,703	1,659,302,268
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	1,567,806	1,909,763	3,121,789	1,567,806	1,909,763	3,121,789
PROPERTIES FOR SALE, NET	30,008,144	30,733,269	30,661,019	29,909,856	30,486,612	30,386,602
PREMISES AND EQUIPMENT, NET	26,354,526	28,115,773	27,243,423	21,376,845	21,559,347	21,350,942
OTHER INTANGIBLE ASSETS, NET	4,571,619	4,692,950	4,293,318	897,367	905,412	637,399
DEFERRED TAX ASSETS	6,996,104	5,690,072	5,342,779	5,020,583	3,892,134	3,719,681
ACCRUED INCOME	3,788,573	4,637,956	4,374,111	3,578,869	4,429,265	4,092,263
OTHER ASSETS, NET	16,695,885	11,952,542	18,067,773	15,071,377	9,683,916	15,445,545
TOTAL ASSETS	2,815,332,545	2,789,142,570	2,553,799,318	2,748,607,834	2,727,150,391	2,494,292,889
LIABILITIES AND EQUITY						
DEPOSITS	2,135,498,511	2,151,268,250	1,882,862,755	2,137,446,488	2,152,553,446	1,884,261,913
INTERBANK AND MONEY MARKET ITEMS, NET	194,242,842	167,214,934	206,189,265	177,701,199	160,774,651	199,372,480
LIABILITIES PAYABLE ON DEMAND	6,121,116	5,107,990	5,695,007	6,121,116	5,107,990	5,695,007
LIABILITIES TO DELIVER SECURITIES	13,494,400	13,215,000	-	13,494,400	13,215,000	-
DERIVATIVES LIABILITIES	37,232,729	16,245,258	24,544,712	37,234,793	16,245,513	24,544,712
DEBT ISSUED AND BORROWINGS	116,240,463	140,970,903	167,208,853	86,937,975	103,611,501	128,911,083
BANK'S LIABILITIES UNDER ACCEPTANCES	1,567,806	1,909,763	3,121,789	1,567,806	1,909,763	3,121,789
PROVISIONS	14,424,679	14,241,006	14,471,933	13,634,737	13,443,285	13,732,153
DEFERRED TAX LIABILITIES	-	-	182,682	-	-	-
OTHER LIABILITIES	46,211,066	43,102,818	40,334,116	39,997,788	36,436,572	32,478,952
TOTAL LIABILITIES	2,565,033,612	2,553,275,922	2,344,611,112	2,514,136,302	2,503,297,721	2,292,118,089

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 31 DECEMBER, 2015

(Thousand Baht)

	CONSOLIDATED			THE BANK'S		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	DECEMBER 31, 2015	DECEMBER 31, 2014	JANUARY 1, 2014	DECEMBER 31, 2015	DECEMBER 31, 2014	JANUARY 1, 2014
	(UNAUDITED)	(RESTATED)	(BROUGHT FORWARD) (RESTATED)	(UNAUDITED)	(AUDITED)	(BROUGHT FORWARD)
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	10,643,442	12,443,158	6,738,638	6,407,413	9,206,832	6,522,303
RETAINED EARNINGS						
APPROPRIATED						
LEGAL RESERVE	7,200,504	7,200,504	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED	135,201,639	119,659,819	99,312,372	128,024,841	114,606,560	95,613,219
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	245,884,359	232,142,255	206,090,288	234,471,532	223,852,670	202,174,800
NON-CONTROLLING INTEREST	4,414,574	3,724,393	3,097,918			
TOTAL EQUITY	250,298,933	235,866,648	209,188,206	234,471,532	223,852,670	202,174,800
TOTAL LIABILITIES AND EQUITY	2,815,332,545	2,789,142,570	2,553,799,318	2,748,607,834	2,727,150,391	2,494,292,889

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

(Signed) Vorapak Tanyawong
VORAPAK TANYAWONG
PRESIDENT

(TRANSLATION)

3

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	(UNAUDITED)	(RESTATEd)	(UNAUDITED)	(AUDITED)
INTEREST INCOME	132,525,337	128,229,501	120,559,061	116,675,690
INTEREST EXPENSES	51,657,462	51,071,821	49,994,241	49,043,987
INTEREST INCOME, NET	80,867,875	77,157,680	70,564,820	67,631,703
FEES AND SERVICE INCOME	24,223,837	21,027,101	19,934,377	17,253,395
FEES AND SERVICE EXPENSES	2,880,428	2,407,185	2,178,256	1,842,514
FEES AND SERVICE INCOME, NET	21,343,409	18,619,916	17,756,121	15,410,881
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	6,700,615	4,826,517	6,738,334	4,898,674
GAINS (LOSSES) ON INVESTMENTS, NET	648,130	235,265	(150,635)	270,156
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	3,038,174	2,931,933	-	-
DIVIDEND INCOME	407,648	424,548	3,591,414	2,149,926
OTHER OPERATING INCOME	3,603,249	3,853,933	858,764	1,196,438
TOTAL OPERATING INCOME	116,609,100	108,049,792	99,358,818	91,557,778
OTHER OPERATING EXPENSES				
EMPLOYEES' EXPENSES	27,373,532	26,067,190	22,229,945	20,919,316
DIRECTORS' REMUNERATION	114,938	111,132	82,700	79,158
PREMISES AND EQUIPMENT EXPENSES	9,297,419	8,886,901	5,244,695	5,085,668
TAXES AND DUTIES	5,044,995	4,444,917	4,642,603	4,055,991
OTHERS	9,088,792	8,634,845	11,693,669	11,324,138
TOTAL OTHER OPERATING EXPENSES	50,919,676	48,144,985	43,893,612	41,464,271
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	30,541,508	18,643,008	23,999,849	11,399,849
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	35,147,916	41,261,799	31,465,357	38,693,658
INCOME TAX EXPENSES	5,608,499	7,183,623	4,991,609	6,838,349
NET PROFIT	29,539,417	34,078,176	26,473,748	31,855,309

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

(TRANSLATION)

4

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(AUDITED)
OTHER COMPREHENSIVE INCOME				
ITEMS THAT MUST BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	(3,447,861)	3,380,583	(3,447,861)	3,380,583
LOSSES ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(38,408)	(19,937)	(38,408)	(19,937)
SHARE OF OTHER COMPREHENSIVE INCOME FROM ASSOCIATES	999,256	3,019,991	-	-
RELATED INCOME TAX EXPENSES	689,572	(676,117)	689,572	(676,117)
ITEMS THAT MUST NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
CHANGES IN REVALUATION DEFICIT ON ASSETS	(3,403)	-	(3,403)	-
ACTUARIAL LOSSES ON DEFINED BENEFIT PLANS	(232,384)	(673,705)	(342,100)	(696,680)
RELATED INCOME TAX EXPENSES	47,158	134,742	69,101	139,336
OTHER COMPREHENSIVE INCOME, NET	(1,986,070)	5,165,557	(3,073,099)	2,127,185
TOTAL COMPREHENSIVE INCOME	27,553,347	39,243,733	23,400,649	33,982,494
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	28,491,724	33,191,034	26,473,748	31,855,309
NON-CONTROLLING INTEREST	1,047,693	887,142		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	26,505,198	38,356,591	23,400,649	33,982,494
NON-CONTROLLING INTEREST	1,048,149	887,142		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	2.04	2.37	1.89	2.28
DILUTED EARNINGS PER SHARE (BAHT)	2.04	2.37	1.89	2.28

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

(Signed) Vorapak Tanyawong

VORAPAK TANYAWONG

PRESIDENT