



ธนาคารกสิกรไทย
KASIKORNBANK 泰华农民银行



Banthoon Lamsam
Chief Executive Officer

Ref.FA. 001/2012

23 January 2012

To President
The Stock Exchange of Thailand

Subject : Submittal of the Unaudited Financial Statement

Enclosed herewith, please find copies of the unaudited financial statements for the fourth quarter and for the year ended 31 December 2011 in SET SMART compared with various time intervals of the financial statements previously reported.

1. Consolidated and the Bank's statements of financial position as of 31 December 2011, compared with as of 30 September 2011, and as of 31 December 2010.
2. Consolidated and the Bank's statements of comprehensive income for the fourth quarter of 2011, compared with the third quarter of 2011 and the fourth quarter of 2010.
3. Consolidated and the Bank's statements of comprehensive income for the year ended 31 December 2011, compared with 2010.
4. Summary of the Bank and subsidiaries' operating performance for the fourth quarter and for the year ended 31 December 2011.

We trust you will find the enclosed helpful and informative.

Yours sincerely,

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

	Consolidated (Thousand Baht)				The Bank (Thousand Baht)			
	31 December	30 September		31 December	31 December	30 September		31 December
	2011	2011	Change	2010	2011	2011	Change	2010
	(Unaudited)				(Unaudited)			
ASSETS								
Cash	53,210,590	31,275,861	21,934,729	32,457,482	53,209,128	31,274,478	21,934,650	32,456,187
Interbank and money market items - net	111,968,713	165,266,962	(53,298,249)	97,560,143	110,205,130	160,952,335	(50,747,205)	96,768,486
Claims on security	-	8,520,930	(8,520,930)	-	-	8,520,930	(8,520,930)	-
Derivative assets	26,726,209	26,479,253	246,956	29,060,408	26,730,310	26,479,253	251,057	29,060,408
Investments - net	264,133,123	287,251,553	(23,118,430)	251,079,721	159,907,169	190,200,806	(30,293,637)	168,114,988
Investments in subsidiaries and associates - net	161,643	202,594	(40,951)	137,595	14,126,630	14,276,630	(150,000)	15,582,889
Loans to customers and accrued interest receivables - net								
Loans to customers	1,217,397,103	1,205,815,688	11,581,415	1,082,580,962	1,201,714,013	1,189,992,633	11,721,380	1,067,998,583
Accrued interest receivables	2,104,977	1,842,037	262,940	1,416,482	1,896,336	1,642,007	254,329	1,224,484
Total Loans to customers and accrued interest receivables	1,219,502,080	1,207,657,725	11,844,355	1,083,997,444	1,203,610,349	1,191,634,640	11,975,709	1,069,223,067
<u>Less</u> Deferred revenue	(6,562,721)	(6,619,631)	56,910	(5,599,718)	(394,553)	(409,485)	14,932	(290,630)
<u>Less</u> Allowance for doubtful accounts	(35,202,069)	(33,353,798)	(1,848,271)	(32,444,855)	(34,159,891)	(32,243,171)	(1,916,720)	(31,199,086)
<u>Less</u> Revaluation allowance for debt restructuring	(5,140,975)	(5,209,436)	68,461	(4,386,765)	(5,140,472)	(5,209,038)	68,566	(4,386,660)
Total Loans to customers and accrued interest receivables - net	1,172,596,315	1,162,474,860	10,121,455	1,041,566,106	1,163,915,433	1,153,772,946	10,142,487	1,033,346,691
Customers' liability under acceptances	580,231	667,871	(87,640)	521,190	580,231	667,871	(87,640)	521,190
Properties foreclosed - net	13,423,855	12,774,836	649,019	14,380,983	12,220,549	11,560,488	660,061	12,393,288
Premises and equipment - net	38,660,218	38,789,836	(129,618)	39,008,556	32,927,196	33,091,227	(164,031)	33,371,270
Goodwill and other intangible assets - net	18,804,645	18,492,385	312,260	16,614,260	14,851,374	14,561,503	289,871	12,805,098
Deferred tax assets	2,464,150	3,865,430	(1,401,280)	3,581,654	2,310,378	3,318,174	(1,007,796)	3,524,427
Other assets - net	20,210,187	21,731,911	(1,521,724)	20,696,211	13,583,443	14,601,149	(1,017,706)	12,786,792
Total Assets	1,722,939,879	1,777,794,282	(54,854,403)	1,546,664,309	1,604,566,971	1,663,277,790	(58,710,819)	1,450,731,714

KASIKORN BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

	Consolidated (Thousand Baht)			The Bank (Thousand Baht)				
	31 December	30 September		31 December	31 December	30 September		31 December
	2011	2011	Change	2010	2011	2011	Change	2010
	(Unaudited)				(Unaudited)			
LIABILITIES AND EQUITY								
Deposits	1,242,229,335	1,255,176,833	(12,947,498)	1,100,036,472	1,243,860,346	1,257,001,001	(13,140,655)	1,102,229,159
Interbank and money market items	53,340,485	94,176,060	(40,835,575)	33,063,634	56,775,838	97,016,336	(40,240,498)	34,996,959
Liabilities payable on demand	11,598,165	12,597,215	(999,050)	21,621,928	11,598,165	12,597,136	(998,971)	21,615,512
Liabilities to deliver security	-	8,520,930	(8,520,930)	-	-	8,520,930	(8,520,930)	-
Financial liabilities designated at fair value through profit or loss	2,112,573	2,351,369	(238,796)	6,156,385	2,112,573	2,351,369	(238,796)	6,156,385
Derivative liabilities	27,436,187	26,721,611	714,576	28,398,944	27,436,423	26,721,611	714,812	28,397,687
Debts issued and borrowings	70,303,494	76,728,892	(6,425,398)	88,932,321	70,927,494	77,408,892	(6,481,398)	89,542,321
Bank's liability under acceptances	580,231	667,871	(87,640)	521,190	580,231	667,871	(87,640)	521,190
Provisions	12,789,069	12,230,833	558,236	11,804,616	12,452,927	11,913,880	539,047	11,534,844
Deferred tax liabilities	1,062,656	1,648,875	(586,219)	1,776,958	-	-	-	-
Life policy reserve	97,596,505	93,217,519	4,378,986	76,404,247	-	-	-	-
Other liabilities	36,925,742	32,938,738	3,987,004	32,460,145	29,522,922	24,366,317	5,156,605	24,305,603
Total Liabilities	1,555,974,442	1,616,976,746	(61,002,304)	1,401,176,840	1,455,266,919	1,518,565,343	(63,298,424)	1,319,299,660
Equity								
Share capital								
Authorized share capital								
3,048,614,697 common shares, Baht 10 par value	30,486,147	30,486,147	-	30,486,147	30,486,147	30,486,147	-	30,486,147
Issued and paid-up share capital								
2,393,260,193 common shares, Baht 10 par value	23,932,602	23,932,602	-	23,932,602	23,932,602	23,932,602	-	23,932,602
Premium on common shares	18,103,110	18,103,110	-	18,103,110	18,103,110	18,103,110	-	18,103,110
Other reserves	10,934,372	8,658,359	2,276,013	9,198,714	10,209,040	8,244,539	1,964,501	8,414,470
Retained earnings								
Appropriated								
Legal reserve	3,050,000	3,050,000	-	3,050,000	3,050,000	3,050,000	-	3,050,000
Unappropriated	98,778,668	95,962,627	2,816,041	80,658,270	94,005,300	91,382,196	2,623,104	77,931,872
Total Equity attributable to equity holders of the Bank	154,798,752	149,706,698	5,092,054	134,942,696	149,300,052	144,712,447	4,587,605	131,432,054
Non-controlling interests	12,166,685	11,110,838	1,055,847	10,544,773	-	-	-	-
Total Equity	166,965,437	160,817,536	6,147,901	145,487,469	149,300,052	144,712,447	4,587,605	131,432,054
Total Liabilities and Equity	1,722,939,879	1,777,794,282	(54,854,403)	1,546,664,309	1,604,566,971	1,663,277,790	(58,710,819)	1,450,731,714

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated (Thousand Baht)				The Bank (Thousand Baht)			
	Q4/11	Q3/11	Change	Q4/10	Q4/11	Q3/11	Change	Q4/10
	(Unaudited)				(Unaudited)			
Interest income	23,083,519	22,119,315	964,204	16,771,955	21,576,594	20,651,357	925,237	15,485,068
Interest expenses	8,161,052	7,439,556	721,496	4,297,586	8,204,063	7,474,980	729,083	4,321,610
Interest income - net	14,922,467	14,679,759	242,708	12,474,369	13,372,531	13,176,377	196,154	11,163,458
Fees and service income	6,325,465	6,896,562	(571,097)	6,425,356	5,948,016	6,750,515	(802,499)	6,117,090
Fees and service expenses	1,432,797	1,398,574	34,223	1,340,406	1,452,003	1,409,126	42,877	1,345,767
Fees and service income - net	4,892,668	5,497,988	(605,320)	5,084,950	4,496,013	5,341,389	(845,376)	4,771,323
Gain (loss) on trading and foreign exchange transactions	1,151,444	1,583,465	(432,021)	1,166,120	1,145,826	1,591,205	(445,379)	1,159,985
Gain (loss) on financial liabilities designated at fair value through profit or loss	(18,077)	(38,624)	20,547	(36,238)	(18,077)	(38,624)	20,547	(36,238)
Gain (loss) on investments	145,865	57,463	88,402	112,041	18,891	(34,575)	53,466	13,017
Share of profit from investments using equity method	4,643	3,356	1,287	1,207	-	-	-	-
Dividend income	75,455	218,469	(143,014)	65,419	594,763	319,697	275,066	225,087
Earned premium	8,319,831	10,602,447	(2,282,616)	7,440,825	-	-	-	-
Other operating income	353,127	141,448	211,679	230,999	563,859	456,522	107,337	429,842
Total operating income	29,847,423	32,745,771	(2,898,348)	26,539,692	20,173,806	20,811,991	(638,185)	17,726,474
Underwriting expenses	7,165,253	9,186,833	(2,021,580)	6,593,164	-	-	-	-
Total operating income - net	22,682,170	23,558,938	(876,768)	19,946,528	20,173,806	20,811,991	(638,185)	17,726,474
Other operating expenses								
Employee's expenses	5,243,470	4,667,713	575,757	4,524,506	4,142,015	3,555,540	586,475	3,499,988
Directors' remuneration	13,029	19,348	(6,319)	16,328	9,155	15,438	(6,283)	12,863
Premises and equipment expenses	2,527,814	2,328,347	199,467	2,243,284	2,530,167	2,370,873	159,294	2,208,429
Taxes and duties	816,912	840,782	(23,870)	663,185	768,236	787,043	(18,807)	619,745
Others	3,819,184	2,408,651	1,410,533	3,043,851	3,542,073	2,141,386	1,400,687	2,869,788
Total other operating expenses	12,420,409	10,264,841	2,155,568	10,491,154	10,991,646	8,870,280	2,121,366	9,210,813
Impairment loss on loans and debt securities	2,159,691	1,719,370	440,321	1,682,330	2,194,141	1,781,508	412,633	1,574,201
Operating profit before income tax expense	8,102,070	11,574,727	(3,472,657)	7,773,044	6,988,019	10,160,203	(3,172,184)	6,941,460
Income tax expense	4,511,358	3,423,684	1,087,674	2,326,586	4,152,252	2,986,437	1,165,815	1,992,690
Net profit	3,590,712	8,151,043	(4,560,331)	5,446,458	2,835,767	7,173,766	(4,337,999)	4,948,770
Other comprehensive income								
Gain (loss) on remeasurement of available - for - sale investments	1,909,218	(964,557)	2,873,775	(152,228)	1,122,267	365,383	756,884	(1,005,303)
Actuarial gains (losses) on defined benefit plans	(303,219)	-	(303,219)	-	(300,397)	-	(300,397)	-
Income taxes relating to components of other comprehensive income	952,211	288,729	663,482	53,383	929,969	(109,615)	1,039,584	301,591
Total other comprehensive income	2,558,210	(675,828)	3,234,038	(98,845)	1,751,839	255,768	1,496,071	(703,712)
Total comprehensive income	6,148,922	7,475,215	(1,326,293)	5,347,613	4,587,606	7,429,534	(2,841,928)	4,245,058
Net profit attributable to :								
Equity holders of the Bank	3,032,238	7,761,148	(4,728,910)	5,282,080	2,835,767	7,173,766	(4,337,999)	4,948,770
Non-controlling interests	558,474	389,895	168,579	164,378	-	-	-	-
Total comprehensive income attributable to :								
Equity holders of the Bank	5,093,062	7,652,684	(2,559,622)	4,866,701	4,587,606	7,429,534	(2,841,928)	4,245,058
Non-controlling interests	1,055,860	(177,469)	1,233,329	480,912	-	-	-	-
Earnings per share of equity holders of the Bank								
Basic earnings per share (Baht)	1.27	3.24	(1.97)	2.21	1.18	3.00	(1.82)	2.07
Weighted average number of ordinary shares (Thousand shares)	2,393,260	2,393,260	-	2,393,260	2,393,260	2,393,260	-	2,393,260

KASIKORNBANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS PERIODS ENDED 31 DECEMBER 2011 AND 2010

	Consolidated (Thousand Baht)			The Bank (Thousand Baht)		
	2011 (Unaudited)	2010	Change	2011 (Unaudited)	2010	Change
Interest income	83,692,656	62,271,245	21,421,411	78,027,918	57,440,019	20,587,899
Interest expenses	27,201,600	15,526,800	11,674,800	27,341,939	15,591,929	11,750,010
Interest income - net	56,491,056	46,744,445	9,746,611	50,685,979	41,848,090	8,837,889
Fees and service income	26,071,888	22,820,865	3,251,023	25,104,803	21,867,242	3,237,561
Fees and service expenses	5,435,065	4,594,355	840,710	5,469,613	4,543,680	925,933
Fees and service income - net	20,636,823	18,226,510	2,410,313	19,635,190	17,323,562	2,311,628
Gain (loss) on trading and foreign exchange transactions	5,213,669	4,465,366	748,303	5,213,788	4,456,160	757,628
Gain (loss) on financial liabilities designated at fair value through profit or loss	(53,936)	(94,545)	40,609	(53,936)	(94,545)	40,609
Gain (loss) on investments	805,855	610,034	195,821	319,658	243,387	76,271
Share of profit from investments using equity method	13,337	5,944	7,393	-	-	-
Dividend income	784,394	660,739	123,655	1,731,831	1,459,757	272,074
Earned premium	37,118,340	29,090,104	8,028,236	-	-	-
Other operating income	1,206,087	656,056	550,031	1,925,912	1,203,749	722,163
Total operating income	122,215,625	100,364,653	21,850,972	79,458,422	66,440,160	13,018,262
Underwriting expenses	31,707,255	25,220,602	6,486,653	-	-	-
Total operating income - net	90,508,370	75,144,051	15,364,319	79,458,422	66,440,160	13,018,262
Other operating expenses						
Employee's expenses	19,544,222	16,402,361	3,141,861	15,044,749	12,621,103	2,423,646
Directors' remuneration	100,531	114,561	(14,030)	76,717	96,339	(19,622)
Premises and equipment expenses	9,383,379	8,799,524	583,855	9,331,544	8,659,087	672,457
Taxes and duties	3,129,620	2,437,291	692,329	2,929,278	2,271,801	657,477
Others	10,861,219	10,249,139	612,080	10,460,626	10,196,609	264,017
Total other operating expenses	43,018,971	38,002,876	5,016,095	37,842,914	33,844,939	3,997,975
Impairment loss on loans and debt securities	7,345,533	6,700,908	644,625	7,380,372	6,491,425	888,947
Operating profit before income tax expense	40,143,866	30,440,267	9,703,599	34,235,136	26,103,796	8,131,340
Income tax expense	13,961,623	9,094,141	4,867,482	12,075,879	7,489,004	4,586,875
Net profit	26,182,243	21,346,126	4,836,117	22,159,257	18,614,792	3,544,465
Other comprehensive income						
Gain (loss) on remeasurement of available - for - sale investments	436,223	2,774,755	(2,338,532)	1,036,627	83,269	953,358
Actuarial gains (losses) on defined benefit plans	(303,219)	-	(303,219)	(300,397)	-	(300,397)
Income taxes relating to components of other comprehensive income	1,390,762	(823,574)	2,214,336	955,661	(24,981)	980,642
Total other comprehensive income	1,523,766	1,951,181	(427,415)	1,691,891	58,288	1,633,603
Total comprehensive income	27,706,009	23,297,307	4,408,702	23,851,148	18,673,080	5,178,068
Net profit attributable to :						
Equity holders of the Bank	24,225,567	20,046,690	4,178,877	22,159,257	18,614,792	3,544,465
Non-controlling interests	1,956,676	1,299,436	657,240	-	-	-
Total comprehensive income attributable to :						
Equity holders of the Bank	25,856,019	20,903,050	4,952,969	23,851,148	18,673,080	5,178,068
Non-controlling interests	1,849,990	2,394,257	(544,267)	-	-	-
Earnings per share of equity holders of the Bank						
Basic earnings per share (Baht)	10.12	8.38	1.74	9.26	7.78	1.48
Weighted average number of ordinary shares (Thousand shares)	2,393,260	2,393,260	-	2,393,260	2,393,260	-

**Summary of the Bank and subsidiaries' operating performance
for the fourth quarter and for the year ended 31 December 2011**

Million Baht

1. OPERATING RESULTS	Q4/11	Q3/11	Q4/10	2011	2010
Net profit (attributable to equity holders of the Bank)	3,032	7,761	5,282	24,226	20,047
Basic earnings per share (Baht)	1.27	3.24	2.21	10.12	8.38
Interest income - net	14,922	14,680	12,474	56,491	46,744
Non-interest income	7,760	8,879	7,473	34,017	28,400
Fees and service income - net	4,893	5,498	5,085	20,637	18,227
Other income	10,032	12,568	8,981	45,087	35,394
Underwriting expenses	7,165	9,187	6,593	31,707	25,221
Total operating income - net	22,682	23,559	19,947	90,508	75,144
Total other operating expenses	12,420	10,265	10,491	43,019	38,003

Million Baht

2. FINANCIAL POSITION AND ASSET QUALITY RATIOS	31 Dec 11	30 Sep 11	31 Dec 10
Loans*	1,210,834	1,199,196	1,076,981
Total assets	1,722,940	1,777,794	1,546,664
Deposits	1,242,229	1,255,177	1,100,036
Total liabilities	1,555,974	1,616,977	1,401,177
Non-performing loans, net (%)	1.15%	1.10%	1.43%
Non-performing loans, gross (%)	2.45%	2.25%	2.91%
Loans* to deposits ratio (%)	97.47%	95.54%	97.90%
Loans* to deposits and B/E ratio (%)	94.72%	92.30%	93.51%
Capital adequacy ratio (%)	13.81%	13.90%	13.96%

* Loans = Loans to customers less Deferred revenue

3. PERFORMANCE INDICATORS	Q4/11	Q3/11	Q4/10	2011	2010
Net interest margin (NIM)*	3.68%	3.65%	3.60%	3.75%	3.48%
Return on average assets (ROAA)*	0.69%	1.80%	1.40%	1.48%	1.38%
Return on average equity (ROAE)*	7.97%	21.19%	15.94%	16.72%	15.73%
Non-interest income to average assets*	1.77%	2.06%	1.99%	2.08%	1.95%
Non-interest income ratio	34.21%	37.69%	37.46%	37.58%	37.79%
Efficiency ratio	54.76%	43.57%	52.60%	47.53%	50.57%

* Financial ratios are calculated on an annualized basis

Note : See formula on page 15

In 2011, the Bank and subsidiaries reported net income of Baht 24,226 Million, a rise of Baht 4,179 Million or 20.85% over the previous year. The major was due to the net of interest income as a result of loan growth and consequence of assets and liabilities management to align with interest rate trend. Meanwhile, the net interest margin (NIM) stood at 3.75% and non-interest income increased by 19.78%, align with KASIKORNBANKGROUP proactive conglomerated strategies with the customer centricity. The efficiency ratio performed at 47.53% which improved from 2010.

As of 31 December 2011, KASIKORNBANKGROUP's assets totaled Baht 1,772,940 Million. Total loans were Baht 1,210,834 Million, an increase of Baht 133,853 Million or 12.43% over last year as a result of loan growth especially commercial loan and housing loan. The NPL Gross was 2.45% which improved from last year performed at 2.91%, reflecting to effective management of non-performing loans. Total deposits were Baht 1,242,229 Million, an increase of Baht 142,193 Million or 12.93% over last year as a result of increases in time deposits for campaigns to provide greater alternative for the customers.

In the third quarter of 2011, according to the Cabinet's resolution, the Bank and subsidiaries has disclosed the impact on a reduction in the corporate income tax rate from 30% of taxable profit to 23% in 2012 and 20% in 2013-2014. On 21 December 2011, the Royal Decree was published adopting a reduction in the corporate income tax rate, the Bank and subsidiaries recognized the item of deferred tax in the income statement in the fourth quarter of 2011 in line with International Accounting Standards. However, this is an one-time impact. Since this is the accounting item adjustment, it is not involved with the actual tax payment to the Revenue Department. The Bank and subsidiaries' business undertaking, profitability and capital fund have not been affected.

Therefore, the Bank and subsidiaries will benefit from this reduction in the corporate income tax rate from 2012 onward.



Analysis of consolidated operating performance of Q4/11

In the fourth quarter of 2011, the Bank and subsidiaries recorded net profit amounting to Baht 3,032 Million, decreased from the preceding quarter by Baht 4,729 Million or 60.93%. The items having significant changes are as follows:

- **Interest income**, increased by Baht 964 Million or 4.36% over the preceding quarter.

	Million Baht					
	Q4/11	Q3/11	Change	2011	2010	Change
Interbank and money market items	1,895	1,847	48	7,178	2,363	4,815
Investments	2,397	2,222	175	8,414	6,929	1,485
Loans to customers	17,925	17,209	716	64,801	49,895	14,906
Finance leases	883	859	24	3,327	2,892	435
Others	(17)	(18)	1	(27)	192	(219)
Total	23,083	22,119	964	83,693	62,271	21,422

- **Interest income from loans**, increased from the previous quarter by Baht 716 Million or 4.16%, as a result of the increase in average loan balance and average lending rates during the period.

- **Interest expenses**, increased from the preceding quarter by Baht 722 Million or 9.71%.

	Million Baht					
	Q4/11	Q3/11	Change	2011	2010	Change
Deposits from customers	4,993	4,404	589	15,067	6,863	8,204
Interbank and money market items	946	924	22	3,758	1,845	1,913
Contributions to DPA	1,261	1,233	28	4,776	4,026	750
Debts issued and borrowings	942	862	80	3,540	2,744	796
Others	19	16	3	61	49	12
Total	8,161	7,439	722	27,202	15,527	11,675

- **Interest expenses from deposits**, increased from the previous quarter by Baht 589 Million or 13.37%, as a result of the increase in average deposit balance during the period.

- **Fees and service income – net**, decreased from the preceding quarter by Baht 605 Million or 11.00% as a result of the decrease in fee related to loans.

Million Baht						
	Q4/11	Q3/11	Change	2011	2010	Change
Fees and service income	6,326	6,897	(571)	26,072	22,821	3,251
Fees and service expenses	1,433	1,399	34	5,435	4,594	841
Total	4,893	5,498	(605)	20,637	18,227	2,410

- **Other income**, decreased from the preceding quarter by Baht 2,536 Million or 20.18% as a result of earned premium from Muang Thai Life Assurance Co., Ltd. (MTL).

Million Baht						
	Q4/11	Q3/11	Change	2011	2010	Change
Gain (loss) on trading and foreign exchange transactions	1,151	1,584	(433)	5,214	4,465	749
Gain (loss) on financial liabilities designated at fair value through profit or loss	(18)	(39)	21	(54)	(94)	40
Gain (loss) on investments	146	58	88	806	610	196
Share of profit from investments using equity method	5	3	2	13	6	7
Dividend income	75	219	(144)	784	661	123
Earned premium	8,320	10,602	(2,282)	37,118	29,090	8,028
Other operating income	353	141	212	1,206	656	550
Total	10,032	12,568	(2,536)	45,087	35,394	9,693

- **Underwriting expenses**, decreased from the preceding quarter by Baht 2,022 Million or 22.01% which correlated with the decrease in earned premium from MTL.

Million Baht						
	Q4/11	Q3/11	Change	2011	2010	Change
Underwriting expenses	7,165	9,187	(2,022)	31,707	25,221	6,486

- **Total other operating expenses**, increased from the preceding quarter by Baht 2,155 Million or 20.99%, the majority came from promotion and advertising expense.

Million Baht						
	Q4/11	Q3/11	Change	2011	2010	Change
Employee's expenses	5,243	4,668	575	19,544	16,402	3,142
Directors' remuneration	13	19	(6)	101	115	(14)
Premises and equipment expenses	2,528	2,328	200	9,383	8,800	583
Taxes and duties	817	841	(24)	3,130	2,437	693
Others	3,819	2,409	1,410	10,861	10,249	612
Total	12,420	10,265	2,155	43,019	38,003	5,016

- **Impairment loss of loans and debt securities**, increased from the preceding quarter by Baht 441 Million or 25.65%.

Million Baht						
	Q4/11	Q3/11	Change	2011	2010	Change
Bad debt and doubtful accounts						
The Bank						
>> Change in this quarter	2,447	1,781	666	7,634	6,482	1,152
>> Reversal (compensate) for loss on debt restructuring	(359)	(644)	285	(3,571)	(2,596)	(975)
Subsidiaries						
>> Change in this quarter	(34)	(62)	28	(31)	214	(245)
Total bad debt and doubtful accounts	2,054	1,075	979	4,032	4,100	(68)
Loss on debt restructuring	359	644	(285)	3,571	2,596	975
Reversal of loss on impairment of investments	(253)	-	(253)	(255)	6	(261)
Others	-	-	-	(3)	(1)	(2)
Total	2,160	1,719	441	7,345	6,701	644

- **Other comprehensive income**, increased from the preceding quarter by Baht 3,234 Million as a result of mark to market investments in equity securities according to market condition.

	Million Baht					
	Q4/11	Q3/11	Change	2011	2010	Change
Gain (loss) on remeasurement of available-for-sale investments	1,909	(965)	2,874	436	2,775	(2,339)
Actuarial gains (losses) on defined benefit plans	(303)	-	(303)	(303)	-	(303)
Income taxes relating to components of other comprehensive income	952	289	663	1,391	(824)	2,215
Total	2,558	(676)	3,234	1,524	1,951	(427)

- **Net operating results of the Bank's subsidiaries (Unaudited)** – reflected in the consolidated financial statements in accordance with the holding % held by the Bank

	Million Baht					
Net profit	Q4/11	Q3/11	Change	2011	2010	Change
K Companies*	392	496	(104)	1,838	1,432	406
Companies in MTGH Group*	505**	680**	(175)	2,881**	2,347**	534
Other subsidiaries *	35	56	(21)	380	267	113
Total	932	1,232	(300)	5,099	4,046	1,053

* % holding

- The Bank hold 100% of shares in K Companies and other subsidiaries
- The Bank hold directly and indirectly % of shares in companies in MTGH Group as follows :
 - Muangthai Group Holding Co., Ltd. 51.00%
 - Muang Thai Life Assurance Co., Ltd. 38.25%
 - Muangthai Broker Co., Ltd. 49.98%

** Excluding inter transactions among the Group



Analysis of consolidated financial position of Q4/2011

>> Assets

	Million Baht				
	31 Dec 11	30 Sep 11	Change	31 Dec 10	Change
Total Assets	1,722,940	1,777,794	(54,854)	1,546,664	176,276
▪ Interbank and money market items-net	111,969	165,267	(53,298)	97,560	14,409
▪ Claims on security	-	8,521	(8,521)	-	-
▪ Derivative-net *	(710)	(243)	(467)	661	(1,371)
- Derivative assets	26,726	26,479	247	29,060	(2,334)
- Derivative liabilities	27,436	26,722	714	28,399	(963)
▪ Investments-net	264,133	287,252	(23,119)	251,080	13,053
- Debt instruments	249,888	273,548	(23,660)	237,310	12,578
- Equity securities	14,245	13,704	541	13,770	475
▪ Loans to customers and accrued interest receivables-net	1,172,596	1,162,475	10,121	1,041,566	131,030

* the net presentation is for analysis of consolidated financial position only

The items of **Assets** having significant changes are as follows:

- ❑ **Interbank and money market items-net (assets)**, decreased by Baht 53,298 Million or 32.25% as a result of the Bank liquidity management.
- ❑ **Investments-net**, decreased by Baht 23,119 Million or 8.05%, as a result of the decrease in investment in government and state enterprise bond.
- ❑ **Loans to customers and accrued interest receivables - net**

	Million Baht				
	31 Dec 11	30 Sep 11	Change	31 Dec 10	Change
Loans to customers	1,217,397	1,205,816	11,581	1,082,581	134,816
● Restructured loans	76,699	77,186	(487)	74,498	2,201
- Performing Restructured loans	56,868	60,214	(3,346)	57,718	(850)
- Non-performing Restructured loans	19,831	16,972	2,859	16,780	3,051
● Non-restructured loans	1,140,698	1,128,630	12,068	1,008,083	132,615
Accrued interest receivables	2,105	1,842	263	1,417	688
Total Loans to customers and accrued interest receivables	1,219,502	1,207,658	11,844	1,083,998	135,504
<u>Less</u> Deferred revenue	(6,563)	(6,620)	57	(5,600)	(963)
Allowance for doubtful accounts	(35,202)	(33,354)	(1,848)	(32,445)	(2,757)
Revaluation allowance for debt restructuring	(5,141)	(5,209)	68	(4,387)	(754)
Total Loans to customers and accrued interest receivables - net	1,172,596	1,162,475	10,121	1,041,566	131,030

- **Loans to customers less deferred revenue**, increased by Baht 11,638 Million or 0.97%, such increase came from increases in commercial loan and housing loan.



● Classified Loans

Million Baht

	31 Dec 11				30 Sep 11			
	Loans and accrued interest receivables	Net amount used for set the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Total provision	Loans and accrued interest receivables	Net amount used for set the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Total provision
Pass	1,154,958	433,653	1	4,337	1,142,569	446,473	1	4,465
Special mention	18,902	2,848	2	324	20,777	5,862	2	373
Sub-standard	5,004	3,093	100	3,093	3,230	1,246	100	1,246
Doubtful	5,684	3,007	100	3,007	7,367	3,813	100	3,813
Doubtful of Loss	21,234	11,008	100	11,008	19,646	10,544	100	10,544
Total	1,205,782	453,609		21,769	1,193,589	467,938		20,441
Revaluation allowance for debt restructuring				5,141				5,209
Total				26,910				25,650
Excess allowance				13,385				12,824
Credit balance transaction	960			5	1,383			5
Loans from life insurance business	6,197			43	6,066			84
Total	1,212,939			40,343	1,201,038			38,563

	31 Dec 10			
	Loans and accrued interest receivables	Net amount used for set the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Total provision
Pass	1,014,571	373,298	1	3,733
Special mention	23,366	5,395	2	108
Sub-standard	3,821	1,448	100	1,447
Doubtful	7,104	3,089	100	3,089
Doubtful of Loss	22,420	12,605	100	12,605
Total	1,071,282	395,835		20,982
Revaluation allowance for debt restructuring				4,387
Total				25,369
Excess allowance				11,346
Credit balance transaction	1,517			-
Loans from life insurance business	5,599			117
Total	1,078,398			36,832



>> **Liabilities and Equity**

Million Baht

	31 Dec 11	30 Sep 11	Change	31 Dec 10	Change
Total Liabilities	1,555,974	1,616,977	(61,003)	1,401,177	154,797
▪ Deposits	1,242,229	1,255,177	(12,948)	1,100,036	142,193
▪ Interbank and money market items	53,340	94,176	(40,836)	33,064	20,276
▪ Liabilities payable on demand	11,598	12,597	(999)	21,622	(10,024)
▪ Liabilities to deliver security	-	8,521	(8,521)	-	-
▪ Financial liabilities designated at fair value through profit or loss	2,113	2,351	(238)	6,156	(4,043)
▪ Debts issued and borrowings	70,303	76,729	(6,426)	88,932	(18,629)
Equity (attributable to equity holders of the Bank)	154,799	149,707	5,092	134,943	19,856

The items of **Liabilities** and **Equity** having significant changes are as follows:

- ❑ **Deposits**, decreased by Baht 12,948 Million or 1.03%, due mainly to the maturity of time deposits.
- ❑ **Interbank and money market items (liabilities)**, decreased by Baht 40,836 Million or 43.36%, due mainly to decrease in private repo transactions.
- ❑ **Debts issued and borrowings**, decreased by Baht 6,426 Million or 8.37%, due mainly to the maturity of bills of exchange.
- ❑ **Equity (attributable to equity holders of the Bank)**, increased by Baht 5,092 Million or 3.40%, as a result of net profit generated during the fourth quarter of 2011 amounting to Baht 3,032 Million, including the mark to market investments in equity securities according to market condition.

□ **The effect of changes in the corporate income tax rate**

On 21 December 2011, the Royal Decree was published adopting a reduction in the corporate income tax rate from 30% of taxable profit to 23% in 2012 and 20% in 2013-2014. The Bank and subsidiaries recognized the item of deferred tax in the income statement in the fourth quarter of 2011 in line with International Accounting Standards. However, this is an one-time impact. The effect of this change in tax rate on the consolidated and the Bank-only financial statements as at 31 December 2011 were as follow:

Million Baht		
31 Dec 11		
	Consolidated	The Bank
Statements of Financial Position		
Total assets decreased	1,051	849
Total liabilities decreased	528	-
Total equity decreased	523	849
Million Baht		
For the fourth quarter and for the year ended 31 Dec 11		
	Consolidated	The Bank
Statements of Comprehensive Income		
Income tax expense increased	1,868	1,995
Net profit		
Attributable to equity holders of the Bank decreased	1,942	1,995
Non-controlling interests increased	74	-

Since this is the accounting item adjustment, it is not involved with the actual tax payment to the Revenue Department. The Bank and subsidiaries' business undertaking, profitability and capital fund have not been affected.

Therefore, the Bank and subsidiaries will benefit from this reduction in the corporate income tax rate from 2012 onward.

>> Capital Funds⁽¹⁾

	Million Baht				
	31 Dec 11	30 Sep 11	Change	31 Dec 10	Change
Tier 1 Capital	122,228	122,521	(293)	105,936	16,292
Tier 2 Capital	53,018	52,624	394	51,933	1,085
Total Capital Base	175,246	175,145	101	157,869	17,377
Risk weighted assets	1,269,282	1,260,375	8,907	1,131,218	138,064

>> Capital Adequacy Ratio

	% ⁽¹⁾					% ⁽²⁾				
	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10
Tier 1 Capital ratio	9.63	9.72	9.18	9.43	9.37	10.56	10.27	10.23	10.80	10.24
Tier 2 Capital ratio	4.18	4.18	4.39	4.61	4.59	4.17	4.18	4.39	4.62	4.59
Capital adequacy ratio	13.81	13.90	13.57	14.04	13.96	14.73	14.45	14.62	15.42	14.83

⁽¹⁾ Excluding net profit of each period, which under Bank of Thailand's regulations, net profit in the first period is to be counted as capital after approval by the Board of Directors as per the Bank's regulations. Net profit in the second period is also counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced accordingly.

⁽²⁾ Including net profit of each period and other transactions be counted as the capital funds.



Additional Information

Investments, Loans* and allowance for doubtful accounts, Properties foreclosed and Deposits

	Consolidated (Million Baht)				
	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10
Investments					
Debt Instruments	249,874	273,373	248,827	238,015	237,126
● Government and state enterprise securities					
>> Trading investments	3,846	12,298	5,409	8,066	14,539
>> Available-for-sale investments	148,646	166,528	154,398	146,955	143,585
>> Held-to-maturity investments	54,895	56,883	56,861	53,079	51,476
- Private enterprise debt instruments					
>> Trading investments	1,433	562	537	215	784
>> Available-for-sale investments	1,050	867	696	1,309	1,235
>> Held-to-maturity investments	30,508	25,829	21,714	20,045	17,306
● Foreign debt instruments					
>> Available-for-sale investments	7,495	6,690	7,117	6,270	6,141
>> Held-to-maturity investments	2,001	3,716	2,095	2,076	2,060
Equity Securities	14,245	13,704	14,657	14,107	13,770
>> Trading investments	313	302	309	315	316
>> Available-for-sale investments	12,168	11,549	12,435	12,239	11,945
>> General investments	1,764	1,853	1,913	1,553	1,509
Investments in receivables	14	175	183	183	184
Total investments-net	264,133	287,252	263,667	252,305	251,080
Loans, Accrued interest receivables and Allowance for doubtful accounts					
Non- performing loans net (NPL net)*	14,698	14,529	15,457	17,637	16,022
Total loans used for NPL net ratio calculation (Loans net)	1,280,850	1,323,521	1,264,395	1,262,555	1,124,053
NPL net to total loans	1.15%	1.10%	1.22%	1.40%	1.43%
Non-performing loans gross (NPL gross)*	31,736	30,073	32,312	34,912	33,175
Total loans used for NPL gross ratio calculation (Loans gross)	1,297,887	1,339,065	1,281,249	1,279,830	1,141,206
NPL gross to total loans	2.45%	2.25%	2.52%	2.73%	2.91%
Written off loans	468	1,812	909	695	1,300
Restructured loans	76,699	77,186	75,478	75,163	74,498
Classified loans**					
>> Pass	1,154,958	1,142,569	1,107,284	1,015,646	1,014,571
>> Special mention	18,902	20,777	21,468	26,345	23,366
>> Sub-standard	5,004	3,230	3,138	7,348	3,821
>> Doubtful	5,684	7,367	8,570	6,492	7,104
>> Doubtful of Loss	21,234	19,646	20,768	21,243	22,420
Total	1,205,782	1,193,589	1,161,228	1,077,074	1,071,282
Credit balance transaction	960	1,383	1,564	1,693	1,517
Loans from life insurance business	6,197	6,066	5,959	5,809	5,599
Total	1,212,939	1,201,038	1,168,751	1,084,576	1,078,398
Allowance for doubtful accounts	40,343	38,563	38,783	37,863	36,832
Allowance as required by BOT	26,910	25,650	26,620	26,227	25,369
Allowance to allowance as required by BOT	149.92%	150.34%	145.69%	144.37%	145.19%

* See description on page 15

** Loans = Loans to customers and accrued interest receivables less Deferred revenue



Additional Information

Investment, Loans* and allowance for doubtful accounts, Properties foreclosed and Deposits (continued)

	Consolidated (Million Baht)				
	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10
Properties foreclosed-net					
Properties foreclosed	15,103	14,401	14,602	15,535	15,931
Less Allowance for impairment	(1,679)	(1,626)	(1,596)	(1,553)	(1,550)
Properties foreclosed-net	13,424	12,775	13,006	13,982	14,381
Deposits					
>> Current	66,618	65,476	68,475	64,041	60,776
>> Saving	686,716	689,516	677,401	693,449	687,502
>> Fixed 3 – 5 months	146,434	149,838	149,830	164,097	156,870
>> Fixed 6 – 11 months	116,571	122,938	84,002	53,986	38,235
>> Fixed 12 months and upward	225,890	227,409	222,797	206,817	156,653
Total deposits	1,242,229	1,255,177	1,202,505	1,182,390	1,100,036



Financial Highlights – Consolidated financial statements

As of or for the quarter ended	31 Dec 11	30 Sep 11	%Change	30 Jun 11	31 Mar 11	31 Dec 10
Common share information:						
Per share (Baht)						
- basic earnings	1.27**	3.24	(60.80)	3.06	2.55	2.21
- book value	64.68	62.55	3.41	59.86	58.94	56.38
Share price ¹⁾ (Baht)						
- high	126.00	144.00	(12.50)	134.00	132.00	130.00
- low	102.50	105.00	(2.38)	108.50	99.75	112.00
- closing	122.00	117.00	4.27	123.00	127.00	125.50
Common shares outstanding						
- average basic (thousand shares)	2,393,260	2,393,260	-	2,393,260	2,393,260	2,393,260
- end of quarter (thousand shares)	2,393,260	2,393,260	-	2,393,260	2,393,260	2,393,260
Market capitalization (Million Baht)	291,978	280,011	4.27	294,371	303,944	300,354
Value measures:						
Price to book value ratio (PBV)	1.89	1.87	1.07	2.05	2.15	2.23
Financial position statement information (Million Baht)						
Loans ²⁾	1,210,834	1,199,196	0.97	1,167,157	1,083,094	1,076,981
Allowance for doubtful accounts and revaluation allowance for debt restructuring	40,343	38,563	4.62	38,783	37,863	36,832
Non-performing loans net (NPL net) ³⁾	14,698	14,529	1.16	15,457	17,637	16,022
Non-performing loans gross (NPL gross) ⁴⁾	31,736	30,073	5.53	32,312	34,912	33,175
NPL gross ⁴⁾ after allowance for doubtful accounts and revaluation allowance for debt restructuring	(8,607)	(8,490)	1.38	(6,471)	(2,951)	(3,657)
Total assets	1,722,940	1,777,794	(3.09)	1,672,341	1,672,880	1,546,664
Deposits	1,242,229	1,255,177	(1.03)	1,202,505	1,182,390	1,100,036
Total liabilities	1,555,974	1,616,977	(3.77)	1,517,804	1,520,756	1,401,177
Equity (equity attributable to equity holders of the Bank)	154,799	149,707	3.40	143,249	141,051	134,943
Average assets	1,750,367	1,725,068	1.47	1,672,610	1,609,772	1,504,788
Average earning assets ⁵⁾	1,621,299	1,610,530	0.67	1,564,698	1,494,464	1,386,847
Average equity (equity attributable to equity holders of the Bank)	152,253	146,478	3.94	142,150	137,997	132,513
Operating results (Million Baht)						
Interest income - net	14,922	14,680	1.65	13,944	12,945	12,474
Non-interest income						
Fees and service income - net	4,893	5,498	(11.00)	5,333	4,913	5,085
Other income	10,032	12,568	(20.18)	11,883	10,604	8,980
Underwriting expenses	7,165	9,187	(22.01)	8,094	7,261	6,593
Total operating income - net	22,682	23,559	(3.72)	23,066	21,201	19,947
Total other operating expenses	12,420	10,265	20.99	10,097	10,236	10,491
Impairment loss on loans and debt securities	2,160	1,719	25.65	1,785	1,681	1,682
Operating profit before income tax expense	8,102	11,575	(30.00)	11,183	9,284	7,773
Net profit (attributable to equity holders of the Bank)	3,032**	7,761	(60.93)	7,318	6,114	5,282



Financial Highlights – Consolidated financial statements (continued)

As of or for the quarter ended	31 Dec 11	30 Sep 11	30 Jun 11	31 Mar 11	31 Dec 10
Asset quality ratios:					
Loans ²⁾ to deposits ratio	97.47%	95.54%	97.06%	91.60%	97.90%
Loans ²⁾ to deposits and B/E ratio	94.72%	92.30%	92.97%	86.84%	93.51%
NPL net ³⁾ to total loans ⁶⁾	1.15%	1.10%	1.22%	1.40%	1.43%
NPL gross ⁴⁾ to total loans ⁶⁾	2.45%	2.25%	2.52%	2.73%	2.91%
Total allowance to loans ²⁾	3.33%	3.22%	3.32%	3.50%	3.42%
Total allowance to NPL gross (Coverage ratio)	127.12%	128.23%	120.03%	108.45%	111.02%
Performance indicators:					
Net interest margin (NIM)* ⁷⁾	3.68%	3.65%	3.56%	3.46%	3.60%
Return on average assets (ROAA)*	0.69%**	1.80%	1.75%	1.52%	1.40%
Return on average equity (ROAE)*	7.97%**	21.19%	20.59%	17.72%	15.94%
Non-interest income ⁸⁾ to average assets*	1.77%	2.06%	2.18%	2.05%	1.99%
Non-interest income ratio ⁹⁾	34.21%	37.69%	39.55%	38.94%	37.46%
Efficiency ratio ¹⁰⁾	54.76%	43.57%	43.78%	48.28%	52.60%

* Financial ratios are calculated on an annualized basis

** Including the effect from the recognized item of deferred tax in the income statement in the fourth quarter of 2011 in line with International Accounting Standards. However, this is an one-time impact. Since this is the accounting item adjustment, it is not involved with the actual tax payment to the Revenue Department. The Bank and subsidiaries' business undertaking, profitability and capital fund have not been affected.

Formula of financial ratio

¹⁾ local board / high-low share prices during the quarter

²⁾ Loans = Loans to customers *less* Deferred revenue

³⁾ NPL net used in calculation are loans to general customers and loans to financial institutions *less* allowance for doubtful account of non-performing loan

⁴⁾ NPL gross used in calculation are loans to general customers and loans to financial institutions of non-performing loan

⁵⁾ Earning assets = Interbank and money market items-net *plus* Investments-net *plus* Total loans to customers and accrued interest receivables *less* Deferred revenue

⁶⁾ Loans used in calculation are loans to general customers and loans to financial institutions

⁷⁾ Net interest margin (NIM) = Interest income-net / Average earning assets

⁸⁾ Non-interest income = Total operating income-net *less* Interest income-net

⁹⁾ Non-interest income ratio = Non-interest income / Total operating income-net

¹⁰⁾ Efficiency ratio = Total other operating expenses / Total operating income-net



Preparing of Consolidated financial statements

The consolidated financial statements comprise the Bank and subsidiaries, are as follows:

% Shareholding (Directly and Indirectly)	31 Dec 11 / 31 Dec 10
K Companies	
>> KASIKORN ASSET MANAGEMENT CO., LTD.	100.00
>> KASIKORN RESEARCH CENTER CO., LTD.	100.00
>> KASIKORN SECURITIES PCL	99.99
>> KASIKORN LEASING CO., LTD.	100.00
>> KASIKORN FACTORY & EQUIPMENT CO., LTD.	100.00
Phethai Asset Management Co., Ltd.	100.00
KHAO KLA Venture Capital Management Co., Ltd.	100.00
K-SME Venture Capital Co., Ltd.	100.00
Progress Software Co., Ltd.	100.00
Progress Plus Co., Ltd.	100.00
Progress Appraisal Co., Ltd.	100.00
Progress Gunpai Co., Ltd.	100.00
Progress Management Co., Ltd.	100.00
Progress Facilities Management Co., Ltd.	100.00
Progress Service Co., Ltd.	100.00
Progress Land and Buildings Co., Ltd.	100.00
Progress Storage Co., Ltd.	100.00
Progress HR Co., Ltd.	100.00
Progress Service Support Co., Ltd.	100.00
Progress Collection Co., Ltd.	100.00
Progress Training Co., Ltd.	100.00
Progress Multi Insurance Broker Co., Ltd.*	100.00
Thanyathanathavee Co., Ltd.	100.00
Thanyathamrongkij Co., Ltd.	100.00
Thanyanithiwattana Co., Ltd.	100.00
Ruang Khao Puean Thai joint investment agreement	100.00
Muangthai Group Holding Co., Ltd.	51.00
Muang Thai Life Assurance Co., Ltd.	38.25
Muangthai Broker Co., Ltd.	49.98

* Progress Multi Insurance Broker Co., Ltd. was incorporated on 16 September 2010.