



Report of the Audit Committee 2015

The Audit Committee of Krung Thai Bank Pcl comprises three qualified Independent members as follows:

1. Mr. Kittipong Kittayarak Chairman of the Audit Committee
2. Mr. Nontigorn Kanchanachitra Member of the Audit Committee
3. Lieutenant General Tienchai Rubporn Member of the Audit Committee

Ms. Pannipa Apichatabutra, Senior Executive Vice President – Managing Director, is the secretary of the Audit Committee.

The Audit Committee performed duties in accordance with the scopes and responsibilities defined in the Audit Committee Charter and assigned by the Board of Directors, complied with rules and regulations of the Stock Exchange of Thailand and Ministry of Finance. In 2015, the Audit Committee held 19 meetings with the Management, Senior Executives, and external auditor to consider related issues. The Audit Committee reported the operation results of each meeting to the Board of Directors by monthly. Highlights were as follows:

Review of the Financial Statements

Reviewed the Bank and Consolidated Group's operating performances on monthly basis and reviewed the financial statements on quarterly, half-yearly and annually basis with the external auditor and executives of the Financial Management Group. Consulted with the external auditor without the participation of Management for the accuracy of the financial statements and the adjustment of significant accounts, which had impacts to the financial statements, to ensure that the accounting system and the financial reports were prepared in accordance with the generally accepted accounting principles and that the disclosures of information were adequate, complete and reliable.

Review of the Interconnected Transactions or Transactions that May Lead to Conflicts of Interest

Reviewed inter-related parties transactions between the Bank and its subsidiaries including the interconnected transactions or transactions that might lead to conflicts of interest, to ensure that they were in accordance with normal business practices, that information disclosures were adequate and transparent, and that there were no transactions with significant negative impact on the Bank.

Review of the Risk Management

Reviewed risk management processes of the Bank and Consolidated Group as well as followed up the results of risk management with executives of Risk Management Group to ensure that the Bank's risk management was appropriate and efficient while the Bank's risks were at the acceptable risk levels.

Review of the Effectiveness of Internal Controls System

Reviewed the reports of internal control assessments in accordance with requirements of Office of the Auditor General of Thailand and followed up the system establishment and self-assessment of the internal controls in order to ensure that the Bank's internal control system was adequate and appropriate.

Review of Compliance Operations

Reviewed compliance operations regularly with the Management to ensure that the Bank complied with legal and requirements of regulators and the Bank's operating procedures and regulations.

Monitoring of the Internal Audit Operations

Approved the review of the Internal Audit Charter to consider the appropriateness of duties, responsibilities, scopes, rights and independence of the operations. Approved the Internal Audit Group's strategic plan, 3-year audit plan and annual audit plan. In addition, approved the annual budget of Internal Audit Group, the human resource management, the adequacy assessment of resources, the revision of standard of procedures of the Internal Audit Group, the monitoring of the operations to be in accordance with the approved audit plans as well as the advisory for additional efficiency of the operations.

Quality Maintaining of the Audit Committee

Reviewed and revised the Audit Committee Charter and performed individual assessment (self-assessment and cross evaluation) and Board evaluation in accordance with the best practice guidance of State Enterprise Policy Office, Ministry of Finance to ensure that the operations of the Audit Committee were efficient and effective as defined in the Audit Committee Charter.

External Auditor

Recommended the external auditor and its remuneration to the Board of Directors for approval at the shareholders' meeting.

The Audit Committee performed its duty with prudence and independence. All the opinions expressed were straightforward, transparent and verifiable, and in accordance with good corporate governance. In this regard, the Audit Committee is of the opinion that the Bank's financial statements and disclosure of information are complete and reliable, consistent with generally accepted accounting principles. Overall risk management and internal control system have been implemented effectively and appropriately. Internal audits have been independently conducted in compliance with internal audit standards covering all high-risk processes. Moreover, there are adequate system of control in place to ensure compliance with applicable laws and regulations, consistent with the current business environment.



(Mr. Kittipong Kittayarak)

Chairman of the Audit Committee

January 13, 2016