

Report of the Corporate Governance and Social Responsibility Committee

Krung Thai Bank, as the major state-owned financial institution and the key propeller in driving the nation's economy, has strongly put itself as part of the society that has to have Corporate Governance (CG). With the intention to achieve sustainable growth, Krung Thai Bank has always conduct business with integrity, transparency and ethics together with good supervision and thoughtful concern to all related parties. Nevertheless, the Bank has continuously supported social activities via an array of projects namely, education support, culture and local tradition conservation, as well as nurturing handicapped people and instilling young adults to be aware of nature and environment. Presently, the Bank has set up the Corporate Governance and Social Responsibility Committee whose key role is to support and participate in activities initiated and be responsive toward communities and environment. Accordingly, all respective projects have gained successful accomplishments.

As we all know, all business operations have come to realize the importance of Corporate Governance and Social Responsibility (CG & CSR). However, from prior experience in providing social supports, the Bank realizes that fund granting is just solving the symptoms, not the root cause. Since money is a use-up capital, without virtual knowledge from users, money spent can be unworthy. Moreover, sustainable benefits to societies cannot be achieved and as such not fair to the shareholders. Consequently, guidelines for social contributions have been set up encompassing Intellectual Capital building, as it is a sustainable gift that never depleted but instead increase value several folds and be able to expand to societies. In addition, one of Krung Thai Bank's strength is the proficient system of Human Resources Development, and is recognized as one of the leading banks that has specialty in Intellectual Capital building. Guidelines for social and environmental activities have been clearly specified with sole purpose of Intellectual Capital building through continuous support and linkage to produce an extensive network. Furthermore, the Bank also encourages all levels of its employees, staffs and executives, to participate in the activities. Consequently, this effect will finally drive the Bank's CG and CSR to accomplish tangible outcomes as reflected by the many awards received. Besides, there are many organizations that have requested for site visits. This is the proof for the Bank's success in adhering to good corporate governance as well as social and environmental responsibility.

From the many rewards and achievements received, the Bank has set its goal to become the organization that has CG embedded in its operation and employees with CSR minds that evolved to become the organizational culture. Henceforth, in the next three years, the Banks shall demonstrate its role as the stereotyped financial institution with high CG and CSR, broadening the network connection, exchanging knowledge and experience to subsidiaries and allies, both in private and public sector. The Bank shall ensure that it will continually build a sustainable Intellectual Capital and values to the Thai society.



(Mr. Payungsak Chartsuthipol)

Chairman of the Corporate Governance
and Social Responsibility Committee

Report of the Nominating and Remuneration Committee

The Nominating and Remuneration Committee has been entrusted with the responsibilities as prescribed by the Bank of Thailand in setting for the guidelines, policies, requirements and criteria in recruiting candidates, evaluating the performance and assessing the remunerations for the Directors, President and Authorized Executives.

The Nominating and Remuneration Committee has nominated qualified candidates to assume the positions as Directors, President and Authorized Executives. On behalf of the recruitment for the Directors, the Committee has considered on the appropriate numbers, structures and compositions that would be suitable for the Bank as well as compatible with the changing business environment. The Committee aims to search and select for the appropriate candidates who meet with the respective qualifications as prescribed by the Bank of Thailand regulatory requirements to be appointed as Board of Directors. On behalf of the recruitment for the President and Authorized Executives, the Committee has considered on their qualifications, knowledge, competences, skills, experiences, versatile expertise, leadership and positive vision toward the organization. All the criteria are set in an attempt to support the good corporate governance which will help generate benefits to the business operation and the effective management of the Bank.

Regarding to the remunerations, the Committee has taken into consideration the individual assigned duties, responsibilities and performances of the Directors, the overall operating performance of the Bank as well as the comparisons against the remunerations in the banking business.

During 2012, the Nominating and Remuneration Committee holds totally 13 meetings. However, all the recruitment and remuneration determined by the Committee has already been considered and approved by the Board of Directors.



(Mr. Nontigorn Kanchanachitra)
Chairman of the Nominating
and Remuneration Committee

Corporate Governance

The Bank has firmly adhered and attached the importance to good governance through realizing its presence as commercial bank playing the vital role to economic system as well as retains close relationship with customers as an intermediary for providing saving and investment services. Since, the government is the major shareholder and the Bank registered its shares in the Stock Exchange of Thailand, to be role model as a good governance organization is necessary. Furthermore, in amid of intensive business competition caused by the free-trade tendency, the distinctive factor that could cause outstanding difference and strong competitive competence to the Bank, is the sustainable management or in other word; the effective management under the good Corporate Governance.

During the past several years, the Bank has seriously and continuously campaigned for corporate governance culture encompassing the Board of Directors, executive officers and Bank employees to adhere and perform their duty in accordance with Corporate Governance policy, including participated in the activities that brought about the good governance culture organization. As a result, the Bank has been recognized by respective institutions, reflecting from the awards presentation in CG and CSR to the Bank continuously. Additionally, several institutions also have shown interest to visit for observing Bank's activities. With these respect, the Bank shall ensure to continue on as a good CG organization.

Key on-going CG activities in 2012 included the following:

- Performance assessment under the principles of good corporate governance of all business units in the Bank used as a requirement for granting the CG Awards
- Performance assessment under the principles of good corporate governance of the subsidiaries that the Bank holds 100 percent of its shares.
- CG Day activities on the Bank's founding anniversary day (March 14) to publicize CG activities and grant CG Awards. The Board of Directors and senior executive officers gave priority to participation in such activities.
- Lectures on Creation of Corporate Governance Culture for Bank employees in various courses as well as requiring that Corporate Governance (CG) is one of the 10 core courses to be passed successfully by Bank employees in Self-Learning test.
- Dissemination and publicity of articles and news of corporate governance on the Bank's website and through Intranet including direct sending via e-mail of each employee.
- Off-site meetings of the Corporate Governance and Social Responsibility Committee as fieldwork in various regions to convey CG policy and monitor CG & CSR operation.
- Meeting held to exchange guideline practices of CG operation with external agencies.

Corporate Governance Policy

The Board of Directors has entrusted the Corporate Governance and Social Responsibility Committee to formulate the action plan and monitoring measures for the implementation of the business supervision or corporate governance policy and appropriate and regular policy revision. The Committee also monitors and revises CG guideline practices to be in line with the good corporate governance guidance, both local and international, aiming for world standards.

The Bank has the written out CG policy and practices in conformity with the principles of good corporate governance of Organization for Economic Co-operation and Development (OECD) countries and the regulators namely the Bank of Thailand, the Office of Securities and Exchange Commission and the Stock Exchange of Thailand started from 2002 in a total of seven principles as follows.

- 1) Creation of long term value: sustainable value added without risk of destroying the organization in short term.
- 2) Accountability: show conscientiousness and responsible for own performance.
- 3) Responsibility: understand and perform assigned duties with utmost competence and responsibility.
- 4) Promotion of best practices: perform and provide services under good corporate governance, as well as being loyal and ethical.
- 5) Equitable treatment: give equitable and fair treatment to all stakeholders.
- 6) Transparency: show transparency in business operation, able to clarify and inspected.
- 7) Social and environmental awareness: aware of social and environmental responsibility issues that related to Equitable Treatment with the purpose of reducing or eliminating the effect on environment and social caused by the Bank operation. Besides, the Bank also participated in community development and supported local wisdom continually.

Apart from the above mentioned on seven Principles of Good Corporate Governance, the Bank strictly adheres to its Core Values that had been readjusted in the 2011 as “KTB FIRST” comprising 5 values and 15 behaviors as follows:

- F – Firm from Risk Management, Good Corporate Governance and Sustainable Growth.
- I – Innovative Thinking, Innovative Products and Services and Innovative Processes.
- R – Responsible for own duty, customers and society.
- S – Service-minded, providing quick service and service par excellence.
- T – Teamwork: working together as a team with positive attitude, teaming up to work for the benefits of customers and organization.

Corporate Governance Principles set by the Stock Exchange of Thailand

The Bank has fully complied with the principles of good corporate governance and all the five categories set forth by the Stock Exchange of Thailand. The five categories are:

1. Shareholders’ Rights

1.1 Policy and Shareholders’ Rights Protection

The Bank attaches importance to protection of shareholders’ rights and promotion of exercising such rights. The basic legal rights comprise the right to buy, sell or transfer securities held, the right to receive dividend, the right to attend the shareholders meeting, the right to propose agenda in the shareholders meeting, the right to vote for the appointment of auditor and fixing of auditor fee, and the right to take part in decision-making of the Bank’s material issues such as approval of key activities affecting business direction, amendment to the Memorandum and the Articles of Association.

Besides these basic rights, the Bank has established best practices to its shareholders in order to promote and facilitate rights exercising of the shareholders. Shareholders have the right to receive information on operating performance, management policy and other key information via the Bank’s website. Additionally, the Bank organized trips for shareholders to visit its operation.

1.2 Shareholders Meeting

The Bank holds the Ordinary General Meeting once a year within four months after the end of the accounting period. Much importance is given and strictly observed the principles of CG and the prescribed legal provisions allowing shareholders to propose the agenda prior to the Annual Ordinary General Meeting. In 2012, all relevant information is posted on the Bank website: [www.ktb.co.th/Investor Relations/Shareholders Information/ Invitation letter to the Shareholders Annual General Meeting on March 9, 2012](http://www.ktb.co.th/Investor%20Relations/Shareholders%20Information/Invitation%20letter%20to%20the%20Shareholders%20Annual%20General%20Meeting%20on%20March%209,%202012) or about 30 days before the meeting date for shareholders to have adequate time to study the relevant information. The Bank will not add any agenda without advance notification, especially important ones as shareholders need time to study before making decision. In case of doubt, shareholders can submit queries liberally to the Directors prior to the meeting via the Bank website or mail directly to the Board of Directors or inquire on the meeting date before the vote casting in any agenda. The Chairman of the Meeting will inform the shareholders of the rules of the meeting and the procedures of voting, allowing fair opportunities to present their opinions and inquire about any matter. Chairman of the Board of Directors, President and all the relevant chairmen of the respective committees will attend to explain the operating performance and management policies and to answer any queries raised.

In 2012, the Bank held the Annual Ordinary General Meeting on April 11, 2012 attended by all the Directors and 14 Group Executives including CFO. Representatives from the Office of the Auditor General of Thailand observed in the meeting as well. The Bank held the Annual Extraordinary General Meeting No. 1/2012 on September 21, 2012 to consider key issues concerning capital increase, net income appropriation and interim dividend payment. This meeting was attended by 11 Directors and 14 Group Executives, including the CFO. In both meetings, the Chairman of the Meeting gave equitable opportunities and time to all shareholders in exercising their rights to check the Bank's operation, raise questions, or make recommendations. Those important questions and recommendations were recorded in minutes of the meeting and disclosed to shareholders on the Bank's website within 30 days after the meeting date. Moreover, the Bank prepared questionnaires to survey shareholders' satisfaction with the ordinary annual general meeting so that any improvement can be made for the next AGM.

2. Equitable Treatment to Shareholders

2.1 Treatment of Minority Shareholders

The Bank provides equitable and fair treatment to all shareholders whether they are minority, institutional investors or foreign investors enabling them to enjoy equitable treatment in exercising their rights. In addition, the Bank allows them to nominate appropriate person to be elected as Director through the Nominating & Remuneration Committee 3 months before ending account period on December 31. In 2012, four directors have completed their terms of office. Hence, during October 1 – December 31, 2011 the Bank requested minority shareholders and other groups of shareholders to submit in names of nominees with related qualifications. However, no eligible person was nominated.

2.2 Attendance of General Meeting by Shareholder's Proxy

When shareholders cannot attend the general meeting, they can assign proxies and vote on their behalves. Proxy form and the proposed two Independent Directors were attached with the notice of meeting. Shareholders or proxies are urged to use voting ballots on every agenda items.

2.3 Preventive Measures for Misuse of Inside Information by Directors and Executives

To eliminate conflict of interest and insider trading, the Bank clearly stipulated respective measures inhibiting directors, executives, employees and related persons to take out Bank's information for self using or disclose to public. In addition it is stipulated that information has to be kept properly preventing it usage and

conveyed such practice to all concern. In the past no incident was yet found.

For transparency and verification, the Board of Directors formulated guidelines for directors and executives to reveal their stake and their related person with the directors. The Bank also disclosed information on directors and top executives shareholding in the Bank, other financial and information on Directorship of Directors and Executives in the Bank, subsidiaries, associated companies and affiliated companies on pages 88–89 in accordance with the requirement of regulator such as the Bank of Thailand, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand.

3. Consideration for Stakeholders

3.1 Treatment of Stakeholders

The Bank recognized the rights and roles of various groups of stakeholders, internally or externally, and has included it as an integral part in the Code of Conduct disclosed through respective media, such as the Bank website. It is also published as manuals distributed to all business units for strict compliance which could enable the Bank to have a sustainable growth. The practice guidelines are summarized below:

Shareholders, The Bank is determined to conduct business with prudence and transparency, making profits grow continuously and steadily, boosting its competitiveness and enhance value to the shareholders in the long run.

Customers, It is the Bank's determination to serve all customers willingly and eagerly and with equality and fairness. All staffs are ready to assist customers with their problems, finding them appropriate solutions and keeping the confidentiality of their information except when it is stipulated by law or with customer's written consent.

Creditors, The Bank has the policy to treat creditors of all groups including depositors, debenture holders and other creditors with equitability and fairness on the basis of fair returns to both parties strictly under the agreements of covenants agreed upon. In case of non-compliance with any one of covenants, the Bank will promptly notify the creditor to jointly consider the issue. In conducting business negotiation, the Bank shall refrain from demanding or employing any dishonest benefits in trading. Moreover, the Bank regularly prepares financial reports that are accurate, complete and timely for submission to the creditors.

Trading Partners, The Bank required its employees to strictly adhere to the Bank's optimum interest regardless of self-interest or interest of related kin. Employees must provide accurate and complete information that will not impede the buyers' or sellers' decisions. Importantly, employees should avoid accepting gifts or rewards from buyers or sellers as well as attending private functions hosted by them so as to avoid any accusation or render special assistance in return of later occasion.

Business Alliances, The Bank is firmly determined to comply with the agreements made with its business partners and to provide assistance for mutual business benefits.

Competitors, The Bank has no policy to falsify or distort competitors' facts. At the same time, the Bank avoids making deals or discussion with employees of other agencies or financial institutions on the issues concerning geographical locations, marketing, customer segmentation, interest rates, fees and commissions including products, services or business plans that may have negative impact on the Bank's business competition.

Social and Environmental Responsibility, Relating to corporate social responsibility (CSR), the Bank focuses on creating intellectual capital in four facets – education, society and environment, art and culture, and sports. CSR implementation has been under four principles namely 1) continuous operation 2) inter-project linking 3) Bank-wide staff participation and 4) networking of governmental and private organization concerned.

Employees, The Bank strongly realizes the significant of the staff members as the worthy resource and the core driving force for the organization. Therefore, the Bank had paid highly efforts to enhance their utmost

competence by offering all levels of staffs the opportunities to advance in their career under fair merit system coupled with oversight their salary, remuneration, welfare and other benefits to be comparable to general leading companies.

For the policy on employee development, The Bank generated Blended Learning Development to instill the core values 'FIRST'. To do so, the Bank offers training both inside and outside the Bank, granting the graduate scholarships for staffs to study both in domestic and international leading universities, and other methods like Self-Learning/E-Learning, Knowledge Sharing, VDO Conference and Community of Network. In 2012, the Bank held 178 training courses for employees and 88,000 employees (head count) were trained and bestowing 15 scholarships. With these enhancement activities, the Bank aimed to improve the employees' knowledge, capability, skill, affirmative attitude so that they would be ready for business competition.

On working ambiance, the Bank has provided an environment favorable to job performance with occupational safety complying with legal standards and those prescribed by the Bank. Each business unit is required to prepare a business continuity plan both for normal and critical situations. Additionally, the Bank urged employees to respect and honor one another along the guidelines stipulated in the personnel code of conduct.

Government Sector, The Bank supported government's operations and complied with the regulator's requirements and policies in conjunction with promotion of collaboration in respective activities of governmental agencies so as to build national stability and growth.

3.2 Stakeholders' Participation

The Bank provides stakeholders with opportunities to participate in various activities. Through their own rights such as shareholders' rights to express opinions independently in the Annual Ordinary General Meeting or propose agenda items or nominate appropriate persons for Directors. The Bank's annual activities included activities in honor of His/Her majesty the King's/Queen's Birthday, merit-making on the anniversary of Bank's Foundation day and Songkran Day activities. Furthermore, the Bank fully supported stakeholders, as well as executives, employees, subsidiaries, customers, students, teachers, instructors and interested public, to participate in respective corporate social responsibility (CSR) activities of the Bank such as Krung Thai Weaving Dream Schools Project, Krung Thai Young Enterprise Awards and Krung Thai Business Ethics Initiative (White Seedlings) Project. Apart from this, the Bank encourages activities of respective clubs that set up in the Bank to provide stakeholders the opportunities to participate in activities, for instance, KTB Volunteers Club offering social service activities and volunteer to the social constantly, KTB Art Lovers Club organizing watercolor painting courses with under-regular price.

3.3 Whistle Blowing & Complaints

It is the Bank's policy to enable stake-holders such as customers and general public to lodge their complaints directly to the Bank or express opinions through various channels as follows:

- KTB Call Center 1551
- <http://www.ktb.co.th> or <http://www.contactcenter.ktb.co.th>
- E-mail: call@contactcenter.ktb.co.th
- Fax: +662 255-9391 to 3
- Survey of Customer Satisfaction
- Customer Complaints Function, Customer Relationship Management Department, Tel +662 208-8989
- Corporate Secretary, Office of the Board of Directors & Shareholders, 35 Nana Nua Bldg, 8th Fl.,

Sukhumvit Rd., Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110

Bank employees are able to lodge complaints or opinions directly to the Board of Directors and the Management via E-mail in the intranet system.

4. Disclosure of Information and Transparency

4.1 Disclosure of Information as prescribed in Listed Company Requirements

The Bank oversees that key information, financial and performance related data are disclosed accurately, completely, transparently, comprehensively and timely as prescribed in the requirements of the Office of Securities and Exchange Commission and those of the Stock Exchange of Thailand. Apart from annual disclosure (Form 56-1) and The Annual Reports (Form 56-2), most of the information is posted on the Bank' website in Thai and English with regular updates, thus helping shareholders, customers and interested persons to access the information with ease, equality and reliability.

Key information disclosed by the Bank included performance of the Directors over the year, roles of the Boards and sub-committees, number of meetings called. Number of attendance of each director and opinions from performing their duty as well as training history, remuneration policy and remunerations of Directors and senior executives that reflect their roles and responsibilities, shareholding structure, business operation and targets, operating performance, financial information, business ethics and corporate governance & social and environmental responsibility policy.

4.2 Disclosure of Information under Official Information Act, B.E.2540 (1997)

As a state enterprise under the Ministry of Finance and a state agency under the Official Information Act, B.E.2540 (1997), the Bank has entirely and continually disclosed information to the general public in compliance with the Act completely and continuously for the people's benefit. Implementation of this matter is summarized below:

4.2.1 Information Dissemination through the IT System

The Bank set a quick link from the website www.ktb.co.th to webpage e-Procurement to provide interested public with news and information on procurement. The Bank in 2012 continued to disseminate information on the Bank's procurement on such website comprising procurement notice by price inquiry and bidding, notice of change/cancellation of price inquiry and bidding, notice of procurement result and conclusion. Information was gathered and compiled from February 2003 to date and respective form of agreements and contracts were available for downloading online.

In addition to viewing information on procurement, interested persons are able to offer sale of goods or services through such system after having registered and complied with terms and conditions as stipulated by the Bank.

4.2.2 Disclosure of Bank and Customers' Information to Requesting Agencies and Outsiders

Government agencies and private enterprises are able to request for verification of Bank's information and customers' personal information under the following terms and conditions:

1) Agencies and individuals with specific authority to request information, documentary evidences for verification or requesting Bank employees to testify in respective courts, for instance, court of law, Revenue Department, Legal Execution Department, Special Investigation Department, Royal Thai Police, Office of the Consumer Protection Board, Social Security Office, Office of the Securities and Exchange Commission, Office of the National Counter Corruption Commission (NCCC), Anti-Money Laundering Office (AMLO), Office of the Narcotics control Board, Office of Insurance Commission. Such agencies could request information and documentary evidences concerning application for account opening, transaction records of the account, deposit and withdrawal information and deposit account balances.

2) Agencies and individuals with no specific legal authority in requesting information verification comprise government agencies and private work units including general individuals such as municipality, Subdistrict Administration Organization and Law Office. Most of which request customers' personal information verification, the Bank is unable to disclose requested information. As stipulated in the Official Information Act, B.E.2540 (1997), Section 24 government agencies are unable to disclose personal information under their supervision to other government agencies or others without prior written consent from the owner of such information.

4.3 Performance of the Board of Directors and Respective Committees

4.3.1 Name, Biography, Responsibility and Term of Office of Directors on Board

Brief biography of the Directors and Executive Officers on board is shown on pages 24-28 and scope of authority and list of members on various committees is shown in shareholding and Management Structure on pages 67-80.

4.3.2 Remunerations for the Board of Directors and Executive Officers

The Bank structures its policy on remunerations fairly and reasonably with the reviewing of the Nominating and Remuneration Committee. The appropriateness in consonance with the Director's scope of duties, roles and responsibilities were taken into consideration. The remuneration must be in accordance with the benefits offered by the Bank as well as relevant to the type of business, the business growth ratio, the conformity of Directors' remuneration with the same level of business and compliant with the resolution passed by the shareholders meeting. However, at the 19th Shareholders Ordinary Annual General Meeting on April 11, 2012, the meeting resolved to give an approval of the Directors' remuneration consist of the Directors' remuneration in 2012 and the Directors' gratuity payment in 2011.

Details are divided into 4 parts as below:

- 1) Remuneration as the Board of Directors Baht 70,000 / month.
- 2) Ex-officio remuneration to individual director of the Board of Directors as follows:
 - 2.1) Chairman of the Board of Directors: Baht 130,000 / month.
 - 2.2) Vice Chairman of the Board of Directors: Baht 30,000 / month.
 - 2.3) Chairman of the respective Board of Directors, for instance, the Board of Executive Directors, the Audit Committee, the Nominating and Remuneration Committee, the Corporate Governance and Social Responsibility Committee and the Risk Management Committee: Baht 30,000 / month.
- 3) Meeting honorarium, Baht 30,000 / time of attending the meeting as a director of respective committee.
- 4) Directors' gratuity, under the evaluations of Directors' gratuity as follows:
 - 4.1) The Bank must obtain profit from its operation.
 - 4.2) The Bank must pay dividend to the shareholders.

Remuneration for the Board of Directors in 2012

In 2012 the Bank paid remunerations in cash to the Board of Directors, ex-officio remuneration and meeting honorarium at total Baht 32,476,129.11 broken down into:

- 1) Remuneration for the Board of Directors a total of Baht 19,726,129.11
- 2) Remuneration for the Board of Executive Directors Baht 6,810,000.00 the Audit Committee Baht 1,590,000.00 the Nominating and Remuneration Committee Baht 1,470,000.00 the Corporate Governance & Social Responsibility Committee Baht 1,560,000.00 and the Risk Management Committee Baht 1,320,000.00
- 3) Grand Total Baht 32,476,129.11 with details are as follows:

(Baht)

Name of Director	Remuneration in Cash					
	Board of Directors	Board of Executive Directors	Audit Committee	Nominating & Remuneration Committee	CG & CSR Committee	Risk Management Committee
1) Dr. Sathit Limpongpan	3,053,333.34	-	-	-	-	-
2) Ms. Benja Louichareon	1,913,333.34	1,580,000.00	-	-	-	190,000.00
3) Mr. Chulasingh Vasantasingh	1,493,333.34	-	750,000.00	360,000.00	-	-
4) Mr. Nontigorn Kanchanachitra	1,553,333.34	-	420,000.00	750,000.00	-	-
5) Mr. Payungsak Chartsuthipol	1,493,333.34	520,000.00	-	-	590,000.00	-
6) Mr. Prasert Bunsumpun	1,553,333.34	-	420,000.00	-	190,000.00	530,000.00
7) Mr. Krisada Chinavicharana	1,553,333.34	-	-	360,000.00	90,000.00	240,000.00
8) Mr. Veerapat Srichaiya	1,553,333.34	-	-	-	330,000.00	360,000.00
9) Ms. Arunporn Limskul	1,523,333.34	1,380,000.00	-	-	330,000.00	-
10) Mr. Yongyutt Chaipromprasith	1,463,333.34	1,380,000.00	-	-	-	-
11) Mr. Vorapak Tanyawong ⁽¹⁾	243,666.67	210,000.00	-	-	-	-

Directors resigned During the year

1) Mr. Jرات Pingclasai ⁽²⁾	190,000.00	-	-	-	30,000.00	-
2) Mr. Pasan Teparak ⁽³⁾	859,462.37	600,000.00	-	-	-	-
3) Mr. Apisak Tantivorawong ⁽⁴⁾	1,279,666.67	1,140,000.00	-	-	-	-
Total remuneration according to 1)	19,726,129.11					
Total remuneration according to 2)		6,810,000.00	1,590,000.00	1,470,000.00	1,560,000.00	1,320,000.00
Grand total according to 2)						12,750,000.00
Grand total 1) and 2)						32,476,129.11

- Notes: (1) Took the positions of President, Executive Director and Member of the Risk Management Committee on November 8, 2012.
(2) Resigned from the position of the Board of Directors on March 1, 2012.
(3) Took the position on March 22, 2012. Resigned from Executive Director on October 9, 2012 and Resigned from the Board of Directors on November 1, 2012.
(4) Completed his term of office on November 8, 2012.

Gratuity payment to directors in 2011

The Board of Directors allocated a total of Baht 33,980,000 as gratuity for Directors in 2011 as follows:

(Baht)

Name of Director			Gratuity
1)	Dr. Sathit	Limpongpan	3,685,551.56
2)	Ms. Benja	Louichareon	2,891,222.64
3)	Mr. Chulasingh	Vasantasingh	2,786,882.82
4)	Mr. Nontigorn	Kanchanachitra	2,866,540.10
5)	Mr. Payungsak	Chartsuthipol	709,061.97
6)	Mr. Prasert	Bunsumpun	620,429.23
7)	Mr. Krisada	Chinavicharana	1,934,213.36
8)	Mr. Veerapat	Srichaiya	531,796.48
9)	Ms. Arunporn	Limskul	620,429.23
10)	Mr. Apisak	Tantivorawong	2,866,540.10
11)	Mr. Visut	Montrivat	557,600.95
12)	Mr. Supachai	Jongsiri	753,939.31
13)	Mr. Dusit	Nonthanakorn	2,234,891.54
14)	Mr. Santi	Vilassakdanont	2,144,014.92
15)	Mr. Pongthep	Polanun	2,144,014.92
16)	Mr. Naruenart	Ratanakanok	2,144,014.92
17)	Mr. Yarnsak	Manomiaphiboon	1,090,519.37
18)	Dr. Jamlong	Atikul	2,866,540.10
19)	Mr. Jrrat	Pingclasai	531,796.48
Total			33,980,000.00

Remuneration for Executives

Moreover, the Bank in 2012 paid remuneration classified as salary, business unit allowance and extra gratuity to the Bank's executive officers (as defined by SEC) comprising President, First Senior Executive Vice President, Senior Executive Vice President and First Executive Vice President totaling 23 persons in the amount of Baht 150,878,707. In making such payment, the Bank did not pay its matching fund into the provident fund for them. As for remunerations for 53 person of Sector Directors (as defined by BOT), the Bank paid for them in amount of Baht 158,145,300 which was divided as, salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance, and matching fund into the provident fund for 49 persons totaling Baht 143,906,600. In contrast, the Bank did not pay its matching fund into the provident fund for 4 persons which equaling Baht 14,238,700.

4.3.3 Performance of the Board of Directors in 2012

With The Board of Directors' full devotion and efforts to job performance coupled with collaborative forces of all the executives and staffs enabled the Bank to accomplish the set mission. Moreover, the Board's performance was witnessed by the general public attributable to the presentation of many awards the Bank received, especially of the SOE Award in the Honor Class for the Outstanding State Enterprise Boards of Directors from State Enterprise Policy Office, Ministry of Finance.

Performance of each committee is shown in details in the Report of the Corporate Governance and Social Responsibility Committee, page 109, Report of the Nominating and Remuneration Committee page 110 and Report of the Audit Committee, page 126.

4.4 Quality of Financial Statements

The Board of Directors attaches the importance to and takes responsibility for the consolidated financial statements of the Bank and subsidiaries including financial information in the Annual Report. Such financial statements are prepared in accordance with the accounting standards and generally accepted accounting principles through the use of appropriate accounting policy with prudence, accuracy and completeness so as to reflect the real operating performance of the Bank.

Operating performance and key information are disclosed transparently and adequately through continuous and timely reports to the Stock Exchange of Thailand for the benefit of shareholders and general investors. Apart from this, the Board has appointed the Audit Committee comprising independent directors with expertise and experience in this field to oversee and review the reliability and accuracy of financial statements as well as the adequacy and appropriateness of the internal control systems thus ensuring that the Bank's financial statement are reliable.

4.5 Investor Relations

The financial Institutions & Investor Relations Department has been assigned to take the Responsibility of providing and disseminating information and activities of the Bank of the benefits of all concerned such as investors of all types, stock analysts, fund managers both local and foreign as well as government agencies concerned on equal and fair basis through diverse organized activities. During 2012, the Bank's executives and investor relations officers met with respective analysts and investors on various occasions and provided them with useful information as follows:

Type of Call	Number of Call
One-on-One Meeting & Conference Call	88
Analyst Meeting & Fund Meeting	7
Road Show	3
Total	98

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Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110

Website : <http://www.ktb.co.th> (select Investor Relations)

Moreover, the Bank has provided the press and media with a Press Room on the 2nd Floor, Nana Nua Building equipped with computer and accessories for convenience of the mass media in publicizing the Bank's news and activities. The Corporate Branding & Communications Department is responsible for coordination with the press upon the interviews with Bank executives and other public relations task. For 2012, details are as follows:

Type of Communication	Number of Time
Press Release	108
Press Conference	45
Press Interview	38
Total	191

5. Responsibility of the Board of Directors

5.1 Independence from the Management

The Board of Directors assumes responsibility on its duty and is truly Independent from the management for the highest benefits of the Bank and its shareholders in general. There exists clear segregation of duty and responsibility between the Board of Directors and the Management. In this respect, the Board of Directors will formulate directions, policies, business strategy, oversee that the operations transparent and proceed lawfully and ethically under the respective policies, communication and relevant information was disclosed appropriately. Moreover, for proper check-and-balance, the Chairman of the Board of Directors and the President are different persons.

5.2 Appropriateness of the Board of Directors

The number of Directors is in accordance with the Articles of Association, Article 19 which stipulates that "There shall be no less than 7 directors and no more than 15 directors as determined by the general meeting from time to time and no less than half of the total number of directors must reside in the Kingdom". The term of office of directors is under the charter of each committee. Article 22 has prescribed that one-third or the directors must retire at each annual general meeting. If the number cannot be divided exactly into one-third, such number must be closest to one third. Unless otherwise agreed among themselves, the directors to retire during the first and the second times shall be drawn by lots and subsequently the director that has been longest in the office shall retire. A retiring director is eligible for re-election. Moreover, the Bank has stipulated additional provisions concerning appropriateness of Director's term of office that it should not be over three consecutive terms except that any Director is considered appropriate to take director office longer than such term. The Board of Directors would consider the efficiency in job performance of such Director and explain the supportive reasons together with his or her job performance to the shareholders. During 2012, four Directors completed their term of office and the Bank arranged for including on the AGM agenda an election of Directors to replace retiring Directors who completed term of office at the 19th Ordinary Annual General Meeting on April 11, 2012. In order to comply with the principles of good corporate governance, the Chairman of the meeting requested the retiring Directors to leave the meeting room during discussion on the issue and approval by voting. The meeting passed a resolution by majority votes to re-elect the subsisting four Directors for another term.

All the Directors have diverse qualifications with respect to skills, experience and specialization beneficial to the Bank (details are shown in Brief Biography of the Board of Directors and Executives pages 24–28) including full devotion to their performance reflecting by the many awards received. Besides, the Independent Directors with qualifications as defined by the Bank (as at December 31, 2012), comprise as many as 4 from the total of 11 Directors, being regarded as larger percentage share than the requirement of at least one-third or not less than 3 persons as prescribed by the Office of the Securities and Exchange Commission. (On January 24, 2013 the Bank appointed one new Independent Director, therefore the member of the Independent Directors accounted at 5 Directors from the totaling 12 Board of Directors.)

5.3 Transparency in Nominating Directors

In screening and nominating the Directors, the Bank has clearly and transparently prescribed the criteria and conditions as disclosed in “Nominating Directors and Executives” on pages 80–81.

5.4 Efficiency of the Board of Directors

5.4.1 Formulating Policies and Overseeing Management

The Board of Directors has performed its duty honestly and prudently safeguarding the shareholders’ interest particularly in giving its consent on the vision, mission, strategy and approving key issues relating to operating direction and policy, as well as business plan and annual budget. In so doing, the Board has adopted principles of logic and justification with prudential analyses of business condition and social and environmental factors. In the last quarter of each year, the Board calls a meeting to review the Bank’s policies and targets before delegating to the Management to formulate into efficient operating strategy together with the business units and branches nationwide so all will move towards a unified target.

Moreover, the Board of Directors oversees the performance of the Management to ensure its compliance with the key performance indicators (KPI) determined at the beginning of the year. Operating performance is monitored on a monthly and quarterly basis so as to know the status at every stage. If the operating performance falls short of the target, the Board will conduct an analysis to find the root causes for further solutions. At year-end, the Board will compare the Management’s performance with the KPI set under the Performance Agreement (PA). In addition, the Board controls and verifies the Management work to ensure transparency and compliance with the Bank’s code of conduct.

Concerning directorship of the President and top executives in other companies, the Bank has formulated clear policy as to classify types of directorship and number of companies in which they are entitled to hold the post, and such directorship holding must be first approved by the Board of Directors. Apart from this, the Bank has established practices on holding posts in other companies in accordance with the guidelines prescribed by the Standard Qualifications for State Enterprise Directors and Employees Act, the Financial Institution Act, the Securities and Stock Exchange Act and other related law. Under such practice guidelines, Directors are entitled in no more than three state enterprise companies and Directors are entitled to hold the post of Chairman, Executive Director or authorized signatory director in no more than three other business groups. The Bank disclosed information on directorship in other companies of each Director on pages 88–89.

5.4.2 Relevant Committees

The Board of Directors has appointed respective committees to help study and scrutinize the task as deemed necessary to ensure the Board’s greater efficiency and effectiveness in performing its duty as described in “Shareholding and Management Structures” pages 69–80.

5.4.3 Board of Directors Meeting

The Bank sets the schedules for the Board of Directors meeting in advance and regularly throughout the year. Meeting schedules are shown on the Bank's intranet website. Each Director is informed of such schedules to facilitate arrangement for attendance as per details in "Board of Directors Meeting" pages 84-85. In this regard, the subcommittee related to the agenda on such particular issue will scrutinize the relevant information; make comments and recommendation prior to submission to the Chairman of the Board of Directors for approval and inclusion of that issue on the agenda for prudence and management of risks in all respects that may arise. Besides, the Board of Directors has the policy to provide the Independent Directors with opportunities to call meeting among themselves as deemed necessary to discuss issues of common interest without attendance of the Management. The President will be informed of the meeting results. The Independent Directors Committee in 2012 called four meetings.

5.4.4 Self-Assessment of Individual Performance

The Bank requires the Board of Directors to conduct self-assessment twice a year in order to reflect operational efficiency under principles of good corporate governance, details of which are shown in "Self Assessment of the Board of Directors" pages 82-84.

5.4.5 Development of Directors and Executives

The Bank promotes the competence development of the Directors and the executives through continuous and regular training courses to enhance their knowledge. Details in "Brief Biography of the Board of Directors and Executive Officers" pages 24-32. Moreover, for each new Director appointment, the Bank organizes Orientation to provide the newly appointed Directors with key information on the Bank as well as making arrangement for them to visit and observe the Bank business operation. In 2012, the Bank organized orientation for three new Directors namely Mr. Yongyutt Chaipromprasith, Mr. Pasan Teparak, and Mr. Vorapak Tanyawong as shown in details under section: Directors Orientation on pages 81-82.

The Bank, in December, made an arrangement for the directors and executives nationwide including overseas branches to attend the Bank's business strategy seminar for brainstorming and spurring the Bank to achieve the targets set in the business strategic plan.

5.5 Corporate Secretary

It is the Bank's policy to appoint the Secretary to the Board of Directors and the Corporate Secretary to be in compliance with the applicable Securities and Stock Exchange (No 4), B.E.2551 (2008) and principles of good corporate governance of the Bank. Core duties and responsibilities are detailed in "Shareholding and Management Structures" page 86.

Besides, the Bank insists that the Corporate Secretary is trained in appropriate courses such as Successful Formulation & Execution of Strategy (SFE) for more efficient performance.

5.6 Succession Plan

The Bank has its system of succession for executives at each level and each job family that can be implemented effectively through the Succession Plan for crucial posts especially the chief executive officer of the Bank. Preparedness of the persons that will become executive officer or manager has been in place together with the Individual Development Plan to enable the successor to manage and carry on the task instantly, smoothly and efficiently. Work plan and requirements for selecting successor at different levels are summarized below:

1. **President level**, the Bank complies with the Standard Qualifications for State Enterprise Directors and Employees Act B.E.2518 (1975) and also has transparent nominating and selecting process by recruiting from the executive officers within the Bank and giving opportunities to external applicants who are visionary with knowledge, competence and experience in corporate management to apply for the President. From then the applicants will be selected via the appropriate nominating process.

2. **Group, sector and department level**, the Bank makes relevant assessment seeking opinions from existing group executive and requesting such group executive to nominate qualified person as successor of each business group.

3. **Regional office and business center**, the Bank utilizes the Assessment Center for selection. The candidate's appropriateness will be assessed by two levels of supervisors. The highly competent executives will be listed in preparation for replacement and business expansion.

4. **Branch manager**, selection will be done through testing and the Assessment Center. High-potential executives within the Bank will be considered.

Moreover, the Bank selects and builds competent employees groups, that is, the Bank scholars and Talent groups to be further developed for the new generation executive posts. They will serve as foundation for business expansion and help prevent any problem of understaffing or shortage of manpower for future executive posts.

Internal Control

The Board of Directors has attached the importance to internal control through close monitoring to ensure efficient implementation of operation plans to meet the set targets at acceptable risk levels appropriate for the occurring business environment. In this regard, the Audit Committee which oversees the Internal Audit Group is responsible for monitoring and assessing the Bank's internal control for further enhancement and development. Such process will enable the Bank to prevent risk and perform the task prudently so as to avoid loss or damage. The Audit Committee submits the report regularly every month to the Board of Directors.

The Audit Committee in 2012 made an assessment that risk management and internal control systems were effective, appropriate and adequate. The internal audit is independent encompassing high risk operating processes and up to the standards and appropriate audit performance monitoring to ensure accuracy under the applicable laws or requirements and in consonance with the current business environment. Details in "Report of the Audit Committee" page 126.

Related-Party Transactions

To prevent conflict of interest that may arise from conducting related-party transactions, the Bank has prescribed that market price or fair price shall be used in conducting transactions of all types except any transactions under requirement prescribed otherwise by the regulators, then the Bank will adhere to the practices under such requirement.

• Necessity and Justifications of Related-Party Transactions

Inter-party or related-party transactions conducted in 2012 were normal business transactions or normal business support transactions of the Bank. Such transactions are conducted under the same general trading conditions as those done with outsiders. Moreover, such conducts of inter-party or related-party transactions were necessary for business operation and supporting business operation. However, the Bank had already considered

inter-party transactions between the Bank or subsidiaries and related persons or persons who might have conflict of interest with the Bank or subsidiaries, and was of the opinion that such transactions were conducted in accordance with general nature of business. In addition, the Bank received and paid remunerations at market prices or fair prices, and also complied with the requirements of the regulators concerned with such transactions while relevant information was disclosed accurately and completely.

• Measures for Related-Party Transactions Approval

The Bank gives importance to prevention of conflict of interest from conducting inter-party or related transactions. In approving such transactions, the Bank has carefully considered the issues with integrity, good faith, justification and independence within moral ethical framework while adhering to the code of Business Ethics and good corporate governance principles of the Bank. Moreover, the Bank formulates related transactions procedure and regulations to the responsible unit. The Bank has assigned the Compliance Department to oversee and re-check the approval procedures of such transaction to be in compliance with the requirements prescribed by the regulators in addition to complying with the Bank procedures.

As for any related-party transactions or related transactions prescribed by the regulators or by the Bank procedures requiring that such transaction must be approved by the Board of Directors, the Bank has prescribed the best practices of the Directors in relation to approval of related-party transactions or related transactions so as to prevent conflict of interest. Details are summarized as follows:

1) Each Director is required to disclose information on transactions that might bear conflict of interest, related-party transactions or related transactions as prescribed in the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Director having conflict of interest is prohibited from approving such transaction. In conducting the related-party transaction, the Audit Committee shall participate and give opinion under the principles of good corporate governance and the requirements prescribed by the Stock Exchange of Thailand.

3) Lending or investing in business in which the Director has interest must be unanimously approved by the Board of Directors without attendance of such Director. To prevent conflict of interest, pricing and terms and conditions must be determined in accordance with the Bank's normal trading and with the same treatment given to general clients.

• Policy on Conducting Future Related-Party Transactions

In general business operation, if the Bank realizes that conducting related-party transactions in the future will benefit the Bank and its shareholders, the possibility will be that the Bank or subsidiaries will do so in compliance with the regulators' requirements and the Bank's measures for approval of related-party transactions as earlier described.

Moreover, in conducting related-party transactions or related transactions in the future, the Bank will adhere to the same practices as those of conducting transactions with general clients on trading terms and conditions that are not different from those of general business or business of the same type. Remuneration paid or received from such transactions shall be in accordance with market price or fair price. Relevant information concerning related-party transactions or related transactions must be disclosed to the public in an accurate and complete manner in accordance with the regulatory requirements.

Information on related-party transactions conducted between the bank and subsidiaries, associated and affiliated companies in 2012 is shown in 56-1 Report Part 1 No.10 Related-Party Transactions and the Notes to the Financial Statements No. 6.24 Related-Party Transactions.

Report of the Audit Committee 2012

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

- | | |
|---------------------------------|---------------------------------|
| 1. Mr. Chulasingh Vasantasingh | Chairman of the Audit Committee |
| 2. Mr. Nontigorn Kanchanachitra | Member of the Audit Committee |
| 3. Mr. Prasert Bunsumpun | 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 scope 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 2012, the Audit Committee held 14 meetings with 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 monthly operating performance of the Bank and reviewed the quarterly, half-yearly and annual financial statements with the external auditor and Management of the Accounting Department, to ensure that the accounting system and the financial reports were prepared in accordance with generally accepted accounting principles and that the disclosures of information were adequate, complete and reliable.

Review of Intercompany Transactions or Transactions that might involve Conflicts of Interest

Reviewed intercompany transactions between the Bank and its subsidiaries including related-party transactions or transactions that might lead to conflict 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 Risk Management

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

Review of the Effectiveness of Internal Controls

Reviewed reports of risk assessments accordance with requirements of Office of the Auditor General of Thailand and followed up the operation of internal control system and control self-assessment, to ensure that internal control system was adequate and appropriate.

Review of Compliance Operations

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

Monitoring of 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, the Human resource management, the adequacy assessment of resources, the revision of standard of procedures of the Internal Audit Group as well as monitored the operations accordance with the approved audit plans.

Quality Maintaining of the Audit Committee

Reviewed and revised the Audit Committee Charter, performed individual self-assessment accordance with the best practice guidance of State Enterprise Policy Office 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 systems 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. Chulasingh Vasantasingh)
Chairman of the Audit Committee
January 14, 2013

The Board of Directors' Responsibility for Financial Reports

The Board of Directors has attached great importance and been aware of the duty as the Director taking responsibility for the consolidated financial statements of Krung Thai Bank and its subsidiaries, as well as the financial information stated in the annual report. The Board thus oversees that such financial statements have been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence to them with prudence, accuracy, completeness, truthfulness and rationality to reflect the true operating performance of the Bank. In this connection, the Bank has continuously reported its operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand in the interest of the shareholders and general investors.

The Board of Directors has provided and maintained appropriate and efficient risk management, internal control, internal audit and supervision to ensure accurate, complete and adequate financial information for retention of assets and prevention of frauds or any significant irregularities.

The Board of Directors has appointed the Audit Committee comprising of independent Directors to oversee and review the reliability and accuracy of the financial reports including the internal control to be adequate and appropriate thus ensuring reliability of the Bank's financial reports. The Audit Committee has expressed its opinions about such issue in the Report of the Audit Committee appeared in this annual report.

The Board of Directors has an opinion that the Bank's overall internal control is adequate and appropriate to be rationally confident that the Bank's financial statements and the consolidated financial statements for the year ended December 31, 2012 are reliable in accordance with the generally accepted accounting standards and accurate under the relevant laws and procedures.



(Dr. Sathit Limpongpan)

Chairman of the Board of Directors



(Mr. Vorapak Tanyawong)

President

Auditor's Report

To the Shareholders of Krung Thai Bank Public Company Limited

The Office of the Auditor General of Thailand has audited the accompanying consolidated and the Bank's financial statements of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited, which comprise the consolidated and the Bank's statements of financial position as at December 31, 2012, and the consolidated and the Bank's statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these financial statements based on our audit. The Office of the Auditor General of Thailand conducted our audit in accordance with Thai Standards on Auditing. Those standards require that the Office of the Auditor General of Thailand complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In the opinion of the Office of the Auditor General of Thailand, the consolidated and the Bank's financial statements referred to above present fairly, in all material respects, the financial position of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited as at December 31, 2012, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

SIRIN PHANKASEM
(Ms. Sirin Phankasem)
Inspector General 1

YUPIN CHALANONNIWAT
(Ms. Yupin Chalanonniwat)
Director of Audit Office No.2

Office of the Auditor General
February 28, 2013

KTB *First*

F

Firm

I

Innovative

R

Responsible

S

Service

T

Teamwork

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Risk Management Sector
Risk Management Group
Krung Thai Bank Plc.

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