

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of KASIKORNBANK Comprises four independent directors in which Dr. Piyasvasti Amranand serves as Chairman and Ms. Puntip Surathin, Mr. Saravoot Yoovidhya and Ms. Suphajee Suthumpun serve as members.

In 2015, the Audit Committee held 12 meetings to fulfill its roles and responsibilities as stipulated in the Audit Committee Charter. The proceedings from each meeting were reported to the Board of Directors. Significant matters are summarized as follows:

- The reviews of quarterly, semi-annual and annual financial statements were performed by considering financial reports, significant accounting policies and accounting estimates as well as disclosure of information in the notes to financial statements. In addition, the Audit Committee held regular meetings with the external auditors from KPMG Phoomchai Audit Ltd., without the participation of the Bank's management, to acknowledge and discuss points of concern arising from their reviews and audits. No report on fraud or violation of law was subject to submission to the Audit Committee for attention.
- Risk management reviews were conducted via quarterly meetings with Enterprise Risk Management Division executives to acknowledge risk reports and measures to handle potential risks arising from domestic and global environment that might have significant impacts on KASIKORNBANK FINANCIAL CONGLOMERATE. This is to ensure appropriate risk management.
- Significant audit results of internal auditors, the internal control assessment by management and Internal Audit Department, as well as the results of the Bank of Thailand examinations and those of other regulators governing KASIKORNBANK FINANCIAL CONGLOMERATE were considered. The Audit Committee also followed up on corrective actions towards critical issues and acknowledged reports on material operational loss events to consider the causes of such events and the appropriateness of measures to prevent future recurrences. The Audit Committee gave their comments and suggestions on various issues to the management.
- The Audit Committee considered the annual review of Internal Audit Charter, approved annual audit plan and adjustments to it during the year, and monitored the performance of Internal Audit Department versus the plan each quarter. The internal assessment of internal audit work and the development of internal audit activities vis-à-vis personnel, work efficiency and conformity with international standards were also reviewed.
- The Audit Committee approved the review of Compliance Department Charter and considered the results of compliance supervision and reviews, undertaken by the Compliance Department per the annual compliance program approved by the Audit Committee, to assure that the operations of KASIKORNBANK FINANCIAL CONGLOMERATE were performed in compliance with relevant laws and regulatory requirements. The Audit Committee also acknowledged reports on regulatory changes that the Audit Committee emphasized for appropriate and timely action must be taken, where required.

- The Audit Committee considered the annual loan review plan prior to submission to the Board of Directors for approval and had regular meetings with the executives of Risk Asset Review Department to discuss the review results and corrective actions to ensure the effective credit process.
- Complaints towards staff members and operating procedures and/or practices that were deemed inappropriate or unfair were acknowledged and complaint management was reviewed to ensure fairness and transparency.
- The appointment of external auditors for the year 2016 was considered. The Audit Committee thereafter proposed reappointment of KPMG Phoomchai Audit Ltd., as the Bank's external auditor, based on its qualification and independence in accordance with the requirements of Securities and Exchange Commission, as well as its audit quality in the past year. The Audit Committee also considered the proposed audit fees prior to recommending the external auditor appointment and reasonable audit fees for 2016 to the Board of Directors for submission to the General Meeting of Shareholders for approval.
- As for potential conflict of interest transactions, the Audit Committee placed importance on pursuance of the Bank's approval procedures that are in compliance with regulatory requirements and good corporate governance principles. There were no such transactions in 2015 that were subject to the Audit Committee consideration.
- The Audit Committee performed the annual review of Audit Committee Charter and self-assessment of its performance and reported the results to the Board of Directors.

According to duties and responsibilities specified in the Audit Committee Charter, the Audit Committee has performed them with due care, independence and transparency for the benefit of KASIKORNBANK FINANCIAL CONGLOMERATE. The Audit Committee is confident that the consolidated and the Bank-only financial statements are accurate, sufficient, reliable and in accordance with financial reporting standards and regulatory requirements and that KASIKORNBANK FINANCIAL CONGLOMERATE has operated under appropriate risk management, internal controls and governance and in compliance with relevant laws and regulatory requirements.



(Dr. Piyasvasti Amranand)
Chairman, Audit Committee

Report of the Corporate Governance Committee

The Corporate Governance Committee of KASIKORNBANK PCL comprises four directors: Mr. Krisada Lamsam as Chairman, Professor Dr. Yongyuth Yuthavong, Sqn. Ldr. Nalinee Paiboon, M.D. and Mr. Wiboon Khusakul as members.

In 2015, the Corporate Governance Committee held 6 meetings on various matters in accordance with the duties and responsibilities mandated by the Corporate Governance Committee Charter. All meeting results were reported to the Board of Directors for acknowledgment, which in summary include:

- Revising the Sustainable Development Policy; and considering and providing recommendations on sustainable development action plans, guidelines to lead the organization towards sustainability and creation of corporate culture that incorporate the sustainable development concept in all business processes.
- Providing recommendations on the Bank's business operations to comply with the Dow Jones Sustainability Indices (DJSI), for example, the announcement of Corporate Citizenship Strategy, the appointment of Chief Environmental Officer, determination of policy related to climate changes, establishment of target to reduce greenhouse gas emissions from the Bank's operations and implementation of KBank Supplier Code of Conduct.
- Providing recommendations on guidelines to prevent fraud and operational mishandling, and non-compliance with regulatory requirements.
- Providing recommendations on consideration of projects related to the environment and society to reaffirm the Bank's good corporate governance practices and proper risk management; and monitoring the implementation progress of environmental and social projects on a regular basis.
- Reviewing the Statement of Corporate Governance Principles, Charters of the Board of Directors, Independent Directors Committee, Board Committees and Management Committee, as well as the Statement of Business Conduct and Code of Conduct, KASIKORNBANK Disclosure Policy and Anti-Corruption Policy, keeping them up-to-date in accordance with ongoing business operations of the Bank and in compliance with the laws, international practices and best practices as prescribed by the Bank of Thailand, Stock Exchange of Thailand, Office of the Securities and Exchange Commission, Capital Market Supervisory Board, the Thai Institute of Directors Association and ASEAN Corporate Governance Scorecard.

- Reviewing the Performance Assessment Form of the Board of Directors, Independent Directors Committee and Board Committees in line with the revised Good Corporate Governance Guidelines of the Stock Exchange of Thailand, to be used as a tool for reviewing performance in 2015.
- Considering the Bank's preparations for each General Meeting of Shareholders with respect to the granting of rights to shareholders to propose an issue for inclusion in the AGM agenda and a candidate for election to directorship, as well as the right to submit questions before the AGM.
- Reviewing and providing recommendations on the Bank's practices under the criteria of good corporate governance by the Thai Institute of Directors Association and the ASEAN Corporate Governance Scorecard.
- Approving a strategic plan for good corporate governance activities to enhance compliance of directors, executives and staff with the good corporate governance principles, Code of Conduct and Anti-Corruption Policy, including improvement of communication and knowledge providing patterns, organization of training courses and dissemination of knowledge on the Code of Conduct and Anti-Corruption Policy via the e-Learning system on a continual basis, and production of video presentation on anti-corruption matters.
- Approving guidelines of the Corporate Governance Report in the Annual Report and the Sustainability Report per the G4 Guideline under the Global Reporting Initiative.

The Corporate Governance Committee has carefully and prudently discharged their duties and responsibilities as specified in the Corporate Governance Committee Charter, aiming primarily for maximum benefit to the Bank, its shareholders and other stakeholders.

The Corporate Governance Committee believes that our transparent and fair business operations under the sustainable development concept, as well as collaboration at all levels within the organization, will enhance the confidence of all stakeholders of the Bank.



(Mr. Krisada Lamsam)

Chairman, Corporate Governance Committee

Report of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee of KASIKORNBANK PCL comprises four directors: Professor Khunying Suchada Kiranandana as Chairperson, and Dr. Abhijai Chandrasen, Professor Dr. Pairash Thajchayapong, and Mr. Kalin Sarasin as members.

In 2015, the Human Resources and Remuneration Committee held 9 meetings on various matters in accordance with the duties and responsibilities mandated by the Human Resources and Remuneration Committee Charter. All meeting results were reported to the Board of Directors for acknowledgment, which in summary include:

- Selecting and nominating qualified candidates to fill vacant director positions, with focus on the appropriate composition, size, and diversity of the Board, as well as compliance with the Bank's business strategic directions, regulatory requirements, the Bank's Articles of Association and the Statement of Corporate Governance Principles. The candidates' qualifications are in accordance with requirements stipulated by the Bank of Thailand and other related regulatory agencies.
- Reviewing suitability of Board Committees' members.
- Reviewing the remuneration for directors to ensure that it is commensurate with the scope of their duties and responsibilities, as well as industry-wide comparison, taking into consideration such factors as the Bank's operating results, performance, and overall business, and the current economic environment.
- Providing advice on the Bank's human resources management strategy and direction.
- Reviewing the Performance Assessment Forms of the Chief Executive Officer and Presidents to ensure conformity with international standards.
- Assessing performance of the Chief Executive Officer and Presidents compared to given targets and plans, and considering employment of the Chief Executive Officer and Presidents.
- Considering senior executive appointment proposals, plus changes in their duties and responsibilities, in tandem with the Bank's business direction, and reviewing succession plans for senior executives.
- Providing advice on executive and staff remuneration, taking into account the Bank's operating results, individual performance, industry-wide comparison, and current inflation and trends.

The Human Resources and Remuneration Committee has prudently and carefully performed their duties and responsibilities, with transparency, as specified in the Human Resources and Remuneration Committee Charter, aiming primarily for the maximum benefit to the Bank and its shareholders.

A handwritten signature in black ink, reading 'Suchada Kiranandana' in a cursive script.

(Professor Khunying Suchada Kiranandana)

Chairperson, Human Resources and Remuneration Committee