

Attachment 5

Report of the Audit Committee

Report of the Corporate Governance Committee

Report of the Human Resources and Remuneration Committee

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 2016, 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 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 including changes in International Financial Reporting Standards and International Auditing and Assurance Standards.
- Risk management reviews were conducted via quarterly meetings with Enterprise Risk Management Division executives to acknowledge risk reports and measures to handle potential risks, new threats or loss events arising from domestic and global environment that might have significant impacts on KASIKORNBANK FINANCIAL CONGLOMERATE. This is to ensure appropriate risk management.
- The effectiveness of internal control was assessed and reported via 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. 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 to improve internal control system.
- The Audit Committee considered the annual review of Internal Audit Charter, approved annual audit plan and adjustments to it during the year, as well as 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 as 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 or observations/ notice from regulators 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 including monitoring of credit quality for industry affected by economic condition to ensure the prudent credit process.
- Complaints towards staff members and operating procedures and/or practices that maybe inappropriate or unfair were acknowledged and complaint management was reviewed to ensure appropriateness, fairness and transparency.
- The Audit Committee requested audit firms to submit Auditor's proposal for KBank external auditors for 2017. After consideration of the proposals in terms of their qualification, knowledge, competency, experiences and independence in accordance with the requirements of Securities and Exchange Commission and international practices including the reasonableness of audit fee, the Audit Committee proposed the appointment of KPMG Phoomchai Audit Ltd. as the Bank's external auditor to the Board of Directors for submission to the General Meeting of Shareholders for approval. In addition, the Audit Committee prudently considered the independence of external auditor in providing non-audit services.
- 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 was no such transaction in 2016 that was 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.

- The Audit Committee oversees the independence of Internal Audit function, efficiency and effectiveness of internal audit, compliance with law and regulatory requirements and loan review, appropriateness of line of command and resource adequacy to fulfill these activities.

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 fairly presented in all material aspects, prepared in accordance with financial reporting standards and regulatory requirements and appropriately disclosed 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, the Audit Committee

Report of the Corporate Governance Committee

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

In 2016, 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:

- Approving sustainable development action plans and providing recommendations on the Bank's sustainable development operations in compliance with the Sustainable Development Goals of the United Nations and Dow Jones Sustainability Indices (DJSI), Carbon Disclosure Program and Sustainability Awards of the Stock Exchange of Thailand.
- Endorsing KASIKORNBANK Safety, Occupational Health and Working Environment Policy and Investor Relations Code of Conduct as operational guidelines.
- Providing recommendations on the Bank's information management and control to enhance greater efficiency.
- 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 Vision, Mission and Core Values, the Sustainable Development Policy, 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, Anti-Corruption Policy and Human Rights Policy to ensure that they are up-to-date in accordance with ongoing business operations of the Bank and in compliance with the laws and best practices.
- Reviewing the Performance Assessment Form of the Board of Directors, Independent Directors Committee and Board Committees to be used as a tool for reviewing performance in 2016.
- Reviewing the Bank's preparations for General Meeting of Shareholders, in compliance with the laws, regulatory requirements, and best practices, including 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.

- 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.
- 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.

With the determination towards continuous improvements in corporate governance and sustainable development operations, the Bank has been selected as a component of the Dow Jones Sustainability Indices (DJSI) 2016, in the categories of DJSI World and DJSI Emerging Markets. This makes us the first bank in Thailand and ASEAN selected for the globally renowned DJSI. In addition, the Bank has achieved the excellent assessment result under the Corporate Governance Report of Thai Listed Companies 2016 Project, organized by the Thai Institute of Directors Association.

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 and create our identity as a Bank of Sustainability.



(Professor Dr. Yongyuth Yuthavong)

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 2016, 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 up vacant director positions or the positions of directors retiring by rotation under nomination process, with focus on the appropriate composition, size, and diversity of the Board, as well as compliance with the Bank's business strategic directions for submission to the Board of Directors for consideration or submission to General Meeting of Shareholders for election accordingly.
- Nominating qualified candidates as Board Committees' members and reviewing their suitability.
- Reviewing the criteria of granting the rights to shareholders to nominate candidates for election as directors and the questionnaire on qualifications of the nominated persons.
- Reviewing the remuneration rate 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 capital strategy and direction.
- Assessing performance of the Chief Executive Officer and Presidents compared to given targets and plans, and considering remuneration 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 concurrence with executive and staff remuneration and benefits, in connection with the Bank's operating results and individual performance, as against peers, 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