


Report of the Audit Committee

2010

Krung Thai Bank Public Company Limited

Report of the Audit Committee

The Audit Committee comprises three Independent Directors. There were certain changes in members of the Audit Committee during 2010 as presented in Management Structure section. At present the Audit Committee comprises the following members :

Mr. Visut Montrawat	Chairman of the Audit Committee
Mr. Chulasingh Vasantasingh	Member of the Audit Committee
Mr. Santi Vilassakdanont	Member of the Audit Committee

The Audit Committee has a three-year term of office. One year refers to the period from the Ordinary General Meeting of the year in which the Director is appointed to the next Ordinary General Meeting.

During 2010, the Audit Committee called 12 meetings to consider issues within its scope of responsibility as well as performing other tasks delegated by the Board of Directors. The Audit Committee reported the operation results of each meeting to the Board of Directors, details of which are summarized as follows:

✦ 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.

✦ Reviewed intercompany transactions between the Bank and its subsidiaries including connected-party transactions or transactions that might lead to conflict of interest, so as 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.

✦ Reviewed risk management processes, internal audit reports and internal control assessments, exchanged views with Senior Managements and monitored the internal control system and control self-assessment, including approved the annual compliance reports, as to ensure that the Bank's internal control system was appropriate and adequate.

✦ Reviewed compliance operations regularly with the Management to ensure that the Bank complies with legal provisions and requirements of regulators such as the Office of the Auditor General of Thailand, the Bank of Thailand and the Bank's operating procedures and regulations.

✦ Consulted with Senior Management concerning crucial management issues that might adversely affect the Bank.

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

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✦ Approved the Internal Audit Group's the audit plan and annual budget, as well as the annual reviewed plan of "Bank's loans and contingency obligations" as to ensure that objectives and scope of audit covered major risk exposures in each business unit and at activity level.

✦ Approved the revised charter and standard of procedures of the Internal Audit Group,

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 to ensure compliance with applicable laws and regulations, consistent with the current business environment.



(Mr. Visut Montriwat)

Chairman of the Audit Committee

27 January 2011