

REPORT OF THE AUDIT COMMITTEE

To Shareholders,

The Audit Committee of Bangkok Bank Public Company Limited comprises four directors, all of whom are independent directors, and who have sufficient knowledge and experience to reliably audit the financial statements. The Chairman of the Audit Committee does not serve on any other committee and is not authorized by the Board of Directors to make decisions on the operations of the Bank or any related operations.

In 2019, the Audit Committee held 17 meetings in conjunction with executives from the Audit and Control Division, the auditors, management and related top-level executives to perform its duties within the scope of responsibilities stipulated in the charter of the Audit Committee assigned by the Board of Directors and in accordance with requirements of the Stock Exchange of Thailand and the Bank of Thailand. The Audit Committee reported the conclusion of each meeting to the Board of Directors as follows.

Financial reports

The Audit Committee performed audits on quarterly, half-yearly, and annual financial reports by holding meetings in conjunction with the independent auditors, executives from the Accounting and Finance Division, and management and executives from the Audit and Control Division to consider financial reports, disclosure of information supplementary to the financial statements, major accounting policies and projections, as well as remarks made by the independent auditors on the Bank's financial statements. Furthermore, the Audit Committee considered the Bank's performance results on a monthly basis and held meetings with the independent auditors, without the participation of the Bank's management, to discuss the independence of the auditors in performing their duties and expressing opinions. The independent auditors confirmed that such meetings can be held according to the specified plan and guidelines without any hindrance or restrictions and that the independent auditors can express opinions freely according to auditing standards. In addition, the Audit Committee has consulted with the independent auditors and executives on the readiness of the Bank to comply with the standards of the group of financial instruments and other important accounting standards.

In the course of its duties, the Audit Committee has reviewed the financial statements of Bangkok Bank Public Company Limited as of December 31, 2019, and is of the opinion that these financial statements are in accordance with Thai Financial Reporting Standards and of appropriate accuracy in significant essence and sufficient disclosure of appropriate information. The independent auditors have expressed their opinion thereon as presented in their report to the Board of Directors and to shareholders. The independent auditors have performed their duties and expressed their opinions independently.

Internal control and audit systems

The Audit Committee has considered and approved the annual audit plan of the Audit and Control Division which has been developed and improved with audit procedures so that they are efficient and current, and covers important operations and units exposed to high levels of risk. The Audit Committee has also reviewed the performance results of the Audit and Control Division against the plan on a monthly basis, approved the appointment, transfer, compensation, performance appraisal and termination of employment of the Manager of the Audit and Control Division, participated in meetings to consider summarizing results of the annual audits with the Audit and Control Division and executives from the Bank's divisions to determine guidelines to improve internal control systems to be sufficient and appropriate, and considered audit results of the Bank of Thailand, independent auditors and local authorities in which the Bank's branches are located. The meetings aimed to assess the status of the internal control and risk management systems, and to follow up on results of regular corrective measures taken in each quarter. Furthermore, the Audit Committee has performed an annual assessment of the sufficiency of the internal control system and submitted results to the Board of Directors.

The Audit Committee is of the opinion that the Bank's internal control and audit systems are sufficient, appropriate, and continuously developed.

Auditors

The Audit Committee has selected the Bank's independent auditors by considering their knowledge, ability, experience, credibility and sufficiency of resources as well as the results of assessment on their independence and quality of work of the auditors in the past year. With regard to the remuneration of the independent auditors, the Audit Committee has considered their scope of responsibilities, remuneration rates at other auditing firms, and available information on remuneration for independent auditors at other commercial banks.

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Bank's independent auditors for 2020 and has also considered the suitability of their remuneration. The Audit Committee has submitted its opinions and recommendations on the appointment and remuneration of the independent auditors to the Board of Directors, to be proposed at the shareholders' meeting for approval.

Regulatory compliance

The Audit Committee has reviewed the Bank's operations to ascertain compliance with requirements and laws relevant to the banking business, such as the Acts regarding Public Limited Companies, Financial Institution Business, and Securities and Exchange, other relevant laws, other requirements of supervisory authorities and local authorities in which the Bank's branches are located, as well as the Compliance Policy that the Bank has defined as a basic guideline for directors, management and employees to comply with. In so doing, the Audit Committee has considered on a regular basis results of the supervision for compliance with regulations of the regulatory authorities, the Audit and Control Division, the Bank of Thailand, independent auditors and local authorities in which the Bank's branches are located.

The Audit Committee is of the opinion that the Bank has closely supervised and examined operations of its internal units to ascertain that every unit operates properly and is in compliance with relevant requirements and regulations.

Connected transactions or potential conflicts of interests

The Audit Committee will consider connected transactions or transactions with potential conflicts of interest and ensure that these transactions are reasonable, for the optimal benefit of the Bank, and disclosure of which are accurate and complete.

The Audit Committee has completely performed its duties as assigned and using its knowledge and experience with the utmost care and independence as well as having been forthcoming in expressing its opinions for the optimal benefit of the Bank. It has not encountered any difficulty in obtaining information, resources or cooperation from the Bank. In addition, the Audit Committee has assessed its performance in 2019 to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors and has also reviewed the charter of the Audit Committee of 2019.

Admiral



(Prachet Siridej)

Chairman of the Audit Committee

February 25, 2020