

Standard Chartered Bank (Thai) PCL Annual Report 2017

Driving commerce and prosperity  
through our unique diversity

# About us

We are a leading international banking group, with more than a 150-year history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

We are present in more than 60 markets, with over 1,000 branches and around 3,000 ATMs.

Standard Chartered PLC is listed on the London and Hongkong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

For more stories and expert opinions please visit Insights at [sc.com](http://sc.com). Follow Standard Chartered on Twitter, LinkedIn and Facebook.

# Awards & recognition

Standard Chartered Bank (Thai) has been rated AAA (tha) for its national long-term rating by Fitch Ratings.



# What's inside this report

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# Performance Highlights

## Total Income \*

Down **7** percent  
to THB **4,308** m.

2016 THB 4,649 m.

## Total Operating Expenses \*

Down **8** percent  
to THB **2,849** m.

2016 THB 3,109 m.

## Loan Impairment \*

Up **61** m.  
to THB **26** m.

2016 THB -35 m.

## Net Profit After Tax \*

Down **2** percent  
to THB **1,112** m.

2016 THB 1,137 m.

## Total Assets \*

Down **19** percent  
to THB **155,274** m.

2016 THB 190,659 m.

## Capital Adequacy Ratio (Solo Basis)

Up **10** percent  
to **36.7** percent

2016 26.3 percent

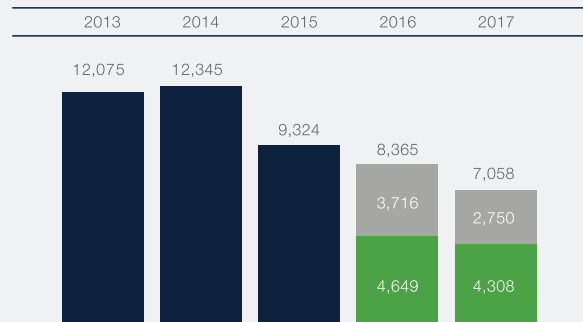
\*Excluded discontinued operations

## Five Year Review

### Total Income

Unit : Million Baht

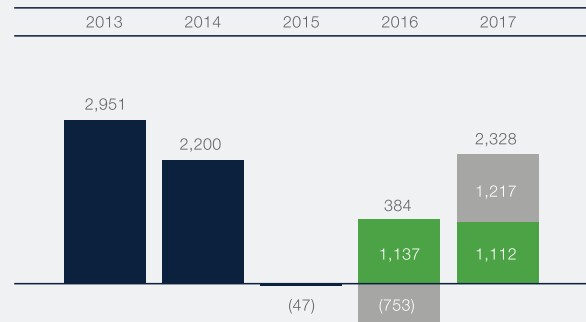
■ Discontinued operation  
■ Continued operations



### Net Profit After Tax

Unit : Million Baht

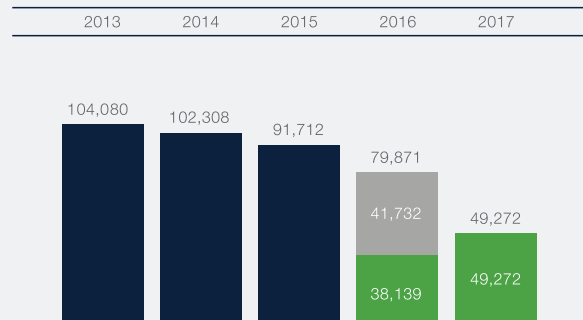
■ Discontinued operation  
■ Continued operations



### Loans

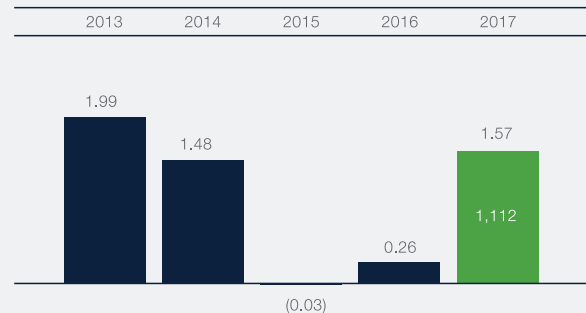
Unit : Million Baht

■ Discontinued operation  
■ Continued operations



### Earnings Per Share

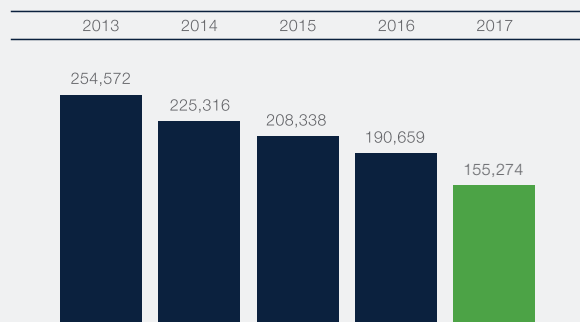
Unit : Million Baht



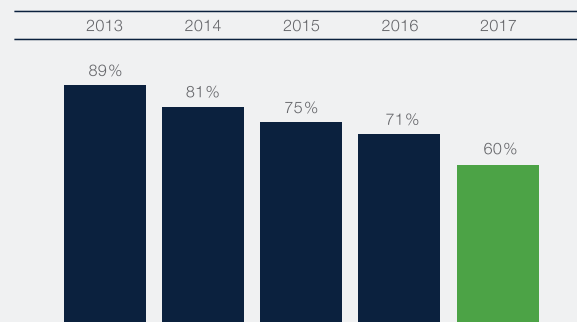


**Total Assets**

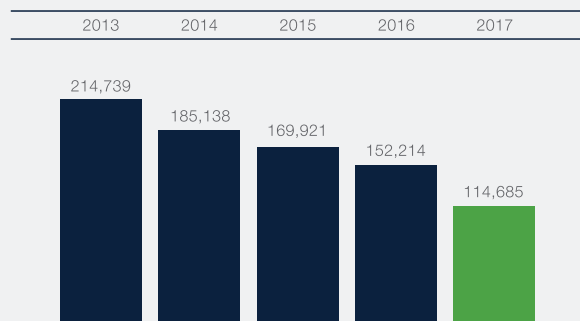
Unit : Million Baht

**Advance/Deposit Ratio**

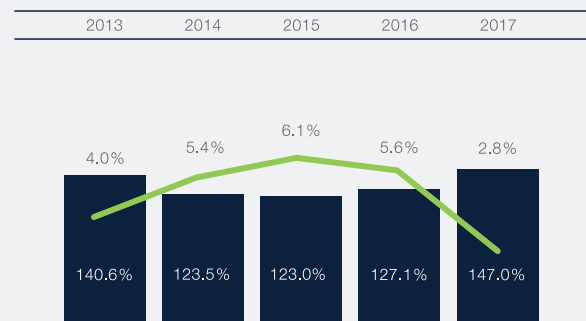
Unit : %

**Total Liabilities**

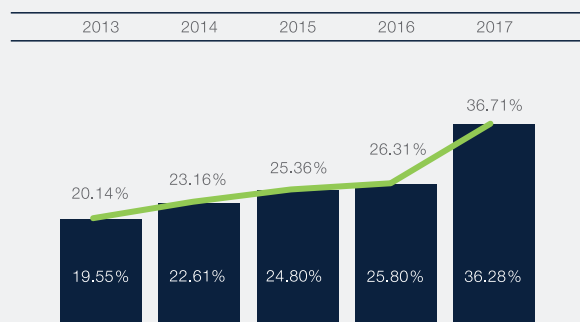
Unit : Million Baht

**%Asset Quality**

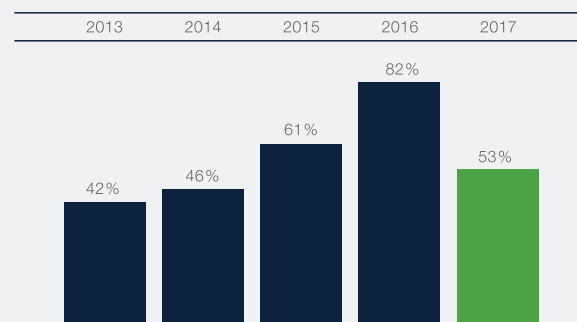
Unit : %

**%Asset Quality**

Unit : %

**Cost/Income Ratio**

Unit : %



# Chairman's Statement

## Commitment to unlock potential

2017 marked a year of effective execution of our refreshed strategy, strong dedication from the team, and firm support from our clients, regulator, partners and other parts of the Bank. With a continued focus on our clients, we have successfully completed the transfer of our Retail Banking business to TISCO Group. I would like to thank our shareholders, the Board of Directors, and all staff under Khun Plakorn's leadership for delivering our strategy and for the hard work during this process.

Our refreshed strategy is clear – to focus our resources and business in Thailand on areas where we can truly add value to. Hence we took pivotal steps to reposition ourselves to serve the corporate clients segment. Internally, we also made changes for a fitter and more efficient Standard Chartered Bank (Thai) that is built for growth and fit for the long term.

Moving into 2018, we are positive about the outlook of the economy and the Bank. Thailand's economic momentum is set to continue from late last year into this year as most economic drivers further improve. The resumption of investments will play a key role in driving the economy and the banking sector in 2018, when projects under the government's Transport Action Plan will begin construction. Additionally, exports and tourism are expected to improve and play a pivotal role in driving GDP growth in 2018. Against this backdrop, we believe that we are well-positioned to capitalize on our uniquely diversified and extensive network in all 10 ASEAN markets to leverage these opportunities and capture growth for our clients and the Bank.

Standard Chartered is an extraordinary organisation with a rich history and huge

potential, serving the most dynamic markets in the world, including Thailand and Representative Offices. We remain committed to Thailand where we have operated since 1894 and we believe that the team has now laid the foundation for our franchise to play an important role in driving trade and commerce in the region.

On this note, I would like to thank the management team, our shareholders and staff for their support and hard work throughout 2017 and I look forward to working with you closely in 2018.



Bharat Padmanabhan  
Chairman  
Standard Chartered Bank (Thai) PCL

# Chief Executive Officer's Review

## A year of progress and a future of sustainable growth

2017 proved to be a stern test for our strategy and our business plans has proven to be the right one for the environment in which we are operating. Business conditions continue to change, require us to adapt and we did. We have made good progress and will continue to reposition ourselves for the long-term and sustainable growth. One of which was the sale and transfer of our Retail Banking business in Thailand, which was approved and completed at the end of 2017. We have achieved our main objective in ensuring the smooth transfer of our clients and staff. I would like to thank everyone involved for their tireless contribution to the success.

### Continue to focus on delivery

A large number of clients I meet remain confident in Standard Chartered Bank (Thai) and value our service and product capabilities. We will continue to improve how we serve them and will look to putting our clients rather than products at the heart of everything we do. One of our priorities in 2018 is to implement significant improvement of our client coverage model by integrating Corporate & Institutional Banking and Commercial Banking into one single client group. This will allow us to maximise client management proposition and better leverage our products, network and collaboration across our footprints.

We are increasingly recognised as an innovator and it is rewarding to be able to leverage this to create value for our clients. Standard Chartered Bank (Thai) recently received "Best Liability Management (Onshore) in Thailand" award at the Asset Triple A Country Awards 2017, organised by The Asset Magazine. The award recognised the outstanding achievement and success of matrix switch liability management deal with the Ministry of Finance's Public Debt Management Office (PDMO). The transaction marked Thailand's first-ever matrix switch replacing multiple source bonds with multiple destinations bonds within one transaction.

From my discussion with our employees, it is clear that they take pride in our culture and how we serve our clients. Our board management team and I intend to support and further invest in our People's Agenda to fulfill our obligations to our employees. That will include programmes to uplift their skills, retain critical human resources and attracting new talents. Together with the new valued behaviours launched in January, namely Do the right thing, Never settle, and Better together, they will help our people to drive change across the Bank to become a performance-driven organisation. Dedicating ourselves to our own people is the right thing to do. It makes us stronger and, most importantly, sustainable.

### Outlook

Our macroeconomic view for 2018 remains cautious optimism. We expect an improvement in Thailand's macroeconomic environment, as the manufacturing, services and agricultural sectors show pick up. However, uncertainties remain outside of Thailand, including threats to open trade and globalization, the impact of regulation and loose monetary policy. We are nevertheless better positioned to weather these challenges, help clients to mitigate risk and fully capitalise on business opportunities.

### Summary

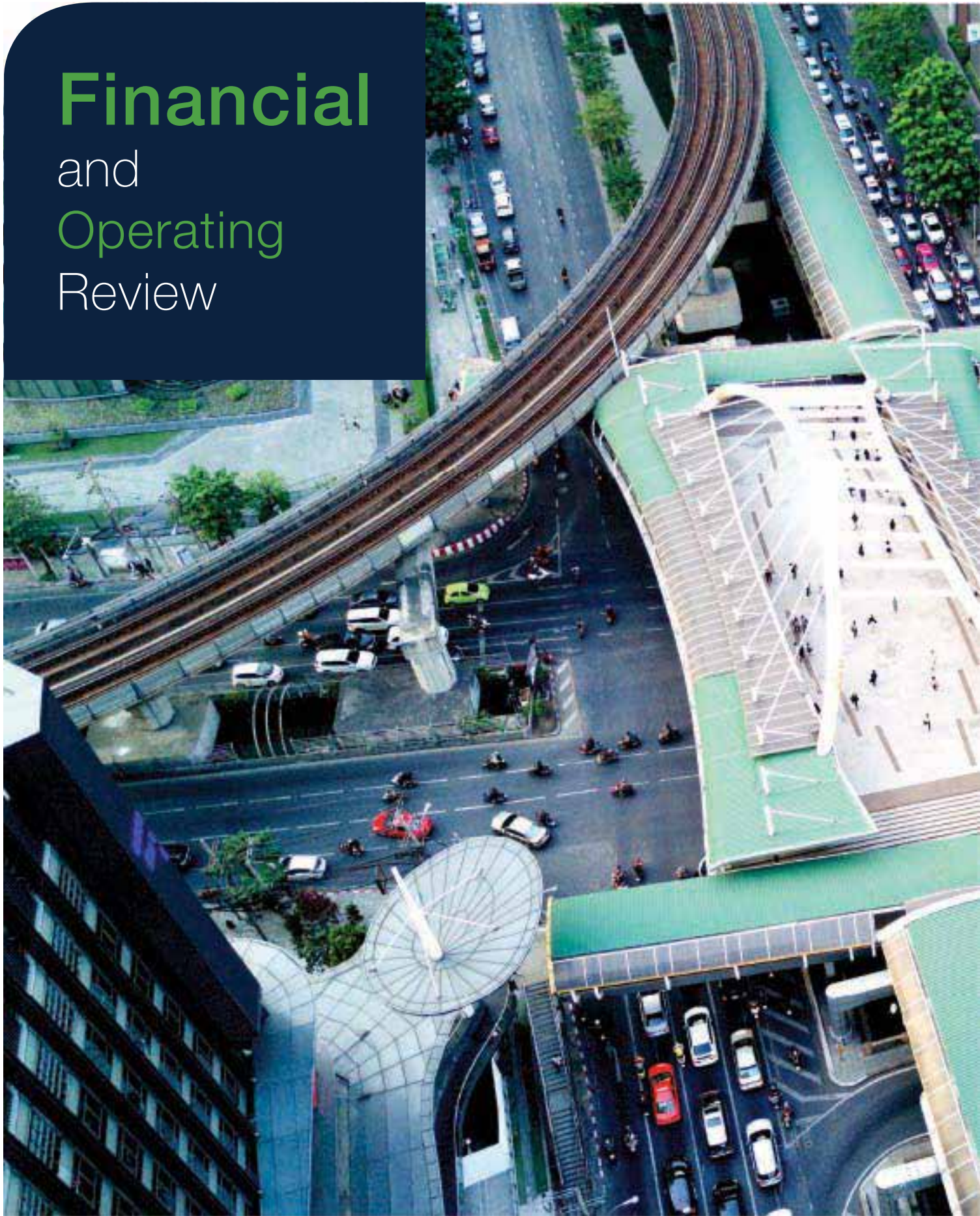
Despite an intense period of adjustment for everyone at the Bank, I am especially proud of 2017 particularly in the way we worked together as a team to overcome numerous challenges. With this, I would like to thank our Board of Directors, Executive Committee, the management team and, especially our staff, for your support throughout 2017. We at Standard Chartered Bank (Thai) remain optimistic for 2018 and will look to make this a year where we demonstrate our true potential to get back to sustainable growth, become a performance-based organisation and deliver to our clients and all stakeholders.



**Plakorn Wanglee**  
President and Chief Executive Officer  
Thailand and Representative Offices



# Financial and Operating Review









# Summary of Financial Results

## Summary of Financial Results

2017 was a year of transformation for Standard Chartered Bank (Thai) PCL. The transfer of Retail Banking business to TISCO Bank PLC and All-Ways Company Limited was completed on October 1, 2017.

Standard Chartered Bank (Thai) PCL is focusing on strengthening its position as a leading bank for commercial, corporate and institutional clients in Thailand and supporting their growth both in Thailand and overseas.

The Bank continued to operate under a challenging macro environment with low interest rates and stiff competition. However, the Bank has a clear medium term strategy to improve its performance and deliver to the shareholders. The Bank earned a net profit from continuing operations of Baht 1,112 million, representing a 2 per cent reduction over 2016 on a consolidated basis.

Operating income from continuing operations of Baht 4,308 million was 7 per cent down year on year. A significant portion of the decrease was attributable to one off gains arising on sales of the available-for-sale (AFS) portfolio in 2016.

Operating expenses of Baht 2,849 million were 8 per cent lower year on year. The Bank continues to manage expenses tightly and driving efficiency remains a significant focus for the Bank.

Loan impairment of THB 26m was considerably low. The Bank continued to be vigilant on risk management practices together with ongoing efforts to resolve Non-Performing Loans (NPLs). The Bank sold Baht 2,233 million of NPLs in 2017.

As at December 31, 2017, loan loss provisions for the Bank was Baht 3,768 million, with an excess provision over the regulatory reserve requirements of THB 1,050m or 138.6 per cent of the regulatory reserve requirements. The loan loss coverage ratio remains conservatively high at 147.0 per cent compared to 127.1 per cent at the end of December 2016.

The Retail Banking business performance has been reported under discontinued operations with the net profit after corporate income tax of Baht 1,217 million.

On the consolidated basis, the net profit after tax was Baht 2,328 million or increased by Baht 1,944 million from the prior year.

## Balance sheet

In 2017, the Bank has actively managed the balance sheet to optimize risk weighted assets for better returns. The Bank remains disciplined in its focus on sustaining a strong balance sheet with growth in non-retail customer loans at 29 per cent. Overall, the Bank is highly liquid with an advance-to-deposits ratio at 60 per cent.

## Assets and Asset Quality

As of December 31, 2017, the total assets of the Bank and its subsidiary were Baht 155,274 million, a decrease of Baht 35,385 million or 19 per cent from last year, mainly due to sale of Retail loans to TISCO Bank PLC and All-Ways Company Limited on October 1, 2017.

The Bank continued its proactive and prudential risk management with a lending portfolio that is diversified across a wide range of products, industries and client segments. In addition, the Bank has taken conservative view in establishing the excess reserves in order to withstand for any uncertainties of economic downturn.

## Liabilities

As of December 31, 2017, the total liabilities of the Bank and its subsidiary were Baht 114,685 million, a decrease of Baht 37,529 million or 25 per cent over December 31, 2016, primarily driven by sale of Retail liabilities to TISCO Bank PLC and All-Ways Company Limited on October 1, 2017.

## Liquidity

It is the Bank policy to maintain adequate liquidity at all times, and hence to be in a position to meet obligations as they fall due. The Bank manages liquidity risk both on a short-term and medium-term basis. In the short term, the Bank's focus is on ensuring that the cash flow demands can be met where required. In the medium term the focus is on ensuring that the statement of financial position remains structurally sound and aligned to the strategy.

At the end of 2017, the Bank has an advance to deposit ratio of 60 per cent and the Liquidity Coverage Ratio of 212.8 per cent above the regulatory requirement at 80 per cent.

## Capital Adequacy

The Bank maintains a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

At the end of 2017, the Capital was Baht 38,333 million and Capital Adequacy Ratio (CAR) was 36.71 per cent as against 26.31 per cent as at end of 2016. The CAR reflects healthy capital position and is well above the minimum regulatory requirement of 9.75 per cent. The significant increase in CAR is primarily driven by the sale of Retail Banking portfolio.

## Earnings per Share

Standard Chartered Bank (Thai) PCL Group's weighted average number of ordinary shares remained the same at 1,484 million shares in 2017. However, Earnings Per Share (EPS) in 2017 increased to Baht 1.57 from Baht 0.26 in 2016. The book value per share in 2017 was Baht 27.36 as against Baht 25.91 in 2016.





# Nature of Business

## Overview

Standard Chartered Bank (Thai) Plc is one of the oldest banks in Thailand. Following the post Asian crisis, Standard Chartered Group acquired a Thai local bank in 1999 and integrated with the foreign bank branch and renamed "Standard Chartered Bank (Thai)" in 2005.

Our long, rich heritage underpins our drive to continue supporting the sustainable growth of Thailand and the cross-border ambitions of our Thai clients. This desire sits at the heart of our business in Thailand and is reflected in our brand promise "Here for good".

## Corporate and Institutional Banking

While the Thai banking industry is dynamic and competitive, Standard Chartered Bank (Thai) stands out as a respected player and leader for large corporate and institutional clients – especially in terms of product innovation, service excellence, global reach and support. The Bank is regularly recognised for its accomplishments by international banking associations and trade magazines.

Corporate and Institutional Banking (CIB) works in partnership with our global network, Standard Chartered Group, to build robust banking relationships globally. The local expertise from Standard Chartered Bank (Thai) and global support from Standard Chartered Group is a compelling proposition and the reason why many clients choose Standard Chartered Bank (Thai) and the Group to manage their regional banking needs.

### CIB client relationship is structured into two client segments.

1. Global Subsidiaries Segment (GS) : to cover large, Thai corporations who have international subsidiaries and global network, and
2. Financial Institutions Client Segment (FI) - to cover Thai and international financial institutions.

For clients, our leadership position in Thailand is based largely on our ability to provide tailored solutions to help our clients to better manage their funding, interest and currency risk, and commodity price exposures. We are also a product leader in foreign custody, interest-rate and currency derivatives,

FX Options (FXO), and commodity hedging. Working closely with Financial Markets and Transaction Banking product partners, CIB provides clients with a full range of customized banking products, services and solutions including Transaction Banking, Lending products and Financial Markets.

### Products offered to our clients include :

1. Transaction Banking and Lending Products such as Cash Management, Trade Finance, Custodian Services and Lending
2. Financial Markets Products such as Foreign Exchange, Options, Interest Rate and Commodity Derivatives, Fixed Income Instruments and Debt Origination.
3. Corporate Finance Products such as Structured Trade Finance, Project and Export Finance and Corporate Advisory.

## Products

### Transaction Banking & Lending Products

#### Cash Management:

Cash Management solutions help clients to better manage their liquidity, collection and payment processes. Our cash management solutions are designed to enhance working capital efficiencies through optimised AR, AP and liquidity management processes.

#### Trade Finance:

Trade products comprise a full range of import and export financing (pre- and post-shipment) and non-funded guarantee transactions. Services and products offered include trade facilities, guarantees and bonds, letters of credit and trade bill collections. In addition, supply-chain products provide across-the-board financing solutions from suppliers to dealers, including receivable financing.

#### Securities Services (Custody):

Consistent with other services that Standard Chartered Group provides through its subsidiaries, the Securities Services business in Thailand is operated under the Master Custody arrangement (where the Bank is appointed as the local supplier of global custody services). Local Fund Services are provided to local asset management companies (the managers of mutual and foreign investment funds).

## Lending:

We offer lending products of varying tenors. We also have the ability and expertise to arrange complex funding transactions, e.g. structured-rate loan, project-related financing whether stand alone or with a syndicate of banks. In addition, we offer asset-backed loans, where marketable machineries are pledged as collateral.

## Financial Markets Products

The Bank offers a number of services and solutions related to risk management, yield enhancement, liquidity management, and debt origination. The Financial Markets Department comprises market experts with in-depth local knowledge and experience. With our comprehensive product suite, in-depth understanding of the local market, and support from Standard Chartered Group's international network spanning across over 70 markets, we are uniquely positioned to help clients meet their needs.

## Foreign Exchange:

- FX spot and FX forward instruments in all major currencies (in particular emerging markets in Asia, Africa and the Middle East)
- Arrangement of structured finance deals, FX swap, FX options, cross-currency derivatives, and other off-balance sheet hedging instruments.

## Interest rates, including transactions relating to:

Interest rates on term deposits, money market instruments, investments in various government and corporate bonds, interest rate swap agreements, forward rate agreements, interest-rate options and yield enhancement investment products.

## Commodity Derivatives:

Since 2008, Standard Chartered Group has become the key service provider for Commodity Derivative products. We offer solutions from basic forwards, to tailored solutions for clients looking to hedge their commodity price risk, or raise commodity-linked finance. Our platform covers precious metals, base metals, energy and agriculture.

## Debt Capital Markets:

- A wide range of funding and investment alternatives customised to meet the specific needs of issuers and investors, in both primary and secondary markets.



- Product expertise includes fixed and floating-rate debentures, syndicated loans, asset-backed securities, loan-style FRNs, etc.

### Corporate Finance Products

With cooperation and support from the Standard Chartered Group, Corporate Finance is focused on corporate advisory, project and export finance, as well as structured trade finance.

With a wide range of products, on-the-ground market expertise and high levels of support and service, Standard Chartered Group's global network is second to none. The combination of these strengths has helped Standard Chartered Bank (Thai) build a stellar reputation as a creator and provider of value-added banking products and solutions to our customers.





# Sustainability

## Sustainability

Our business strategy focuses on banking the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Sustainability remains a priority to us and we are committed to promote economic and social development in the markets where we operate in the short, medium and long term.

**Our brand promise remains robust being Here for people, Here for progress, Here for the long run – Here for good.** We support our communities to address local social and economic needs. We work closely with local partners and our employee volunteers to deliver programmes focused on health and education.

Here are some of the key activities we contributed in 2017:

## Seeing is Believing

Seeing is Believing, our flagship community programme, provides funding to tackle avoidable blindness and visual impairment across the globe. In Thailand, we worked with the Princess Sirindhorn Eye Surgery Unit (PSEU) (6th Station), under the Relief and Community Health Bureau of the Thai Red Cross Society to provide eye treatment to the underprivileged along the Thai-Cambodian border. The station of eye check up and operations is based in Sa Kaeo province. In 2017, there were 2,533 eyes operated and 6,488 patients along the two borders who visited this medical camp. Furthermore, every month, 20 staff volunteers travelled to Sa Kaeo to provide support to doctors and officers on duty at the 6th Station. We received very good feedback on our employees's passion for volunteering work.

## Positive Living

When we first began "Living with HIV" initiative 17 years ago, the most people with HIV could hope for was survival. In the next ten years, we saw a generation of people successfully living with HIV. Today, through further technological developments alongside progress in anti-retroviral treatments, it is possible to live a long, full life with HIV positive. In September 2015, we officially renamed our programme from "Living with HIV" to "Positive Living".

Positive Living fights the stigma against and fosters the inclusion of people living with or affected by HIV. We believe education is the key to eliminating discrimination. In Thailand, our HIV champions/volunteers continue to make a difference. Throughout the period, over 190,000 people have received training from our HIV champions and alliance.





## Financial Education for Youth

Financial education is a critical life skill that builds financial knowledge, skills and attitudes which allow individuals to make informed and effective financial decisions. Research has identified a lack of financial understanding is a key barrier to financial inclusion especially among youth. Financial education is a key driver of financial capability and provides individuals with skills to take control of their finances and to protect themselves against predatory banking practices. This is why we are committed to building financial capability among youth through Financial Education for Youth (FE4Y).

In 2017, 216 SCBT staff volunteered in the FE4Y and provided financial education to 258 youths, covering schools in Bangkok, Nakhon Pathom, Petchaburi and Prachuab Khiri Khan provinces. Furthermore, our staff have creatively developed "The Money Race" board game. It is an edutainment toolkit for children to learn independence, decision-making, social and emotional skills about spending, saving, planning and investment.

## Recognition

We continue to echo our efforts in developing Thailand's banking and financial sector, building up communities and providing for a sustainable future. In 2017, we received Corporate Social Responsibility Excellence Recognition Certificate (Gold category) from the American Chamber of Commerce, for the 7th consecutive year.









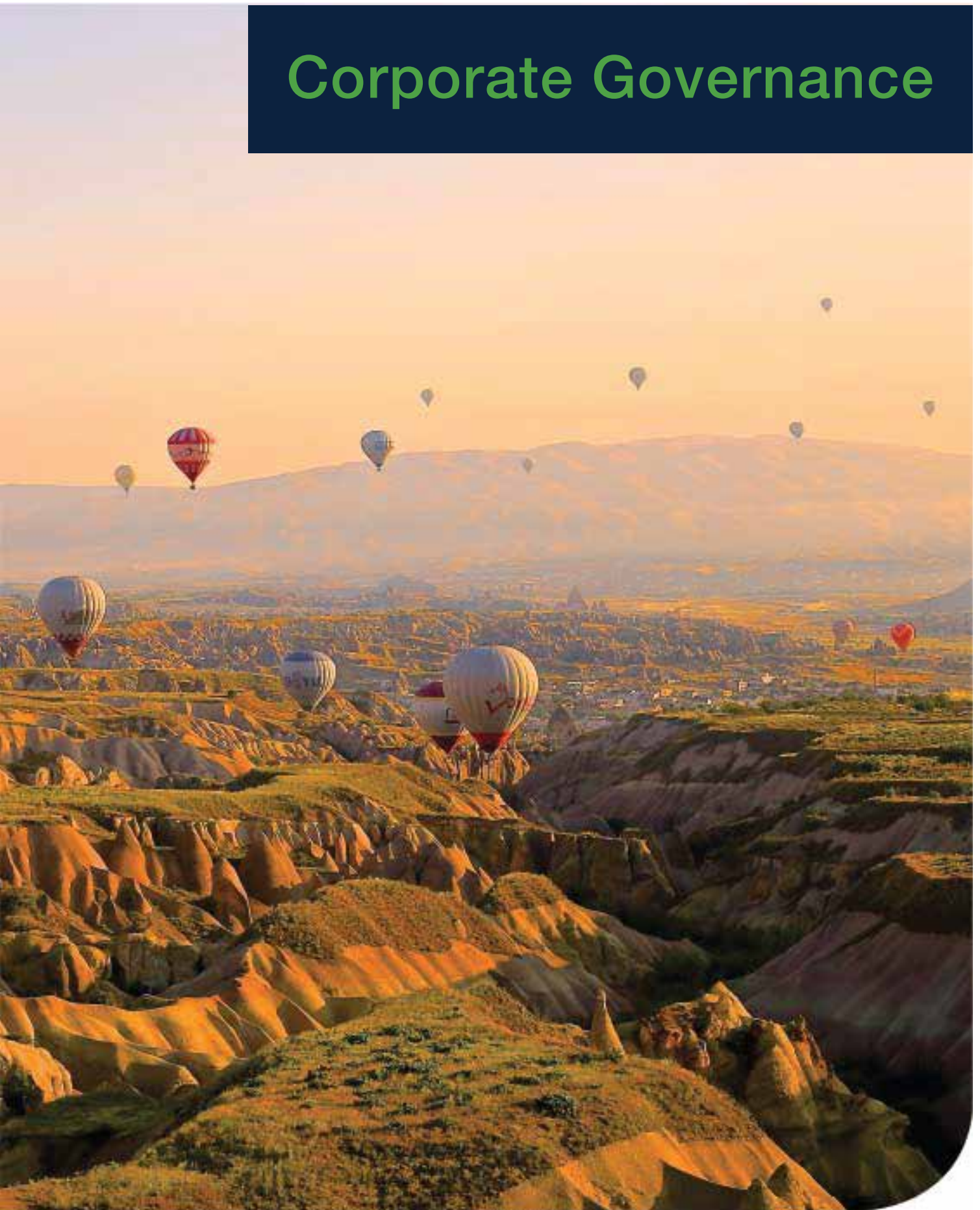
# Corporate Governance

Overview

Financial and Operating Review

CORPORATE GOVERNANCE

Supplementary Information



# Board of Directors



**Mr. Bharat Padmanabhan**  
*Chairman* Age: 51

Appointed to the Board on 8 April 2016, Mr. Padmanabhan currently is Regional Head of Global Banking, ASEAN & South Asia, and a Member of the CIB Management Team of Standard Chartered Bank. Mr. Padmanabhan has over 23 years of professional experience in the banking and finance industry. He joined Standard Chartered Bank in 1997 and has held various senior roles within Corporate and Institutional Banking

including Regional Head, Corporate and Institutional Banking, ASEAN & South Asia; Global Head of Sales & Client Management of Transaction Banking; Head of Structured Trade Finance & Financing Solutions; Head of Client Coverage in Indonesia and China; and Head of Financial Institution in United Kingdom and India, prior to his current appointment.

Mr. Padmanabhan received a Master degree in Business Administration (Banking & Finance) from University of Birmingham, United Kingdom; a Master degree in International Business from Ecole Nationale Des Ponts Et Chaussees, Paris, France; and a Bachelor degree in Commerce from University of Madras, India.



**Mr. Faisal Abu Shaar**  
*Director*  
*Chief Risk Officer*

Appointed to the Board on 8 December 2016, Mr. Abu Shaar is currently Chief Risk Officer and Senior Credit Officer, Thailand and Representative Offices. He has over 24 years of international banking experience across markets in ASEAN and Middle East. Mr. Abu Shaar joined Standard Chartered Bank in 2011 as Senior Credit Officer, Standard Chartered Bank

Jordan, and later was Senior Credit Officer, Standard Chartered Bank Singapore, prior to his current appointment. Prior to joining Standard Chartered Bank, he worked for HSBC Bank Jordan as Chief Operating Officer.

Mr. Abu Shaar received a Master degree in Political Science/International Relations from University of Jordan; and a Bachelor degree in Political Science/Economics & Statistics from University of Jordan.



**Mr. Ashish Jain**  
*Director*  
*Chief Financial Officer*

Appointed to the Board on 22 November 2017, Mr. Jain is currently Chief Financial Officer of Standard Chartered Bank (Thai) PCL. He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr. Jain has over 22 years of professional experience in the banking and finance industry.

He joined Standard Chartered Bank in 1995 as Finance Manager, Standard Chartered Bank, India, and later held various senior positions in finance function of Standard Chartered Bank in Philippines, United States and Singapore. Prior to joining Standard Chartered Bank, he worked with Ernst & Yong, Bahrain; and PricewaterhouseCoopers, India.

Mr. Jain received a Bachelor degree in Commerce (Honours) from Delhi University, India.



**Prof. (Special)  
Somchai Richupan Ph.D.**  
*Independent Director*  
Member of the Audit Committee  
Member of the Nomination and Remuneration Committee Age: 79

Appointed to the Board on 1 August 2005, Prof. Somchai served as Director General, Fiscal Policy Office and Excise Department, Ministry of Finance from 1992-1999; a Member of the Board of Directors of Bank of Thailand during 1995-1997; a Member of the Payment System Board of Bank of Thailand during 2002-2006; Chairman of Public Sector Audit Committee, Ministry of Finance during 2009-2013, Chairman of Economic Committee of National Reform

Council during 2014-2015; and a Member of National Reform Steering Assembly; Spokesperson of Economic Committee of National Reform Steering Assembly; and Chairman of Subcommittee on Money and Finance of National Reform Steering Assembly during 2015-2017. He is currently President of the Siam Development Institute; Chairman of the Board of Directors of Samitivej Hospital Plc; Chairman of the Board of Directors of Double A (1991)

Public Co., Ltd; Law Councilor of the Council of State; a Board Member of the Commission on Decentralization of State Power to Local Authorities and a Board Member of Law Reform Commission Office.

Prof. Somchai received a Master degree and PhD degree in Economics from the University of Florida, USA; and a Bachelor degree in Economics from Thammasat University, Thailand



**Ms. Thippaporn Gertphol**

*Independent Director*

*Chairman of the Audit Committee*

**Member of the Nomination and Remuneration Committee Age: 68**

Appointed to the Board on 27 June 2003, Ms. Thippaporn has worked for Standard Chartered Bank for 33 years and had held several key positions including Country Manager and Head of Global Markets, Thailand and Mekong Area. She is currently Advisor for Banpu Plc; Director and Treasurer of the National Defense College (Class 4313); Director of the Tax Accounting Committee,

Federation of Accounting Professions and Independent Director of Bhiraj Reit Management Co., Ltd.

Ms. Thippaporn received a Bachelor degree in Accounting from Thammasat University and completed an International Management Program from Insead Euro-Asia Centre in France.

She also received a Certificate from the Director Certification Program (Class 14); a Certificate of Completion of Advanced Audit Committee from the Thai Institute of Directors; a Diploma from the National Defence College (Class 4313); and a Certificate from Capital Market Academy (Class 5).



**Mr. Pakorn Malakul Na Ayudhya**

**Independent Non-Executive Deputy Chairman**

**Chairman of the Nomination and Remuneration Committee**

**Member of the Audit Committee Age: 75**

Appointed to the Board on 1 October 2002, Mr. Pakorn had worked for the Bank of Thailand for over 30 years. He served as Deputy Governor of Bank of Thailand during 2000-2002; Secretary of the Office of Securities and Exchange Commission during 1995-1999; Chairman of Stock Exchange of Thailand during 2007-2009; a Member of Sub Performance

Agreement Committee of the Comptroller General's Department during 2012-2018 and Chairman of TSFC Securities Pcl. during 2009 - 2018. He is currently Chairman of AIRA Capital Pcl; Chairman of AIRA Property Co., Ltd; Chairman of Interlink Telecom Pcl; Deputy Chairman of Institute of Research and Development for Public Enterprises; an Expert on

Corporate Governance and Social Responsibility, Stock Exchange of Thailand; President of Association of Capital Market Academy and State Enterprise Director Nomination Subcommittee.

Mr. Pakorn received a Bachelor degree in Economics from Queen's University of Belfast, Northern Ireland; and a Diploma from the National Defence College in 1996.



**Mr. Plakorn Wanglee**

*Director*

*President and Chief Executive Officer*

**Age: 51**

Appointed to the Board on 1 September 2016, Mr. Plakorn is currently President and Chief Executive Officer, Thailand and Representative Offices. Mr. Plakorn has over 24 years of professional experience in the Banking and Finance Industry. He joined Standard Chartered Bank (Thai) PCL in 2012 as Head of Origination and Client Coverage & Co-Head of

Wholesale Bank, and later held the senior positions of Head of Corporate & Institutional Clients; Head of International Corporates; and Head of Global Banking, prior to his current appointment. Prior to joining Standard Chartered Bank (Thai) PCL, he worked for the Royal Bank of Scotland, Thailand as a Country Executive.

Mr. Plakorn received a Master degree in Business Administration in Finance from University of San Francisco, USA; and a Bachelor degree in Accounting from Chulalongkorn University, Thailand.



# Senior Management



**Mr. Plakorn Wanglee**

*Director*

*President and Chief Executive Officer*

**Age: 51**

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**Education :**

Master of Business Administration in Finance from University of San Francisco, USA and a Bachelor of Accounting from Chulalongkorn University, Thailand.



**Ms. Anchalee Bunsongsikul**

*Country Head, Global Banking*

**Age: 47**

Ms. Anchalee joined Standard Chartered in Thailand in 2012 as Head, Corporates, Corporate & Institutional Clients and further appointed as Head, Financial Markets, Thailand in 2015, prior taking on the role of Country Head, Global Banking, Thailand in June 2017. She brings

extensive client knowledge and experience as well as product knowledge. Ms. Anchalee has provided an intuitive and aligned approach in delivering the Bank in entirety – from client coverage to origination, products, solutions and support – to our clients.

**Education :**

Master of Science in Finance from Saint Louis University, USA and Bachelor of Business Administration from Chulalongkorn University



**Ms. Ketrat Viriyaprapaikit**

*Country Head, Financial Markets and Head, Financial Markets Sales*

**Age: 42**

Ms. Ketrat joined Standard Chartered in 2008 as Head, Local Corporate Sales in FM, and was promoted to her current position in 2017. Prior to that, Ms. Ketrat covered Financial Institutional Sales at Deutsche Bank Global Markets. She has led the Thailand team in developing and executing

innovative solutions for Thai clients and closing episodic deals.

**Education :**

Master of Science in Finance from Imperial College, University of London, UK and Bachelor in Political Science

(Public Finance) from Chulalongkorn University (First Class Honours)



**Ms. Parnkae Nandavisai**

*Country Head, Transaction Banking*

**Age: 54**

Ms. Parnkae rejoined Standard Chartered Bank in 2016 as Country Head of Transaction Banking, Thailand. She possesses almost 30 years of experiences in Banking and Finance. During her career, she has extensive experiences with local and international financial institutions in New York, Malaysia, Singapore,

and Thailand. She has strong background in transaction banking product development and management skills serving all client segments including Local Corporates, MNCs, SME and Financial Institutions. Ms. Parnkae initially joined Standard Chartered Bank, Thailand in 2001 in Financial Institutions,

Multinational Corporates and Transaction Banking consecutively.

**Education:**

Master of Business Administration in Finance from Southern Illinois University, USA and Bachelor of Business Administration from Chulalongkorn University





**Ms. Chew Kim Ling**  
Chief Operating Officer

Ms. Kim joined Standard Chartered Bank Singapore in 1988 and has also worked for Citibank Singapore for 4 years. She has nearly 30 years experience in corporate & institutional banking sales, as well as regional governance offices. Prior to joining Standard Chartered Bank Thailand in 2016, she held the position of Head,

ASEAN Regional CEO Office in Standard Chartered Bank.

Education:  
Bachelor of Business Administration with Honours from The National University of Singapore

Age: 52



**Mr. Faisal Abu Shaar**  
Director  
Chief Risk Officer

Mr. Abu Shaar joined Standard Chartered Bank, Thailand in 2016. He possesses more than 24 years of experience in the financial services industry with a strong track record in risk, business and operations and a diversified experience across markets in ASEAN and Middle East spanning all segments across Corporate and

Commercial Banking. In his previous roles, Mr. Abu Shaar was the Senior Credit Officer (SCO), Singapore, Australia and Philippines at Standard Chartered Bank, Singapore and Senior Credit Officer (SCO) at Standard Chartered Bank, Jordan. His former role prior to joining Standard Chartered Bank was the Chief Operating

Officer (COO) for HSBC Bank Middle East, Jordan.

Education:  
Master of Science in Political Science/International Relations from University of Jordan and Bachelor of Science in Political Science / Economics and Statistics from University of Jordan

Age: 48



**Mr. Ashish Jain**  
Director  
Chief Financial Officer

Appointed to the Board on 6 November 2017, Mr. Jain is currently the Chief Financial Officer of Standard Chartered Bank (Thai) PCL. He has more than 22 years of experience with Standard Chartered Bank and has held numerous finance leadership roles across different countries

and at Group. In his previous roles, Ashish was the Head of Finance for Standard Chartered Bank, Singapore and Chief Financial Officer for Standard Chartered Bank, Philippines.

Education:  
Qualified Chartered Accountant from Institute of Chartered Accountants of India (ICAI), and Bachelor of Commerce (Hons.) from Delhi University, India.

Age: 52



**Mr. Christopher Melbourne Jenkins**  
Chief Information Officer

Mr. Jenkins joined Standard Chartered Bank in 1991. He has over 27 years of international banking operations experience across a series of diversified country, regional, and global roles covering Trade, Credit, Cash, SME Operations & Infrastructure. He has worked in different markets including

London, Nigeria, India and Singapore prior to becoming the CIO for Group SME in 2011. He is an experienced business leader with comprehensive understanding of global operations, process re-engineering, operational hubbing, risk management and product solutioning.

Education:  
Advanced Certificate in Overseas Trade from Middlesex University, London, England.

Age: 48



Ms. Saraswadee joined Standard Chartered Bank in 2008. She brings decades of experience to the Bank and has proven track record of leading HR and people management functions. She held the position of the Country Head Human Resources for many reputable international corporations in diverse industries

including automotive, FMCG, electronics and insurance.

She previously held the position of Head of HR Retail Banking, ITO and Support Functions for Standard Chartered Bank.

**Education :**

Master of Science from SASI N Graduate School and a Bachelor of Political Science (International Relations) from Thammasat University

**Ms. Saraswadee Kupatapong**

*Country Head, Human Resources*

**Age: 49**



Ms. Chote-apa joined Standard Chartered Bank in 2017. Ms. Chote-apa comes with 24 years of experience in the banking and financial industry. She has previously worked as Team Head in the Reserves Management Division at the Bank of Thailand and as Consultant at Accenture Thailand.

Prior to joining Standard Chartered Bank (Thai) PCL, she worked for BNP Paribas where she led the Compliance Department for the Bangkok branch.

**Education :**

Master of Business Administration in Finance from Kenan-Flagler Business School, the University of North Carolina, USA and Bachelor of Computer Science from Thammasat University

**Ms. Chote-apa Suangpong**

*Country Head, Compliance*

**Age: 45**



Mr. Nitiphong joined Standard Chartered in 2013 as Head, Local Corporate under Corporate and Institutions Banking and was transfer to Commercial Banking in 2016 as Head, Local Corporate, Commercial Banking. Mr. Nitiphong has been appointed as Acting Country Head, Commercial Banking in

June 2017 to ensure proper governance and to oversee the management of Commercial Banking team as well as to maintain business continuity. Prior to that, Mr. Nitiphong has significant experiences and knowledge from both Foreign and Local Bank.

**Education :**

Master of Business Administration from Sasian Graduate Institute and Bachelor in General Management, Finance and Banking from Assumption University

**Mr. Nitiphong Tejavanija**

*Acting Country Head, Commercial Banking and Head, Local Corporates*

**Age: 49**



Ms. Sudarat joined Standard Chartered Bank in 2013. She has 30 years of experience with both local and international banks, as well as consulting firms, where she focused on Auditing, Risk Management and Technology and Operations. She previously held the position of Chief Risk Officer at a local bank prior joining Standard Chartered Bank.

**Education :**

Bachelor of Arts (Political Science) in International Relations from Chulalongkorn University and Designation in Application Programming from University of California, Los Angeles, USA.

**Ms. Sudarat Kongtreekaew**

*Country Head, Audit*

**Age: 58**



Board of Directors

SENIOR MANAGEMENT

Organisation Chart

Structure of Management

Internal Control

Corporate Governance

Risk

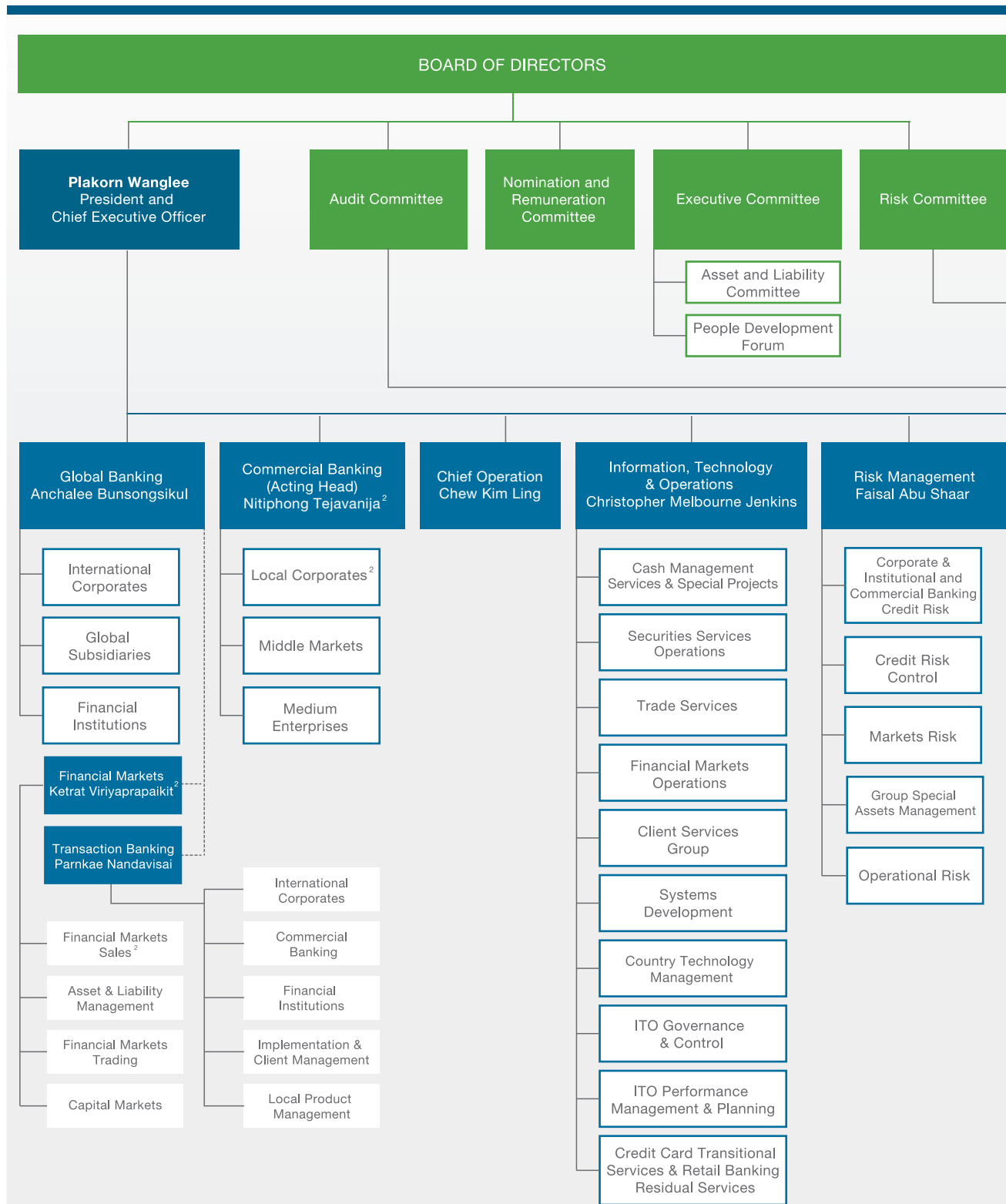
Selection of directors and senior executives

Nomination and Remuneration Committee Report

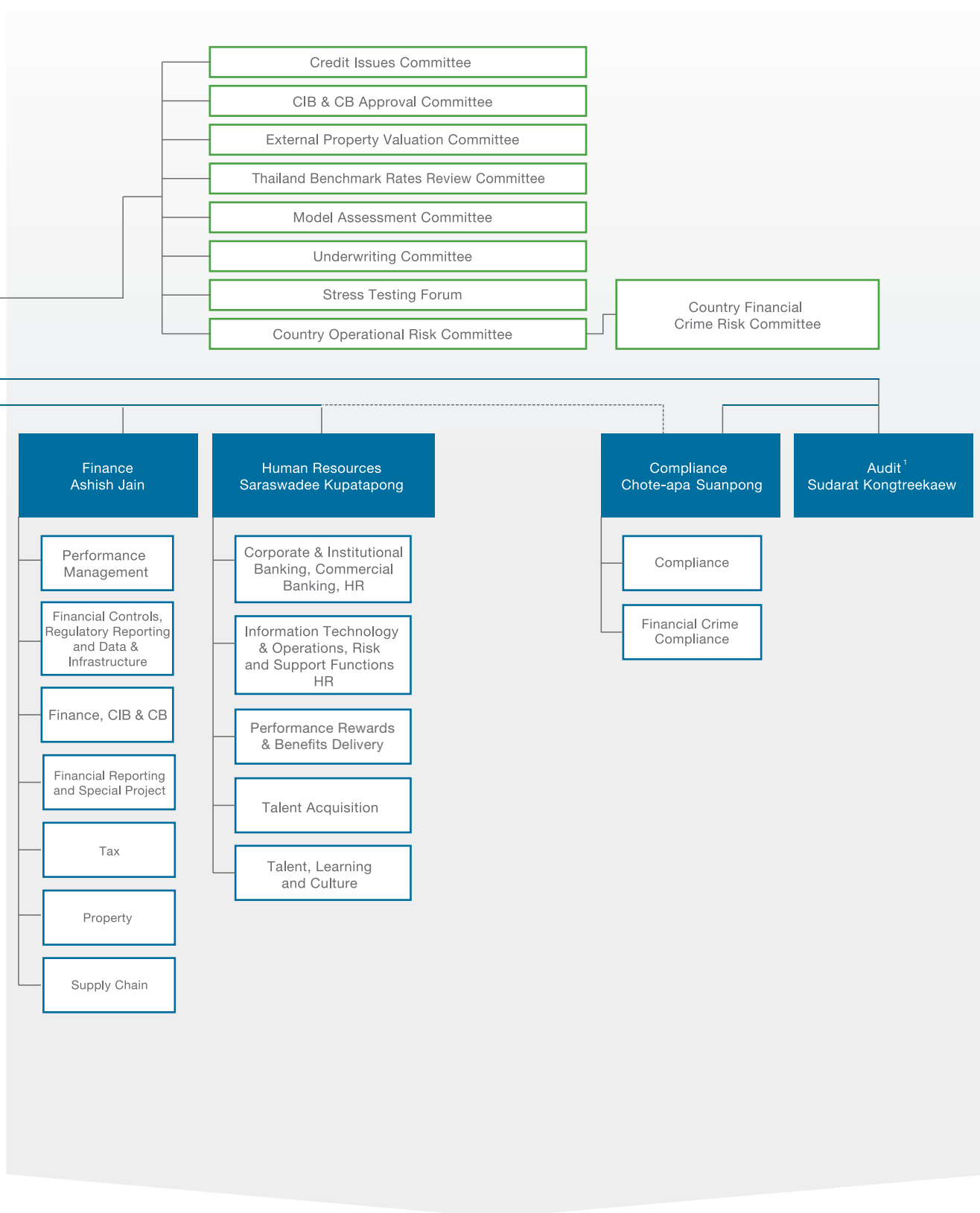
Audit Committee Report



# Organisation Chart



Remarks : 1. Audit and Legal are not part of Country Management Team  
2. Double-hatting Role





## 1. The Board of Directors

As of 31 December 2017, the members of the Board of Directors are:

- Secretary :  
Ms. Chalida Chakrevarat

As of 31 December 2017, the directors authorised to act on behalf of the Bank are:

- Authorisation conditions: Two of the three directors jointly sign with the Company's seal affixed.

In 2017, there were 9 meetings of the Board of Directors. The meeting attendance record of each director in 2017 is presented below :

Name	Period	Attendance/Number of Meetings
Mr. Bharat Padmanabhan	01 Jan 17 – 31 Dec 17	09/09
Mr. Pakorn Malakul Na Ayudhya	01 Jan 17 – 31 Dec 17	08/09
Ms. Thippaporn Gertphol	01 Jan 17 – 31 Dec 17	09/09
Prof. (Special) Somchai Richupan Ph.D.	01 Jan 17 – 31 Dec 17	08/09
Mr. Plakorn Wanglee	01 Jan 17 – 31 Dec 17	09/09
Mr. Faisal Abu Shaar	01 Jan 17 – 31 Dec 17	09/09
Mr. Ashish Jain *	01 Jan 17 – 31 Dec 17	01/01

\* appointed as director prior to the last Board Meeting of the year

## 2. Executive Committee

The Executive Committee is responsible for the day-to-day management, operations, and control of the Bank in conformity with policies and strategies approved by the Board of directors. The Country Management Team (previously known as the Core Executive Committee) is currently chaired by the CEO and comprises of senior executives from Global Banking, Commercial Banking, Financial Markets, Transaction Banking, Risk Management, Information Technology and Operations, Finance, Human Resources, COO and Compliance.

As of 31 December 2017, the members of the Country Management Team are:

- |                                      |   |
|--------------------------------------|---|
| 1. Mr. Plakorn Wanglee               | President and Chief Executive Officer                             |
| 2. Ms. Anchalee Bunsongsikul         | Country Head, Global Banking                                      |
| 3. Mr. Nitiphong Tejavanija          | Acting Head, Commercial Banking                                   |
| 4. Ms. Kettrat Viriyaprapaikit       | Country Head, Financial Markets and Head, Financial Markets Sales |
| 5. Ms. Parnkae Nandavisai            | Country Head, Transaction Banking                                 |
| 6. Mr. Faisal Abu Shaar              | Chief Risk Officer  |
| 7. Mr. Christopher Melbourne Jenkins | Chief Information Officer   |
| 8. Mr. Ashish Jain                   | Chief Financial Officer   |
| 9. Ms. Saraswadee Kupatapong         | Country Head, Human Resources                                     |
| 10. Ms. Chew Kim Ling                | Chief Operating Officer   |
| 11. Ms. Choteapa Suanpong            | Country Head, Compliance  |

Secretary:  
Mr. Krerk Kritchanarat, Business Planning, CEO Office

### 3. Audit Committee

The Audit Committee appointed by the Board of Directors, comprises three Independent Directors; one of whom has a professional background in finance, accounting, and internal controls. The major responsibilities of the Audit Committee are to review the sufficiency and credibility of financial reporting; to review the adequacy and effectiveness of internal control systems and internal audit functions; to review any required compliance matters to ensure adherence to the rules and regulations of Financial Institutions Business Act and any other relevant law and regulations; to consider and advise the appointment of the external auditors, decide on the appropriate level of audit fees and disclosure compliance on any aspect of connected transactions and conflicts of interest.

As of 31 December 2017, the members of the Audit Committee are :

1. Ms. Thippaporn Gertphol	Chairman
2. Mr. Pakorn Malakul Na Ayudhya	Member
3. Prof. (Special) Somchai Richupan Ph.D.	Member

Joint Secretary :

1. Ms. Sudarat Kongtreekaew	Country Head, Audit
2. Ms. Chalida Chakreyarat	Company Secretary

### 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors appointed by the Board of Directors. The key responsibilities of the Committee involve the setting up policies, rules and procedures relating to (i) the nomination process for the selection of persons to serve as directors on the Board of Directors of Standard Chartered Bank (Thai) PCL., (ii) the nomination process for members in subcommittees whose responsibilities and authorities are directly granted by the Board of Directors, as well as (iii) the nomination process for senior executives from the level of Executive Vice President and above, or any person of equivalent rank, whatever the name of the position. The Committee selects and proposes names of qualified candidates for such positions to the Board of Directors for consideration and approval. The Committee also promotes transparency and consistency in the formulation and application of remuneration and benefits of the directors and senior executives from the level of Executive Vice President and above, or any person of equivalent rank, whatever the name of the position, to enable the Board of Directors to make appropriate decisions on remuneration.

As of 31 December 2017, the members of the Nomination and Remuneration Committee are :

1. Mr. Pakorn Malakul Na Ayudhya	Chairman
2. Ms. Thippaporn Gertphol	Member
3. Prof. (Special) Somchai Richupan Ph.D.	Member

Secretary :

Ms. Chalida Chakreyarat	Company Secretary
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### 5. Risk Committee

The Risk Committee's main responsibilities are to provide leadership on forward looking and anticipated risk issues covering strategic risk, operational risk, credit risk, market risk, reputational risk, legal and regulatory risk, etc. The Committee also supervises and directs the management of all risks within the Bank to be in accordance with standards of the Standard Chartered Group and policies as approved by SCBT's Board of Directors.

As of 31 December 2017, the members of the Risk Committee are :

1. Mr. Plakorn Wanglee	President and Chief Executive Officer as Chairman
2. Mr. Faisal Abu Shaar	Chief Risk Officer
3. Mr. Ashish Jain	Chief Financial Officer
4. Ms. Choteapa Suanpong	Country Head, Compliance
5. Mr. Kraits Pliangbangchang	Country Head, Legal
6. Chris Jenkins	Chief Information Officer
7. Ms. Saraswadee Kupatpong	Country Head, Human Resources
8. Ms. Anchalee Bunsongsikul	Country Head, Global Banking
9. Mr. Nitiphong Tejavanija	Acting Head, Commercial Banking

Secretary :

Mrs. Sodkanok Asavapivat	SVP, CIB & CB Credit Risk
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## 6. Corporate & Institutional Banking and Commercial Banking Approval Committee (CIB & CB AC)

The CIB & CB AC supervises and directs the credit risk management of accounts under Corporate & Institutional Banking and Commercial Banking, including regular and problem accounts. Its main responsibilities are to review and approve credits and other matters as required by credit policies, as well as to review and monitor portfolio performance. The Committee also ensures that an effective risk management process is in place and functioning and such process and procedure meets the standard laid down in the "Risk Policies and Procedure" and "Group Special Assets Management, Group Policy and Procedures Manual" of Standard Chartered Group as adopted by SCBT Board of Director from time to time to the extent they are relevant to the business of SCBT and local regulatory requirement.

As of 31 December 2017, the members of the CIB & CB AC are :

1. Mr. Faisal Abu Shaar	Chief Risk Officer as Chairman
2. Mr. Wasant Polcharoen	SVP, CIB & CB Credit Risk
3. Ms. Sodkanok Asavapivat	SVP, CIB & CB Credit Risk
4. Ms. Anchalee Bunsongsikul	Country Head, Global Banking
5. Mr. Nitiphong Tejavaniya	Acting Head, Commercial Banking

Joint Secretary :

Ms. Buntita Piamthipmanus	VP, Credit Risk Control
Ms. Paramee Khwansuwan	AVP, Credit Risk Control

## 7. Country Operational Risk Committee

The Country Operational Risk Committee's main responsibilities are to oversee, assess, and monitor the Bank's operational risk exposures and to ensure full compliance with internal policies and relevant regulations.

As of 31 December 2017, the members of the Country Operational Risk Committee are :

1. Mr. Plakorn Wanglee	President and Chief Executive Officer as Chairman
2. Mr. Ashish Jain	Chief Financial Officer
3. Mr. Faisal Abu Shaar	Chief Risk Officer
4. Mr. Nitiphong Tejavaniya	Acting Head, Commercial Banking
5. Ms. Anchalee Bunsongsikul	Country Head, Global Banking
6. Ms. Kettrat Viriyaprapaikit	Country Head, Financial Markets and Head, Financial Markets Sales
7. Ms. Parnkae Nandavisai	Country Head, Transaction Banking
8. Mr. Kraits Plianbangchang	Country Head, Legal
9. Ms. Choteapa Suanpong	Country Head, Compliance
10. Mr. Christopher Melbourne Jenkins	Chief Information Officer
11. Ms. Saraswadee Kupatapon	Country Head, Human Resources
12. Ms. Kim Ling Chew	Chief Operating Officer
13. Mr. Pharkpoom Sukhambhiranond	SVP, Operational Risk

Secretary :

Mr. Pharkpoom Sukhambhiranond	SVP, Country Operational Risk
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## 8. Credit Issues Committee

The Credit Issues Committee's three main responsibilities, covering Corporate & Institutional Banking (CIB), Commercial Banking (CB), Retail Banking and Group Special Assets Management (GSAM), are as follows: First, review portfolio reports and out come from portfolio reviews to ensure credit issues / adverse trends in the portfolio are identified and addressed through appropriate actions. Second, maintain an effective oversight over the existing early alert (EA) portfolio, including the movement in and out of EA, review the proposed actions and escalate as appropriate. Third, review and monitor remedial strategies and actions for credit accounts, which require special supervisions due to impairment of their credit quality

As of 31 December 2017, the members of the Credit Issues Committee are :

1. Mr. Plakorn Wanglee	President and Chief Executive Officer as Chairman
2. Mr. Faisal Abu Shaar	Chief Risk Officer
3. Ms. Anchalee Bunsongsikul	Country Head, Global Banking
4. Mr. Nitiphong Tejavaniya	Acting Head, Commercial Banking
5. Mr. Wasant Polcharoen	SVP, CIB & CB Credit Risk
6. Ms. Sodkanok Asavapivat	SVP, CIB & CB Credit Risk
7. Mr. Kachapod Chanasuson	VP, GSAM

#### Joint Secretary :

Ms. Buntita Piamthipmanus  
Ms. Paramee Khwansuwan  
Mr. Kachapod Chanasuson

VP, Credit Risk Control  
AVP, Credit Risk Control  
VP, GSAM

### 9. Model Assessment Committee

The main responsibilities of the Model Assessment Committee are to assess models for their suitability and compliance with local regulatory requirements before recommending the models to the Risk Committee for approval, ensure that periodic model assessments are undertaken and to ensure that deliverables are completed and delivered.

#### As of 31 December 2017, the members of the Model Assessment Committee are :

- |                                |   |
|--------------------------------|---|
| 1. Mr. Faisal Abu Shaar        | Chief Risk Officer  |
| 2. Mr. Ashish Jain             | Chief Financial Officer   |
| 3. Ms. Anchalee Bunsongsikul . | Country Head, Global Banking                                      |
| 4. Mr. Nitiphong Tejavanija    | Acting Head, Commercial Banking                                   |
| 5. Ms. Ketrat Viriyaprapaikit  | Country Head, Financial Markets and Head, Financial Markets Sales |
| 6. Ms. Choteapa Suanpong       | Country Head, Compliance  |

#### Secretary :

Ms. Sodkanok Asavapivat      SVP, CIB & CB Credit Risk

### 10. External Property Valuation Committee

#### As of 31 December 2017, the members of the External Property Valuation Committee are :

- |                              |  |
|------------------------------|--|
| 1. Mr. Faisal Abu Shaar      | Chief Risk Officer                                   |
| 2. Mr. Wasant Polcharoen     | SVP, CIB & CB Credit Risk                            |
| 3. Mrs. Sodkanok Asavapivat  | SVP, CIB & CB Credit Risk                            |
| 4. Ms. Thitiporn Suriyakamol | SVP, Credit Risk Control                             |
| 5. Ms. Watcharin Temphuwapat | SVP, Credit Risk Control – Credit Documentation Unit |

#### Secretary :

Mrs. Buntita Piamthipmanus      VP, Credit Risk Control  
Ms. Paramee Khwansuwan      AVP, Credit Risk Control

### 11. Stress Testing Forum

The Stress Testing Forum develops stress scenarios, assesses impacts both qualitative and quantitative across risk types on stress test results, recommends mitigating actions, and establishes management triggers for Risk Committee and Asset and Liability Committee approvals.

#### As of 31 December 2017, the members of the Stress Testing Forum are :

- |                         |                                       |
|-------------------------|---------------------------------------|
| 1. Mr. Faisal Abu Shaar | Chief Risk Officer                    |
| 2. Mr. Jain Ashish      | Chief Financial Officer               |
| 3. Mr. Plakorn Wanglee  | President and Chief Executive Officer |
| 4. Mr. Adisorn Bootcham | VP, Market Risk                       |

#### Secretary :

Mr. Wasant Polcharoen      SVP, CIB & CB Credit Risk

### 12. Thailand Benchmark Rates Review Committee

The Benchmark Rates Review Committee is required by applicable regulations and guidelines such as “Code of Conduct for BIBOR submission” by Bank of Thailand to govern the benchmark rates setting, submission, monitoring and review policies.

### As of 31 December 2017, the members of Thailand Benchmark Rates Review Committee are :

- |                               |   |
|-------------------------------|---|
| 1. Ms. Ketrat Viriyaprapaikit | Country Head, Financial Markets and Head, Financial Markets Sales |
| 2. Ms. Saranun Puasirirutskul | SVP, Compliance   |
| 3. Mr. Adisorn Bootcham       | VP, Market Risk   |

#### Secretary:

Ms. Phoonisa Charoentong	VP, Financial Markets
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### 13. Underwriting Committee (UWC)

The Underwriting Committee's main responsibilities are to approve underwriting applications for the Primary Book in accordance with the terms and conditions of the product programme for Fixed Income and to oversee the secondary market corporate trading activities within Global Markets; to review, opine and make decisions on "stick" positions and to consider any other business within Corporate & Institutional Clients that the Chairman of the underwriting committee deems appropriate, e.g. asset securitisation.

### As of 31 December 2017, the members of the UWC are :

- |                               |   |
|-------------------------------|---|
| 1. Mr. Faisal Abu Shaar       | Chief Risk Officer  |
| 2. Ms. Ketrat Viriyaprapaikit | Country Head, Financial Markets and Head, Financial Markets Sales |
| 3. Ms. Anchalee Bunsongsikul  | Country Head, Global Banking                                      |
| 4. Mr. Adisorn Bootcham       | VP, Market Risk   |

#### Secretary :

Mr. Sombat Jiwariyavej	SVP, Capital Markets
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# Internal controls

The effectiveness of the Bank's internal control system is reviewed regularly by the Board, Executive Committee, Senior Management, and Country Internal Audit.

The Audit Committee monitors the integrity of the Bank's financial reporting, compliance, and internal control environment. Country Internal Audit regularly updates the audit results to the Audit Committee, the Chairman, and the Country Chief Executive Officer.

The findings of all adverse audits are reported to the Audit Committee, Country Operational Risk Committee, and the Country Chief Executive Officer where any necessary immediate corrective actions are undertaken.

Country Internal Audit performs an independent review of the areas determined by risk assessment to ensure

that the established controls are operating effectively and as intended. This will also ensure compliance with local rules and regulations, Group policies, and procedures including the operational risk management framework.

The Audit Committee reviewed the effectiveness of the Bank's internal control system during the year ended 31 December 2017, and reported to the Board.

The Audit Committee has reviewed and approved the annual audit plan, monitored the status of the ongoing audit work, and reviewed the key findings with the Country Head of Audit. In this respect, based on the work completed and reports from 2017, the Audit Committee is satisfied that no matter requires separate disclosure under this heading. The Bank's external auditors

have also been invited to raise any matter they considered pertinent relating to the control environment and the financial statements with the Audit Committee.

The performance of the Bank's business is reported regularly to senior line management and the Board. Performance, trends, forecasts, and actual performance against budgets and prior periods are closely monitored. Financial Information is prepared using appropriate accounting policies, which are applied consistently. Operational procedures and controls have been established to facilitate complete, accurate, and timely processing of transactions and the safeguarding of assets. These controls include appropriate segregation of duties, the regular reconciliation of accounts, as well as the valuation of assets and positions.



# Corporate governance

The Bank realizes that good corporate governance is fundamental to its operational success as it enhances organizational efficiency and maximizes effectiveness for all concerned parties including shareholders, stakeholders, local banking communities, as well as society as a whole.

Translating these principles into practice, the Bank is committed to undertake its professional activities with prudence, fairness, honesty, and integrity. Moreover, the Bank has established a long-term strategic plan towards sustainable growth and has pursued its vision of professional practice that strengthens the organisation's competitive edge while adhering to accepted business codes of conduct and professional ethics. Its ultimate objectives are to maximize shareholders' economic value and to drive the organisation towards international banking practices underpinned by high operational standards and quality services.

In this regard, the Bank emphasizes having structures and procedures of good relationships among the Board of Directors, its management, and its shareholders in order to create confidence and enhance the trust of its shareholders, investors, stakeholders, and all concerned parties. It also places the utmost emphasis upon the roles and responsibilities of the Board of Directors and other governance committees and compliance with the good governance practices proposed by Bank of Thailand, the Securities and Exchange Commission, and the Standard Chartered Group to ensure the interests of all stakeholders are protected.

The Bank has formulated policies, regulations, and procedures for consideration and approval of related party transactions in compliance with all applicable regulations set out by Bank of Thailand and the Securities and Exchange Commission. The main aim is to ensure that its related party transactions with connected entities, including subsidiaries, affiliates, relevant companies and potential conflicting parties are in line with reasonable criteria and procedure to ensure that fair prices and conditions are applied. Not only do these measures result in optimum benefit to the Bank and its shareholders, but they will also prevent any conflict of interest.

The Bank has published and distributed to its employees the "Group Code of Conduct" adopted from the Standard Chartered Group

and approved by the Bank's Board of Directors as the business Code of Conduct for all staff. The Code governs a high standard of integrity, based on lawful practices and recommended business ethics. The Code outlines interpersonal dealings among bank staff and with outsiders. This code of conduct covers, among other topics, inside dealing, anti-bribery and corruption, managing of conflict of interests as well as Speaking Up.

## Board structure

As of 31 December 2017, the Board of Directors comprises seven Board members: three are Executive Directors, three are Independent Directors and one is Non-Executive Director who is overseas resident residing in Singapore.

Regarding the balance of power among Board members, at present there are three appointed Independent Directors, the number of which is in line with the corporate governance guidelines recommended by Bank of Thailand and the Securities and Exchange Commission. The guidelines propose that at least one third of the Board members are Independent Directors, and that the total number of Independent Directors on the Board should be no less than three. Each Independent Director possesses qualifications as required by Bank of Thailand and the Securities and Exchange Commission. In addition, in compliance with Bank of Thailand's good governance practices, each Board member currently provides his/her chairman, executive director, or director with signatory power, single or several, in other companies of not more than three business groups, so that he/she can efficiently perform his/her responsibility as the Board member and avoid any occurrence of possible conflicts of interest. The roles of the Chairman and the Chief Executive Officer are separated and are not the same person. The Chief Executive Officer, who also serves as the Board member, is in charge of the day-to-day management of the Bank.

## Sub Committees

### Audit Committee

The Audit Committee comprised three Independent Directors. The Chairman possesses strong knowledge and experience in reviewing financial statements. The Bank's Company Secretary and Head of Audit jointly work as the Secretaries to the Audit Committee.

The major responsibilities of the Audit Committee are to review the credibility and sufficient disclosure of the Bank's financial statements, to assess efficiency and suitability of internal audit and control systems, to ensure continued regulatory compliance, and to prepare the Annual Audit Committee Report. In addition, the Audit Committee also duly performs all prescribed tasks required by Bank of Thailand, the Securities and Exchange Commission, and the relevant laws and regulations.

The Audit Committee meets at least four times a year. The presence of two members forms a quorum for a meeting. If deemed suitable and appropriate, the Committee members can request a joint meeting with the presence of external auditors and key personnel of the Bank's various functions, such as Finance, and/or Compliance.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors nominated and appointed by the Board of Directors.

This Committee's scope of responsibility and major duties involves the setting up of policy, rules and procedures relating to the nomination and selection of persons to serve as the Board members of Standard Chartered Bank (Thai) PCL, members of subcommittee whose duties, responsibilities and authorities are directly given by the Board of directors, as well as senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position. The Committee selects and proposes names of qualified candidates for such positions to the Board of Directors for consideration and approval. The Committee provides strategic advice and assistance to the Bank's management in order to proactively promote efficiency and equilibrium in the Bank's managerial structure and human resources scheme.

The Committee also recommends remuneration and benefits policy as well as remuneration and benefits provided to the Board of Directors and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, and clean and transparent criteria for consideration and approval by the Board of Directors. In addition,



the Nomination and Remuneration Committee duly performs all prescribed tasks required by Bank of Thailand.

### Risk Committee

The Risk Committee comprises at least nine members who are appointed by the Board of Directors.

The Committee's main responsibilities are to provide leadership on forward looking and anticipated risk issues covering strategic risk, operational risk, credit risk, market and liquidity risk, reputational risk, legal and regulatory risk, etc. The Committee also supervises and directs the management of all risks within the Bank to be in accordance with standards of Standard Chartered Group and policies laid down by the Risk Committee.

### Other special committees

The Bank has formed other special committees to assist the Board of Directors in its supervisory and monitoring tasks, such as the Executive Committee, the Asset & Liability Committee, the People Development Forum, the Country Operational Risk Committee, the Credit Issue Committee, the Model Assessment Committee, the Corporate & Institutional Banking and Commercial Banking Approval Committee, the Thailand Benchmark Rates Review Committee, the External Property Valuation Committee, the Underwriting Committee, and the Stress Testing Forum. Details on their roles and duties appear in the "Structure of Management" section in this annual report.

### Role and responsibilities of the Board of Directors

The Board of Directors has a duty to formulate policies and the strategic direction of the Bank, as well as to ensure that the management team has properly and effectively implemented the Bank's policies, not only in accordance with their formulated guidelines, but also in compliance with prevailing legal frameworks and acceptable business ethics. The Board of Directors also considers issues related to possible conflicts of interest, as well as oversees operational controls, financial reporting and general risk management policy.

The Bank realises the principles of good corporate governance and sets best practices for the way in which companies are run and managed; the structure and role of the Board of Directors; relations with stakeholders and the framework of internal control. Therefore the Bank has always aspired to make governance responsibility a high priority, demonstrating this by its application of the principles of corporate governance policy and the charters and guiding principles set by other special committees, as the framework for governance within the Bank. Segregation of duties between the Board of Directors and

the management team is implemented to demonstrate the Bank's accountability towards its shareholders. The Board members enjoy complete freedom in expressing their views and making their decisions regarding operational policies that will yield maximum benefits to the Bank and its shareholders. The Board of Directors also takes an active role in regularly monitoring the management's performance and achievements.

It is the policy of the Standard Chartered Group that every aspect of its business and operations be conducted within a comprehensive system of delegated authority. Directors and employees are duly empowered to carry out the responsibilities given to them.

The Bank is committed to manage risk and to control its business and financial activities in a manner that enables it to maximise profitable business opportunities, avoid or reduce risks that can cause loss or reputational damage, ensure compliance with applicable law and regulations, and enhance resilience to external events. To achieve this, the Bank sets up an internal control and audit process to oversee management activities, authorisation limits, and risk assessment such as in banking transactions, operational functions, credit quality and financial reporting, etc. This process is reviewed regularly by the Board of Directors, which is responsible for ensuring that high standards of responsible business are maintained and that an effective control framework is in place.

In addition, job descriptions and organograms have been developed to illustrate particular responsibilities and reporting lines.

The principles for establishing delegated authority are clearly stated in the Bank's Delegated Authority Manual while the delegated authority of any individual employee is confirmed in writing so far as reasonably practicable and is subject to periodic review. In brief, the Bank has a well-designed internal control and audit system with monitoring elements to ensure that its operations consistently comply with applicable rules, regulations, laws, and ethical codes. The Bank also encourages the practice of good governance among its Board management, and staff by regularly updating them with prevailing compliance knowledge as well as promoting professionalism.

### Board meetings

The Board of Directors is scheduled to meet regularly at least nine times a year. It is compulsory for each Board member, either resident or non-resident, to attend these meetings. In case of an emergency or the inability to personally attend such meetings due to any unavoidable circumstance, teleconferences are then provided.

The Bank usually notifies the Board members in advance about yearly pre-scheduled Board

meeting dates. For each meeting, the agenda is clearly set and generally presented to the directors in advance through meeting notifications, attached with supplementary information for review and consideration. Such arrangements are undertaken to ensure timely receipt of information by all directors prior to any meeting date, so that they can efficiently perform their tasks in monitoring the Bank's business strategies, operating results and regulatory compliance. Top-level executives of the Bank are always invited to attend the Board meetings and to submit to the Board of Directors their relevant reporting. In the meetings, the Board of Directors also has opportunities to post questions, present their views, and provide suggestions to the executives, as well as thoroughly debate any issue at the Board meeting before conclusion. The minutes of each Board meeting are documented by the Company Secretary and subsequently submitted to the Board of Directors during their next meeting for verification and approval. All approved minutes are kept for future reference.

### Remuneration

The remuneration of the Board members is fixed by the resolution of the Shareholders' Meeting provided by a majority of votes of no less than two-thirds of the total votes cast. The Nomination and Remuneration Committee regularly monitors remuneration of the Board of Directors, and provides their recommendations to the Bank to ensure that levels of such remuneration are appropriate.

Four directors who are employees of Standard Chartered Group do not accept any remuneration for their directorship.

Additional details on the Bank's remuneration policy for directors are included in the "Structure of Management" section shown in this annual report.

### Board and Management training

The Board of Directors also encourages its members to attend key courses, arranged by the Thai Institute of Directors, for fiduciary knowledge and skill development. The Bank provides educational sessions on some banking products to the Board of Directors. The Bank also arranges regular training courses for its executives and constantly reviews succession plans for its key positions.

### Management of Inside and Confidential Information

- The Bank set up Code of Conduct for staff covering the use of inside information and personal account dealing policy, to eliminate risk on securities trading
- The Bank required directors and persons with management authority (as defined in the Financial Institution Business Act, A.D. 2008) to disclose and report the information on their shareholdings.



- The Bank strictly limited the use of hard disk drive and thumb drive of the staff to prevent the leakage of the Bank and the customers' data.
- The Bank set up the Data Leakage Prevention Policy and use Enterprise Investigations Management System (EIM) to help managers in case that their staff violate the policy by sending the confidential information to **unauthorised recipients outside the Bank** or sending information in a way that is against the policies of the Bank.

### Company Secretary

The Board of Directors appointed Ms. Chalida Chakreyarat as company secretary with the

responsibilities to support the Board on statutory and good corporate governance matters as set forth by law, to serve as the center for corporate records such as juristic person register, the memorandum and articles of associations, as well as to communicate to general shareholders. Educational background, work experience and records on attending relevant training programs are as follows:

Ms. Chalida joined Standard Chartered Bank (Thai) PCL in 2000 and held many positions in areas of Group Special Asset Management and Human Resources. She was appointed as Company Secretary in 2008. Prior to joining

the Bank, she held many front roles with various financial institutions including Deutsche Bank, Bank of Tokyo and Cathay Trust.

Ms. Chalida received a Bachelor of Banking and Finance from Chulalongkorn University; a Master of Business Administration from Oklahoma City University, USA. Also she completed the Company Secretary Program, Effective Minute Taking, Company Reporting Program and Board Reporting Program, of the Thai Institute of Directors.







# Risk

## 1. Strategic Risk

Strategic risk is the risk linked to undertaking business activities and providing services in the banking sector that is aligned to the strategic direction of the Bank. It directly correlates with economic cycles and global /regional/national political stability.

Fully aware of these factors and their related risks, the Bank always undertakes operations with prudence and is alert to any proactive and responsive reaction that may be required. Regular reviews of the performance of businesses are done to assess business risks and assure appropriate management reactions. The reviews include corporate financial performance measures, capital usage, resource utilisation, human resources and risk statistics to provide a broad understanding of the current business situation.

## 2. Credit Risk

Credit risk involves the risk of potential loss resulting from any failure of the Bank's borrowers or counterparties in honouring their financial or contractual obligations to the Bank and/or of their inability to settle obligations in accordance with the agreed terms.

In this respect, relevant credit exposures could include the Bank's borrowers from the Corporate & Institutional Banking ("CIB") and Commercial Banking ("CB") segments, as well as connected individuals and business groups of the Bank's trading parties and portfolios.

The overarching and forward-looking credit risk management tools implemented are governed by risk appetite and Business Risk Horizon principles. Credit authority for CIB and CB credit risk is delegated by the Risk Committee to Senior Credit Officer who is empowered to further delegate credit authority to other approvers to enable them to perform the daily approval tasks in accordance with the Risk Processes and Procedures adopted.

There are two credit committees that are relevant to credit risk management, including the CIB & CB Approval Committee ("CIB & CB AC") and the Credit Issue Committee ("CIC"). These committees comprise senior management from the Risk and Business functions, including the Chief Executive Officer. Responsibilities of these credit committees can be refer in more details in Section 7.

## Corporate and Institutional Banking and Commercial Banking Credit Risk ("CIB & CB Credit Risk")

CIB & CB Credit Risk includes the Bank's commercial lending to corporate and institutional clients such as organisations, banks and government entities, as well as payment risk of its counterparties for due financial contracts.

Credit officers are mainly responsible for the credit risk management of their portfolios in accordance with the Bank's guidelines and risk management practices, which cover items such as authorisation criteria, limit levels, credit control and collateral management.

Appropriate allocation and sound diversification of lending portfolios among suitable industries are also key objectives of the Bank. Additional CIB & CB credit risk measures include: a uniform risk rating procedure; regular credit risk monitoring by an independent Credit Risk Control (CRC) unit; standardised loan documentation; early identification of problem accounts and remedy thereof.

## 3. Liquidity Risk

Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet all its obligations as they fall due, or can only secure these financial resources at an excessive cost.

It is the Bank's policy to maintain adequate liquidity at all times, and hence to be in a position to meet obligations as they fall due. The Bank manages liquidity risk both on a short-term and medium-term basis. In the short term, the Bank's focus is on ensuring that the cash flow demands can be met where required. In the medium term the focus is on ensuring that the statement of financial position remains structurally sound and aligned to the strategy.

The Asset & Liability Committee (ALCO) is the responsible governing body to ensure that the financial position of the Bank is managed effectively in compliance with the policies and practice of the Standard Chartered Group, as well as, any other applicable regulatory requirements.

Treasury - Markets is responsible for the day-to-day management of all the liquidity risk arising in the Bank, executing liquidity

directives and operating within the liquidity policy and approved limits. Liquidity limits are regularly monitored by Treasury - Risk function that is independent from the business. Liquidity profiles are reviewed by ALCO on a regular basis.

The Bank's liquidity risk management framework requires limits to be set and monitored. All limits are reviewed at least annually, and more frequently if required, to ensure that they remain relevant given market conditions and business strategy. Compliance with limits is monitored independently on a regular basis by Treasury - Risk and Finance.

In addition, under liquidity stress scenarios, the Bank has to ensure that cash inflows exceed outflows under all stress scenarios. Liquidity stress tests are carried out daily on the Bank-specific scenario, monthly on the Market-wide scenario and quarterly on Combined scenarios. As at 31 December 2017, the Bank passed liquidity stress tests on all scenarios. Limit excesses are escalated and approved under a delegated authority structure and reported to the ALCO.

A substantial portion of the Bank's assets is funded by client deposits made up of current and saving accounts and other deposits. These client deposits, which are widely diversified by type and maturity, represent a stable source of funds. The ALCO monitors trends in the statement of financial position and ensure that any issues that might impact the stability of these deposits are addressed effectively. The ALCO also reviews the statement of financial position plans to ensure that projected asset growth is matched by growth in the stable funding base.

The Bank also has access to wholesale funding markets including commercial paper issuance to ensure that it has flexibility around maturity transformation, market intelligence and can obtain optimal pricing when performing interest rate risk management activities.

## 4. Market Risk

The Bank recognises market risk as the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. The Bank's exposure to market risk arises principally from client-driven transactions. The objective of the Bank's market risk policies and processes is to obtain the best balance of risk and return while meeting customers' requirements.



The primary categories of market risk for the Bank are:

- (a) Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities on interest rate options
- (b) Currency exchange rate risk: arising from changes in exchange rates and implied volatilities on foreign exchange options
- (c) Commodity price risk: arising from changes in commodity prices and commodity option implied volatilities; covering energy, precious metals, base metals and agricultural. For this category of market risk, the Bank is fully hedged through a back-to-back position

The Bank has established standards, principles, policies, and techniques for managing market risk. The Board of Directors approve the Bank's market risk limits taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. Market Risk function, which is independent from the business, measures and monitors exposures against the approved limits to ensure the Bank's market risk exposures are within acceptable levels.

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR (Value at Risk) methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 per cent. This confidence level suggests that potential daily losses, in excess of the VaR measures, are likely to be experienced six times per year.

The Bank applies two VaR methodologies:

- Historical simulation: involves the revaluation of all existing positions to reflect the effect of historically observed changes in market risk factors on the valuation of the current portfolio. This approach is applied for general market risk factors the majority of specific (credit spread) risk VaR.
- Monte Carlo simulation: this methodology is similar to historical simulation but with considerably more input risk factor observations. These are generated by random sampling techniques, but the results retain the essential variability and correlations of historically observed risk factor changes. This approach is now applied for some of the specific (credit spread) risk VaR in relation to idiosyncratic exposures in credit markets.

In both methods an historical observation period of one year is chosen and applied.

VaR is calculated as our exposure as at the close of business. Intra-day risk levels may vary from those reported at the end of the day.

Sensitivity measures are used in addition to VaR as a risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields. The Bank complements the VaR measurement by monthly stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

## 5. Operational Risk

Operational risk is the potential for loss from inadequate or failed internal processes, people, and systems or from the impact of external events, including legal risks. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. We seek to control operational risks to ensure that operational losses do not cause material damage to the Bank's franchise.

Operational risk can arise from all business lines and from all activities carried out by the Bank. We seek to systematically identify and manage operational risk by segmenting all the Bank's activities into end to end processes. Each of the processes has an owner who is responsible for identifying and managing all the risks that arise from those processes as an integral part of their first line responsibilities. Products and services offered to clients and customers in all our markets are also assessed and authorised in accordance with product governance procedures.

Although operational risk exposures can take many varied forms, we seek to manage them in accordance with standards that drive systematic risk identification, assessment, control and monitoring. These standards are challenged and reviewed regularly to ensure their ongoing effectiveness.

Identified operational risk exposures are rated 'low', 'medium', 'high' or 'very high' in accordance with defined risk assessment criteria. Risks that are outside set materiality thresholds receive a differential level of management attention and are reported to senior management and Country Operational Risk Committee. Significant external events or internal failures that have occurred are analysed to identify the root cause of any failure for remediation and future mitigation. Actual operational losses are systematically recorded.

The Country Operational Risk Committee, chaired by the Chief Executive Officer, oversees the management of operational risks across the Bank. The Country Operational Risk Committee operates on the basis of delegated authorities and terms of reference, derived from the Board of Directors.

## Other Related Risks

Other related risks are risks such as regulatory and reputational risks, which are the normal consequences of any business undertaking.

### 1. Regulatory Risk

Regulatory risk refers to the risk of failure to comply with laws, regulations, rules, standards, and Code of Conduct applicable to its financial activities, material financial loss, or loss to reputation or regulatory intervention a financial institution may suffer as a result of its failure to such compliance.

The Bank has comprehensive compliance framework consisting of Compliance Function, Compliance Policies and Procedures, together with Code of Conduct which is established as fundamental guidance for executives and staff of the Bank to promote compliance awareness. The Bank implements Compliance monitoring, and risk assessment to help ascertain proper compliance environment is in place. The compliance risk review plan is also set forth including the review of business areas, according to the risk theme. These can mitigate risks from business operations, legal and reputation risks and any important losses arising from non-compliance and also build credibility among all stakeholders including clients, employees, shareholders and

### 2. Reputational Risk

Reputation can be defined as a collection of perceptions and opinions, past and present, about an organisation that resides in the consciousness of its stakeholders and the public. Reputational risk is the potential that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the client base, costly litigation or revenue reduction. In addition, it relates to events or circumstances that could adversely impact an institution's reputation.

The Bank's measures regarding this risk include curbing the threat against any reputational damage, whilst leveraging opportunities to protect and enhance its reputation. It is also committed to following the guidelines of good corporate governance and pursuing business values such as integrity, accountability and transparency while monitoring and prohibiting any attempt to use its network and name as a vehicle in money laundering, terrorism or other illegal activities.

# Selection of directors and senior executives

## Selection of directors

The Nomination and Remuneration Committee reviewed nomination and selection policies, rules and procedures that were approved by the resolution of the Board of Directors' Meeting No. 9/2559 on 16 November 2016. The policy involves procedures of open and equal opportunity for nominations of qualified candidates on the grounds of suitable and appropriate educational backgrounds and work experience. The Committee members will make their best efforts in selecting suitable candidates and submit proposed nominations to the Board of Directors for their review and approval. Other than general qualifications, the main selection criteria also involve compliance of candidates' qualifications with applicable commercial banking laws such as the Public Limited Companies Act, the Financial Institutions Business Act, etc.

In every Annual General Meeting of Shareholders, one-third of the directors will retire by rotation. The Bank arranged for shareholders to elect each director to replace the outgoing directors one by one. In voting for election of directors, each shareholder shall have votes equal to the number of shares held by him/her multiplied by the number of directors to be elected. Each shareholder may cast all of his/her votes to elect a person or persons as directors. In the case of election of persons as directors, he/she may split as many votes to any persons. The persons obtaining the highest number of votes in descending order shall be elected as directors according to the number of directors electable in that election.

## Selection of senior executives

For senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, selection criteria are focused on individual competencies, experience and leadership. Apart from knowledge and professional experience in the required banking fields, it is also expected that senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, have a good understanding of Standard Chartered Group's business culture and strategies. In addition, the candidates must not have a questionable character according to applicable commercial banking laws such as the Public Limited Companies Act, the Financial Institutions Business Act, etc.

## Remuneration Monetary payment

The remuneration of the directors and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position are as follows: The three Independent Directors received remuneration totalling Baht 7.8 million in 2017.

Name	Remuneration (Baht)
1. Mr. Pakorn Malakul Na Ayudhya	3,200,000.00
2. Ms. Thippaporn Gertphol	2,650,000.00
3. Prof. (Special) Somchai Richupan Ph.D.	1,950,000.00
<b>Total</b>	<b>7,800,000.00</b>

However, the following three Executive Directors and one Non-Executive Director did not receive remuneration from the Bank in 2017, as prescribed by Standard Chartered Group policy:

1. Mr. Bharat Padmanabhan	Chairman
2. Mr. Plakorn Wanglee	Director
3. Mr. Faisal Abu Shaar	Director
4. Mr. Ashish Jain	Director

During 2017, the amount of remuneration paid to eight senior executives (total of 15 senior executives during 2017) from the level of Senior Executive Vice President totaled Baht 141.77 million. The amount of remuneration paid to 10 senior executives (total of 18 senior executives during 2017) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totaled Baht 128.85 million.

## Other remuneration

During 2017, other remuneration including Bank's provident fund contribution for eight senior executives (total of 15 senior executives during 2017) from the level of Senior Executive Vice President totalled Baht 84.12 million. The Bank's provident fund contribution Other remuneration for 10 senior executives (total of 28 senior executives during 2017) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totalled Baht 53.45 million.

## Dividend payment policy

Article 51 of the Bank's Articles of Association: No dividends may be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be paid.

# Nomination and Remuneration Committee Report

## To the Shareholders

The Nomination and Remuneration Committee comprises three independent directors to ensure independence of the sub-committee. The Committee members as on 31 December 2017 are listed as below:

1. Mr. Pakorn Mala kul Na Ayudhya	Chairman
2. Ms. Thippaporn Gertphol	Member
3. Prof. (Special) Somchai Richupan Ph D.	Member

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors. It has the responsibility of selecting and proposing names of qualified candidates for directorship in the Board of Directors; members of subcommittees whose authorities, duties and responsibilities are assigned directly by the Board of Directors; and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the position may be named. The Nomination and Remuneration Committee is also responsible for proposing the remuneration and benefit provided for the Board of Directors and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the position may be named, for consideration by the Board of Directors.

In 2017 the Nomination and Remuneration Committee held seventh meetings to consider the following matters:

- Selected and nominated members of the Board of Directors; and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the position may be named, the Nomination and Remuneration Committee takes into consideration the specific qualifications, knowledge, abilities, skills, experience and expertise of each individual as well as their leadership, vision and attitude toward the organisation, with the view that such qualities would be beneficial to the Bank's operations. In selecting members of the Board of Directors, the Nomination and Remuneration Committee also takes the appropriate size, structure, composition of the Board of Directors, as well as individual suitability into consideration.

This is to support good corporate governance, effective and efficient management, so as to comply with regulatory requirements as well as to be able to cope with the fast changing banking and business environment.

- Determined the remuneration and benefit provided for members of the Board of Directors and senior executives from the level of Executive Vice President and above or any person with equivalent rank, whatever the position may be named, the Nomination and Remuneration Committee takes into consideration that such remuneration and benefit commensurate with the duties and responsibilities assigned, the individual's performance, the market rate of the Thai banking industry, the Bank's overall performance, the business environment, and factors which may affect the Bank's operations or the economy as a whole.
- Considered the amendment to the Articles of Provident Fund which is part of the Bank's benefits policy to assist the affected staffs from the restructuring of organisation.
- Provided recommendations to the management regarding to the retention, nomination, compensation, as well as the robust succession plan for the continuing administration of the executive positions, in order to benefit the business operation and the effective management of the Bank

The remuneration and benefit provided for directors and senior executives in Y2017 is presented in the Annual Report in the section entitled 'Structure of Management'. The Nomination and Remuneration Committee is of the opinion that such remuneration and benefit are appropriate and commensurate with the assigned duties and responsibilities, and comply with the policy and criteria established by the Nomination and Remuneration Committee. The said remuneration and benefit have been considered and approved by the Board of Directors.



Mr. Pakorn Malakul Na Ayudhya  
Chairman of the Nomination and Remuneration Committee



# Audit Committee Report

## To the Shareholders

The Audit Committee comprises three Independent Non-Executive Directors with the Company Secretary and Head of Audit serving as joint secretaries.

The Audit Committee Members are listed as below:

1. Ms. Thippaporn Gertphol	Chairman
2. Mr. Pa korn Malakul Na Ayudhya	Member
3. Prof. (Special) Somchai Richupan Ph.D.	Member

In 2017, a number of meetings were held, both formal and informal, in which the Committee considered the following matters:

## Financial Statements

- (1) Reviewed and endorsed the annual financial statements and independent auditor's report for the years ended 31 December 2016 and the interim financial statements and independent auditor's report for the six-month periods ended 30 June 2017, to ensure conformity with acceptable accounting principles and adequate disclosure before submitting to the Board of Directors' approval and further submission to the regulators concerned;
- (2) Acknowledged the overview and key principles of IFRS9 in order to prepare oversight plan in the near term;

## External Auditor

- (3) Made recommendations to the Board of Directors regarding the nomination of the Bank's external auditor and its remuneration;
- (4) Acknowledged KPMG Audit Plan for 2017
- (5) Acknowledged KPMG Non-Audit Service for 2017;

## Internal Control and Audit

- (6) Approved the 2017 country audit plan and acknowledged quarterly audit result and outstanding issues. Also, followed up, queried, commented and provided guidance for corrective actions of audit findings especially significant risk issues to ensure the internal control appropriateness and adequacy for the Bank's business operations;

- (7) Endorsed the 2017 credit review plan and acknowledged quarterly report on credit review and outstanding issues;
- (8) Acknowledged the Internal Capital Adequacy Assessment and Process ("ICAAP") audit result;
- (9) Approved the removal of Thailand from Group Audit Committee issue maps mainly given the significantly improved control environment in the operations area;
- (10) Acknowledged country audit team development activities;

## Regulatory Compliance

- (11) Approved the 2017 compliance report and annual review of compliance policy, as well as acknowledged quarterly report on non-compliance and concerned issues;
- (12) Acknowledged the 2017 compliance monitoring plan and quarterly report on Thailand compliance monitoring summary;
- (13) Acknowledged quarterly report on key local regulations;
- (14) Acknowledged Bank of Thailand ("BOT") annual examination result and report as well as action plan to response BOT;
- (15) Acknowledged BOT 2017 IT audit report and action plan to response BOT;
- (16) Endorsed result of self-evaluation for countering bribery recertification project for submitting to the Board of Directors' approval and further submission to Thai Institute of Directors ("IOD") and Thailand's Private Sector Collective Action Coalition against Corruption ("CAC") for issuance of recertification for countering bribery;
- (17) Acknowledged gap analysis on the new Financial Institution Directors' Handbook promulgated by Bank of Thailand and action to be taken by the Bank to ensure that the Board of Directors fully perform their duties in accordance with the new handbook;



Ms. Thippaporn Gertphol  
Chairman of the Audit Committee

## Risk Management

- (18) Acknowledged the risk issues discussed at the Risk Committee's meetings and quarterly report on the significant approved limits & mark-to-market risk exposure;
- (19) Acknowledged Group Special Asset Management ("GSAM") accounts update;
- (20) Acknowledged report of fraud and operational risk events in 2016 and H1 2017 as well as action plan taken by the Bank;
- (21) Acknowledged operational risk framework to assess and monitor the Bank's risk more effectively

## Transactions with Related Parties and Conflicts of Interests

- (22) Endorsed sale of Thailand Automatic Teller Machines ("ATMs") and Cash Deposit Machines ("CDMs") to Standard Chartered Bank entities before submitting to the Board of Directors' consideration;

## Others

- (23) Acknowledged actions taken against missed trades and missed reporting to Thai Bond Market Association. The relevant management were required to monitor and follow the compliance;
- (24) Acknowledged Management Information for Anti-Money Laundering and Financial Crime Risk for the year 2016;
- (25) Acknowledged legal dispute report as of May 2017;
- (26) Acknowledged the speaking-up cases in H2 2016 and H1 2017. The Committee recommended the Bank to encourage the staff to speak up;
- (27) Acknowledged country health and safety action plan for 2017 and summary of accidents and incidents in 2015 and 2016; and
- (28) Acknowledged the audit report on IT outsourcing services provided by Standard Chartered Bank Group & related entities.

The Audit Committee performed its duties as assigned by the Board of Directors. In the performance of its duties it adhered to the principles of integrity, prudence, transparency and independence, and to serve in the ultimate interest of the Bank.

The Audit Committee has consistently reviewed the Bank's financial reports, internal controls, and also monitored performance of the Bank to ensure its compliance with all regulatory requirements, and the Audit Committee is satisfied that the information contained therein is adequate, transparent and in line with good corporate governance practices.









# Supplementary Information

Overview

Financial and Operating Review

Corporate Governance

SUPPLEMENTARY INFORMATION

# General Information

Name	Standard Chartered Bank (Thai) Public Company Limited
Address	90 North Sathorn Road, Bangrak, Bangkok 10500
Nature of Business	corporate and institutional banking
Registration Number	0107536000498
Telephone	(02) 724 4000
Facsimile	(02) 724 4444
Registered Capital	Baht 14,842,627,020
Paid-up Capital	Baht 14,837,045,480
	- 1,483,704,548 common shares with par value per share of Baht 10
Homepage	<a href="http://www.sc.com/th">www.sc.com/th</a>

Share Registrar	Standard Chartered Bank (Thai) Public Company Limited
Address	Corporate Secretariat's Office, 12/Floor, Sathorn Nakorn Tower 90 North Sathorn Road, Bangrak, Bangkok 10500
Telephone	(02) 724 8039, 41, 42
Facsimile	(02) 724 8044

Auditor	KPMG Phoomchai Audit Ltd.
Address	50th- 51st Floors, Empire Tower 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	(02) 677-2000
Facsimile	(02) 677-2222
Homepage	<a href="http://www.kpmg.co.th">www.kpmg.co.th</a>

Legal Counsel	Mr. Kraitos Plianbangchang (Executive Vice President)
Address	Standard Chartered Bank (Thai) Public Company Limited Legal 90 North Sathorn Road, Bangrak, Bangkok 10500
Telephone	(02) 724-3366, 3370
Facsimile	(02) 724-3360







# Structure of Shareholders

## Top ten major shareholders as of 31 December 2017 were:

	Name	Number of shares Baht 10 per share	% of paid up capital
1.	Standard Chartered Bank	1,481,795,116	99.8713
2.	Registered Provident Fund of Standard Chartered Bank's Employees	1,750,753	0.1180
3.	BNP Paribas Wealth Management Singapore Branch	50,452	0.0034
4.	Mrs. Lin Mei Jen	12,867	0.0009
5.	Wall Street Finance and Securities PCL	6,250	0.0004
6.	Ms. Urawee Kanokpruk	5,517	0.0004
7.	Mr. Maitree Triprasertpoj	4,783	0.0003
8.	Mr. Amorn Tacha-akarakul	4,435	0.0003
9.	Mrs. Pennapa Tungsittisombat	3,027	0.0002
10.	Chaiyaporn International Co., Ltd.	2,971	0.0002

## Companies in which the Bank holds 10% Stake and over

No.	Name / Type of Business / Location	Type of share	Total number of shares issued	No. of shares held by the Bank	Percentage of share-holding
1	<b>Thai Exclusive Leasing Co., Ltd.</b> (Debt collection for Standard Chartered Bank (Thai) PCL which company is in process of liquidation status) 100/3 Sathorn Nakorn Tower, 3rd Floor, North Sathorn Road, Silom, Bangrak Bangkok 10500	Common	6,000,000	5,999,994	99.99
2	<b>Executive Management Services Manpower Ltd.</b> (Real estate: Renting, Selling, buying, operating) 193/122, Lake Rajada Office Complex, 29th Floor, Ratchadaphisek Road, Klongtoei, Klongtoei, Bangkok 10110	Common	2,000	588	29.40
3	<b>P N C (Thailand) Ltd.</b> (Real Estate activities on a fee or contract basis) 90 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Common	150,000	22,121	14.75
4	<b>Nakornthon Leasing Co., Ltd.</b> (Holding Company) 90/39 Sathornthani Building, 15th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500	Common	8,000,000	900,000	11.25
5	<b>Phadungsin Co., Ltd.</b> (Securities Brokers and Traders) 252 Chiangmai Road, Khlongsan, Khlongsan, Bangkok 10600	Common	50,000	5,000	10.00

Director holds shares or debentures of the Bank and an affiliated company

• Nil

# Connected Transactions

## Connected transactions with potential conflicting parties

- Loans and obligations to major shareholders and corporations in which the Bank holds 10% stake and over:

Potential conflicting parties	Type of business	Relationship	As at 31 December 2017 (Baht thousands)			Approval	Reasons for the transactions
			Loans	Obligations	Interest rate		
Standard Chartered Bank	Financial Institution	Major Shareholder	-	299,068,572	-	Approved by Board of Directors.	Normal business.

- All deposits, loans and obligations of directors, top executives and related persons:

Potential Conflicting parties	Transaction type	As at 31 December 2017 (Baht thousands)	Reasons for the transactions
Directors, top executives and related persons	Loans	1,850,854	Normal practice
	Obligations	-	-
	All deposits	-	Normal practice
	Borrowing	-	-
	Interest rate	-	Market rate

**Remark :** Additional information related to Connected Transaction appears in the Note No. 31 “Related Party Transactions and Balances” page 63 of Annual Financial Statements for the year ended 31 December 2017



Standard Chartered Bank (Thai) Public Company Limited

90 North Sathorn Road, Silom, Bangrak, Bangkok 10500

Tel.+66 (0) 2724 4000 Fax. +66 (0) 2724 4444

[sc.com/th](http://sc.com/th)