



Standard Chartered Bank (Thai) Pcl. Annual Report 2018

Here for good

Driving Commerce and prosperity through our unique diversity



Driving Commerce and Prosperity

We offer banking services that help people and companies to succeed, creating wealth and growth across our markets. Our heritage and values are expressed in our brand promise – Here for good.

With more than 86,000 employees in more than 60 markets, we have over a 150-year history in some of the world's most dynamic regions. We're listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.



Awards and Recognition



THE CFO INNOVATION AWARDS 2018

Editor's Choice – Excellence in Treasury Management Transformation from the CFO Innovation Awards 2018



The 8th consecutive year on the AMCHAM Corporate Social Responsibility Excellence Recognition

What's inside this report

Contents

Overv	Overview					
 02	About Standard Chartered					
04	Performance Hightlights					
06	Chairman's message					
07	Message from the President and CEO					
Finan	cial and Operation Review					
10	Summary of Financial Results					
11	Nature of Business					
13	Sustainability					
Corpo	orate Governance					
16	Board of Directors					
18	Senior Management					
22	Organization Chart					
24	Structure of Management					
30	Internal Controls					
31	Corporate Governance					
34	Risk					
36	Selection of Directors and Senior Executives					
37	Nomination and Remuneration Commitee Report					
38	Audit Committee Report					
Suppl	pplementary Information					
40	General Information					
41	Structure of Shareholders					
42	Connected Transations					

Performance Highlights

Total Income*

Up 26 per cent to Baht 5,443 m.

2017 Baht 4,308 m.

Total Operating Expenses*

Down 2 per cent to Baht 2,780 m.

2017 Baht 2,849 m.

Impairment Loss of Loans and Debt Securities *

Down 760 m. to Baht -734 m.

2017 Baht 26 m.

Operating Profit Before Tax*

Up 137 per cent to Baht 3,397 m.

2017 Baht 1,432 m.

Total Assets

Down 2 per cent to Baht 151,848 m.

2017 Baht 155,321 m.

Capital Adequacy Ratio

Up 7 per cent to 43.7 per cent

2017 36.7 per cent

Five Year Review



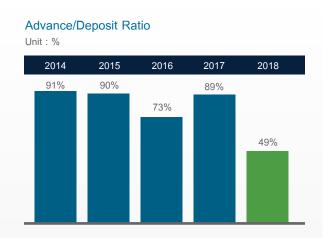






^{*} Excluded discontinued operations





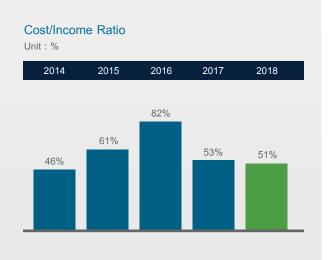
Total Liabilities

Unit : Million Baht

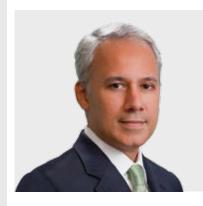




Capital Adequacy Ratio CET1 Unit: % CAR 2014 2015 2016 2017 2018 43.7% 36.7% 26.3% 25.4% 23.2% 43.3% 36.3% 25.8% 24.8% 22.6%



Chairman's Message



"At Standard Chartered Bank (Thai) Pcl., our business model is geared towards building success for our clients and partners. We want to help them grow and thrive, which is why we have a relentless, laser focus on seeking new and dynamic initiatives that can bring these goals to fruition."

BOARD COMPOSITION

Gender diversity

Board









INED
Female
1



Male O

2018 was a remarkable year for Standard Chartered Bank (Thai) Pcl. While we were implementing a dynamic transformation, we managed to post an impressive 162 per cent rise in profit after tax from a year earlier.

This is a testament to our client focused strategy, effective cost management, enhanced efficiency as a result of our innovative processes and systems automation in our operations and risk management. With a robust business performance and level of earnings, I would like to express my gratitude to our shareholders, who have continued to support the bank through both the good times and the more challenging periods in recent times.

Global network and diverse expertise set us apart

Our client-centric business model is geared towards our clients' and partners' success. We are upbeat about creating local economic opportunities while bridging the cross-border transaction gaps with our global network. With diverse expertise we can help unlock the power of well-managed financing and liability management to address our clients' most pressing challenges. Our products, services, resources and dynamic approach enables us to add value to our clients' unmet and unarticulated needs. This not only sets us apart but positions us at the forefront of Corporate and Institutional Banking business in Thailand.

Results of living our values

Behind the success of 2018 was our newly implemented Valued Behaviours, which is one of the key drivers that transform the way we work, the way we think, how we react and cooperate to create client satisfaction with a client focus mindset. More importantly, these values motivate us to adjust to the evolving economic, social, and environmental setting. We continue to "Do the Right Thing" while complying with all regulations required. We "Never Settle" when challenges come our way. Last but not least, "Better Together" is not limited to only our internal mindset but we instill this approach with our clients, whose trust is our most valuable asset.

Strategic leeway in simmering turbulent times ahead

Challenges have been and will always be part of our business, whether they are global or local. Our mission is to empower our clients and employees to achieve more no matter the circumstances. We will continue to create opportunities, growth and impact in the communities and markets where we operate. We will continue to invest in potential growth opportunities and innovate strategically to serve our clients. We will continue to help our clients expand their business capabilities, so they can grow and thrive – not only today but long into the future. And we will continue to transform our culture to ensure that we share the same values of our diverse clients, and are capable of capturing the prosperity bandwagon and grow with the trends.

Standard Chartered Bank (Thai) Pcl., under the leadership of our Chief Executive Officer Plakorn Wanglee, is pushing to be more client-focused, to be more diverse and inclusive and ultimately to drive commerce and prosperity through our unique diversity. The dedication and effort from every team throughout the year has positioned us to be one of the leading international banks in Thailand, helping clients achieve their ambitious goals.

Looking ahead, 2019 will also be an important year for Standard Chartered Bank (Thai) Pcl., as we proudly celebrate the 125th anniversary of our presence in Thailand. Standard Chartered was one of the first international banks granted a licence to operate as a branch in 1894.

On behalf of the Board of Directors, I would like to express my appreciation to our shareholders, clients, business partners and our staff for their continued trust, support and partnership with Standard Chartered Bank (Thai) Pcl. and I look forward to continue to working with you in order to achieve our overarching goal together.

Bharat Narayanan Padmanabhan

Chairman

Message from the President and CEO



2018 was a strong year for Standard Chartered Bank (Thai) with impressive and successful growth driven by a highly effective business performance by the Thai franchise.

As a high performance based organisation, we made significant progress in numerous indicators that allowed us to achieve our targets not only on financial performance but also operational excellence.

With our client centric mindset playing a vital role in our strategy and execution, a significant focus for the Leadership team throughout 2018 and going forward is creating an environment that supports our staff in unleashing their potential and leveraging collaborative efforts across our global network to deliver solutions to our clients.

Solid Financial Performance

We finished the year with a profit after tax of Baht 2,911 million; an increase of 162 per cent from a year ago. Operational income was Baht 5,443 million, which reflected an increase of 26 per cent over 2017. Costs continued to be managed well with a continued focus on increased automation and productivity. Overall credit quality remained extremely good, which along with rationalisation of the Commercial Banking segment resulted in a net release of credit provision amounting to Baht 734 million.

Client-focused Culture

At Standard Chartered Bank, our clients' interests are core to our business. Our approach is to put ourselves into our clients' shoes to help us understand their needs and develop new solutions which they may not have considered. With this mindset, we refined our client coverage model by integrating Corporate & Institutional Banking and Commercial Banking into a single client group. The "Corporate & Institutional Banking" unit enables us to maximise client management propositions and enhances our efficiency in leveraging our global scale network to deliver innovative products and services.

Innovation and Digitisation as Sustainable Growth Drivers

We are living in a crucial time in history where the impact of technology on every aspect of our daily lives and work, and every aspect of our society and economy, is more acute than ever before.

Aligning with Thailand's 4.0 roadmap, the country's top agenda in leveraging innovation to upgrade the quality of society, economy and environment, we have invested and will continue to invest in innovation and technological platforms in order to serve our clients better.

We have also joined the Bank of Thailand and seven other commercial banks under Project Inthanon Phase 1, which designs, develops and tests a proof-of-concept prototype for domestic wholesale funds transfers by using wholesale Central Bank Digital Currency.

Maintaining Transparency and Good Corporate Governance Standards

Besides following the Group's standards, we continue to work closely across functions to ensure that we comply with all necessary compliance. We have engaged with regulators in driving the industry's standards to a higher level through a number of efforts. As a global bank, we lead by example.

Our People, Our Community and Our 125th Anniversary

Standard Chartered Bank (Thai) has been part of Thailand's history for more than a century. We will celebrate our 125th anniversary in 2019. Throughout our history, we have been a good corporate citizen, contributing a number of projects and producing a ripple effect to society and the economy through our expertise and network. Our people and our community are the key engines behind the success of our presence.

In 2018, our corporate social responsibility resonated through our successful mobile eye care clinic service, providing medical assistance for visual impaired every month. Our financial education trips helped improve financial literacy for the disadvantaged. Our contributions to society locally and those we reached globally through of number of projects made us proud and recommitted to our brand promise - Here for Good.

I would like to thank our clients and our shareholders for their trust and confidence in us. The valuable guidance from our board members is highly appreciated. I am also touched and proud of our staff, whose dedication and commitment to our client-focused and high-performance culture have paved our way to sustainable business growth.

We hope that this attitude will be fully maintained in 2019 and we shall make 2019 another prosperous year for our clients, our stakeholders, our staff and the Bank.

Plakorn Wanglee

President & Chief Executive Officer Thailand & Representative Offices





FINANCIAL AND
OPERATION REVIEW



Summary of Financial Results

In 2018, Standard Chartered Bank (Thai) Pcl. made significant progress reorganising the business to enable a sharper focus on our strengths as a leading bank for Corporate and Institutional Banking clients in Thailand. 2018 results show a core business that is fundamentally strong, generating attractive earnings, with excellent prospects for growth. The Bank is firmly on the path to producing growth and higher returns with sustained discipline on costs and risks.

Operating income from continuing operations of Baht 5,443 million was 26 per cent up year on year. The operating income included a one off gains of Baht 604 million in 2018 and Baht 476 million in 2017 arising from property divestment. The growth in operating income was contributed by increased net interest margins, income from servicing credit card operations, and increased fee income.

Operating expenses of Baht 2,780 million were 2 per cent lower year on year. Excluding a one-off reversal of property impairment of Baht 140 million, the operating expenses increased by 2 per cent year on year. The Bank continues to manage expenses tightly and driving efficiency remains a significant focus for the Bank.

Positive loan impairment reflects a release of excess general provisions, a part of which was due to exit of non-profitable relationships in the Commercial Banking segment. The Bank continues to focus on quality Corporate and Institutional Banking clients.

As of December 31, 2018, loan loss provisions for the Bank was Baht 2,802 million, with an excess provision over the regulatory reserve requirements of Baht 516 million or 122.6 per cent of the regulatory reserve requirements. The loan loss reserve against the non-performing loans is at 124.8 per cent.

Operating profit before tax from continuing operations of Baht 3,397 million was 137 per cent higher year on year.

Balance sheet

The Bank's balance sheet remains highly liquid with an advance to deposits ratio at 49 per cent. The Bank has actively managed the balance sheet to optimise risk weighted assets for better returns as well as remains disciplined in its growth.

Assets and Asset Quality

As of December 31, 2018, the total assets of the Bank was Baht 151,848 million, a decrease of Baht 3,473 million or 2 per cent from last year due to selective growth with the focus on better quality origination driving improvements in the credit quality and target returns. The Bank remains watchful for emerging risk in view of persistent challenging conditions as well as continued political developments.

Liabilities

As of December 31, 2018, the total liabilities of the Bank were Baht 110,550 million, a decrease of Baht 4,181 million or 4 per cent over December 31, 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 2018, the Bank has an advance to deposit ratio of 49 per cent and the Liquidity Coverage Ratio of 430 per cent against the regulatory requirement at 100 per cent.

Capital Adequacy

The Bank maintains a very strong capital position to support against unexpected risks and the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

At the end of 2018, the Capital was Baht 38,158 million and Capital Adequacy Ratio (CAR) was 43.7 per cent as against 36.7 per cent as at end of 2017. The CAR reflects healthy capital position and is well above the minimum regulatory requirement of 10.375 per cent. The significant increase in CAR is primarily due to reduction in credit risk weighted assets as strong focus on return discipline resulted in growth in selective assets.

Earnings per Share

Standard Chartered Bank (Thai) PcI. number of ordinary shares remained the same at 1,484 million shares in 2018. However, Earnings per share (EPS) in 2018 increased to Baht 1.96 from Baht 1.57 in 2017. The book value per share in 2018 was Baht 27.83 as against Baht 27.35 in 2017.



Nature of Business

Overview

Standard Chartered Bank (Thai) Pcl. 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 was renamed as "Standard Chartered Bank (Thai)" in 2005.

Our 125 years of 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".

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.

Standard Chartered Bank (Thai) Pcl. 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 have chosen Standard Chartered Bank (Thai) and the Group to manage their regional banking needs.

Standard Chartered Bank (Thai) Pcl. is structured into two client segments:

- International Corporates and Global Subsidiaries Client Segment (IC & GS): to cover large, Thai corporations who have international subsidiaries & global network and Thai Corporates who are subsidiaries of global companies, and
- 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, Standard Chartered Bank (Thai) Pcl. 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:

- Transaction Banking and Lending Products such as Cash Management, Trade Finance, Custodian Services and Lending
- Financial Markets Products such as Foreign Exchange, Options, Interest Rate and Commodity Derivatives, Fixed Income Instruments and Debt Origination.
- 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 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-theground 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



Our purpose as an international bank is to drive commerce and prosperity through our unique diversity. We seek to ensure that the financial services we provide to individuals, businesses and global institutions improve livelihoods and provide new economic opportunities for people in our markets.

Our diverse, local network means we are a trusted partner for trade and development across our markets. We work closely with clients to address the issues that jeopardise sustainable economic growth, such as the infrastructure deficit, climate change and financial exclusion.

Our relationships with governments and other development institutions help them access financial markets, and we draw on our relationships with all stakeholders, including our colleagues, to create prosperous communities through our community engagement programmes around health and education.

This is only possible if we remain committed to operating responsibly, encouraging good conduct and ethical behaviour across our organisation. This is why our approach to sustainability focuses on three pillars – contributing to sustainable economic growth, being a responsible company, and investing in communities.

Investing in Communities























Employee Volunteering (EV)

We encourage our staff to volunteer across our community engagement programmes and, in 2018, we recorded 318.50 Employee Volunteering (EV) days.

Seeing is Believing

In our local initiative to support avoidable blindness and the visual impaired individuals, every month approximately 20 of Standard Chartered volunteers joined the Mobile Eye Care Clinic of the Princess Sirindhorn Eye Surgery Unit, under the Relief and Community Health Bureau of the Thai Red Cross Society at Sra Kaeo province, to provide eye treatment to underprivileged patients.

2018 impact: Patients = 9,616 Employee Volunteers = 235



Our staff voluntarily contributed their knowledge and expertise to conduct interactive basic financial education training via the Money Race Game to various group of less fortunate children and students, some of whom live in remote areas.

2018 impact: Trained youth = 228 Employee Volunteers = 68













Corporate Social Responsibility Excellence



In 2018, The American Chamber of Commerce in Thailand presented the CSR Excellence (ACE) Awards Gold Status to Standard Chartered Bank (Thai), the eight consecutive years of this special recognition.

The Bank won the Gold Status based on our achievements in Corporate Social Responsibility (CSR) strategy, corporate governance, environmental impact, social impact and workplace practices.







CORPORATE GOVERNANCE



Board of Directors



Mr. Bharat Narayanan **Padmanabhan** Chairman

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 Global Banking Management Team of Standard Chartered Bank. He is also an Independent Director of Purple Teal. Mr. Padmanabhan has over 24 years of professional experience in the banking and finance industry.

Mr. Padmanabhan 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 Brimingham. 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.

Age 52



Mr. Pakorn Malakul Na Ayudhya Independent Non-Executive Deputy Chairman Chairman of the Nomination and Remuneration Committee Member of the Audit Committee

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 -

Mr. Pakorn is currently Chairman of AIRA Capital Pcl.; Chairman of AIRA Property Co., Ltd.; Chairman of Interlink Telecom Pcl.; Chairman of StarFlex Co., Ltd.; 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 a Member of 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.

Age 76



Ms. Thippaporn Gertphol Independent Director Chairman of the Audit Committee Member of the Nomination and Remuneration Committee

Appointed to the Board on 27June 2003, Ms. Thippaporn has worked for Standard Chartered Bank for 34 years and had held several key positions including Country Manager and Head of Global Markets, Thailand and Mekong Area.

Ms. Thippaporn 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, Thailand, and completed an International Management Programme from Insead Euro-Asia Centre in France. She also received a Certificate from the Director Certification Programme (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).

Age 69



Mr. Pravej Ongartsittigul Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee

Appointed to the Board on 21 August 2018, Mr. Pravej served as Independent Director and Audit Committee Member of CIMB Bank (Thai) Pcl. during 2016 - early 2018; Secretary General and Board Member of Thailand Office of Insurance Commission during 2011 - 2015; Senior Assistant -Secretary General of Securities and Exchange Commission during 2005 - 2011; Country Executive Officer of Bank of America, Bangkok during 2002 - 2005; and Chief Financial Officer of JP Morgan Chase, Bangkok during 1993 - 2002

Mr. Pravej is currently Chairman of AIRA Securities Co., Ltd.; Independent Director of Muang Thai Insurance Pcl.; Independent Director of Advanced Medical Center Co., Ltd.; Acting Chief Executive Officer and Executive Director of Nok Air Co., Ltd.; and Investment Advisory Board Member of Thai Red Cross Society.

Mr. Pravej received a Master degree in Business Administration (Finance) and a Master degree in Business Administration (Decision Support Systems) from New Hampshire College, the United States of America; and a Bachelor degree in Accounting from Chulalongkorn University, Thailand. He also received a Certificate from the Director Certification Programme (Class 86/2550); and a Certificate from Capital Market Academy (Class 1/2550). Mr. Pravej is a US Chartered Bank Auditor (1987) and Chartered Bank EDP Auditor (1990) from Bank Administration Institute, Chicago, Illinois, the United States of America.

Age 62



Mr. Plakorn Wanglee
Executive Director
President and Chief Executive
Officer

Appointed to the Board on 1 September 2016, Mr. Plakorn is currently President and Chief Executive Officer of Standard Chartered Bank (Thai) Pcl. and Standard Chartered Bank's Representative offices in Laos, Cambodia and Myanmar. He is also an Independent Director of U City Pcl. Mr. Plakorn has over 25 years of professional experience in the Banking and Finance Industry.

Mr. Plakorn 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 (Finance) from University of San Francisco, the United States of America; and a Bachelor degree in Accounting from Chulalongkorn University, Thailand.

Age 52



Mr. Ashish Jain
Executive 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. and Standard Chartered Bank's Representative offices in Laos, Cambodia and Myanmar. He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr. Jain has over 23 years of professional experience in the banking and finance industry.

Mr. Jain joined Standard Chartered Bank in 1995 as Finance Manager, Standard Chartered Bank, India, and later held various senior finance positions with Standard Chartered Bank in the Philippines, the United States of America and Singapore. Prior to joining Standard Chartered Bank, he worked with Ernst & Young, Bahrain; and Pricewaterhouse Coopers, India.

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

Age 52



Ms. Kirsten Leigh Wilkinson Executive Director Chief Risk Officer

Appointed to the Board on 2 August 2018, Ms. Wilkinson is currently Chief Risk Officer of Standard Chartered Bank (Thai) Pcl. and Standard Chartered Bank's Representative offices in Laos, Cambodia and Myanmar. She has over 15 years of international banking experience across markets in ASEAN, Europe, Africa and Middle East.

Ms. Wilkinson joined Standard Chartered Bank, South Africa, in 2014 as Senior Credit Officer, Commodities Risk - Africa and Middle East. Prior to joining Standard Chartered Bank, she worked with Standard Bank of South Africa as Global Head of Structured Trade and Commodity Finance Credit; and with Deutsche Bank, London, as Senior Vice President covering a variety of Credit Risk Management roles.

Ms. Wilkinson received an International Diploma in Computer Science from WS&L, Cape Town, South Africa.

Age 42

Senior Management



Mr. Plakorn Wanglee President and Chief Executive

Mr. Plakorn Wanglee is currently President and Chief Executive Officer of Standard Chartered Bank (Thai) Pcl. and Standard Chartered Bank's Representative offices in Laos, Cambodia and Myanmar. He is also an Independent Director of U City Pcl.

Mr. Plakorn has over 25 years of professional experience in the Banking and Finance Industry. He joined Standard Chartered Bank 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, he worked for the Royal Bank of Scotland, Thailand as a Country Executive.

Education: Master degree in Business Administration (Finance) from University of San Francisco, USA and Bachelor degree in Accounting from Chulalongkorn University, Thailand

Age: 52



Ms. Anchalee Bunsongsikul Country Head, Global Banking

Ms. Anchalee Bunsongsikul joined Standard Chartered Bank (Thai) Pcl. 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

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, Thailand

Age: 48



Ms. Ketrat Viriyaprapaikit Country Head, Financial Markets and Head, Financial Markets Sales

Ms. Ketrat Viriyaprapaikit joined Standard Chartered Bank (Thai) Pcl. in 2008 as Head, Local Corporate Sales in Financial Markets, and was promoted to her current position in 2017. Prior to joining Standard Chartered Bank.

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

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), Thailand

Age: 43



Ms. Parnkae Nandavisai Country Head, Transaction Banking

Ms. Parnkae Nandavisai re-joined Standard Chartered Bank (Thai) Pcl. in 2016 as Country Head of Transaction Banking, Thailand.

Ms. Parnkae 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. She initially joined Standard Chartered Bank 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, Thailand



Mr. Nitiphong Tejavanija Acting Country Head, Commercial Banking and Head, Local Corporates

Mr. Nitiphong Tejavanija joined Standard Chartered Bank (Thai) Pcl. in 2013 as Head, Local Corporate under Corporate and Institutions Banking and was transferred to Commercial Banking in 2016 as Head, Local Corporate, Commercial Banking.

Mr. Nitiphong was 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 joining Standard Chartered Bank, Mr. Nitiphong has significant experiences and knowledge from both Foreign and Local Bank.

Education: Master of Business Administration from Sasin Graduate Institute and Bachelor in General Management, Finance and Banking from Assumption University, Thailand

Age: 49



Ms. Kirsten Leigh Wilkinson Chief Risk Officer

Ms. Kirsten Leigh Wilkinson is currently Chief Risk Officer of Standard Chartered Bank (Thai) Pcl. and Standard Chartered Bank's Representative offices in Laos, Cambodia and Myanmar.

She has over 15 years of international banking experience across markets in ASEAN, Europe, Africa and Middle East. Ms. Wilkinson joined Standard Chartered Bank, South Africa, in 2014 as Senior Credit Officer, Commodities Risk -Africa and Middle East. Prior to joining Standard Chartered Bank (Thai) Pcl., she worked with Standard Bank of South Africa as Global Head of Structured Trade and Commodity Finance Credit and with Deutsche Bank, London, as Senior Vice President covering a variety of Credit Risk Management roles.

Education: International Diploma in Computer Science from WS&L, Cape Town, South Africa

Age: 42



Mr. Ashish Jain Chief Financial Officer

Mr. Ashish Jain is currently
Chief Financial Officer of Standard
Chartered Bank (Thai) Pcl. and
Standard Chartered Bank's
Representative offices in Laos,
Cambodia and Myanmar. He is a
qualified Chartered Accountant and
a fellow member of the Institute of
Chartered Accountants of India.

Mr. Jain has over 23 years of professional experience in the banking and finance industry. He joined Standard Chartered Bank, India in 1995 as Finance Manager, and later held various senior finance positions with Standard Chartered Bank in Philippines, the United States of America and Singapore. Prior to joining Standard Chartered Bank, he worked with Ernst & Young, Bahrain and Pricewaterhouse Coopers, India.

Education: Bachelor degree in Commerce (Honours) from Delhi University, India

Age: 52



Mr. Christopher Melbourne Jenkins Chief Information Officer

Mr. Christopher Melbourne **Jenkins** is currently Chief Information Officer of Standard Chartered Bank (Thai) Pcl. and Standard Chartered Bank's Representative Offices in Laos, Cambodia and Myanmar. Mr. Christopher Melbourne 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.

Mr. Christopher 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, UK



Mr. Rapeeporn KlawtanonkCountry Head,
Human Resources

Mr. Rapeeporn Klawtanonk joined Standard Chartered Bank (Thai) Pcl. in 2009. He has provided the strong supports to key clients in aligning business and people strategies. Mr. Rapeeporn has over 15 years of Human Resources professional experience in Banking and other industries. During his career, he has been involved in many Human Resources Projects, M&A, and Operational Risk related to Human Resources.

Education: Master of Art in Industrial Relations and Personnel Management from University of Warwick, UK and Bachelor of Business Administration from Mahidol University, Thailand

Age: 41



Ms. Chote-apa Suangpong Country Head, Compliance

Ms. Chote-apa Suanpong joined Standard Chartered Bank (Thai) Pcl. in 2017. Ms. Chote-apa comes with 25 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, **Ms. Chote-apa** 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, University of North Carolina, USA and Bachelor of Computer Science from Thammasat University, Thailand

Age: 46



Ms. Sudarat Kongtreekaew Country Head, Audit

Ms. Sudarat Kongtreekaew joined Standard Chartered Bank (Thai) Pcl. in 2013. She has 31 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.

Ms. Sudarat previously held the position of Chief Risk Officer at a local bank prior to joining Standard Chartered Bank.

Education: Bachelor of Arts (Political Science) in International Relations from Chulalongkorn University, Thailand and Designation in Application Programming from University of California, USA

Age: 59



Mr. Kraitos Plianbangchang *Country Head, Legal*

Prior to joining Standard Chartered Bank (Thai) Pcl. in 2016,

Mr. Kraitos Plianbangchang had worked for the HSBC Group since 2002 where until recently was General Counsel (Head of Legal Department), Thailand, providing advices and identifying solutions in respect of legal and regulatory issues as well as market practices and market conventions associated with the business and operations of the group in or relating to Thailand. In his role, he set legal policies and strategic directions for the business and operations.

As part of his career at HSBC, Mr. Kraitos was assigned to work as a secondee in the legal department of its regional head office in Hong Kong. His other work experiences included working for a bank in Massachusetts before joining HSBC. His focused areas are debt capital market, regulatory, trade finance, fund services, custodian services, and transactions concerning treasury and balance sheet and liquidity management

Education: LL.M. from Boston University School of Law, USA and Bachelor of Law from Chulalongkorn University, Thailand



Ms. Hassaya HasitabhanCountry Head, Corporate Affairs
and Brand & Marketing

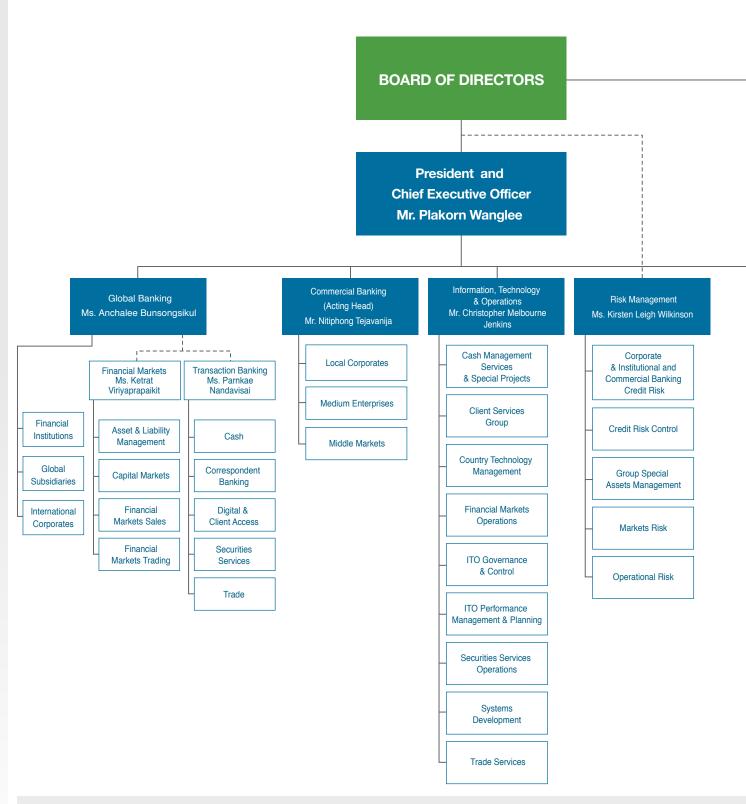
Ms. Hassaya Hasitabhan joined Standard Chartered Bank (Thai) Pcl. in 2018 as Head of Corporate Affairs and Brand & Marketing. Ms. Hassaya brings with her 30 years of experience in Corporate Communications, Corporate Branding and Corporate Social Responsibility (CSR), within the banking, Information technology and media industries. Over the years, she has built strong rapport within the financial and IT media network.

Prior to joining us, she was the Deputy Head of Corporate Affairs and Head of Citizenship at Citibank for over 12 years. In this role, she led various first-in-the-market launches for key products, services and branding campaigns, as well as change management projects. She was a key person managing Citi Foundation's grants in Thailand.

Education: Master of Business Administration from Chulalongkorn University, Master of Arts from Chulalongkorn University and Bachelor of Arts from Thammasat University, Thailand

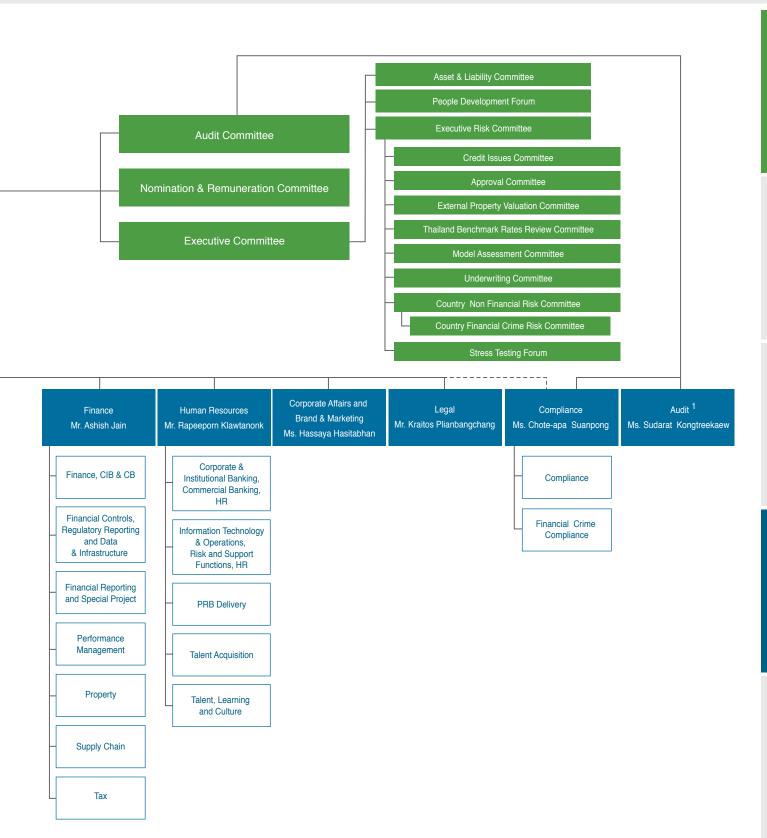


Organisation Chart



Update as of December 2018

Remarks: 1. Audit is not part of Country Management Team



Structure of Management

1. The Board of Directors

The Board of Directors has duties and responsibilities for formulating important business strategies and policies; overseeing that the Bank has effective control, oversight and audit mechanism; and monitoring business undertakings of the Bank on an ongoing basis to ensure that it operates business fairly and transparently, and is responsible for the stakeholders under good corporate governance framework while creating the long-term value of the Bank.

As of 31 December 2018, the members of the Board of Directors are:

1. Mr. Bharat Narayanan Padmanabhan Chairman

2. Mr. Pakorn Malakul Na Ayudhya Independent Non-Executive Deputy Chairman

3. Ms. Thippaporn Gertphol Independent Director 4. Mr. Pravej Ongartsittigul Independent Director 5. Mr. Plakorn Wanglee **Executive Director** 6. Mr. Ashish Jain **Executive Director** 7. Ms. Kristen Leigh Wilkinson **Executive Director**

Secretary:

Ms.Chalida Chakreyarat Company Secretary

As of 31 December 2018, the directors authorised to act on behalf of the Bank are:

1. Mr. Plakorn Wanglee **Executive Director Executive Director** 2. Mr. Ashish Jain 3. Ms. Kristen Leigh Wilkinson **Executive Director**

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

In 2018, there were 7 meetings of the Board of Directors. The meeting attendance record of each director in 2018 is presented below:

Name	Period	Attendance/Number of Meetings
Mr. Bharat Narayanan Padmanabhan	January – December 2018	06/07
Mr. Pakorn Malakul Na Ayudhya	January - December 2018	07/07
Ms. Thippaporn Gertphol	January - December 2018	07/07
Mr. Pravej Ongartsittigul*	August - December 2018	04/04
Mr. Plakorn Wanglee	January – December 2018	07/07
Mr. Ashish Jain	January - December 2018	07/07
Ms. Kristen Leigh Wilkinson*	August - December 2018	04/04
*appointed as director with effective in August 20	18	

2. Executive Committees

The Executive Committee is responsible for driving business agenda bringing across alignment between function to achieve financial performance target and to ensure 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 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, Legal and Compliance.

As of 31 December 2018, the members of the Country Management Team included:

Mr. Plakorn Wanglee President and Chief Executive Officer
 Ms. Anchalee Bunsongsikul Country Head, Global Banking

Mr. Nitiphong Tejavanija
 Acting Country Head, Commercial Banking and Head, Local Corporates
 Ms. Ketrat Viriyaprapaikit
 Country Head, Financial Markets and Head, Financial Markets Sales

5. Ms. Parnkae Nandavisai Country Head, Transaction Banking

Ms. Kirsten Leigh Wilkinson
 Mr. Christopher Melbourne Jenkins
 Mr. Ashish Jain
 Country Chief Risk Officer
 Chief Information Officer
 Chief Financial Officer

Mr. Rapeeporn Klawtanonk
 Mr. Kraitos Plianbangchang
 Ms. Chote-apa Suanpong
 Country Head, Legal Thailand
 Country Head, Compliance Thailand

12. Ms. Hassaya Hasitabhan Country Head, Corporate Affairs and Brand & Marketing

Secretary:

Ms. Rinrada Settaleela Director, Process and Governance, Global Banking

3. Audit Committee

The Audit Committee comprises three Independent Directors appointed by the Board of Directors. The major duties and responsibilities of the Audit Committee are to review the credibility and sufficiency 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 and the appropriate level of audit fees; to consider the adequacy and accuracy of the Bank's information especially connected transactions or items that may lead to conflicts of interest issues; and to assess the efficiency and effectiveness of the performance of Head, Audit.

As of 31 December 2018, the members of the Audit Committee are:

Ms. Thippaporn Gertphol
 Mr. Pakorn Malakul Na Ayudhya
 Mr. Pravej Ongartsittigul
 Member

Joint Secretary:

Ms. Sudarat Kongtreekaew
 Ms. Chalida Chakreyarat
 Country Head of Audit
 Company Secretary

In 2018, there were 5 formal meetings of the Audit Committee. The meeting attendance record of each member in 2018 is presented below:

Name	Period	Attendance/Number of Meetings
Ms. Thippaporn Gertphol	January – December 2018	05/05
Mr. Pakorn Malakul Na Ayudhya	January - December 2018	05/05
Mr. Pravej Ongartsittigul*	August - December 2018	02/02
*appointed as member with effective in August	2018	

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors appointed by the Board of Directors. The main duties and responsibilities of the Nomination and Remuneration Committee are to set up policies, rules and procedures relating to the selection of persons to serve as directors on the Board of Directors, members of sub-committees whose responsibilities and authorities are directly granted by the Board of Directors, senior executives from the level of Executive Vice President and above, or any person of equivalent rank, whatever the name of the position, as well as advisor of the Bank; to select and nominate the names of qualified candidates for such positions to the Board of Directors for consideration and approval; to set out the remuneration and other benefits policies as well as remuneration packages and benefits for 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, that reflect the objectives, duties and responsibilities, and relevant risk, for the Board of Directors' consideration and approval; and to set out performance assessment criteria for 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, for annual remuneration review by taking into account their responsibilities and relevant risks while emphasizing the value added to long-term shareholders' interests.

As of 31 December 2018, the members of the Nomination and Remuneration Committee are:

Mr. Pakorn Malakul Na Ayudhya
 Ms. Thippaporn Gertphol
 Mr. Pravej Ongartsittigul
 Chairman
 Member

Secretary:

Ms. Chalida Chakreyarat Company Secretary

In 2018, there were 5 meetings of the Nomination and Remuneration Committee. The meeting attendance record of each member in 2018 is presented below:

Name	Period	Attendance/Number of Meetings	
Mr. Pakorn Malakul Na Ayudhya	January - December 2018	05/05	
Ms. Thippaporn Gertphol	January - December 2018	05/05	
Mr. Pravej Ongartsittigul *	August - December 2018	02/02	
*appointed as member with effective in August	2018		

5. Executive Risk Committee

The Executive Risk Committee (ERC)'s main responsibilities are to provide leadership on forward looking and anticipated risk issues with the effective implementation of the Enterprise Risk Management which includes Credit risk, Capital & Liquidity risk, Traded risk, Operational risk, Country risk, Reputational risk, Compliance risk, Conduct risk, Financial Crime risk and Information & Cyber Security risk. 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 Standard Chartered Bank (Thai)'s (SCBT) Board of Directors.

As of 31 December 2018, the members of the Executive Risk Committee are:

Ms. Kirsten Leigh Wilkinson
 Mr. Plakorn Wanglee
 Chief Risk Officer as Chairman
 President and Chief Executive Officer

Mr. Ashish Jain
 Ms. Chote-apa Suanpong
 Mr. Kraitos Pliangbangchang
 Mr. Christopher Melbourne Jenkins
 Chief Financial Officer
 Country Head, Compliance
 Country Head, Legal
 Chief Information Officer

7. Mr. Rapeeporn Klawtanonk Country Head, Human Resources 8. Ms. Anchalee Bunsongsikul Country Head, Global Banking

9. Mr. Nitiphong Tejavanija Acting Country Head, Commercial Banking and Head, Local Corporates

Secretary:

Ms. Sodkanok Asavapivat SVP, Risk Management

6. Approval Committee

The Approval Committee 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 Standard Chartered Bank (Thai) Board of Director from time to time to the extent they are relevant to the business of Standard Chartered Bank (Thai) and local regulatory requirement.

As of 31 December 2018, the members of the Approval Committee are

Ms. Kirsten Leigh Wilkinson
 Mr. Wasant Polcharoen
 Ms. Sodkanok Asavapivat
 Mr. Preechaphol Tantiprasitthikul
 Ms. Anchalee Bunsongsikul
 Chief Risk Officer as Chairman
 SVP, Risk Management
 SVP, Risk Management
 Country Head, Global Banking

6. Mr. Nitiphong Tejavanija Acting Country Head, Commercial Banking and Head, Local Corporates

7. Mr. Kaival Pongnontakul EVP, Global Banking

Secretary:

Ms. Buntita Piamthipmanus VP, Credit Risk Control

7. Country Non Financial Risk Committee

The Country Non Financial Risk Committee's main responsibilities are to oversee, assess, and monitor the Bank's Non Financial Risk Types and to ensure full compliance with internal policies and relevant regulations

As of 31 December 2018, the members of the Country Non Financial Risk Committee are:

1. Mr. Plakorn Wanglee President and Chief Executive Officer as Chairman

Mr. Ashish Jain Chief Financial Officer
 Ms. Kirsten Leigh Wilkinson Chief Risk Officer

4. Mr. Nitiphong Tejavanija Acting Country Head, Commercial Banking and Head, Local Corporates

5. Ms. Anchalee Bunsongsikul Country Head, Global Banking

6. Ms. Ketrat Viriyaprapaikit Country Head, Financial Markets and Head, Financial Markets Sales

7. Ms. Parnkae Nandavisai Country Head, Transaction Banking

Ms. Chote-apa Suanpong
 Mr. Christopher Melbourne Jenkins
 Mr. Pharkpoom Sukhambhiranond
 Mr. Gary James Wilson
 Country Head, Compliance
 Chief Information Officer
 SVP, Operational Risk
 SVP, Financial Crime Risk

Secretary:

Mr. Pharkpoom Sukhambhiranond SVP, Operational Risk

8. Credit Issues Committee

The Credit Issues Committee's three main responsibilities, covering Corporate & Institutional Banking (CIB), Commercial Banking (CB) and Group Special Assets Management (GSAM), are as follows: First, review portfolio reports and outcome 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 2018, the members of the Credit Issues Committee are:

1. Mr. Plakorn Wanglee President and Chief Executive Officer as Chairman

2. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

3. Ms. Anchalee Bunsongsikul Country Head, Global Banking

4. Mr. Kaival Pongnontakul EVP, Global Banking

5. Mr. Nitiphong Tejavanija Acting Country Head, Commercial Banking and Head, Local Corporates

6. Mr. Wasant Polcharoen
 7. Ms. Sodkanok Asavapivat
 8. Mr. Preechaphol Tantiprasitthikul
 SVP, Risk Management
 SVP, Risk Management

9. Mr. Kachapod Chanasuson VP, GSAM

Joint Secretary:

Ms. Buntita Piamthipmanus VP, Credit Risk Control

Mr. Kachapod Chanasuson VP, GSAM

9. Model Assessment Committee

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

As of 31 December 2018, the members of the Model Assessment Committee are:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer as Chairman

2. Mr. Ashish Jain Chief Financial Officer

3. Ms. Anchalee Bunsongsikul Country Head, Global Banking

4. Mr. Nitiphong Tejavanija5. Ms. Ketrat ViriyaprapaikitActing Country Head, Commercial Banking and Head, Local CorporatesCountry Head, Financial Markets and Head, Financial Markets Sales

6. Ms. Chote-apa Suanpong Country Head, Compliance

Secretary:

Ms. Sodkanok Asavapivat SVP, Risk Management

10. External Property Valuation Committee

The External Property Valuation Committee's main responsibilities are to review and approve the panel list of external appraisal companies meeting the minimum criteria as per Bank of Thailand's requirements and to approve the valuation reports prepared by the external appraisal companies.

As of 31 December 2018, the members of the External Property Valuation Committee included:

Ms. Kirsten Leigh Wilkinson
 Ms. Sodkanok Asavapivat
 Mr. Wasant Polcharoen
 Mr. Preechaphol Tantiprasitthikul
 Ms. Thitiporn Suriyakamol
 Ms. Buntita Piamthipmanus
 Chief Risk Officer as Chairman
 SVP, Risk Management
 Ms. Management
 VP, Credit Risk Control
 VP, Credit Risk Control

Secretary:

Ms. Buntita Piamthipmanus VP, 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 Executive Risk Committee and Asset and Liability Committee approvals.

As of 31 December 2018, the members of the Stress Testing Forum are:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer as Chairman

2. Mr. Ashish Jain Chief Financial Officer

3. Mr. Plakorn Wanglee President and Chief Executive Officer

4. Mr. Adisorn Bootcham VP, Market Risk

Secretary:

Mr. Wasant Polcharoen SVP, Risk Management

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 2018, the members of Thailand Benchmark Rates Review Committee are:

1. Ms. Ketrat Viriyaprapaikit Country Head, Financial Markets and Head, Financial Markets Sales

Ms. Saranun Puasirirutskul
 Mr. Adisorn Bootcham
 VP, Market Risk

Secretary:

Ms. Phoonisa Charoentong VP, Financial Markets

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 2018, the members of the Underwriting Committee are:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer as Chairman

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:

Ms. Naranidh Punmeechaow AVP, Capital Markets

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 2018, 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 2018, 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 organization'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 organization 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 the 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, bribery and corruption, managing of conflict of interests as well as Speaking up.

Board structure

As of 31 December 2018, 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 serves as the chairman or executive director in other companies of not more than three business groups, and also serves as director of company listed on the domestic and overseas stock exchange for not more than five companies, 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 appointed by the Board of Directors. The Chairman has 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 duties and responsibilities of the Audit Committee are to review the credibility and sufficiency 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; and to consider the adequacy and accuracy of the Bank's information especially connected transactions or items that may lead to conflicts of interest issues. In addition, the Audit Committee

also duly performs all prescribed tasks required by Bank of Thailand 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.

The main duties and responsibilities of the Nomination and Remuneration Committee are to set up policies, rules and procedures relating to the selection of persons to serve as directors on the Board of Directors, members of sub-committees whose responsibilities and authorities are directly granted by the Board of Directors, senior executives from the level of Executive Vice President and above, or any person of equivalent rank, whatever the name of the position, as well as advisor of the Bank; to

select and nominate the names of qualified candidates for such positions to the Board of Directors for consideration and approval; to set out the remuneration and other benefits policies as well as remuneration packages and benefits for 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, that reflect the objectives, duties and responsibilities, and relevant risk, for the Board of Directors' consideration and approval; and to set out performance assessment criteria for 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, for annual remuneration review by taking into account their responsibilities and relevant risks while emphasizing the value added to long-term shareholders' interests. In addition, the Nomination and Remuneration Committee duly performs all prescribed tasks required by Bank of Thailand and the relevant laws and regulations.

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 Executive Risk Committee, the Country Non-Financial Risk Committee, the Credit Issue Committee, the Model Assessment Committee. the Approval Committee, the Thailand Benchmark Rates Review Committee, the External Property Valuation Committee, the Underwriting Committee, Country Financial Crime Risk 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 main duties and responsibilities of the Board of Directors are to formulate important business strategies and policies 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 and oversees operational controls, financial reporting, and general risk management policy. This is to ensure that the Bank operates business fairly and transparently and is responsible for the stakeholders under good corporate governance framework while creating the long-term value of the Bank.

The Bank realizes 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 sub-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 maximize 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, authorization 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 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 their relevant reporting to the Board of Directors. 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 Chairman takes the role in promoting the open discussion at the meetings as well as good relationship between executive and nonexecutive directors. 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.

Development of Board and Executives

The Bank hosts an orientation program for newly-appointed directors by introducing them to directors, providing information and documents related to the operations of the Bank, Articles of Association, and roles and responsibilities of directors according to the relevant rules and regulations in order for the newly appointed directors to understand the Bank's businesses and the roles of directors.

The Bank regularly supports activities for the development of directors and executives at various levels through training courses, e-learning, seminars and lectures by knowledgeable speakers from outside the Bank.

Succession of Executives Positions

The Bank constantly reviews succession plans for its key executive positions. The Nomination and Remuneration Committee selects and nominates persons with suitable qualifications to be appointed as directors, members of sub-committees whose responsibilities and authorities are directly granted by the Board of Directors, senior executives from the level of Executive Vice President and above, or any persons of equivalent ranks, whatever the name of the position.

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 online system to help managers in case that their staffs in the department violate the policy by sending the confidential information to unauthorized recipients outside the Bank or sending information in a way that is against the regulation 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 Master of Business Administration from Oklahoma City University, the United States of America; and a Bachelor of Banking and Finance from Chulalongkorn University, Thailand. She also 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 is the potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the Bank.

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

There are 5 Credit risk sub-types.

Credit concentration risk is the risk of material losses arising from sub-optimally diversified exposures. This may be due to the portfolio's sizeable single name exposure or high correlation across geographies and sectors. The risk arises that, due to a change in circumstances, having a concentration may give rise to potential losses

FX lending risk relates to the relationship between credit risk and market risk, where volatility in exchange rate movements may have adverse consequences on a borrower's debt servicing capacity should they lack natural or financial hedges. FX lending risk may also be present through currency concentration and where there is a collateral currency mismatch.

Credit residual risk is the risk of partial performance or failure of credit risk mitigation techniques (e.g. collateral, derivative based hedging, insurance), owing to undervaluation or ineffective enforceability. Credit residual risk can occur due to the imperfect matching profile between credit exposures and collaterals/ hedging instruments.

Securitisation risk considers whether risk mitigation benefit may change through assets coming back on balance sheet or otherwise. Currently, Standard Chartered Bank (Thai) does not engage in securitization activities.

Refinancing risk is the risk that a borrower cannot refinance by borrowing further to repay existing debt potentially leading to borrower facing liquidity pressures.

The Credit Risk function is the second line control function responsible for independent challenge, monitoring and oversight of the Credit risk management practices of the business and functions engaged in or supporting revenue-generating activities, which constitute the first line of defence. In addition, to ensure that credit risks are properly assessed and are transparent, credit decisions are controlled in accordance with the Risk Appetite and credit policies and standards, which are approved by Standard Chartered Bank (Thai)

Credit policies address large exposures, credit initiation, approval, monitoring, credit grading and documentation, as well as impairment provisioning policy. Appropriate allocation and sound diversification of lending portfolios among suitable industries are also key objectives of the Bank.

Credit authority is delegated by the Executive Risk Committee to the 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 2 credit committees that are relevant to credit risk management, including the Approval Committee ("AC") and the Credit Issue Committee ("CIC"). These committees comprise senior management from the Risk and Business functions, including the Chief Executive Officer.

3. Liquidity Risk

Liquidity Risk is the potential for loss where we may not have sufficient stable or diverse sources of funding or financial resources to meet our obligations as they fall due.

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 standards 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 weekly on the Bank-specific scenario, monthly on the Market-wide scenario and daily on Combined scenarios. As at 31 December 2018, 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

Market risk is the potential for loss of economic value due to adverse changes in financial market rates or prices. The Bank's exposure to market risk arises predominantly from these sources:

- Trading book: The Bank provides clients access to financial markets, facilitation of which entails the Bank taking market risk positions. All trading teams support client
- · Non-trading book: Market risk also arises in the non-trading book from the requirement to hold significant high-quality liquid debt securities and from the translation of non-Thai baht denominated assets, liabilities and earnings.

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) Credit spread risk: arising from changes in the credit spread of the bond exposures.

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. Traded Risk Management 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 provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome.

VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 percent. 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.

Additional limits are placed on specific instruments and position concentrations where appropriate. 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, whereas foreign exchange, commodity and equity sensitivities are measured in terms of the underlying values or amounts involved. Option risks are controlled through revaluation limits or triggers on underlying price and volatility shifts, limits on volatility risk and other variables that determine the option's value.

Losses beyond the 97.5 percent confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations.

The Bank complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of market risk management framework and considers both historical market events and forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

5. Operational Risk

Operational risk is the potential for loss from inadequate or failed internal processes, and systems, human error, 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 the operational risk is at an acceptable level and 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 Non Financial 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 Non Financial Risk Committee, chaired by the Chief Executive Officer, oversees the management of all non-financial risks including operational risks across the Bank. The Country Non Financial Risk Committee operates on the basis of delegated authorities and terms of reference, derived from Executive Committee and the Board of Directors.

In November 2018, the Country Operational Risk Committee has been changed to the Country Non Financial Risk Committee in line with the change of some Operational Risk Sub-Types to Principal Risk Types. The Operational Risk Sub-Type that have been changed to Principal Risk Types are Compliance Risk, Conduct Risk, Information and Cyber

Security Risk and Financial Crime Risk. The Country Non Financial Risk Committee oversees the Non Financial Risk Types, which are Operational Risk, Reputational Risk and the mentioned Principal Risk Types.

Other Related Risks

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

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 regulators.

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 and Remuneration of Directors and Senior Executives

Selection

The Bank has the policy and procedure on the selection of persons to serve as directors on the Board of Directors, members of sub-committees whose responsibilities and authorities are directly granted by the Board of Directors, as well as senior executive from the level of Executive Vice President and above or any person of equivalent rank, whatever the name of the position. The main contents of such policy and procedure are to open an equal opportunity for nominations of qualified candidates on the grounds of suitable and appropriate educational backgrounds, competence, and experience that are favorable to long-term business as well as directions and strategies of the Bank.

The Nomination and Remuneration Committee will make their best efforts in selecting and nominating the suitable candidates to the Board of Directors for their consideration 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. For senior executives

from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, the selection criteria are also focused on the individual knowledge and professional experience in the required fields, as well as leadership skill. It is also expected that the candidates should have a good understanding of Standard Chartered Group's business culture and strategies.

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.

Remuneration

The Nomination and Remuneration Committee shall review the framework and policy for remuneration and compliance with the applicable to Thai laws. This is in line with prevailing best practice including the Bank of Thailand Notification No. FPG. 10/2561 Re: Corporate Governance of Financial Institutions and related guidance issued by local regulator. The Committee shall ensure the Bank has remuneration structure that is in line with risk culture. In this regard, the Bank applies some approaches for the variable pay as appropriate, for example deferred variable pay, bonus-malus, etc. There is periodic review of the remuneration structure to ensure it can support the business operation of the Bank under the good corporate governance framework.

Monetary remuneration

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 totaling Baht 6.56 million in 2018.

Name	Remuneration (Baht)
Mr. Pakorn Malakul Na Ayudhya	3,200,000.00
2. Ms. Thippaporn Gertphol	2,650,000.00
3. Mr. Pravej Ongartsittigul	709,583.34
Total	6,559,583.34

However, the following three Executive Directors and one Non-Executive Director did not receive remuneration from the Bank in 2018, as prescribed by Standard Chartered Group policy:

1. Mr. Bharat Narayan Padmanabhan	Non-Executive Director
2. Mr. Plakorn Wanglee	Executive Director
3. Mr. Ashish Jain	Executive Director
4. Ms. Kirsten Leigh Wilkinson	Executive Director

During 2018, the amount of remuneration paid to 8 senior executives (total of 9 senior executives during 2018) from the level of Senior Executive Vice President totaled Baht 102.58 million. The amount of remuneration paid to 13 senior executives (total of 16 senior executives during 2018) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totaled Baht 129.69 million.

Other remuneration

During 2018, other remuneration including Bank's provident fund contribution for 8 senior executives (total of 9 senior executives during 2018) from the level of Senior Executive Vice President totaled Baht 20.44 million. The Bank's provident fund contribution Other remuneration for 13 senior executives (total of 16 senior executives during 2018) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totaled Baht 65.06 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. In August 2018, Mr. Pravej Ongartsittigul was appointed as Nomination and Remuneration Committee member in replacement of Prof. (Special) Somchai Richupan Ph.D. who resigned.

The Committee members as on 31 December 2018 were listed as below:

Mr. Pakorn Malakul Na Ayudhya Chairman
 Ms. Thippaporn Gertphol Member

3) Mr. Pravej Ongartsittigul 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 sub-committees 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 2018 the Nomination and Remuneration Committee held five 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 relevant risks, 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.
- 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.
- Set out performance assessment of the Board of Directors and its committees to review their own undertakings in the year under review, as well as the follow-up actions to enhance the overall effectiveness of Nomination and Remuneration Committee.
- Reviewed and revised its terms of reference and policy to align with new regulatory requirement.

The remuneration and benefit provided for directors and senior executives in Y2018 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.

Audit Committee Report



To the Shareholders

The Audit Committee comprises three Independent Non-Executive Directors with the Company Secretary and Head, Audit, serving as joint secretaries. In August 2018, Mr. Pravej Ongartsittigul was appointed as Audit Committee member in replacement of Prof. (Special) Somchai Richupan Ph.D. who resigned.

The Audit Committee members are listed as below:

1) Ms. Thippaporn Gertphol Chairman

2) Mr. Pakorn Malakul Na Ayudhya Member

3) Mr. Pravej Ongartsittigul Member In 2018, 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 2017 and the interim financial statements and independent auditor's report for the six-month periods ended 30 June 2018, 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 quarterly financial results and financial controls;
- (3) Approved the payment of Standard Chartered Bank Group support costs for ended 2017;

External Auditor

- (4) Made recommendations to the Board of Directors regarding the nomination of the Bank's external auditor and its remuneration;
- (5) Acknowledged the KPMG audit plan for 2018;
- (6) Acknowledged the KPMG non-audit service for 2018;

Internal Control and Audit

- (7) Approved the 2019 country audit plan and acknowledged quarterly audit result and outstanding issues. Also, followed up, gueried, 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;
- (8) Endorsed the 2018 credit review plan and acknowledged quarterly report on credit review and outstanding issues;
- (9) Acknowledged the Internal Capital Adequacy Assessment and Process ("ICAAP") audit result;
- (10) Approved the adoption of the revised Group Internal Audit Charter;
- (11) Acknowledged the 2018 audit organization structure and capacity planning;
- (12) Acknowledged the country audit team development activities in H2 2017 and H1 2018;

Regulatory Compliance

- (13) Approved the annual compliance report for the year 2017 and annual review of compliance policy, as well as acknowledged quarterly report on non-compliance and concerned issues;
- (14) Acknowledged the 2018 compliance monitoring plan and quarterly report on Thailand compliance monitoring summary;
- (15) Acknowledged quarterly report on key local regulations;
- (16) Acknowledged the Bank of Thailand ("BOT") annual examination result and report as well as the Bank's action plan;
- (17) Acknowledged the Securities and Exchange Commission ("SEC") examination result and report on fund supervisory business as well as the Bank's action plan;

Risk Management

(18) Acknowledged the risk issues discussed at the Executive Risk Committee's meetings and quarterly report on the significant approved limits & mark-to-market risk exposure;

- (19) Acknowledged the Group Special Asset Management ("GSAM") accounts update as of June 2018;
- (20) Acknowledged the report of fraud and operational risk events in 2017 and H1 2018 as well as action plan taken by the Bank;
- (21) Acknowledged the Group model assessments for country implementation discussed at the Model Assessment Committee's meetings:
- (22) Acknowledged the annual validation of CIC LGD model;

Transactions with Related Parties and Conflicts of Interests

(23) Acknowledged the single lending limit ("SLL") utilization of all Standard Chartered Bank entities during 2016 to 2017 which remained within the approved SLL waiver limit granted by BOT;

Others

- (24) Acknowledged the actions taken against missed trades and missed reporting to Thai Bond Market Association. It was noted that in 2018 there was no missed reporting, only some late reports, and the number of missed trades significantly declined;
- (25) Acknowledged the Management Information for Anti-Money Laundering and Financial Crime Risk for 2018 (August 2017 to July 2018);
- (26) Acknowledged the legal dispute report as of April 2018;

- (27) Approved the speaking-up policy and procedure and acknowledged the speaking-up cases in H2 2017 and H1 2018. The Committee recommended the Bank to build the staff's awareness on speaking up;
- (28) Acknowledged the country health and safety action plan for 2018 and summary of accidents and incidents in 2015 to 2017:
- (29) Acknowledged the audit report on IT outsourcing services provided by Standard Chartered Bank Group & related entities:
- (30) Made recommendation to the Board of Directors regarding the amendment to terms of reference of Audit Committee to align with new regulatory requirement; and
- (31) Acknowledged the 2017 Audit Committee's self-assessment result and approved follow-up actions to enhance the overall effectiveness of Audit Committee.

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.

General Information

Name	Standard Chartered Bank (Thai) Public Company Limited
Address	100 North Sathorn Road, Bangrak, Bangkok 10500
Nature of Business	Commercial 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	www.standardchartered.co.th
Share Registrar	Standard Chartered Bank (Thai) Public Company Limited
Address	Corporate Secretariat's Office, 12th Floor, Sathorn Nakorn Tower
	100 North Sathorn Road, Bangrak, Bangkok 10500
Telephone	(02) 724 8039, 41, 42
Facsimile	(02) 724 8044
Auditor	KPMG Phoomchai Audit Ltd.
Address	50 th – 51 st Floors, Empire Tower
	1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	(02) 677-2000
Facsimile	(02) 677-2222
Homepage	www.kpmg.co.th
Legal Counsels	Mr. Kraitos Plianbangchang, Country Head, Legal
Address	Standard Chartered Bank (Thai) Public Company Limited
	100 North Sathorn Road, Bangrak, Bangkok 10500
Telephone	(02) 724-3366
Facsimile	(02) 724-3360

Structure of Shareholders

То	Top eleven major shareholders as of 31 December 2018 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.	Ms. Urawee Kanokpruk	5,517	0.0004				
6.	Mr. Maitree Triprasertpoj	4,783	0.0003				
7.	Mr. Amorn Tacha-akarakul	4,435	0.0003				
8.	Mr. Kroekjai Sosothikul	3,279	0.0002				
9.	Mrs. Pennapa Tungsittisombat	3,027	0.0002				
10.	Chaiyaporn International Co., Ltd.	2,971	0.0002				
11.	Wall Street Finance and Securities PCL	2,971	0.0002				

Connected Transactions

Connected transactions with potential conflicting parties

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

Potential conflicting parties	Type of business	Relationship	As at 31 December 2018 (Baht thousands)		Approval	Futuro plana	
			Loans	Obligations	Interest rate	Approval	Future plans
Standard Chartered Bank	Financial Institution	Major Shareholder	-	212,302,156	-	Approved by the 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 2018 (Baht thousands)	Reasons for the transactions
Directors, top executives, and related persons	Loans	1,810,596	Normal practice
	Obligations	-	-
	All deposits	-	Normal practice
	Borrowing	-	-
	Interest rate	-	Market rate

Remark Additional information related to Connected Transaction appears in the Note No. 27

[&]quot;Related Party Transactions and Balances" page 49 of Annual Financial Statements for the years ended 31 December 2018.

