

Standard Chartered Bank (Thai) Pcl. Annual Report 2019

Here for good

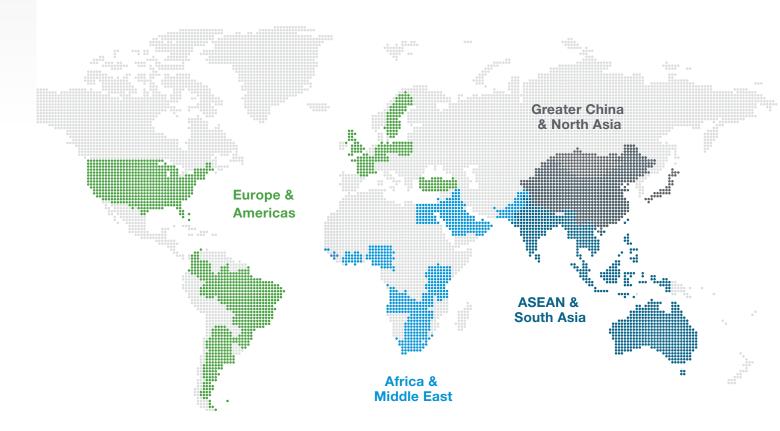
Driving Commerce and prosperity through our unique diversity



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







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Performance Highlights

Total Income

Down 1 percent to THB 4,764 m.

2018* THB 4,791 m.

Operating Profit Before Tax

Down 15 percent to THB 2,213 m.

2018 THB 2,605 m. (normalised).

Total Operating Expenses

Up 3 percent to THB 3,002 m.

2018** THB 2,920 m.

Total Assets

Down 6 per cent to THB 142,378 m.

2018 THB 151,662 m.

Impairment Loss of Loans

Net Release of THB 452 m.

2018 Release of THB 734 m.

Capital Adequacy Ratio

Down 10 percent to 33.3*** percent

2018 43.7 percent

- * Excluding the one-off gain of THB 652 m on sale of property.
- ** Excluding one-off credit of THB 140 m on account of reversal of property impairment.
- *** Post remittance of THB 13.3 billion as interim dividends.



Chairman's Message



2019 was another good year for Standard Chartered Bank (Thai) Pcl. We have been transformed and turned around to focus on our strength in Corporate & Institutional Banking, leveraging our global network, innovation and expertise to serve our clients better. Our business was fundamentally strong as we generated attractive earnings with excellent prospects for growth.

Padmanabhan

Chairman

At the beginning of 2019, we amplified our global innovative Belt & Road Relay, where eight of our employees selected from our diverse footprint across Asia, Africa, the Middle East, and Europe and the Americas, ran across 44 markets over the course of 90 days in the first-ever global running event.

We rolled out Futuremakers by Standard Chartered to tackle inequality and promote economic inclusion in our communities as globally we contributed USD 9 million through fundraising and Group donations in this first year, which sets us on our way towards achieving our USD 50 million target by 2023. The pilot project of Futuremakers was also implemented in Thailand under the "Youth to Work" theme to build the employability skills for the low-income young women.

Last year, Standard Chartered Bank (Thai) Pcl. marked its 125 years of presence in Thailand, where we thanked our valued clients for the trust they have given to us and expressed our appreciation to our staff, who lived our values and contributed to our sustainable growth.

We are living our Here for good promise and continue to stand behind the communities we operate in. Last year, our staff carried on our long-standing mobile eye care clinic volunteering activity, where every month our staff took turn to help facilitate the medical treatment for those with visual impaired. Our signature financial literacy trip was ongoing while our Employee Volunteering Day marked a memorable day. Together with our ASEAN and South Asia CEO – Judy Hsu, I joined with local staff in revitalising school sports facilities and computer room for students in rural area.

Looking forward, Standard Chartered Bank (Thai) Pcl. will align with Group's bid in sustainable banking. We will leverage global sustainable initiatives by delivering products and services designed to finance sustainable development.

Despite challenges lying ahead, we will continue to invest in digitalisation to ensure our products and services satisfy our clients' unmet needs. Upskilling our employees is also our continued focus as we are transforming into automation and digital era to serve clients better.

On behalf of the Board of Directors, I would like to thank our shareholders, clients, business partners and our staff for their continued trust, support and partnership with Standard Chartered Bank (Thai) Pcl. We have been operating in Thailand since 1894. We will continue to be Here for Good.

Message from the President and CEO



"2019 was another year of a strong performance for Standard Chartered Bank (Thai) albeit slow economic environment and dovish interest rates. With razor-sharp focus on client centric mindset, we made good progress against key targets."

Chief Executive Officer Thailand

& Representative Offices

At the time of this report being prepared, the world is being shaken by the Coronavirus pandemic, of which the damage and impact to the global and local economies are yet measurable and how it will last is still unpredictable.

However, Standard Chartered Bank (Thai) has collaborated globally and locally across functions to ensure appropriate measures are put in place to take care of health and safety of our employees. We have also implemented relief measures to help our clients continue their businesses without compromising regulations and compliance.

Guided by our refreshed strategic priorities, Standard Chartered Bank (Thai) delivered another year of a very strong performance where we exceeded key target parameters with a robust year over year growth as we marked our 125th year of our presence in Thailand in 2019.

High performance Culture Driven Performance

With client centric mindset and our high performance culture, the Thai franchise finished 2019 with a profit after tax of Baht 1,779 million (2018: Baht 2,120 million on normalised basis, excluding extraordinary item and an impairment reversal). Operational income was Baht 4,764 million (2018: Baht 4,791 million on normalised basis, excluding the one-off gains on sale of property).

By maintaining discipline on the things within our control, overall credit quality remained extremely good while cost efficiency remained intact. By keeping a sharp focus on the areas in which we are most differentiated, our Financial Management, Cash Management, Securities Services, Trade Finance, and Financing, leveraged our global network and innovative products and services to help our clients achieve their unmet needs.

In addition, we had no major issue on regulations, thanks to our stringent risk control and discipline on compliance. Our continued focus on automation implementation yielded us more productivity and results as it streamlined processes, reduced operational risk, freed up our time and allowed us to focus on more meaningful tasks.

Sustainability

As we celebrated our 125th year of presence in Thailand in 2019, our Group CEO Bill Winters along with top executives, paid courtesy visits to senior policymakers and regulators and joined activities to strengthen relationship with clients, stakeholders and communities. The regional executives along with hundreds of staff joined our Employee Volunteering Day, teaching financial education, helping reinvent computer room, playground and sports facilities for students in rural area.

In August 2019, Standard Chartered Bank (Thai) Pcl. signed a memorandum of agreement with the Thai Bankers' Associations' member banks to adopt the Sustainable Banking Guidelines - Responsible Lending. This agreement will frame our business strategy and our operations with consideration of the Environmental, Social and Governance impact. This will be implemented through both our internal operations and our banking activities, supporting our clients to achieve sustainable growth.

Apart from local activation to launch a pilot project of Futuremakers by Standard Chartered, the bank's global initiative to tackle inequality and promote greater economic inclusion, we carried on our successful mobile eye care clinic service, where our employee volunteers assist the Thai Red Cross medical professionals to help the visual impaired patients every month. This demonstrates our volunteering spirit to sustain the support for the visual impairment on top of the US\$ 329,503 fundraising to the "Seeing is Believing" initiative by the end of 2018.

We aligned and will continue to align with the Group's refreshed Sustainability Aspirations that reinforce our commitment to the UN's Sustainable Development Goals (SDGs). Actions to be taken in 2020 onwards include:

- We will only support clients who actively transition their business to generate less than 10 per cent of their earnings from thermal coal by 2030, and will review our activities within other industries generating substantial CO2 emissions
- We are targeting net zero emissions and to use only renewable energy sources by 2030 and a number of Green activities will be implemented.
- We work to provide innovative sustainable finance products linked to the Sustainable Development Goals (SDGs)

I would like to thank our clients, regulators and business partners for their continued trust and confidence in us. The valuable guidance from our board members is highly appreciated. More importantly, Standard Chartered Bank (Thai) wouldn't have been able to mark its 125th anniversary successfully without the relentless effort of our valuable employees. Therefore, Thank you for their dedication and contribution.

We will continue to be uncompromising in our pursuit of high performance despite internal and external challenges that could as easily recover as worsen. We are prepared for moves in either direction. We will continue to invest in areas of our competitive strength in 2020 without compromising quality. Our right strategies, products and services, and strong network will continue to play a vital role in our proposition to drive commerce and prosperity through our unique diversity.



Summary of Financial Results

Summary of Financial Results

In 2019, Standard Chartered Bank (Thai)
Pcl. continued to make significant progress
as a leading bank for Corporate and
Institutional Banking clients in Thailand.
2019 results show that the business 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.

Total income of Baht 4,764 million was 12 per cent lower year over year, attributed to the one-off gain of Baht 652 million on sale of property in 2018. Excluding the gain on sale of property, total income for 2019 is 1 per cent lower year over year primarily due to lower customer loans.

Operating expenses of Baht 3,002 million were 8 per cent up year on year primarily due to a one-off credit of Baht 140 million in 2018 representing reversal of property impairment. Excluding this one-off credit, the year over year cost is up 3 per cent. The Bank continues to manage expenses tightly and driving efficiency remains a significant focus for the Bank.

The net release in loan impairments for year 2019 is attributed to (a) release of provisions of Baht 250 million due to improved credit quality of the portfolio, and (b) recovery of Baht 172 million from sale of NPL portfolio.

The Bank continues to closely monitor and manage the credit portfolio through relevant credit risk committees.

2019 operating profit before tax was Baht 2,213 million (2018: Baht 3,397 million)

Balance Sheet

The balance sheet remains highly liquid and well capitalized.

As of December 31, 2019, the total assets of the Bank were Baht 142,378 million (2018: Baht 151,662 million). The reduction in assets is attributed to reduction in deployable funds with remittance of dividends of Baht 15,965 million in 2019.

As of December 31, 2019, the total liabilities of the Bank were Baht 115,023 million (2018: 110,364 million). As part of the strategy, the bank continues to focus on customer liabilities growth through current and savings accounts to optimize cost of funds.

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 2019, the Bank has an advance to deposit ratio of 33 per cent and the Liquidity Coverage Ratio of 260 per cent against the regulatory requirement at 100 per cent.

Capital Adequacy

The Bank continues to maintain strong capital position to support development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

At the end of 2019, the Capital was Baht 25,729 million and Capital Adequacy Ratio (CAR) was 33.3 per cent as against 43.7 per cent as at end of 2018, which is well above the minimum regulatory requirement of 11.0 per cent. The reduction in CAR is attributed to remittance of interim dividend of Baht 13,324 million in January 2019.

Earnings per Share

Standard Chartered Bank (Thai) Pcl. number of ordinary shares remained the same at 1,484 million shares in 2019. Earnings per share (EPS) in 2019 was at Baht 1.20 as against Baht 1.96 in 2018. The book value per share in 2019 was Baht 18.43 as against Baht 27.83 in 2018.





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, Securities 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 and domestic trade payment services as well as financing and comprehensive trade risk mitigation. Supply chain financing, Bonds and Guarantees, are also offered under Trade Finance.

Securities Services (Custody and Fund Services):

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 sub-custodian of global custodian clients). Fund Services is the services provided to local or foreign asset management companies (the fund managers of mutual fund 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 standalone 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.

Credit Derivatives:

Transactions to transfer credit risk of reference obligation, or obligation category and obligation characteristics from a protection buyer to a protection seller, whereby the protection seller receives returns or premium linked to the solvency of reference entity in exchange for obligation to pay the protection buyer when there is an event related to the solvency of reference entity as specified in the credit derivatives contract (credit event).





Structure Products:

Borrowing transactions that Standard Chartered Bank (Thai) engages in as borrowers or lenders with characteristics as borrowing transactions which the payment of returns are based on predetermined reference variables; borrowing transactions which provide borrowers the right to repay or provide lenders the right to receive the principal or return by using debt securities, equity securities, as well as provide

borrowers or lenders the right to purchase/ sell or exchange foreign currency; borrowing transactions which provide borrowers and lenders the right to extend the maturity or early redeem prior to the maturity according to the conditions as specified in the contract; and borrowing transactions which borrowers and lenders have the right to increase lending or borrowing amount according to the conditions as specified in the contract.

Debt Capital Markets:

- A wide range of funding and investment alternatives customised to meet the specific needs of issuers and investors, in both primary and secondary markets.
- Product expertise includes fixed and floating-rate debentures, syndicated loans, asset-backed securities, loan-style FRNs, etc.

Corporate Finance Products

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

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





Sustainability

Our approach

Our purpose is to drive commerce and prosperity through our unique diversity. We embed sustainability across our business, operations and communities through our sustainability framework. By focusing on three sustainability pillars – Sustainable Finance, Responsible Company and Inclusive Communities – we believe we can deliver sustainable prosperity in line with our valued behaviours and our promise to be Here for good.

This approach is framed around a Sustainability Philosophy that informs our decision-making, Position Statements that set out our environmental and social client standards, and a list of Prohibited Activities that sets out the activities that the Bank will not finance. This list can be found at sc.com/prohibitedactivities.

Our approach is underpinned by our Sustainability Aspirations, which provide tangible targets for sustainable business outcomes aligned to the United Nations Sustainable Development Goals.

In 2019, Standard Chartered Group continued to transform our sustainability performance to achieve our vision by:

- delivering sustainable finance to support the SDGs and committing a further \$75 billion by the end of 2024;
- accelerating our response to climate change including announcing that we will only support clients who generate less than 10% of earnings from thermal coal by 2030;
- setting a bold target to achieve 'net zero' emissions from our own operations by 2030; and
- continuing to contribute to inclusive communities through volunteering and community programmes.



Sustainable Finance

In 2019, we signed up to the UN Principles on Responsible Banking, supporting our progress and that of the industry as we demonstrate our contribution to achieving society's goals. As part our commitment, we are embarking on third-party, limited assurance on a selection of our Sustainability Aspirations as they represent our most significant impacts.

As we move into 2020, we will focus on delivering our new sustainability vision: to become the world's most sustainable and responsible bank and the leading private sector catalyser of finance for the SDGs in Asia, Africa and the Middle East.

In August 2019, Standard Chartered Bank (Thai) signed a memorandum of agreement with the Thai Bankers' Associations' member banks to adopt the Sustainable Banking Guidelines - Responsible Lending. This agreement will frame our business strategy and our operations in 2020, with consideration of the Environmental, Social and Governance impact. This will be implemented through both our internal operations and our banking activities, supporting our clients to achieve sustainable growth.



Responsible company

We manage our company responsibly by promoting good conduct and integrating our valued behaviours to support the fight against financial crime, invest in our people and manage our environmental impact.

Good governance is a priority for us and our stakeholders. Along with our purpose, brand promise and valued behaviours, our Code of Conduct sets out our conduct expectations and supports good decision-making. In 2019, 100 per cent of employees in Thailand recommitted to the Code.

Financial crime has serious social and economic consequences, which is why we partner to lead the way in fighting financial crime and making the financial system a hostile environment for criminals. All eligible Bank employees complete relevant training for financial crime compliance.

We continue to progress toward an inclusive, innovative performance culture. We are committed to providing employees with interesting and impactful jobs and opportunities to prepare themselves for the changing world of work. In Thailand, 70 per cent of our staff are female, with 65 per cent of those working in senior roles at the end of 2019.

In 2020, Standard Chartered Bank (Thai) will develop a plan to further minimise the impact of our operations on the environment and will follow a Group-wide Climate Action Plan to ensure that we meet our commitments under the Paris Climate Agreement.



Inclusive Communities

We promote economic inclusion in our markets through community programmes aimed at tackling inequality. In the UK, the Standard Chartered Foundation was set up in 2019 to advance charitable purposes. It will be the Group's lead partner in delivering its philanthropic activities, including Futuremakers by Standard Chartered, our new global initiative to tackle inequality. Our target is to raise \$50 million between 2019 and 2023 through fundraising and Group donations to empower the next generation to learn, earn and grow.

In July 2019, Standard Chartered Bank (Thai) kicked off a Futuremakers by Standard Chartered pilot project under the theme of "Youth to Work". The project aimed to provide 21st Century Employability skills to young, low-income women living in Bangkok by working with Kenan Foundation Asia to recruit and equip the target beneficiaries with the required skills in an interactive workshop. In addition, our employees contributed their knowledge and experience to provide the women with basic financial training and job interview techniques.

To celebrate the Bank's 125th anniversary in Thailand, we mobilised 396 employee volunteers in the "Employee Volunteering Day" on 14 September 2019. At Wat Yai Ban Bor School in Samut Sakorn province, employees helped to deliver our fun-filled financial education training to the students; refurbish the school's playground and sport facilities; donate computers and set up a computer room; provide new sport equipment; and organise sports games for the students. These volunteering efforts positively impacted 706 students, 40 teachers and 10 staff.

Throughout the year, 215 of our employees travelled regularly to Srakaew province to support the Mobile Eye Care mission of the Thai Red Cross Society for eye-health checks and cataract surgery. This activity assisted 8,593 patients, with 2,640 of them undergoing eye surgery in 2019.

Overall, 69 per cent of our employees contributed 508 days of Employee Volunteering days during the year in Thailand.



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, India, ASEAN and South Asia; a Member of the Global Banking Management Team; and a Member of the Corporate & Institution Banking Leadership Team of Standard Chartered Bank. He is also an Independent Director of Purple Teal. Mr. Padmanabhan has over 25 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: 53

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 the Bank of Thailand during 2000-2002; Secretary of the Office of Securities and Exchange Commission during 1995-1999; Chairman of the Stock Exchange of Thailand during 2007-2009; a Member of Sub Performance Agreement Committee of the Comptroller General's Department during 2012-2018 and Chairman of TSFC Securities Pcl. during 2009 - 2018.

Mr. Pakorn is currently Chairman of Interlink Telecom Pcl.; Chairman of StarFlex Pcl.; Deputy Chairman of Institute of Research and Development for Public Enterprises; Chairman of a group of experts on Corporate Governance and Social Responsibility, the Stock Exchange of Thailand; President of the Association of Capital Market Academy Alumni; 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: 77

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

Mr. 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 the Thailand Office of Insurance Commission during 2011 - 2015; Senior Assistant - Secretary General of the 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 Pcl.; Independent Director of Muang Thai Insurance Pcl.; Independent Director of Advanced Medical Center Co., Ltd.; Director and Chairman of Executive Committee of Nok Airlines Pcl.; 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 Program (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: 63

Mr. Plakorn WangleeExecutive Director
President and Chief Executive
Officer



Appointed to the Board on 1 September 2016, Mr. Plakorn is currently President and Chief Executive Officer, Thailand and Representative Offices. He is also an Independent Director of U City Pcl. Mr. Plakorn has over 26 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: 53

Mr. Ashish JainExecutive Director
Chief Financial Officer



Appointed to the Board on 22 November 2017, Mr. Jain is currently Chief Financial Officer, Thailand, Representative Offices and Cluster Market. He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr. Jain has over 24 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: 53

Ms. Kirsten Leigh Wilkinson Executive Director Chief Risk Officer



Appointed to the Board on 2 August 2018, Ms. Wilkinson is currently Chief Risk Officer, Thailand and Representative Offices. She has over 16 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.

Senior Management

Mr. Plakorn WangleePresident and
Chief Executive Officer



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 26 years of professional experience in the Banking and Finance Industry.

Mr. Plakorn joined Standard Chartered Bankin 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: 53

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.

Ms. Anchalee brings extensive client knowledge and experience as well as product knowledge.
Ms. Anchalee has provided an intuitive and aligned approach in delivering the Bank in entirely 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: 49

Ms. Ketrat Viriyaprapaikit Country Head, Financial Marketsand 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.

Ms. Ketrat has led the Thailand team in developing and executing innovative solutions for Thai clients and closing episodic deals.

Education: Master of Science in Finance from Imperial College, University of London, UK and Bachelor in Political Science (Public Finance) from Chulalongkorn University (First Class Honours), Thailand

Ms. Parnkae NandavisaiCountry Head, Transaction
Banking and Head, Trade
Products



Ms. Parnkae Nandavisai re-joined Standard Chartered Bank (Thai) Pcl. in 2016 as Country Head of Transaction Banking, Thailand. She possesses almost 31 years of experiences in Banking and Finance. During her career, she has extensive experiences with local and international financial institutions in New York, Malaysia, Singapore, and Thailand. She has strong background in transaction banking product development and management skills serving all client segments including Local Corporates, MNCs, SME and Financial Institutions.

Ms. Parnkae initially joined Standard Chartered Bank 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

Age: 56

Mr. Nitiphong TejavanijaChief Operations Officer and
Head, Global Subsidiaries



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 as Head, Local Corporate, Commercial Banking in 2016 followed by Acting Country Head, Commercial Banking in June 2017. Mr. Nitiphong was appointed to his current role as Chief Operations Officer and Head, Global Subsidiaries in August 2019 with his clear understanding of end to end client journey along with client requirement where he would bridge the gap between frontline and Operations. Prior to joining Standard Chartered Bank, Mr. Nitiphong has significant experiences and knowledge from both Foreign and Local Bank and other industry.

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

Age: 50

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 16 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

Mr. Ashish Jain Chief Financial Officer



Mr. Ashish Jain is currently Chief Financial Officer of Standard Chartered Bank (Thai) Pcl., Standard Chartered Bank's Representative Offices in Laos, Cambodia & Myanmar and Cluster Markets (Australia, Brunei, Nepal, Philippines, Sri Lanka and Vietnam). He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr. Jain has over 24 years of professional experience in the banking and finance industry.

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

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

Age: 53

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 16 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 Arts in Industrial Relations and Personnel Management from University of Warwick, UK and Bachelor of Business Administration from Mahidol University, Thailand

Age: 42

Ms. Chote-apa Suanpong Country Head, Conduct, Financial Crime and Compliance



Ms. Chote-apa Suanpong joined Standard Chartered Bank (Thai) Pcl. in 2017. Ms. Chote-apa comes with 26 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

Ms. Sudarat Kongtreekaew Country Head, Audit



Ms. Sudarat Kongtreekaew joined Standard Chartered Bank (Thai) Pcl. in 2013. She has 32 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: 60

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

Age: 45

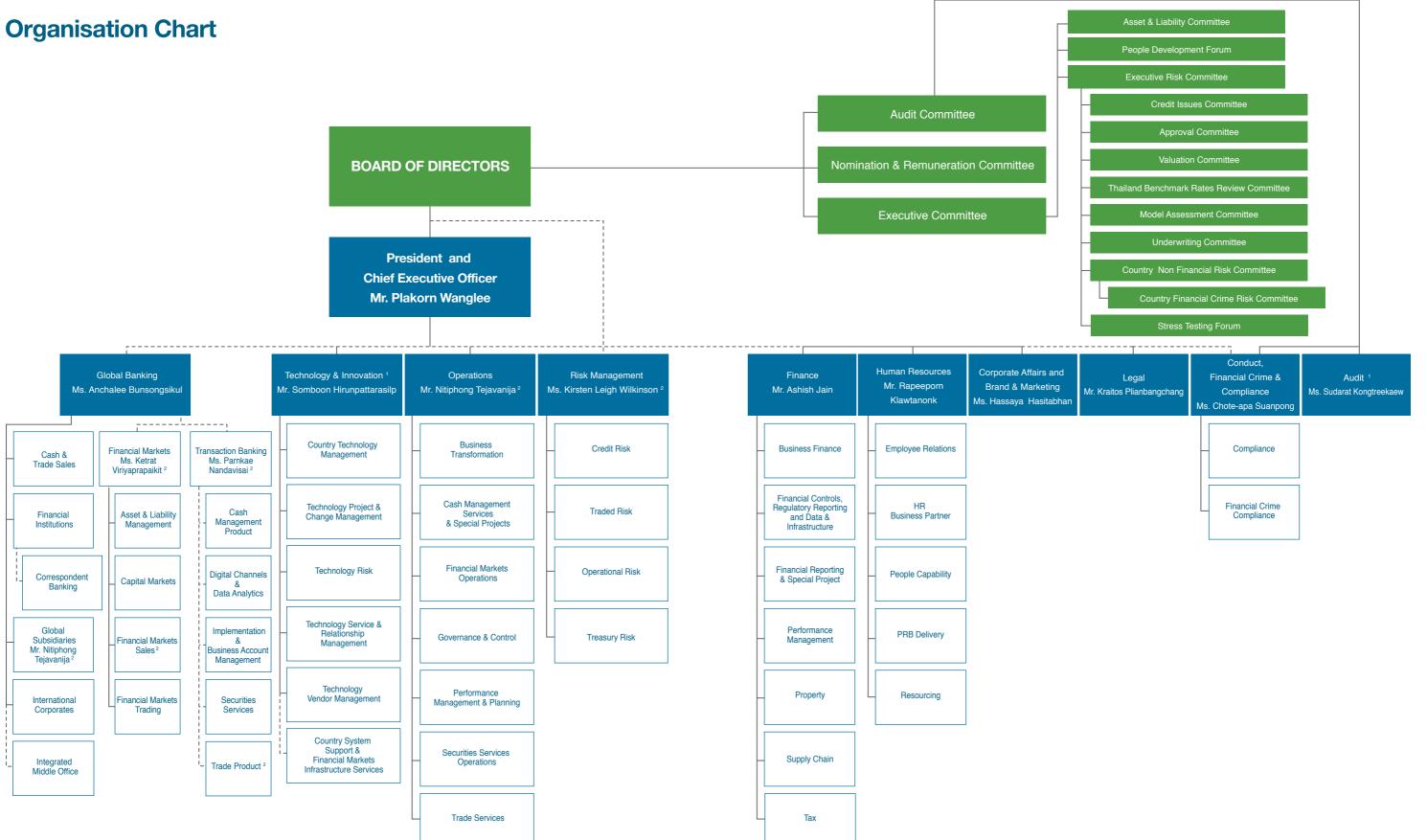
Ms. Hassaya Hasitabhan Country Head, Corporate Affairs and Brand & Marketing



Ms. Hassaya Hasitabhan joined Standard Chartered Bank (Thai) Pcl. in 2018 as Head of Corporate Affairs and Brand & Marketing. Ms. Hassaya brings with her 31 years of experience in Corporate Communications, Corporate Branding and Corporate Social Responsibility (CSR), within the banking, Innovation technology and media industries. Over the years, she has built strong rapport within the financial and IT media network.

Prior to joining us, **Ms. Hassaya** 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-themarket launches for key products, services and branding campaigns, as well as change management projects. She was a key person managing Citi Foundation's grant in Thailand.

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



Remarks: 1. Technology & Innovation and Audit are not part of Country Management Team

2. Double-hatting Role

----- Indirect Reporting Line Update as of December 2019

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; 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 2019, 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
4. Mr. Pravej Ongartsittigul
5. Mr. Plakorn Wanglee
6. Mr. Ashish Jain
7. Ms. Kirsten Leigh Wilkinson
Independent Director
Executive Director
Executive Director
Executive Director

Secretary:

Ms. Chalida Chakreyarat Company Secretary

As of 31 December 2019, the directors authorised to act on behalf of the Bank are:

Mr. Plakorn Wanglee
 Mr. Ashish Jain
 Ms. Kirsten Leigh Wilkinson

Executive Director
Executive Director
Executive Director

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

In 2019, there were 8 meetings of the Board of Directors which comprise 2 ad-hoc meetings. The meeting attendance record of each director in 2019 is presented below:

| Name | Period | Attendance/Number of Meetings | |
|----------------------------------|-------------------------|-------------------------------|--|
| Mr. Bharat Narayanan Padmanabhan | January – December 2019 | 07/08 | |
| Mr. Pakorn Malakul Na Ayudhya | January - December 2019 | 07/08 | |
| Ms. Thippaporn Gertphol | January - December 2019 | 07/08 | |
| Mr. Pravej Ongartsittigul | January - December 2019 | 08/08 | |
| Mr. Plakorn Wanglee | January - December 2019 | 06/08 | |
| Mr. Ashish Jain | January - December 2019 | 08/08 | |
| Ms. Kirsten Leigh Wilkinson | January - December 2019 | 08/08 | |

2. 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 Country Head, Audit.

As of 31 December 2019, the members of the Audit Committee are:

| 1. Ms. Thippaporn Gertphol | Chairman |
|----------------------------------|---------------|
| 2. Mr. Pakorn Malakul Na Ayudhya | Member |
| 3. Mr. Pravej Ongartsittigul | Member |
| Joint Secretary: | |
| 1. Ms. Sudarat Kongtreekaew | Country Head, |

In 2019, there were 4 formal meetings of the Audit Committee. The meeting attendance record of each member in 2019 is presented below:

Company Secretary

| Name | Period | Attendance/Number of Meetings |
|-------------------------------|-------------------------|-------------------------------|
| Ms. Thippaporn Gertphol | January – December 2019 | 04/04 |
| Mr. Pakorn Malakul Na Ayudhya | January – December 2019 | 04/04 |
| Mr. Pravej Ongartsittigul | January - December 2019 | 04/04 |

2. Ms. Chalida Chakreyarat

3. 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 give an advice and layout policies, rules and procedures for the selection of candidates 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 the Board of Directors' consideration and approval; to select and nominate the qualified candidates for 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 the Board of Directors for consideration and appointment; 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 valued added to long-term shareholders' interests.

As of 31 December 2019, the members of the Nomination and Remuneration Committee are:

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

Member

Secretary:

Ms. Chalida Chakreyarat Company Secretary

In 2019, there were 6 meetings of the Nomination and Remuneration Committee. The meeting attendance record of each member in 2019 is presented below:

| Name | Period | Attendance/Number of Meetings |
|---|---|-------------------------------|
| Mr. Pakorn Malakul Na Ayudhya Ms. Thippaporn Gertphol Mr. Pravej Ongartsittigul | January – December 2019 January – December 2019 January – December 2019 | 04/06 05/06 06/06 |

4. Executive Committees

Ms. Rinrada Settaleela

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.

Director, Process and Governance, Global Banking

As of 31 December 2019, the members of the Country Management Team included:

1. Mr. Plakorn Wanglee President and Chief Executive Officer 2. Ms. Anchalee Bunsongsikul Country Head, Global Banking 3. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries 4. Ms. Ketrat Viriyaprapaikit Country Head, Financial Markets and Head, Financial Markets Sales 5. Ms. Parnkae Nandavisai Country Head, Transaction Banking and Head, Trade Products 6. Ms. Kirsten Wilkinson Chief Risk Officer 7. Mr. Ashish Jain Chief Financial Officer 8. Mr. Rapeeporn Klawtanonk Country Head, Human Resources 9. Mr. Kraitos Plianbangchang Country Head, Legal 10. Ms. Chote-apa Suanpong Country Head, Conduct, Financial Crime and Compliance 11.Ms Hassaya Hasitabhan Country Head, Corporate Affairs and Brand & Marketing Secretary

5. Executive Risk Committee

The Executive Risk Committee (ERC)'s main responsibilities are to oversee the effective implementation of the Enterprise Risk Management Framework (ERMF) and Risk Type Frameworks (RTFs) of 10 Principal Risk Types (PRTs) including 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 2019, the members of the Executive Risk Committee are:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

2. Mr. Plakorn Wanglee President and Chief Executive Officer

3. Mr. Ashish Jain Chief Financial Officer

4. Ms Chote-apa Suanpong Country Head, Conduct, Financial Crime and Compliance

5. Mr Kraitos Plianbangchang Country Head, Legal

6. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries

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

9. Ms. Ketrat Viriyaprapaikit10. Ms. Parnkae NandavisaiCountry Head, Financial Markets and Head, Financial Markets SalesCountry Head, Transaction Banking and Head, Trade Products

Secretary:

Ms. Sodkanok Asavapivat SVP, CIB, Credit Risk Management

6. Approval Committee

The Approval Committee supervises and directs the credit risk management of accounts under Corporate & Institutional 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 and risk appetite. 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 Standard" and "Group Special Assets Management, Group Policy and Procedures Manual" of Standard Chartered Group as adopted by SCBT Board of Directors from time to time to the extent they are relevant to the business of SCBT and local regulatory requirement.

As of 31 December 2019, the members of the Approval Committee are

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

Mr. Wasant Polcharoen
 Ms. Sodkanok Asavapivat
 Mr. Preechaphol Tantiprasitthikul
 Ms. Anchalee Bunsongsikul
 SVP, CIB, Credit Risk Management
 SVP, CIB, Credit Risk Management
 Country Head, Global Banking

6. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries

7. Mr. Kaival Pongnontakul Head, Financial Institution

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 2019, the members of the Country Non Financial Risk Committee are:

1. Mr. Plakorn Wanglee President and Chief Executive Officer

Ms. Kirsten Leigh Wilkinson
 Mr. Ashish Jain
 Ms. Anchalee Bunsongsikul
 Chief Risk Officer
 Chief Financial Officer
 Country Head, Global Banking

5. Ms. Ketrat Viriyaprapaikit6. Ms. Parnkae NandavisaiCountry Head, Financial Markets and Head, Financial Markets SalesCountry Head, Transaction Banking and Head, Trade Products

7. Mr. Pharkpoom Sukhambhiranond SVP, Operational Risk

8. Ms. Chote-apa Suanpong Country Head, Conduct, Financial Crime and Compliance

9. Mr. Gary James Wilson SVP, Financial Crime Risk

10. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries

Secretary:

Mr. Pharkpoom Sukhambhiranond SVP, Operational Risk

8. Credit Issues Committee

The Credit Issues Committee's three main responsibilities, covering Corporate & Institutional Banking (CIB),) 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 2019, the members of the Credit Issues Committee are:

1. Mr. Plakorn Wanglee President and Chief Executive Officer

2. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

3. Ms. Anchalee Bunsongsikul4. Mr. Kaival Pongnontakul4. Mr. Kaival Pongnontakul4. Mr. Kaival Pongnontakul

5. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries

Secretary:

Ms. Buntita Piamthipmanus VP, Credit Risk Control

9. Model Assessment Committee

The Model Assessment Committee's main responsibilities are to assess and, where appropriate, approve IRB models for use in-country, to oversight model performance under its scope, to approve Model Risk Policy and Standard and to set standard for remediation of model performance issues (including Post-Model Adjustment 'PMA'). This is to ensure these models are suitable and comply with local regulatory requirements.

As of 31 December 2019, the members of the Model Assessment Committee are:

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

3. Ms. Anchalee Bunsongsikul. Country Head, Global Banking

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

5. Mr. Adisorn Bootcham VP, Market Risk

Secretary:

Ms. Sodkanok Asavapivat SVP, CIB, Credit Risk Management

10. Valuation Committee

The 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 for collateral valuation and the valuation reports prepared by the external appraisal companies.

As of 31 December 2019, the members of the Valuation Committee included:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

Ms. Sodkanok Asavapivat
 Mr. Wasant Polcharoen
 Mr. Preechaphol Tantiprasitthikul
 SVP, CIB, Credit Risk Management
 SVP, CIB, Credit Risk Management

5. Ms. Thitiporn Suriyakamol6. Ms. Buntita PiamthipmanusVP, 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 2019, the members of the Stress Testing Forum are:

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

3. Mr. Plakorn Wanglee President and Chief Executive Officer

4. Mr. Adisorn Bootcham Senior Analyst, Market Risk

Secretary:

Mr. Wasant Polcharoen SVP, CIB, Credit 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 2019, the members of Thailand Benchmark Rates Review Committee are:

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

2. Ms. Saranun Puasirirutskul SVP, Conduct, Financial Crime and Compliance

3. Mr. Adisorn Bootcham VP, Market Risk

Secretary:

Ms. Phoonisa Charoentong SVP, 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 2019, the members of the UWC are:

1. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

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

3. Ms. Anchalee Bunsongsikul Country Head, Global Banking

4. Mr. Adisorn Bootcham VP, Market Risk

Secretary:

Ms. Naranidh Punmeechaow AVP, Capital Markets

14. COUNTRY FINANCIAL CRIME RISK COMMITTEE ("CFCRC")

The Country Financial Crime Risk Committee is authorised to manage the Financial Crime risk profile of Thailand and its Representative Offices in the Greater Mekong Sub-Region Countries (Cambodia, Laos & Myanmar) within the boundaries of the approved Risk Appetite, and any limits and policies set by authorised bodies of the Group. Its main responsibilities include to review and challenge control assessments, risk acceptances and adequacy of the internal control system across the Financial Crime Principle Risk Type, and to ensure appropriate action is taken in response to material events and Financial Crime risk issues or themes that come to the Committee's attention.

As of 31 December 2019, the members of the Country Financial Crime Risk Committee are:

1. Mr. Plakorn Wanglee President and Chief Executive Officer

2. Ms. Kirsten Leigh Wilkinson Chief Risk Officer

3. Ms. Chote-apa Suanpong Head of Conduct, Financial Crime and Compliance (CFCC)

4. Mr. Gary James Wilson Head, Financial Crime Compliance (FCC)

5. Ms. Anchalee Bunsongsikul Head, Global Banking

6. Mr. Nitiphong Tejavanija Chief Operations Officer and Head, Global Subsidiaries

7. Mr. Pharkpoom Sukhambhiranond Head, Operational Risk

Secretary:

Mr. Pornchai Ubolsin CFCC Governance Manager



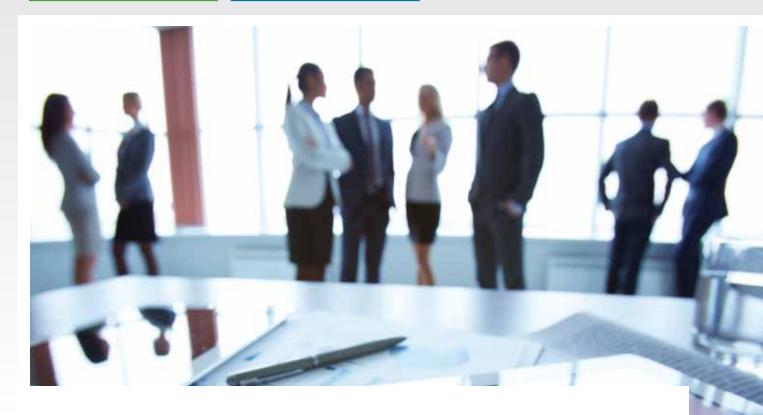
Internal Controls

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 Non-Financial 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 2019, 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 2019, 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 organisational efficiency and maximizes effectiveness for all concerned parties including shareholders, stakeholders, local banking communities, as well as society as a whole.

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

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

The Bank has formulated policies, regulations, and procedures for consideration and approval of related party transactions in compliance with all applicable regulations set out by Bank of Thailand and the Securities and Exchange Commission. The main aim is to ensure that its related party transactions with connected entities, including subsidiaries, affiliates, relevant companies and potential conflicting parties are in line with reasonable

criteria and procedure to ensure that fair prices and conditions are applied. Not only do these measures result in optimum benefit to the Bank and its shareholders, but they will also prevent any conflict of interest.

The Bank has published and distributed to its employees the "Group Code of Conduct" adopted from the Standard Chartered Group and approved by the Bank's Board of Directors as the business Code of Conduct for all staff. The Code governs a high standard of integrity, based on lawful practices and recommended business ethics. The Code outlines interpersonal dealings among bank staff and with outsiders. This code of conduct covers, among other topics, inside dealing, bribery and corruption, managing of conflict of interests as well as speaking up.

Board structure

As of 31 December 2019, 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 India.

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 Country Head, 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; 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 Country Head, Audit. 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

for the selection of candidates 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 the Board of Directors' consideration and approval: to select and nominate the qualified candidates for 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 the Board of Directors for consideration and appointment; 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 valued 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.

Executive Risk Committee

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

The Committee's main responsibilities are to provide leadership on forward vision and to anticipate risk issues covering 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, Legal and Regulatory risk, etc.

The Committee also supervises and directs the management of all risks within the Bank to be in accordance with standards of Standard Chartered Group and policies laid down by the Executive Risk Committee.

Other special committees

The Bank has formed other special committees to assist the Board of Directors in its supervisory and monitoring tasks, such as the Executive Committee, the Asset & Liability Committee, the People

Development Forum, the Country Non Financial Risk Committee, the Credit Issue Committee, the Model Assessment Committee, the Approval Committee, the Thailand Benchmark Rates Review Committee, the Valuation Committee, the Underwriting Committee, the 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 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; 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.

The Bank realizes the principles of good corporate governance and sets best practices for the way in which organisation is 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, to demonstrate the Bank's accountability to its shareholders. Segregation of duties between the Board of Directors and the management team is implemented clearly. 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 six 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, videoconference or 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. Senior 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 non-executive 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 director by introducing them to existing 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, for example, it provides training courses, 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 started using the
 online system i.e. the Enterprise
 Investigations Management System (EIM)
 which will 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 the Bank in 2000 and held 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 degree in Business Administration from Oklahoma City University, USA; and a Bachelor degree in 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

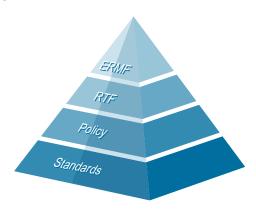
Enterprise Risk Management Framework ("ERMF")

The SCB ERMF was adopted by SCBT Board in 2H2018. It sets out the principles and standards for risk management and is supported by the Risk Type Framework ("RTF"), Policies and Standards.

Governance standards for RTFs and Policies are set globally and completed with addendums to cover local requirements. All frameworks and policies should be reviewed at a minimum on an annual basis.

Hierarchy of the Control Framework Documents

The ERMF defines 10 Principal Risk Types ("PRT"), which are the key risks inherent in the Bank's strategy and business model. These risks are managed through distinct RTFs. Each RTF has a designated owner.



RTFs cover, amongst others:

- Risk management principles
- Risk sub-types which are distinct areas of risk within the PRT and managed through policy and/or Risk Appetite or may need specialised skills
- Second Line processes for oversight and challenge
- Key roles and responsibilities covering First and Second Line
- Decision making authorities and delegation of authorities
- Group, regional and country level committees
- Approach to home and host regulatory obligations

Policies are designed to control and mitigate a distinct critical risk or set of critical risks through mandatory policy statements. Policy statements must be principle-based statements that are actionable through key control requirements or with expected outcomes. Policy statements or Policies must clearly outline the roles and or job families that are responsible for complying with the requirements and should allow for discretion and judgement.

Standards are operational documents to implement the requirements set out in the ERMF, RTFs or Policies. Standards can have First Line or Second Line owners but must be approved by Risk Framework Owners or Policy Owners or designated individuals identified in RTFs or Policies. In case of inconsistencies between Policies and the underlying standards, the Policies will supersede the requirements.

Principal Risk Types

The PRT defined in the ERMF are:

Credit risk is defined as the potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Bank. Country governance committee is the Executive Risk Committee ("ERC").

Traded risk is defined as the potential for loss resulting from activities undertaken by the Bank in financial markets. *Country governance committee is the ERC.*

Capital and Liquidity risk

Capital Risk is defined as the potential for insufficient level, composition or distribution of capital to support our normal activities.

Liquidity Risk is defined as the risk that we may not have sufficient stable or diverse sources of funding to meet our obligations as they fall due.

Country governance committee is the Asset Liability Committee ("ALCO").

Operational risk is defined as the potential for loss resulting from inadequate or failed internal processes and systems, human error, or from the impact of external events (including legal risks). Country governance committee is the Country Non-Financial Risk Committee ("CNFRC").

Country risk is defined as the potential for losses due to political or economic events in a country.

Country governance committee is the ERC.

Reputational risk is defined as the potential for damage to the franchise, resulting in loss of earnings or adverse impact on market capitalisation because of stakeholders taking a negative view of the organisation, its actions or inactions – leading stakeholders to change their behaviour.

Country governance committee is the CNFRC.

Compliance risk is defined as the potential for penalties or loss to the Bank or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.

Country governance committee is the CNFRC.

Conduct risk is defined as the risk of detriment to the Bank's clients, investors, shareholders, market integrity, competition, and counter-parties or risk of detriment from the inappropriate supply of financial services, including instances of willful or negligent misconduct.

Country governance committee is the CNFRC.

Information and Cyber Security (ICS) risk is defined as the potential for loss from a breach of confidentiality, integrity and availability of the Bank's information systems and assets through cyber-attack, insider activity, error or control failure. *Country governance committee is the CNFRC.*

Financial Crime (FCC) risk is defined as the potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to International Sanctions, Anti-Money Laundering and Anti-Bribery & Corruption, and Fraud.

Country governance committee is the Country Financial Crime Risk Committee.

Three Lines of Defence

The risk management approach reinforces the three Lines of Defence:

The First Line of Defence is defined as businesses and functions that are engaged in or supporting revenue generating activities that own and manage the risks.

The Second Line of Defence is defined as the control functions independent of the First Line that provide oversight and challenge of risk management to provide confidence to the CRO, the Senior Management and the Board.

The Third Line of Defence is defined as the Internal Audit function that provides independent assurance of the effectiveness of controls that support First Line's risk management of business activities and the process maintained by the Second Line.

Risk Appetite Statements ("RAS")

The Bank's RAS is the approved boundary for the risk that the Bank is willing to undertake. It is set within the Risk Capacity which is defined as the maximum level of risk the Bank can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements, internal operational environment, or otherwise failing to meet the expectations of regulator and law enforcement agencies.

The RAS structure was revised to align with the new PRTs and took effect in early 2019.

Stress Testing

Stress Testing is a key element of the Bank's strategy and risk management. The objective of stress testing is to support the Bank in assessing that it:

- does not have a portfolio with excessive concentrations of risk that could produce unacceptably high losses under severe but plausible scenarios
- has sufficient financial resources to withstand severe but plausible scenarios

- has the financial flexibility to respond to extreme but plausible scenarios, and
- understands the Bank's and Group's key business model risks, considers what kind of event might crystallise those risks – even if extreme with a low likelihood of occurring – and identifies, as required, actions to mitigate the likelihood and/or the impact of those events.

SCBT must deliver all stress tests as requested by the local regulator. The CRO must ensure and attest that all local regulatory requirements are met.

- ICAAP: Internal Capital Adequacy Assessment Process Stress Test, and the
- Bank of Thailand Supervisory Stress Test.

The results of these stress tests were discussed in the STF, the ERC and the Board and resulted in no need for further action as the Bank's capital remained sufficient and acceptable under stress.

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 2019, the Bank passed liquidity stress tests on all scenarios which have been tabled in the ALCO.

Market risk stress tests are executed regularly 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. No breaches due to stress were reported in 2019.

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 7.8million in 2019

| Name | Remuneration (Baht) | |
|-------------------------------|---------------------|--|
| Mr. Pakorn Malakul Na Ayudhya | 3,200,000.00 | |
| 2. Ms. Thippaporn Gertphol | 2,650,000.00 | |
| 3. Mr. Pravej Ongartsittigul | 1,950,000.00 | |
| Total | 7,800,000.00 | |

However, the following three Executive Directors and one Non-Executive Director did not receive remuneration from the Bank in 2019, as prescribed by Standard Chartered Group policy:

1. Mr. Bharat Narayanan Padmanabhan Non-Executive Director

2. Mr. Plakorn Wanglee Executive Director

3. Mr. Ashish Jain Executive Director

4. Ms. Kirsten Leigh Wilkinson Executive Director

During 2019, the amount of remuneration paid to 7 senior executives (total of 8 senior executives during 2019) from the level of Senior Executive Vice President totaled Baht 107.06 million. The amount of remuneration paid to 12 senior executives (total of 14 senior executives during 2019) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totaled Baht 125.96 million.

Other remuneration

During 2019, other remuneration including Bank's provident fund contribution for 7 senior executives (total of 8 senior executives during 2019) from the level of Senior Executive Vice President totaled Baht 20.93 million. The Bank's provident fund contribution Other remuneration for 12 senior executives (total of 14 senior executives during 2019) from the level of Executive Vice President and above or any person with equivalent rank, whatever the name of the position, totaled Baht 19.22 million.

Dividend payment policy

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

Nomination and Remuneration Committee Report



To the Shareholders

The Nomination and Remuneration Committee comprises three Independent Directors to ensure independence of the sub-committee.

The Committee members as on 31 December 2019 were listed as below:

- 1) Mr. Pakorn Malakul Na Ayudhya Chairman
- 2) 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. The main duties and responsibilities are to give an advice and layout the policies, rules and procedures for the selection of candidates for 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; to select and nominate the qualified candidates to the Board of Directors' consideration and appointment for the positions 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, as well as advisor of the Bank; 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 with equivalent rank, whatever the position may be named, for the Board of Directors' consideration and approval; and set out performance assessment criteria for 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 annual remuneration review by taking into account their responsibilities and relevant risks emphasizing the valued added to long-term shareholders interests.

In 2019 the Nomination and Remuneration Committee held six 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 took 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 took 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 fastchanging 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 took 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. The Nomination and Remuneration Committee also endorsed the adoption of the Group remuneration policies and standards for the Bank to determine remuneration and benefit with the relevant risks reflected more appropriately.

- 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.
- Considered the expanded dimension and scope of role of some senior executives to give opportunities to grow up and to provide the effective process and right capabilities to our clients based on their needs.
- 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.

The remuneration and benefit provided for directors and senior executives in Y2019 is presented in the Annual Report in the section entitled 'Structure of Management'. The Nomination and Remuneration Committee is of an opinion that such remuneration and benefit are appropriate, 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.

The Committee members as on 31 December 2019 were listed as below:

- 1) Ms. Thippaporn Gertphol
- 2) Mr. Pakorn Malakul Na Ayudhya
- 3) Mr. Pravej Ongartsittigul

Chairman Member Member

In 2019, 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 2018 and the interim financial statements and independent auditor's report for the six-month periods ended 30 June 2019, 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:
- Approved the payment of Standard Chartered Bank Group support costs for year ended 2018 and H1 2019;

External Auditor

- Made recommendations to the Board of Directors regarding the nomination of the Bank's external auditor and its remuneration;
- 5) Acknowledged the external auditor's audit plan for 2019;
- Acknowledged the progress of the external auditor's non-audit services related to fund supervisor review process;
- Acknowledged the external auditor rotation plan;

- Acknowledged the 2018 KPMG audit result and report on information technology risk management as well as action plan;
- 9) Approved the adoption of Group auditor independence policy;

Internal Control and Audit

- 10) Approved the revised 2019 and 2020 country audit plans and acknowledged quarterly audit result and outstanding issues. Also, followed up, queried, commented and provided guidance for corrective actions of audit findings especially significant risk issues to ensure the internal control appropriateness and adequacy for the Bank's business operations;
- Endorsed the 2019 credit review plan and acknowledged report on credit review and outstanding issues;
- 12) Acknowledged the Internal Capital Adequacy Assessment and Process ("ICAAP") audit
- 13) Acknowledged the GIA's audit key issues and theme in the ASA Region;
- 14) Acknowledged the 2019 audit organisation structure and capacity planning;
- Acknowledged the country audit team development activities in H2 2018 and H1 2019.

Regulatory Compliance

- 16) Approved the annual compliance report for the year 2018 and annual review of compliance policy, as well as acknowledged quarterly report on non-compliance and concerned issues as well as actions taken by the Bank. It was noted that there was no concerned issue required special attention in 2019;
- Acknowledged the 2019 compliance assurance review plan, report on compliance assurance review issues tracker and actions taken by the Bank;
- 18) Acknowledged quarterly report on key local regulations;
- 19) Acknowledged the Bank's response to the Bank of Thailand ("BOT") annual examination result and report for 2018 as well as the actions taken by the Bank;
- Acknowledged the Thai Bond Market Association audit result and report with no misconduct found;
- 21) Approved the result of self-evaluation for Counter Bribery Recertification project;

Risk Management

- 22) Acknowledged the risk issues discussed at the Executive Risk Committee's meetings and quarterly report on the significant approved limits & mark-tomarket risk exposure;
- Acknowledged the Group Special Asset Management ("GSAM") portfolio update as of June 2019;

- 24) Acknowledged the report of fraud and operational risk events in H2 2018 and H1 2019 as well as action plan taken by the Bank;
- 25) Acknowledged the minutes of the Model Assessment Committee's meetings;

Transactions with Related Parties and Conflicts of Interests

26) Acknowledged the single lending limit ("SLL") utilization of all Standard Chartered Bank entities and the approved SLL waiver limit granted by BOT;

Others

- 27) Acknowledged the actions taken against missed trades and missed reporting to Thai Bond Market Association in H2 2018 and H1 2019. It was noted that there was no missed reporting given significant process improvement;
- Acknowledged the Management Information for Anti-Money Laundering and Financial Crime Risk for 2019 (August 2018 to July 2019);
- 29) Acknowledged the legal dispute report as of April 2018;
- 30) Acknowledged the speaking-up cases in H2 2018 and H1 2019;
- Acknowledged the country health and safety action plan for 2019 and summary of accidents during 2017 to April 2019;
- 32) Approved the target operating model of Conduct, Financial Crime and Compliance Department to increase the efficiency and enhance the team's skills and knowledges to be able to serve the stakeholders as one-stop shop:
- 33) Reviewed the terms of reference of Audit Committee with no change required;
- 34) Acknowledged the 2018 Audit Committee's self-assessment result and approved follow-up actions to enhance the overall effectiveness of Audit Committee; and
- 35) Acknowledged the 2020 Meeting dates and rolling agendas.

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, reliable and in line with good corporate governance practices.

General Information

| Name | Standard Chartered Bank (Thai) Public Company Limited |
|---------------------|---|
| Address | 100 North Sathorn Road, Silom, 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.sc.com/th |
| Share Registrar | Standard Chartered Bank (Thai) Public Company Limited |
| Address | Corporate Secretariat's Office, 12th Floor, Sathorn Nakorn Tower |
| | 100 North Sathorn Road, Silom, 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, Silom, Bangrak, Bangkok 10500 |
| Telephone | (02) 724-3366 |
| Facsimile | (02) 724-3360 |

Structure of Shareholders

Top eleven major shareholders as of 31 December 2019 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. | Morgan Stanley & Co. International Plc | 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 |

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

- Nil

Director has a direct or indirect interest in any contract which is made by the Bank during a fiscal year

- Nil

Connected Transactions

Connected transactions with potential conflicting parties

• Loans and obligations to major shareholders

| Potential conflicting parties | Type of business | Relationship | As at 31 December 2019 (Baht thousands) | | Approval | Future plans | |
|-------------------------------|--------------------------|----------------------|--|-------------|------------------|-------------------------------------|-----------------|
| | | | Loans | Obligations | Interest rate | Approval | i uture piaris |
| Standard Chartered Bank | Financial Institution | Major Shareholder | - | 167,070,856 | - | 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 2019 (Baht thousands) | Reasons for the transactions |
|--|--|--|---|
| Directors, top executives, and related persons | Loans Obligations All deposits Borrowing Interest rate | - - - | Normal practice - Normal practice - Market rate |

Remark Additional information related to Connected Transaction appears in the Note No. 25 "Related Party Transactions and Balances" page 48 of Annual Financial Statements for the year ended 31 December 2019.

