

Drive SMEs to BCG Model

for Sustainable Business Growth



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ANNUAL REPORT 2022

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND

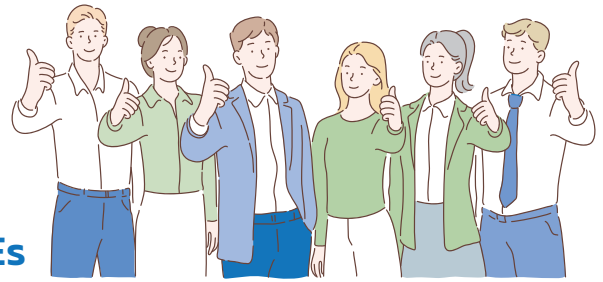




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SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND



SME D Bank, the Bank for Thai SMEs

“Adding Capital with Knowledge”

Promote Thai SMEs to Sustainable Success

Small and Medium Enterprise Development Bank of Thailand or **SME D Bank** is a specialized financial institution under the supervision of the Ministry of Finance and the Ministry of Industry with a commitment to being “**The Bank for Thai SMEs**” following the vision of “**being a state-owned financial institution with comprehensive financial solutions and developing Thai SMEs’ business capacity toward sustainable success.**” As a government mechanism, the Bank’s key role is to support, elevate, and enhance Thai SMEs’ potential to grow stronger and progress towards sustainability through the process of “**Adding Capital with Knowledge.**” The Bank provides “**Financial Support**” by directing to the source of funds, increasing liquidity, expanding, investing, or changing the business through suitable credit products that meet the needs of all types of businesses, together with “**Development Support**” by adding knowledge, increasing skills, and setting standards to expand the market for SMEs entrepreneurs through various activities collaborated with partners in the government, private, and academic sectors, as well as “**SME D Coach**”, a professional consultant service providing advices and recommendation throughout the business path such as marketing, account management, technology standard elevation, and production, etc. We encourage SMEs entrepreneurs to drive business growth to its full potential and pass on the benefits to all sectors of society, creating employment and career, generating income and economy, and elevating eco-friendly business development, leading Thailand to grow strong and sustainably.

The role of **SME D Bank**, the bank for development, is to cultivate **SMEs** growth



1

Support SMEs in all business groups

with the “Adding Capital with Development” process, **SME D Coach**



2

Loans that answer every need

- Maximum credit limit of 50 million baht
- Installments up to 15 ears
- Relaxed loan criteria



3

Connect public and private sector partners

- Elevate business
- Increase sales channels
- Reach international standards



4

Join investment for business prospects

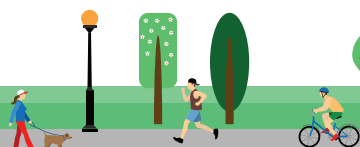
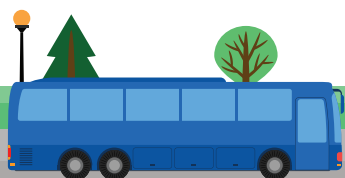
- Grow business
- Create added-value to business
- Ready to enter Thailand's capital market



5

Drive business growth

- Forward to commercial banks
- Registered as a public company
- Export products overseas



Drive SMEs to BCG Model for Sustainable Business Growth

SME D Bank advances the ESG framework towards sustainability and develops SME businesses with the BCG model.



In **2022**,

The Bank achieved a new record in introducing SME entrepreneurs to funding sources totaling more than **68,800** million baht, the highest figure since the establishment of SME D Bank 21 years ago, leading to cash flow in the Thai economy of more than **315,140** million baht and the retention of over **226,540** jobs.



During the COVID-19 pandemic in the past three years (2020–2022), SME D Bank added more than **160,000** million baht to SME businesses, resulting in a cash flow in the economic system totaling **735,000** million baht and the retention of **629,000** jobs.



"**Developing**" through organizing activities with partner agencies in both the public and private sectors to enhance capabilities, generate income, and expand markets, in which over **21,860** SME entrepreneurs took part.



SME D Bank gave SME entrepreneurs with potential the opportunity to propose business plans in order to enter the "**venture capital**" process. The Bank has approved in principle 82 joint investments with a private equity trust fund totaling **2,400** million baht and approved investments in 32 companies totaling **900** million baht.



The Bank has succeeded in becoming "**Thailand's first financial institution**" to issue "**ESG deposits**", raising funds of **1,000** million baht to drive Thailand's SMEs towards the BCG model, thereby contributing to environmental and social responsibility while adhering to good governance principles.



The first financial institute to receive the "**Human Rights Model Organization of the Year 2022**" award in the outstanding category from the Department of Rights and Liberty Protection, the Ministry of Justice, in recognition of its outstanding act of giving highest priority to human rights by consistently formulating concrete human rights policies.



SME D Bank driving **ESG** towards sustainability and developing SMEs with the **BCG model**



Adding capital with development: giving access to funding sources, creating liquidity through loan products that include every business group **with the credit limit of 50 million baht.**



A model organization of integrity and transparency, SME D Bank received **96.48** points in the 2022 ITA Awards, maintaining at the **AA** level for **two consecutive years.**



Stable Stability
Earning an "AAA (tha)" rating, the highest rating in Thailand, affirmed by Fitch Ratings (Thailand) Limited, **for the tenth consecutive year.**



E-Learning SME D Academy
Develop the capabilities of Thai SMEs to be ready for the Digital Marketing era and achieve sustainable success.



BCG Lone

Follow the National Strategy by empowering SME entrepreneurs and driving businesses to the ECG model to grow sustainably

SME D Market

Allow customers to take turns setting up booths to sell goods

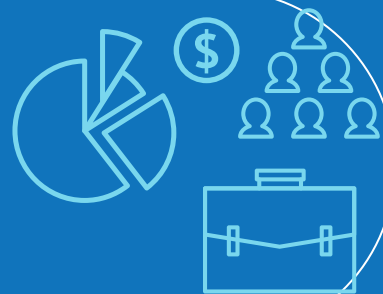


SME D Coach or SME D Care Center

Business consulting services provided by teams of professional coaches with academic expertise and first-hand experience

SMEs Re-Start

Revive tourism business and tourism supply chain affected by the COVID-19



3D Loan

Support access to funding sources with fixed interest rate, alleviating financial burden and driving business forwards

Bank's Activities

Social and Environmental Responsibilities



The Bank places importance on sustainable development by taking into account the involvement and responsibility of the environment, social, and good governance.



The Bank places importance on sustainable development with regards to social and environmental engagement and responsibilities, as well as adherence to good governance, to drive the organization in four areas: 1. Educational Development; 2. Social and Environmental Development; 3. Religious Preservation; and 4. Public Facility Improvement. SME D Bank has carried out various important activities, for example, providing drinking water to agencies such as the Bangkok Youth Center, Taksin Hospital, or Phayathai District Office to be further distributed to vulnerable groups affected by the ongoing COVID-19 pandemic, as well as providing survival bags to assist and alleviate the sufferings of flood victims in many areas. Our employees volunteered in activities that improve quality of life by teaching members of the senior club, Lumpini Park Club, and the Kudi Chin community how to take stunning smartphone images and how to use TikTok for happiness, profession, and pastime.

In terms of employee participation promotion activities, the Bank has accepted donations of plastic straws to be cut and made into pillow tubes for bedridden patients or those suffering from pressure sores and delivered to the Veterans General Hospital. The proceeds from our auction activity, "Clear Baan Dai Boon," were used to purchase an ambulance for the Institute of Neurology. For religious activities, the Bank participated in the Kathin Ceremony at Wat Pa Ban Yang (Branch 1) in Surin Province to restore and renovate the sermon hall and crematorium, as well as to construct the mondop where Phra Buddha Rattana Manee Sri Surin or Phra Yok is enshrined, thus continuing an ancient tradition and strengthening Buddhism.



Loan Services in Response to Government Policies



“Green Business” prioritizes the environment to increase business competitiveness and create sustainability in the economic system.

BCG Loan
สินเชื่อธุรกิจที่เป็นมิตรต่อสิ่งแวดล้อม

ลงทุน หมุนเวียน
เสริมสภาพคล่อง Refinance
เติบโตธุรกิจ กระจายสู่ความยั่งยืน

วงเงินกู้สูงสุด **50** ล้านบาท

พิเศษ!
อนุมัติและทำสัญญาภายใน 30 ร.ค. 65
รับสิทธิ ดอกเบี้ยคงที่ **3.99%** ต่อปี

ผ่อนนานสูงสุด **12** ปี
24 เดือนแรกไม่ต้องชำระเงิน

สินเชื่อ **SMEs Re-Start**

เปิดกว้างเติมทุน
หมุนธุรกิจ SMEs ไทย

วงเงินกู้สูงสุด **5** ล้านบาท

ดอกเบี้ย **5.5%** ต่อปี
เริ่มต้น

ผ่อนนานสูงสุด **12** ปี
ปลอดชำระขั้นต่ำสูงสุด **24** เดือน

SME D Bank has supported SMEs in gaining funding access to enhance liquidity, invest, expand, improve, elevate the business, and help mitigate the impact of COVID-19 with credit products that cover all business groups with a maximum loan amount of 50 million baht. Following Thailand’s development strategy with the Bio-Circular-Green (BCG) Economy Model and becoming an environmentally conscious “Green Business,” the Bank has also continued to support environmentally friendly SMEs with “3D Loans,” “SMEs Re-Start Loan,” and “BCG Loan,” thereby assisting in transforming small enterprises (SE) into middle enterprises (ME), and to large businesses, in order to expand competitive opportunity and create a sustainable economic system. The Bank also supports and promotes potential SMEs in the form of joint ventures through two SMEs private equity trust funds: SMEs Private Equity Trust Fund I and II; as a result, the business will grow at full efficiency and progress forward towards sustainability.



Entrepreneur Development



“Adding Capital with Development” elevates SMEs and increases business capabilities to adapt to quick changes.



The Bank has supported Thai SMEs based on the “Adding Capital” and “Knowledge Development” approach to assist SMEs entrepreneurs in upgrading their businesses, improving business potential, and adapting to rapid changes. Together with government and private partner agencies, the Bank provided comprehensive development that includes a 24-hour self-learning activity, “adding knowledge” via the E-learning system on wdev.smebank.co.th, and essential continuous trainings such as accounting and funding source access preparation. The Bank also assisted in the expansion of sales channels and the monthly organization of the “SME D Market,” which allowed our clients to take turns selling products to

the general public without any cost. With around 30 partner agencies, the “SME D Coach” project under the “Comprehensive Business Consulting Center” or SME D Care Center provided consulting services and business advice by a team of professional coaches with knowledge and expertise in both academics and practical experience. The team consisted of the Bank’s personnel as well as experts from partner agencies and former executives of leading national organizations. The “SME D Coach” project helped in identifying the weaknesses and strengths of SME entrepreneurs, resulting in business development, business elevation, and timely adaptation to changes.



Financing for Sustainability



SME D Bank, as a bank for Thai SMEs development, responds to the policy through the creation of a BCG Loan product with a credit limit of 11,000 million baht.

As the bank for Thai SMEs development, SME D Bank responds to the government strategy that drives Thailand's advancement in the new era through the Bio-Circular-Green Economy model, or BCG model, with the highest priority described as a "National Agenda." In the past, the Bank has issued BCG Loan products with a credit limit of 11,000 million baht, with the latest collaboration with the Asian Development Bank, or ADM, in creating a sustainable financing framework in line with international standards. SME D Bank takes into account ESG guidelines of being environmentally friendly, socially responsible, and adhering to good governance in order to develop financing processes in the form of bonds and deposit products for lending

to Thai SMEs, elevating towards the BCG Model and leading to sustainability in the environment, social responsibility, and good governance. An external reviewer, DNV Business Assurance Australia Limited Company, has assessed the process and certified that it meets international standards in all respects.

The development of the financing process resulted in SME D Bank being the "first financial institution in Thailand" that could successfully issue "ESG deposit products" to raise capital. The Bank opened for deposits with a total initial deposit amount of 1,000 million baht with a period of one year and an interest rate of 1.2% per year, drawing in attention from several agencies, whether educational institutions, securities companies, insurance companies, or local hospitals, all of which have the intention of supporting SMEs in the BCG Model and quickly placing deposits in full amount. In the future, the Bank will proceed with additional fundraisings both in the form of bonds and deposit products following the ESG framework.




SME D Bank
ธนาคารเพื่อเอสเอ็มอีไทย
สถาบันการเงินแห่งแรกของไทย
ระดมทุนสำเร็จผ่าน
“ผลิตภัณฑ์เงินฝาก **ESG**”

VOICES FROM OUR CUSTOMERS

U-Cup Coffee Co., Ltd.

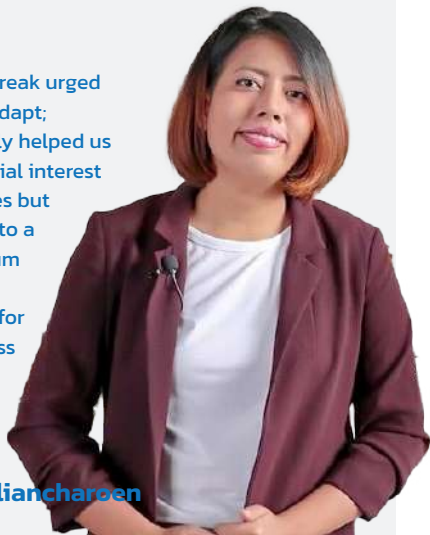
Rayong Province

 U Cup Coffeebar x Specialty Coffee

“
The COVID-19 Outbreak urged “U Cup Coffee” to adapt; SME D Bank not only helped us gain access to special interest rate funding sources but also introduced us to a principal moratorium measure, providing adequate liquidity for our smooth business management.

”

Ms. Aphirati Pliancharoen



Manufacturer and distributor of roasted coffee beans and owner of “U Cup Coffee”

“U Cup Coffee” creates over 20 outstanding coffee drinks for our customers using both Thai and imported coffee beans and implementing a style that allows customers to customize their cup to their liking with the craftsmanship of our talented baristas, who have won several barista awards from various contests. Currently, there are two branches of “U Cup Coffee”: Ban Chang and Rayong, serving drinks, savory dishes, and sweets. We also run coffee-related businesses, such as consulting and selling coffee beans from our roasting house. Coffee lovers can be certain that they will be served high-quality cups of coffee upon visiting “U Cup Coffee”.



Singha Food Industries (THAILAND) Co., Ltd.

Bangkok

 April's Bakery



Manufacturer and distributor of mooncake pastries and owner of “APRIL'S BAKERY”

A young stewardess quit her job to pursue her dream of opening “April's Bakery,” a 100-million-dollar mooncake pastry that took more than ten years to introduce to the Thai market, a well-loved style that perfectly combines the differences between mooncake and pie with a unique recipe: thin crust, firm fillings, and low sugar. SME D Bank's support is one of the driving forces behind our business's growth by expanding factories, raising our production capacity to more than 300,000 pieces per day, and employing more than 300 employees. “April's Bakery” has over 40 branches and franchises, as well as a distribution channel through more than 10,000 well-known convenience stores nationwide, generating income of hundreds of millions of baht each year.

“

An opportunity that came with challenges, SME D Bank's comprehensive loan products help April's Bakery push forward with full force by developing factories to support production, distributing products to convenience stores nationwide, managing working capital without interruption, and driving business growth.

”

Ms. Kanokkan Mathuraporn



ECU Shop 1 Co., Ltd.

Chiang Mai Province



Mr. Suthipot Triphuwaprit

“

The dream of ECU Shop came true with the support of SME D Bank through the access to funding sources that we used to buy machines, drive our ECU box equipment (both software and hardware) manufacturing business, and build a virtual laboratory for piloting aircraft, which is one of the future world's businesses.

”



Manufacturer of comprehensive ECU equipment, both software and hardware

With nearly two decades of experience and expertise, ECU Shop produces and sells “ECU Box,” Thailand’s number one electronic control unit that functions as as the “brain” that controls car operating systems. We create comprehensive ECU box equipment, including both software and hardware, for installation in diesel and gasoline cars or motorcycles. ECU Shop dominates over 95% of the domestic market. Our products are distributed throughout the country by over 500 garages and equipment dealers; we also export to Australia, New Zealand, Malaysia, and other foreign countries. The support of SME D Bank helped our dream come true with increased capital, machine purchases, and business expansion for future trends.



Sombat Silver Cup Part., Ltd.

Bueng Kan Province



Manufacturer and distributor of latex cups and wire bundles of latex cups “Sombat Silver Cup”



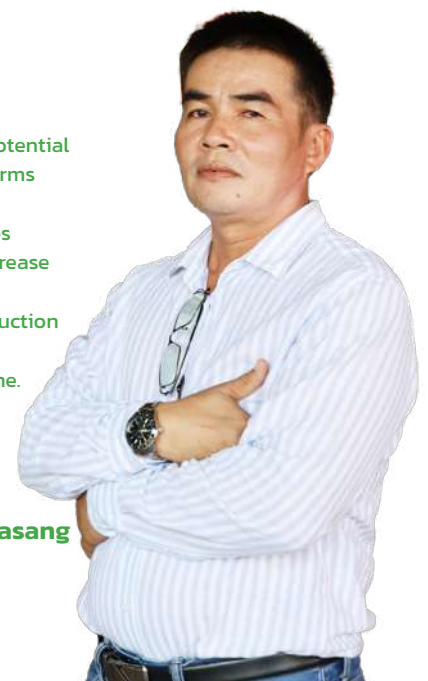
With long experience in mechanics and machinery, “Sombat Silver Cup” saw an opportunity in Bueng Kan province and nearby areas where latex cups are in high demand following the growth in rubber tree planting and started producing latex cups. “Sombat Silver Cup” is well-known for recycling discarded plastic materials into high-quality latex collection cups that are durable, long-lasting, and available in various sizes for different uses. Our unique innovation of incorporating special plastic pellets into latex cups prevents rubber from sticking at the bottom, facilitating the collection process and allowing rubber farmers to obtain good-quality products at affordable prices.

“

SME D Bank recognized potential in Sombat Silver Cup in terms of economic, social, and environmental advantages and provided funds to increase liquidity and machinery, which expanded our production capacity and efficiently increased sales and income.

”

Mr. Chanin Phatthanasang



Cherdsak Charoensap Fruit Co., Ltd.

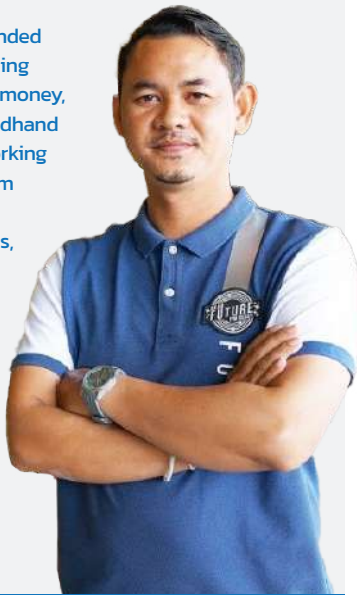
Chanthaburi Province

 แฟนเพจเรียนเล็ก 6 กิโล

Mr. Cherdsak Boonpiam

“

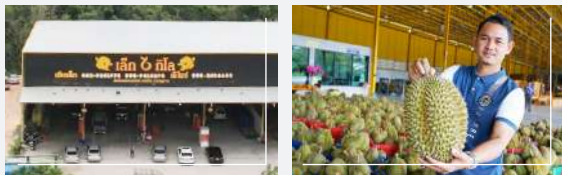
The first 500,000 baht funded by SME D Bank was a turning point in my life. With that money, I was able to buy a “secondhand pickup truck” and gain working capital to buy durians from farmers to resell them at various wholesale markets, as well as expand the business by registering as a juristic person and thus becoming Chantaburi’s leading durian middleman (Long) known as “Lek 6 Kilos.”



”



Entrepreneur of durian middleman (Long) “Lek 6 Kilos”



“Lek 6 Kilos” began with a durian picker who dreamed of becoming a middleman. About a decade ago, he left to become a “durian trader,” after years of experience in the fruit trading industry, with the goal of providing the best care for customers: “durian farmers” and “durian buyers.” With a heart for farmers, “Lek 6 Kilos” has been helping them from the planting stage by providing funds for agricultural material purchases and buying at a fair price, thereby thereby satisfying buyers with good-quality products without fail. This approach is beneficial to all parties, leading “Lek 6 Kilos” to become a major durian middleman in Chantaburi with over 40 branches.

Kimchi in a Jar “Kimchi Khun Kim”

Samut Prakan Province

 กิมจิคุณ Kim



From an automobile business manufacturing “tourist buses” with a target on the Thai tourism industry, everything collapsed in the aftermath of the COVID-19 pandemic, leaving a debt of hundreds of millions of baht. With the support of SME D Bank, I got back on my feet with a new business, “Kimchi in a Jar,” under the brand “Kimchi Khun Kim”. The kimchi recipe originated from my grandmother’s restaurant, combining knowledge and skill in authentic Korean cuisine with distinctive “Water Jar” packaging. Not only is the design remarkable, but the water jar also helps to preserve the authentic taste of kimchi. The products are sold through online shops and live broadcasts on the fanpage which has a large number of fans who spread the word, resulting in constant sales growth.

Kimchi in a Jar “Kimchi Khun Kim”

“

SME D Bank’s “Adding Capital with Knowledge” process left an impression on me. The process provided knowledge about franchise business, allowing “Kimchi Khun Kim” to access to funds as working capital to purchase ingredients, increase production, and open a Korean restaurant, “Kim Han-Jeongsik.”

”

Kim Ye-jin



“Stockholm” Farm

Maha Sarakham Province



Ms. Yaowalak Danphan

“

One of the factors that drive our business is the constant support from SME D Bank. By giving us access to funds by providing loans that answered our needs and introducing us to single account standards, we managed to expand new branches and grow our goat farm continuously

”



“Stockholm” The first goat farm in Thailand

“Stockholm” is the pioneer of the goat farming business in Thailand, the only comprehensive goat farm business from upstream to downstream in the northeastern region. SME D Bank, the Bank for Thai SMEs, has been a constant partner in our business growth. “Stockholm” establishes a center for the production of frozen goat semen and teaches the artificial insemination process to new farmers or new farmers or anyone interested in starting a goat farm business to breed goats and expand other related businesses. We also open a cafe zone for visitors to try our exclusive dishes and drinks made from goat products, such as goat meat pizza, goat milk coffee, goat milk choux cream cookies, and northeastern spicy goat salad. There are also processed products available, such as goat milk soap. “Stockholm” contributes significantly to the creation of jobs and employment for locals.



Ruenmai-baimon Part., Ltd.

Surin Province



Once a city white-collar worker who returned to his hometown in Surin Province to continue his family business and preserve Thai local wisdom, he transformed it into a comprehensive silk business ranging from mulberry tree cultivation to feed the leaves to silkworms to silk thread procession, coloring, and dyeing, which we invested in machinery, thus allowing us to adapt to the industry and reduce production time while still producing enough products to meet the demands of our customers. SME D Bank supported us with increased capital resulting in lower sales and profits, we did not back down. We chose to strengthen our features by researching and developing products and designing our “Silk Jeans” to expand our customer base, thereby meeting the needs of the new generation and tripling the value of Thai silk.



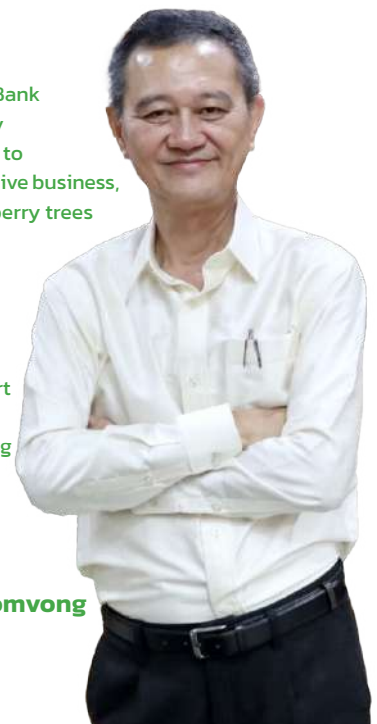
Comprehensive distributor of silks, silk threads, and silk weaving equipment

“

Consulting with SME D Bank on funding helps us buy machines and allows us to expand our comprehensive business, including planting mulberry trees to feed silkworms, preparing silk threads, and bleaching or dyeing colorful threads. The changes reduce production time, support increasing demand, and develop outstanding denim silk.

”

Mr. Arthorn Sangsomvong



CONTENTS

16

Message from the Chairman

18

Significant Developments

20

Vision, Mission, Core Values

22

Government Policies and SMEs Promotions

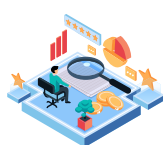


26

Operational Direction 2023 / Strategic Plan

33

The Bank's History



34

Board of Directors

36

Profiles of the Board of Directors

49

Board of Executive Directors

50

The Management



54

Profiles of the Management

64

Organization Chart

66

Directory of Executives

68

Workforce Structure

- Workforce Capacity by Group
- Workforce Proportion by Function
- Workforce Data
- Employee Compensation / Personnel Expenses
- Total Expenses of Employees and Contract Workers
- Remuneration of Executives
- Succession Plan
- Senior Executive Development

73

Remuneration Policy for the Board of Directors

74

Remuneration Policy for Senior Executives

75

Shareholders Structure

77

Thai Economy Situation in 2022 and Outlook in 2023

83

SME D Bank's Role



87

Operating Results for 2022

108

Key Factors Affecting Operations





110

Good Corporate Governance

- Good Corporate Governance Policy
- Implementation of Good Corporate Governance
- The Integrity and Transparency Assessment (ITA) of government organizations
- Good Corporate Governance Guidelines
- Ethics and Code of Conduct
- Policy on the Use of Insider Information
- Policy on Related-Party Transactions
- Policy on Conflict of Interest

120

Risk Management

- GRC Governance Risk and Compliance Policy (GRC)
- Guideline on Stakeholder Engagement
- Corporate Social Responsibility (CSR) Policy
- Corporate Social Responsibility (CST) Implementation
- Sustainable Development Policy
- Complaint Reception and Handling
- Compliance with the Official Information Act, B.E. 2540

145

Guidelines for Recruitment of Directors Development and Assessment of the Board of Directors

146

Development and Assessment of the Board of Directors

148

Sub-committee

166

Disclosure of Information of the Board of Directors, the Board of Executive Directors, and Senior Executive Vice Presidents



168

Meeting Attendance, Remuneration and Meeting Allowance of the Board of Directors, the Board of Executive Directors, and Senior Executive Vice Presidents in 2021



170

Financial Highlights

171

Charter of the Board of Directors

174

Committee's Reports

- Report of the Board of Directors
- Report of the Board of Executive Directors
- Report of the Audit Committee
- Report of the Risk Oversight Committee
- Report of the Nomination and Remuneration Committee
- Report of Corporate Governance and Corporate Social Responsibility Committee (CG&CSR)

187

Report of the Board of Directors' Responsibilities for the Financial Statements



188

Auditor's Report and Financial Statements



244

Board of Directors Directory 1997 - 2021

249

Branch Directory

MESSAGE FROM THE CHAIRMAN

As a state financial institution, Small and Medium Enterprise Development Bank of Thailand (SME D Bank) and the Board of Directors and Executives have set standards and expedited assistance to entrepreneurs, emphasizing our primary role as “The Bank for Thai SMEs” as well as a government mechanism for Thailand’s economic recovery that has continued to continuously and closely provide assistance guidelines to SME entrepreneurs affected by the COVID-19 outbreak through the “Adding Capital with Development” process, strengthening SMEs’ solid and sustainable growth. The Bank’s performance in 2022 was reflected in our assistance and support to SME entrepreneurs in gaining access to funding sources to enhance liquidity at the highest amount since the Bank’s establishment, with total loan disbursements amounted to 68,808 million baht for 12,746 entrepreneurs through loan projects in response to the Cabinet Resolution and government policy loans; the Bank also served as a cooperation unit in the SME Development Fund under the Pracharat Scheme.

The above-mentioned results are the fruit of the commitment and dedication of SME D Bank’s Board of Directors, Executives, and Staff joining forces to help Thai SMEs resume their businesses, promote SME businesses, and focus on eco-friendly businesses’ sustainable growth in response to government policy under the national development strategy with the BCG (Bio-Circular-Green Economy) model, which will further benefit Thailand’s society and environment overall.

In addition to financial assistance, one of SME D Bank’s key missions is the development of entrepreneurs in collaboration with partner agencies from both the public and private sectors. Online and on-site activities and seminars were conducted to expand SME entrepreneurs’ knowledge in order to keep pace with present changes, adjust the business to customer behavior, promote marketing, increase online sales channels, generate sales, and acquire additional income. In the meantime, SME D Bank dedicated special attention to the development of entrepreneurs in the vulnerable group, a group highly sensitive during the volatile economic situation, in order to ensure steady business conduct. The Bank also advised micro, small, and medium-sized enterprises from all business sectors in accordance with the Pracharat Scheme to revitalize SMEs that applied for loans from the SME Development Fund under the Pracharat Scheme, B.E. 2565, through the “Leave No One Behind” project, elevating their businesses to SMEs and preparing their access to funding sources.

As Permanent Secretary of the Ministry of Industry, the Chairman of the Small and Medium Enterprise Development Bank is ready to lead the bank in response to government initiatives aimed at helping SME entrepreneurs. For 2023, operational guidelines were established focusing on creating sustainability under the idea of “MIND” with “head” and “heart” to form a balanced and sustainable local industry and shape the industry into a new path in four dimensions, as follows: The first dimension is corporate success, achieved through reshaping businesses and industries into the s-curve to suit the future world, keeping pace with Industry 4.0, and transitioning into a new era of manufacturing technology; the second dimension is social and community engagement through promoting cordial cooperation between enterprises, communities, and society in order to encourage good business operations; the third dimension is environmental preservation, which includes taking care of the environment and promoting green industry, increasing business opportunities, achieving carbon neutrality, and catering to the demands of Thailand and the global community; the fourth dimension is income distribution, which includes preserving local lifestyles, generating benefits, and developing communities around the industry by focusing on creating jobs and employment and promoting business for society.

On behalf of the Board of Directors, Executives, Personnel, and all employees, I would like to express my gratitude to all stakeholders, including the government, the Ministry of Industry, the Ministry of Finance, and the Bank of Thailand, as well as customers, trading partners, collaborators, and partner agencies, for their continued support of SME D Bank. The Board of Directors will support our personnel in all aspects of performing their duties to the best of their abilities and assisting the government sector to drive the economy and society, as well as helping entrepreneurs through this crisis and hardships together as part of our role as “The Bank for Thai SMEs.”



(Mr.Nattapol Rangsitpol)
Chairman

“

For 2023,
operational guidelines were established
focusing on creating sustainability
under the idea of
“MIND” with **“head”** and **“heart”**
to form a balanced and sustainable
local industry and shape the industry
into a new path

”



SIGNIFICANT DEVELOPMENTS

“
Adding capital with knowledge:
giving access to funding sources and creating liquidity through loan products that include every business group with the credit limit of **50 million baht**
”

Despite the continuation of the COVID-19 epidemic, the Thai economy overall has begun to show noticeable improvement in 2022, as reflected in a return to a near-normal lifestyle. Meanwhile, the government has welcomed foreign tourists through a country reopening policy, allowing private sector entrepreneurs to recover faster than in the past two years (2020 - 2021). SMEs, in particular, have invested, improved, and expanded their businesses in many areas.

From these trends, the government, through the Ministry of Finance and the Ministry of Industry, therefore assigned Small and Medium Enterprise Development Bank of Thailand, or SME D Bank, as a state-owned specialized financial institution to support SMEs entrepreneurs through the “Adding Capital with Knowledge” process, which helps bring access to funding sources and enhance business liquidity. In terms of “finance,” the Bank provided loan products covering all business groups with a maximum loan amount of 50 million baht and long repayment terms, allowing SMEs to plan and manage their businesses more appropriately and flexibly. At the same time, the “development” aspect was organized by the Bank in partnership with the public and private sectors through activities that added knowledge and comprehensively enhanced business capabilities.

In the meantime, the Bank has upheld its “vision” of being the leading state-owned financial institution that provides comprehensive financial services for Thai SMEs’ development toward sustainable growth. The Bank also improved smooth, around-the-clock online service channels such as its official LINE account, SME Development Bank, and website, www.smebank.co.th, and expanded its service through countrywide branches. The Bank has been steadfastly committed to corporate governance (CG) to ensure excellent management, integrity, and accountability, as well as to secure benefits for related parties and stakeholders, transforming SME D Bank into a major state-owned financial institution with transparency and trustworthiness, which helps Thai SMEs in their pursuit of long-term growth.

Our success in supporting and promoting SMEs resulted in the Bank’s achievement of the highest assessment criteria at level AA in the Integrity and Transparency Assessment (ITA) for fiscal year 2022, administered by the Office of the National Anti-Corruption Commission (NACC), indicating the success of the improved development in integrity and transparency, creating a positive image of the Bank, and fostering stakeholder confidence in integrity and transparency.





In addition, Fitch Ratings (Thailand) has given the Bank’s 2022 credit rating at **AAA (tha)** with the highest stable credit outlook in Thailand, and an **F1+ (tha)** short-term credit rating for the 10th consecutive year (2013 - 2022), reflecting the stability and the Bank’s status as an important tool of the government to support the economy. The Bank also enhances capital and liquidity through a variety of loan services, provides opportunities for SMEs to access financial services, and significantly contributes to supporting SMEs debtors affected by the COVID-19 outbreak through debt restructuring and relief measures.



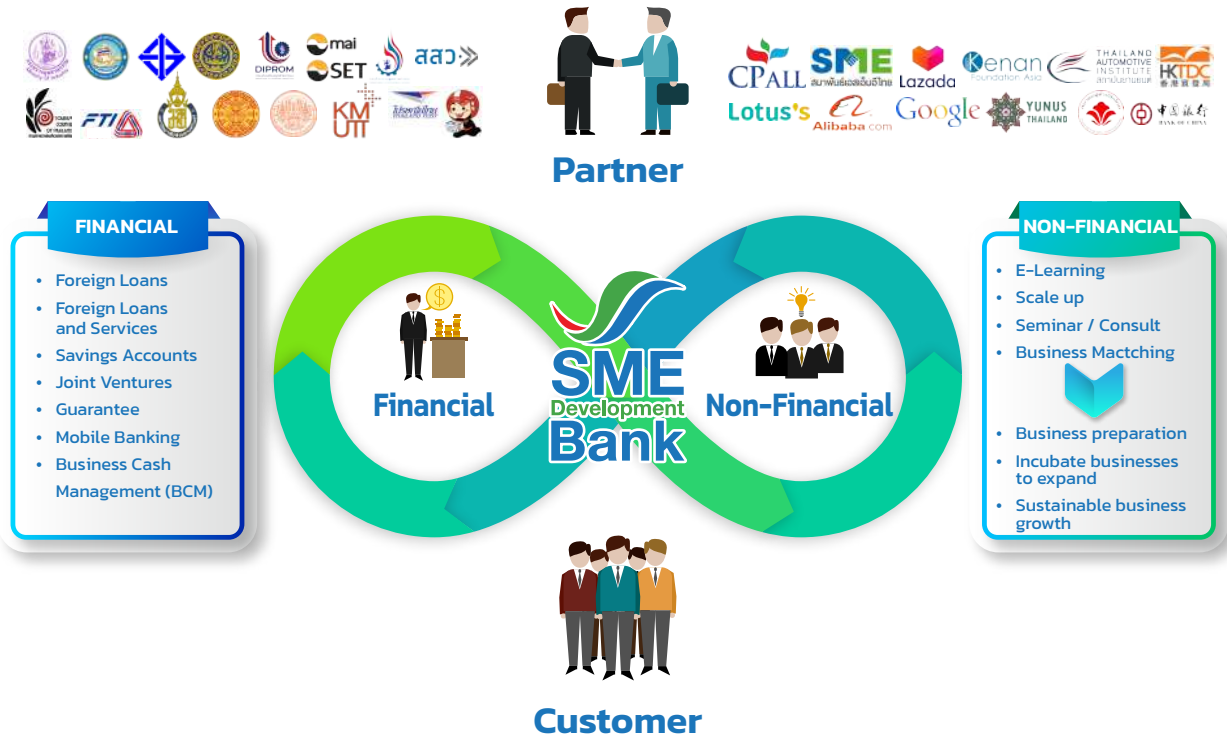
The first bank to receive the “Human Rights Model Organization” award

The Board of Directors, executives, and employees are all committed and dedicated to upholding the human rights of all stakeholder groups while formulating concrete human rights policies, for example, by providing executives and employees with opportunities to collaborate and advance in their careers without gender restrictions, creating opportunities for vulnerable groups, and improving their quality of life by giving access to funding sources to weak SMEs or those that have incurred bad debt in order to restore their businesses. With such dedication, the Bank is honored to be the first financial institution to receive the highest ranking of the 2022 Human Rights Model Organization Award in the outstanding category from the Rights and Liberties Protection Department, Ministry of Justice, with Mr. Somsak Thepsutin, the Minister of Justice, presiding over the ceremony.



With determination, dedication, and cooperation, SME D Bank’s personnel develop and improve work processes, respond quickly and thoroughly to government policy to help SMEs, and serve as the coordinator between partner agencies in both the public and private sectors. As a result, the Bank received the **“Thailand Top Company Awards 2022”** in the category of **“Top Business Partnership Promotion and Development Award,”** emphasizing its role as “the Bank for Thai SMEs”. The event was organized by Business+ Magazine, ARIP Public Company Limited, and the University of the Thai Chamber of Commerce.

VISION / MISSION / CORE VALUES



VISION

To be a state-owned financial institution that offers comprehensive financial solutions and development of Thai SMEs' business capacity toward sustainable success.



MISSION

(Total Solution)

T To develop Thai SMEs and become a key mechanism of the ecosystem to accommodate business operations by providing access to funds and comprehensive business support.

(Human Capital)

H Human Capital - To enhance personnel's skill and capability to keep abreast of global and local changes and offer excellent services with good governance.

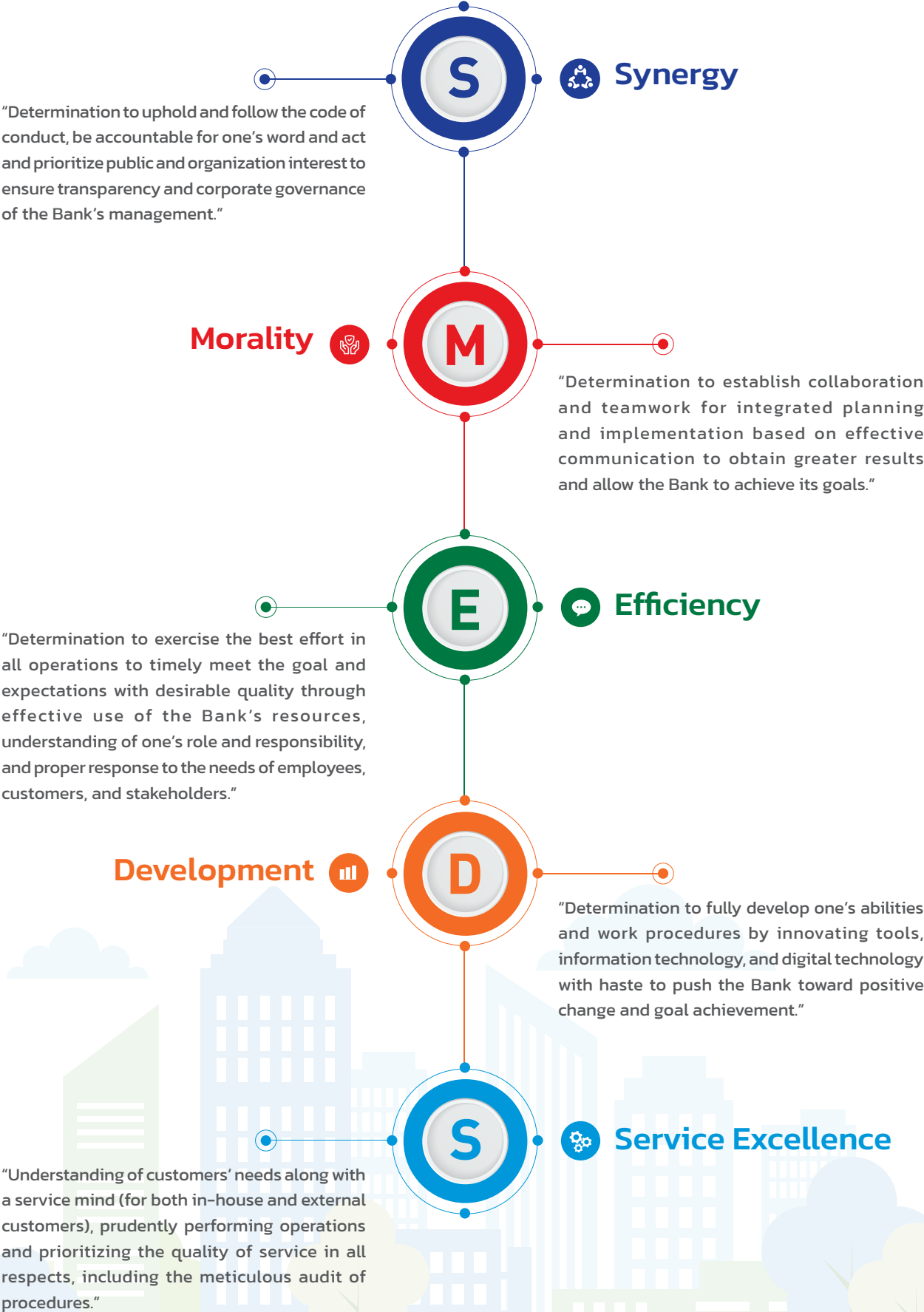
(Agility)

A Agility - To elevate administration based on knowledge and technology.

(Innovation)

I Innovation - To ensure fast and convenient delivery of value to customers and stakeholders.

SME-D CULTURE



GOVERNMENT POLICIES AND **SMES PROMOTIONS**

Determining its direction and operational approaches, SME D Bank has taken into consideration the 20 – Year National Strategy (2018 – 2037) Master Plans under National Strategy, the National Reform Plans, the 13th National Social and Economic Development Plan (2017 – 2021), government policies, and policies of regulating agencies and policies of agencies involving in SMEs promotion, as follows:

The 20-Year National Strategy (2018 – 2037)

The Bank adopted the following relevant national strategies to help achieve the country’s vision to become “a developed country with security, prosperity, and sustainability according to the Sufficiency Economic Philosophy.” Such achievement will elevate Thailand’s potential in various dimensions and the potential and quality of Thais across all age groups. It will create opportunities, social equity, and eco-friendly growth, and the public sector will be representative of its people for the benefit of the general public.

Strategy 2 Enhancing Competitiveness

Issue 4.5 Developing a modern, entrepreneur-based economy

- Developing smart entrepreneurs
- Facilitating easier access to financial services
- Facilitating easier access to market channels
- Adjusting roles and improving access to public services

Strategy 4 Creating Opportunities and Social Equity

Issue 4.1 Mitigating inequality and creating multidimensional justice

- Adjusting local economic structures

Issue 4.4 Enhancing the capability of local communities in areas of development, self-reliance, and self-management

- Empowering local communities’ capacity for self-reliance and co-habitation

Strategy 5 Enhancing Eco-friendly Growth

Issue 4.3 Creating sustainable growths in an eco-friendly society

- Aiming for eco-friendly investment in public and private infrastructure development

Strategy 6 Rebalancing and Developing Public Sector Administration

Issue 4.6 Ensuring that the public sector operates with transparency with no corruption and malfeasance

- Having integrated corruption prevention and suppression management

Master Plans under National Strategy (2018 – 2037)

Master Plans under National Strategy are significant mechanisms driving the national strategies to achieve their targets by 2037, under which related issues are linked and integrated. They are the second-level plans for advancing and mobilizing the country to achieve the targets of each strategy. Relevant issues to the Bank are as follows:

Issue 8 Smart Entrepreneurs and SMEs, with the following implementation plans:

- Strengthening smart entrepreneurs
- Facilitating access to financial services
- Improving access to markets
- Creating an ecosystem that facilitates business operations of modern entrepreneurs and SMEs

Issue 16 Local Economy Development, with the following implementation plans:

- Elevating entrepreneurial potential
- Creating an ecosystem and a mechanism that promotes the development of local economies

Issue 20 Public sector’s services and competency, with the following implementation plans:

- Balancing public administration

Issue 21 Anti-Corruption and Malfeasance, with the following implementation plans:

- Prevention of corruption and malfeasance
- Suppression of corruption

Issue 23 Research and Innovation Development, with the following implementation plans:

- Research and innovation development in economic areas
- Support factors for research and innovation development

National Reform Plans

Public Administration Reform Plan: Government agencies shall combine information to join efforts in creating benefits for people with an emphasis on area-based management, digitize administrative and service systems, develop common performance standards and ethical standards for the workforce, and foster an anti-corruption culture.

Economic Reform Plan: Empower local communities and develop community enterprises to improve the management of community-based financial institutions and connect them to the network of the people's financial institutions. Support networking, build development mechanisms with the private sector, and create e-commerce platforms to increase market penetration and resource access to sustain growth and income for the communities.

The 13th National Social and Economic Development Plan (2023 - 2027)

7th Milestone: Strong, highly capable, and competitive Thai SMEs

Development approaches under the 7th Milestone are in line with three main goals of the 13th National Economic and Social Plan draft as follows:

1) Reconstructing the manufacturing and service sectors towards an innovation-based economy by raising the competitive capacity, the local economy and small entrepreneurs can reach the value chain, and Thailand can develop an ecosystem that supports trade, investment, and innovation development by creating and developing competitive SMEs entrepreneurs in each business sector. Entrepreneurs are also connected to the global value chain in an ecosystem that is compatible with each business type and field.

2) Human Development for Modern World through the development of Thai people's skills and characteristics to be suitable for the modern world in terms of knowledge, behavior, and characteristics according to good social norms.

3) Aiming for a Society of Opportunity and Justice in terms of mitigating income, wealth, and competitive opportunity inequalities in the business sector through promoting fair and open competition for SMEs entrepreneurs for sustainable competitiveness.

11th Milestone: Thailand can reduce risks and impacts from natural disaster and climate change.

Development approaches under the 11th Milestone are in line with two main goals of the 13th National Economic and Social Plan draft as follows:

1) Shifting Production and Consumption towards Sustainability by aiming to reduce pollution and pushing for effective use of natural resources that align with the ecosystem's capabilities, as well as reducing greenhouse gas emissions so that Thailand can achieve its goal of carbon neutrality by 2050 and net-zero greenhouse gas emissions by 2065.

2) Strengthening Thailand's Capability in Handling with Changes and Risks in the New World Context by aiming to prepare for climate change, epidemic, and cyber threat.

13th Milestone: Thai Public Sectors that are modern, effective, and meet the needs of the people

Development approaches under the 13th Milestone are in line with two main goals of the 13th National Economic and Social Plan Draft as follows:

1) Becoming a Society of Opportunity and Justice by mitigating inequality in terms of income, wealth, and competitive opportunity in the business sector through supporting and providing vulnerable and underprivileged groups with opportunities to advance their economic and social status, distributing the opportunities, and providing quality public services thoroughly and fairly in every area, along with increasing opportunities for fair and open business competition.

2) Strengthening Thailand's Capability in Handling with Changes and Risks in the New World Context by developing infrastructure and institutional mechanisms conducive to digital transformation, improving the structure and management system of the public sector to meet the changes in the economic, social, and technological context in a timely manner, and achieving effectiveness and good corporate governance.

Government Policies

Policy 5: Enhancing Thailand's economic development and competitiveness

Article 1 Macroeconomics, Monetary, and Fiscal

1.1 Implement monetary and fiscal policies that enable Thailand's economy to respond to global economic volatility by adopting monetary technology to assist and enhance Thai financial institutes' capability to accommodate competition and changes in international rules, expanding access to financial services along with knowledge, as well as supporting database system development in order to increase credit opportunities and credit management efficiency for those with low incomes and SMEs entrepreneurs.

Article 9 Advancing the Modern Economy
9.2 Improving SMEs entrepreneurs' competitiveness in both the manufacturing and service sectors by enhancing entrepreneurial skills to benefit from technological advancement in order to increase business efficiency, facilitating access to capital and markets, and fostering start-up business growth by developing an ecosystem that facilitates business operations so entrepreneurs can compete and expand into international markets, thus becoming Thailand's new economic driving force.

The 5th SME Promotion Plan Draft (2023 - 2027) by the Office of Small and Medium Enterprises Promotion (OSMEP)

Issue 1: Creating Growth for Every Group with driving strategy and approaches, such as, business development in early stage for a stable start, elevating business for global competitive advantage, recovering struggling business, supporting senior entrepreneurs, and promoting agriculture into a professional business.

Issue 2: Creating Purposeful Growth under the driving strategy and approaches as follows: increasing domestic market share and promoting internationalization.

Issue 3: Improving the Environment to Support Business Growth with the driving strategy and approaches as follows: supporting access to funds; supporting technology and innovation development; preparing personnel and labor; providing a center for information, knowledge, and service; improving law and regulation that hinder business operations; and improving the data system to support policy formulation.

Ministry of Finance Strategic Plan

The strategy of the Ministry of Finance according to the 20 - year national strategy is in line with the operational strategy as follows:

Strategy 2 Enhancing competitive advantage and capability

Strategy 4 Mitigating economic and social inequality

Ministry of Finance Policies (FPO)

The Fiscal Policy Office (FPO) approved the 5-year policy of specialized financial institutions (SFIs) for 2021 - 2025 as an operational framework. FPO has assigned operational policies that align with the Bank's mission as follows:

- 1) Finance for all: Become a financial resource for SME capacity builds.
- 2) Literacy for all: Elevate the potential of SME entrepreneurs.
- 3) Responsibility for all: Become a bank with solid foundation and responsibility for all sectors, creating equitable and sustainable benefits.

Ministry of Industry

The Ministry of Industry's strategy guides the directions of the agency's operations to realize the goals and missions of driving and integrating policies, plans, and projects to increase competitiveness in the industrial sector, create economic value, and achieve stable and sustainable growth. The 5 - year government action plan (2023 - 2027) is as follows:

Subject 1 Elevating the capabilities of entrepreneurs and the industrial sector with technology and innovation to promote and develop industries that are aligned with the country's fundamental potential and beneficial for future economic development by prioritizing and furthering research; implementing science, technology, and innovation to increase productivity and develop industrial standards and value chains to achieve higher competitiveness.

Subject 2 Developing factors conducive to the growth of the modern industrial sector to support, create opportunities, and reduce obstacles in industrial business conduct.

Subject 3 Increasing the value of the industrial economy sustainably with the BCG model to increase the value of the industrial economy, establish a positive image of the industrial sector that emphasizes on socially and environmentally friendly activities, and encourage sustainable development.

Subject 4 Transforming into a digital organization for efficient service to develop the system and staff competency to provide services for businesses and the general public with efficiency and good governance while being adaptable to future changes.

In addition, the Cabinet has resolved to approve the SME D Bank as a major cooperating unit in implementing the SME Development Fund in accordance under the Pracharat Scheme.



STATE SHAREHOLDER POLICY

State Enterprise Development Plan Draft 2023 – 2027 (Financial Institution Branch) (SOE)

In putting state-owned enterprise development plan into practice, the State Enterprise Policy Office (SEPO) urged that state enterprises (Financial Institution Branch) consider the following important issues:

1. Economy Investing in projects following the main direction of the state enterprise development guidelines according to the plan as well as increasing the proportion of using alternative funding sources for investment in various projects.

2. Social and Environment

(1) Focusing on global warming, CO2 reduction, the BCG model, and the 3Rs (Reduce, Reuse, and Recycle) strategy, along with setting operational approaches according to the ESG framework;

(2) Considering using the state-owned enterprise's CSR fund to solve poverty in five dimensions: health, livelihood, education, income, and access to public services;

3. Integration Promoting integration with public and private sectors, as well as public organizations, and forging alliances between fellow state enterprises, the private sector, and communities in order to reduce operational redundancy and unnecessary cost, and create added value to existing chains.

4. Operation

(1) Performing in line with the roles, missions, and main directions in state enterprise development in order to prevent access from those who can access the fund source, mitigate inequality, elevate service quality, support and promote agricultural goods, promote and enhance the potential of SME entrepreneurs, and promote the use of electronic vehicles in the organization;

(2) Developing a digital strategy based on megatrends, as current technology advancements may cause changes in the operation of state enterprises; and

(3) Developing a digital platform for service provision; integrating between state enterprises to develop a digital platform and big data; creating a target group to provide financial literacy to prevent

repetition; and developing plans to handle disruptive technology that will further impact financial institutes;

In addition, the SOE stated the issues on driving SFIs as follows:

1. SFIs play a major role in filling the financial gap for people with no access to financial services, as well as in providing financial literacy to boost the potential of entrepreneurs and the capabilities of the grassroots economy. It is also a government tool used to assist people who are affected by the economic condition, especially during the COVID-19 outbreak.

2. SFIs shall assist the implementation of the Public Policy (PSA) in accordance with its principles and objectives, including managing financial and project management costs appropriately.

3. The Ministry of Finance's policy extended the period for SFI's implementation of TFRS9 until January 1, 2025, in order to reduce the impact of SFI provisioning and avoid burdening the state budget. Therefore, SFIs should prepare the system and gradually set aside sufficient reserves to facilitate the implementation of TFRS9 by January 1, 2025.

4. SFIs must immediately provide assistance to debtors based on their potential and solvency.

5. SFIs must have integration and synergy in their action plans as well as cooperation in the implementation of projects or activities amongst SFIs in order to share knowledge and skills while minimizing their operational expenses.

Objective and Goals

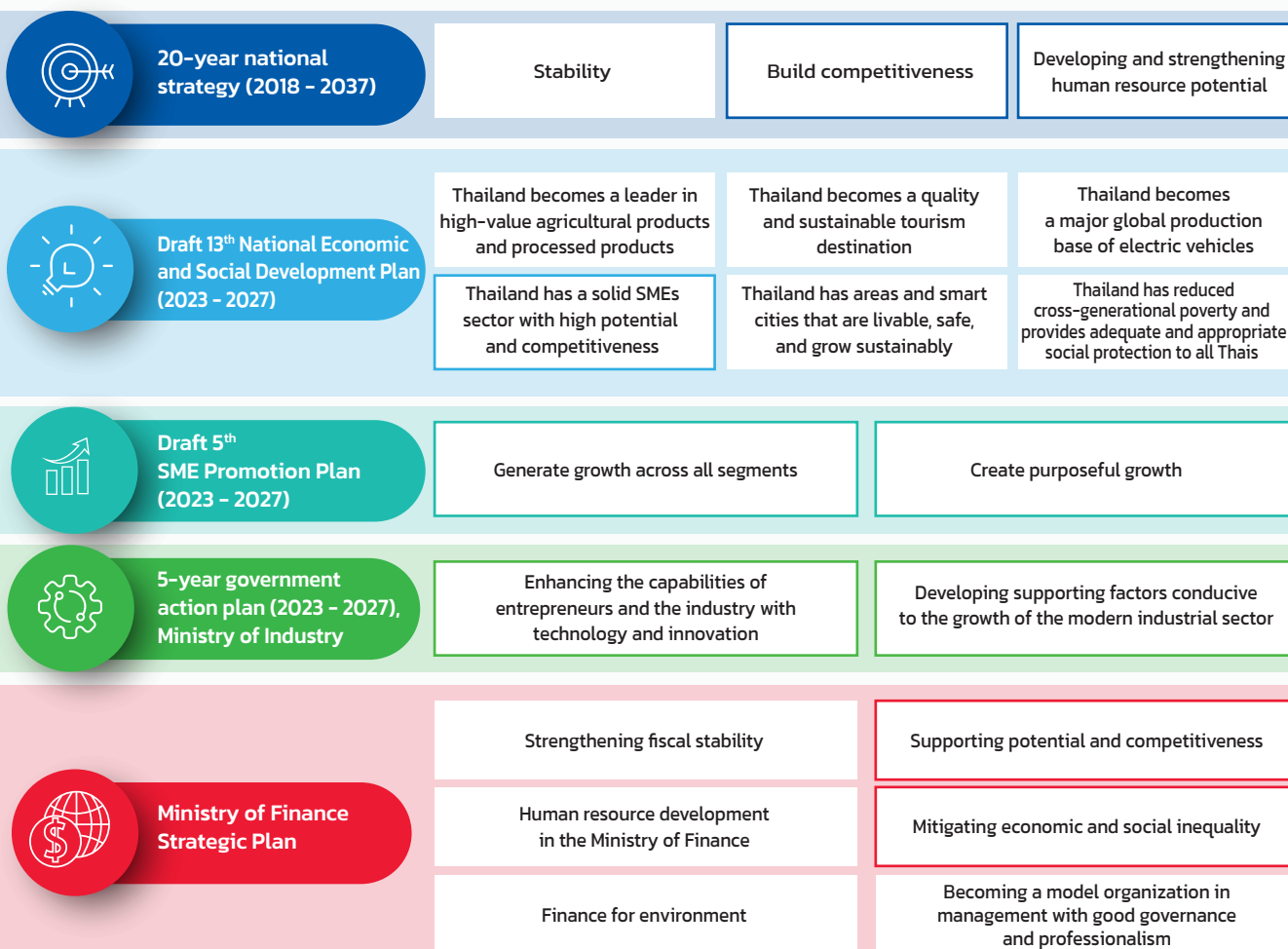
As stated in the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, "Small and Medium Enterprises are crucial to the development of the country's strong and sustainable economy, employment, income generation, and production base. It is therefore deemed appropriate to establish the Small and Medium Enterprise Development Bank of Thailand". As stipulated in Section 11, "The objective of the Bank is to engage in the business of developing, promoting, assisting, and supporting the establishment, management, expansion or improvement of small and medium enterprises through supplying credit, guaranteeing service, venture capital, as well as providing advice, recommendations and other necessary services."

OPERATIONAL DIRECTION 2023 / STRATEGIC PLAN

Business Direction 2023

In 2023, SME D Bank establishes the business direction to fulfill missions in alignment with the government policies, with a focus on enhancing the capacity of small and medium businesses to achieve sustainable growth. With such commitment to SME Development, the Bank provides full-range solutions for SME entrepreneurs.

The connection of strategic plans at different levels to SME D Bank's strategy



SME D Bank's 5-Year Strategic Plan (2023 - 2027)



Expanding quality credits with proactive marketing and comprehensive financial services that address target groups

Strengthening the potential of SMEs and encouraging the formation of an ecosystem through connections with partners



Under the Establishment Act of SME D Bank: "The Bank shall have the objective to undertake business which is the development, promotion, assistance and support for the establishment, operation, expansion or improvement of small and medium enterprises by providing credit, guaranteeing, joint investment, giving advice, recommending or providing other necessary services under the provisions of this Act."





| | | |
|--|---|---|
| Creating social opportunity and equality | Creating growth in eco-friendly quality of life | Balancing and developing the public administration system |
|--|---|---|

| | | |
|---|--|---|
| Thailand becomes a high-value medical and health center | Thailand becomes a major regional gateway for trade, investment, and strategic logistics | Thailand becomes ASEAN's hub for digital and smart electronics industries |
| Thailand has a circular economy and low-carbon society | Thailand can reduce risks and impacts from natural disasters and climate change | Thailand has a modern and efficient government that is responsive to the people's needs |

Developing an environment that supports business growth

| | |
|---|--|
| Adding sustainable value to the industrial economy with the BCG Model | Developing a digital organization to provide efficient service |
|---|--|

5-year policy of specialized financial institutions (SFIs) (2021 - 2025)

| | | |
|--|---|---|
| Finance for all: Become a financial resource for SME capacity builds | Literacy for all: Elevate the potential of SMEs entrepreneurs | Responsibility for all: Become a bank with solid foundation and responsibility for all sectors, creating equitable and sustainable benefits |
|--|---|---|

Draft State Enterprise Development Plan (2023 - 2027) (Financial Institution Branch) (SEPO)

| | | | |
|---------|---------------------------|-------------|-----------|
| Economy | Social and Responsibility | Integration | Operation |
|---------|---------------------------|-------------|-----------|

Vision : To be a state-owned financial institution that offers comprehensive financial solutions and development of Thai SMEs' business capacity toward sustainable success.

| | | |
|---|--|--|
| Improving work efficiency and services with technology and innovation | Risk management, internal control, and corporate management for sustainability | Managing resources to be ready for changes |
|---|--|--|

Guidelines and Directions of Operations of SME D Bank

SME D Bank will boost small SMEs' development as its main mission, driving the Bank toward becoming

"SME Development Bank"

SME D Bank's Strategic Positions

Short-term objectives (2023) focus on building a business foundation by implementing digital technology in business management, product development, and customer service, such as service provision through both online and offline channels, mobile platform service, and credit scoring development for credit approval. Such actions enable SME entrepreneurs to conveniently access financial services, creating a modern image of the Bank for SME development that attends to every group of stakeholders as well as laying out risk management based on ESG guidelines to become “the bank for sustainability.”

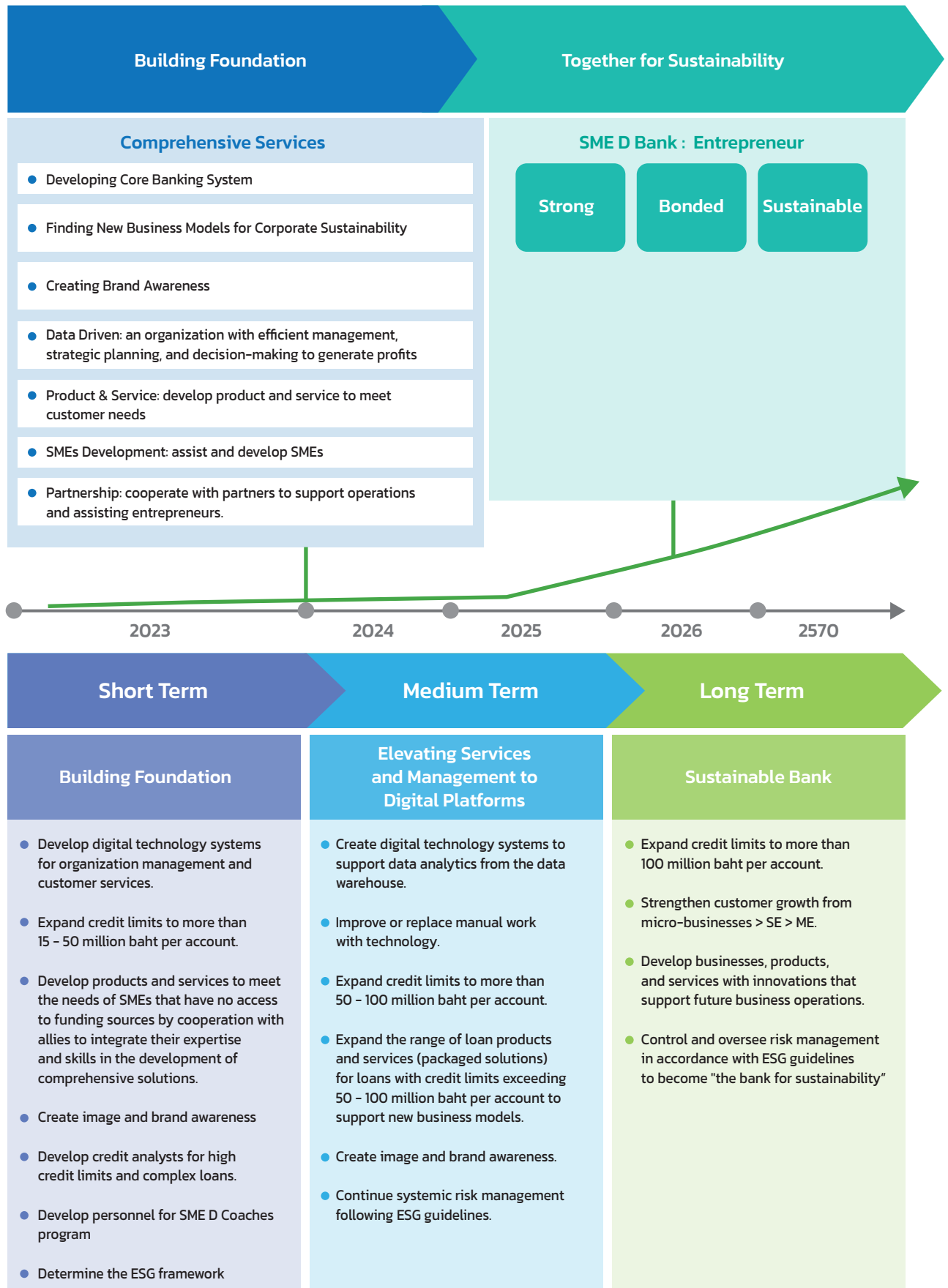
Medium-term objectives (2024 - 2025) focus on elevating operations to digital platforms, promoting product development and services through the core banking system (CBS), driving businesses with data analytics from the data warehouse, and expanding the range of loan products and services for loans with a credit line of 50–100 million baht to meet the demands of expanding groups of customers with

increasing credit limits. The goal is to increase the ME group's outstanding loan to total loan ratio to 30% with the BIS ratio above the required criteria (not less than 12.50%), as well as to extend the systemic risk management according to ESG guidelines.

Long-term objectives (2026 - 2027) focus on becoming a sustainable bank by upgrading core competencies while developing businesses, products, and services with innovations that conform to future business operations to enable the sustainable and stable growth of the organization and stakeholders. Loan products and services for credit lines exceeding 100 million baht are prepared in order to respond to the expanding customer group with increasing credit lines by forecasting an increase in the ME group's outstanding loan ratio at 45% of total outstanding loans, with a BIS ratio higher than the required basis (not less than 12.50%). Risk management guidelines based on the ESG framework will be implemented in order to become the “bank for sustainability.”



SME D Bank's short-term, medium-term, and long-term strategic positions



5-Year Strategic Plan (2023 – 2027)

From the analysis of various factors, the strategic plan can be summarized into two main strategies and three supporting strategies as follows:

Strategy 1 Expanding quality credit with proactive marketing and comprehensive financial services for targeted groups

Description Focus on expanding quality loans to target customer groups (Micro, SE, and ME) and expanding the variety of loan products and services such as deposits and insurance to meet the needs of SMEs. In the meantime, the image of the Bank for SME Development is constantly fostered to provide stakeholders with convenient access to financial services through communication channels and increased online and offline sales channels.

- Tactic**
- 1.1 Create diverse products and services to meet the needs of SMEs
 - 1.2 Create brand awareness and recognition as the Bank for SME development
 - 1.3 Integrate marketing communication channels
 - 1.4 Increase complete sales and service channels

Strategy 2 Strengthening the potential of SMEs and supporting ecosystems through alliance connections

Description Focus on improving SMEs' capabilities through developing knowledge and skills in business operations, enabling SMEs to access funds and adapt to changing circumstances. The business ecosystem is also promoted both inside and outside the organization, with the aim of having all departments engage in promoting and developing SMEs potential. A network of expert alliances is formed as consultants to improve the Bank's personnel to support and increase the competitiveness of each target SME group.

- Tactic**
- 2.1 Develop potential and improve SMEs in each target group
 - 2.2 Integrate holistic entrepreneur development
 - 2.3 Connect alliance networks to enhance ecosystems

Strategy 3 Operational efficiency and service improvement with technology and innovation

Description Focus on improving operational competency by implementing technology and innovation to enhance the credit service process. Service and work processes throughout the organization are also elevated by analyzing data in order to make efficient business decisions, reduce costs, shorten working time, support future risk management, and improve the efficiency of credit services by focusing on the needs of target customer groups. There are activities to strengthen relationships between the Bank and customers, build loyalty, and introduce new customers to the Bank's financial services. The Bank strives to be a leader in the effective exchange of both internal and external big data in collaboration with state financial institutions and business partners.

- Tactic**
- 3.1 Improve credit processes and operations to be more efficient and flexible
 - 3.2 Maintain regular relationships with customers to guarantee their loyalty to the Bank
 - 3.3 Develop an in-house organizational support system through the use of technology and innovation
 - 3.4 Drive the organization by linking and managing internal and external data

Strategy 4 Risk management, internal control, and corporate management for sustainability

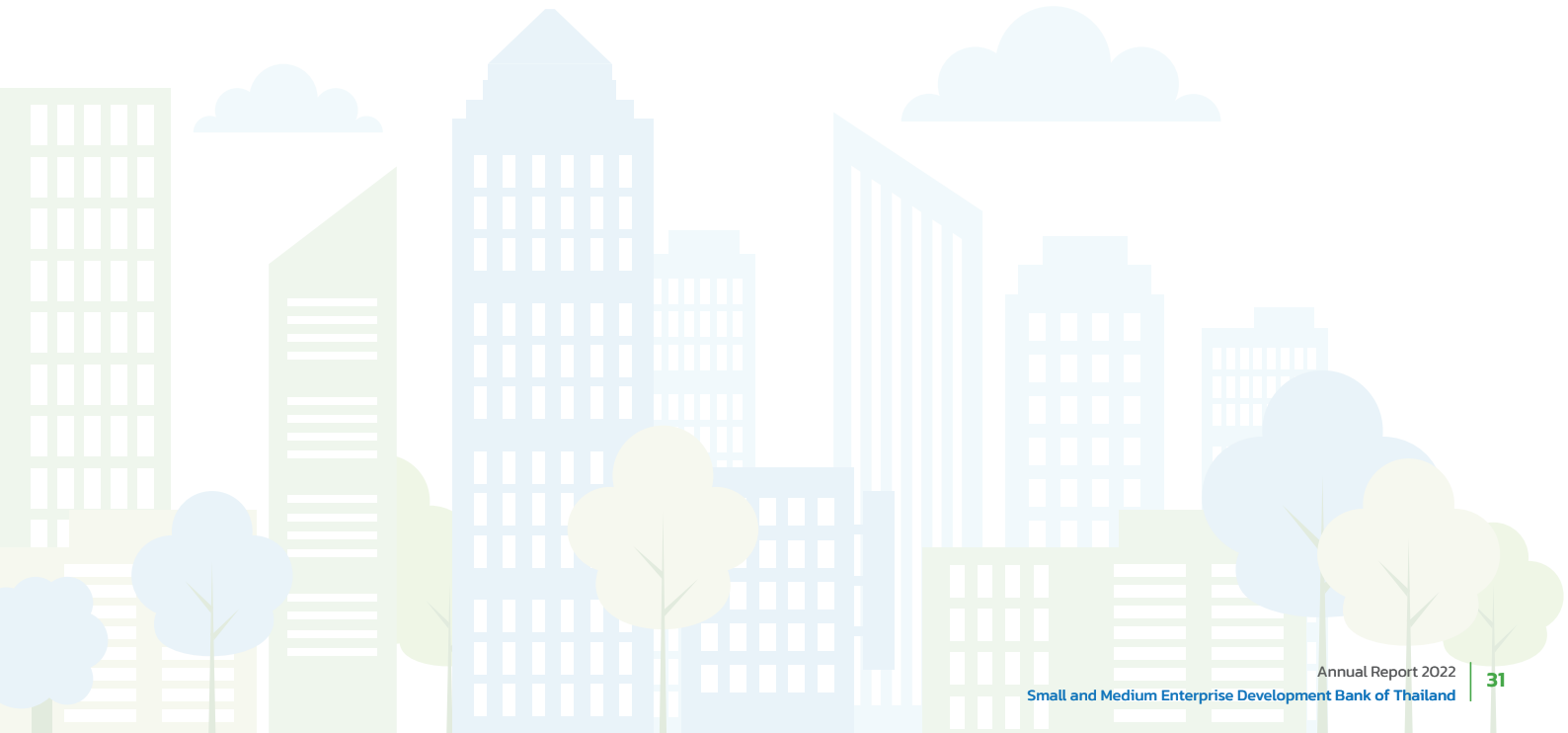
Description Focus on the integration and proactive application of GRC guidelines to ensure appropriate and efficient control systems and operations, as well as fostering effective use of resources in the corporate culture to minimize the environmental footprint. Human resources are also managed in a fair and equal manner, with consideration for the workplace environment and the health of employees and stakeholders along the supply chain. Develop management tools to tailor portfolios for each target customer group in order to properly balance returns and potential risks.

- Tactic**
- 4.1 Manage risks through work integration in accordance with GRC guidelines
 - 4.2 Create corporate sustainability in accordance with ESG principles
 - 4.3 Manage portfolio quality to obtain returns that are appropriate to the level of risk

Strategy 5 Resource management to prepare for changes

Description Focus on building a learning organization with competent personnel with a variety of work skills and knowledge exchange to consistently boost productivity. With the “SME DS” culture, a happy working environment that promotes the health and well-being of employees is developed toward a new way of working through up-to-date management that is ready for change in human resources, innovation and digital technology usage, location, and tools.

- Tactic**
- 5.1 Develop skills and capabilities of human resource to become a learning organization
 - 5.2 Create an organization of happiness with a corporate culture and well-being of employees
 - 5.3 Prepare and manage resources to handle the changes to the new way of working

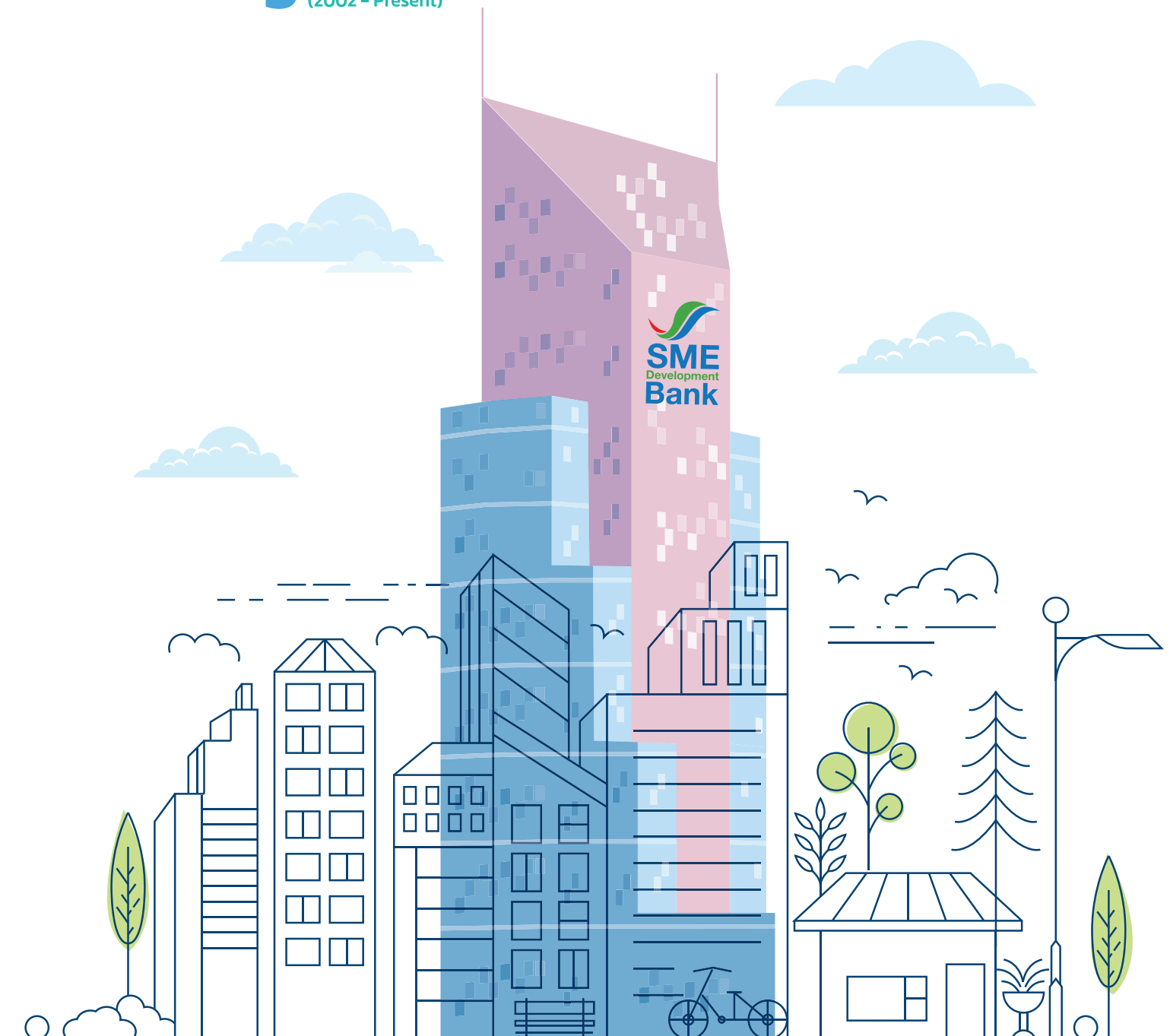


THE BANK'S HISTORY

1 Small Industrial Finance Office
(1964-1991)

2 Small Industry Finance Corporation
(1991-2002)

3 Small and Medium Enterprise Development Bank of Thailand
(2002 - Present)



THE BANK'S HISTORY

Small and Medium Enterprise Development Bank of Thailand (SME D Bank) has gone through the three important stages of organizational development and changes as follows:

Small Industrial Finance Office (1964 – 1991)

In 1963, the Cabinet passed a resolution to promote a small industrial loan project, which was included in the National Economic and Social Development Plan, No.1. In March 1964, the Office of Loans for Small Industry Promotion was established to be under the supervision of the Department of Industrial Promotion, the Ministry of Industry. Its primary duty was to provide financial support to small industrial businesses. The Office's name was subsequently changed to the "Small Industrial Finance Office" (SIFO). However, as a governmental office, its capital was solely from the government budget. Moreover, its provision of credit services followed the same practice as other government agencies, resulting in a lack of flexibility.

Small Industry Finance Corporation (1991 – 2002)

Limited its ability to raise capital and provide financial services, the Ministry of Industry and the Ministry of Finance decided to upgrade its status to the Small Industry Finance Corporation (SIFC), a juristic entity under the Civil and Commercial Code with a registered capital of 300 million Baht. In 2000, the Ministry of Finance injected more capital of 2,500 million Baht.

- In 1991, SIFO was promoted to SIFC with 300 million Baht registered capital.
- In 2000, the Ministry of Finance increased its capital by 2,500 million Baht, resulting in 2,800 million Baht share capital.

Nonetheless, the Asian financial crisis in 1997 severely struck the business sector, especially the small and medium enterprises. These enterprises suffered liquidity problems and subsequently became debtors because of non-performing loans. Therefore, the Ministry of Industry, in joint deliberation with the Ministry of Finance, proposed to elevate SIFCs as the primary financial institution for SME development.

Small and Medium Enterprise Development Bank of Thailand (2002 – Present)

In 2001, the government agreed to extend the role and scope of the Small Industry Finance Corporation by upgrading its status to "Small and Medium Enterprise Development Bank of Thailand." Formulated by the Ministry of Industry and the Ministry of Finance, Small and Medium Enterprise Development

Bank of Thailand Act B.E. 2545 (2002) became effective on December 20, 2002. The date was thus regarded as the establishment day of SME D Bank. The Ministry of Finance had increased its share capital by 17,955 million Baht during 2004 - 2020. The share capital stock of the SME D Bank has grown to 36,231.81 million Baht, with an excess of par value in paid in capital account of 15,476.81 million Baht.

- In 2004, the Ministry of Finance increased its capital by 2,000 million Baht, resulting in an increase in the share capital to 4,800 million Baht.
- In 2005, the Ministry of Finance increased its capital by 2,500 million Baht, resulting in an increase in the share capital to 7,300 million Baht.
- In 2007, the Ministry of Finance increased its capital by 1,200 million Baht, resulting in the share capital to 8,500 million Baht.
- In 2008, the Ministry of Finance increased its capital by 600 million Baht, resulting in the share capital increase to 9,100 million Baht.
- In 2009, the Ministry of Finance increased its capital by 2,500 million Baht, resulting in an increase in the share capital to 11,600 million Baht.
- In 2012, the Ministry of Finance increased its capital by 600 million Baht, resulting in an increase in the share capital to 12,200 million Baht.
- In 2013, the Ministry of Finance increased its capital by 555 million Baht, resulting in the share capital increase to 12,755 million Baht.
- In 2015, the Ministry of Finance increased its capital by 1,000 million Baht, resulting in the share capital increase to 16,380.82 million Baht. with an excess of par value in paid in capital account of 2,625.82 million Baht,
- In 2016, the Ministry of Finance increased its capital by 1,000 million Baht, resulting in an increase in the share capital to 20,006.63 million Baht with an excess of par value in paid in capital account of 5,251.63 million Baht,
- In 2019, the Ministry of Finance increased its capital by 3,000 million Baht, resulting in an increase in the share capital to 27,300.58 million Baht, with an excess of par value in paid in capital account of 9,545.58 million Baht.
- In 2020, the Ministry of Finance increased its capital by 3,000 million Baht, resulting in an increase in the share capital to 36,231.81 million Baht, with an excess of par value in paid in capital account of 15,476.81 million Baht,

BOARD OF DIRECTORS



| | | |
|--------------------------------------|----------|---|
| 01. Mr. Nattapol Rangsitpol | Chairman | December 19, 2022 – February 14, 2024 |
| 02. Mr. Kobchai Sungsitthisawad | Chairman | February 15, 2021 – December 30, 2022 (Retire) |
| 03. Mr. Vichak Apirugnunchai | Director | February 15, 2021 – February 14, 2024 |
| 04. Ms. Sapatporn Tharmmaphornphilas | Director | February 15, 2021 – February 14, 2024 |
| 05. Mr. Wanchai Phanomchai | Director | February 15, 2021 – February 14, 2024 |
| 06. Mr. Preecha Ua-Anantathanakul | Director | February 15, 2021 – February 14, 2024 |



Remarks

1. An independent director means a qualified director of the Bank who does not hold a position in related state enterprises or government agencies.
2. The SME D Bank's Board members were reappointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021.
3. Mr. Poonpat Sripleng was appointed Director of SME D Bank following the resolution of the Bank's Board of Directors No. 10/2022, effective from July 22, 2022.



| | | |
|---|---------------------------|---------------------------------------|
| 07. Ms. Chanisa Chutipat | Director | February 15, 2021 – February 14, 2024 |
| 08. Dr. Chatchai Thnarudee | Director | February 15, 2021 – February 14, 2024 |
| 09. Dr. Nattapol Praditphonlert | Director | February 15, 2021 – February 14, 2024 |
| 10. Asst. Prof. Dr. Tippawan Pinvanichkul | Director | February 15, 2021 – February 14, 2024 |
| 11. Mr. Poonpat Sripleng | Director | July 22, 2022 – February 14, 2024 |
| 12. Ms. Nartnaree Rattapat | Director and Secretary | February 15, 2021 – February 14, 2024 |

4. Mr. Kobchai Sungsitthisawad retired from his position as Chairman of the SME D Bank's Board of Directors, effective from September 30, 2022.
5. Mr. Nattapol Rangsitpol was appointed Chairman following the memorandum of the Ministry of Finance No. Gor Kor 0824/Lor 2971, dated December 19, 2022, effective from December 19, 2022.



PROFILES OF THE BOARD OF DIRECTORS



Mr. Nattapol Rangsitpol

Chairman

Age 52 Years

- Representative of Ministry of Industry

Date of Appointment as Chairman of the Board :
December 19, 2022

Education

- Doctor of Engineering Management
Southern Methodist University, USA
- Master of Business Administration
Southern Methodist University, USA
- Bachelor of Engineering (Industrial Engineering),
Chulalongkorn University

Training

- National Defense College No.65
- Top Executive Program in Commerce and Trade
(TEPCoT) No. 11
- Certificate in Anti-Corruption Strategic Management
for Senior Executives (Class 8), NAAC
- The Civil Service Executive Development Program,
Visionary and Moral Leadership (Class 78), OCSC
- The Civil Service Executive Development Program,
Government Administration (Class 8), OCSC

Working Experiences

- Permanent Secretary, Ministry of Industry
- Director General, Department of Industrial Promotion
- Director General, Office of Industrial Economics
- Secretary General, Thai Industrial Standards Institute
- Acting President, Thailand Automotive Institute
- Inspector, Ministry of Industry

- Deputy Secretary General,
Thai Industrial Standards Institute
- Deputy Director General,
Office of Industrial Economics

Other Position While on Officiating SME D Bank's BOD

- Permanent Secretary, Ministry of Industry

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Mr. Kobchai Sungsitthisawad

Chairman

Age 60 Years

- Representative of Ministry of Industry

Date of Appointment as Chairman of the Board:
February 15, 2021 - September 30, 2022
(Retired)



Education

- Master of Business Administration (Management)
Khon Kaen University
- Bachelor of Engineering (Mechanical Engineering)
Khon Kaen University

Training

- Advanced Certificate Course in Politics and
Governance in Democratic Systems for Executives
- Executive Program in Energy Science
- Executive Program in Business Development
and Investment Industry
- Role of The Chairman Program (RCP) No.48 /2021

Working Experiences

- Permanent Secretary, Ministry of Industry
- Director General, Department of Industrial Promotion
- Deputy Permanent Secretary, Ministry of Industry

Other Position While on Officiating SME D Bank's BOD

- Chairman of the Board of Thai Cane and
Sugar Company Limited

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



Mr. Vichak Apirugnunchai

Director

Age 60 Years

- Representative of Ministry of Finance
- Chairman, Board of Executive Directors
- Chairman, the Employee Relations Committee

Date of Appointment as Directors:

February 15, 2021

Education

- Master of Public Administration, Public Administration Management, National Institute of Development Administration
- Bachelor of Law, Ramkhamhaeng University

Training

- Director Certification Program, IOD (DCP312)
- Capital Market Academy Leadership Program (Class 25), The Stock Exchange of Thailand
- Executive Program in Energy Literacy for a Sustainable Future (Class 8)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers (Class 6)
- Executive Leadership Development Program B.E. 2557, The National Defence Course, The National Defence college
- Program for Senior Executives on Justice Administration Class 17

Working Experiences

- Inspector General, Ministry of Finance
- Principal Advisor on Duty Collection Management and Development, The Customs Department
- Deputy Director General of the Customs Department
- Director of Investigation and Suppression Bureau, The Customs Department

Other Position While on Officiating SME D Bank's BOD

- Inspector General, Ministry of Finance
- Director of EGAT International
- Director of Sports Authority of Thailand

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Ms. Sapatporn Tharmaphornphilas

Director

Age 51 Years

- Representative of Ministry of Finance
- Chairman, the Performance Appraisal Committee
- Chairman, the Investment Committee for Venture Capital Fund for SMEs In Agribusiness And Related Business
- Member, the Risk Oversight Committee
- Member, the Recruitment and Remuneration Committee

Date of Appointment as Directors:

February 15, 2021



Education

- Master of Business Administration, Middle Tennessee State University, USA
- Bachelor of Accounting, Thammasat University, Thailand

Training

- Board Nomination and Compensation Program, IOD (BNCP 15/2022)
- Director Certification Program, IOD (DCP311)
- Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization 24th, King Prajadhipok's Institute
- The Civil Service Executive Development Program: Visionary and Morally Leader 11th, Office of the Civil Service Commission
- Executive Development Program 8th, Ministry of Education
- CLMVT Bankers' Leadership Program 2018 2nd, Bank of Thailand
- Accounting Standard Program IAS 32, IAS 39/IFRS 9, IFRS 7: and its impact on the future of financial institution, The Thai Institute of Banking and Finance Association

Working Experiences

- Deputy Director-General, Fiscal Policy Office, Ministry of Finance
- Director of Financial System and Financial Institutions Policy Bureau, Fiscal Policy Office, Ministry of Finance
- Senior Expert on Finance, Fiscal Policy Office, Ministry of Finance

Other Position While on Officiating SME D Bank's BOD

- Deputy Director - General, Fiscal Policy Office, Ministry of Finance

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



Mr. Wanchai Phanomchai

Director

Age 58 Years

- Representative of Ministry of Industry
- Director, Board of Executive Directors
- Chairman, the Recruitment and Remuneration Committee
- Chairman, the NPL Supervision and Following Committee

Date of Appointment as Directors:

February 15, 2021

Education

- Bachelor of Engineering (Electrical Engineering), Chiang Mai University

Training

- Ministry of Industry: Performance Management Program for CEOs of Model Government Agencies, Batch 10
- The Civil Service Executive Development Program Visionary and Moral Leadership Batch 76, Office of the Civil Service Commission (OCSC)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers, SMCPSP#7, The Office of the National Anti-Corruption Commission
- ANTI-Corruption Training for ONACC, IACA (Vienna/ Luxemburg/Czech) 2016, August 15 - 17
- Diploma, National Defense College, The National Defense Course (NDC) Class 60
- Director Certificate Program (DCP) Class294, IOD
- National Academy Justice (Batch 25), Judicial Training Institute
- Board Nomination and Compensation Program (BNCP) Class 13/2022, IOD

Working Experiences

- Deputy Permanent Secretary, Ministry of Industry
- Director-General, Department of Industrial Works
- Secretary-General, Thai Industrial Standards Institute
- Deputy Secretary-General, Thai Industrial Standards Institute
- Director of Certification Division, Thai Industrial Standards Institute

Other Position While on Officiating SME D Bank's BOD

- None

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Ms. Chanisa Chutipat

Director

Age 61 Years

- Independent Director
- Director, Board of Executive Directors
- Chairman, the Information Technology Committee
- Member, the Recruitment and Remuneration Committee

Date of appointment as Directors:

February 15, 2021



Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

Training

- Director Certification Program (DCP), No.71
- Capital Market Academy Program, No.1
- Senior Executive Program, No.19
Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Strategy and Innovation for Business in Asia Program, No.1 College of Management, Mahidol University
- Regulator, No.21 King Prajadipok's Institute
- Risk Management Program for Corporate Leaders (RCL) No.21/2020
- Advanced Audit Committee Program (AACP) No.41/2021

Working Experiences

- President, Siam Pivat Company Limited
- Senior Executive Vice President, The Stock Exchange of Thailand
- President, Thailand Securities Depository Company Limited
- President, SETTRADE.COM Company Limited
- Senior Executive Vice President, Securities One Public Limited Company
- Assistant Auditor, Ernst & Young Office

Other Position While on Officiating SME D Bank's BOD

- Audit Committee, SNC Former Public Company Limited
- Committee, Bangkok Sky Tower Foundation
- Audit Committee, Mae Fah Luang Foundation under Royal Patronage

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



Mr. Preecha Ua-Anantathanakul

Director

Age 59 Years

- Independent Director
- Chairman, the Audit Committee

Date of Appointment as Directors:
February 15, 2021

Education

- Master of General Business, Kasetsart University
- Bachelor of Accountancy, Thammasat University

Training

- Diploma, The Nation Defence Course (NDC) Class 62
- Institute of Business and Industrial Development (IBID) Class 4
- Advanced Political and Electoral Development Program (APED XII) Class 7
- Office of Insurance Commission (OIC) Class 4
- Thai Institute of Director, Director Certification Program (DCP) Class 297/2020
- Thai Institute of Director, Director Accreditation Program (DAP) Class 187/2021
- King Prajadhipok's Institute, Corporate Governance for Directors and Senior Executives of Regulators, State Enterprises and Public Organizations
- Thai Institute of Director, Role Of The Chairman Program (RCP) Class 52/2022

Working Experiences

- Director, Siam Subthavee Company Limited
- CEO, Panatas Company Limited

Other Position While on Officiating SME D Bank's BOD

- Advisor to the Election Commissioner
- Director of Sustainable Arts and Crafts Institute of Thailand (Public Organization)

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Dr. Chatchai Thnarudee

Director

Age 47 Years

- Independent Director
- Member, the Audit Committee

Date of Appointment as Directors:
February 15, 2021



Education

- Ph.D. in Strategic Management and Strategy University of Canterbury (located in New Zealand)
- MBA, Kasetsart University
- Master's Degree in Computer Engineering, King Mongkut's University of Technology Thonburi
- Bachelor's Degree in Computer Engineering, King Mongkut's University of Technology Thonburi

Training

- Corporate Governance for Directors and Senior Executives of the Regulator State Enterprises and Public Organizations, No.25 King Prajadhipok's Institute
- Directors Certification Program (DCP) 312/2021 Thai Institute of Directors (IOD)
- INSEAD Leadership Development Program
- Massachusetts Institute of Technology (MIT) - Sloan School of Management Executive Education Program: Leadership Development Program
- CIO Executive Council Pathways Leadership Development Program in Strategic Leader

Working Experiences

- Chief Executive Officer, Jaymart Insurance Public Company Limited
- Managing Director, Accenture
- Country CIO, Chevron Thailand Exploration and Production Limited
- Global Manager, Global Production Operation & Accounting, GIS and Data Analytics, Chevron Energy Technology Company based in Houston, TX, USA (managing globally and geographically dispersed teams)
- Regional Planning & Shared Services Manager, Chevron Asia South Ltd.

Other Position While on Officiating SME D Bank's BOD

- Chief Executive Officer, Thanagar & Co Company Limited (Business Model Innovation, Management & Strategy Consulting and Digital Advisory)
- Board of Director, Center of InsurTech Thailand by The Office of Insurance Commission (OIC)
- Board Member, Jaymart Insurance Public Company Limited
- Adjunct Executive Advisor, IDC Financial Insights, IDC and Business Transformation Advisor, Fusion Solution Group

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



Dr. Nattapol Praditphonlert

Director

Age 51 Years

- Independent Director
- Director, Board of Executive Directors
- Chairman, the Knowledge and Innovation Management Committee
- Chairman, Investment Committee of SMEs Private Equity Fund I

Date of Appointment as Directors:

February 15, 2021

Education

- Doctor of Science in International Service Business Management, Northeastern University
- Master of Business Administration in International Business, NIDA Business School
- Bachelor of Business Administration (Marketing), University of the Thai Chamber of Commerce

Training

- Role of the Chairman Program (52/2022), Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) 312/2021 Thai Institute of Directors (IOD)
- Director of Accreditation Program (DAP), No.25/2004 Thai Institute of Directors (IOD)
- Corporate Governance for Directors and Senior Executives of Regulators, State Enterprises and Public Organizations # 24, King Prajadhipok's Institute
- Advance Certificate Course for Council Members # 1, Ministry of Higher Education, Science, Research, and Innovation.
- Advance Certificate Course in Agriculture & Cooperatives Executive Program # 2, Ministry of Agriculture and Cooperative
- Security Management and Leadership for Executives Program # 2, The Association of National Defence College of Thailand.
- Advance Certificate Course in Public Economics Management for Executives, No.18 King Prajadhipok's Institute
- Future Economy & Internet Governance Executive Program, ETDA

Working Experiences

- Specialist of Entrepreneurship Development, Thai Digital Technology Association

- Project Director, Innovation Center King Mongkut's Institute of Technology Ladkrabang Together with Small and Medium Enterprise Development Bank of Thailand
- Chairman of the Business Research Center and Develop Entrepreneurial Potential of Thai SME Confederation

Other Position while on Officiating SME D Bank's BOD

- Honorary Director, Board of Civil State Committee, Welfare for Foundation Economy and Society.
- Honorary Director, Rajamangala University of Technology Phra Nakhon Council
- Honorary Director of Bureau of Academic Service Silpakorn University
- Audit Director, Rajamangala University of Technology Phra Nakhon.
- Chief Executive Officer, Water Net Public Company Limited

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Asst. Prof. Dr. Tippawan Pinvanichkul

Director

Age 56 Years

- Independent Director
- Chairman, the Corporate Governance and Corporate Social Responsibility Committee (CG&CSR)
- Member, the Performance Appraisal Committee
- Chairman, the Investment Committee of SMEs Private Equity Fund II

Date of Appointment as Directors:

February 15, 2021



Education

- Ph.D. (Management of Technology)
Asian Institute of Technology (AIT), Bangkok, Thailand
- M.B.A. (Management of Technology),
Asian Institute of Technology (AIT), Bangkok, Thailand
- B.A. (Accounting), Thammasat University,
Bangkok, Thailand

Certificate

- Certified Public Accountant (CPA), Thailand

Training

- Corporate Governance for Directors and Senior Executives of the Regulator State Enterprises and Public Organizations, No.25
King Prajadhipok's Institute
- Director Certification Program No.312/2021
Thai Institute of Directors Association (IOD)
- Executive Leadership Program, Capital Market Academy (CMA 25)
- Price-Babson Symposium for Entrepreneurship Educators (SEE 40)
- Advanced Audit Committee Program No.23/2016
Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP), Thai Institute of Directors Association (IOD)
- University Governance Program (UGP7), Knowledge Network Institute of Thailand (KNIT), Foundation for the Promotion of Ministry of University Affair

Other Position While on Officiating SME D Bank's BOD

- Vice President for Finance and Property and Assistance Professor, Graduate School of Management and Innovation, King Mongkut's University of Technology Thonburi

- Independent Committee and Audit Committee, SE-EDUCATION Public Company Limited
- Independent Committee and Audit Committee, Mudman Public Company Limited
- Independent Committee and Audit Committee, Internet Thailand Public Company Limited
- Committee and Treasurer, Thai Business Incubators and Science Parks Association
- Committee, Nomination Committee for the Chairman and Committee Member of the Board of committee of DEPA
- Committee, Performance Assessment Committee of the Director and Management Team of DEPA
- Committee and Secretary, King Mongkut's University Innovation Foundation
- Advisor, Baker Tilly Thailand

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



Mr. Poonpat Sripleng

Director

Age 58 Years

- Independent Director
- Chairman, the Risk Oversight Committee

Date of Appointment as Directors:

July 22, 2022

Education

- Master of Economic, Thammasat University
- Bachelor of Economic, Thammasat University

Training

- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) (2019)
- Top Executive Program in Energy Literacy 2019, Thailand Energy Academy
- Certificate, Role of the Chairman Program, IOD
- Certificate, Corporate Governance for Capital Market, IOD
- IFRS 9 Implementation 2017, Incisive Risk Information Limited
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- The Risk Games Conference 2013: The Asian Banker Summit 2013, Jakarta, Indonesia
- Corporate Risk Rating, Moody's, Hongkong
- Retail Lending and Stress Test, Singapore
- FRM (Financial Risk Management, GARP)
- Advance Banking and Risk Management Program Nanyang Technology University, Singapore (Scholarship)
- Risk Management, Risk Metrics, Bangkok
- Asset & Liability Management, Sendero Institution, Bangkok
- Profitability Management and Fund transfer Pricing, Sendero Institution, Bangkok
- Portfolio Management, Euro Money, Hongkong
- Bourse Game, Union Bank of Switzerland, Hongkong
- Certificate, Successful Formulation & Execution of Strategy (SFE) Class 40/2022, IOD

Working Experiences

- Senior Executive Vice President-Head of Risk Management Group
- Chairman, KTB General Services and Security Company Limited
- Executive Director, Krungthai ZMICO Securities Company Limited (formerly KT ZMICO Securities Company Limited)
- Chairman, Krungthai Card Public Company Limited
- Executive Director, KTB Leasing Company Limited
- First Executive Vice President, Managing Director, Risk Management Group, Krungthai Bank Public Company Limited

Other Position While on Officiating SME D Bank's BOD

- Director of Sukhumvit Asset Management Company Limited
- Director of KTB General Services and Security
- Director of Krungthai XSpring Securities Company Limited
- Director of Sabuy Technology Public Company Limited

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None

Ms. Nartnaree Rattapat

Managing Director

Age 51 Years

- Managing Director
- Director and Secretary, Board of Directors
- Director and Secretary, Board of Executive Directors
- Member, the Risk Oversight Committee
- Member, the Recruitment and Remuneration Committee
- Member, the Information Technology Committee (IT)
- Member, the NPL Supervision and Following Committee

Date of Appointment as Directors and Secretary:

March 2, 2020



Education

- Master's Degree, Master of Business Administration (Financial Management Administration), National Institute of Development Administration
- Master's Degree, Master of Science (Major Biotechnology), Chulalongkorn University
- Bachelor's Degree, Bachelor of Laws, Chulalongkorn University
- Bachelor's Degree, Bachelor of Science (Major Biochemistry), Chulalongkorn University

Training

- Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization (PDI), Class.24/2022, KPI
- Risk Management Program for Corporate Leaders (RCL), Class 25/2021, IOD
- The Executive Program in Energy Literacy for a Sustainable Future, Class 15, TEA
- Advance Master of Management Program, Class 4, NIDA
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 22, KPI
- Director Certification Program (DCP), Class 245, IOD
- Leadership Succession Program (LSP), Class 6, IRDP
- Thammasart Leadership Program (TLP), Class 4, Thammasart University
- Financial Executive Development Program (Finex), Class 21, TIBFA

Working Experiences

- Acting Managing Director, Small and Medium Enterprise Development Bank of Thailand (SME D BANK)
- Senior Executive Vice President, Asset Management and Legal Division and Entrepreneur Development Division, Project Core Business Process System & ERP
- Executive Vice President, Counseling and Legal Division
- Executive Vice President, Entrepreneur Development Division
- Senior Vice President, Office of the President
- Vice President, Debt Expedition Department

Other Position While on Officiating SME D Bank's BOD

- Director of National Credit Bureau
- Director of Risk Committee, National Credit Bureau
- Director of Board of Trade of Thailand

Shares in SME D Bank

- None

Status as SME D Bank's Stakeholders

- None

Holding Positions in Businesses that Compete with State Enterprise

- None

Holding of Securities (shares) of Companies related to Financial Institution Business More than 10 Percent of the Total Shares with the Voting Rights of the Company

- None

Family Relationship with Other Director

- None

Criminal Record Dating Back Ten Years

- None



BOARD OF EXECUTIVE DIRECTORS



| | | |
|---------------------------------|------------------------|---------------------------------------|
| 01. Mr. Vichak Apirugnunchai | Chairman | February 24, 2021 – February 23, 2023 |
| 02. Mr. Wanchai Phanomchai | Director | February 24, 2021 – February 23, 2023 |
| 03. Ms. Chanisa Chutipat | Director | February 24, 2021 – February 23, 2023 |
| 04. Dr. Nattapol Praditphonlert | Director | February 24, 2021 – February 23, 2023 |
| 05. Ms. Nartnaree Rattapat | Director and Secretary | February 24, 2021 – February 23, 2023 |



Remarks :

Executive Directors were reappointed following the meeting resolution of SME D Bank's Board of Directors No. 5/2021 on February 24, 2021 and their terms expired on February 23, 2023

THE MANAGEMENT



01. Ms. Nartnaree Rattapat

02. Mr. Jessada Chor. Charoenying

03. Mr. Pichit Mitrawong

04. Mr. Mogul Posayapisith

05. Mr. Chatri Wetsoranasuttee

06. Ms. Wimolrat Piyasathapornpong

Managing Director

Senior Executive Vice President

Senior Executive Vice President

Senior Executive Vice President

Senior Executive Vice President

Senior Executive Vice President

(Retired in October 1, 2022)





07. Mr. Saree Musigerst

Executive Vice President

08. Mr. Cherdchai Ouanmin

Executive Vice President

09. Mr. Arnat Wiboonkanarak

Executive Vice President

10. Mr. Amnat Hialong

Executive Vice President

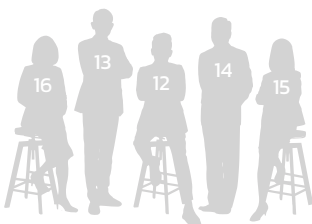
11. Ms. Ubolrat Karpang

Executive Vice President





- | | |
|------------------------------------|--------------------------|
| 12. Mr. Damrong Tangtanakan | Executive Vice President |
| 13. Mr. Khemmachat Apiratchatanont | Executive Vice President |
| 14. Mr. Prasij Virasilpa | Executive Vice President |
| 15. Ms. Kunlaya Chalermchokchai | Executive Vice President |
| 16. Ms. Wiyada Manoprasertkul | Executive Vice President |





17. Mr. Nipon Yuddhanaraveesak

Executive Vice President

18. Mr. Jassada Ngeonsawang

Executive Vice President

19. Ms. Sumavasee Salasuk

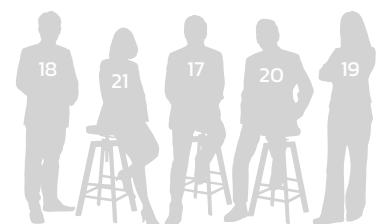
Executive Vice President

20. Mr. Sirichai Loyprasert

Executive Vice President

21. Ms. Chuthamas Nualpring

Executive Vice President



PROFILES OF THE MANAGEMENT

Mr. Jessada Chor. Charoenying

Senior Executive Vice President,
Compliance and Risk Management
Group

Age 58 Years



Mr. Pichit Mitrawong

Senior Executive Vice President,
Credit Analysis and Operation
Group

Age 56 Years



Education

- Master of Business Administration (MBA), University of the Thai Chamber of Commerce (1996 - 1998)
- Bachelor of Business Administration (BBA), Ramkhamhaeng University (1984 - 1990)

Training

- Advanced Certificate Course in Public Economic Management for Executives, No. 21 (2022)
- IIA International Conference (2019)
- Diploma, Corporate Governance for Middle Manager (2016)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Executive Vice President (2020 - Present)
 - Executive Vice President (2018 - 2020)
 - Senior Vice President, (2015 - 2018)
 - Vice President, (2004 - 2015)
- Director of Internal Audit Department, Secondary Mortgage Corporation
- Director of Audit and Supervisory Department, KGI Securities (Thailand) PCL
- Audit Manager, Sweden Motors PCL
- Division Manager, Audit Department, Nava Vickers Ballas Securities Limited
- Senior Manager, Audit and Development, SICCO Securities PCL

Family Relationship with Other Executives

- None

Education

- Master of Public Administration (MPA), National Institute of Development Administration (2003)
- Bachelor of Business Administration (BBA), Ramkhamhaeng University (1989)

Training

- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, No. 26 (KPI 26) (2022)
- Trainer for Management Science for Top Executive (2018)
- Corporate Governance Program Thammasat Business School. (2008)
- Economic and Treasury Administration for Executive NO. 2 King Prajadhipok's Institute (2005)
- Training Course Related to JICA Project : Loan Approval Procedures and Credit Analysis Methods By Japanese SFIs, JICA Training Center, Tokyo, Japan

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Executive Vice President (2021 - Present)
 - Executive Vice President (2020 - 2021)
 - Senior Vice President (2018 - 2020)
 - Vice President, (2015 - 2018)
 - Deputy Vice President (2008 - 2015)
- Assistant Manager, Siam Commercial Bank, Phra Nangklao Bridge Branch (2002)
- Assistant Manager, Siam Commercial Bank, Bang Bua Thong Branch (1999)
- Head of Credit Division, Siam Commercial Bank, Bangna Trad Branch (1998)

Family Relationship with Other Executives

- None

Mr. Mogul Posayapisith

Senior Executive Vice President,
Corporate Strategy, Business
Development and
Entrepreneurship Group

Age 46 Years



Mr. Chatri Wetsoranasutee

Senior Executive Vice President,
Branch and Credit Quality
Management Group

Age 53 Years



Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University (1998 - 2000)
- Bachelor of Business Administration (BBA), Assumption University (1992 - 1996)

Training

- Leadership Succession Program (LSP) #12 (2021)
- Risk Management for Corporate Leaders (RCL) #22 (2021)
- Financial Executive Development Program (FINEX) #23 (2014)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Executive Vice President (2021 - Present)
 - Executive Vice President (2020 - 2021)
- Head of Wholesales Banking Sales Management and Transformation, TMB Bank PCL
- Executive Vice President, Channel Management, Krung Thai Bank PCL
- Senior Vice President, Channel Management and Sales, Kasikorn Bank PCL
- Executive Vice President, SME Customer Segment Strategy, Kasikorn Bank PCL

Family Relationship with Other Executives

- None

Education

- Master of Arts (M.A.) in International Studies, Obirin University (1994 - 1996)
- Bachelor of Economics (B.Econ.), University of the Thai Chamber of Commerce (1986 - 1989)

Training

- Strategic Board Master Class (SBM On-site) (2023)
- Digital CEO Course, No. 4 (2021)
- Leadership Succession Program #10 (2019)
- E-commerce Program (2016)
- Macroeconomic Analysis and Learning, Economic Guru Course (2014)
- Preparation of Organization Audit Report Course (2013)
- Performance Report (OPR Coaching) (2013)
- Impact Assessment of ASEAN Free Trade on Thailand Course (2010)
- New Perspectives and Opportunities for Trade and Investment Program (2009)
- Middle Management Program, No. 1/2006 (2006)
- A Study Visit - Policy to Promote Entrepreneurs and Local Industrial Cluster in Japan (2005)
- Training Small Business Counsellors (APEC - IBIZ), Co-hosted by Department of Industrial Promotion and Thailand Productivity Institute (2004)
- SME Counselor Program - Commercial Sector, SME Diagnostics and Counseling System Development Project, Co-hosted by Department of Industrial Promotion and Technology Promotion Association (Thailand - Japan) (2002)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Executive Vice President (2021 - Present)
 - Executive Vice President (2020 - 2021)
 - Senior Vice President (2018 - 2020)
 - Vice President (2015 - 2018)
 - Deputy Vice President (2005 - 2009)
 - Section Manager (2002 - 2005)
- Manager, BankThai Public Company Limited
- Assistant Manager, Krung Thai Thanakit Finance and Securities Company Limited
- Credit Officer, Kasikorn Bank Public Company Limited

Family Relationship with Other Executives

- None



Ms. Wimolrat Piyasathapornpong

Senior Executive Vice President,
Corporate Support Group

Age 52 Years

(Contract Termination Date October, 1 2022)



Mr. Saree Musigerst

Executive Vice President,
Legal Division

Age 58 Years

Education

- Master of Financial Accounting (M.Acc.), Chulalongkorn University
- Bachelor of Business Accounting (B.Acc.), Srinakharinwirot University

Training

- All TFRS courses of 2022 (2022)
- Management Accounting for Planning and Decision Making, No. 2/65 (2022)
- How to Transform to Digital Accounting Course No. 2/65 (2022)
- IT Governance and Cyber Resilience Program (ITG Online) (2021)
- Basic Technique in the Developing Accounting Information Systems Program #1 (2021)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Executive Vice President (2021 - Present)
- Deputy Director, Bank of Thailand
- Officer, TPI Polene PCL

Family Relationship with Other Executives

- None

Education

- Bachelor of Law (LL.B.), Ramkhamhaeng University (1984 - 1988)

Training

- Current Trends on New Banking and Financial Laws in the Digital Era #6 (2021)
- Leadership Succession Program (2020)
- Public Procurement and Supplies Administration Act, B.E.2560 (2017)
- Laws on Labor and Organization Management (2016)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2020 - Present)
 - Senior Vice President (2018 - 2020)
 - Vice President (2015 - 2018)
 - Deputy Vice President (2009 - 2015)
- Deputy Head - Litigation Section, Siam City Bank Public Company Limited
- Lawyer, Anajak Law Office

Family Relationship with Other Executives

- None



Mr. Cherdchai Ouanmin

Executive Vice President,
Compliance Division

Age 55 Years



Mr. Arnat Wiboonkanarak

Executive Vice President,
Operation Division

Age 53 Years

Education

- Bachelor of Business Administration (BBA),
Siam University

Training

- Data Protection Officer Certification Training Course
(2022)
- Essential PDPA Compliance for Executives (2021)
- Modern Banking Executive Development Program
(MOBEX) (2017)
- New Perspective of Neighboring Countries for AEC (2015)
- Real Property Appraisal Program (2007)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2015 - 2021)
 - Vice President (2009 - 2015)
 - Deputy Vice President (2005 - 2009)
- Assistant Manager, Business Relations,
Bangkok Bank Public Company Limited

Family Relationship with Other Executives

- None

Education

- Master of Business Administration (MBA),
National Institute of Development Administration
(1999 - 2001)
- Bachelor of Business Administration (BBA),
Assumption University (1990 - 1993)

Training

- Thammasat World Leadership Program (TWLP)
No. 19 (2022)
- Good Governance (2018)
- Middle Management Development #22 (2011)
- Intensive Marketing Communication (IMC) #11 (2006)
- Economic and Fiscal Administration for Executives (2005)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2016 - 2021)
 - Vice President (2005 - 2016)
 - Manager (2001 - 2005)
 - Credit Officer (1999 - 2001)
- Assistant Manager - Credit Division,
Maha Thanakit Finance and Securities PCL
- Credit Analyst, Sri Dhana Finance & Securities PCL

Family Relationship with Other Executives

- None



Mr. Amnat Hialong

Executive Vice President,
Branch Division 1
Age 55 Years

Education

- Master of Arts (MA) in Political Science, Ramkhamhaeng University (1992 - 1996)
- Bachelor of Arts (BA) in Management Science, Kamphaeng Phet Rajabhat University (1990 - 1992)

Training

- Modern Banking Executive Development Program (2019)
- Bank and Financial Institution Management Development Program (2012)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2018 - 2021)
 - Vice President (2015 - 2018)
 - Regional Manager (2011 - 2015)
 - Senior Manager (2007 - 2011)
 - Manager (2004 - 2007)
- Assistant Manager, Bank of Ayudhya Public Company Limited

Family Relationship with Other Executives

- None



Ms. Ubolrat Karpang

Executive Vice President,
Entrepreneur Development
and Customer Relations Division
Age 55 Years

Education

- Master of Communication Arts (M.Com. Arts), Dhurakij Pundit University (2002 - 2004)
- Bachelor of Communication Science (B.CS.), Suan Sunandha Rajabhat University (1989 - 1991)

Training

- TALENT Recruitment for Organization (2018)
- Marketing Transformation Program (2018)
- Digital Economy for Executives (2018)
- State Enterprise Appraisal System (SEPA) (2012)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2018 - 2021)
 - Vice President (2015 - 2018)
 - Deputy Vice President (2006 - 2015)
 - Section Manager (2004 - 2006)
- Assistant Manager - Marketing, BankThai Public Company Limited
- Officer, Standard Chartered Bank
- Section Head, Nakhon Thon Bank Public Company Limited
- Senior Reporter, Krungthep Thurakij Newspaper
- Reporter, Daily Mirror Newspaper

Family Relationship with Other Executives

- None

Mr. Damrong Tangtanakan

Executive Vice President,
Credit Quality
Management Division

Age 56 Years



Mr. Khemmachat Apiratchatanont

Executive Vice President,
Resource Management Division

Age 57 Years



Education

- Master of Business Administration (MBA)
Sripatum University (1997 - 1999)
- Bachelor of Business Administration (BBA),
Dhurakij Pundit University

Training

- Thammasat Leadership Program (TLP) #18
- Synergy for Management Program
- New Perspective, Blue Ocean Strategy
- Strategic Planning Course
- Objective and Key Results (OKR)
- Meritocratic Organization
- Future Leaders Program
- Young Bankers' Executive Development Program
(YOBEX)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2019 - 2020)
 - Vice President (2016 - 2018)
 - Deputy Vice President (2006 - 2016)
- Senior Section Manager, Commercial Credit Analysis
Division, BankThai Public Company Limited (2000 - 2005)
- Unit Head, Credit Analysis Division,
Siam City Bank Public Company Limited (1990 - 1999)

Family Relationship with Other Executives

- None

Education

- Master of Business Administration (MBA),
Thonburi University (2012 - 2015)
- Bachelor of Education (B.Ed.),
Srinakharinwirot University (1984 - 1986)

Training

- Leadership Succession Program (LSP) #13 (2022)
- Human Capital Management by IRDP (2021)
- Tax Incentives for Employees of Government and
Private Agency (2013)
- Laws relating to Human Capital Management (2011)
- Expectation from HR Auditor under Appraisal System (2011)
- Loopholes in Legal Practice (2011)
- Labor Laws and State Enterprise (2010)
- Legal Issues in Labor Lay-off (2010)
- Good Governance for Middle Management,
King Prachadhipok's Institute (2010)
- Labor Relations Committee Development (2008)
- Security Awareness Training for IT Pro (2006)
- The 5th - Cyber Defense Initiative Conference (2005)
- Study Visit to Laos on Financial Affairs (2013)
- Study Visit to South Korea on Labour Affairs (2013)
- Study Visit to CeBIT 2006 - The World Leading Event,
Germany (2006)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2019 - 2021)
 - Vice President (2017 - 2019)
 - Deputy Vice President (2009 - 2017)
 - Section Manager (2004 - 2008)
- Manager, S.V. Printing Company Limited (1996) (2003)
- Project Leader, Siam City Bank Public Company Limited
(1989 - 2002)

Family Relationship with Other Executives

- None



Mr. Prasij Virasilpa

Executive Vice President,
Credit Analysis Division

Age 58 Years



Ms. Kunlaya Chalermchokchai

Executive Vice President,
Financial Management
and Accounting Division

Age 45 Years

Education

- Master of Business Administration (MBA), Angelo State University (1988 - 1990)
- Bachelor of Economics (B.Econ.), Chulalongkorn University (1982 - 1986)

Training

- None

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2020 - Present)
 - Senior Vice President (2018 - 2020)
 - Vice President (2015 - 2018)
 - Deputy Vice President (2008 - 2015)
- Head of Credit Division, Government Housing Bank
- Branch Manager, Small and Medium Enterprise Development Bank of Thailand
- Assistant Manager, Cmic Finance and Securities Public Company Limited

Family Relationship with Other Executives

- None

Education

- Master of Applied Finance, University Melbourne (2002)
- Bachelor of Accountancy (B.Acc.), Chulalongkorn University (1994 - 1998)

Training

- All TFRS courses of 2022, No. 2/2022 (2022)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2021 - Present)
 - Senior Vice President (2020 - 2021)
- Management Consultant, Turtle 23 Company Limited
- Executive Vice President, Asia Wealth Securities Company Limited
- Senior Manager, Risk Management, Siam Piwat Company Limited

Family Relationship with Other Executives

- None

Ms. Wiyada Manoprasertkul

Executive Vice President,
Risk Management Division

Age 56 Years



Mr. Niphon Yuttanaraveesak

Executive Vice President
Business-Product-Service
Development Division

Age 52 Years



Education

- Master of Accountancy (M.Acc.),
Thammasat University
- Bachelor of Accountancy (B.Acc.),
Thammasat University

Training

- LPD, Lead Business Institute. Cornell University
- The 3th ASEAN CPA : Empowering and Enhancing Sustainability of ASEAN Business
- Preparation of audit action plans; based on COSO control framework
- Overview of Financial Standards.
- The 3th All TFRS courses of 2022, No. 2/2022 (2022)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
- Executive Vice President (2021 - Present)
- Senior Vice President, Krung Thai Bank
Public Company Limited
- Senior Vice President, Leasing Sinn Asia Company Limited
- Vice President, Kasikorn Leasing Company Limited
- Senior Vice President, Nava Leasing
Public Company Limited
- Manager, Air Royal Company Limited
- Auditor, SGV Na Thalang Company Limited

Family Relationship with Other Executives

- None

Education

- Master of Management (Advance Program),
Ramkhamhaeng University (2011)
- Bachelor of Management, Yonok University,
Lampang (1991)

Training

- ELDP, Lead Business Institute, Cornell University
- LDP, Lead Business Institute, Cornell University
- CSA, OMEGA Performance Corporation
- DAT: Digital and Transformative Leaders UTCC

Work Experience

- Small and Medium Enterprise Development Bank of Thailand
- Executive Vice President (2022 - Present)
- Vice President of Investment and Retail Deposit Product
Team, Krung Thai Bank (2022)
- Vice President of SME Team, Retail Loan Factory,
Krung Thai Bank (2014)
- Senior Manager, Krung Thai Bank (2013)

Family Relationship with Other Executives

- None



Mr. Jessada Ngernswang

Executive Vice President
Corporate Strategy Planning
and Research Division

Age 49 Years

Education

- Master of Strategic Management, Mahidol University (2006)
- Bachelor of Business Administration in Business Computer, Dhurakij Pundit University (1997)

Training

- None

Work Experience

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2022 - Present)
- Vice President of Channel Management Department, Krung Thai Bank (2021)
- Vice President of PMO & Support Department, Krung Thai Bank (2021)
- Vice President of Administrative Information Department, Krung Thai Bank (2020)

Family Relationship with Other Executives

- None



Ms. Sumavasee Salasuk

Senior Vice President,
Digital Business and Information
Technology Division

Age 43 Years

Education

- Doctor of Business Administration, University of Southern Queensland (2015)
- Master of Economics (M.Econ.), National Institute of Development Administration (2004)
- Bachelor of Arts (B.A.) - Economics, Silpakorn University (1999)

Training

- Intensive Cybersecurity Capacity Building Program (2021)
- CompTIA Security+ (2021)
- Personal Data Protection Certificate, ICDDL (2021)
- Blockchain Management for Executives (2020)
- Digital Leadership for Executives (2020)
- Data Science Fundamental (2019)
- Intelligent Platform for Digital Business (2019)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Executive Vice President (2022 - Present)
 - Senior Vice President (2018 - Present)
- Director of IoT and Digital Innovation Institute, Digital Economy Promotion Agency
- Technology Researcher, National Science and Technology Development Agency
- Manager, Bangkok Thai Electric Circuit Company Limited

Family Relationship with Other Executives

- None



Mr. Sirichai Loyprasert

Senior Vice President,
Branch Division 2

Age 58 Years

Education

- Master of Business Administration (Marketing), Siam University (1988 - 1991)
- Bachelor of Business Administration (Management), Sukhothai Thammathirat University (1986 - 1988)

Training

- Getting to Know Neighbours to Prepare for AEC Program (2015)
- Future Leader Development Program #2
- Credit for Executives Program
- Small Enterprise Counselors Program - APEC-IBIZ (2004)

Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Vice President (2018 - Present)
 - Vice President (2015 - 2018)
 - Regional Manager (2008 - 2015)
 - Manager (2002 - 2008)
- Credit Analysis Specialist, Krung Thai Bank Public Company Limited

Family Relationship with Other Executives

- None



Ms. Chuthamas Nualpring

Senior Vice President,
Audit Division

Age 55 Years

Education

- Master of Business Administration (MBA) - Marketing, Siam University (1990 - 1995)
- Bachelor of Business Administration (BBA) - Finance, Siam University (1985 - 1989)

Training

- Advanced Master of Management Program (AMM), No. 8, 2022
- Internal Audit Program: Prepared Course for Certified Internal Auditor (Pre - CIA)
- Certificate Professional Internal Auditor of Thailand (CPIAT)
- Executive Financial Management, Chulalongkorn University
- CQI and IRCA Certified ISO/IEC 27001:2013 Lead Auditor Training Course (2022)

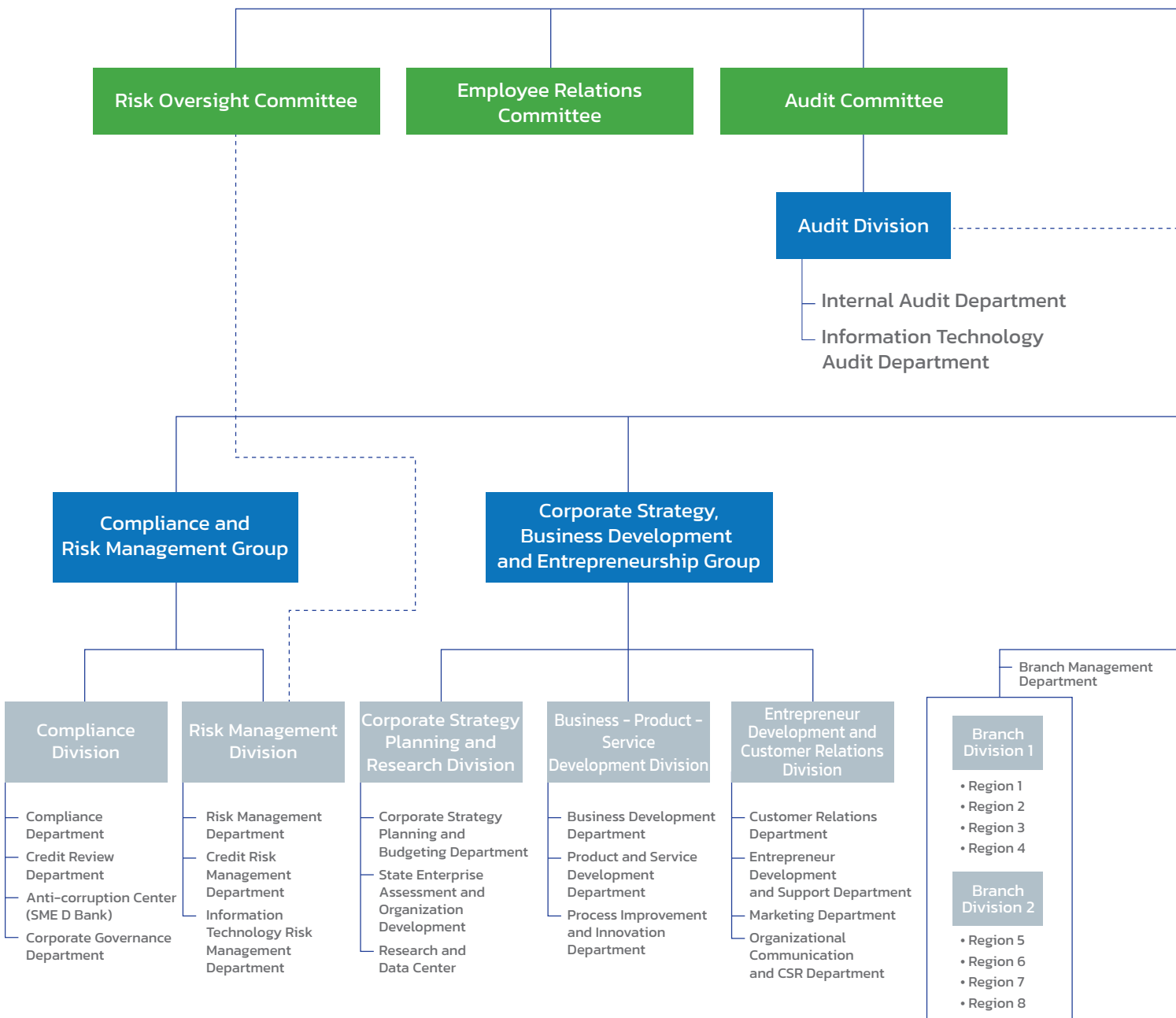
Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
 - Senior Vice President (2018 - Present)
 - Vice President (2015 - 2018)
- Senior Section Manager, Secondary Mortgage Corporation
- Professional-Level Officer, Finance One Company Limited

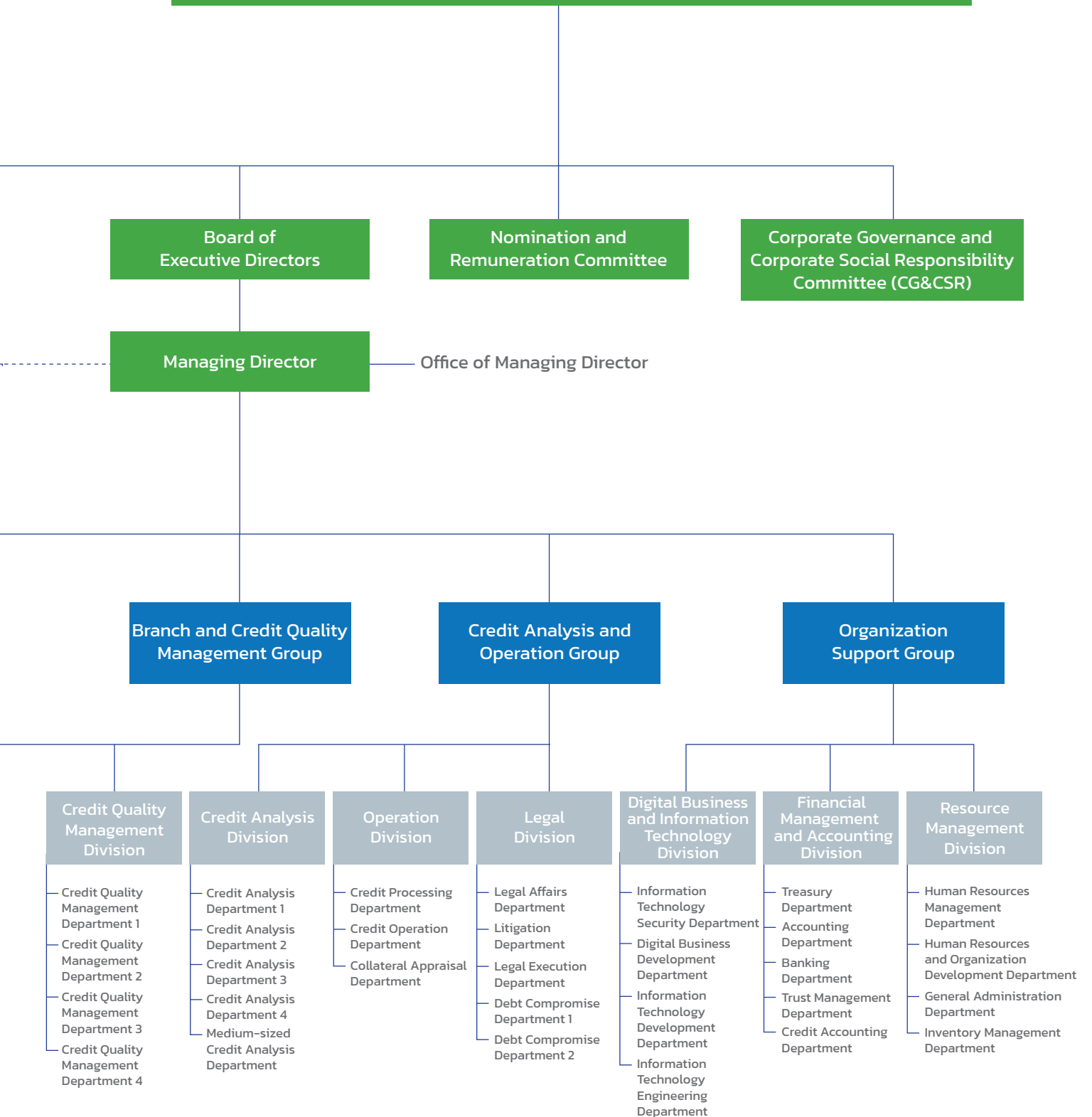
Family Relationship with Other Executives

- None

ORGANIZATION CHART



Board of Directors of SME Development Bank



5 Parties, 15 Units, 48 Sections, 8 Areas, 2 Centers, and an Office

DIRECTORY OF EXECUTIVES

| Name | Title | Division / Group |
|---|-----------------------|--|
| Project Manager (PM) for Core Banking System : (CBS) | | |
| Mr. Soonthorn Suksomnate | Vice President | Project Manager (PM) for Core Banking System : (CBS) |
| Audit Division | | |
| Mr. Chayaporn Montrarat | Vice President | Information Technology Audit Department |
| Office of Managing Director | | |
| Mr. Somchanok Palakawong Na Ayudhaya | Vice President | Office of Managing Director |
| Corporate Strategy Planning and Research Division | | |
| Mr. Yongyut Suwannarit | Vice President | Corporate Strategy Planning and Budgeting Department |
| Ms. Laongdao Dhirarattana | Vice President | State Enterprise Assessment and Organization Development |
| Ms. Apiporn leosuwan | Expert | Corporate Strategy Planning and Research Division |
| Business–Product–Service Development Division | | |
| Ms. Patcharee Supankomut | Vice President | Process Improvement and Innovation Department |
| Mr. Suthipong Jarungjitapinan | Vice President | Business Development Department |
| Mr. Nuttavut Khongthong | Deputy Vice President | Product and Service Development Department |
| Entrepreneur Development and Customer Relations Division | | |
| Mr. Saksit Rachruk | Senior Vice President | Entrepreneur Development and Support Department |
| Ms. Lucksanavadee Lertsaravuth | Senior Vice President | Customer Relations Department |
| Ms. Lalana Chainaronk | Vice President | Marketing Department |
| Mr. Uthai Supachokpanit | Vice President | Organizational Communication and CSR Department |
| Ms. Thanyakorn Jansawang | Expert | Entrepreneur Development and Customer Relations Division |
| Compliance Division | | |
| Mr. Nuttapol Napapornchana | Vice President | Corporate Governance Department |
| Mr. Sahachat Waenthong | Vice President | Credit Review Department |
| Risk Management Division | | |
| Mr. Sirisak Borisuitsawat | Vice President | Risk Management Department |
| Mr. Ataporn Tragulmalee | Senior Vice President | Information Technology Risk Management Department |
| Mr. Sumit Pinjai | Expert | Risk Management Division |
| Legal Division | | |
| Ms. Pornphen Teumpornlerd | Vice President | Litigation Department |
| Mr. Natthan Swingthong | Vice President | Legal Execution Department |
| Mr. Pramaun Rattanalertlop | Senior Vice President | Debt Compromise Department 1 |
| Ms. Chamaiporn Vannaratha | Vice President | Debt Compromise Department 2 |
| Ms. Montathip Kitcharoen | Expert | Legal Division |
| Operation Division | | |
| Mr. Surachet Phounggetkaw | Vice President | Credit Operation Department |
| Mr. Thakoon Pattamagovit | Senior Vice President | Collateral Appraisal Department |
| Mr. Prakob Umplod | Senior Vice President | Credit Processing Department |

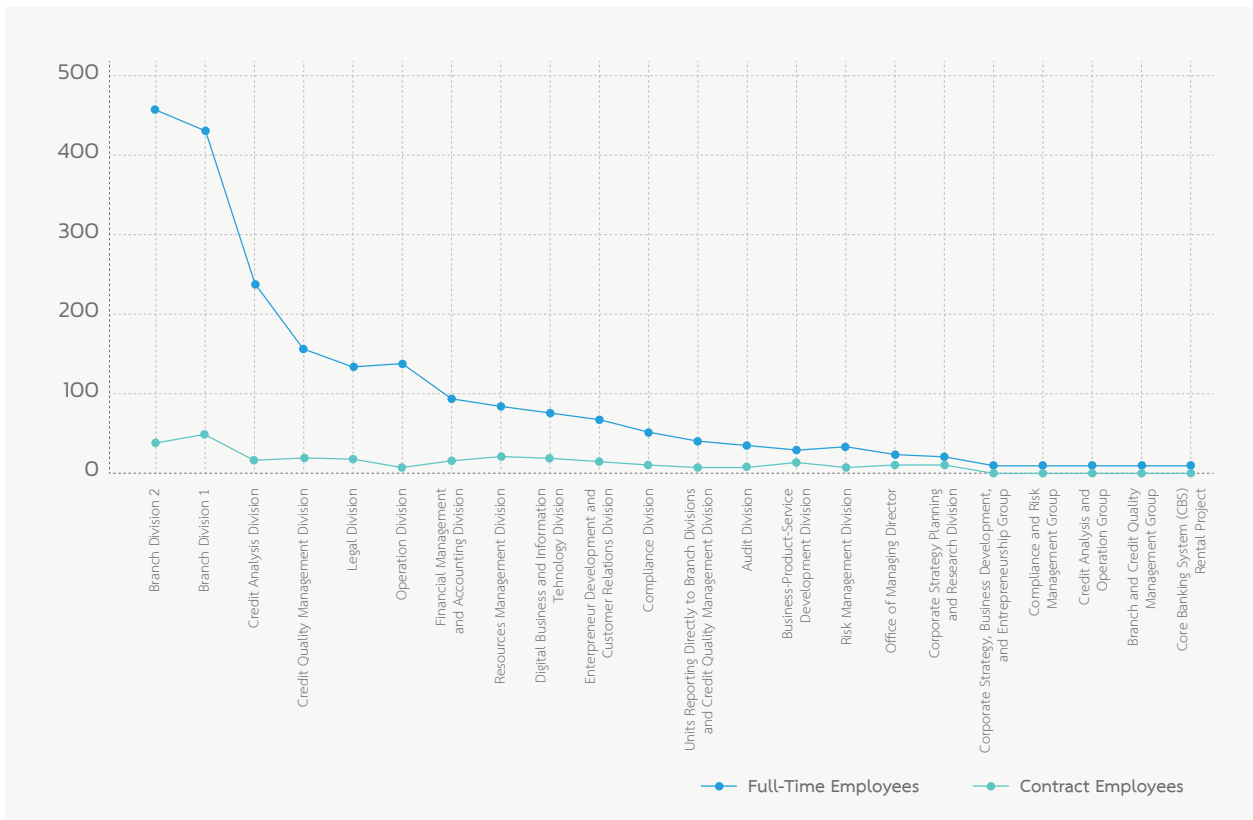
| Name | Title | Division / Group |
|---|-----------------------|---|
| Credit Analysis Division | | |
| Ms. Sopitrawee Sriwaratpaphat | Vice President | Credit Analysis Department 1 |
| Mr. Pairat Supanya | Deputy Vice President | Credit Analysis Department 2 |
| Ms. Niramol Techathanasub | Vice President | Credit Analysis Department 3 |
| Mr. Sahatchai Lertporngulrat | Senior Vice President | Credit Analysis Department 4 |
| Ms. Jitraporn Unsuwan | Vice President | Medium-sized Credit Analysis Department |
| Resources Management Division | | |
| Mr. Vicha Jindaskulyont | Vice President | Inventory Management Department |
| Mr. Boonchorb Krutbua | Vice President | General Administration Department |
| Mr. Neeranart Chutiwong | Senior Vice President | Human Resources Management Department |
| Mr. Suksun Rata vessanun | Senior Vice President | Human Resources and Organization Development Department |
| Digital Business and Information Technology Division | | |
| Ms. Suganya Chatkaewmorakot | Deputy Vice President | Digital Business Development Department |
| Ms. Benjamas Amornchaichan | Senior Vice President | Information Technology Development Department |
| Ms. Saipin Ratanachonratan | Senior Vice President | Information Technology Security Department |
| Mr. Jakkrid Karoonsit | Senior Vice President | Information Technology Engineering Department |
| Financial Management and Accounting Division | | |
| Ms. Pensri Suanarunsawat | Vice President | Banking Department |
| Ms. Jintana Suchonchart | Vice President | Trust Department |
| Ms. Srinnat Chanthanapaiboon | Expert | Treasury Department |
| Ms. Papataree Glangjai | Vice President | Accounting Department |
| Ms. Nongluck Nilwongsanuwat | Senior Vice President | Credit Accounting Department |
| Credit Quality Management Division | | |
| Mr. Chavalit Tangyoo puwadol | Vice President | Credit Quality Management Department 1 |
| Mr. Namyod Laksanangam | Vice President | Credit Quality Management Department 2 |
| Mr. Weerasak Kwankijarun | Vice President | Credit Quality Management Department 3 |
| Mr. Pissanu Nagasara | Senior Vice President | Credit Quality Management Department 4 |
| Branch Division 1 | | |
| Mr. Manachai Chomchuen | Vice President | Regional Vice President |
| Mr. Anupong Saengarunthong | Senior Vice President | Regional Vice President |
| Ms. Jidapa Sugandhavanija | Vice President | Regional Vice President |
| Branch Division 2 | | |
| Ms. Hathairat Nilkamhaeng | Vice President | Regional Vice President |
| Mr. Ramet Rattana-Arun | Vice President | Regional Vice President |
| Ms. Maturot Luekulwattanachai | Vice President | Regional Vice President |
| Mr. Watthana Kaewpraju | Vice President | Regional Vice President |
| Branch and Credit Quality Management Division | | |
| Ms. Phatcharada Kitichoosuan | Expert | Branch Management Department |
| Mr. Chainarong Chatrattanawaree | Vice President | Branch Management Department |

WORKFORCE CAPACITY

Workforce Capacity by Group

| Division / Group | Full-Time Employees | Contract Employees | Total | Percentage |
|--|---------------------|--------------------|--------------|--------------|
| Branch Division 2 | 450 | 34 | 484 | 21.68 |
| Branch Division 1 | 415 | 45 | 460 | 20.61 |
| Credit Analysis Division | 230 | 3 | 233 | 10.44 |
| Credit Quality Management Division | 169 | 4 | 173 | 7.75 |
| Legal Division | 128 | 3 | 131 | 5.87 |
| Operation Division | 130 | 0 | 130 | 5.82 |
| Treasury and Accounting Division | 99 | 3 | 102 | 4.57 |
| Resources Management Division | 86 | 10 | 96 | 4.30 |
| Digital Business and Information Tehnology Division | 83 | 7 | 90 | 4.03 |
| Enterpreneur Development and Customer Relations Division | 72 | 3 | 75 | 3.36 |
| Compliance Division | 56 | 2 | 58 | 2.60 |
| Units Reporting Directly to Branch and Credit Quality Management Group | 38 | 0 | 38 | 1.70 |
| Audit Division | 37 | 0 | 37 | 1.66 |
| Business-Product-Service Development Division | 31 | 5 | 36 | 1.61 |
| Risk Management Division | 34 | 1 | 35 | 1.57 |
| Office of Managing Director | 23 | 2 | 25 | 1.12 |
| Corporate Strategy Planning and Research Division | 22 | 2 | 24 | 1.08 |
| Corporate Strategy, Business Development, and Entrepreneurship Group | 1 | 0 | 1 | 0.04 |
| Compliance and Risk Management Group | 1 | 0 | 1 | 0.04 |
| Credit Analysis and Operation Group | 1 | 0 | 1 | 0.04 |
| Branch and Credit Quality Management Group | 1 | 0 | 1 | 0.04 |
| Core Banking System (CBS) Rental Project | 1 | 0 | 1 | 0.04 |
| Total | 2,108 | 124 | 2,232 | 2,232 |

Workforce Proportion by Function



Workforce Data



Employee Compensation / Personnel Expenses

The Bank has personnel expenses (including senior executives), which include salary, bonus, and welfare, such as contributions to the provident fund, medical expense, support for offspring, offspring's educational expense in the amount of 1,662,836,437.83 baht.

Total Expense on Employees and Contract Workers

Unit : Million Baht

| Items | 2020 | 2021 | 2022 |
|--------------|-----------------|-----------------|-----------------|
| Salary | 1,338.39 | 1,099.98 | 1,169.92 |
| Bonus | 0.00 | 129.68 | 264.73 |
| Welfare | 127.78 | 183.14 | 204.93 |
| Total | 1,466.16 | 1,412.80 | 1,639.58 |

Note The data include salary, temporary subsidy, risk allowance, motorcycle depreciation, monthly child support, bonus, overtime payment, accommodation expense, medical expenses, child education expenses. The data is before withholding tax.

Remuneration of Executives

Unit : Million Baht

| Items | 2020 | 2021 | 2022 |
|--------------|--------------|--------------|--------------|
| Salary | 12.11 | 19.44 | 17.09 |
| Bonus | 0.00 | 2.14 | 5.29 |
| Welfare | 0.75 | 0.99 | 0.87 |
| Total | 12.86 | 22.58 | 23.25 |

Note Remuneration of senior executives and the executives at the next level includes salary, contributions to the provident fund, and bonus.

Succession Plan

SME Development Bank places great importance on ensuring that our personnel are potentially prepared to replace executives who will retire or become vacant in order to maintain the continuity of operations, which is one of the key plans according to the Human Resource Master Plan 2022 - 2026, by formulating a succession plan for executives in four key positions: Managing Director, Senior Executive Vice President, Executive Vice President, and Regional Vice President. The Bank has systemic selection criteria, qualifications, conditions, and developments, as well as a follow-up and evaluation of the executives' performance following their appointment, to ensure that they are competent at driving the organization's operations toward the defined goals. In addition, the Bank has established successor development programs by developing the potential of Deputy Vice Presidents for the

Vice President position through the Department Executive Preparation Program, as well as Vice Presidents for the Executive Vice President and Senior Executive Vice President positions through the Department Senior Executive Preparation Program. The potential development of Mid-level and Senior Executives focused on banking knowledge and key skills related to strategic management and leadership, which are in line with the Bank's leadership competency, through training programs from other institutions such as the Thai Bankers' Association, the Thai Institute of Banking and Finance Association, the Institute of Research and Development for Public Enterprises (IRDP), the Thai Institute of Directors (IOD), the King Prajadhipok's Institute, the Personnel Management Association of Thailand (PMAT), and the Thailand Productivity Institute.



Senior Executive Development

| No. | Name | Title | 2022 Program | Institute |
|-----|--------------------------------|---|--|---|
| 1 | Mr. Jessada Chor. Charoenying | Senior Executive Vice President, Compliance and Risk Management Group | Advanced Certificate Course in Public Economic Management for Executives #21 | King Prajadhipok's Institute |
| 2 | Mr. Pichit Mitrawong | Senior Executive Vice President, Credit Analysis and Operation Group / Office of Managing Director | Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives #26 | King Prajadhipok's Institute |
| 3 | Mr. Chatri Wetsoranasutee | Senior Executive Vice President, Branch and Credit Quality Management Group | Strategic Board Master Class (SBM On-site) | Thai Institute Of Directors (Thai IOD) |
| 4 | Mr. Saree Musigerst | Executive Vice President, Legal Division | The Future of Thai Real Estate: How the Public and Private Sectors Prepare for It Course | Agency for Real Estate Affairs |
| 5 | Mr. Cherdchai Ouanmin | Executive Vice President, Compliance Division | Data Protection Officer Certification Training Course | ACIS Professional Center Co., Ltd. |
| 6 | Mr. Arnat Wiboonkanarak | Executive Vice President, Operation Division | "Thammasat World Leadership Program (TWLP) #19 | Foundation of Thammasat Leadership Program |
| 7 | Mr. Khemmachat Apiratchatanont | Executive Vice President, Resources Management Division | Leadership Succession Program (LSP) #13 | Institute of Research and Development for Public Enterprises (IRDP) |
| 8 | Ms. Kunlaya Chalermchokchai | Executive Vice President, Financial Management and Accounting Division | Every TFRS training program of 2022 (2/22) #6 | Federation of Accounting Professions |
| 9 | Ms. Chuthamas Nualpring | Executive Vice President, Audit Division | 1. Advanced Master of Management (AMM) #8 2. COI and IRCA Certified ISO/IEC 27001:2013 Lead Auditor Training Course (Course Number : 17287) | National Institute of Development Administration (NIDA) |

POLICY ON PAYMENT OF THE DIRECTOR'S REMUNERATION AND MEETING ALLOWANCES

SME D Bank pays remuneration to directors based on criteria and guidelines according to the Cabinet Resolution dated April 24, 2019, acknowledged in the Board of Directors' meetings No. 11/2562 dated May 30, 2019 and No. 18/2562 dated September 4, 2019. The summary of remuneration rate and criteria for monthly allowance and meeting allowance for state enterprise directors and members of committees, sub-committees, and steering committees are provided below:

| | Remuneration | Note |
|--|-----------------------|---|
| 1. Monthly remuneration for directors of state enterprises | 10,000 baht per month | The chairman receives twice the amount = 20,000 Baht per month. |
| 2. Meeting allowance or directors of state enterprises | 20,000 baht per month | The resolution of Board of Directors' meeting No. 18/2562, dated February 4, 2019, on the meeting of the directors of state enterprise, prescribed that a state enterprise shall pay a meeting allowance once a month. Payment can also be made more than once a month but not exceed 15 times per year regardless of the number of meetings convened. The extra three payments shall be made every four months in April, August, and December. If there is one meeting on those particular months, payments shall be made in the next month that there are two meetings. |
| 3. Meeting allowance for sub-committees | 10,000 baht per month | The meeting's chairperson receives an extra 25% of the normal meeting allowance rate = 12,500 baht per month. |
| 4. or other working groups for directors of state enterprises Meeting allowance for members of sub-committees or other working groups for independent members who are not a director of a state enterprise | 10,000 baht per month | In case of the meeting of sub-committee or other working groups, the state enterprise shall pay meeting allowance to directors and independent members of the committee at the same rate but not exceeding two committees, each of which must not convene more than once a month. |

REMUNERATION POLICY FOR **SENIOR EXECUTIVES**

Remuneration of Senior Executives

The remuneration of senior executives consists of the remuneration of the Managing Director, Senior Executive Vice Presidents, and Executive Vice Presidents or equivalent. The criteria and methods for consideration are as follows:

Remuneration of Managing Director

The Managing Director's Remuneration Subcommittee considers the starting salary of the Managing Director based on the criteria and guidelines for the remuneration of the top management under the employment contract, the Cabinet Resolution on June 13, 2000, assigned duties and responsibilities, the overall operating results of the SME D Bank, and the remuneration trends in financial institutions. In addition, the Board of Directors entrusted the Managing Director's Performance Appraisal Committee to assess the performance of the Managing Director and submit the results to the Board. The adjustment of remuneration must be in line with the criteria and guidelines for the remuneration of the top management under the employment contract.

Remuneration of Senior Executive Vice Presidents and Executive Vice Presidents or equivalent

The Managing Director will assign missions, targets, and indicators to the Senior Executive Vice Presidents and Executive Vice Presidents or equivalent. The Board of Executive Directors and approve the criteria for performance assessment and the annual salary raise prior to submission to the Board of Directors for consideration and approval. Upon completing the performance evaluation of Senior Executive Vice Presidents and Executive Vice Presidents or equivalent in two areas, namely the operation target achievement by indicators and SME-D competency assessment, the Managing Director will submit them to the Nomination Remuneration Committee. the Board of Executive Directors for approval. The approved evaluation results will then be used for the annual salary Bonus raise according to the criteria.



SHAREHOLDERS STRUCTURE SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND

| Shareholders | Number Of Shares | Amount (Baht) | % |
|---|--------------------|--------------------------|-----------------|
| Public Sector | | | |
| 1. Ministry of Finance | 360,068,073 | 20,529,999,978.85 | 99.3790 |
| 2. Government Savings Bank | 550,000 | 55,000,000 | 0.1518 |
| 3. Krungthai Bank (Public) Co., Ltd. | 222,000 | 22,200,000 | 0.0612 |
| 4. Financial Institutions Development Fund | 18,000 | 1,800,000 | 0.0050 |
| Public Sector Total | 360,858,073 | 20,608,999,978.85 | 99.5970 |
| Private Sector | | | |
| 1. Ladawan Investment Co., Ltd. | 400,000 | 40,000,000 | 0.1104 |
| 2. Member of Thai Banker's Association | 697,711 | 69,771,100 | 0.1926 |
| 3. Member of Association of Finance Companies | 359,389 | 35,938,900 | 0.0992 |
| 4. Other | 2,900 | 290,000 | 0.0008 |
| Private Sector Total | 1,460,000 | 146,000,000 | 0.4030 |
| Grand Total (Public Sector and Private Sector) | 362,318,073 | 20,754,999,978.85 | 100.0000 |

CURRENT SITUATION AND TRENDS

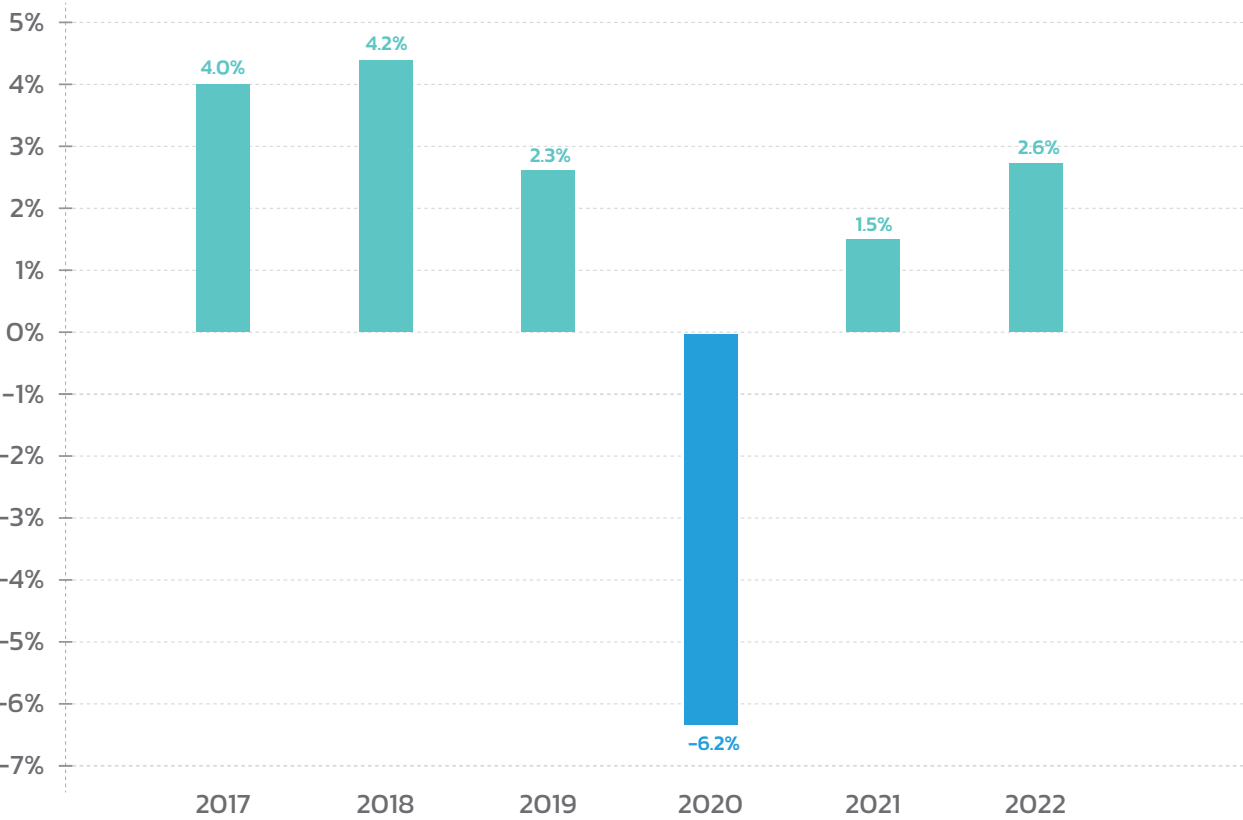


THAILAND'S ECONOMIC SITUATION IN 2022 AND ECONOMIC OUTLOOK IN 2023

1. Overview of the Thai Economy in 2022

In 2022, the Thai economy expanded by 2.6%, accelerating from 1.5% in 2021 with the recovery of the tourism sector and continuous improvement in domestic demand both in consumption and private investment.

Gross Domestic Product (GDP) 2017 - 2022



Source : Office of the National Economic and Social Development Council, February 2023

Consumption and private investment were the main drivers of Thailand's economy in 2022, accelerating growth from 2021 by 6.3% and 5.1%, respectively. In addition, exports expanded at a slower pace of 5.5% following the economic slowdown in partner countries,

while the driving force from the government sector decreased as a result of the decline in government investment, with the inflation rate climbed by 6.1% from last year, mainly due to the rise in energy prices.

| (%YoY) | 2020 | 2021 | 2022 | 2023 (F) |
|---|------|------|------|-----------|
| GDP Growth Rate | -6.4 | 1.5 | 2.6 | 2.7 - 3.7 |
| Private Consumption | -0.8 | 0.6 | 6.3 | 3.2 |
| Public Consumption | 1.4 | 3.7 | 0.0 | -1.5 |
| Private Investment | -8.1 | 3.0 | 5.1 | 2.1 |
| Public Investment | 5.1 | 3.4 | -4.9 | 2.7 |
| Export Value | -6.5 | 19.2 | 5.5 | -1.6 |
| Inflation Rate (%) | -0.8 | 1.2 | 6.1 | 2.5 - 3.5 |
| Current Account Balance Per GDP (%) | 4.2 | -2.1 | -3.4 | 1.5 |
| Number of foreign tourists (million people) | 6.7 | 0.4 | 11.2 | 28.0 |

Source: Office of the National Economic and Social Development Council, February 2023

Thailand Economic Outlook in 2023

The Thai economy is expected to grow between 2.7 - 3.7% in 2023, with supporting factors such as (1) the recovering of the tourism sector, (2) the expansion of public and private investment, (3) the continued favorable expansion of private consumption, and (4) the favorable expansion of the agricultural sector. The details are as follows:

1) The recovering tourism sector: the number of foreign tourists, especially from China, increased following the opening of the country earlier than expected, as did tourists from other countries such as Russia, Japan, and South Korea.

2) The expansion of public and private investment: private investment tends to continuously expand with the increasing number of applications for investment promotion, in line with the area expansion and leasing of industrial estates. Public investment tends to expand in accordance with the government's investment budget framework and the progress of state-owned enterprise infrastructure investment projects.

3) The continued expansion of domestic consumption: the expansion of private consumption after the ease of the COVID-19 situation was primarily supported by an improvement in the income base, especially in the tourism and agricultural sectors; the labor market's continuous recovery; and the increased consumer confidence.

4) The favorable expansion of the agricultural sector: the favorable expansion of the agricultural sector in response to the growth outlook for agricultural product expansion is mainly due to adequate water supply for cultivation.

However, there are limitations and risk factors for the year 2023, including the global economic slowdown, the volatility of the global economic and financial system, the high level of household and corporate debt amid rising interest burdens, the decline in driving force from government spending, and post-election political conditions and atmosphere.

Based on the aforementioned supporting and risk factors, Thailand's economy is expected to grow continuously in 2023, with private consumption growing by 3.2%, private investment and public investment growing by 2.1% and 2.7%, respectively, and the value of exports in US dollars decreasing by 1.6%, with the average headline inflation ranging from 2.5 - 3.5%.

The global economic outlook for 2023 is expected to expand at a slower rate than in 2022, which will be a pressure factor for the recovery of Thailand's

economy, particularly in the export sector. The world economy and trade volume are likely to grow by 2.6% and 2.0% in 2023, decelerating from 3.2% and 5.4% in 2022, respectively, as a result of a slowdown in consumption and investment under the policy rate hike direction of major central banks and the persistence of geopolitical conflict. However, the global economy is still supported by the recovery of the Chinese economy following the relaxation of epidemic control measures, the recovery of the tourism sector, and the easing of global supply chain problems.

| (%YoY) | 2020 | 2021 | 2022 | 2023 (F) |
|-------------------------------|------|------|------|-------------|
| Global Economic Expansion (%) | -2.9 | 5.5 | 3.2 | 2.6 |
| USA | -2.8 | 5.9 | 2.1 | 0.7 |
| Eurozone | -6.1 | 5.3 | 3.5 | 0.3 |
| Japan | -4.3 | 2.1 | 1.1 | 1.5 |
| China | 2.2 | 8.4 | 3.0 | 4.7 |
| Thailand | -6.4 | 1.5 | 2.6 | 2.7 - 3.7 |
| Global Trade Volume (%) | -7.8 | 10.4 | 5.4 | 2.0 |
| Exchange Rate (Baht/USD) | 31.3 | 32.0 | 35.1 | 32.3 - 33.3 |
| Dubai Crude Oil (USD/Barrel) | 42.1 | 69.5 | 96.2 | 80.0 - 90.0 |

Source: Office of the National Economic and Social Development Council, February 2023

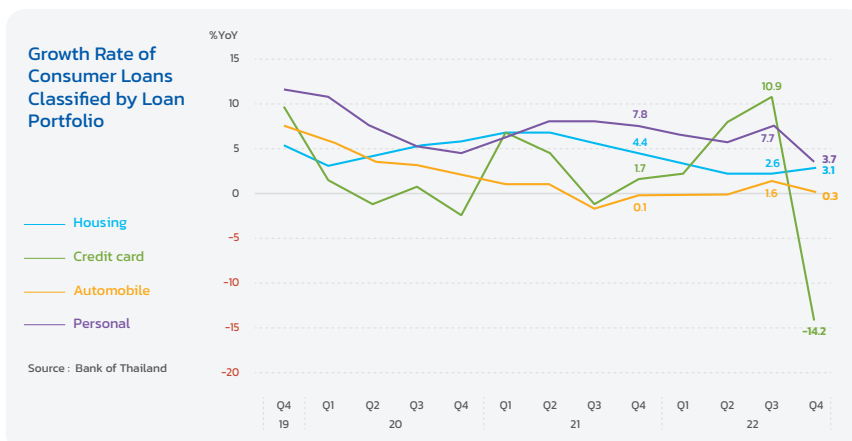
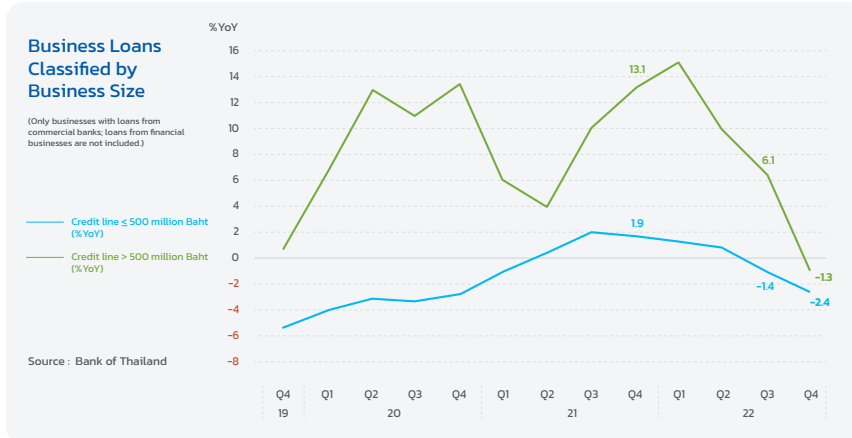
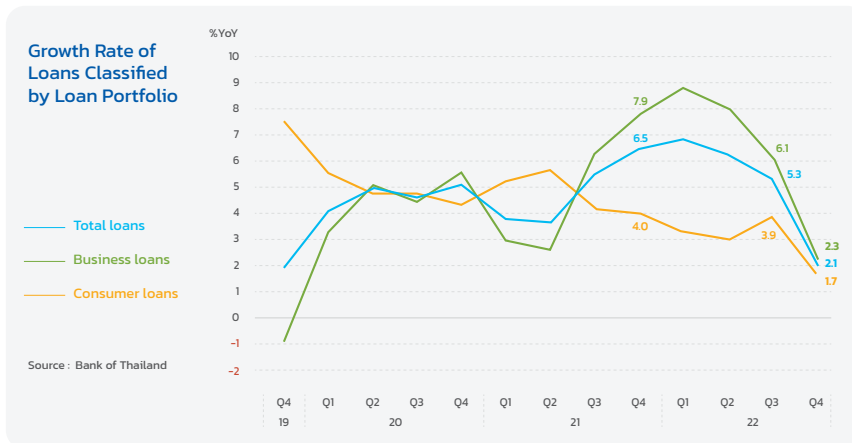
2. Credit Overview

The banking system is solid and stable, with high capital reserves and liquidity, providing a vital support mechanism for economic recovery. Although loan growth slowed down from the previous year, the quality has increased, thus improving the performance compared to last year; nevertheless, it was still lower than prior to COVID-19 pandemic. Overall, the loan growth of the commercial banking system for 2022 increased by 2.1%, slowing down from 6.5% the year prior, as detailed below:

- Business loans increased by 2.3% compared to the previous year, with large business loans contracting

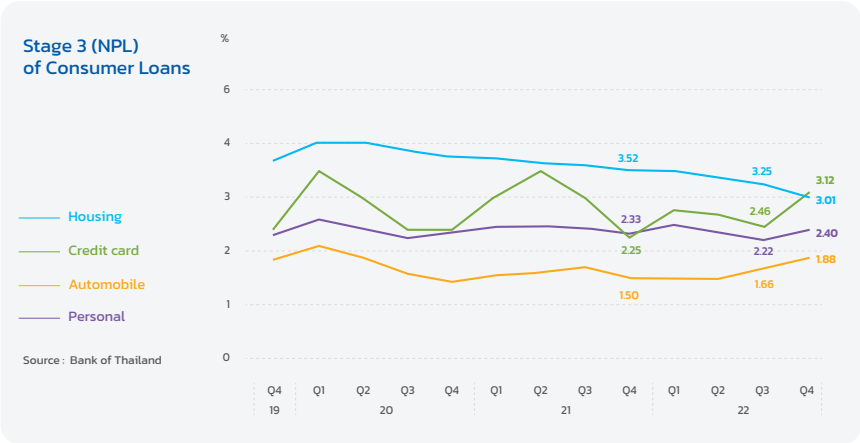
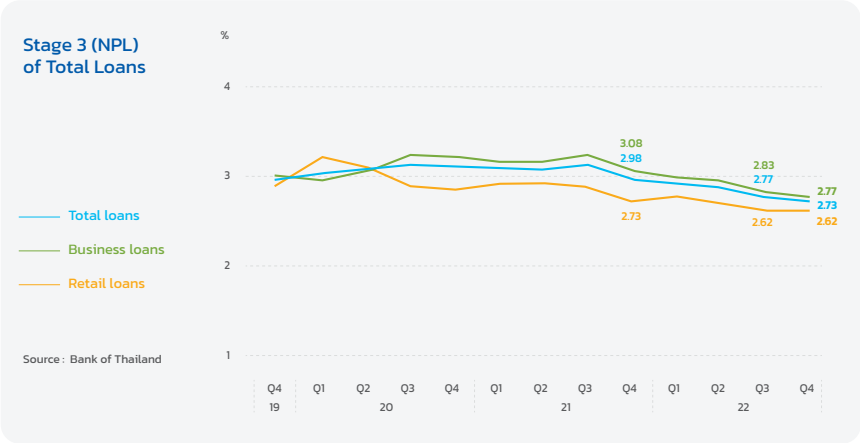
due to large business debt repayments. At the same time, loans to SMEs also contracted as a result of the repayment of loans given to the government and soft loans. However, business loans overall were still able to expand, mainly through loans from financial businesses.

- Consumer loans increased at a lower rate of 1.7% compared to the previous year, with personal loans and housing loans continuing to expand in line with household liquidity demands. Auto loans remained stable in accordance with automobile sales, while credit card loans declined as a result of the transfer of credit card and personal loan businesses to commercial bank subsidiaries.



The overall loan quality of the commercial banking system in 2022 improved compared to the previous year, with the NPL ratio decreasing as a result of continuous debt restructuring and debt quality management, especially the business loan portfolio sales. The outstanding balance of non-performing loans

(NPLs, or stage 3) fell to 499.1 billion baht, resulting in a 2.73% NPL to total loans ratio for both business and retail loans. The business loans to NPL ratio was 2.77%, a decrease from 3.08% last year, while the retail loans to NPL ratio was 2.62%, falling from 2.73% the previous year.



The credit outlook in 2022 has the potential to expand continuously, but within a limited scope, following the highly uncertain economy. In the meantime, NPLs may not decrease due to the expiration of government assistance measures as the Bank has to

rely mainly on debt restructuring from individual financial institutions. In addition, an interest rate hike may influence the decisions to apply for new loans and debt repayment of newly recovered debtors.

Micro, Small, and Medium Enterprises (MSME)

During the first nine months of 2022, the gross domestic product of micro, small, and medium enterprises (GDP MSME) increased by 5.1%, totaling 4,536,399 million baht or equivalent to 35.2% of the national GDP. The business sectors that had clearly recovered were accommodation and food services, transportation and warehousing, and information and communication.

Upon examining GDP by enterprise size in the third trimester of 2022, the GDP growth of micro enterprises was the highest and the largest with an increase of 17.6%, followed by medium enterprises with an accelerated growth of 7.3%, while small enterprises expanded at 4.9%.

The economic outlook for the MSME group's GDP is likely to expand by 4.9% in 2022 and in the 4.1 - 5.8% range in 2023, a continued expansion from the year 2021, which grew 3.0%.

The major supporting factor is the ease of COVID-19 control measures in many countries, resulting in the continuous growth of the tourism sector and the recovered purchasing power of the household sector. However, global demand shows signs of slowdown, while the household debt problem, the labor market, and the shortage of inputs from the labor market have not yet fully recovered, proving to remain major risks to MSME economic growth in 2023.

| (%YoY) | 2022 | 2023 (F) |
|----------------------------------|------|-----------|
| Indent @ MSME Economic Expansion | 4.9 | 4.1 - 5.8 |
| Agricultural Sector | 4.7 | 4.3 - 5.2 |
| Manufacturing Sector | 4.5 | 4.6 - 6.2 |
| Construction Sector | 5.1 | 3.7 - 4.7 |
| Retail and Wholesale Sector | 4.6 | 4.5 - 5.5 |
| Service Sector | 5.6 | 3.2 - 6.2 |

Source: The Office of SMEs Promotion, November 2022

SME D Bank's ROLE

As a state-owned financial institution, SME D Bank has an important mission and role to be “the Bank for Thai SMEs” and strengthen Thai SMEs for strong business conduct, continuous growth, and domestic and international competitiveness. In addition to funding support, the Bank has assisted, promoted, and encouraged the development of entrepreneur potential through various activities designed to provide knowledge, improve skills, and nurture the growth of SMEs through business cycles. Through the use of technology and innovation, the efficiency of marketing business management and marketing channels, both online and offline, has improved, resulting in more income and lower business costs. Accounting systems for financial and tax planning, as well as the advertising of businesses to employ product and service standards, contribute to the business's value and credibility. Furthermore, investment to expand business and increase employment is encouraged in order to achieve a greater national economic drive. The Bank, in collaboration with alliances from various public and private sectors, educational institutions, associations, and federations, has integrated cooperation to support SME entrepreneurs' transition to sustainability following the “Adding Knowledge with Capital” model.

In 2021, SME D Bank has been approved to extend the credit limit for SMEs entrepreneurs from 15 million to 50 million baht per person, and launch new loan products with more diversity to meet the needs of all business sectors. The criteria are also amended and eased to accommodate SMEs entrepreneurs in accessing funding sources. This is in line with the policy of the government and regulatory agencies' intention for SME D Bank to promptly help affected SMEs in overcoming the economic crisis and growing their businesses sustainably. The Bank's loan products are the Loan for Entrepreneurs According to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E. 2564, the SMEs Re-start Loan, the SMEs D Adding Capital Loan, the SMEs Be Happy Loan, the Rehabilitation Loan, and the Projects in the SME Development Fund in accordance with the Civil State of the Ministry of Industry that the Bank participated in.

In 2022, SME D Bank has joined the “Debt Solving Fair: Solving Debt and Starting Anew with Sustainability,” divided into three parts: original debt relief, BCG loan support, and natural disaster relief loans. Original debt relief alleviates the burden based on reduced income and adds fresh money to be a short-term working capital and a source of funds for income generation; BCG loan support is the support for Bio-Circular-Green Economy model loans; and the natural relief loans aid in the business sector and the general public's swift recovery and return to business or livelihood. Other ongoing projects include the sustainable original debt resolving measures according to BOT guidelines and the Ministry of Industry's SME Development Fund according to the Pracharat Scheme, both of which help enhance SMEs entrepreneurs' liquidity during the economic slowdown. The Bank has increased internal management's capacity for operational improvement and development within the organization by integrating and elevating the international standard of the Committee of Sponsoring Organization of the Treadway Commission (COSO) in accordance with the GRC guidelines. Furthermore, the Bank also developed the core banking system and data warehouse to drive the organization with big data and data analytics, as well as the application that meets customer needs, elevating the Bank's comprehensive service for SMEs entrepreneurs to a new level.

In 2022, SME D Bank supplied capital funds for SMEs with total outstanding loans of 109,296.57 million baht, categorized as 7.60% general loans and 92.40% government policy loans, generating 92,764.12 million baht in added economic value and employment for 226,459 people in the economy.

Entrepreneur Development

Under the “Strengthening SMEs” project, SME D Bank has carried out activities in 2022 to develop the potential and strengthen SMEs, with target groups being the Bank's debtors and SMEs entrepreneurs who have been affected by the COVID-19 pandemic situation to overcome the economic crisis and continue their business. The Bank joined forces with allies of public and private sectors, educational institutions, associations, and federations to organize

educational and potential-enhancing activities covering the diverse demands and business management from marketing, production, management, technology and innovation usage, accounting, finance, and tax management, and funding support through operation processes. The details are as follows:

- **Trainings, Seminars, and Consultation:** The Bank with partner agencies provided comprehensive business management knowledge, understanding, and skills, as well as promoted marketing to create income through worldwide renowned E-Commerce platforms. The Bank's indoor and outdoor spaces were also set up for selling goods. The Bank also offered services concerning workplace diagnostics and production processes on locations in order to promote the use of technology and innovation systems to minimize business costs, as well as business network connections, thus creating opportunities for SMEs entrepreneurs to expand their marketing channels into modern trade. In addition, the SME D Coach activity organizes experts in each field to give one-on-one consultation, such as introducing

business plan preparation, preparing businesses for product/service standards, preparing accounting/tax, financial planning, and preparing for loan applications, etc. Following the SMEs participation in the Bank's potential development and elevation activities, there will be a follow-up on their accomplishments in implementing the knowledge gained into their operations for demonstrable efficiency and effectiveness.

- **Efficiency:** SMEs entrepreneurs who have developed and upgraded their business skills have more distribution channels, a standardized accounting system, clear business plans, information technology system usage, standardized products, and readiness for loan applications with the Bank, etc.

- **Effectiveness:** SMEs entrepreneurs received financial support to extend or expand their businesses in order to achieve greater performance, such as increased income and profits, lower operating costs, business revival, products that meet national or international standards, and the ability to introduce more products on a global scale.

Unit : Person

| Entrepreneur Development | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------|-------|-------|-------|-------|--------|--------|
| 1. Training, Seminars, and Consultations | 4,536 | 6,548 | 8,776 | 8,930 | 8,159 | 20,806 | 21,860 |
| 2. Efficiency | 1,068 | 1,354 | 1,894 | 2,166 | 2,552 | 8,283 | 12,426 |
| 3. Effectiveness | 554 | 662 | 933 | 1,062 | 1,170 | 4,990 | 6,147 |

Venture Capitals

The Bank's venture capitals focus on startups, SMEs in the S-curve industries, and future cluster industries according to government sector policies. There are two venture capital funds and two venture capital projects with a total credit limit of 2,309.20 million baht.

- 1) 1st SMEs Private Equity Trust Fund, credit limit: 1,418 million baht
- 2) 2nd SMEs Private Equity Trust Fund, credit limit: 601.20 million baht
- 3) Agricultural and Related SMEs Private Equity Trust Fund, credit limit: 290 million Baht
- 4) Venture Capital Project in accordance with Government Policies

NATURE OF BUSINESS

SME D Bank has entered into a joint venture with the companies holding more than 25% stake in the joint ventures as follows:

| Company | Shareholding |
|--------------------------------------|---------------------------|
| Bangkok Marine Engineering Co., Ltd. | Shareholding ratio 40% |
| Bitec Kool Block Co., Ltd. | Shareholding ratio 40% |
| Virgin F & B Co., Ltd. | Shareholding ratio 37.50% |
| Wattasarn Media Co., Ltd. | Shareholding ratio 33.33% |
| PowerQ and Saving Intania Co., Ltd. | Shareholding ratio 28.85% |
| Thai Umaporn Textile Co., Ltd. | Shareholding ratio 25% |

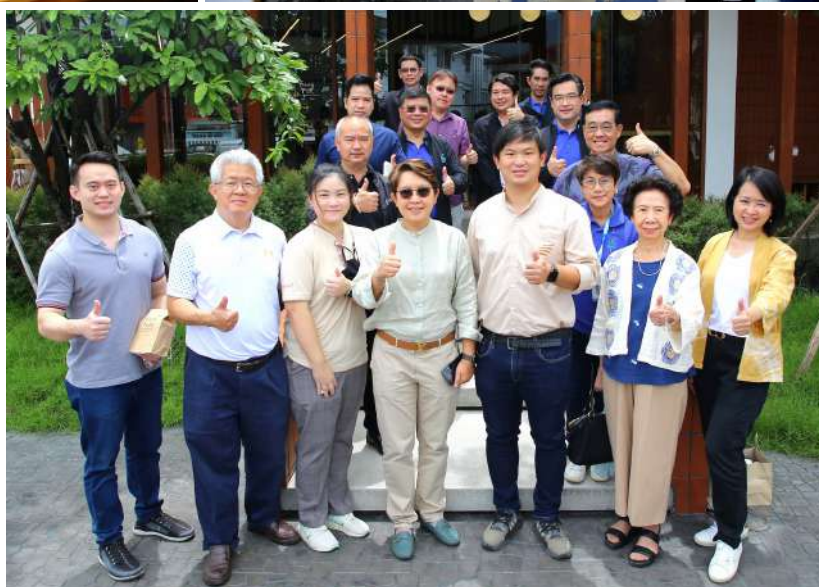
OPERATING RESULTS FOR 2022



OPERATING RESULTS FOR 2022

The main mission of SME D Bank, as a state financial institution, is to become **“the Bank for Thai SMEs”** and play a role in strengthening Thai SMEs business operations to grow continuously and be able to compete both domestically and internationally. In addition to the funding support, the Bank also promoted and supported potential development for SME entrepreneurs by organizing activities to increase knowledge, enhance skills, and foster SME growth throughout the business cycle. Business management and marketing were improved by increasing both online and offline marketing channels, resulting in an increase in income and a decrease in business costs through

the use of technology and innovation, as well as the accounting system in financial and tax planning. The Bank also pushed for product and service standards to create added value for businesses and raise their creditability in turn, as well as promoted investment to expand businesses and increase employment, thereby contributing to Thailand’s overall improved economic drive. Joining forces with partner agencies in the public and private sectors and education institutes, associations, federations, and organizations, the Bank supported Thai SMEs towards sustainability under the **“Adding Knowledge with Capital”** model.



Sub-Performance Agreement Committee for Specialized Financial Institutions (Sub-PAC for SFIs), Representatives from the State Enterprise Policy Office (SEPO), the Bank of Thailand (BOT), and TRIS Corporation Company Limited, made study visit to the business of SME D Bank customers

In 2022, SME D Bank had total loan disbursements of 68,808.40 million baht for 12,746 entrepreneurs, comprising (1) 62,485.32 million baht of SME D Bank's loans for 8,995 entrepreneurs, (2) 6,323.09 million baht of partners' loans for 3,751 entrepreneurs. The Bank had total outstanding loans of 109,296.57 million baht for 80,389 entrepreneurs, which created economic value added of 92,764.12 million baht and retained 226,459 jobs in the economy. At the end of 2022, NPLs amounted to 10,624.17 million baht while the ratio of NPLs to outstanding loans was 9.72%. SME D Bank's gross operating profit was 554.60 million baht.

1. Financial Performance

In 2022, the Bank had total revenues of 5,621.03 million baht, increasing by 640.87 million baht, or 12.87%, from 2021. The total expenses were 3,470.03 million baht, increasing by 53.03 million baht, or 1.55%, over 2021. The Bank had bad debts, doubtful debts, and impairment losses of loans totaling 1,596.40 million baht, resulting in a net profit of 554.60 million baht.

- **Interest income** was 4,672.50 million baht, increasing by 437.90 million baht or 10.34% from 2021.
- **Non-interest income** (consisting of income from commissions and services, net gains (losses) from commercial and foreign exchange transactions, net gain (losses) on investments, dividend income, and other operating income) was 948.53 million baht, increasing 202.97 million baht or 27.22% from 2021.
- **Interest expenses** were 851.00 million baht, decreasing by 130.49 million baht or 13.30% from 2021.
- **Non-interest expenses** (consisting of fees and service charges and other operating expenses) were 2,619.03 million baht, increasing by 183.52 million baht or 7.54% from 2021.
- **Doubtful accounts:** the Bank had bad debts, doubtful debts, and impairment loss of loans of 1,596.40 million baht, increasing by 562.36 million baht or 54.39% from 2021.
- **Net profit:** the Bank's net profit amounted to 554.60 million baht.



2. Financial Position



- **Assets:** the Bank’s assets amounted to 116,193.43 million baht, increasing by 7,926.99 million baht or 7.32% from 2021.
- **Liabilities:** the Bank’s liabilities amounted to 104,537.70 million baht, increasing by 7,133.16 million baht or 7.32% from 2021.
- **Shareholder’s Equity:** the Bank’s shareholder’s equity amounted to 11,655.73 million baht, increasing by 793.83 million baht or 7.31% from 2021.
- **Capital Adequacy Ratio:** as of December 31, 2022, the Bank had total funds of 11,047.75 million baht and risk-weighted assets of 79,465.73 million baht. Thus, the Bank’s Capital Adequacy Ratio was 13.90%.

3. Key Current and Future Investments

SME D Bank focuses on being the Bank for SME development by assisting and supporting Thai SMEs through loan services and business capacity development, helping Thai SMEs to grow strongly and

sustainably in accordance with government policies and regulatory agencies under the Ministry of Industry and the Ministry of Finance. In terms of improving management efficiency, SME D Bank focuses primarily on preparing readiness and developing digital technology by establishing operating guidelines regarding both internal and external situations in order to become a specialized financial institution (SFI) which is a main mechanism in driving the national economic and social strategy on the basis of efficient operations according to good governance. Digital technology is prioritized as a key mechanism for building the development foundation and economic growth, as well as increasing competitiveness and adaptability to changes, especially in the era where digital technology plays an important role in changing customer behaviors that prefer digital platforms, combined with surrounding circumstances that accelerate the shift into the “new normal” lifestyle.

For the aforementioned reasons, SME D Bank has therefore established a 5-year digital action plan (2020-2024) and a 2022 revised version to be in accordance with the direction and as a foundation to prepare for the transformation into a digital bank. The information technology system is developed as follows:

- (1) Develop the Big Data system and the SMEs Intelligence Information database to prepare the infrastructure required for the development of support systems to monitor and analyze the Bank’s customers and loan applicants in a predictive manner.



(2) Develop an online knowledge system for SME entrepreneurs as a key platform in online SME development that achieves the Bank's mission as a bank for development and upgrades SME development channels in response to current behaviors and trends.

(3) Develop a risk engine to support credit risk models, giving SME D Bank a tool for risk management and risk prevention, as well as setting appropriate standards for the risks of each group of customers and improving the efficiency of preliminary guidelines for credit approval and review.

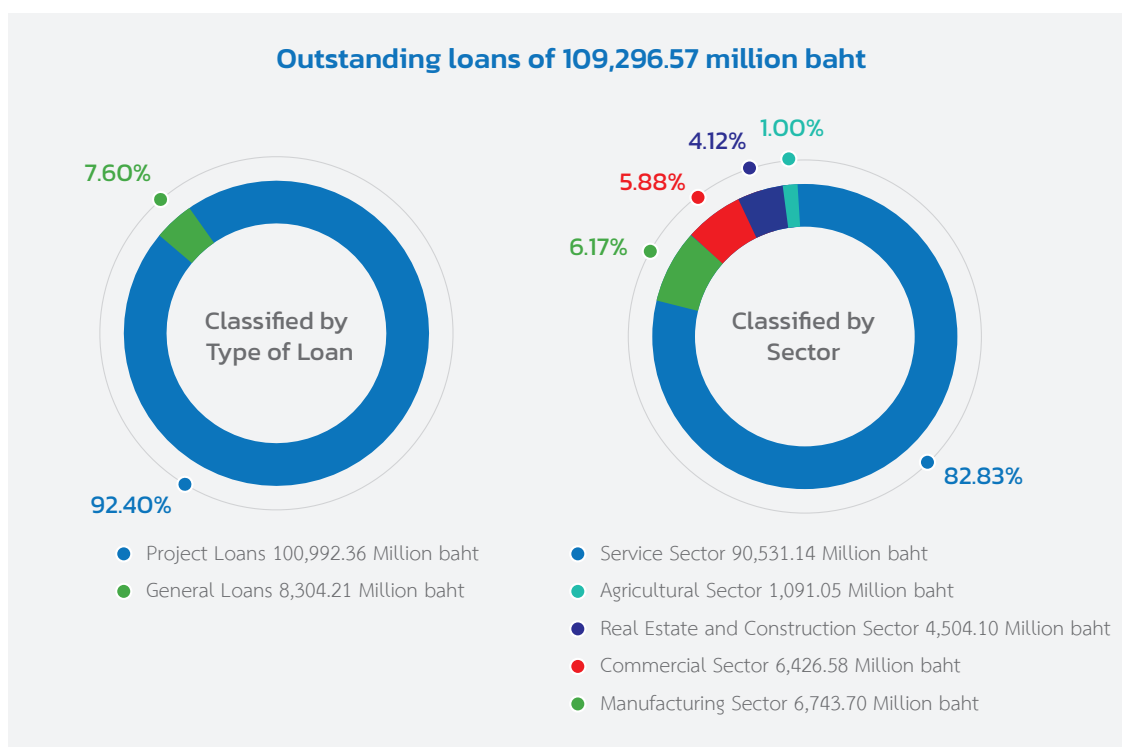
(4) Provide a Cloud Access Security Broker system to detect and prevent unauthorized use of cloud systems, as well as defend against cyber threats.

4. Credit

1) Outstanding Loans

- The Bank's outstanding loans amounted to 109,296.57 million baht for 80,389 accounts, increasing by 4,312.40 million baht or 4.10% from last year, comprising outstanding general loans of 8,304.21 million baht for 2,396 accounts and outstanding project loans of 100,992.36 million baht for 77,993 accounts.

- The total amount and proportion of outstanding loans by sectors were: 90,531.14 million baht or 82.83% in the service sector; 6,743.70 million baht or 6.17% in the manufacturing sector; 6,425.58 million baht or 5.88% in the commercial sector; 4,504.10 million baht or 4.12% in the real estate and construction sector; and 1,091.05 million baht or 1.00% in the agricultural sector.



2) Loan Disbursement

SME D Bank disbursed total loans of 68,808.40 million baht to 12,746 entrepreneurs, increasing by 19,447.80 million baht or 39.48% from last year. Total loans can be classified into (1) the regular Bank's loans in the total amount of 62,485.32 million baht to 8,995 entrepreneurs, and (2) loans granted through partner's funds in the total amount of 6,323.09 million baht to 3,751 entrepreneurs.

The majority of loan disbursements were loans in support of government policy measures as well as loans through partner agencies' funds, which have low interest rates and returns, aiming to help support SMEs in continuing their businesses, namely:

- Loan project for entrepreneurs according to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic, B.E.2564

สินเชื่อ SMEs D Plus

รับรีไฟแนนซ์ ออการทางการเงิน
โอกาสดีๆ เพื่อเติบโตธุรกิจ

วงเงินกู้สูงสุด ไม่เกิน 50 ล้านบาท*
ดอกเบี้ยเริ่มต้น 4.5% ต่อปี*
ผ่อนนาน สูงสุด 10 ปี*
ปลอดชำระหนี้ สูงสุด 18 เดือน*

• SME D Plus Loan

สินเชื่อ SMEs D เพื่อการลงทุน

อยากลงทุน อยากรับรู้
เปลี่ยนธุรกิจ เราจัดให้

วงเงินกู้สูงสุด ไม่เกิน 50 ล้านบาท*
ดอกเบี้ยต่ำเริ่มต้น 5.5% ต่อปี*
ผ่อนนาน 10 ปี*
ปลอดชำระหนี้ สูงสุด 18 เดือน*

• SME D Happy Loan

สินเชื่อ SMEs D เสริมสภาพคล่อง

เติมเงินทุนหมุนเวียน
ธุรกิจทั่วไทย ทั่วประเทศ

วงเงินกู้สูงสุด ไม่เกิน 50 ล้านบาท*
ดอกเบี้ยเริ่มต้น 6.0% ต่อปี*
ระหว่างใช้ ไม่ต้องจ่ายคืน

• SME D Smile Loan

โครงการสินเชื่อ เสริมสภาพคล่อง ผู้รับเหมา

มีใบตกลง เข้ากิจการ ร้องจัดจ้าง การสร้าง-เอ่อตบ
เริ่มขุดดินแล้ว รับงานทำสิ่ง ก่อสร้างที่รวดเร็ว

ผู้ประกอบการขอสินเชื่อที่เป็นนิติบุคคล
วงเงินกู้สูงสุด ไม่เกิน 50 ล้านบาท
ดอกเบี้ยเริ่มต้น MLR+1.0% ต่อปี*

• Contractor Liquidity Loan

สินเชื่อ SMEs Re-Start

วงเงิน 2,000 ล้านบาท

ปลอดชำระหนี้สูงสุด สูงสุด 2 ปี

ระยะเวลาชำระหนี้ สูงสุด 10 ปี

ยกเว้นค่าธรรมเนียม ค่าประกันสินเชื่อ 2 ปี

ผ่อนนานสูงสุด 10 ปี

วงเงินกู้สูงสุด 5 ล้านบาท*

ดอกเบี้ยเริ่มต้น 5.5% ต่อปี*

สินเชื่อ SMEs Re-Start

ยึดครองและเงินกู้ธุรกิจที่วงเงินเฉพาะที่ขอก่อน

SME D Bank ธนาคารเพื่อเอสเอ็มอีไทย

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• SMEs Re-Start Loan

SME D Bank performed duties as a co-ordinator in three projects of the SME Development Fund under the Pracharat Scheme as follows:

1) Loans project to revitalize SMEs that are debtors of the SME Development Fund under the Pracharat Scheme B.E. 2565



2) SMEs Opportunity and Liquidity Enhancement Loan Project B.E. 2565



3) SMEs Potential Enhancement Loan Project B.E. 2565



3) Project Loans

3.1) Loans according to Cabinet Resolutions

3.1.1) Loan project for entrepreneurs according to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 The project helps business owners sustain their businesses and retain employment rate amid uncertainty due to the COVID-19 pandemic and eventually recover without affecting the potential for long-term economic recovery. This loan program is under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic, B.E.2564. As the COVID-19 pandemic had become more severe with wider and longer than expected impacts, the loan project assisted SMEs in maintaining liquidity and

injected fresh funds into SME debtors who had never had credit lines with financial institutions or had had ones but with low credit limits, so that they could have rehabilitation loans. The project also adjusted credit guarantee requirements in order to reduce financial burdens and costs for operators with sufficient guarantees. The project's target credit limit is 25,000 million baht.

3.2) SME D Bank Loans to Support Government Policies

3.2.1) SME D Plus Loan aims to support SMEs by providing loans for the repayment and refinancing of collateral from financial institutions, as well as additional credit lines for investment, expansion, business improvement, corporate restructuring, or additional working capital, in order to increase flexibility and ease in adapting to the current economic situation. The project's credit limit is 7,000 million baht.

3.2.2) SME D Happy Loan aims to help SMEs, whether natural persons or juristic persons, invest, expand, and improve their enterprises, as well as undergo business transformation for further growth and development. The project is flexible and lenient in light of the current economic situation and the classification of SMEs following the Bank's strategic plan. The project's credit limit is 5,000 million baht.

3.2.3) SME D Smile Loan aims to enhance liquidity for SMEs so they can conduct their businesses in an effective, strong, and sustainable manner. The project is flexible and lenient in light of the current economic situation and SME D Bank's credit limit expansion. The project's credit limit is 7,000 million baht.

3.2.4) BCG Loan implements government policy to drive economic development through the BCG (Bio Economy, Circular Economy, and Green Economy) model in order to support funds for SMEs to ensure compliance with social and environmental responsibility and corporate governance under the ESG (Environment, Social, and Governance) guidelines as a sustainable bank. The project's credit limit is 11,000 million baht.

3.2.5) Contractor Liquidity Loan expands opportunities for construction contracting, commissioning, or service businesses whose employers are government officials, government agencies, state enterprises, state universities, local governments, public organizations, companies listed on SET or MAI, or private companies in the group to be listed on SET or MAI. The project's credit limit is 4,000 million baht.

3.2.6) SME Re-Start Loan assists entrepreneurs of all types of businesses that have been impacted for a longer period of time than anticipated by the COVID-19 pandemic and economic fluctuations, as well as the uncertainty of epidemic control, resulting in a shortage of liquidity, limited access to funding sources, and increased credit risk. This loan helps SMEs revitalize and continue their businesses, therefore enhancing the Bank's good image and achieving its missions. The project's credit limit is 5,000 million baht.

3.2.7) Project to help customers with BOT Soft Loan in accordance with BOT's debt relief policy, the Bank provided financial assistance measures to entrepreneurs impacted by the COVID-19 pandemic however, due to recurring outbreaks, the government decided to issue more assisting measures, such as a principal moratorium of 3 - 6 months, resulting in customers being unable to pay off at the end of the repayment period. This project enables potential customers who are unable to repay loans under the original Soft Loan Decree to continue using their loans to sustain and maintain their businesses. The project's credit limit is 500 million baht.

3.2.8) Loans for tenants of Ratchaphatsadu buildings of the Treasury Department support SMEs with the right to lease Ratchaphatsadu buildings of the Treasury Department in gaining access to funding sources for further investment, expansion, and improvement, or for working capital and liquidity as a business expense, thereby creating employment and generating income that benefits Thailand's social and economy. The project's credit limit is 500 million baht.

3.2.9) Thailand Post's Cash on Delivery Loan is the Bank's credit product that covers retail customers who trade via Thai Post's Cash on Delivery service while also encouraging the use of technology as an additional help to business operations by providing loans in digital format. The project's credit limit is 300 million baht.

3.2.10) Smart Factoring Loan stimulates the economy in line with the government's policy to disburse budgets of state agencies and enterprises in the fiscal year 2022 - 2023, which aligns with

SME D Bank's credit expansion policy. The project's credit limit is 10,000 million baht.

3.2.11) SMEs Factoring Measures to Enhance SMEs Liquidity stimulate the economy in line with the government's policy to disburse budgets of state agencies and enterprises in the fiscal year 2022 - 2023, as well as publicize SME D Bank's factoring loan and create a positive image for the Bank in terms of convenient, quick, and easy access to financial resources. The project's credit limit is 18,000 million baht.



Minister of Finance and Bank executives visit the business of SME D Bank customers

3.3) Performing Duties as a Co-operator: SME Development Fund under the Pracharat Scheme

3.3.1) SME Development Fund Loans under the Pracharat Scheme to revitalize SMEs that are debtors of the SME Development Fund under the Pracharat Scheme B.E. 2565 This project supports SMEs as well as debtors of the SME Development Fund under the Pracharat Scheme due to the COVID-19 pandemic that directly and indirectly affected the Thai economy. The SME Development Fund under the Pracharat Scheme has been establishing liquidity enhancement measures to help, recover, and relieve debt repayment burden for its debtors that have been affected; however, as the COVID-19 pandemic situation remained highly uncertain and was perceived to have wide and lasting impacts, this project assists SMEs that are debtors of the SME Development Fund under the Pracharat Scheme to have financial liquidity and maintain their employment and business operations. The project's credit limit is 761.31 million baht.

3.3.2) SME Development Fund Loans under the Pracharat Scheme, SMEs Opportunity and Liquidity Enhancement Loan Project B.E. 2565 Due to the economic situation affected by the new outbreak of the COVID-19 pandemic, which spread all over the country and lasted longer than expected, as well as control measures in high-risk areas imposed by government policies, SMEs were unable to operate normally and became vulnerable due to a lack of financial liquidity and access to funding sources. As a result, many SMEs went out of business, posing

a long-term threat to the economic system in terms of driving the SMEs sector. Consequently, this project relieves and helps SMEs access more funding sources in the current changing economic situation and in light of the government's policy to re-open the country, and also assists SME groups affected by COVID-19 pandemic control in continuing their businesses. The project's credit limit is 4,035.97 million baht.

3.3.3) SME Development Fund Loans under the Pracharat Scheme, SMEs Potential Enhancement Loan Project B.E. 2565 Due to the economic situation affected by the new outbreak of the COVID-19 pandemic, which spread all over the country and lasted longer than expected as well as control measures in high-risk areas imposed by government policies, SMEs were unable to operate normally and became vulnerable due to a lack of financial liquidity and access to funding sources. As a result, many SMEs went out of business, posing a long-term threat to the economic system in terms of driving the SMEs sector. Consequently, this project relieves and helps SMEs access more funding sources in the current changing economic situation and in light of the government's policy to re-open the country, and also assists SME groups affected by COVID-19 pandemic control in continuing their businesses and provides financial support by increasing access to funding sources for SMEs that have the potential to expand their businesses efficiently and sustainably. The project's credit limit is 2,040.91 million baht.



5. Non-performing Loan (NPL) Management

Although the COVID-19 pandemic and the economic situation had begun to improve but had not fully recovered by 2022, the prolonged Russia - Ukraine war created widespread impacts on inflation, increasing operating costs in both the business sector (gasoline and product prices) and financial sectors (interest). As a result, the 2022 strategy aimed at business rehabilitation, allowing businesses to operate stronger with debt repayment ability for a longer period by applying guidelines based on the BOT's Sustainable Debt Restructuring Measures. Therefore, SME D Bank used a "survival" tactic that focuses on providing quick assistance, creating understanding with customers on the benefits of DR/TDR, and constantly overseeing customers in a tailor-made manner, meaning the assisting method and approach are tailored to each customer's limitations and problems.

In addition, to create access and understanding amidst the highly sensitive situation, the Bank launched a customer visit project, "SME D Hai Jai," with the purpose of assessing the customer's potential and surveying the need for development in order to further determine the guidelines for customer assistance.

As of December 31, 2022, SME D Bank had net NPLs of 10,624.17 million baht, a decrease of 3,646.71 million baht from 14,270.88 million baht at the end of 2021, and the NPLs to outstanding ratio as of December 31, 2022, was 9.72% of total outstanding loans, a decrease of 3.87% from 13.59% at the end of 2021.

Most net NPLs were NPLs before 2015, totaling 7,762.45 million baht, or 73.06% of net NPLs; therefore, the Bank issued pre-2015 NPL management measures. For cooperative debtors, the Bank had debt repayment burden reduction measures following the BOT's Sustainable Debt Restructuring measures. For uncooperative debtors, the Bank planned to dispose of debts, claim TCG guarantees, write off bad debt accounts, and expedite legal proceedings to promptly monitor loan accounts. In 2022, the Bank resolved NPLs totaling 7,006 million baht through the following methods: (1) debt restructuring and

payment from NPL debtors and other methods totaling 5,079.28 million baht; and (2) disposal of NPLs with or without guarantees totaling 1,926.76 million baht. In 2021, SME D Bank had new NPLs of 3,359 million baht.

For new loans granted from 2015 onward, the Bank has taken preventive and corrective measures covering all loan classes by applying information technology system tools to reduce process and time for convenience, as well as closely monitoring loan accounts to prevent new loans from becoming NPLs of more than 5% of total loans, as prescribed by the State Enterprise Policy Office (SEPO). In 2022, SME D Bank had 4,703 new debtors turning NPLs in the amount of 2,862 million baht, or 0.93% of the total loan disbursement. For loans approved in 2022, there were two cases of NPLs in the amount of 0.65 million baht, or 0.001% of the total loan disbursement.

5.1 Non-Performing Loan (NPL) Management Plan for 2022

SME D Bank prioritized debtor rehabilitation with operational strategies in steps as follows:

1) Assessment of environmental factors which affect debtors in four aspects:

1. Sizes of business, as smaller debtors are more vulnerable than larger ones due to their limited capital, with faster and heavier repercussions.
2. Debtor risk determined by the continuity of debt repayment.
3. Past debt repayment ability, such as the proportion of normal interest payments, reflects the weakness of the debtor.
4. Previous debt repayment results.

2) Operational Strategies are developed based on environmental factors for sustainable business operations and NPLs reduction. For example, customer reach must be fast, consistent, and continuous, while processes and tools must be accommodating and convenient. The Bank's personnel also expanded their roles in **debtors' capability development** by identifying the root cause of their problems and referring them to the Entrepreneur Development division, where their capabilities will be properly

improved, for example, by increasing knowledge in each field to address the business problem or adding marketing channels. There will be consistent supervision and situational assessment of such strategies on a quarterly basis.

3) Key Resources are information technology systems, which will be used in every stage of the process, from upstream to downstream, consisting of:

- The Call Report Onweb system facilitates site visits to debtors' businesses to learn about their condition and assess the situation in order to prevent NPLs.
- DR/TDR Onweb systems help debtors according to BOT's sustainable assistance measures.
- The CCS Alerts system keeps track of overdue payments.

However, in order to be convenient and fast, customer reach must be done hastily with tools to reduce process and time. There will be supervision and monitoring of debt payments on a monthly basis. Management focuses on the use of operational reports to supervise, monitor, and examine the outcomes, which will be regularly compared in order to improve and reduce operational errors.

4) Control The strategy implementation includes systems and control methods for achieving goals through the Deming Cycle, from objective planning at the division level to the bottom level, in order to pursue objectives in the same direction. Reports are conducted on a daily, weekly, and monthly basis to oversee, monitor, and examine the findings, make consistent improvements, and reduce mistakes. The division's executives will concentrate on communicating with practitioners to create understanding and learning by listening to their problems through various channels, thereby resulting in problem solutions, reduced mistakes, efficiency, and effectiveness.

5.2 Preventive measures against relegated debt

- **Normal debt (A)** focusing on pre-emptive debt restructuring.

Tools/guidelines for implementation are as follows:

- The DR Onweb system is an internal control system which SME D Bank improved to expedite assistance and speed up and improve the approval and contract-signing processes as the system can promptly draft contracts for signing. In addition, the Bank has a database to provide assistance befitting the debtor's problems.

- Call Report Onweb system facilitates the site visit to debtor's business to listen to customers' problems and feedback. The system collects the debtor's data in all aspects, namely finance, marketing and knowledge bases, to increase business potential, for which the entrepreneur development division will take responsibility.

- **Debts default for 1 to 3 months, classified as A1-M3.** This group needs urgent assistance. The Bank focuses on meeting debtors to assess the problem and the status of the debtor to establish and adjust assistance guidelines for each situation:

Group 1) Uncooperative and uncontactable debtors shall be promptly sued to pursue enforcement of debts on debtors and guarantors

Group 2) Cooperative debtors shall be promptly offered assistance by relaxing repayment conditions according to the business capacity so that they can continue operations, preventing them from being classified as NPLs.

Tools/ guidelines for implementation are as follows:

- DR Onweb and TDR Onweb systems.
- Call Report Onweb system. The Bank will visit debtors whose debts have been restructured and "special mention" debtors whose debts have been rescheduled or restructured to maintain a normal status. The Bank also organizes activities to communicate SME D Bank's support measures and persuade this group of debtors to restructure their debts in the same way as normal debtors, which will help reduce processing time and the likelihood of debts relegating to NPLs.

5.3 Guidelines for Resolving NPLs

Debtors with NPLs are vulnerable, have suffered a severe impact, and have faced problems in business operations. To resolve NPLs, the Bank motivated debtors to come to the negotiation table for debt restructuring, which helped the Bank reduce the provision amount and quickly resolve debts. The guidelines are as follows:

- Uncooperative debtors shall be promptly sued to pursue enforcement of debts
- Cooperative debtors:
 - Debtors who still have business potential and are cooperative in debt settlement will be expediently provided a principal moratorium as appropriate, extension of the repayment period, and relaxation of repayment terms in line with the business' cash flow.
 - There are incentives to motivate debtors to negotiate for debt settlement, such as reduction of interest rates and relaxation of repayment terms by using some installments for deducting principal to lessen the debt burden.
 - Support account closure by discounting some debts, such as penalty interest.

5.4 Debtors Management Process has four main steps as follows:

1. **Debtor classification:** Debtors are classified based on their debt classification, business type, and risk by considering the results of debt repayment and the business of the debtor, which reflect the debtor's weakness.
2. **Situation assessment:** Debtors' situations will be assessed as deciding factors; for example, the Bank will promptly help cooperative debtors based on their weaknesses, but will expedite legal proceedings against uncooperative debtors to settle the issue and pursue enforcement.
3. **Determine assistance guidelines:** SME D Bank issues assistance guidelines based on BOT's sustainable debt restructuring measures (blue and orange categories), which are policies from 2022 to 2023.
4. **Follow-up on debt settlement:** After providing assistance, the Bank will continue to monitor debtors on a monthly basis so if the debtor encounters any difficulties with debt payments, the Bank can help in a timely manner.



6. Entrepreneurship Development

As the COVID-19 pandemic continued to affect the overall economic volatility, SME D Bank, as a state financial institution with the role and main mission of being a bank for Thai SMEs, prioritized helping, promoting, and supporting Thai SME entrepreneurs in overcoming the economic crisis and continuing their businesses amidst changing circumstances by following the “Adding Knowledge with Capital” approach, which provides financial and non-financial assistance, knowledge, and potential development to strengthen the business’s capacity to survive, thrive, and compete on a domestic and international scale. In 2022, the Bank has modified its approaches to help entrepreneurs in different dimensions based on the positive shift in the economic context, taking into account entrepreneurs’ concerns and demands for development and support in various fields of business operations. This approach helped promote income generation, create careers, retain employment, support SMEs, and create opportunities for entrepreneurs to be prepared along with access to funding sources in order to expand their businesses. The Bank has launched an SME Strengthening Project to improve entrepreneurs’ business management skills covering the entire business cycle, such as accounting, financing, taxing, marketing, production, business management, technology, and innovation. By collaborating with partner agencies in both the public and private sectors, educational institutions, associations, confederations, and various organizations, the Bank promoted SMEs to be one of Thailand’s economic driving mechanisms through intensive activities and cooperated with relevant agencies to connect all-round knowledge through three main plans as follows:

1) The Digital Business Competency Promotion Model to E-Commerce Development Plan encourages and supports SME entrepreneurs to access platforms that respond to the shift of SMEs from offline trading to online trading during their transition into the new normal era.

2) A business consulting service development plan, “SME D Scale Up,” covers the entire business cycle and improves technology and innovation expertise, strengthening entrepreneurs’ growth in the long run. A team of experts from educational institutions

gives site visit advice to SMEs in order to improve their manufacturing and service processes, thereby reducing costs and generating income, adding business value with the use of technology and innovation, and increasing opportunities to compete in the market.

3) Partnership Operating Model development Plan brings partner agencies together to promote, support, and develop entrepreneurs’ potential by providing full-cycle business management knowledge and funding in the form of loans or SME D Bank’s venture capital funds.

However, SME Bank focuses on entrepreneur development for customers in vulnerable groups in particular, as they are highly sensitive during the volatile economic situation. The Bank also tends to micro-sized enterprises, small-sized enterprises (SE), and medium-sized enterprises (ME), in all business sectors such as manufacturing, trade, and service sectors, for both individuals and juristic persons, so that the Bank’s debtors and SMEs entrepreneurs can achieve efficiency and effectiveness in business operations in all six areas, namely: 1. Marketing; 2. Accounting and financial management; 3. Standards promotion; 4. Innovation and/or technology promotion; 5. Manufacturing; and 6. Funding support. Entrepreneurs’ skills are acquired (Up Skill) and improved (Re Skill) through entrepreneur development activities such as trainings, seminars, and programs that cover comprehensive business management skills from manufacturing, marketing, management, financing, taxing, and technology and innovation usage. On a monthly basis, the Bank’s customers and entrepreneurs are scheduled to sell products within SME D Bank’s area as well as areas supported by partner agencies in collaboration. Furthermore, E-Commerce knowledge is provided by encouraging the usage of worldwide online platforms such as Shopee, LineOA, Facebook, Youtube, and TikTok. With CP ALL, the Bank organized business matching between its customers and SMEs in order to increase their opportunities to introduce their products to modern trade markets, such as 7-Eleven and Lotus Supermarket. In addition, SME D Bank collaborated with the Office of Small and Medium Enterprises Promotion (OSMEP) to supports access to the government procurement market through the “Encouraging SMEs Access to Government Procurement” project, which allows SMEs to register at www.thaismegp.com or the THAI

SME-GP system and gain authorized access to government procurement. With the procurement project, SME entrepreneurs can expand new forms of marketing channels both domestically and internationally, generating more income from sales. The Bank joined with educational institutions to organize establishment inspection activities, provide business improvement advice, and advocate for the implementation of technology, innovation, or business management systems into business operations, such as accounting systems or the POS system, resulting in lower business costs.

Furthermore, SME D Bank's "No One Left Behind" program assists SME entrepreneurs who wanted to apply for the Bank's loans whose qualifications did not meet the specific criteria for each type of loan, as well as businesses that were not ready to get funding. The Bank's "No One Left Behind" program provides consultation and advice on preparation for the loan application process, for example, preparation of application documents, closing balance sheets, filing a revenue report to the Revenue Department, recording accounting fees, financial analysis, and recommending trends in products and services for each target group. These preparations enabled SMEs to get loan approval from the Bank, and the Bank has monitored the credit disbursement of each account to set out the success model and publicize it through internal and external channels. 21,860 participants took part in the activities, comprising 15,822 Bank's debtors and 6,308 SME entrepreneurs. The majority of the participants were 13,609 small businesses (SE); 8,752 from the commercial sector, and 13,826 juristic persons.

In addition, after the Bank's customers and SMEs attended the SME development program, the Bank monitored their achievements in applying their knowledge in all six areas of business management in order to encourage adjustments, improvements, strengthening, expansion, and competitiveness in terms of efficiency and effectiveness, with details as follows:

- **Efficiency Enhancement:** 12,426 of the Bank's customers and SMEs, comprising 9,862 Bank's customers and 2,564 SMEs, have improved business efficiency in both financial and non-financial aspects. Among those who have increased efficiency in non-financial aspects, 7,457 have improved in marketing channel expansion, 488 in financial and accounting management, and 23

in manufacturing. 4,368 of them were ready to get funded, with a total credit limit of 3,372.92 million baht.

- **Effectiveness Enhancement:** 6,147 of the Bank's customers and SMEs, comprising 4,638 the Bank's customers and 1,509 SMEs, have improved business effectiveness in both financial and non-financial aspects. The details in non-financial aspects are:

- 1) Marketing, resulting in a total increase in sales of 3,691 customers and SMEs and raising their income by 34.21 million baht through many activities such as the SME D Market project, the Local SMEs Potential to Access the Government Procurement System Development project, the Ruam Jai Market project, the Thai SMEs Share Happiness Together Market project, and the Market Trade Fair, among others.

- 2) Accounting and financial management: 14 of the Bank's customers and SMEs converted to Accrevo, an online accounting system, which reduced accounting and financial management costs such as time spent looking at information on paper and the cost of hiring an accountant.

- 3) Manufacturing: 21 of the Bank's customers and SMEs have improved productivity while reducing production costs after being given in-depth advice by experts from KX, Knowledge Exchange for Innovation (KMUTT), as part of the 2022 SME Scale Up to Digital Transformation project (preparing businesses for the changes caused by digital technology); sales are expected to increase by 453 million baht after the completion of the project.

- 4) Funding: 2,421 of the Bank's customers and SMEs got credit approved for a total credit line of 5,288.98 million baht, with a total disbursement of 4,778.38 million baht.

The SME D Coach project under SME D Bank's SME D Care Center aims to promote and encourage Thai SME entrepreneurs to receive advice and guidelines in business improvement, as well as full-cycle Business management knowledge to strengthen Business's growth. There were 1,056 participants booked for the activity, and 1,015 of them attended to receive advice, including 120 of the Bank's customers and 895 SME entrepreneurs; the majority of them were 827 micro-businesses; 183 were small-sized businesses (SE); and five were medium-sized businesses. 812 were

businesses in the commercial sector, 102 in the manufacturing sector, and 101 in the service sector; 351 were juristic persons, and 664 were natural persons. Out of the total number of participants, 877 attended on-site consulting activities with the Bank's partners, while 138 participated online.

The consulting topics that received the most attention were marketing and business matching,

with 514 participants, followed by 47 in accounting and financing management, 397 in fund support, 19 in standards promotion and product development, 16 in innovation and technology promotion, 6 in manufacturing, and 16 in other topics, respectively. There were ten loan applicants with a credit limit of 87 million baht, and seven were approved with a credit limit of 17 million baht.



7. Venture Capital

The Bank has invested in SMEs via the SME Private Equity Trust Fund in accordance with the Cabinet Resolution dated December 16, 2014, and the additional Cabinet Resolution dated September 8, 2015, and Cabinet Resolution dated March 24, 2020, in which the Cabinet ordered and assigned the SME D Bank, the Government Savings Bank, and Krung Thai Bank to establish a private equity trust fund of 2,000 million Baht each, or 6,000 million Baht in total, to invest in SME joint ventures.

SME D Bank has launched venture capital projects with a total value of 2,309.20 million baht, comprising of two funds and two projects:

1) SMEs Private Equity Trust Fund I, worth 1,418 million Baht, was established on November 11, 2015.

2) SMEs Private Equity Trust Fund II, worth 601.20 million Baht, was established on April 19, 2017.

3) The venture capital project under the Bank's mission to invest in agro-business and agriculture-related SMEs was established on July 15, 2016, with a total fund of 290 million Baht.

4) Venture capitals under the government policy the progress since the project started 2015 until 2022 The Bank investment in 22 venture capitals worth up to 498.17 million Baht as follows:

| Company | Business | Million Baht | Year of Approval |
|--|--|--------------|------------------|
| SMEs Private Equity Trust Fund I | | | |
| Tree N Cassava by Products Co., Ltd. | Producer and distributor of animal feed from processed cassava | 26.95 | 2016 |
| Insurtech Solutions Co., Ltd. | Company deploying survey innovation to support and expand businesses in the insurance industry or financial and banking industry | 5.00 | 2021 |
| Company B Co., Ltd. | Restaurant (Real beef) | 50.00 | 2021 |
| Jones Salad Co., Ltd. | Seller of salad and healthy food | 50.00 | 2021 |
| TTG Food Co., Ltd. | Dessert shops selling black sesame dumplings in ginger tea, bingsu, and shaved ice, etc. | 6.00 | 2021 |
| Khao Yai Panorama Farm Co., Ltd. | Producer and distributor of mushroom products and accommodation business | 12.00 | 2017 |
| Mixxion Foods Co., Ltd. | Bubble milk tea under the brand "DAKASI" | 40.00 | 2022 |
| Cordially Made Co., Ltd. | Owner of a restaurant under the brand "Nam Nam" | 15.00 | 2022 |
| Value Sourcing Co., Ltd. | Producer and distributor of ready-to-eat Italian style food under the brand "REO's Deli" | 15.00 | 2022 |
| SMEs Private Equity Trust Fund II | | | |
| Pet Club Co., Ltd. | Convenient store and one-stop pet shop | 7.92 | 2018 2019 |
| Sri Trang Logistics Co., Ltd. | Sea and land logistics services | 30.00 | 2018 |
| Big Paisan Project Co., Ltd. | Distributor and installer of completed electrical equipment | 30.00 | 2018 |
| General Outsourcing Co., Ltd. | Human Resources Management and payroll data preparation | 15.02 | 2019 |
| Delta Paint Pub Co., Ltd.* | Producer and distributor of building paints | 29.93 | 2019 |
| Nova Organic Pub Co., Ltd.** | Producer and distributor of cosmetics and food supplements | 33.08 | 2019 2020 |
| Storage Asia Pub Co., Ltd.**** | Storage rental service in urban areas | 29.98 | 2021 |
| KT Medical Service Pub Co, Ltd.**** | Provider of hemodialysis service | 30.00 | 2021 |
| Eatlab Co., Ltd. | Platform service provider for designing EATLAB restaurant promotions. | 10.15 | 2022 |
| Generation S Co., Ltd. | Designer and distributor of wireless speakers under the "FENDER" brand's license. | 30.00 | 2022 |
| Venture capital project in agro-business and agriculture-related SMEs | | | |
| Virgin F&B Co., Ltd. | Producer and exporter of wafer rolls | 30.00 | 2017 |
| Venture capitals under the government policy | | | |
| Innospace (Thailand) Co., Ltd. | Investor and supporter in Thai startups under the government policies | 1.25 | 2019 |
| National Digital ID Co., Ltd. | Developer of digital ID verification system and trusted ecosystem for data - sharing across sectors | 0.89 | 2021 |
| | | SCU | 498.17 |

Remark : * Listed on MAI on October 28, 2021, under the ticker symbol "DPAINT"

** Listed on SET on December 24, 2021, under the ticker symbol "NV"

*** Listed on Live Exchange on December 22, 2022, under the ticker symbol "ISTORE 22"

**** Listed on MAI on December 23, 2022, under the ticker symbol "KTMS".

8. Corporate Social Responsibility (CSR) Performance

SME D Bank, as the main government financial institution with stability and sustainability, has helped and supported Thai SMEs by adding knowledge along with capital to expand their potential and access to funding sources. In response to the operations affecting the stakeholders in terms of social and environmental responsibility, the Bank has acknowledged the significance of raising awareness and operating with creativity and continual improvement.

In 2022, SME D Bank maintained its commitment to providing services for Thai SMEs as well as the development of operational processes in line with and accommodating strategies under the operational supervision mission that take the Bank's stakeholders into account by integrating projects and activities as part of the Stakeholder and Customer Management Master Plan (SCM) 2023 - 2027 and the Master Plan on Social and Environmental Responsibility (CSR). The Bank also organized CSR activities emphasizing the participation of stakeholders to raise awareness and demonstrate that the Bank's work processes are socially and environmentally responsible in line with the ISO 26000 international standard and may or may not have an impact on the community and social environment nearby the head office or branches with corporate operations that take stakeholders into account. The activities also consider the creation of benefits and values in all aspects of community and social, which are the cornerstones of the nation. In addition, the Bank encourages interaction amongst directors, executives, personnel, and stakeholders in order to advance towards becoming a sustainable knowledge institution. The results of the social and environmental responsibility plan's implementation in 2022 are as follows:

CSR in Process

CSR in Process Project consists of activities as follows:

1. SME D Partner By CSR Project

SME D Bank has been operating under the participation process to achieve social and environmental development in accordance with the ISO 26000 guidance on social responsibility since 2021. In 2022, the Bank has selected communities that meet its criteria, as well as developed and effectively implemented promotion plans to strengthen the communities.

In 2022, the government developed the Ministry of Industry's BCG Model as a driving policy to create economic, social, and environmental sustainability. The Corporate Communication Department and CSR Department recognized the importance of sustainability and, therefore, implemented the Ministry of Industry's BCG Model driving policy to develop key communities into learning societies and, further, entrepreneurs, generating eco-friendly employment, careers, and income in the community. In line with the Bank's guidelines for supporting entrepreneurs, the concept of "Knowledge and Capital" aims to improve and strengthen the professional potential and competency of stakeholder community groups while also expanding business growth channels for the group to be self-reliant. As a result, the community will see a rise in employment, the promotion of a higher quality of life, and immunity to economic change. SME D Bank also provided knowledge and support to the target groups with its specialties, such as training, seminars, and advising on development, finance, accounting, marketing, production, and management. The targeted communities are prepared with higher potential, leading them towards becoming entrepreneurs. Therefore, the "SME D Partner by CSR" project plays a role in further building and stabilizing the base of the national economy and fostering sustainable growth.

2. SME D Go Green Project

SME Bank has always placed great importance on contributing to environmental sustainable conservation, aiming to become a green organization and provide effective, eco-friendly, and sustainable management and support for energy conservation. The Bank's environmentally friendly practices include reducing energy use, eco-friendly disposal of food waste, maintaining luminance and wastewater within the Ministry of Natural Resources and Environment's standards, producing eco-friendly products, and operating under an environmentally friendly manufacturing process.

CSR after Process

SME D Bank also encourages social and environmental responsibility following the internationally accepted standards, in addition to aiming for good performance and high competitive advantage and capability. The Bank has promoted and supported communities and local people in the following three areas:

1. Religious Preservation

- The Bank participated in the Ministry of Industry's Royal Kathina Offering Ceremony 2022 and provided scholarships to Wat Thong Noppakhun School and Phrapariyattitham School at Wat Thong Noppakhun, Bangkok.

- The Bank participated in the Ministry of Finance's Royal Kathina Offering Ceremony 2022 at Wat Prayurawongsawat Worawihan, Bangkok.

- The Bank, together with the devotees, participated in the 2022 Kathin ceremony at Wat Pa Ban Yang, Prasat District, Surin, for the restoration of the sermon hall and crematorium, as well as the construction of the mondop that enshrined the Buddha image, Phra Rattanamanee Sri Surin (Phra Yok).

2. Education Development

- The Bank supported education by giving scholarships and sports equipment to Ban Yang School (Sarakitrat Wittaya), Prasat Wittayakorn School, and Wat Suwan Wichit School, Prasat District, Surin.

3. Social and Environment Development

CSR after Process includes CSR activities involving parties that are not directly related to the Bank.

- SME D Bank cares for society and has established the "Adding Capital with Knowledge" policy for the development of Thai SMEs. The Bank also supports vulnerable groups by harnessing the Bank's specialties to enhance their skills in areas such as management, finance, and product introduction to the market particularly the online market and using spare time for side hustles. These supports play a part in driving SME D Bank's stakeholder management; as a financial institution for development, the Bank prioritizes support to the economic, social, and environmental sectors for sustainably growth through collaboration between the Bank, the Kudi Chin community, and the Bangkok Senior Club.

- SME D Bank pays it forward to society by helping the Neurological Institute of Thailand, Department of Medical Sciences, Ministry of Public Health in procuring emergency ambulances with money donated by government and private sector partners, customers, and the general public in celebration of the 21st anniversary of SME D Bank under the concept of Thai SMEs' sustainable growth under the BCG model.

- In cooperation with the Ministry of Finance and the Ministry of Industry, SME D Bank visited and provided survival kits for victims of tropical storm Noru in the areas of Khon Kaen, Sisaket, Chaiyaphum, Ubon Ratchathani, Phra Nakhon Sri Ayutthaya, Pathum Thani, Suphan Buri, and Wat Salak Nuea Community, Pak Kret District, Nonthaburi Province. The branch personnel had paid visits to the affected areas and witnessed the hardship of the flood victims; the Bank therefore took part in lifting their spirits and alleviating their hardship.

- During the Coronavirus 2019 (Covid-19) outbreak, SME D Bank cared for society by providing vaccination for the Bank's personnel and family with Moderna vaccines received from Vichavej International Hospital, Nong Khaem, as well as providing blood analysis services, blood vessel function examinations, ECG examinations, and eye examinations at SME Bank Tower.

- SME D Bank joined forces with the State Enterprise Policy Office (SEPO) in organizing an event to distribute life jackets and water rescue bags to the Bangkok City Law Enforcement Department, which will be used to help flood victims or people who have water-related accidents in the Bangkok area in an efficient and timely manner.

- SME D Bank organized the "SME D Bank joins forces through mud and smiles to restore mangrove forest" project with its partner agencies, customers, and Bangkok to grow red mangrove trees along the coastline of Bang Khun Thian to restore the ecosystem, expand the shoreline buffer, and adjust the scenery. The event was held as a royal merit in honor of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua's 70th birthday and to continue the royal initiatives of His Majesty King Bhumibol Adulyadej (Rama IX), "Following the King's Knowledge to Sustainable Development," in various aspects such as agriculture, water resource development, career boost, social, and environment through developing and promoting jobs for coastal communities and creating economic, social, and environmental benefits for the strength and sustainable growth of the communities. Furthermore, the "SME D Bank joins forces to plant trees in commemoration" activity planted over 1,500 different types of trees in Aree Samphan Park and on street isles of Phaholyothin Road, transforming Bangkok into a city of happiness by increasing green areas and

producing better air and a better quality of life for the communities. This activity was performed as a royal merit in celebration of Her Majesty Queen Sirikit, the Queen Mother’s 90th birthday.

- SME Development Bank, in collaboration with the Senior Club and Bangkok, launched the “Senior Club Day for Senior Happiness and Good Health” project at the Bangkok Senior Fitness Center, Lumpini Park. This project provides knowledge in product introduction to markets, particularly online channels, and thus supports seniors in spending their spare time beneficially and generating extra income.

- SME D Bank supplied drinking water for the Bangkok Youth Center (Thai-Japanese), Taksin Hospital, and Phaya Thai District Office for medical personnel and people who came for COVID-19 vaccination.

- The Bank delivered tube pillows to the Veterans General Hospital for use in the care and treatment of patients who are bedridden or have pressure sores. The pillow has zero dust mite collection, good ventilation with no humidity or mold while preserving its original form and a long life span; the design provides appropriate body support; and it is easy to wash and clean, all of which contribute to reducing waste disposal.



9. Collaboration with Other Organizations and Agencies

9.1 Collaboration with local agencies

SME D Bank entered into agreements with partners in both the public and private sectors in the following projects:

(1) The Memorandum of Agreement for the “SMEs Potential Enhancement Loan Project” under the SME Development Fund under the Pracharat Scheme between SME Development Bank and the Office of the Permanent Secretary, Ministry of Industry, aims to support funding and increase access to funding sources for SMEs with the potential to expand their businesses efficiently and sustainably.

(2) The Memorandum of Agreement for the “SMEs Opportunity and Liquidity Enhancement Loan Project” under the SME Development Fund under the Pracharat Scheme between SME Development Bank and the Office of the Permanent Secretary, Ministry of Industry, aims to support funding and increase access to funding sources for SMEs with the potential to expand the business efficiently and sustainably.



(5) The Memorandum of Agreement on Integrity and Transparency Improvement between SME Development Bank and the Anti-Corruption Foundation, the Government Financial Institutions Association, and members agrees to cooperate in the prevention and suppression of fraud and misconduct. The MOA emphasizes cultivating and

(3) The Memorandum of Agreement in Promotion of Betong Local Economy between SME Development Bank and the Board of Fundamental Economy and Service Industry Driving, Yala Rajabhat University, aims to promote and support the “Betong Ten Thousand Million Project” in order to attract at least two million tourists to Betong and boost local consumption, both in products and services, at an average of 5,000 baht per tourist. It also provides loans for private sector investment and joint ventures following the guidelines of the Board of Fundamental Economy and Service Industry Driving in the Three Southern Border Provinces, Yala Rajabhat University.

(4) The Memorandum of Agreement between SME Development Bank and the Royal Thai Police, the Government Financial Institutions Association, and member banks on cybercrime aims to coordinate operations between police officers and bank personnel in an efficient and timely manner, as well as in line with current cybercrime patterns, by determining secure forms and methods of data transmission through electronic channels.



raising awareness; fostering attitudes, values, honesty, and loyalty to nation, religion, and monarchy; and raising awareness of the damage caused by corruption and misconduct among executives and practitioners of state-owned financial institutions so that they can join forces against all forms of corruption to create a corruption-free society.

(6) The Memorandum of Agreement on Eastern Economic Corridor (EEC) Area Development through Creative Instructional Media to Create Value-Added Local Culture for Sustainable Community Development Project between SME Development Bank and the Institute for Small and Medium Enterprises

Development (ISMED), creates soft power by promoting and developing capabilities, as well as engaging community members and SMEs in the ECC area in developing tourism, products, services, and goods, thereby generate income for the community and improving their quality of life.



9.2 Collaboration with international agencies

SME D Bank has collaborated with international agencies in both the public and private sectors; a Memorandum of Understanding was signed between the Bank and the Hong Kong Trade

Development Council (HKTDC) to promote SME development in order to boost the economic growth of Thailand and the Hong Kong Special Administrative Region.

KEY FACTORS AFFECTING BUSINESS OPERATIONS

Key Risk Factors

1. There are risks from the uncertainty of economic recovery due to external and internal factors. External factors, namely, are the global economic slowdown surpassing expectations, global financial market volatility, risks from geopolitical conflicts, and unconcluded trade wars, as well as a volatile exchange rate; while internal factors include the decrease in the driving force of government spending as a result of a lowered spending limit for the fiscal year 2023, the expiration of economic recovery measures due to the impact of the COVID-19 outbreak, the high level of household and corporate debt amid rising interest burdens, and the political and economic conditions and climate following the election.

2. Credit quality risk: In 2023, commercial bank credit growth is expected to expand within a limited range because of an uncertain economy and expired assistance policies, as well as rising household debts. As a result, the NPLs to total gross loans ratio in 2023 is expected to remain at the same level as in 2022, where the ratio equaled 2.73%, because of the debt restructuring from each financial institution; therefore, the provision cannot be greatly reduced.

3. New forms of competition in financial services related to the digital era, such as digital credit, which is expected to expand continuously, ESG loans, and digital assets, as well as increased connections in terms of international financial services.

4. Financial sector supervision criteria have changed in many dimensions in line with the BOT's new Thai financial landscape policy, such as the issuance of virtual bank licenses, increasing the role of non-banks in FX transactions, central bank digital currency development, and responsible lending policies.

5. Technology risks and cyber threats come in various forms, which the Bank must prepare to prevent and address, including raising the level of data governance oversight while protecting personal data in accordance with the Personal Data Protection Act, or PDPA.

GOOD CORPORATE GOVERNANCE



GOOD CORPORATE GOVERNANCE

1. Good Corporate Governance Policy

The Board of Directors is intent on driving SME D Bank to become efficient in business operations, good corporate governance, and management excellence. The Bank focuses on creating benefits for all stakeholders with integrity, transparency, and accountability in business operations. It also emphasizes business operations with quality, efficiency, and stakeholder participation through opinion expressions, decision making and cooperation in operations, to ensure uninterrupted good corporate governance development on par with international practices of the principles of good corporate governance. The Bank places importance on applying good corporate governance principles to the management to achieve the mission in line with the country's strategy.

The Bank places importance on applying good corporate governance principles to the management to achieve the mission in line with the country's strategy. The Bank believes that business practices on the basis of integrity, fairness, and transparency, compliance with rules and laws, will enable the Bank to grow with sustainability and stability.

The Bank has promoted a culture of good governance by the Board of Directors and management at all levels. They are good role models for employees to create awareness of compliance with good corporate governance principles, ethics, code of conduct, and anti-corruption through various activities and communication channels. In addition, the Bank focuses on the organizational structure and internal management mechanisms that connect the Board of Directors, executives, and employees with key objectives in leading the organization to have good governance and credibility. This will help boost economic value and maximize benefits for the Bank's stakeholders and bring about sustainable development of the organization.

Principles of Good Corporate Governance

The Bank has continually adhered to good corporate governance principles and the international good corporate governance guidelines, including the guidelines of the Organization for Economic Co-operation and Development (OECD) and the “**Principles and Guidelines on Good Governance of State-Owned Enterprises BE 2562**” of the State Enterprise Policy

Office (SEPO). The Bank has implemented good corporate governance principles according to international standards, which consist of 7 key principles as follows:

1. **Accountability** : Being accountable for the performed duties
2. **Responsibility** : Being responsible for one's duties with sufficient competency and efficiency
3. **Equitable Treatment** : The equal treatment of all stakeholders
4. **Transparency** : Undertaking of business operations that is transparent and auditable. The information and operational results must also be transparently disclosed to all relevant parties.
5. **Value Creation** : Creating short- and long-term added value to the Bank in which any change or increase in such value should improve competency in all aspects of competitiveness
6. **Ethics** : Promoting good corporate governance and the code of conduct
7. **Participation** : Promoting and developing a sense of involvement and opportunities among people to engage in any action that potentially affects the environment, health, quality of life, and community well-being.

Targets of Good Corporate Governance

1. To integrate cooperation to enhance integrity, transparency, and fairness in line with the principles of good governance to prevent corruption in the organization.
2. To encourage employees to perform their duties with honesty, integrity, equality, and fairness with commitment, which creates a good image and credibility among the Bank's stakeholders.
3. To develop capacity and efficiency in quality operations, which will lead to sustainable strength of the organization, and to improve morality and ethics in the performance of SME D Bank's management and employees under the principles of morality, ethics, and transparency at work.

2. Implementation of Good Corporate Governance And Activities in 2022 to Promote Good Corporate Governance.

2.1 Performance of Good Corporate Governance in 2022

The Bank places importance on corporate governance (CG) and has clearly communicated the policy and significance of corporate governance to executives and employees. The Board of Directors, executives, and employees also participated in the declaration of intent to create a culture of integrity and transparency in the Bank's operations. In the past year, the Bank obtained an average score of 96.48, being ranked at the A level from the Integrity and Transparency Assessment (ITA), the fiscal year 2022. The Bank was ranked 3rd among 51 state enterprises undertaking the assessment, demonstrating its improvement in integrity and transparency performance and at the same time creating a good image and stakeholder trust in terms of integrity and transparency.

2.2 Good Corporate Governance Action Plan

In 2022, SME D Bank took into account its vision, mission, core values, and strategies, the Principles and Guidelines on Good Governance of State-Owned Enterprises BE 2562 of the State Enterprise Policy Office (SEPO), new evaluation criteria for state enterprises (SE-AM) Section 1 on governance and leadership, evaluation criteria for Integrity and Transparency in Government Agencies (ITA), in formulating an action

plan for good corporate governance. Defining an implementation plan for integrity, ethics, and corruption-free projects with the following goals:

1. To integrate collaboration in fostering integrity, ethics, transparency, and anti-corruption.
2. To encourage the management and staff to uphold and perform their duties with honesty, integrity, equality, and fairness.
3. To strengthen participation mechanisms both inside and outside the organization to elevate fraud prevention.

2.3 Deployment of Principles of Good Corporate Governance

SME D Bank's corporate governance implementation is in line with the corporate governance plan and the criteria for Integrity and Transparency Assessment (ITA) of government organizations. It also organized activities/workshops to raise awareness of good corporate governance and promote morality, ethics, and transparency in the work process to prevent corruption and improve operational capacities. The implementation aims to build sustainable strength and enhance knowledge and understanding of corporate governance, i.e., the STRONG Concept: Sufficiency Mind for Anti-corruption for executives and employees through channels such as PR signs or PR materials. Besides, the Bank has continuously organized activities to promote corporate governance in the organization.

CG Code ก้าวสำคัญสู่ความยั่งยืน

ผมขอเป็นส่วนหนึ่งในการดำเนินงานของ ธพว. ให้เป็นไปตามหลักการกำกับดูแลกิจการที่ดี มีคุณธรรม จริยธรรม และแนวทางทางกำกับดูแลกิจการที่ดีในรัฐวิสาหกิจ พ.ศ. 2562 จึงประกอบด้วย

- หมวดที่ 1 บทบาทของภาคธุรกิจ
- หมวดที่ 2 สิทธิและความเท่าเทียมกับผู้ถือหุ้น
- หมวดที่ 3 คณะกรรมการ
- หมวดที่ 4 บทบาทของผู้มีส่วนได้เสีย
- หมวดที่ 5 ความยั่งยืนและนวัตกรรม
- หมวดที่ 6 การเปิดเผยข้อมูล
- หมวดที่ 7 การบริหารความเสี่ยงและภาวะควบคุมภายใน
- หมวดที่ 8 จรรยาบรรณ
- หมวดที่ 9 การติดตามผลการดำเนินงาน

รวมถึงแนวทางตามหลักธรรมาภิบาล 6 ประการ ตามที่ประธานกรรมการ ธพว. ได้ให้มุมมองการกำกับดูแลกิจการที่ดีของ ธพว. ไปแล้วนั้น ผมขอเชิญชวนผู้บริหารและพนักงานทุกท่านมาร่วมสร้างวัฒนธรรมองค์กร เพื่อให้ทุกหน่วยงานของ ธพว. ตระหนักถึงความสำคัญในการบริหารและปฏิบัติงานให้เป็นไปตามแนวทางการกำกับดูแลกิจการที่ดี และแนวทางตามหลักธรรมาภิบาล หรือสร้างสรรกิจกิจกรรมเพื่อสังคมเพื่อเสริมสร้างภาพลักษณ์ขององค์กรให้อยู่ในระดับแนวหน้าของรัฐวิสาหกิจตามหลัก **“ธรรมาภิบาล จริยธรรม จรรยาบรรณ”** อันสอดคล้องกับสิ่งที่ถูกต้องและมีจิตสำนึกในการปฏิบัติงานที่อย่างเต็มความสามารถและเป็นการมีส่วนร่วมได้เสียทุกกลุ่มอย่างแท้จริง

Dr. Chatchai
ดร.ฉัตรชัย ธนาภักดิ์
กรรมการ ธพว.
ประธานคณะกรรมการกำกับดูแลกิจการที่ดี และกำกับความรับผิดชอบต่อสังคม (CG&CSR)

มุมมองการกำกับดูแลกิจการที่ดีของ ธพว.

คณะกรรมการ ธพว. หรือทำหน้าที่กำกับดูแล ธพว. ตามหลักธรรมาภิบาล มุ่งมั่นในการบริหารงานด้วยความซื่อสัตย์ สุจริต โปร่งใส ตรวจสอบได้ มีคุณธรรม จริยธรรม เพื่อให้การดำเนินงานของ ธพว. บรรลุวิสัยทัศน์ พันธกิจ ค่านิยม และนโยบายภาครัฐ พร้อมตอบสนองความต้องการ และความคาดหวังของผู้มีส่วนได้เสีย ทุกภาคส่วนอย่างเท่าเทียมกับตามหลักธรรมาภิบาล 6 ประการ คือ

หลักธรรมาภิบาล 6 ประการ

1. หลักนิติธรรม การทำถูกต้องตามกฎหมายระเบียบ
2. หลักคุณธรรม การเป็นคนดี
3. หลักความโปร่งใส การทำงานอย่างเปิดเผย ตรวจสอบได้
4. หลักความคุ้มค่า การใช้ทรัพยากรให้เกิดประโยชน์สูงสุด
5. หลักความรับผิดชอบต่อสังคม การกล้าทำ กล้ารับ พร้อมปรับปรุง
6. หลักการมีส่วนร่วม การรับฟัง ทำงานเป็นทีม ใส่ใจผู้อื่น

ทั้งนี้ เพื่อยกระดับ “คุณธรรม และความโปร่งใส ในการดำเนินงานของ ธพว. ให้เป็นองค์กรที่ปราศจากการทุจริตคอร์รัปชันทุกรูปแบบ”

นายอภิรักษ์ สังข์สีหะสวัสดิ์
ประธานกรรมการ ธพว.

ศูนย์ป้องกันและต่อต้านการทุจริต (ธพว.)
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The Bank's senior executives establish the "Tone from the Top" approach by conducting activities to convey and encourage employees to work in accordance with integrity, ethics, transparency, and anti-corruption principles.



การปฏิบัติตามหลักจริยธรรม และ จรรยาบรรณ ของ ธพว.



ธพว. มุ่งเน้นการดำเนินงานอย่างมีคุณธรรม จริยธรรม และจรรยาบรรณ ปฏิบัติในสิ่งที่ถูกต้อง มีจิตสำนึกในการปฏิบัติหน้าที่ เพื่อให้เป็นองค์กร แห่งคุณธรรม โปร่งใส ตรวจสอบได้และปราศจากการทุจริตคอร์รัปชัน ผลักดันให้เกิดการกำกับดูแล และบริหารจัดการที่ดี ตาม **หลักจริยธรรม และ จรรยาบรรณ ของ ธพว. 14 ประการ**

1. การเคารพกฎหมายและหลักสิทธิมนุษยชน
2. การสนับสนุนภาคการเมือง
3. การมีส่วนร่วมได้เสีย และผลประโยชน์ชัดเจน
4. การรักษาความลับข้อมูล และการใช้ข้อมูลภายใน
5. การปฏิบัติต่อลูกค้า
6. การปฏิบัติต่อคู่แข่งทางการค้า
7. การปฏิบัติต่อผู้ถือหุ้น
8. การจัดซื้อ จัดหา และการปฏิบัติต่อคู่ค้า
9. การรับผิดชอบต่อชุมชน และสังคม
10. การปฏิบัติต่อผู้บังคับบัญชา ผู้ใต้บังคับบัญชา และเพื่อนร่วมงาน
11. การควบคุมภายใน และการตรวจสอบภายใน
12. การรับ การให้ของขวัญ หรือประโยชน์อื่นใด
13. ความปลอดภัย สุขอนามัย และสิ่งแวดล้อม
14. ทรัพย์สินทางปัญญา และการใช้เทคโนโลยีสารสนเทศ



นางสาวรณารัตน์ ธีรรัตน์
กรรมการผู้จัดการ

ทั้งนี้ เพื่อยกระดับการให้บริการที่เป็นเลิศ สร้างความเชื่อมั่น ต่อผู้มีส่วนได้เสีย ทุกภาคส่วน สร้างภาพลักษณ์ที่ดีให้กับองค์กร เพื่อการเติบโตอย่างมั่นคงและยั่งยืน

02

CG on the Road: The Corporate Governance and Corporate Social Responsibility (CG&CSR) Committee and the management team met with branch executives and staff to build morale, convey the corporate governance code, which is an important step toward sustainability, and promote executive and employee participation in creating corporate culture in accordance with the Bank's principles of good corporate governance towards excellence.





03

Anti-Corruption Day 2022 under the concept of "Leaders....and Anti-Corruption": SME D Bank attended Anti-Corruption Day 2022 under the concept of "Leaders....and Anti-Corruption", in which the leader plays an important role in combating all forms of corruption and inspiring followers at all levels to follow in order to create a transparent and accountable organization with a positive image and credibility to all stakeholders.

SME Development Bank เปลี่ยนของขวัญ เป็นคำอวยพร

NO Gift Policy

เพื่อสร้างมาตรฐานที่ดีในการดำเนินงาน
เสริมสร้างวัฒนธรรมความโปร่งใส
ตามหลักการกำกับดูแลกิจการที่ดีของ สรพ.

นางสาวนารถนารี รัฐปัตย์
กรรมการผู้จัดการ

ธนาคารพัฒนาวิสาหกิจขนาดกลางและขนาดย่อมแห่งประเทศไทย (สรพ.)
ขอขอบคุณในความปรารถนาดี และไมตรีจิตของทุกท่านที่มอบให้ สรพ.

ศูนย์ป้องกันและต่อต้านการทุจริต สรพ. (ศนท.สรพ.)

04

No Gift Policy: Announcement to establish a good operational standard and strengthen the culture of transparency in accordance with the Bank's principles of good corporate governance.

05

SME D Bank strengthening working environment with Q&A activity for suitable measures in accordance with the Bank's principles of integrity and ethics for the year 2022: an activity to raise awareness of the importance of working in accordance with the principles of integrity, ethics, and transparency, as well as to foster an environment of continuous participation in work and monitoring to prevent corruption in the organization.



Do & Don't

Are you aware of which of the Bank's ethics and codes of conduct must be followed?

We invite all executives and employees to join in a workplace environment enhancing activity: the **Do & Don't Quiz Competition**.

Submit your answers from October 17 to October 28, 2022.



<https://forms.gle/AZjmoNjgLzm6qRu5>

The first 100 people who answer all the questions correctly will receive climate-friendly souvenirs from Climate Change.

06

Dissemination of knowledge on anti-corruption via e-mails, SME D Bank's anti-corruption center, website, and PR banners

"SME D Bank's Bribery Prevention Measures"

Currently, bribery is a cause of fraud that is harmful to the organization; therefore, SME D Bank places great importance on fraud prevention and anti-corruption in the organization. Executives and employees shall perform their duties with transparency, keeping personal interests separate from those of the public, and diligently adhere to the Bank's bribery prevention measures as follows:

Strengthen morality, ethics, and corruption-free: SME D Bank's Anti-corruption center



07

Knowledge management on SME D Bank's good corporate governance, code of ethics, and code of conduct via the Bank's e-learning system.



Community Of Practice

SME Bank KM



COP Credit Quality Management and Assets Management

SME Bank KM



COP Entrepreneurs Development

SME Bank KM

3. Integrity & Transparency Assessment: ITA

In the implementation of the Integrity & Transparency Assessment (ITA), the Bank realized the importance of Corporate Governance (CG), a key factor driving its achievement as a leading financial institution with good corporate governance; management excellence; ethical, transparent and accountable operation; and long-term business value creation. Corporate governance is also a vital factor propelling the mission toward the achievement of the Bank’s vision. Therefore, the Bank participated in the assessment of integrity and transparency of government agencies with the National Anti-Corruption Commission (NACC), the Office of the State Enterprise Policy (SEPO), and other 53 state enterprises. The Bank has taken part in the program since 2015. According to the assessment results in 2022, the Bank was at the AA level, with an average score of 99.49 points among 51 state enterprises that undertook the assessment, maintaining the integrity and transparency operating standard at the highest rate for the second year consecutively (2021 - 2022), from the Bank’s excellent management with integrity, transparency, and accountability; adding economic value for the sustainable development of Thai SMEs; as well as strengthening the credit and protecting the interests of related parties and stakeholders which the Bank seriously adhered to.



4. Guidelines on the Principles of Good Corporate Governance

To strengthen the Bank's Good Governance with transparency and clear operational standards in system to boost creditability to the general public, shareholders, and stakeholders; and to increase added value to the Bank, creating innovation and increasing competitiveness, SME Development Bank recognizes and values the principles of good corporate governance. The critical objective is to treat all stakeholders—whether shareholders, customers, trading partners, employees, or the general public—with transparency and fairness, rather than focusing on any individual's benefit, with all involved parties participating in important matters of the Bank. To gain confidence and acceptance from our customers or SME entrepreneurs, the Bank has established guidelines for its operations according to the principles of good corporate governance as follows:

Government Role The Bank set up policies, manuals, and guidelines for the compliance of good corporate governance principles to both financial and non-financial government shareholders and also established a fair market competition policy and legal business operation with integrity, transparency, fairness, and accountability.

Shareholder Equity The Bank aims to accommodate all stakeholders appropriately with equal fundamental rights under the legal scope by setting policies, handbooks, and guidelines for shareholder rights management under the law and other regulations, covering key topics such as the policy against the use of inside information, the policy on related-party transactions, and the policy on conflict of interest.

The Board of Directors The Board shall perform the fiduciary duty and supervise directors, the management, and operational staff to perform their duties with responsibility, the duty of care, and the duty of loyalty. The Board also supervises the management to achieve the mission and government objectives and policies by delegating duties to sub-committees and the management to conduct fair, transparent, and accountable operations and ensure responsibility to stakeholders while maintaining sustainable business operations.



Stakeholder's Roles The Bank developed the policies, handbooks, and guidelines for treating each group of stakeholders by taking into consideration the legitimate rights of stakeholders. It ensures that there are ethical mechanisms and practices, community, society, and environmental responsibility, as well as promotion of stakeholders' participation.

Sustainability and Innovation The Bank incorporated innovations that create business value while generating benefits for customers or related parties and being socially and environmentally responsible to efficiently improve the working processes, services, and internal management, facilitate rapid changes in the business environment, and drive sustainable growth.

Information Disclosure The Bank has supervised the disclosure of important information related to the Bank and its stakeholders, both financial and non-financial information, to ensure accuracy, reliability, completeness, adequacy, timeliness, and compliance with relevant laws and regulations. The Bank aims to provide convenient information access for the general public and stakeholders.



Risk Management and Internal Control The Bank has established a risk management policy to ensure that the Bank’s operations fulfill its mission and align with its strategies; along with monitoring to assess continuous risk management. The Risk Oversight Committee takes responsibility for driving the Bank’s risk management system.

Code of Conduct The Board of Directors has established guidelines on the code of conduct, requiring the Bank’s directors, executives, and all employees to adhere to and practice in the same direction.

Policy on Whistle Blowing, Complaint filing, and Whistleblowers and Compliant Filers Protection Measures The Bank places importance on complying with good corporate governance principles, transparency, integrity, and ethics, as well as strict adherence to relevant rules and regulations. As a result, the Bank has established a policy on whistleblowing and complaint filing, together with protection measures, as a channel for all groups of stakeholders and third parties who are affected or at risk of being affected by the Bank’s operations. To ensure fairness, SME D Bank listens to all complaints equally, attentively, and fairly to all parties, while also protecting whistleblowers, complaint filers, and related persons. The whistleblowing and complaint procedures must be transparent, appropriate, efficient, and in accordance with international standards.

5. Ethics and Code of Conduct

As a state-owned bank with the core mission to develop SMEs, SME D Bank recognizes the importance of corporate governance (CG), management excellence, ethical conduct, transparent and auditable operations, long-term value creation, and the protection of benefits for all stakeholders. Hence, the Bank formulated the Corporate Governance Handbook and the Code of Conduct for the Board members, the management, and employees to strictly follow in accordance with the Ethical Standard Act B.E.2562 (2019). This is to ensure that the management and operations are transparent, clear, fair, and efficient, which will enable the Bank to become a transparent and reliable state-owned financial institution trusted by all groups of stakeholders and increase economic value leading to the sustainable development of Thai SMEs. The Bank adheres to 7 ethical standards as follows :

1. Adhere to the main institutions of the country, including nation, religion, monarchy and the democratic regime of government with the King as Head of State.
2. Be honest with good conscience and be responsible for duties.
3. Be decisive and stand up for truth and righteousness.
4. Concern for common interest over personal interest with the public mind.
5. Focus on achievement.
6. Perform duties with fairness and without discrimination.
7. Act as a role model and maintain the SME D Bank’s positive image



6. Policy Against the Use of Insider Information

To ensure that the information management is strictly adhered to relevant laws and regulations, the Bank provides regular quality control, monitors and maintains information at the best quality, and cultivates good culture in information usage to maintain the quality and create added value for the information. These actions have contributed sustainable benefits to the Bank. To obtain and secure accurate, complete, and up-to-date insider information, the Bank has established a policy to prevent the use of insider information. Board of Directors, executives and employees at all levels shall not disclose the Bank's insider information to the public for personal or related party benefits, either directly or indirectly. The guidelines to prevent the use of insider information are as follows:

1. Insider information that has not been disclosed will be kept confidential. The relevant departments are responsible for maintaining the confidentiality of such information to prevent anyone from exploiting or unlawfully disclosing it. In the event that the Bank is required to disclose inside information to the agency, rumors, or unauthorized information leaks, the Bank must clarify or disclose through the website or other channels to notify the stakeholders

2. The Bank must keep customer, partner, or stakeholder information confidential; such information must not be used for the benefit of the Board of Directors, executives, employees and related parties, unless it is required to be disclosed by law.

3. To secure data in the information system, the Bank regulates and prevents unauthorized access by assigning the right to access for operators at different levels based on their responsibilities.

7. Related Parties Transactions Policy and Management

To prevent transactions that may cause conflicts of interest from transactions between the Bank and related parties, also known as “related party transactions,” and to ensure that transactions are transparent with a tracking system and verification of

the transaction under the relevant laws and regulation for the best interest of the Bank and all shareholders, the Bank has established guidelines to prevent the related party transactions as follows:

1. Related party transactions shall pass the transparent approval process by the authorized person who performs the duty with prudence and honesty.

2. Executives and employees shall avoid making transactions involving themselves and/or related persons that may result in a conflict of interest with the Bank, and they shall not act in any manner that may result in a conflict of interest with the Bank or seek personal gain for themselves or related persons.

3. Executives shall approve each transaction in a transparent, fair, suitable, and prudent manner following the Bank's related policies, rules, regulations, and orders.

4. Stakeholders with related party transactions should not approve or vote on such matters.

5. An audit tracking system must be provided to ensure that the transactions are executed in accordance with the correct procedures.

8. Policy on Conflict of Interest

The Bank has established measures to prevent conflicts of interest by prescribing policies to prevent conflicts of interest as follows:

1. Prioritize the Bank's benefits over personal interests and avoid conflict of interest;

2. Neither seek benefits for oneself nor for related persons by using the Bank's information that has not been disclosed to the public;

3. Do not seek undue benefits, such as using the position to approve or enter into a purchase or services contract from one's company or friends;

4. Do not demand, accept or agree to fraudulently accept assets or benefits for oneself or others;

5. Protect the bank's interests by not taking any action that would result in the bank losing benefits, and do not utilize the bank for personal gain;

6. Do not use the Bank's assets for personal gain.

RISK MANAGEMENT



RISK MANAGEMENT

Risk Management Overview

SME D Bank has applied the principles of risk management and internal control in accordance with the international standard of the Committee of Sponsoring Organization of the Treadway Commission (COSO), the principles of Enterprise Risk Management (ERM) as well as the guidelines of the Bank of Thailand and the Ministry of Finance, as a framework of the Bank's risk management in order to ensure that the Bank's operations achieve the goals with stability and good governance.

In the Fiscal year 2022, the Bank established direction and strategies for risk management to support the operations in achieving defined goals and objectives as follows:

1. The Bank has adopted the approaches of widely accepted risk management standards that align with the Bank's mission and activities, as well as integrating with corporate strategies. Risk management plans and measures were established to ensure aligned operations. There have been regular reviews of risk management approaches or special reviews when incidents or significant changes occurred to ensure the efficiency and effectiveness of risk management policy and process.

2. The Bank has put in place the management system of major risks, such as the development of an operational risk management system and a collection system of incident report and loss data to provide a database for calculating capital adequacy in compliance with international standards. An early warning system has been developed for monitoring and signaling warning alerts based on key risk factors related to the organization's objectives.

3. The Bank holds all work units accountable for risk management, namely the Board of Directors, the management, and employees. The Bank assigned particular executives, such as a department vice president,

to take charge of risk management through a risk agency to raise awareness and internalize risk management as part of the corporate risk culture.

The Bank places great importance on communication and creating understanding among the Bank's stakeholders on issues relating to good corporate governance, risk management, and internal control via various channels such as the Bank's website, printed materials, and reports in order to create awareness of risk management and internalize it as part of the corporate culture. Moreover, the Bank has deployed the approach of Governance Risk Management and Compliance (GRC) by integrating risk management with corporate governance and internal control.

4. The Bank has continually and timely developed workforce and tools for risk management to achieve professionalism in maintaining risk appetite and to ensure that the Bank's goals are achieved with efficiency and effectiveness.

5. The Bank ensures that the Bank's risk management complies with the Enterprise Risk Management principles by cultivating risk management as corporate culture and actively incorporating all organizational levels in risk management, from the Board of Directors, the Risk Oversight Committee (ROC), the management, executives, and employees.

- The Board Level: The Board of Directors appointed the Risk Oversight Committee (ROC), which comprises representatives from the Board of Directors and the President as committee members while the operations and risk management division functions as the secretariat. The Risk Oversight Committee (ROC) is responsible for devising risk management policies, strategies, and frameworks, reviewing risk factors, and defining measures and plans for risk management. The Committee also monitors risk management in line with the policy and strategies to ensure that the risks are within the risk appetite and reviews and evaluates the adequacy of the Bank's internal control system.

- The Management Level: The senior executives in charge of different groups oversee risk management of the units under their supervision and also take part in risk management as committee members.

- The Operation Level: Risk owners have duties to assess the Risk Control Self-Assessment (RCSA) on relevant matters under the supervision of the head of each department and in line with the risk management policy and internal control committee to ensure that they achieve their objectives.

In addition, SME D Bank has established the Risk Management Division, which comprises the Risk Management Department, the Credit Risk Management Department, and the IT Risk Management Department. The Bank has formulated a risk management policy and framework, monitored the performance of risk management, and reported the status of risks to the Risk Oversight Sub-Committee, the Risk Oversight Committee, and the Board of Directors. It also educates and advises other work units on risk management on a regular basis.

Risk Factors and Risk Management

SME D Bank has defined risk management by classifying risks into two major groups and seven categories according to the guidelines of the Bank of Thailand and the Ministry of Finance. The first group consists of financial risks: credit risk, market risk, and liquidity risk. The second group consists of non-financial risks: strategic risk, operational risk, IT risk, and compliance risk.

In 2022, the Bank identified risk factors at the enterprise level by the assessment and analysis of internal and external factors based on the aforementioned groups and categories, and created a risk map to integrate all aspects of enterprise-wide risks according to the Enterprise Risk Management (ERM) principles.



Strategic Risk

Strategic risk refers to the risk arising from the formulation of strategic plans, operation plans, and its implementation that are inappropriate or inconsistent with external factors and the external environment. Strategic risk affects earnings, the capital fund, the viability of the business, or consideration of how the Bank's current or future activities affect its viability or sustainable growth.

The Bank has managed the strategic risk as follows:

1. Formulate and review the strategic risk management policy to be implemented as guidelines for the Bank's strategic risk management.

2. Determine the Bank's strategies and goals based on the data obtained by the SWOT analysis, such as the Bank's operating results, current situation, economic conditions, SMEs' business situations, government policies, and other risk factors. Those inputs were taken into consideration in setting strategies and goals, as well as in the performance monitoring process against the set targets and the supervision of operations toward the achievement of goals.

3. Adopt the COSO framework in developing a risk management plan in accordance with the State Enterprise Performance Appraisal, which links risk management to the Bank's goals and strategic plans. Internal and external risk factors that may affect the goals of the Bank's business plan were also taken into account, including risk appetite and risk tolerance. The Bank has developed a risk map and management plans to manage risks at acceptable levels and drive toward achieving the Bank's goals. Furthermore, the Bank has monitored and reported the results of risk management to the related committees on a quarterly basis.

4. Monitor and regularly report the strategic risk status to relevant committees and the Risk Oversight Committee on a quarterly basis for the improvement or the determination of operational guidelines to achieve the established targets.



Credit Risk

Credit risk refers to the risk arising from debtors or counterparties failing to repay debts or to fulfill their contractual obligations, which will potentially affect the Bank's earnings and therefore require higher provisioning, causing an impact on the Bank's capital fund.

SME D Bank operates under the management framework to control risk levels within risk appetite on the basis of balancing loan approval and the achievement of its mission to assist entrepreneurs who have been affected by the COVID-2019 pandemic. The Bank has established a mechanism of checks and balances between the credit approval officers and customer service officers to ensure operational transparency and support the expansion of quality credit services. The Bank's credit risk management can be summarized as follows:

1. Ensure that there is a credit policy review so that SME D Bank has a good credit approval standard in line with BOT's regulations and guidelines, and determines specific industry ratings for quality credit expansion as a framework for credit approval, risk prevention, and clear operational guidelines for quality credit approval process.

2. Establish a scoring matrix system that uses the National Credit Bureau score (NCB Score) as data input for assessing customer risk levels to aid in credit review and approval. Set up the credit scoring/credit rating system by considering both qualitative and quantitative factors based on internal and external data sources with a standardized and internationally accepted method to increase credit risk management efficiency and credit service provision

3. Determine an acceptable risk limit for each industry and monitor it to manage and distribute current and future risks in line with risk levels and SMEs business overview.

4. Follow up on debtors, classify debtors based on repayment history and specify risk groups in order to determine additional assistance effectively and determine the appropriate credit package for

creating liquidity and debt restructuring for affected debtors.

5. Create a credit risk dashboard that features indicators for credit quality management. The dashboard signals alerts in specified color levels: green zone for safety, yellow zone for surveillance before reaching the next level, and red zone for danger.

6. Continually develop a system to support TFRS9 accounting standards for assessing the financial impact in order to prepare for provisioning and ensure that the Bank has sufficient reserves when adhered to.

7. Arrange stress tests by considering past events and macroeconomic forecasts to estimate the probable losses to the SME D Bank's funds. The tests will be prepared according to the regulatory agencies' prescribed format and reported to the Risk Oversight Committee, the Board of Directors, and the Bank of Thailand once a year.



Market Risk

Market risk refers to potential losses SME D Bank is facing due to the change in value status, both inside and outside the balance sheet, arising from fluctuations in interest rates, equity prices, exchange rates, and commodity prices.

The Bank has managed the market risk as follows:

1. Determine relevant market risk management policies, for example, policy on market risk management, policy on interest rate risk management in banking accounts, and policy on trading and banking book management, to be the framework and guidelines for management and control of market risk; the Bank also reviews the policies on a yearly basis.

2. Prepare tools for measuring and assessing market risks, such as:

- Analysis of interest rate repricing gap or remaining maturity by comparing assets, liabilities, and off-balance-sheet positions; assessment of the impact of interest rate changes on the Bank's earnings and economic value.

- Measurement of the impact of changes in risk factors, such as the measurement impact of the dollar change in a bond's value to a change in the market interest rate (DV01), the fair value measurement of debt instruments, and foreign currency transactions.

3. Monitor and control market risk by implementing the following measures:

- Setting market risk limits and with an annual review to maintain appropriate risk limits.
- Preparing a report on investment status and a report on market risk situation to be submitted to the Board of Directors and involved executives on a regular basis.
- Controlling market risk by the management and relevant committees, such as the Asset and Liability Management Committee, the Risk Oversight Subcommittee, and the Risk Oversight Committee.



Liquidity Risk

Liquidity risk means the risk resulting from the Bank's inability to meet payment obligations when due. This might arise from the Bank's inability to liquidate assets into cash at a time of need or to acquire sufficient funding. The Bank may be able to raise sufficient funds to settle the obligations, but the costs are unacceptably high, which will affect the Bank's earnings and capital funds.

The Bank has managed the liquidity risk as follows:

1. Determine liquidity risk management policy as a framework and guidelines for management and control of the Bank's liquidity risk and review the policy annually.
2. Set up liquidity risk assessment and measurement tools, such as:
 - Preparing a status report of the liquidity gap.

- Measuring and assessing liquidity risk using financial ratios, such as large deposit concentration ratio, maintenance of liquid assets, and liquidity mismatches.

- Testing liquidity crisis regularly using simulated scenarios.

- Identifying early warning signs of abnormal liquidity situations.

3. Monitor and control liquidity risk through the following actions:

- Determining liquidity risk limits and reviewing them annually to maintain appropriate risk limits.
- Preparing a report on liquidity risk status to be submitted to the Board of Directors and relevant executives on a regular basis.
- Devising the Contingency Liquidity Plan by delegating duties and responsibilities to involved committees and executives, prescribing operational procedures and management approaches to the liquidity crisis, and testing the Contingency Liquidity Plan to ensure that the Bank is well-prepared for the liquidity crisis.

- Determining the sufficient level or quantity of liquidity cushion to guard against liquidity risk under normal and stress scenarios.
- Controlling liquidity risk by the management and related committees, such as the Asset and Liability Management Committee, the Risk Management Subcommittee, and the Risk Management Committee.



Operational Risk

Operational Risk refers to potential damages arising from the lack of good corporate governance, good governance, and control. It may involve internal operational processes, workforce, work systems, or external scenarios that affect the Bank's earnings and capital funds. Operational risk also includes compliance risk.

The Bank has managed the operational risk as follows:

1. Determine relevant operational risk management policies, comprising of operational risk management policy, business facilitator policy, and business continuity management policy, to be the framework and guidelines for management and control of SME D Bank's operational risk. The Bank also reviews the policies annually.

2. Establish measurement or assessment of operational risks by a systematic risk analysis to assess the likelihood and impact of each risk factor and to prioritize risks according to their likelihood of preventing the departments/the Bank from achieving their objectives. Risk control self-assessment enables the departments/the Bank to determine appropriate management measures for those risks. The assessment is performed once a year to ensure that all departments have adequate and continuous risk management.

3. Monitor and report on the following items:

3.1 Monitoring the implementation of each work unit's risk management and reporting it to the Risk Oversight Subcommittee, the Risk Oversight Committee (ROC), and the Audit Committee on a quarterly basis.

3.2 Monitoring the risk control self-assessment and submitting a summary report to the Risk Oversight Subcommittee, the Risk Oversight Committee, and the Audit Committee on a yearly basis.

3.3 Reporting on the incident report and loss data to the Risk Oversight Subcommittee and the Risk Oversight Committee.

3.4 Reporting risk status and overall management approaches as appropriate to the Risk Oversight Subcommittee and the Risk Oversight Committee for acknowledgment on a regular basis.

4. Establish risk control by supervising self-risk assessment to ensure that it reflects actual risks to enhance the effectiveness of risk management.



Information Technology Risk

Information technology risk means risk may occur due to the absence of good information technology risk management for appropriate support of business operations at different phases. This includes the risks from process supervision and information technology procedures of the Bank that do not comply with the IT standard practices and laws, rules, regulations, and orders, which may cause business disruption.

SME D Bank has managed information technology risk as follows:

1. Determine the information technology risk management framework and policy that comply with COBIT 2019, ISO27001/ISO27002, and NIST standards, as well as determine the IT key risk indicators to monitor and review the Bank's risks to control them within acceptable risk appetite. IT risk status is regularly reported to the Board of Directors, and the policies are annually reviewed.

2. Determine policies related to information security and supplier relationships policies.

3. Conduct the IT Risk Control Self Assessment (ITRCSA) of the Bank's key working systems and report on the assessment results to the Risk Management Subcommittee, the Information Technology Committee, and the Risk Oversight Committee.

4. Assess the information security risks according to the ISO27001:2013 standard and assess cyber resilience according to the Cyber Resilience Assessment Framework (CRAF).



Compliance Risk

The Bank is aware of and emphasizes the importance of complying with the laws and regulations of regulatory agencies. It has the policy to adopt all regulations as a framework for oversight of compliance risks. Major laws and regulations that affected the Bank's operations can be summarized as follows:

1. Personal Data Protection

SME D Bank realizes and attaches the utmost importance to the care and protection of the personal information of the stakeholders that the Bank collects, uses, and discloses. Therefore, to prevent personal data violations, the Bank has established policies, regulations, and orders, as well as improved operational processes in accordance with the Personal Data Protection Act. High risk departments are also reviewed. Besides, the Bank has developed a support system to manage stakeholders' personal data with maximum security without infringing the right to privacy while allowing owners of personal data to exercise their legal rights.

2. Regulations of the Bank of Thailand (BOT)

The impact of the COVID-19 pandemic, which began in early 2020, is still ongoing and widely affecting the global economy as well as the Thai economy. Up till now, the Bank has issued various measures to assist affected debtors in compliance with the measures and regulations established by the BOT to provide debtors assistance and sustainable debt restructuring. The Bank, therefore, places importance on promoting and supporting sustainable debt restructuring guidelines for its debtors in line with the Bank of Thailand's recommendations and participated in the "Debt Solving Fair: Solving debt and starting anew with sustainability" program from September 2022 to January 2023, a program to provide continuous and practical help to the Bank's debtors in a timely manner.

In addition, the Bank attaches importance to IT compliance to ensure that the development of a

service system for customers is secure and complies with relevant legal standards on information technology. The Management Approach to Fair Lending

Following the Bank of Thailand's measure to elevate the supervision of fair market conduct, and to prioritize and provide continuous help on debt settlement to relieve debtors' burden, SME D Bank realized the importance of providing support to affected debtors in a timely and practical manner. Therefore, the Bank improved the end-to-end credit service, covering the development and sales of credit products, credit risk management, debt collection and collection fees, assistance for debtors having repayment problems, debt restructuring, debt mediation, court proceedings, and disposal and transfer of debts to other creditors according to guidelines set forth by the Bank of Thailand.

In addition to the aforementioned rules and laws, the Bank as a specialized financial Institution has performed duties in compliance with the laws, rules, and regulations of various authorized agencies such as the Ministry of Finance, the State Enterprise Policy Office (SEPO), Bank of Thailand (BOT), the Anti-Money Laundering Office, the Credit Information Protection Committee, etc. The Bank has the compliance supervisory and personal data protection units to provide advice, clarification, and opinions as well as govern the Bank's operations to ensure the Bank has effective compliance risk management. The Bank's operations are in compliance with the law, rules, and the Bank's internal orders. In addition, the significant compliance risks are reported to the executives and related committees.



Internal Control

The Bank places importance on the internal control system and has been developing its internal control system to effectively and efficiently mobilize the Bank toward the achievement of its goals and objectives. An internal control system is a management tool for protecting and safeguarding Bank assets to ensure efficient use of the Bank's resources. It also enables the correct and proper execution of

operations, especially in the current competitive environment. Moreover, there has been a significant increase in regulatory changes by regulatory agencies and other relevant government agencies. The Bank thus improved its internal control mechanisms to respond to changing situations, environments, and risks. The Bank also conducted an assessment of an internal control system and requires working units at the head office and all branch offices in the provincial areas to adopt the risk control self-assessment (RCSA) as a tool to manage risks and internal control according to the Ministry of Finance's Regulation regarding the Internal Control Standards and Guidelines for State Agencies B.E. 2561 and the framework adapted from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control-integrated framework, which includes the following components:

1. Control Environment

The Board of Directors and executives of SME D Bank foster the corporate culture and promote adopting the principles of corporate governance, integrity, and code of ethics in administration and operation. This is to ensure that the Bank's personnel perform their responsibilities with a conscience to achieve the objectives, which will strengthen other control elements. The Bank stresses transparency in corporate governance and compliance with relevant laws, rules, and regulations to establish an effective control environment as follows:

- The Bank developed the handbook of corporate governance and the code of ethics and conduct for SME D Bank's directors, executives, and staff, which focus on transparency, accountability, corruption-free culture, integrity culture, work integrity, and free from conflict of interest.

The Bank revised the composition of the Corporate Governance and Corporate Social Responsibility Committee, which has duties to oversee and promote the Bank's operations with good corporate governance. The Bank also encouraged all the executives and staff corporate-wide to work

with ethics and integrity in accordance with the handbook of corporate governance and the code of ethics and conduct, which are made available on the Bank's website.

- The Bank devised an annual plan and reviewed it during the year. It restructured the organization and revised rules and regulations to align with the change. The Bank also set up a department to oversee the staff's code of conduct and fair treatment of the customers. A suitable organizational structure and environment for business operations ensure the alignment of the internal control system with the Bank's policies and an adequate internal control system.

2. Risk Assessment

The Bank systematically assesses the risk of internal control by including executives and staff at all levels in the identification and assessment of operational risk under the scope of their responsibilities. Accordingly, they are aware of the risk events and will find the solution to minimize the impacts. This approach can lead to effective risk management that solves operational problems by developing risk assessment tools and identifying objectives of each department and each activity that are clear and connected and can be achieved within allocated budget and resources.

The Bank has established the organizational structure for the Risk Management Group and set up the Risk Oversight Subcommittee and the Risk Oversight Committee with duties and responsibilities to determine framework, review policies, strategies, and guidelines for risk management, as well as monitor the performance according to the guidelines.

The Bank has implemented the corporate-wide risk management program according to the COSO's enterprise risk management (ERM) guideline. It established risk management policies as guidelines for managing the risks that may affect the pursuit of the Bank's goals. The Bank also developed a risk profile at the corporate and department levels as well as risk management of work processes.

The Bank has formulated the IT security policy in accordance with the ISO/IEC 27001 and ISO/IEC 27002 standards to ensure efficient and effective management of the Bank's IT system security. The Bank regularly organizes training and communicates to staff about IT risks and ways to prevent new cyber threats.

3. Control Activities

The Bank has set the operational direction and formulated policies, regulations, orders, and operational manuals in writing, with which the executives and staff corporate-wide must comply to reduce or control the operational risk and align with changing policies and environments. Furthermore, this ensures that the internal control system is appropriate, sufficient, and cost-effective. The Bank also set up an efficient information control system to prevent unauthorized access and damage arising from inappropriate use of information. There are reviews of both internal and external compliance, as well as reporting on the overall results to the President, the Audit Committee, and the Board of Directors.

The Bank prescribed and reviewed the scope of authority and duties, as well as the authority to approve credit limits of executives at all levels in writing, and segregated duties to allow appropriate checks and balances.

4. Information and Communication

The Bank has put in place an IT system that is appropriate for operations and responds to the needs of the executives. It stresses the quality of and the form of information and communication sent to the management, staff, and involved parties, both internal and external, to enable effective operations and achievement of the Bank's objectives. The Bank prepared an IT contingency plan in case of an emergency or a disaster to mitigate the impacts and maintain the continuity of the Bank's services.

The Bank adopted an accounting policy in compliance with accounting standards appropriate for its business. It has developed IT and database systems to ensure that important information can be

sufficiently and timely retrieved. The Bank established appropriate communication systems for internal and external parties, including stakeholders, as follows:

- To communicate important issues relating to the meeting on the Bank's performance, the Bank sends meeting documents to the Board of Directors, all committees, and involved parties in advance of the meeting. This provides attendees ample time to analyze the data before making decisions, the attendees may also request additional information from relevant departments to assist in decision making.

- The Bank has various internal communication channels, namely the Bank's intranet, electronic mail, and e-learning system, providing useful knowledge for operation.

- The Bank has various external communication channels, namely the Bank's website, online social media, Internet, Line, official Twitter account, etc., to ensure inclusive and consistent communications of the Bank's information.

- The Bank provides multiple complaint channels, including the Customer Relations Center, Call Center 1357, the Bank's telephone number: 02-265-3000, and IT channels such as the website, online social media, the Internet, LINE, and Twitter. These channels ensure employees and outsiders that complaint handling will be transparent, honest, and fair.

5. Monitoring

The Bank has established a monitoring and evaluation process to assess the performance in all aspects from directly responsible individuals or those not involved in the formulation of control measures to ensure independent feedback as follows:

- The Bank requires the assessment of each internal control component in all aspects to be conducted yearly, both at the organizational level and process level, through risk control self-assessment (RCSA), which is a tool for management, monitoring, and self-assessment of internal controls. The Risk Management Department reviews the adequacy and

appropriateness of the assessment and provides advice on the improvement of any deficiencies in internal control. The Bank submits the summary report and the internal control sufficiency assessment form to the State Audit Office of the Kingdom of Thailand within the specified period and reports to the Risk Oversight Subcommittee, the Risk Oversight Committee, and the Audit Committee. The Bank monitors the implementation according to the improvement plan on a monthly basis and submits summary reports to the Risk Oversight Subcommittee, the Risk Oversight Committee, and the Audit Committee on a quarterly basis.

- The Bank entrusted the Internal Audit Department, which is an independent agency reporting directly to the Audit Committee, with duties to regularly review and report on the effectiveness of internal control in all areas in line with the Bank's strategic direction and the significant risks that affect operations. The Department also provides suggestions on audit work focusing on risk management, sufficiency and appropriateness of the internal control system, and compliance with rules, policies, regulations, and orders of the Bank and government agencies by adopting the risk-based approach.

- The Bank has formulated an annual plan and presented its performance against its goals. There is a work tracking system between the management level and at the operational level, especially between the headquarters/remote district offices and branch offices, in case of emergency. The work tracking system includes the preparation of daily, weekly, and monthly reports and actions in case of problems. If there is any sign of declining operating results, the ones responsible for the supervisory department and the Branch Operation Control Department will call a staff meeting or have a branch visit to investigate problems and provide timely recommendations and solutions.



Internal Audit

Internal audit is an independent and fair process of assurance and consulting services without conflicts of interest. It is a critical factor contributing

to SME D Bank's effective and efficient operations towards achieving its mission by assessing and improving the effectiveness of the risk management process, internal control, and supervision in a systematic and orderly manner. Internal audit also prevents and mitigates operational risks and potential losses while fair and unbiased counsel adds value and elevates the operational process in achieving goals and objectives. Hence, an internal audit is a crucial component of the internal control embedded within normal operations and must strictly adhere to the procedures and applicable laws and regulations. The executives can incorporate internal audit results into the management process to achieve the Bank's objectives.

The Internal Audit Department reports directly to the Audit Committee. The department adopted the International Standards for the Professional Practice of Internal Auditing, the internal audit guidelines for state enterprises B.E. 2555 of the State Enterprise Policy Office (SEPO), the Ministry of Finance's Regulations on Internal Auditing Standards and Procedures for Government Agencies B.E. 2561 upwards to the third amendment B.E. 2564, notifications and guidelines of the Bank of Thailand on Internal Audit Practice of Specialized Financial Institutions, and the handbook of state enterprise performance evaluation under the State Enterprise Assessment Model (SE-AM). The audit department has developed operational guidelines and audit plans connected to the Bank's strategic plan and external key risk factors such as relevant laws, regulations, and notices; audit results from regulatory agencies; executive opinions; enterprise risk factors according to the risk management plan; enterprise data analysis; and the current and expected workforce in 2022. The audit plan was approved by the Audit Committee and reported to the Board of Directors for acknowledgement. In 2022, the internal audit framework was as follows:

Structure of the Internal Audit Unit

The Audit Division consists of the Internal Audit Department and the Information Technology Systems Audit Department. Each department works

independently and reports to the Audit Committee and the President. An audit division charter with clear definitions of the roles and responsibilities has been publicized to all staff via the internal communication system. Internal auditors who are assigned to administer an internal audit must disclose conflicts of interest before carrying out the work.

Qualifications of Internal Auditors

All SME D Bank's internal auditors hold Bachelor's degree as a minimum requirement and are well-trained in knowledge, skills, and competencies appropriate to assigned tasks in order to perform duties with expertise and professional care in accordance with the standards and ethics of the professional practice of internal auditing. The Bank requires all internal auditors to undergo professional training of at least 40 hours per year and continuously supports them in taking professional certification examinations such as: certificate trainings related to internal auditing and information technology auditing, and necessary knowledge training in internal auditing and other areas. These trainings help identify the causes of weaknesses in internal control, risk management, and supervision, as well as providing opinions on the causes of risk to improve the internal control system and risk management, while also creating value for the Bank. Currently, the Bank's internal auditors hold two professional certificates, with four holding the Certified Professional Internal Auditors of Thailand (CPIAT), and one holding the Certified Information System Auditor (CISA).

Operation and Reporting

Internal auditing is conducted in line with the annual audit plan. Various operations are reviewed and inspected to ensure compliance with relevant laws, regulations, policies, and orders, as well as work systems that have significant impact on operations and the completeness and reliability of financial data. Each audit includes control environment assessment, risk assessment, control activities, communications, monitoring, and evaluation of internal controls according to COSO's guidelines. The reviews and assessments of the adequacy and effectiveness of

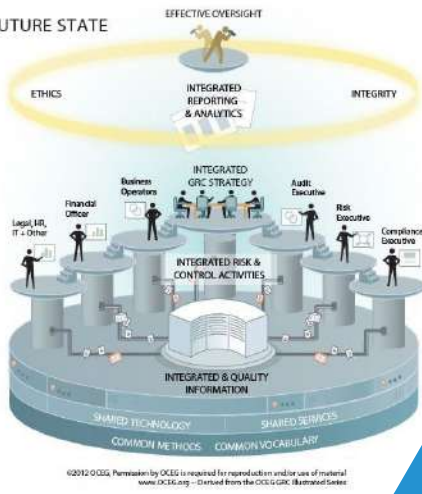
internal controls, as well as the review of SME D Bank's operations, are in accordance with the core business enablers of state enterprises to ensure that the Bank's internal control system is adequate, efficient, and effective, as well as preventing fraud. In reporting the audit results, the internal audit unit suggested improvements to the process, weak internal control systems, and risk management, by establishing a time frame to monitor the results of improvements based on the suggestions on a monthly basis and reporting the results to the Audit Committee and the Bank's Board of Directors quarterly. In addition, precautionary issues arising from the audit results are regularly published as IA News on the Bank's internal channels at least once a month, with branch divisions meeting once a quarter to find integrated solutions to the issues and submitting the audit results to risk management units as information covering all risks.

Management Relations

The audit division integrated senior executives' inputs into the annual audit plan and reported monthly performance at the meeting with the executives of the management committees. The executives also emphasize following up on resolving issues based on the auditors' suggestions at joint meetings.

Quality Assurance of Internal Auditors

The Audit Division has established a quality assessment of the organization's internal operations by the internal auditor's performance assessment unit and annual self-assessment according to the internal audit operation manual of the state enterprise year 2012 of Office of the State Enterprise Board of Directors (SEPO) and according to the form of the Comptroller General's Department. The results will be used to improve the performance of the internal auditors.



Governance Risk and Compliance (GRC) Integrated Policy



Principles and Reasoning

SME D Bank greatly values the integration of good corporate governance, risk management, and governance risk and therefore has established a governance risk and compliance policy (GRC). The policy has been fully distributed to employees and relevant external agencies and put into concrete practice.



Objectives

To properly integrate good governance with a risk management system and enable operational management supervision to ensure compliance with several regulations, internal controls, or laws, SME D Bank provides personnel with appropriate knowledge and qualifications, a transparent work process with good internal control, accurate and timely data management, and efficient technology. These steps raise confidence in SME D Bank's achievement of its goals and objectives.



GRC Integration



SME D Bank emphasizes governance risk and compliance policy by adhering to the principles and concepts of governance risk and compliance (GRC) according to the Open Compliance and Ethics Group (OCEG) international standards and prescribing governance risk and compliance policy and guidelines in writing.



Require GRC integration at all levels of SME D Bank to drive the operations towards achieving specified objectives and goals while meeting the expectations of stakeholders, and communicate and distribute GRC operations to all groups of stakeholders.



Cultivate a good corporate culture based on GRC principles by stressing virtue and ethics at work and using risk management as an operational management tool. The Bank also realizes the importance of compliance with the laws and regulations of regulatory agencies as well as the Bank's policies, regulations, rules, and orders.



Enhance knowledge, understanding, and awareness of the importance and advantages of GRC operations for the Board of Directors, executives, and employees.



The Board of Directors and executives are in charge of advocating for GRC operations to be acknowledged and participated in by personnel at all levels and serving as a good role model for employees.



The Bank emphasizes on the introduction of technology and information management system to optimize in the operation, service, and reliable data communication to relevant parties at all levels in an accurately, appropriately, and timely manner.



To ensure that SME D Bank's operations are done with accuracy, transparency, and accountability, operational processes related to good corporate governance, risk management, and compliance are required to be reviewed and improved, as are systematic risk management and internal control of compliance.

GUIDELINE ON TREATMENT OF STAKEHOLDERS

SME D Bank is part of the mechanism that drives Thailand’s economic and social strategy. The Bank provides financial and non-financial support to Thai SMEs, empowering them to become competitive and strengthening them to grow with stability and sustainability, which lays the foundation for the Thai economy through distributing income, creating jobs, and providing employment for a better society for people nationwide. Furthermore, the SME D Bank also focuses on responding to stakeholders’ needs and expectations, which are really significant to the Bank’s operations as feedback for setting directions and devising strategies, action plans, and guidelines for organizational development.

Accordingly, the Board of Directors has established a policy to treat each group of stakeholders by respecting their legal rights, or the conditions agreed with them. The Board also supervises the establishment of appropriate mechanisms and ethical practices with social, community, and environmental responsibility. It encourages stakeholders’ participation in the operation improvement without violating the stakeholders’ rights. The Bank reviews the significance of stakeholders every year or when there are changes in the operation strategy and management approach as well as external factors that may change the impact and the scope of key stakeholders. The Bank has identified stakeholders and categorized them into 6 major groups as follows:



The Bank has set objectives and focus of the scope and management for all 6 groups of stakeholders according to priorities as follows:

1. Shareholders and Oversight Agencies
 SME D Bank is committed to moral, ethical, and fair operations with an emphasis on equity for shareholders and the highest return on investment. The Bank has operational standards that can drive SMEs in accordance with the government’s financial and non-financial policies as required by all oversight agencies.

2. Customers SME D Bank provides financial access and capacity development for Thai SMEs with an emphasis on prompt operational processes within a specific time frame. It places importance on ensuring customers that they will get high-quality products and services, as well as fair market conduct.

3. Employees SME D Bank recognizes the importance of employees as a valuable asset to mobilize the organization toward success and advancement. It places importance on the continuous development of knowledge and skills for employees, providing appropriate compensation and welfare, and evaluating performance with fairness and equality.

4. Business partners, Alliances, and Suppliers SME D Bank values participation to create awareness, understanding, and acceptance and respond to concerns and expectations by adhering to fair practices in line with the principles of good corporate governance for the best interest of entrepreneurs and customers. The Bank also selects suppliers and evaluates their performance in a fair and transparent manner with strict compliance with terms of reference (TOR) and employment contracts.

5. Competitors and Peers SME D Bank is committed to responsible business operations and fair and transparent competition, which is within the framework of good and honest competition in line with good corporate governance principles through the exchange of opinions and knowledge sharing, resulting in efficient collaboration and mutual benefit.

6. Community, Society, and Environment SME D Bank has raised the awareness of its employees on their responsibilities to communities, society, and the environment. The Bank's employees have helped promote, support, and develop skills for the community, as well as creating jobs, generating income for better economic circulation, and continuously contributing to the conservation of natural resources and the environment.

To satisfy the needs and expectations of stakeholders, SME D Bank has formulated the Stakeholders Master Plan as a framework for organizing stakeholder activities. Based on analyses of the changing framework, the stakeholder strategy and action plan have been reviewed to be up-to-date and consistent with new guiding frameworks inside and outside the organization. It would be a guideline

for formulating a development plan and improving the process to bridge the gap between stakeholders' expectations and satisfaction, leading to effective development and improvement of the organization and increased stakeholder satisfaction. The Bank thus set its vision on stakeholders that "Stakeholders are partners for Thai SME development," with the key mission of enhancing management efficiency to satisfy stakeholders and build relationships with stakeholders across the organization. This will efficiently drive the performance in line with the two strategic goals:

1. Elevate good relationships with all key stakeholder groups
2. Promote stakeholder engagement by creating a strategic plan for the development of a stakeholder database system and incorporating it into the Bank's 2023 stakeholder action plan to allow for substantial implementation by relevant parties. There are eight action plans as follows:
 1. Project on image and marketing standpoint promotion for competitive advantage
 2. Project on marketing information and stakeholder satisfaction survey
 3. Project on Corporate Social Responsibility
 4. Sustainable organizational development integration project
 5. Internal and external stakeholder communication process
 6. Organizing stakeholder communications activities
 7. Developing process for hearing stakeholder viewpoints
 8. Organizing stakeholder engagement activities



Vision on Stakeholders


“Stakeholders are partners for Thai SME development.”

Missions on Stakeholders


1.
Build good relationships with all key stakeholder groups.

2.
Strengthen stakeholder participation in stakeholder management to drive the organization towards sustainable success.

Stakeholder Strategy



Strategy 1
Elevate the building of relationship with all key stakeholder groups.



Strategy 2
Encourage stakeholder participation.

Stakeholder Strategy



1. Build good relationships with stakeholder groups.



2. Improve communication processes with stakeholders.



3. Build stakeholder participation.

Long-term action plans for stakeholders 2023 - 2027



- 1.** Project for image and market positioning promotion for competitive advantage.
- 2.** Project for marketing information and stakeholder satisfaction survey.
- 3.** Social and environmental project.
- 4.** Integrated project for sustainable organizational development.
- 5.** Internal and external stakeholder communication process.
- 6.** Organize activities for communication with stakeholder groups.
- 7.** Develop stakeholder listening processes
- 8.** Organize stakeholder participation activities.

Voice of Customer and Stakeholder

SME D Bank values the voices of present, past, and future stakeholders and customer groups, including customers of the Bank's competitors, in every aspect of service throughout the life cycle by introducing appropriate and comprehensive tools, including digital technology, for listening and searching for in-depth needs and expectations. Such information will be used for the development of innovation, products, and services, as well as to support transactions in all dimensions in compliance with the market conduct policy and PDPA policy.

SME D Bank
has nine main channels
and one special channel
for voice of customer as follows :



Channels to listen to stakeholders and customers



In 2022, SME Bank has made major improvements on voice of customer as follows :

- 1) Upgrading call center service 1357 to a one-stop service to better serve our customers and reduce the workload of each branch;
- 2) Providing up-to-date technology suitable for administration and customer service through a new platform : SME D Bank Call Center. The platform incorporates multi-channel information management into one system, improves database storage and management efficiency, forwards information to manage SLA timeframes for analysis and planning, and collects knowledge to support full-circle information service;
- 3) Upgrading service points, customer lounges, and headquarters into SME D Care centers to address customer demands and add capital along with knowledge to sustainably strengthen SMEs;
- 4) Active listening through the use of data analytics from social listening as tools to search for opinions regarding the Bank on various social media platforms; the opinions will be used as marketing information to develop in different dimensions;
- 5) Implementing Chatbot and Line OA systems to improve customer service access, along with developing an automatic response system to facilitate customer service;
- 6) Monitoring and analyzing assessment results to obtain factors impacting satisfaction, dissatisfaction, and loyalty for products, services, support, and transactions using a marketing information survey based on evaluation guidelines. Each survey is conducted for each customer segment, which is sorted by business sector, geographic sector, and SME size, and focuses on pain points as well as areas for improvement and development.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



Small and Medium Enterprise Development Bank of Thailand is committed to corporate social responsibility (CSR) in the operational process. It has the policy to promote and align CSR activities with the ISO 26000 standard, which is widely accepted for social and environmental responsibility. The standard is adopted as a guideline for managing impact and stakeholders’ concerns, focusing and prioritizing society, community, and the environment, to become a learning organization and achieve sustainability.

In 2022, SME D Bank continued its commitment to providing services for Thai SMEs while improving its operational process in line with the corporate strategy to respond to stakeholders’ needs and expectations. The Bank not only aims to achieve the outcome but also creates benefits and value for communities and society, which are the foundation of the country.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



CORPORATE SOCIAL RESPONSIBILITY (CSR) PERFORMANCE

SME D Bank, as a major state-owned financial institution with stability and sustainability, has helped and supported Thai SMEs by adding knowledge along with capital to expand their potential and access to funding sources. In response to the operations affecting the stakeholders in terms of social and environmental responsibility, the Bank has acknowledged the significance of raising awareness and operating with creativity and continual improvement.

In 2022, SME D Bank maintained its commitment to providing services for Thai SMEs as well as the development of operational processes in line with and accommodating strategies under the operational supervision mission that take the Bank's stakeholders into account by integrating projects and activities as part of the Stakeholder and Customer Management Master Plan (SCM) 2023–2027 and the Master Plan on Social and Environmental Responsibility (CSR).

The Bank also organized CSR activities emphasizing the participation of stakeholders to raise awareness and demonstrate that the Bank's work processes are socially and environmentally responsible in line with the ISO 26000 international standard and may or may not have an impact on the community and social environment nearby the head office or branches with corporate operations that take into account the stakeholders. The activities also take into account the creation of benefits and values in all aspects of community and social, which are the cornerstones of the nation. In addition, the Bank encourages interaction amongst directors, executives, personnel, and stakeholders in order to advance towards becoming a sustainable knowledge institution. The results of the social and environmental responsibility plan's implementation in 2022 are as follows:



CSR in Process

CSR in Process Project consists of activities as follows:

1. SME D Partner By CSR Project

SME D Bank has been operating under the participation process to achieve social and environmental development in accordance with the ISO 26000 guidance on social responsibility since 2021. In 2022, the Bank has selected communities that meet its criteria, as well as developed and effectively implemented promotion plans to strengthen the communities.

In 2022, the government developed the Ministry of Industry's BCG Model as a driving policy to create economic, social, and environmental sustainability. The Corporate Communication Department and CSR Department recognized the importance of sustainability and, therefore, implemented the Ministry of Industry's BCG Model driving policy to develop key communities



into learning societies and, further, entrepreneurs, generating eco-friendly employment, careers, and income in the community. In line with the Bank's guidelines for supporting entrepreneurs, the concept of "Knowledge and Capital" aims to improve and strengthen the professional potential and competency of stakeholder community groups while also expanding business growth channels for the group to be self-reliant. As a result, the community will see a rise in employment, the promotion of a higher quality of life, and immunity to economic change. SME D Bank also provided knowledge and support to the target groups with its specialties, such as training, seminars, and advising on development, finance, accounting, marketing, production, and management. The targeted communities are prepared with higher potential, leading them towards becoming entrepreneurs. Therefore, the "SME D Partner by CSR" project plays a role in further building and stabilizing the base of the national economy and fostering sustainable growth.



2. SME D Go Green Project

SME Bank has always placed great importance on contributing to environmental sustainable conservation, aiming to become a green organization and provide effective, eco-friendly, and sustainable management and support for energy conservation. The Bank's environmentally friendly practices include reducing energy use, eco-friendly disposal of food waste, maintaining luminance and wastewater within the Ministry of Natural Resources and Environment's standards, producing eco-friendly products, and operating under an environmentally friendly manufacturing process.

CSR after Process

SME D Bank also encourages social and environmental responsibility following the internationally accepted standards, in addition to aiming for good performance and high competitive advantage and capability. The Bank has promoted and supported communities and local people in the following three areas:



1. Religious Preservation



The Bank participated in the Ministry of Finance's Royal Kathina Offering Ceremony 2022 at Wat Prayurawongsawat Worawihan, Bangkok.



The Bank participated in the Ministry of Industry's Royal Kathina Offering Ceremony 2022 and provided scholarships to Wat Thong Noppakhun School and Phrapariyattitham School at Wat Thong Noppakhun, Bangkok.



The Bank, together with the devotees, participated in the 2022 Kathin ceremony at Wat Pa Ban Yang, Prasat District, Surin, for the restoration of the sermon hall and crematorium, as well as the construction of the mondop that enshrined the Buddha image, Phra Rattanamanee Sri Surin (Phra Yok).

2. Education Development



The Bank supported education by giving scholarships and sports equipment to Ban Yang School (Sarakitrat Wittaya), Prasat Wittayakorn School, and Wat Suwan Wichit School, Prasat District, Surin.

3. Social and Environment Development

CSR after Process includes CSR activities involving parties that are not directly related to the Bank.



- SME D Bank cares for society and has established the “Adding Capital with Knowledge” policy for the development of Thai SMEs. The Bank also supports vulnerable groups by harnessing the Bank’s specialties to enhance their skills in areas such as management, finance, and product introduction to the market particularly the online market and using spare time for side hustles. These supports play a part in driving SME D Bank’s stakeholder management; as a financial institution for development, the Bank prioritizes support to the economic, social, and environmental sectors for sustainably growth through collaboration between the Bank, the Kudi Chin community, and the Bangkok Senior Club.



- SME D Bank pays it forward to society by helping the Neurological Institute of Thailand, Department of Medical Sciences, Ministry of Public Health in procuring emergency ambulances with money donated by government and private sector partners, customers, and the general public in celebration of the 21st anniversary of SME D Bank under the concept of Thai SMEs’ sustainable growth under the BCG model.

- In cooperation with the Ministry of Finance and the Ministry of Industry, SME D Bank visited and provided survival kits for victims of tropical storm Noru in the areas of Khon Kaen, Sisaket, Chaiyaphum, Ubon Ratchathani, Phra Nakhon Sri Ayutthaya, Pathum Thani, Suphan Buri, and Wat Salak Nuea Community, Pak Kret District, Nonthaburi Province. The branch personnel had paid visits to the affected areas and witnessed the hardship of the flood victims; the Bank therefore took part in lifting their spirits and alleviating their hardship.





- SME D Bank organized the “SME D Bank joins forces through mud and smiles to restore mangrove forest” project with its partner agencies, customers, and Bangkok to grow red mangrove trees along the coastline of Bang Khun Thian to restore the ecosystem, expand the shoreline buffer, and adjust the scenery. The event was held as a royal merit in honor of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua’s 70th birthday and to continue the royal initiatives of His Majesty King Bhumibol Adulyadej (Rama IX), “Following the King’s Knowledge to Sustainable Development,” in various aspects such as agriculture, water resource development, career boost, social, and environment through developing and promoting jobs for coastal communities and creating economic, social, and environmental benefits for the strength and sustainable growth of the communities. Furthermore, the “SME D Bank joins forces to plant trees in commemoration” activity planted over 1,500 different types of trees in Aree Samphan Park and on street isles of Phaholyothin Road, transforming Bangkok into a city of happiness by increasing green areas and producing better air and a better quality of life for the communities. This activity was performed as a royal merit in celebration of Her Majesty Queen Sirikit, the Queen Mother’s 90th birthday.



- During the Coronavirus 2019 (Covid-19) outbreak, SME D Bank cared for society by receiving Moderna vaccines from Vichaivej International Hospital, Nong Khaem, to vaccinate the Bank’s personnel and their families, as well as providing blood analysis services, blood vessel function examinations, ECG examinations, and eye examinations at SME Bank Tower.



- SME D Bank joined forces with the State Enterprise Policy Office (SEPO) to organize an event to distribute life jackets and water rescue bags to the Bangkok City Law Enforcement Department, which will be used to help flood victims or people who have water-related accidents in the Bangkok area in an efficient and timely manner.



- SME Development Bank, in collaboration with the Senior Club and Bangkok, launched the “Senior Club Day for Senior Happiness and Good Health” project at the Bangkok Senior Fitness Center, Lumpini Park. This project provides knowledge in product introduction to markets, particularly online channels, and thus supports seniors in spending their spare time beneficially and generating extra income.



- SME D Bank supplied drinking water for the Bangkok Youth Center (Thai-Japanese), Taksin Hospital, and Phaya Thai District Office to serve medical personnel and people who came to receive COVID-19 vaccination.



- The Bank delivered tube pillows to the Veterans General Hospital for use in the care and treatment of patients who are bedridden or have pressure sores. The pillow has zero dust mite collection, good ventilation with no humidity or mold while preserving its original form and a long life span; the design provides appropriate body support; and it is easy to wash and clean, all of which contribute to reducing waste disposal.

SUSTAINABLE DEVELOPMENT POLICY

The Bank also strengthens the structure and management system to become a sustainable bank following the Environment, Social, and Governance Framework, or ESG framework, and the Sustainable Banking Network's Sustainable Banking Framework; both frameworks aim to implement good corporate governance as a driving mechanism, creating balanced and sustainable benefits to the country's economy, social, and environment in accordance with the Bank's objective. For the sustainable development policy framework, SME D Bank has set out sustainable development guidelines in three dimensions as follows:

1. Good Corporate Governance

- Conducting business under the principles of good corporate governance, transparency, fair, appropriate risk management, and strict compliance with laws, rules, regulations, and orders, as well as the application of technology and information to optimize sustainable operations;
- Operating with consideration of the Bank's responsibilities towards society and the environment and in accordance with the principles of good governance;
- Operating with responsibility, prudence, and integrity to the organization without involvement in fraud or corruption.

2. Economy

- Developing products, services, and operational processes that take into account the economy, society, and environment;
- Continuously developing products and services to meet the needs of the customer, in the form of the Bank's loans, government policy loans, as well as loans in which the Bank is a key partner;
- Providing knowledge and capital, training and developing entrepreneurs for sustainable growth, and being ready to provide capital for business development and expansion;
- Organizing market promotion activities for entrepreneurs on a regular basis to generate income and expand market channels.

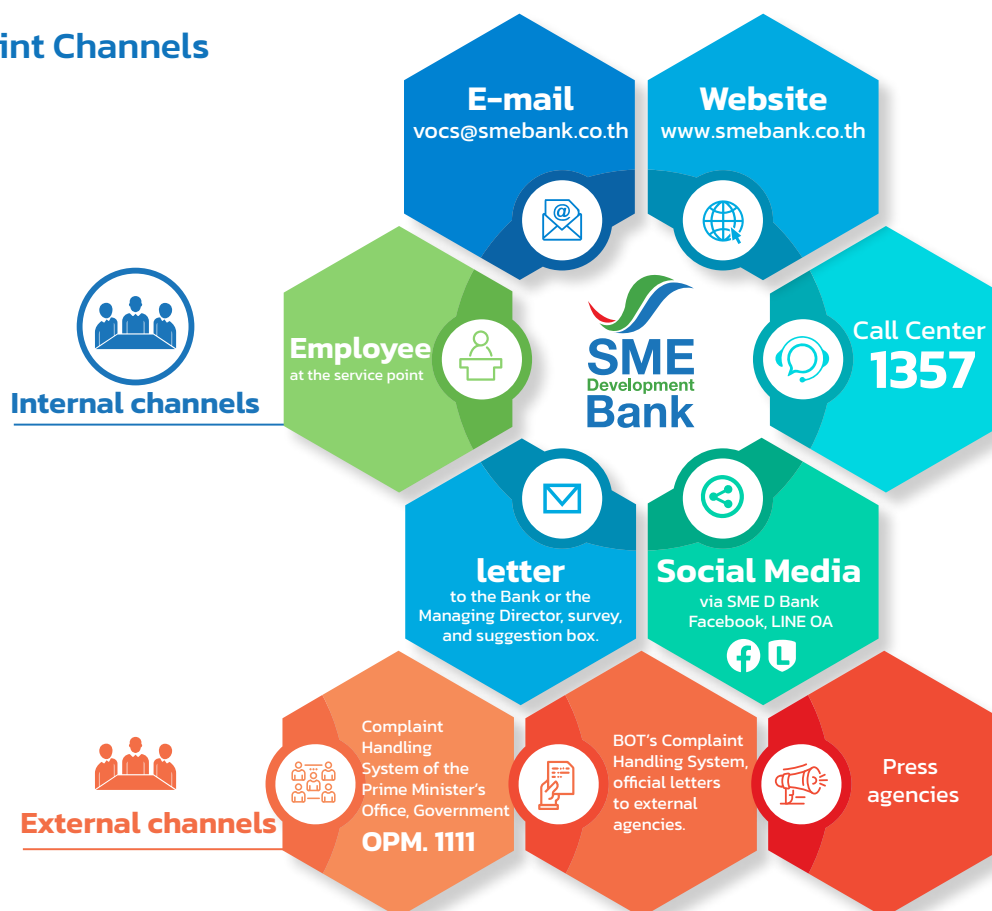
3. Social and Environment

- Operating and providing financial services while being social and environment responsible;
- Prioritizing loans approval for projects that are eco-friendly with zero negative impacts to the community;
- Selecting important communities and contributing to their development by providing knowledge and creating work, as well as helping in their environmental development;
- Raising awareness among executives and employees about reducing energy, water, and plastic bag consumption;
- Promote a working environment that takes into account the health, safety, hygiene, and workplace environment of the Board of Directors, executives, and employees.

COMPLAINT RECEPTION AND HANDLING





The Bank has set up complaints channels, which cover receiving complaints, whistleblowing, and hearing the voices of customers and stakeholders. The Bank also has measures to protect complaint filers and related persons in order to ensure that its complaint handling can create understanding, relieve grievances and respond to the needs of the filers in a fair, transparent, and accountable manner in compliance with government regulations, the Bank’s code of conduct, rules, regulations, and orders, as well as other applicable regulations.

1. Complaint Channels



2. Whistleblowing Channels

The Bank has made available the following whistleblowing channels and put in place a scheme to protect whistleblowers and related persons who are affected by the performance of the duties of the Bank’s directors, the Managing Director, executives, and employees.

-  The Bank’s website: www.smebank.co.th
-  Email: SME D Bank’s Anti-corruption Operation Center, ACsme@smebank.co.th, vocs@smebank.co.th
-  By post or in person : the Chairman of the Board of Directors, the Chairman of the Audit Committee, the President of the Bank, and/or the Bank’s Anticorruption Operation Center, Head of the Internal Audit Department, Head of Employee Discipline Department, Head of Complaint Handling Department
-  **Other Channels Provided by the Bank**

Whistleblowers can provide their name, address, and contact phone number as well as the name of the wrongdoer and the wrongdoing with reliable evidence (if any) so that the Bank can quickly and conveniently report progress, describe facts or relieve damage. Nevertheless, the whistleblowers can choose not to reveal their identity if they consider that their reporting may harm them or cause damage.

COMPLIANCE WITH THE OFFICIAL INFORMATION ACT B.E. 2540

Small and Medium Enterprise Development Bank of Thailand (SME D Bank) is a state agency with a juristic person status according to Small and Medium Enterprise Development Bank of Thailand B.E. 2545. Pursuant to Section 9 of the Official Information Act B.E. 2540, a state agency whose status is a juristic person is required to make available information at least as listed for public inspection. The information is to be collected and maintained at the place called the “Information Center,” which the public can access in order to ensure transparency, encourage public engagement, and allow public inspection.

SME D Bank has two types of official information centers as follows :

1. An information center based at the office which is known as an official information center
2. An electronic information center that provides information on the Bank’s website: www.smebank.co.th

SME D Bank fully and continually complies with the Official Information Act B.E. 2540 to ensure equitable access by the public as follows:

1. The Bank appointed the Official Information Committee, which is empowered to develop guidelines and determine the implementation of operation and service procedures of the official information center to comply with the Official Information Act B.E. 2540.

2. The Bank shall disclose official information according to Section 7 and Section 9 of the Official Information Act B.E. 2540 on the Bank’s website: www.smebank.co.th.

3. The Bank provides channels for the public to conveniently access official information via the official information center with staff’s assistance or online channel via the Bank’s website: www.smebank.co.th.

4. The Bank makes available official Information for public inspection according to Section 9 paragraph one (8) of the Official Information Act B.E. 2540 by disclosing the list of employees attending the training courses hosted by the Bank to build employee capability on the Bank’s website: www.smebank.co.th.

5. The Bank discloses information on procurement, an invitation to bid, and procurement inquiry, and the winner of each bid or procurement that is officially signed on the Bank’s website: www.smebank.co.th.

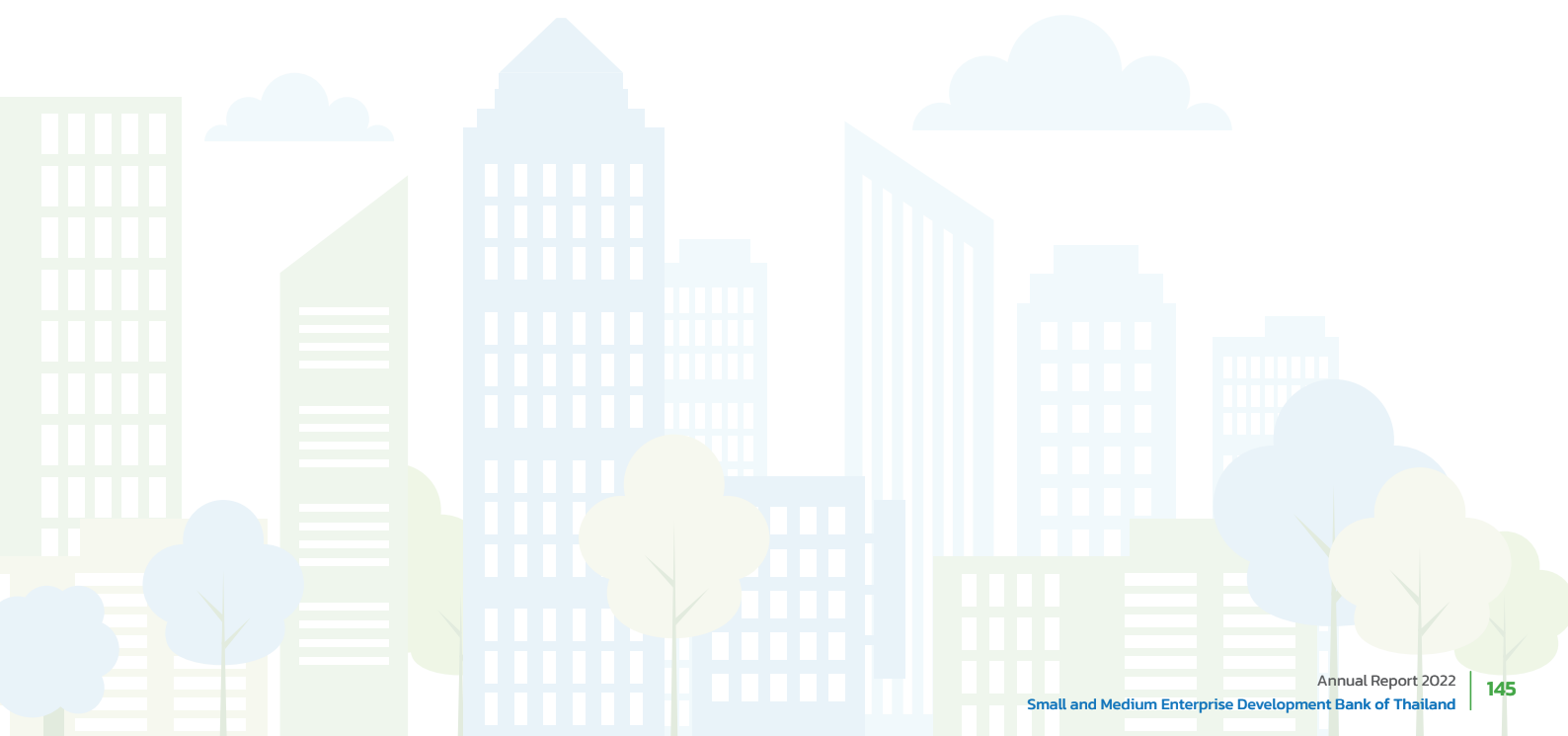
6. The Bank annually submits a report on the implementation of the Official Information Act B.E. 2540 to the Office of the Official Information Commission, the Office of the Permanent Secretary, the Prime Minister’s Office.

GUIDELINES FOR RECRUITMENT OF DIRECTORS

The recruitment of directors shall consider the qualifications and the absence of prohibited characteristics as stipulated in Section 15 of Small and Medium Enterprise Development Bank Act B.E. 2545 (SME D Bank Act), Section 5 of Standard Qualifications of the Directors and the Employees of State Enterprise Act B.E. 2518 and its amendments and the Bank of Thailand Notification No. SorKorSor.13/2562, dated September 2, 2017, Re: Qualifications and Prohibited Characteristics of Non Ex-officio Directors, Managers, Persons with Power of Management and Advisors of Specialized Financial Institutions. Moreover, the recruitment and appointment of the Board of Directors shall proceed under the appointment guidelines of State Enterprise directors set by the State Enterprise Policy Office (SEPO).

The Board of Directors consists of one chairman, other directors for not more than nine directors, and the Managing Director as ex-officio director, and the total number of the Board of directors must not exceed 11. The Board of Directors must have the following qualifications:

- Directors must have a wide range of competencies based on core competencies and requirements (Skill Matrix) that align with the Bank's mission and strategy as set forth by the policy. The number of Skill Matrix must not exceed the total number of the Board of directors.
- At least one-third of total directors must be on the list of Director Pool (DP) of the Ministry of Finance.
- At least one-third of total directors must be independent directors.
- At least one-third of the non ex-officio directors must have experience in the business sector.
- At least one director must have knowledge or experience in information technology.
- At least one director must have knowledge, expertise, and understanding of risks relating to financial institutions' business.



DEVELOPMENT AND ASSESSMENT OF THE BOARD OF DIRECTORS

Board Orientation for New Directors

Small and Medium Enterprise Development Bank of Thailand (SME D Bank) held the Meeting of the Board of Directors No. 10/2564 on Friday, July 22, 2022, and resolved to appoint Mr. Poonpat Sripleng as Director; the appointment became effective on the same date, while Mr. Nattapol Rangsitpol was appointed as Chairman at the Meeting of the Board of Directors No. 13/2564 held on December 26, 2022. The Bank organized Board Orientation for the new chairman and director to inform them of the Bank's significant information and business operations that would enhance the Board's performance as well as to create a thorough understanding of the Bank's mission and responsibilities through the following activities:

1. Organizing Board Orientation and delivering "Board of Directors Handbook," which contains essential information for the Board's responsibilities, for instance, visions, missions, objectives, organizational structure, the Charter of the Board of Directors, the Code of Ethics and Conduct of the Board of Directors, authority and duties of the Board of Directors and sub-committees, Small and Medium Enterprise Development Bank of Thailand Act, Standard Qualifications of State Enterprise Directors and Employees Act, and the Bank of Thailand's Notification regarding role and responsibilities and qualifications and prohibited characteristics of directors, disclosure

of assets and liability to the Office of the National Anti-Corruption Commission, board performance evaluation, remuneration and benefits of directors, and useful data for governing, regulating, and facilitating operations.

2. Delivering the "Board of Directors Handbook" for the Board of Directors' responsibilities. The Handbook includes visions, objectives, missions, organizational structure, the Charter of the Board of Directors, the Codes of Ethics and Conduct of the Board of Directors, authorities and duties of the Board of Directors and Sub-Committees, Small and Medium Enterprise Development Bank of Thailand Act, Standard Qualifications of State Enterprise Directors and Employees Act, and the Bank of Thailand's Notification regarding the qualifications and prohibited characteristics of directors, disclosure of asset and liability to the Office of the National Anti-Corruption Commission, board performance evaluation remuneration and benefits of directors, and useful data for governing, regulating, and facilitating operations.

3. Workshops and reviews on visions, missions, and operational direction in preparation for the 5 - year strategic plan (2023 - 2027) and the 2023 annual plan, as well as a draft of operational indicators based on the 2023 strategy and operations, and other significant information presented by the Bank's senior executives.

Development of the Board of Directors

The Bank promotes knowledge expansion for the Board of Directors every year by preparing the Governance Optimization Plan for the Board of Directors, which covers training, seminars, lectures, study trips, and site visits to enhance the Board's knowledge, capability, and competencies. The Bank also aims to expand the horizon in various aspects of corporate governance, such as human resource management and risk management, to ensure the achievement of the Bank's mission with efficiency and effectiveness. Thus, the Board of Directors is encouraged to attend training programs that benefit their roles and responsibilities in subcommittees as well as interesting courses organized by well-known and established institutes such as the Thai Institute of Directors (IOD), the Bank of Thailand, and the Government Financial Institutions Association. The programs can also be those which are significant and essential for current corporate governance. In 2022, the Bank supported the Board of Directors to attend training programs, seminars, and study tours as follows:

1. BNCP = Board Nomination and Compensation Program, Thai Institute of Directors (IOD)
2. RCP = Role of the Chairman Program, Thai Institute of Directors (IOD)
3. SFE = Successful Formulation and Execution of Strategy Program, Thai Institute of Directors (IOD)
4. Corporate Governance for Directors and Senior Executives of Regulators, State Enterprises, and Public Organizations Program, King Prajadhipok's Institute
5. Risk Culture of Financial Institutions policy guide, Bank of Thailand.

Self-Assessment of the Board of Directors

The Board of Directors assesses their performance once a year in two different assessment forms as follows:

1. Individual Assessment
2. Whole Board Assessment

The assessment is divided into three parts, namely 1) Board structure and directors qualifications, 2) Meeting of the Board of Directors, and 3) Role, duties, and responsibilities of the Board of Directors.

The Bank summarizes the assessment results and reports them to the Board of Directors for acknowledgment. The results and recommendations of the Board of directors will be used as data to improve operational effectiveness and as input for formulating the Governance Optimization plan for the Board of Directors.

SUB-COMMITTEE



BOARD OF DIRECTORS OF SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND

Board Structure

(SME D Bank's Board of Directors Order No. 1/2566, effective December 19, 2022 - present)

| | | | |
|-----|--------------------------|--------------------|------------------------|
| 1. | Mr. Nattapol | Rangsitpol | Chairman |
| 2. | Mr. Vichak | Apirugnunchai | Director |
| 3. | Ms. Sapatporn | Tharmmaphornphilas | Director |
| 4. | Mr. Wanchai | Phanomchai | Director |
| 5. | Ms. Chanisa | Chutipat | Director |
| 6. | Mr. Preecha | Ua-Anantathanakul | Director |
| 7. | Dr. Chatchai | Thnarudee | Director |
| 8. | Dr. Nattapol | Praditphonlert | Director |
| 9. | Asst. Prof. Dr. Tippawan | Pinvanichkul | Director |
| 10. | Mr. Poonpat | Sripleng | Director |
| 11. | Managing Director | | Director and Secretary |

Board Structure

(SME D Bank's Board of Directors Order No. 12/2566, effective July 22, 2022 - December 18, 2022)

| | | | |
|-----|--------------------------|--------------------|------------------------|
| 1. | Mr. Kobchai | Sungsitthisawad | Chairman |
| 2. | Mr. Vichak | Apirugnunchai | Director |
| 3. | Ms. Sapatporn | Tharmmaphornphilas | Director |
| 4. | Mr. Wanchai | Phanomchai | Director |
| 5. | Ms. Chanisa | Chutipat | Director |
| 6. | Mr. Preecha | Ua-Anantathanakul | Director |
| 7. | Dr. Chatchai | Thnarudee | Director |
| 8. | Dr. Nattapol | Praditphonlert | Director |
| 9. | Asst. Prof. Dr. Tippawan | Pinvanichkul | Director |
| 10. | Mr. Poonpat | Sripleng | Director |
| 11. | Managing Director | | Director and Secretary |

Duties and Responsibilities

Board of Directors of Small and Medium Enterprise Development Bank of Thailand shall perform duties and responsibilities according to Small and Medium Enterprise Development Bank of Thailand Act B.E.2545, the Bank of Thailand's notifications, and relevant laws.

BOARD OF EXECUTIVE DIRECTORS

Board of Executive Directors' Structure

(SME D Bank's Board of Directors Order No. 16/2565, effective August 24, 2022 - present)

| | | |
|--------------------------------|-----------------------|------------------------|
| 1. Mr. Vichak Apirugnunchai | SME D Bank's Director | Chairman |
| 2. Mr. Wanchai Phanomchai | SME D Bank's Director | Director |
| 3. Ms. Chanisa Chutipat | SME D Bank's Director | Director |
| 4. Dr. Nattapol Praditphonlert | SME D Bank's Director | Director |
| 5. Ms. Nartnaree Rattapat | | Director and Secretary |

Duties and Responsibilities

1. Establish the direction and guidelines for the Bank's operation in line with the policies and goals set by the Board of Directors without infringing the President's authority under Section 25.
2. Report the operating results to the Board of Directors on a quarterly basis.
3. Approve the request for the budget adjustment within the amount specified in the Bank's regulations and report to the Board of Directors for acknowledgment.
4. Approve organizational restructuring and scope of responsibilities of the departments supervised by the Senior Executive Vice President and report to the Board of Directors for acknowledgment.
5. Determine the annual bonus rate and extra payment and propose such remuneration to the Board of Directors for approval.
6. Determine annual salary increase rates for employees and propose them to the Board of Directors for approval.
7. Appoint sub-committees and/or working groups to carry out any action within the delegated authority framework.
8. Approve the procurement and lease of the properties in the amount of over 20 million Baht up to not exceeding 50 million Baht.
9. Appoint or hire an external expert as deemed appropriate or seek professional opinions from relevant qualified persons or external experts at the Bank's expense.
10. Approve credit line for an individual of over 50 million Baht but not exceeding 200 million Baht exclusively for those falling within the definition of the Act for Financial Aids for Enterprises affected by COVID-19 Pandemic B.E. 2563.
11. Approve loan term extension or review loan limit and debt restructuring for borrowers with a credit line of over 50 million Baht up to not exceeding 200 million Baht as follows:
 - 11.1 Formulate policy, criteria, and practical procedures regarding review of loan term extension or loan limit and debt restructuring according to the credit limit authorization set forth in item 11.

11.2 Approve loan term extension or review loan limit and approve the waiver or change of lending terms and conditions that have been previously approved within the credit limit authorization set forth in Item 11 as follows:

- 1) Extend or shorten the grace period.
- 2) Transform short-term debt into long-term debt and vice versa.
- 3) Increase or decrease interest rate, grace period, repayment of principal amount and/or interest for each installment.
- 4) Review credit category provided that it shall not increase credit limit beyond the approval authority.
- 5) Increase or decrease or change of collateral or guarantor.
- 6) Accept the transferred assets whether they are collateral for repayment or not.
- 7) Reduce or exempt the accrued interests, fines, default interest rates, and other fees that have not been realized as revenue in the profit and loss account according to the criteria prescribed by the Bank of Thailand.

The actions in items 1) - 7) above shall not cause the accounting loss recognized in the profit and loss account according to the Bank of Thailand's revenue recognition criteria currently in effect.

11.3 Approve restructuring of NPLs within the credit limit authorization set forth in Item 11 as follows:

- 1) Extend or shorten the grace period.
- 2) Transform short-term debt into long-term debt and vice versa.
- 3) Increase or decrease interest rate, grace period, repayment of principal amount and/or interest for each installment.
- 4) Review credit category provided that it shall not increase credit limit beyond the approval authority.
- 5) Increase or decrease or change of collateral or guarantor.
- 6) Accept the transferred assets whether they are collateral for repayment or not.
- 7) Reduce or exempt the accrued interests, fines, default interest rates, and other fees that have not been realized as revenue in the profit and loss account according to the criteria prescribed by the Bank of Thailand.

The actions in items 1) - 7) above shall not cause the accounting loss recognized in the profit and loss account according to the Bank of Thailand's revenue recognition criteria currently in effect.

12. Consider and screen loans and debt restructuring with a credit line of over 200 million Baht per case before submitting to the Board of Directors for approval.
13. Approve debt restructuring of venture capital funds for SMEs in agribusiness and related businesses, as well as litigation and other matters in accordance with venture capital regulations and policies.
14. Perform other tasks as assigned by the Board of Directors.

AUDIT COMMITTEE

Committee Structure

(SME D Bank's Board of Directors Order No. 05/2564, effective February 24, 2021 - present)

1. Mr. Preecha Ua-Anantathanakul Chairman
2. Dr. Chatchai Thnarudee Director
3. Executive Vice President, Audit Division Secretary
Or Vice President, Internal Audit Department

Duties and Responsibilities

The Audit Committee oversees the Bank's operations to ensure compliance with relevant laws, rules, and regulations, including the Cabinet resolutions, Notifications of the Bank of Thailand, and applicable guidelines and practices of the state enterprises' audit committee. The Audit Committee shall enhance the operational efficiency to create added value to the Bank and build public trust and confidence to ensure that the Bank operates with prudence, fairness, transparency, as well as authority and responsibilities as prescribed in the Charter of the Audit Committee. The Audit Committee shall report the audit results to the Board of Directors.

RISK OVERSIGHT COMMITTEE

Committee Structure

(SME D Bank's Board of Directors Order No. 13/2565, effective August 24, 2022 - present)

| | | | |
|----|---------------|--------------------|---------------------|
| 1. | Mr. Poonpat | Sripleng | Chairman |
| 2. | Ms. Sapatporn | Tharmmaphornphilas | Director |
| 3. | Ms. Nartnaree | Rattapat | Director |
| 4. | Mr. Jessada | Chor. Charoenying | Secretary |
| 5. | Ms. Wiyada | Manoprasertkul | Assistant Secretary |

Committee Structure

(SME D Bank's Board of Directors Order No. 02/2565, effective March 1, 2022 - August 23, 2022)

| | | | |
|----|--------------------------|--------------------|---------------------|
| 1. | Mr. Poonpat | Sripleng | Advisor |
| 2. | Asst. Prof. Dr. Tippawan | Pinvanichkul | Chairman |
| 3. | Ms. Sapatporn | Tharmmaphornphilas | Director |
| 4. | Ms. Nartnaree | Rattapat | Director |
| 5. | Mr. Jessada | Chor. Charoenying | Secretary |
| 6. | Ms. Wiyada | Manoprasertkul | Assistant Secretary |

Duties and Responsibilities

The Risk Oversight Committee performs duties and responsibilities according to the policy, its charter, rules and regulations, and relevant orders.



NOMINATION AND REMUNERATION COMMITTEE

Committee Structure

(SME D Bank's Board of Directors Order No. 37/2564, effective September 22, 2021 - present)

| | | | |
|----|---|-----------------------|---------------------|
| 1. | Mr. Wanchai Phanomchai | SME D Bank's Director | Chairman |
| 2. | Ms. Chanisa Chutipat | SME D Bank's Director | Member |
| 3. | Ms. Sapatporn Tharmmaphornphilas | SME D Bank's Director | Member |
| 4. | Managing Director | | Member |
| 5. | Senior Executive Vice President, Organization Support Group | | Secretary |
| 6. | Executive Vice President, Resources Management Division | | Assistant Secretary |

Duties and Responsibilities

The duties and responsibilities of the Nomination and Remuneration Committee are defined in clauses 86 (1) - (9) of the SME D Bank's amended regulations on human resource management, compensation, and other bank expenses, B.E. 2562 (new edition) (No.1), B.E. 2563, as follows:

1. Devise policy, criteria, and procedure for recruiting Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President and First Executive Vice President and nominate them to the Board of Directors for approval.
2. Screen and nominate qualified candidates for the Director position under the law, rules, and regulations, and the Bank's good governance principles. Analyze skills and necessary knowledge based on the Bank's Skill Matrix and consider the candidates listed in the Director's Pool of the Ministry of Finance. Check the background and work performance from the past to the present to avoid conflicts of interest. Nominate the candidates to the Board of Directors and/or shareholders for approval before seeking approval from the Bank of Thailand.
3. Review and approve the succession plan and management process of executives, namely Senior Executive Vice President and First Executive Vice President, Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President or Executive Vice President to maintain business continuity, which benefits the operations, and ensure efficient management of the Bank.
4. Specify the guidelines for evaluating sub-committees' performance according to the good corporate governance principles.
5. Approve the criteria for annual performance evaluation, criteria for salary increases or criteria for bonus payment when the Bank has gained profit and received approval from the State Enterprise Policy Office (SEPO), to the Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President, or Executive Vice President. Duties and responsibilities as well as relevant risks must be taken into account. Then the Committee proposes the criteria to the Board of Directors for approval.
6. Disclose the policy on human resources management, recruitment, and remuneration in various forms and include the information in the Bank's annual report.
7. Approve the criteria and process for employment, appointment, and promotion of employees levels 11-13 as nominated by the Managing Director.

8. Propose guidelines and recommendations for improving the efficiency of the Bank's human resources management, such as the organizational structure, the Bank's employee compensation structure, employee development and empowerment, guidelines for efficient employee management, and guidelines for improvement of employee disciplinary procedures, etc.
9. Perform other duties related to human resources management, nomination, and remuneration as assigned by the Board of Directors.

The Board of Directors' meeting No. 3/2565 on February 23, 2022, approved the revision of the Nomination and Remuneration Committee's duties and responsibilities as follows:

1. Devise a recruiting policy, criteria, and procedure, approve the list of suitable candidates for the positions of Senior Executive Vice President, First Executive Vice President, and Executive Vice President, as well as the person who performs duties equivalent to those of Senior Executive Vice President and Executive Vice President, and nominate them to the Board of Directors for approval.
2. Screen and nominate qualified candidates for the Director position in accordance with the law, rules, and regulations, as well as the Bank's good governance principles. Analyze the candidates' skills and necessary knowledge based on the Bank's skill matrix and consider the candidates listed in the Director's Pool of the Ministry of Finance. Check their background and work performance from the past to the present to avoid conflicts of interest. Nominate the candidates to the Board of Directors and/or shareholders for approval before seeking approval from the Bank of Thailand.
3. Review and approve the succession plan and management process of executives such as Senior Executive Vice President, First Executive Vice President, Executive Vice President, as well as the person who performs duties equivalent to those of Senior Executive Vice President or Executive Vice President, in order to maintain business continuity, which benefits operations, and ensure efficient management of the Bank.
4. Set the performance evaluation guidelines for subcommittees in line with the principles of good corporate governance.
5. Disclose policies on human resource management, recruitment, and remuneration in various formats and include them in the Bank's annual report.
6. Perform other actions as assigned by the Bank's Board of Directors.

EMPLOYEE RELATIONS COMMITTEE

Committee Structure

(The Board of Directors' Order No. 198/2565, effective from December 16, 2022 - present)

| | | | | |
|-----|---|--------------------|-------------------------|-----------|
| 1. | Mr. Vichak | Apirugnunchai | SME D Bank's Director | Chairman |
| 2. | Mr. Jessada | Chor. Charoenying | Employer Representative | Director |
| 3. | Mr. Pichit | Mitrawong | Employer Representative | Director |
| 4. | Mr. Chatri | Wetsoranasutee | Employer Representative | Director |
| 5. | Mr. Saree | Musigerst | Employer Representative | Director |
| 6. | Ms. Kunlaya | Chalermchokchai | Employer Representative | Director |
| 7. | Mr. Khemmachat | Apiratchatanont | Employer Representative | Director |
| 8. | Mr. Chainarong | Chatrattanawaree | Employer Representative | Director |
| 9. | Mr. Wirote | Pronlertprong | Employee Representative | Director |
| 10. | Mr. Eakasit | Sukahotu | Employee Representative | Director |
| 11. | Mr. Prateep | Potong | Employee Representative | Director |
| 12. | Mr. Surachet | Suksompong | Employee Representative | Director |
| 13. | Mr. Rachata | Inthanil | Employee Representative | Director |
| 14. | Mr. Naritpong | Rojjanatpariyakorn | Employee Representative | Director |
| 15. | Mr. Paskon | Suriyo | Employee Representative | Director |
| 16. | Vice President, Human Resources Management Department | | | Secretary |

Duties and Responsibilities

The Employee Relations Committee has the duties and responsibilities stated in the Charter of the Employee Relations Committee.

Committee Structure

(The Board of Directors' Order No. 32/2564, effective from September 10, 2022 - December 15, 2022)

| | | | | |
|-----|----------------|-------------------|-------------------------|----------|
| 1. | Mr. Vichak | Apirugnunchai | SME D Bank's Director | Chairman |
| 2. | Mr. Jessada | Chor. Charoenying | Employer Representative | Director |
| 3. | Mr. Pichit | Mitrawong | Employer Representative | Director |
| 4. | Mr. Chatri | Wetsoranasutee | Employer Representative | Director |
| 5. | Mr. Saree | Musigerst | Employer Representative | Director |
| 6. | Ms. Kunlaya | Chalermchokchai | Employer Representative | Director |
| 7. | Mr. Khemmachat | Apiratchatanont | Employer Representative | Director |
| 8. | Mr. Piwat | Chaiyanukij | Employer Representative | Director |
| 9. | Mr. Pornvisit | Ruengdit | Employee Representative | Director |
| 10. | Mr. Wirote | Pronlertprong | Employee Representative | Director |
| 11. | Mr. Apeesak | Silprasit | Employee Representative | Director |
| 12. | Mr. Prakit | Kopolrutana | Employee Representative | Director |
| 13. | Mr. Tassana | Phandech | Employee Representative | Director |
| 14. | Ms. Jiraporn | Utarit | Employee Representative | Director |
| 15. | Mr. Pairat | Runpho | Employee Representative | Director |

The Vice President of the Human Resources Management Department shall act as secretary of the Employee Relations Committee. The Committee shall be responsible for the duties and responsibilities set forth in Section 23 of the State Enterprise Labor Relations Act, B.E. 2543 (2000). The members of the Committee shall hold office for a term of two years.

Duties and Responsibilities

1. Consider and provide opinions on operational efficiency improvements, as well as promote and develop labor relations.
2. Aim to reconcile and settle disputes that occur within the Bank.
3. Review and improve work rules and regulations for the benefit of the employers, employees, and the Bank.
4. Discuss and resolve the complaints of SME D Bank's employees or labor union, including complaints about disciplinary action.
5. Provide consultation on the improvement of employment conditions.

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CG&CSR)

Committee Structure

(SME D Bank's Board of Directors Order No. 14/2565, effective August 24, 2022 - present)

| | | |
|----|---------------------------------------|-----------|
| 1. | Asst. Prof. Dr. Tippawan Pinvanichkul | Chairman |
| 2. | Mr. Chatri Wetsoranasutee | Director |
| 3. | Mr. Jessada Chor. Charoenying | Director |
| 4. | Mr. Saree Musigerst | Director |
| 5. | Ms. Ubolrat Karpang | Director |
| 6. | Mr. Cherdchai Ouanmin | Secretary |

Duties and Responsibilities

(SME D Bank's Board of Directors Order No. 41/2564, effective September 22, 2021- August 23, 2022)

| | | |
|----|-------------------------------|-----------|
| 1. | Dr. Chatchai Thnarudee | Chairman |
| 2. | Mr. Chatri Wetsoranasutee | Director |
| 3. | Mr. Jessada Chor. Charoenying | Director |
| 4. | Mr. Saree Musigerst | Director |
| 5. | Ms. Ubolrat Karpang | Director |
| 6. | Mr. Cherdchai Ouanmin | Secretary |

Duties and Responsibilities

1. Screen the policy on Corporate Governance and Corporate Social Responsibility (CG&CSR) as well as the charter and propose them to the Board of Directors for consideration.
2. Approve review of the policy on Corporate Governance and Corporate Social Responsibility (CG&CSR) and the charter and propose them to the Board of Directors for acknowledgment, except for the case of significant change, which shall be proposed to the Board of Directors for consideration.
3. Approve the handbook and action plan of Corporate Governance and Corporate Social Responsibility (CG&CSR)
4. In case any laws, regulations, or standards require approval of the Board of Directors, the CG&CSR Committee has the responsibility to review and approve before proposing them to the Board of Directors for approval.
5. Monitor the Bank's operations to ensure that they align with the good governance policy and approach as well as achieve the targets of the Corporate Governance and Corporate Social Responsibility (CG&CSR) action plan.
6. Promote continuous engagement of the Board of Directors, executives, and employees in corporate governance and social and environmental responsibility activities.
7. Provide recommendations to the Board of Directors and supervise the operation of the Committee and the management to ensure compliance with the Bank's regulations and relevant laws.
8. Consider the qualifications of a qualified person or expert and propose for appointment as an advisor in accordance with the Bank's procedures.
9. Arrange a co-ordination or meeting with the Risk Oversight Committee and the Audit Committee to exchange information on the development of good corporate governance processes.
10. Appoint the sub-working committee to facilitate corporate governance and corporate social responsibility.

PERFORMANCE APPRAISAL COMMITTEE

Committee Structure

(SME D Bank's Board of Directors Order No. 42/2564, effective November 4, 2021 - present)

| | | | | |
|----|--------------------------|--------------------|--------------------------|-----------|
| 1. | Ms. Sapatporn | Tharmmaphornphilas | SME D Bank's Director | Chairman |
| 2. | Asst. Prof. Dr. Tippawan | Pinvanichkul | SME D Bank's Director | Director |
| 3. | Mr. Vichit | Kornvityakoon | Expert | Director |
| 4. | Mr. Pichit | Mitrawong | Executive Vice President | Secretary |

Duties and Responsibilities

1. Determine the criteria for performance appraisal of the Managing Director.
2. Consider and specify the guideline for performance appraisal and increase of fixed compensation and special compensation for the Managing Director.
3. Appraise the Managing Director's performance and report the results to the Board of Directors for consideration.
4. Perform other duties related to the determination of compensation as assigned by the Board of Directors.

INFORMATION TECHNOLOGY COMMITTEE

Committee Structure

(SME D Bank's Board of Directors Order No. 39/2564, effective September 22, 2021 - present)

- | | | | |
|----|---|--------------|---------------------|
| 1. | Ms. Chanisa | Chutipat | Chairman |
| 2. | Mr. Maythapolnun | Athimethphat | Director |
| 3. | Ms. Amare | Klabprathum | Director |
| 4. | Mr. Verawat | Srisom | Director |
| 5. | Ms. Nartnaree | Rattapat | Director |
| 6. | Senior Executive Vice Presiden, Organization Support Group | | Secretary |
| 7. | Ms. Sumavasee Salasuk | | Assistant Secretary |

Duties and Responsibilities

1. Oversee the formulation of SME D Bank's IT strategies, project plans, and digital action plans to align with the Bank's strategic plan, as well as the formulation of IT policies to comply with standards and laws.
2. Consider, screen, and review the procurement and development of the IT system and infrastructure; oversee the Bank's operation to ensure that the plan is followed in a consistent and stable manner with adequate potential in order to achieve the goal and support continuous service.
3. Oversee compliance with laws and regulations related to digital technology, including the implementation of new technology and its significant impacts on business operations.
4. Oversee and monitor operations to be in accordance with IT risk management and audit principles.
5. Approve policies relevant to the IT operations as assigned by the Bank's Board of Directors.
6. Report the IT performance to the Bank's Board of Directors on a quarterly basis.
7. Maintain the confidentiality of the Bank's internal information; the information will not be distributed for personal gain or the benefit of others, either directly or indirectly.

INVESTMENT COMMITTEE OF SMES PRIVATE EQUITY FUND I

Committee Structure

(SME D Bank’s Board of Directors Order No. 45/2564, effective October 27, 2021 - present)

- | | | |
|----|-----------------------------|----------|
| 1. | Dr. Nattapol Praditphonlert | Chairman |
| 2. | Mr. Weidt Nuchjalearn | Director |
| 3. | Mr. Boonrat Winyukanon | Director |
| 4. | Mr. Chatri Wetsoranasutee | Director |

Duties and Responsibilities

1. Determine the trust fund investment policy.
2. Approve venture capital transactions and determine practice guidelines for venture capital, risk prevention, and venture capital exit strategies, as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies in relation to joint investment in the trust.
3. Supervise the operation of the trust manager.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Approve the trust’s investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other duties as assigned by the meeting of the Board of Directors or the unitholders.



INVESTMENT COMMITTEE OF SMES PRIVATE EQUITY FUND II

Committee Structure

(SME D Bank's Board of Directors Order No. 14/2564, effective March 10, 2021 - present)

| | | | |
|----|--------------------------|----------------|----------|
| 1. | Asst. Prof. Dr. Tippawan | Pinvanichkul | Chairman |
| 2. | Mr. Bunsak | Siprasertying | Director |
| 3. | Ms. Phensri | Suthirasna | Director |
| 4. | Mr. Chatri | Wetsoranasutee | Director |

Duties and Responsibilities

1. Determine the trust fund investment policy.
2. Approve venture capital transactions and determine practice guidelines for venture capital, risk prevention, and venture capital exit strategies, as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies of joint investment in the trust.
3. Supervise the operation of the trust manager.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Approve the trust's investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other duties as assigned by the meeting of the Board of Directors or the unitholders.

INVESTMENT COMMITTEE FOR VENTURE CAPITAL FUND FOR SMES IN AGRIBUSINESS AND RELATED BUSINESS

Committee Structure

(SME D Bank’s Board of Directors Order No. 15/2564, effective March 10, 2021 - present)

- | | | |
|----|---------------------------------|----------|
| 1. | Ms. Sapatporn Thammaphornphilas | Chairman |
| 2. | Mr. Chatri Wetsoranasutee | Director |
| 3. | Ms. Ubolrat Karpang | Director |

Duties and Responsibilities

1. Determine the investment policy and practice guidelines for venture capital and investment risk prevention.
2. Approve venture capital transactions and venture capital exit strategies, as well as debt restructuring and litigation, and other procedures to ensure compliance with the requirements and policies of venture capital.
3. Supervise the operation of the fund.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Perform other duties as assigned by the Board of Directors.



KNOWLEDGE AND INNOVATION MANAGEMENT COMMITTEE (KM)

Committee Structure

| | | | | |
|----|------------------------|-------------------|---|---------------------|
| 1. | Dr. Nattapol | Praditphonlert | SME D Bank's Director | Chairman |
| 2. | Dr. Pakorn | Prechaporn | Expert | Director |
| 3. | Professor Dr. Supachai | Patomnakul | | Director |
| 4. | Ms. Wimolrat | Piyasathapornpong | Senior Executive Vice President, Organization Support Group | Director |
| 5. | Mr. Mogul | Posayapisith | Senior Executive Vice President, Division of Corporate Strategy, Business Development and Entrepreneurship | Secretary |
| 6. | Mr. Nipon | Yuddhanaraveesak | Executive Vice President, Business-Product-Service Development Sub-Division | Assistant Secretary |
| 7. | Ms. Sumavasee | Salasuk | Executive Vice Presiden, Digital Business and Information Technology Sub-Division | Assistant Secretary |

Duties and Responsibilities

1. Determine and review policy and strategy for the development of knowledge management, promote creative ideas and innovation management and present them to the Board of Directors for consideration.
2. Approve both long-term and annual master plan for knowledge and innovation management.
3. Determine and review the promotion and support of activities for the development of knowledge and innovation management, engaging the executives and employees in contributing creative ideas and innovation management.
4. Oversee and monitor implementation results of the knowledge and innovation management master plan on a quarterly basis to ensure that the annual operation plan achieves its targets.
5. Appoint steering committees or invite related persons or agencies who can support and stimulate departments to contribute their creative ideas and manage innovation.
6. Refrain from disclosing the Banks' internal information to the public to obtain benefits, directly or indirectly, for one's own or for relevant parties.
7. Perform other duties related to knowledge and innovation management as assigned by the Board of Directors.

Remark : The Board of Directors approved the dissolution of the Knowledge and Innovation Management Committee at meeting No. 11/2565 on August 24, 2022, following Order No. 15/2565, Re: Cancellation of the Bank's Board of Directors' Order No. 40/2564, on September 21, 2022.



DISCLOSURE OF INFORMATION OF THE BOARD OF DIRECTORS

As of December 31, 2022

| | Mr. Nattapol Rangsitpol Chairman | Mr. Kobchai Sungsitthisawad Chairman | Mr. Vichak Apirugnunchai Director | Ms. Sapatporn Tharmmaphornphilas Director | Mr. Wanchai Phanomchai Director | Ms. Chanisa Chutipat Director |
|---|---|---|--------------------------------------|--|------------------------------------|----------------------------------|
| Remarks Date taking office / and Date office expired | Date taking office: Dec 19, 2022 | Date taking office: Feb 15, 2021 Retirement date: Sep 30, 2022 | Date taking office: Feb 15, 2021 | Date taking office: Feb 15, 2021 | Date taking office: Feb 15, 2021 | Date taking office: Feb 15, 2021 |
| 1. Directors retiring by rotation on Feb 14, 2021 and reappointed on Feb 15, 2021 | | | | | | |
| 2. Director reappointed on Feb 15, 2021 | | | | | | |
| 3. Director reappointed after on July 22, 2022 and December 19, 2022 | | | | | | |
| 1. Holding a position as a Director in a state enterprise and/or a juristic person where the state enterprise is a shareholder of no more than 3 places | All Directors hold positions in no more than 3 state enterprises. | | | | | |
| 2. Reporting on the connected transactions between Directors and their close relatives and the Small and Medium Enterprise Development Bank of Thailand | Director, spouse, and minor children of each Director neither have credit transactions nor are a partner with the bank personally, or a legal entity in which the Director is a shareholder, or authorized signatory, or executive, or guarantor. | | | | | |
| 3. Director's Pool | X | ✓ | ✓ | X | X | ✓ |
| 4. Holding a position or shares of the companies where Small and Medium Enterprise Development Bank of Thailand is a shareholder | Related | Not Related | Related | Not Related | Related | Not Related |
| 1. Thai Credil Guarantee Corporation (TCG) | | X | | X | | X |
| 2. National Credit Bureau Company Limited | | X | | X | | X |
| 3. Innospace (Thailand) Company Limited | | X | | X | | X |
| 4. National Digital ID Company Limited | | X | | X | | X |
| 5. Chao Praya Insurance Public Company Limited | | X | | X | | X |
| 6. PowerQ and Saving Intania Company Limited | | X | | X | | X |
| 7. Wattasarn Media Company Limited | | X | | X | | X |
| 8. Petttec Intergroup Company Limited | | X | | X | | X |
| 9. Thai Fashion Center Company Limited | | X | | X | | X |
| 10. Techno Asia Tire Company Limited | | X | | X | | X |
| 11. Bangkok Marine Engineering Company Limited | | X | | X | | X |
| 12. Thai Umaporn Textile Company Limited | | X | | X | | X |
| 13. Maniedaming Company Limited | | X | | X | | X |
| 14. Artowood (Thailand) Company Limited | | X | | X | | X |
| 15. BITEC Kool Block Company Limited | | X | | X | | X |
| 16. Khao Yai Panorama Farm Company Limited | | X | | X | | X |
| 17. Virgin F&B Company Limited | | X | | X | | X |
| 18. Tree N Cassava By Products Company Limited | | X | | X | | X |
| 19. Insurtech Solutions Company Limited | | X | | X | | X |
| 20. Company B Company Limited | | X | | X | | X |
| 21. Pet Club Company Limited | | X | | X | | X |
| 22. Sritrang Logistics Company Limited | | X | | X | | X |
| 23. Bigphaisan Project Company Limited | | X | | X | | X |
| 24. General Outsourcing Company Limited | | X | | X | | X |
| 25. Nova Organic Public Company Limited | | X | | X | | X |
| 26. Delta Paint Public Company Limited | | X | | X | | X |
| 27. Storage Asia Public Company Limited | | X | | X | | X |
| 28. KT Medical Service Public Company Limited | | X | | X | | X |
| 29. Jones Salad Company Limited | | X | | X | | X |
| 30. TTG Food Company Limited | | X | | X | | X |
| 31. Mixion foods Company Limited | | X | | X | | X |
| 32. I-CY Chaya Company Limited | | X | | X | | X |
| 33. Cordially Made Company Limited | | X | | X | | X |
| 34. Value Sourcing Company Limited | | X | | X | | X |
| 35. Activeplus Blue Company Limited | | X | | X | | X |
| 36. Eatlap Company Limited | | X | | X | | X |
| 37. Generation S Company Limited | | X | | X | | X |

(As of December 31, 2022)

Remarks : Ms. Nartnaree Rattapat, Managing Director, was assigned as the Bank's representative to be Director of National Credit Bureau Company Limited.

MEETING ATTENDANCE, REMUNERATION AND MEETING ALLOWANCE OF **THE BOARD OF DIRECTORS, THE BOARD OF EXECUTIVE DIRECTORS, AND SENIOR EXECUTIVE VICE PRESIDENTS** IN 2022

December 31, 2022

| No. | Name | Monthly remuneration (12 months) | Board of Directors' monthly meeting allowance (total) | Board of Executive Directors' monthly meeting allowance (total) | Audit Committee's monthly meeting allowance (total) | Board of Directors | Board of Executive Directors | Audit Committee |
|------------------------------------|---------------------------------------|----------------------------------|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | | | | | | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) |
| 1. | Mr. Nattapol Rangsitpol | 20,000.00 | 25,000.00 | | | Chairman (1/1) | | |
| 2. | Mr. Kobchai Sungsitthisawad | 180,000.00 | 275,000.00 | | | Chairman (12/12) | | |
| 3. | Mr. Vichak Apirugnunchai | 120,000.00 | 240,000.00 | 150,000.00 | | Director (13/13) | Chairman (15/15) | |
| 4. | Ms. Sapatporn Thammaphornphilas | 120,000.00 | 220,000.00 | | | Director (11/13) | | |
| 5. | Mr. Wanchai Phanomchai | 120,000.00 | 220,000.00 | 70,000.00 | | Director (11/13) | Director (12/15) | |
| 6. | Ms. Chanisa Chutipat | 120,000.00 | 240,000.00 | 120,000.00 | | Director (13/13) | Director (15/15) | |
| 7. | Mr. Preecha Ua-Anantathanakul | 120,000.00 | 240,000.00 | | 300,000.00 | Director (13/13) | | Chairman (13/13) |
| 8. | Dr. Chatchai Thnarudee | 120,000.00 | 240,000.00 | | 240,000.00 | Director (13/13) | | Member (13/13) |
| 9. | Dr. Nattapol Praditphonlert | 120,000.00 | 240,000.00 | 120,000.00 | | Director (13/13) | Director (15/15) | |
| 10. | Asst. Prof. Dr. Tippawan Pinvanichkul | 120,000.00 | 220,000.00 | | | Director (13/13) | | |
| 11. | Mr. Poonpat Sripleng | 53,333.33 | 80,000.00 | | | Director (4/4) | | |
| 12. | Ms. Nartnaree Rattapat | 120,000.00 | 240,000.00 | 120,000.00 | | Director and Secretary (13/13) | Director and Secretary (15/15) | |
| 13. | Mr. Jessada Chor. Charoenying | | | | | | | |
| 14. | Mr. Pichit Mitrawong | | | | | | | |
| 15. | Mr. Mogul Posayapisith | | | | | | | |
| 16. | Mr. Chatri Wetsoranasuttee | | | | | | | |
| 17. | Ms. Wimolrat Piyasathapornpong | | | | | | | |
| Remuneration and Meeting Allowance | | 1,333,333.33 | 2,480,000.00 | 580,000.00 | 540,000.00 | 2,480,000.00 | 580,000.00 | 540,000.00 |

Remarks

- An independent director is a director who is an expert and has no position in any related state enterprises or government agencies.
- The new Board of Directors was appointed at the Extraordinary General Meeting of Shareholders No. 1/2564, on February 15, 2021.
- Mr. Poonpat Sripleng was appointed to the Board of Directors following the Board of Directors meeting resolution No.10/2565, effective July 22, 2022.
- Mr. Kobchai Sungsitthisawad, the Bank's Chairman, retired on September 30, 2022.
- Mr. Nattapol Rangsitpol was appointed as Chairman following the Ministry of Finance's Memorandum No. Gor Kor 0824/Lor 2971 dated December 19, 2022, effective from December 19, 2022.
- The Board of Directors approved the dissolution of the Knowledge and Innovation Management Committee (KM) at meeting No. 11/2565 on August 24, 2022, following Order No. 15/2565, Re: Cancellation of the Bank's Board of Directors' Order No. 40/2565, on September 21, 2022.

| Meeting Attendance and Meeting Allowance | | | | | | | | | |
|--|---------------------------------------|--------------------------------------|---|-------------------------------------|-------------------------------------|---|--|--|--|
| Risk Oversight Committee | Nomination and Remuneration Committee | Employee Relations Committee | Corporate Governance and Corporate Social Responsibility Committee (CG&CSR) | Performance Appraisal Committee | Information Technology Committee | Knowledge and Innovation Management Committee | Investment Committee of SMEs Private Equity Fund 1 | Investment Committee of SMEs Private Equity Fund 2 | Venture Capital Fund for SMEs in Agribusiness and Related Businesses |
| (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | ((Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) | (Meetings attended/ Total meetings) |
| | | | | | | | | | |
| | | Chairman (10/10) | | | | | | | |
| Member (11/12) | Member (8/8) | | | Chairman (6/6) | | | | | Chairman (3/3) |
| | Chairman (8/8) | | | | | | | | |
| | Member (8/8) | | | | Chairman (15/15) | | | | |
| | | | Chairman (8/8) | | | | | | |
| | | | | | | Chairman (4/4) | Chairman (15/15) | | |
| Chairman (8/8) | | | Chairman (4/4) | Member (6/6) | | | | Chairman (5/5) | |
| Chairman (4/4) | | | | | | | | | |
| Member (12/12) | Member (8/8) | | | | Member (14/15) | | | | |
| Member (10/12) | | Member (10/10) | Member (7/8) Member (4/4) | | | | | | |
| | | Member (9/10) | | | | | | | |
| | | | | | | Secretary (3/4) | | | |
| | | Member (9/10) | Member (5/8) Member (3/4) | | | | Member (15/15) | Member (5/5) | Member (3/3) |
| | | | | | Secretary (9/15) | Member (3/4) | | | |
| 202,500.00 | 130,000.00 | 192,200.00 | 135,000.00 | 102,500.00 | 450,000.00 | 90,000.00 | - | - | 37,500.00 |

FINANCIAL HIGHLIGHTS

Small and Medium Enterprise Development Bank of Thailand As of December 31, 2022, 2021 and 2020

| Items | 2022 | | 2021 | | 2020 | |
|---|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|
| | Amount | % Increase (Decrease) | Amount | % Increase (Decrease) | Amount | % Increase (Decrease) |
| Financial position (million Baht) | | | | | | |
| Interbank and money market items, net | 2,750.77 | 198.54 | 921.40 | (72.12) | 3,304.83 | (66.28) |
| Investment, net | 8,781.77 | (2.57) | 9,013.10 | 2.01 | 8,835.63 | 3.43 |
| Loans and accrued interest receivable, net | 100,549.78 | 5.66 | 95,166.55 | 3.34 | 92,089.99 | 2.94 |
| Total assets | 116,193.43 | 7.32 | 108,266.44 | 0.47 | 107,764.54 | (3.53) |
| Deposits | 52,367.32 | (4.44) | 54,799.09 | 2.23 | 53,603.23 | (7.93) |
| Interbank and money market items, net (liabilities) | 23,607.86 | 67.98 | 14,054.04 | 29.16 | 10,881.12 | 60.49 |
| Issued bonds and borrowings | 26,240.67 | (0.26) | 26,309.25 | (13.40) | 30,378.85 | (0.28) |
| Total liabilities | 104,537.70 | 7.32 | 97,404.54 | 0.07 | 97,339.76 | (6.95) |
| Issued and paid up to share capital | 36,231.81 | 0.00 | 36,231.81 | 0.00 | 36,231.81 | 0.00 |
| Premium (discount) on share capital | (15,476.81) | 0.00 | (15,476.81) | 0.00 | (15,476.81) | 0.00 |
| Shareholders' equity | 11,655.73 | 7.31 | 10,861.90 | 4.19 | 10,424.78 | 46.91 |
| Operating results (million Baht) | | | | | | |
| Interest income | 4,672.50 | 10.34 | 4,234.60 | (6.51) | 4,529.53 | (11.65) |
| Non-interest income | 948.53 | 27.22 | 745.56 | (15.14) | 878.54 | (18.10) |
| Total income | 5,621.03 | 12.87 | 4,980.16 | (7.91) | 5,408.07 | (12.77) |
| Interest expenses | 851.00 | (13.30) | 981.49 | (25.54) | 1,318.16 | (17.65) |
| Non-interest expenses | 2,619.03 | 7.54 | 2,435.51 | 80.03 | 1,352.85 | (82.29) |
| Total expenses | 3,470.03 | 1.55 | 3,417.00 | 27.93 | 2,671.01 | (71.09) |
| Profit (loss) from operations, net | 2,151.00 | 37.61 | 1,563.16 | (42.89) | 2,737.06 | 190.01 |
| Impairment loss of loans and losses from debt restructuring | 1,596.40 | 54.39 | 1,034.04 | (58.12) | 2,468.97 | (12.37) |
| Net profit (loss) | 554.60 | 4.82 | 529.12 | 97.37 | 268.09 | 104.58 |
| Capital adequacy ratio | 13.90% | | 13.56% | | 13.88% | |

CHARTER OF THE BOARD OF DIRECTORS SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND

To determine clear roles, duties, and responsibilities that the SME D Bank's Board of Directors must adhere to as a key policy in order to achieve accurate and efficient operations according to the principles of good governance of the Bank and the regulatory agencies, the Board of Directors' meeting No. 18/2564 dated October 27, 2021, approved the revision of the Charter of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand as follows:

1. Objectives

The Board of Directors has a pivotal role in overseeing and governing the Bank to maximize the benefits of the organization. The Board of Directors shall act as the policymaker, defining the Bank's policies, direction, strategies, and operations as well as supervising and monitoring the performance to ensure appropriateness, efficiency, effectiveness, and transparency

2. Board Composition and Qualifications

The Board of Directors consists of the Chairman, no more than nine directors, and the Managing Director, who is an ex-officio director. The total number of directors must not exceed 11 directors. Directors are required to possess the following qualifications:

- 2.1 Directors must possess a wide range of competencies that meet the core competencies and necessities on the skill matrix in line with the Bank's mission and strategies. The number of skills on the skill matrix must not exceed the number of directors.
- 2.2 Not fewer than one-third of directors must be from the director pool (DP) prepared by the Ministry of Finance
- 2.3 At least one-third of the total number of directors must be independent directors.
- 2.4 At least one-third of the total number of directors who are not ex-officio directors must have experience in the business sector.
- 2.5 At least one director must have knowledge or experience in information technology.
- 2.6 At least one director must have knowledge, expertise, and understanding of risks related to financial institutions' business.

The Board of Directors must not have the prohibited characteristics specified in Section 15 of Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, Section 5 of Standard Qualifications for Directors and Employees of State Enterprises Act, B.E. 2518, and amendment, including the Bank of Thailand's Notification No. SorKorSor.13/2562 dated September 2, 2019, Re: Qualifications and Prohibited Characteristics of Non Ex-officio Directors, Managers, Persons with Power of Management and Advisors of Specialized Financial Institutions.

3. Term of office and retirement

The Board of Directors' term of office under Section 16 of Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 is as follows:

- 3.1 The term of office for a director is three years.
- 3.2 In the event that new directors are elected while their predecessors' term has not yet expired, the newly elected directors shall hold office for the unexpired term of their predecessors.
- 3.3 Upon the expiration of the office term, as stated in Clause 2), if there are no elected directors, the directors who vacate from office upon the expiration shall remain in office to continue their works until new directors are elected.
- 3.4 A director who is retired by rotation is eligible for re-election and shall hold office for no more than two consecutive terms.

In addition to the expiration of term under Section 16, the directors may vacate the office of director under Section 17 of the Small and Medium Enterprise Development Bank of Thailand Act, B.E.2545 in the following cases:

- 1) Death;
- 2) Resignation;
- 3) Being a person who has prohibited characteristics under Section 15 under the SME D Bank Act;
- 4) The shareholders' meeting passed a resolution to remove any director from office with a vote of not less than half of the total shareholders attending the meeting;
- 5) Violation of Clause 20 of SME D Bank Act;

In addition, directors shall vacate the office for having the prohibited characteristics specified in Section 5 of Standard Qualifications for Directors and Employees of State Enterprises Act, B.E.2518 and amendment, the BOT Notification No. SorKorSor.13/2562 dated September 2, 2019, Re: Qualifications and prohibited characteristics of directors by the position with management authorities and advisors of the specialized financial institutions.

4. Roles, Duties, and Responsibilities of Directors

The Board of Directors has the authority to determine policies and strategic direction, formulate a strategic plan and action plan in corporate management, and oversee the Bank's general operation within the scope of its objectives under Section 11 and Section 21 of Small and Medium Enterprise Development Bank of Thailand Act, B.E.2545. In addition, the Board of Directors is responsible for monitoring and ensuring that the Bank operates in alignment with its mission, objectives, and policies with stability, effectiveness, efficiency, transparency, and responsibility to stakeholders under good governance principles.

5. Guidelines for Prevention of Conflicts of Interest

- 5.1 The Board of Directors prioritizes the common interests of the organization without seeking personal benefit. Directors do not engage in the decision-making of transactions or any businesses that they gain personal benefit to prevent conflicts of interest. If any director has interest or involvement in any meeting agenda, whether directly or indirectly, the director must notify the Board of Directors and not attend the meeting or participate or be involved in decision-making or voting of the aforementioned agenda.
- 5.2 The Board of Directors must maintain confidentiality and must not disclose the Bank's internal information, directly or indirectly, for personal benefit or for the benefit of a third party.

6. Meetings and Agenda

- 6.1 The Board of Directors shall schedule a meeting at least once a month with an annual meeting schedule set in advance. An additional meeting can be arranged as necessary.
- 6.2 The Chairman of the Board of Directors or the secretary of the Board, or the designated person, calls the Board of Directors meeting by sending a notice to the Board members at least five business days prior to the meeting. In the event of an emergency, the Bank may notify the Board of Directors meeting by other means and arrange an earlier meeting date to prevent damage or protect benefits.

- 6.3 Each director attends the meeting regularly for at least 90% of the total meetings, and at least 80% of the directors should attend the meetings.
- 6.4 For the Board of Directors Meeting, at least half of the total number of directors is required to constitute a quorum. In the event that the Chairman cannot preside at the meeting or is unable to perform his duty, the director who attends the meeting shall be elected as the Chairman of that meeting.
- 6.5 The final judgment of the meeting is from the majority vote, whereby one director has one vote. If the votes are equal, the Chairman of the meeting shall have an additional casting vote.
- 6.6 The management or related persons may be invited to attend the meeting to provide relevant information for consideration as necessary and appropriate.
- 6.7 The Board of Directors meeting via electronic platforms shall comply with the Emergency Decree on Electronic Media Conferences B.E. 2563 and relevant regulations. The electronic media conference requires the approval of the Chairman of the Board of Directors.

7. Board Self-assessment

The SME D Bank's Board of Directors is required to conduct self-assessments at least once a year as a whole-board and individual assessment. The assessment form must be revised annually before conducting. The management will use the results and the directors' recommendations to develop a governance optimization plan for the Board of Directors.

8. Remuneration

Remuneration and meeting allowance for the Bank's Directors shall be paid according to the regulations and guidelines prescribed by the Cabinet Resolution and the State Enterprise Policy Office (SEPO).

9. Reporting

The Board of Directors will present the SME D Bank's annual report and financial and non-financial performance report to the general meeting of shareholders every year.

10. Review and Revision of the Charter

The Charter of the Board of Directors is to be reviewed every year. The revised Charter must be approved by the Corporate Governance and Corporate Social Responsibility (CG&CSR) Committee and submitted to the SME D Bank's Board of Directors for consideration. In the event that there is no revision, the Charter shall be submitted to the Board of Directors for acknowledgment.

11. Other Regulations

For any other cases not specified in this Charter, the SME D Bank's Board of Directors shall exercise discretion in applying the guidelines which are in accordance with general standards.



(Mr. Nattapol Rangsitpol)

Chairman

Small and Medium Enterprise Development Bank of Thailand

REPORT OF THE BOARD OF DIRECTORS

According to Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, Section 22 the Board of Directors, the Board of Directors of SME D Bank consists of a Chairperson and not more than nine other directors who are elected by the shareholders' meeting, with the President as the ex-officio director. Directors shall hold an office for a term of three years, and a director who vacates the office at the end of the term may be reelected but shall not serve more than two consecutive terms. Directors shall have the authority and duties in establishing policies and overseeing operations within the scope of objectives prescribed in Section 11: The objective of the Bank is to engage in the business of developing, promoting, assisting, and supporting the establishment, management, expansion, or improvement of small and medium enterprises by granting of credits, guaranteeing, participating in an investment, giving recommendations, suggestions, or providing other necessary services thereto under the provisions of the Act. The composition of the SME D Bank's Board of Directors (as of December 31, 2021) was as follows:

| | | | |
|--|-------------------|-----------------------|------------------------|
| 1. Mr. Nattapol | Rangsitpol | SME D Bank's Director | Chairman |
| 2. Mr. Vichak | Apirugnuchai | SME D Bank's Director | Director |
| 3. Ms. Sapatporn | Thammaphornphilas | SME D Bank's Director | Director |
| 4. Mr. Wanchai | Phanomchai | SME D Bank's Director | Director |
| 5. Ms. Chanisa | Chutipat | SME D Bank's Director | Director |
| 6. Mr. Preecha | Ua-Anantathanakul | SME D Bank's Director | Director |
| 7. Dr. Chatchai | Thnarudee | SME D Bank's Director | Director |
| 8. Dr. Nattapol | Praditphonlert | SME D Bank's Director | Director |
| 9. Asst. Prof. Dr. Tippawan Pinvanichkul | | SME D Bank's Director | Director |
| 10. Mr. Poonpat | Sripleng | SME D Bank's Director | Director |
| 11. Managing Director | | | Director and Secretary |

The Board of Directors has performed its duties according to the authority and duties stipulated in the order of the SME D Bank's Board of Directors No. 1/2566, Re: Appointment of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand, dated January 3, 2023, effective December 19, 2022. The Board shall perform its duties and responsibilities according to Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, and the Notification of the Bank of Thailand, as well as applicable laws.

In 2022, the Board of Directors held a total of 13 meetings proposing useful policies, suggestions, and observations to the management in order to develop and improve the efficiency of the Bank's operations, regulations, and practices, therefore achieving the specified goals. The significant matters can be summarized as follows:

- **Review the strategic plan, business plan, budget, and the memorandum of agreement on performance evaluation of SME D Bank**

The Board of Directors places great importance on the consideration and screening of strategic plans, business plans, and operational policies and strategies for providing credit or co-investment services to small Thai entrepreneurs who do not receive services from commercial financial institutions in order to gain access to funding sources. The drive in the strategic dimension of the business plan is clearly consistent, with the focus on creating growth and survival for the target group while the bank is able to grow in business. In addition, financial status and management strategies in all aspects have been considered to be in step with the global situation the trade war, the pandemic, and the Russian-Ukrainian wars that influence the business progress of Thailand's small entrepreneurs. For the draft memorandum of agreement on performance evaluation of the fiscal year 2022, the financial projections have been reviewed to meet the indicators of the draft memorandum of agreement on performance evaluation of state enterprises in 2022.

- **Monitor the Bank's operating results**

The Board of Directors attaches great importance to monitoring the Bank's operations and comparing them to the defined operation plan and indicators, as well as within the group of state enterprise banks on a regular basis. To drive organizational management in line with relevant regulations, the Bank's master plan, rules, regulations, and charters are consistently improved and reviewed while a guideline for the management of the Bank's capital and reserves is developed. Furthermore, the Bank follows up on the debtors affected by the economic crises, epidemics,

and wars to aid them through debt restructuring measures. With the majority of the customers being vulnerable groups, assistance is promptly given. For internal management work, the Board of Directors has regularly submitted the Bank's financial statements, as well as reports on credit disbursement, NPLs management, entrepreneur development, social and environmental responsibility, venture capital, risk management, information technology, credit review, and the voice of customers.

- **Provide policies and suggestions**

The Board of Directors has given useful policies focusing on proactive operations for the achievement of the organization's goals, as follows:

- 1. Credits**

- Aim to improve efficiency in resolving outstanding debt issues and reducing NPLs.
- Encourage and urge the Bank to employ a support and assistance policy for customers in mitigating the impact of the COVID-19 outbreak situation.
- Prioritize and participate in various assistance measures of the Bank of Thailand.
- Provide credit limit structure and define credit limit types in line with the nature of business and needs of debtors, as well as setting credit usage and risk management conditions for appropriate risk mitigation through credit projects. Among those projects are the SMEs Re-Start project, the Bank of Thailand's Soft Loan Assistance Program, the BCG Loan program, the SMEs D Top Up Loan Project Phase 3, the SMEs Happy Loan Phase 3, the SMEs Smile Liquidity Project Phase 3, the SME Development Fund in accordance with the Civil State Project, the Contractor Liquidity Enhancement Project, and the SME 3D Loan Project.
- The credit approval process must be done with caution; customers' data, character, and financial statement data must be analyzed following the standard. The credit limit must be compatible with each customer's risk and needs, with strict control and close monitoring over credit limit disbursement to avoid misuse. The customer's quality and potential are also evaluated on a regular and timely basis.

- 2. Innovation and digital**

- Implement technology and information technology systems as a key mechanism to drive the business. To strengthen preparation for the risk of cyber threats, a strict and tight security are required, as well as readiness in handling with every situation.
- Arrange for regulatory and risk management frameworks in terms of personnel, processes, and tools to reduce the impact on customers and the Bank's reputation.
- Develop human capital through upskilling and reskilling employees in technology for the Bank's sustainable growth and effective competitiveness in an era of digital disruption and emerging business models. The development corresponds to the implementation of the master plan for knowledge and innovation management as well as the report on information technology oversight.

- 3. Organizational Management**

- To reduce the risk of personal data violations, operational policies in each sector must adhere to the principles of Data Governance, for which the Bank has developed a management process to ensure that the standard of such policies is in line with the Personal Data Protection Act (PDPA).
- To work together in the organization with efficiency and effectiveness, it is necessary for the Bank's personnel to cooperate in all dimensions, including the legal aspect, and comprehend the businesses of the Bank and its customers for maximum benefits. Examples of such policies are corporate governance policy; credit policy; accounting policy; green IT policy, sustainable debt restructuring policies and measures according to the Bank of Thailand announcement; good corporate governance, risk management, and compliance (GRC) policy; credit review policy; and compliance policy.



(Mr. Nattapol Rangsitpol)

Chairman

Small and Medium Enterprise Development Bank of Thailand

REPORT OF THE BOARD OF EXECUTIVE DIRECTORS

According to Section 22 of Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545 (2002), the Board of Directors may appoint the Board of Executive Directors, consisting of one chairman and not more than three other executive directors, with the President as the ex-officio director. The Board of Directors shall select one of the executive directors as Chairman of the Board of Executive Directors. The term of the executive directors is two years, and they may be reappointed but not more than two consecutive terms. According to Section 24, the Board of Executive Directors shall have the duty and responsibility of establishing the guidelines and methods of the Bank's operations in accordance with the policy and goals as prescribed by the Board of Directors, without infringing upon the authority and duties of the President. As of December 31, 2022, the Board of Executive Directors consisted of the following members:

| | | | |
|----------------------|----------------|----------|----------------------------------|
| 1. Mr. Vichak | Apirugnunchai | Director | Chairman |
| 2. Mr. Wanchai | Phanomchai | Director | Executive Director |
| 3. Ms. Chanisa | Chutipat | Director | Executive Director |
| 4. Dr. Nattapol | Praditphonlert | Director | Executive Director |
| 5. Managing Director | | | Executive Director and Secretary |

The Board of Executive Directors has performed the duties stipulated in the Bank's Board of Directors' Order No. 16/2565, Re: Appointment of the Board of Executive Directors, dated September 30, 2022, and became effective on August 24, 2022. The Board of Executive Directors is responsible for considering and providing opinions and observations on various subjects before proposing them to the Board of Directors.

In 2022, the Board of Executive Directors held a total of 15 meetings, with a total of 199 agenda items: 88 items for consideration and 111 items for acknowledgement. The Board of Executive Directors has proposed policies, suggestions, and observations useful to the management in order to develop and improve the efficiency of the Bank's operations, regulations, and practices, therefore achieving the specified goals. The significant matters can be summarized as follows:

- Review and screen the results of the memorandum evaluation of operating enterprise performance agreement for the fiscal year 2021, guidelines for operational improvement following the observations obtained from the Bank's performance assessment for the fiscal year 2021, and the draft memorandum evaluation of operating enterprise performance agreement for the fiscal year 2022; review financial projections based on the indicators in the draft memorandum of operating enterprise performance agreement for the fiscal year 2022; follow up and report the performance according to the memorandum of operating enterprises performance assessment and guideline framework for the preparation of indicators, draft indicators at the department level, and criteria for measuring indicators at the work unit and group level for the year 2023.

- Review and screen the draft of SME D Bank's 5 - year strategic plan (Enterprise Plan: 2022 - 2026), annual plan/business plan for the year 2022, the draft of measuring indicators for strategic implementation and key operations, as well as the budget for the year 2023.

- Review and screen the Bank’s rules, regulations, orders, policies, and master plans, such as the regulations on finance, assets, accounting, B.E. 2551 (2008); policies on financial management 2022; policies on creativity promotion and innovation management; the human capital management master plan for 2023 - 2027; the knowledge management master plan; the 5 - year innovation management master plan (2023 - 2027); and the action plan for the year 2023; and review the duties and responsibilities of the Board of Executive Directors and the Nomination and Remuneration Committee.

- Review and screen credit and debt restructuring operations through debt restructuring policies by reducing repayment burdens according to claims. Review and revise criteria for the disposal of non-performing loans (NPA), criteria for bad-debt write-offs and bad debt recovery, pricing criteria, and conditions for the disposal of NPA. Report on the Bank’s NPA management in 2022 and the progress of service level agreements (SLA) in the credit service process.

- Monitor the Bank’s monthly performance reports and the interim financial information reports for the three-month, six-month, and nine-month periods. Monitor the progress of loan disbursement and NPL solutions on a monthly basis. Report on the performance of entrepreneur development, venture capital, human capital management, and knowledge and innovation management on a quarterly basis.

- Monitor the SME entrepreneur assistance policy. Increase the credit limit of the SME Development Fund in accordance with the Civil State. Report on the progress of the “Courage to Step, Courage to Be Strong, Step by Step for SME D Bank” project on a monthly basis. Cooperate with the government and help still-active customers return to the economy. Take assistance measures for SMEs who are in debt to the SME Development Fund in accordance with the Civil State and who are also victims of natural disasters in 2022. Execute the SMEs and startups’ potential development and promotion projects with the use of digital technology.

The Board of Executive Directors prioritizes monitoring the management to regularly and consistently report progress and performance results based on the remarks or suggestions of the Board of Executive Directors and the Board of Directors.



(Mr. Vichak Apirugnunchai)
Chairman of the Board of Executive Directors

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Small and Medium Enterprise Development Bank of Thailand was appointed according to the Board of Directors' Order No. 05/2564, effective February 24, 2021, and comprises of the following members:

- | | | |
|---|-------------------|-----------|
| 1. Mr. Preecha | Ua-Anantathanakul | Chairman |
| 2. Dr. Chatchai | Thnarudee | Director |
| 3. Mr. Pinit | Puapan | Director |
| 4. Executive Vice President, Audit Division Or Vice President, Internal Audit Department (according to the Audit Committee Charter) | | Secretary |

As Mr. Pinit Puapan has resigned as a director on the Board of Directors of SME D Bank, effective May 20, 2021, the Bank is in the process of recruiting a replacement.

The Audit Committee performs the duties as assigned by the Board of Directors independently and within the scope of responsibilities outlined in the Audit Committee Charter, which is in line with the Guidelines on the Audit Committee of State Enterprises, Ministry of Finance, B.E. 2555 (2011), the Ministry of Finance's Regulations on Standards and Guidelines of Internal Audit for Government Agencies B.E. 2561 (2018), 3rd Amendments, B.E. 2564 (2021), issued by the provisions of the State Fiscal and Financial Disciplines Act B.E. 2561 (2018), BOT's guidelines on the Internal Audit of Specialized Financial Institutions and Criteria for Assessment of State Enterprises according to the State Enterprise Assessment Model: SE-AM in Core Business Enablers under the topic of "Internal Audit". The Committee upholds the notion that the Bank's operations shall be conducted in good faith with correct procedures, standards, and good corporate governance.

In 2022, the Audit Committee held a total of 13 meetings, with the Chairman and the Director attending all meetings to review, acknowledge, and follow up on various matters. The meetings with the executives and internal auditors, as well as the specific meeting with the Bank's external auditor, Dharmniti Auditing Company Ltd., were held without the management's attendance, in accordance with the relevant agenda, and within the scope of responsibilities assigned by the Board of Directors. The performance results are reported to the Bank's Board of Directors on a quarterly basis and can be summarized as follows:

Review of Financial Reports

The Audit Committee reviewed both quarterly and annual financial reports by reviewing accounting information, considering the analysis of Bank's performance and financial position on significant issues, ensuring compliance with financial reporting standards and official requirements, and providing useful feedback. These ensure that the financial reports are prepared accurately and reliably, with adequate, thorough, and timely disclosure of essential information following the Bank's accounting policies, regulatory obligations, and generally accepted accounting principles. The Committee also places great importance on the capital adequacy ratio to mitigate impacts.

Review of the Effectiveness and Efficiency of the Internal Control System

The Audit Committee reviewed the adequacy of the internal control system based on the results of the internal audit and regulatory bodies, and provided opinions and recommendations to improve operational weaknesses by notifying management to review and improve the adequacy of the internal control system, as well as follow up improvements on issues found during the audit, and report progress on a quarterly basis. The Committee also monitored the risk and control self-assessment (RCSA) and reported the results of the risk management plan from the RCSA in every trimester to ensure that the Bank's internal control system is appropriate, adequate, comprehensive, and effective.

Review of the Risk Management Process

The Audit Committee reviewed the results of the audit of internal control, compliance with regulations and related orders, and SME D Bank's operations following the criteria according to the enablers of the state enterprise assessment model to evaluate key risk management processes and ensure that there is an adequately effective risk management system and work plan to control or mitigate impacts on the Bank's ability to achieve objectives at an acceptable level. The Committee made recommendations to properly improve risk management processes with flaws, such as work plans or projects that are at risk of being delayed and auditor recruitment processes, by developing a recruitment process schedule and risk prevention guidelines to avoid delays the following year, as well as submitting risk issues from audit results to the risk management department for further review and determination of the Bank's risk preventive measures.

Review of the Good Corporate Governance Process

The Committee also provided guidance on the development of fraud prevention criteria and guidelines, as well as monitoring the investigation process to ensure transparency and accountability. It also joined in meetings with the Risk Oversight Committee (ROC) to learn about good corporate governance, risk management, and compliance (GRC) master plans and reported the GRC Working Committee's progress by suggesting raising risk awareness and fostering a risk culture in the organization. In addition, the Audit Committee prioritized monitoring to ensure appropriate and timely follow-up and resolution of issues found during internal and external audits, as well as constant follow-up on the implementation of the Audit Committee's resolutions. The results led to the development of regulations, the improvement and correction of repetitive operational processes and orders, and the follow-up of the Bank's key system development with the provision of periodic progress reports, including the building of data protection confidence among the Bank's customers and stakeholders.

Review of the Compliance with Laws, Rules, and Regulations of the Bank and Regulatory Agencies

The Audit Committee placed importance on the management and compliance with the laws, rules, and regulations of SME D Bank and regulatory agencies and followed up on improvement progress based on the recommendations from internal auditors, the Bank of Thailand, and external auditors, as well as reviewing and monitoring compliance with relevant rules, regulations, work practices, announcements, and orders.

Fraud Risk Management and Whistleblower System

The Audit Committee reviewed the Bank's fraud risk management and whistleblower system to ensure that complaint management was done in a transparent, fair, and accountable manner and in accordance with the law, state regulations, ethics, regulations, orders, and the Bank's procedures, along with other relevant rules. In the event of a suspicious operation that may lead to fraud, an investigation would be conducted in accordance with the Bank's guidelines, with a monitoring system as well as follow-up reports carried out on a monthly and quarterly basis.

Meeting with Auditors and the Management

The meeting between the Audit Committee and the auditor (Dharmniti Auditing Company Ltd.) was done to review the issues found and acknowledged obstacles in the review and audit of financial statements, as well as the submission of financial reports to the auditor. The Committee also attended the meeting with the management to acknowledge the issues and obstacles in management and operations, suggest key improvements in financial reports, monitor the progress based on the auditors' observations, and follow up on the management's auditor procurement for 2023. The Committee provided useful opinions and recommendations on internal control and risk management, acknowledged the risk assessment report based on the Eight Enablers criteria, monitored the implementation, and provided policy observations during the meetings with department executives, namely the Treasury and Accounting Division, Legal Division, Resource Management Division, Risk Management Division, Branch Division, and Enablers.

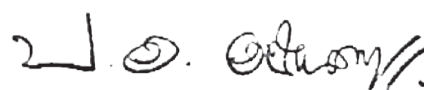
Auditor's Remuneration

The Audit Committee appointed the auditors and set aside audit fees for Dharmniti Auditing Company Ltd. in the amount of 4,800,000.00 baht.

Maintenance of the Quality of the Audit Committee

The Audit Committee, in accordance with the Audit Committee Charter, has reviewed and improved the charter and manual to be in line with the Ministry of Finance's Regulations on Internal Audit Standards and Practices for Government Agencies, B.E. 2561 (2018) onwards to the third amendment, B.E. 2564 (2021). To enhance its work efficiency, the Audit Committee formulated a skills and knowledge development plan based on the skill matrix. The Committee also attended trainings in accordance with the Audit Committee skills and competency development plan to ensure effective performance and achievement of the objectives outlined in the Audit Committee Charter. The performance results are reported to the Board of Directors on a quarterly and annual basis. The Audit Committee also took part in annual self assessments conducted in accordance with the good practice guidelines of the State Enterprise Policy Office (SEPO), Ministry of Finance, and reported the results to the Board of Directors for acknowledgment.

The Audit Committee adhered to good practice guidelines with prudence, independence, and fairness to ensure that the Bank's good corporate governance, risk management, and internal control are adequate for the management to achieve the Bank's objectives with equal benefit for all stakeholders.



(Mr. Preecha Ua-Anantathanakul)
Chairman of the Audit Committee

REPORT OF THE RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee (ROC) was appointed by the SME D Bank's Board of Directors by Order No. 02/2565, effective March 1, 2022. The Risk Oversight Committee comprises of:

Committee Structure

- | | |
|--|---------------------|
| 1. Mr. Poonpat Sripleng | Advisor |
| 2. Assist. Prof. Dr. Tippawan Pinwanichkul | Chairman |
| 3. Ms. Sapatporn Tharmmaphornphilas | Member |
| 4. Managing Director | Member |
| 5. Senior Executive Vice President, Compliance and Risk Management Group | Secretary |
| 6. Executive Vice President, Risk Management Division | Assistant Secretary |

The Board of Directors also approved the revised structure of the Risk Oversight Committee by Order No. 13/2565, effective August 24, 2022, to ensure continued and efficient risk oversight, as follows:

Committee Structure

- | | |
|--|---------------------|
| 1. Mr. Poonpat Sripleng | Chairman |
| 2. Ms. Sapatporn Tharmmaphornphilas | Member |
| 3. Managing Director | Member |
| 4. Senior Executive Vice President, Compliance and Risk Management Group | Secretary |
| 5. Executive Vice President, Risk Management Division | Assistant Secretary |

The Risk Oversight Committee places emphasis on supervision in line with the international standard of the Committee of Sponsoring Organization of the Treadway Commission (COSO) to maintain the risk appetite. The Charter of the Risk Oversight Committee is reviewed on a yearly basis. In 2022, the Risk Oversight Committee held a total of 12 meetings and reported the results to the Board of Directors on a quarterly basis.

The major operations are as follows:

1. Provide recommendations for the Board of Directors on the Risk Governance Framework.
2. Ensure that the Bank has fund and liquidity management strategies to mitigate risks per approved risk appetite. Monitor the status of funds and liquidity regularly to ensure stable and sufficient funds and liquidity to facilitate current and future business operations.
3. Report to the SME D Bank's Board of Directors on risk status, risk management efficiency, risk culture compliance, significant factors and issues, as well as areas for improvement to be in line with the Bank's risk management policy and strategies.
4. Consider and approve the formulation of overall risk management policy and strategies to cover various major risks and reputation risk. Ensure that there is assessment, monitoring, and maintenance of the Bank's risk appetite at an acceptable risk level.

5. Oversee and monitor senior executives' risk limit setting to align with the risk appetite, as well as maintain the risks within the range of risk tolerance and risk limit.
6. Screen loan products and PSA measures, new products, loan product projects, the Bank's policies, and derivatives by monitoring the risk level to be in line with the risk profile and business model.
7. Approve and review risk management policy. Review the Charter of the Risk Oversight Committee and present it to the Board of Directors.
8. Approve the Bank's risk management plan, risk management process, tools, risk limit, and other measures to assess and control risks, as well as review the sufficiency of resource used in risk management.
9. Approve the Bank's business continuity management and business continuity plan for implementation in times of crisis.
10. Cultivate a risk culture and monitor compliance by ensuring that executives and employees at all levels are fully aware of and understand risks.



(Mr. Poonpat Sripleng)
Chairman of the Risk Oversight Committee

REPORT OF **THE NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was appointed by the Bank's Board of Directors to take responsibility in nominating and remunerating the Board of Directors and senior executives of SME D Bank. The Committee performed its duties and responsibilities according to relevant laws, regulations, and criteria on state enterprise nomination and remuneration. The policy of the Nomination and Remuneration Committee is to perform in accordance with good corporate governance as well as procedural criteria set by SME D Bank and regulatory agencies, with caution, prudence, fairness, transparency, and independence, while taking into account the interests of all stakeholders. The Nomination and Remuneration Committee consists of three directors and the president.

In 2022, the Nomination and Remuneration Committee held a total of eight meetings to consider, screen, and provide opinions on human resource management, nomination, and remuneration. Key operations according to the Nomination and Remuneration Committee's policy are as follows:

Review the Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee reviewed the roles by comparing them to the roles of the Nomination and Remuneration Committee of other specialized financial institutions (SFIs), examining the duties and responsibilities of other sub-committees to reduce redundancy, and presenting them to the Bank's Board of Executive Directors and Board of Directors for approval according to the procedures.

Review the Performance Evaluation Guidelines for Sub-committees

The Nomination and Remuneration Committee reviewed the performance evaluation forms of the subcommittees and considered the results, as well as providing suggestions to ensure the maximum efficiency of the subcommittees and the management.

Improve the nominating criteria for Senior Executive Vice President, Executive Vice President, and Senior Vice President of each division.

The Nomination and Remuneration Committee reviewed the nominating criteria and methods for Senior Executive Vice President, Executive Vice President, and Senior Vice President of each division to ensure that they met the same standards as other financial institutions, therefore increasing the Bank's choices for potential candidates.

Recruit and Nominate Qualified Candidates for the Position of Directors and Senior Executives

The Nomination and Remuneration Committee appointed directors for two sub-committees: the Risk Oversight Committee and the Good Corporate Governance and Social Responsibility Committee, by reviewing, screening, and considering the candidates' qualifications according to the rules and regulations along with the skill matrix. The Committee also recruited and nominated candidates for the five positions of Senior Executive Vice President, Executive Vice President, and Senior Vice President responsible for each division before submitting them to the Board of Directors for approval.

Consider the Competency Development Plan for SME D Bank's Directors

The Nomination and Remuneration Committee considered the competency development plan for the Bank's Board of Directors in accordance with the skill matrix and encouraged them to attend valuable training courses to optimize their performance, such as the Role of Chairman Program, the Corporate Governance for Directors and Senior Executives of Regulators, State Enterprises, and Public Organizations Program (PDI), and the Successful Formulation & Execution of Strategy Program.

Consider Conflict of Interest Reports

The Nomination and Remuneration Committee considered the conflict of interest reports of any individual assuming the position of the Bank's directors or any external expert serving as the Bank's consultants to ensure that their performance is appropriate and in line with the principles of good corporate governance.

Improve the Performance Evaluation Criteria for Senior Executives

The Nomination and Remuneration Committee considered the criteria for performance evaluation and raises for senior executives for the year 2022 to ensure appropriateness and fairness and to motivate practitioners.



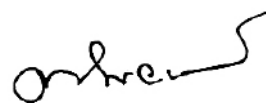
(Mr. Wanchai Panomchai)
Chairman of the Nomination
and Remuneration Committee

REPORT OF THE CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (GC&CSR)

The Board of Directors of SME D Bank aims to promote SME D Bank as an organization with efficient business operations, good corporate governance, and responsibility to all stakeholders, honesty, transparency, and accountability. By giving stakeholders chances to engage in discussion and decision-making, the operations of good corporate governance are continuously developed in accordance with the principles of good corporate governance following international practices.

The Board of Directors has appointed the Good Corporate Governance and Social Responsibility Committee (CG&CSR) to drive and support the Bank's operations by determining the direction of the good corporate governance and social responsibility strategy and encouraging personnel to adhere to the principles of good corporate governance and social responsibility. The Committee also advocated for directors and executives of all levels to be good role models for employees in order to raise awareness of compliance with the principles of good corporate governance, ethics, and codes of conduct. Furthermore, with the declaration of intent, the Committee expresses its determination to prevent and fight corruption by fostering morality and transparency in management through activities and various communication channels, as well as establishing social and environmental responsibility policies in alignment with the ISO 26000 international standard. In addition, the Committee continually supports and promotes several projects and activities that benefit society and the environment.

With the commitment of the Board of Directors, executives, and employees, the Bank obtained an assessment score of 96.48 points among 51 state enterprises that undertook the 2022 Integrity and Transparency Assessment (ITA), or level AA, from the Office of the National Anti-Corruption Commission (NACC). Our dedication to working with honesty has earned the Bank such a great honor, reflecting the Bank's improvement in integrity and transparency performance as a public financial institution that operates with transparency and liability, adding economic value, and aiming for sustainable corporate governance.



Asst. Prof. Dr. Tippawan Pinvanichkul
Chairman of the Corporate Governance
and Corporate Social Responsibility Committee (CG&CSR)

AUDITOR'S REPORT AND FINANCIAL STATEMENTS



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors of Small and Medium Enterprise Development Bank attaches importance to and recognizes the duties and responsibilities of overseeing the business under good corporate governance principles. The Board of Directors is responsible for the financial statements appearing in this annual report. The financial statements were prepared in accordance with financial reporting standards, with appropriate accounting policies applied on a consistent basis, exercising due discretion and estimation as necessary and justifiable. Key information on accounting policies and financial statements and the basis for preparing financial statements are adequately disclosed in the notes to the financial statements for ease of understanding and use that will benefit shareholders. These financial statements were audited by certified public accountants, who have given their unqualified opinions.

The Board of Directors has arranged for management to operate under a good corporate governance system while maintaining appropriate and effective internal control and risk management systems to ensure that the Bank's accounting information is accurate, complete, reliable, and sufficient for the safeguarding of the Bank's assets and preventing fraudulent activities or unusual transactions that will significantly affect the financial statements' accuracy and creditability.

The Board of Directors has appointed the Audit Committee, consisting of independent directors, to oversee the creditability and accuracy of financial statements, as well as the Risk Management Committee, which consists of knowledgeable and competent directors, to maintain an adequate and appropriate internal control system and ensure the financial statements' creditability. The Audit Committee has provided an opinion in the Audit Committee's report included in this annual report.

The Board of Directors is of the opinion that the Bank's internal control system is adequate and appropriate, as well as being able to create reasonable assurance that the Bank's financial statements for the year ended December 31, 2022, are reliable in accordance with generally accepted accounting standards and financial report standards for specialized financial institutions issued by the Bank of Thailand and relevant laws and regulations.



(Mr. Nattapol Rangsitpol)
Chairman



(Ms. Nartnaree Rattapat)
President



REPORT OF THE AUDITOR

TO The Shareholders of
Small and Medium Enterprise Development Bank of Thailand

Opinion

I have audited the financial statements of Small and Medium Enterprise Development Bank of Thailand (The bank), which comprise the statement of financial position as at December 31, 2022, the statements of profit or loss and other comprehensive income, statement of changes in equity, and the statements of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of Small and Medium Enterprise Development Bank of Thailand as at December 31, 2022 and its financial performance and cash flows for the year then ended in accordance with the regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand.

Basis for Opinion

I conducted my audits in accordance with the State Audit Standards and Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent from the Bank in accordance with the ethical requirements set out in the State Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants includes standard on independence set issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of financial statements and I have fulfilled other ethical responsibilities in accordance with the State Audit Standards and the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

The financial statements of Small and Medium Enterprise Development Bank of Thailand as at December 31, 2021, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated April 19, 2022.

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Other information

Management is responsible for other information. Other information comprises the information included in the annual report, but does not include the financial statements and the auditor's report contained therein. It is expected that the annual report will be prepared to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of management and those charged with governance for financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with regulation on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with the State Audit Standards on and Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

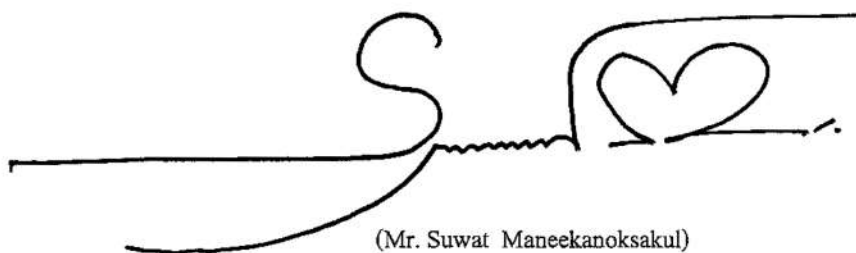
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Suwat Maneekanoksakul.



(Mr. Suwat Maneekanoksakul)

Certified Public Accountant Registration No. 8134

Dharmniti Auditing Company Limited

Bangkok, Thailand

March 14, 2023

Small and Medium Enterprise Development Bank of Thailand

Statement of Financial Position

As at December 31, 2022

Unit : Thousand Baht

| | Notes | December 31, 2022 | December 31, 2021 |
|--|--------|----------------------|----------------------|
| Assets | | | |
| Cash | | 163 | 250 |
| Interbank and money market items, net | 6.2 | 2,750,774 | 921,399 |
| Investments, net | 6.3 | 8,781,767 | 9,013,099 |
| Loans to customers and accrued interest receivables, net | 6.4 | | |
| Loans to customers | | 63,456,229 | 46,951,345 |
| Accrued interest receivables | | 691,823 | 444,001 |
| Total loans to customers and accrued interest receivables | | 64,148,052 | 47,395,346 |
| Less Deferred revenue | | 42,328 | 36,458 |
| Less Allowance for doubtful accounts | 6.5 | 9,174,482 | 9,274,935 |
| Total lo (Reversal) impairment loss on investment | | 54,931,242 | 38,083,953 |
| Loans to customers from public service account and accrued interest receivables, net | 6.32 | | |
| Loans to customers from public service account | | | |
| Portion that is not subject to government compensation for damages | | 42,823,093 | 54,937,537 |
| Portion that is subject to government compensation for damages | | 3,017,245 | 3,095,285 |
| Accrued interest receivables from public service account | | | |
| Portion that is not subject to government compensation for damages | | 415,261 | 336,321 |
| Portion that is subject to government compensation for damages | | 206,283 | 62,406 |
| Total loans to customers from public service account and accrued interest receivables | | 46,461,882 | 58,431,549 |
| Less Deferred revenue from public service account | | 8 | 165 |
| Less Allowance for doubtful accounts from public service account | 6.32.3 | 843,337 | 1,348,790 |
| Total loans to customers from public service account and accrued interest receivables, net | | 45,618,537 | 57,082,594 |
| Properties for sale, net | 6.6 | 1,203,243 | 849,683 |
| Premises and equipment, net | 6.7 | 1,778,404 | 1,555,976 |
| Right-of-use assets, net | 6.8 | 171,873 | 164,274 |
| Assets in progress | 6.9 | 223,863 | 183,593 |
| Advance for legal costs, net | 6.10 | 0 | 0 |
| Other intangible assets, net | 6.11 | 112,598 | 99,341 |
| Other assets, net | 6.12 | 620,972 | 312,277 |
| Total assets | | 116,193,436 | 108,266,439 |

Notes to the financial statements are an integral part of these financial statements.

Small and Medium Enterprise Development Bank of Thailand

Statement of Financial Position (Continued)

As at December 31, 2022

| | | Unit : Thousand Baht | |
|---------------------------------------|-------|----------------------|----------------------|
| | Notes | December 31, 2022 | December 31, 2021 |
| Liabilities and Equity | | | |
| Deposits | 6.13 | 52,367,321 | 54,799,092 |
| Interbank and money market items, net | 6.14 | 23,607,857 | 14,054,036 |
| Liabilities payable on demand | | 25,939 | 25,636 |
| Debt issued and borrowings | 6.15 | 26,240,668 | 26,309,246 |
| Lease Liabilities | 6.16 | 174,475 | 166,858 |
| Provisions | 6.17 | 640,340 | 677,742 |
| Accrued interest payables | 6.18 | 274,328 | 286,887 |
| Other liabilities | 6.19 | 1,206,776 | 1,085,045 |
| Total liabilities | | <u>104,537,704</u> | <u>97,404,542</u> |

Notes to the financial statements are an integral part of these financial statements.

Small and Medium Enterprise Development Bank of Thailand

Statement of Financial Position (Continued)

As at December 31, 2022

Unit : Thousand Baht

| | Notes | December 31, 2022 | December 31, 2021 |
|--|-------|----------------------|----------------------|
| Liabilities and Equity (Continued) | | | |
| Equity | | | |
| Share capital | 6.20 | | |
| Authorized share capital | | | |
| 456,000,000 Ordinary shares of Baht 100 each | | 45,600,000 | 45,600,000 |
| Issued and paid-up share capital | | | |
| 362,318,073 Ordinary shares of Baht 100 each | | 36,231,807 | 36,231,807 |
| Discount on share capital | | (15,476,807) | (15,476,807) |
| Other components of equity | 6.21 | 1,000,883 | 875,869 |
| Retained earnings (deficit) | | | |
| Appropriated | | | |
| Legal reserve | | 48,192 | 48,192 |
| Others | | 216,457 | 216,457 |
| Unappropriated | | (10,364,800) | (11,033,621) |
| Total retained earnings (deficit) | | (10,100,151) | (10,768,972) |
| Total equity | | 11,655,732 | 10,861,897 |
| Total liabilities and equity | | 116,193,436 | 108,266,439 |

Notes to the financial statements are an integral part of these financial statements.

(Signed) Nattapol Rangsitpol
(Mr. Nattapol Rangsitpol)
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat
(Ms. Nartnaree Rattapat)
President

Small and Medium Enterprise Development Bank of Thailand

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2022

Unit : Thousand Baht

| | Notes | 2022 | 2021 |
|--|--------|-----------|-----------|
| Interest income | 6.22 | 2,254,434 | 1,743,045 |
| Interest expenses | 6.23 | 404,353 | 413,242 |
| Interest income, net | | 1,850,081 | 1,329,803 |
| Fees and service income | | 467,020 | 266,439 |
| Fees and service expenses | | 25,378 | 43,615 |
| Fees and service income, net | 6.24 | 441,642 | 222,824 |
| Gain on trading and foreign exchange transactions, net | 6.25 | 1,648 | 1,612 |
| Gain on financial instrument designate at fair value through profit or loss, net | 6.26 | - | 44 |
| Gains (Loss) on investments, net | 6.27 | (24,388) | 9,085 |
| Other operating income | | | |
| Dividend income | | 18,643 | 13,894 |
| Gain on sale of debt | | 294,815 | - |
| Other income | | 163,024 | 73,671 |
| Total other operating income | | 476,482 | 87,565 |
| Income from public service account | 6.32.4 | 2,445,838 | 2,872,369 |
| Total operating income | | 5,191,303 | 4,523,302 |
| Other operating expenses | | | |
| Employee's expenses | | 735,476 | 666,556 |
| Directors' remuneration | | 3,279 | 3,673 |
| Premises and equipment expenses | | 146,971 | 143,821 |
| Taxes and duties | | 135 | 79 |
| Other expenses | | 123,998 | 81,087 |
| Total other operating expenses | | 1,009,859 | 895,216 |
| Expenses from public service account | 6.32.5 | 2,030,445 | 2,064,923 |
| Impairment loss of loans and debt securities | 6.28 | 1,596,395 | 1,034,041 |
| Net profit | | 554,604 | 529,122 |
| Other comprehensive income (loss) | | | |
| Items that will be reclassified subsequently to profit or loss | | | |
| Gain (loss) remeasuring of available-for-sale investments | | (97,458) | (147,608) |
| Actuarial gain on defined benefit plans | | 95,170 | 55,507 |
| Total other comprehensive income (loss), net | | (2,288) | (92,101) |
| Total comprehensive income | | 552,316 | 437,021 |

Notes to the financial statements are an integral part of these financial statements.

(Signed) Nattapol Rangsitpol
(Mr. Nattapol Rangsitpol)
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat
(Ms. Nartnaree Rattapat)
President

Small and Medium Enterprise Development Bank of Thailand

Statement of Changes in Equity

For the Year Ended December 31, 2022

Unit : Thousand Baht

| | Issued and Paid-up Share Capital | Discount on Share Capital | Other Components of Equity | | | Retained Earnings (Deficit) | | | Total |
|--|----------------------------------|---------------------------|--|-----------------------------|----------------------------------|-----------------------------|---------------------|----------------|------------|
| | | | Revaluation Surplus (Deficit) of Investments | Appraisal Surplus on Assets | Total Other Components of Equity | Appropriated | Appropriated Others | Unappropriated | |
| Balance as at January 1, 2021 | 36,231,807 | (15,476,807) | 110,514 | 927,087 | 1,037,601 | 48,192 | 216,457 | (11,632,474) | 10,424,776 |
| Revaluation surplus (deficit) on investments | - | - | 100 | - | 100 | - | - | - | 100 |
| Total comprehensive income (loss) | - | - | (147,608) | - | (147,608) | - | - | 584,629 | 437,021 |
| Transfer to retained earnings | - | - | - | (14,224) | (14,224) | - | - | 14,224 | - |
| Balance as at December 31, 2021 | 36,231,807 | (15,476,807) | (36,994) | 912,863 | 875,869 | 48,192 | 216,457 | (11,033,621) | 10,861,897 |
| Balance as at January 1, 2022 | 36,231,807 | (15,476,807) | (36,994) | 912,863 | 875,869 | 48,192 | 216,457 | (11,033,621) | 10,861,897 |
| Revaluation surplus (deficit) on investments | - | - | (261) | - | (261) | - | - | - | (261) |
| Appraisal surplus on assets | - | - | - | 241,780 | 241,780 | - | - | - | 241,780 |
| Total comprehensive income (loss) | - | - | (97,458) | - | (97,458) | - | - | 649,774 | 552,316 |
| Transfer to retained earnings | - | - | - | (19,047) | (19,047) | - | - | 19,047 | - |
| Balance as at December 31, 2022 | 36,231,807 | (15,476,807) | (134,713) | 1,135,596 | 1,000,883 | 48,192 | 216,457 | (10,364,800) | 11,655,732 |

Notes to the financial statements are an integral part of these financial statements.

(Signed) Nattapol Rangsitpol
(Mr. Nattapol Rangsitpol)

Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat
(Ms. Nartnaree Rattapat)

President



Small and Medium Enterprise Development Bank of Thailand

Statement of cash flows

For the Year Ended December 31, 2022

| | Unit : Thousand Baht | |
|--|----------------------|------------------|
| | 2022 | 2021 |
| Cash flows from operating activities | | |
| Net profit | 554,604 | 529,122 |
| Adjustments to reconcile net profit (loss) to cash received (paid) from operating activities | | |
| Depreciation and amortization | 96,915 | 119,604 |
| Depreciation of right-of-use assets | 69,876 | 92,584 |
| Bad debt and doubtful accounts | 1,596,324 | 1,034,163 |
| Bad debt and doubtful accounts-claims | 57,152 | 42,799 |
| (Gain) Loss on disposal of premises and equipment | (80) | 2,547 |
| Gain on amortization of right-of-use assets | (26) | (75) |
| Loss on impairment of properties for sale | 90,829 | 2,507 |
| Reversal on impairment of properties for sale | (99,244) | (10,471) |
| (Reversal) impairment loss on investment | 24,389 | (9,085) |
| Premium on investment | 85,638 | 92,541 |
| Discount on long term borrowings and long term debt issued | (41,616) | (41,616) |
| (Gain) on revaluation of foreign currencies | - | (44) |
| Increase in accrued expenses | 73,854 | 135,223 |
| Increase (decrease) in provisions | 57,767 | 51,145 |
| Adjust assets in progress to expenses. | 455 | - |
| | <u>2,566,837</u> | <u>2,040,944</u> |
| Interest income, net | (3,821,500) | (3,253,110) |
| Dividend income | (18,643) | (13,894) |
| Proceeds from interest income | 4,211,688 | 4,037,555 |
| Interest paid | (860,277) | (1,041,200) |
| Proceeds from dividend income | <u>18,643</u> | <u>13,894</u> |
| Profit from operating activities before changes in operating assets and liabilities | 2,096,748 | 1,784,189 |
| (Increase) decrease in operating Assets | | |
| Interbank and money market items | (1,829,375) | 2,383,439 |
| Loans to customers | (6,508,916) | (3,913,674) |
| Properties for sale | (345,145) | (92,010) |
| Accounts receivable from the sale of debt | - | 372,997 |
| Other assets | (347,631) | (94,751) |
| Increase (decrease) in operating liabilities | | |
| Deposits | (2,431,771) | 1,195,865 |
| Interbank and money market items | 9,553,821 | 3,172,915 |
| Liabilities payable on demand | 303 | 11,467 |
| Debt issued and borrowings | (26,961) | (27,990) |
| Other liabilities | <u>47,876</u> | <u>(234,818)</u> |
| Net cash used in operating activities | <u>208,949</u> | <u>4,557,629</u> |

Notes to the financial statements are an integral part of these financial statements.

Small and Medium Enterprise Development Bank of Thailand

Statement of Cash Flows (Continued)

For the Year Ended December 31,2022

Unit : Thousand Baht

| | 2022 | 2021 |
|--|------------------|--------------------|
| Cash flows from investing activities | | |
| Purchases of securities investment | (4,611,414) | (2,851,438) |
| Purchase of premises and equipment | (12,796) | (5,008) |
| Purchase of intangible assets | - | (342) |
| Purchase of assets in progress | (146,854) | (45,557) |
| Proceeds from disposal of premises and equipment | 146 | 578 |
| Proceeds from securities investment | 4,635,000 | 2,443,000 |
| Net cash used in investing activities | <u>(135,918)</u> | <u>(458,767)</u> |
| Cash flows from financing activities | | |
| Proceeds from long term borrowings and long term debt issued | - | 5,000,000 |
| Repayment of long term borrowing and long term debt issued | - | (9,000,000) |
| Repayment of lease liabilities | (73,118) | (98,793) |
| Net cash provided by financing activities | <u>(73,118)</u> | <u>(4,098,793)</u> |
| Net increase (decrease) in cash and cash equivalents | (87) | 69 |
| Cash and cash equivalents at the beginning of the year | 250 | 181 |
| Cash and cash equivalents at the end of the year | <u>163</u> | <u>250</u> |

Notes to the financial statements are an integral part of these financial statements.

(Signed) Nattapol Rangsitpol
(Mr. Nattapol Rangsitpol)
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat
(Ms. Nartnaree Rattapat)
President

Small and Medium Enterprise Development Bank of Thailand

Note to the Financial Statements

For the year ended December 31, 2022

1. General Information

Small and Medium Enterprise Development Bank of Thailand (the Bank) was established as a juristic person under the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545, which effectively came into force since December 20, 2002. The Bank's main business is development, promotion, and supports the establishment operation, expansion, or improvement small and medium enterprises with the provision of loans, guarantees, joint venture, consulting, and recommended or other necessary services by the Act

The Bank has been transferred all the entire business, assets, liabilities, capital, retained earnings, reserves, rights and liability of the Small Industry Finance Corporate as provided on the day which Act are expected to be effective were transferred to SME Bank.

The Bank's head office is located at 310 SME Bank Tower, Phahonyothin Road, SamSen Nai Phayathai, Bangkok. The Bank has branches covering all regions of Thailand.

2. The Bank of Thailand's Regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy

The Bank of Thailand (BOT) issued Circular No. ForNorSor2.Wor. 279/2564 dated April 20, 2021, Re: Delivery of the notification of the Bank of Thailand under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021), asking banks to inject additional liquidity to entrepreneurs in alignment with global economic recovery cycle, as well as to provide debt relief measures to entrepreneurs. Thus, the BOT issued two notifications that became effective from April 20, 2021, onward, as follows:

1. The BOT Notification No. SorKorSor1. 1/2564 dated April 19, 2021, Re: Soft loan facility for businesses under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021).

2. The BOT Notification No. SorNorSor. 4/2564 dated April 19, 2021, Re: Measures on acceptance of a transfer of assets as collateral for debt repayment under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021), to support the implementation under the emergency decree.

The bank had complied with the circular letter No. BOT For.Kor.Shor. (07) Wor.1156/2564 dated December 16, 2021, Re: Guidelines for Assisting Debtors Affected by Situations that Affect the Thai Economy (Sustainable Debt Restructuring Measures) between January 1, 2022, and December 31, 2022, and the Bank of Thailand Notification No. SorKorSor 2. 14/2564, Re: Guidelines for Sustainable Debt Restructuring for Specialized Financial Institutions (Notification of the Bank of Thailand), effective from January 1, 2022, onwards.

3. Basis of Presentation and Significant Accounting Policies

3.1 Basis of Presentation of the Financial Statements

3.1.1 The Bank has prepared financial statements in accordance with the Bank of Thailand's regulations and the Notification of the Bank of Thailand (BOT) No.SorKorSor2. 7/2564 dated April 9, 2021 regarding the Preparation of Accounts and Financial Reports for Specialized Financial Institutions adopted to financial statements with fiscal years beginning on or after January 1, 2020, as follows:

- Transactions or items that are not related to financial instruments transactions are complied with the Conceptual Framework for the Financial Reporting, Thai Accounting Standards, and Thai Financial Reporting Standards issued by the Federation of Accounting Professions, including the preparation of other relevant accounting and reporting in accordance with the Bank of Thailand.

- Transactions or items that are related to financial instruments, transactions and other transactions referred to Thai Financial Reporting Standards issued by the Federation of Accounting Professions with reference to TFRS9 shall comply with this accounting regulation in appendix of the announcement and other additional regulation announced by the Bank of Thailand. The Bank has related to regulations as follow :

1. Regulations on doubtful debts and bad debts as specified by the BOT
2. Regulations for troubled debt restructuring as specified by the BOT
3. Regulations on accounting for investments in debt and equity securities as specified by the BOT
4. Regulations for writing off financial assets and financial liabilities as specified by the BOT
5. Regulations on assets transferred to the debtor for the payment of debts as specified by the BOT
6. Regulations on disclosure of information in the Bank's financial statements and similar financial institutions specified by the BOT
7. Regulations on presentation and disclosure for financial instruments as specified by the BOT

3.1.2 The Bank had presented and disclosed the financial Statements in accordance with the Notification of the Bank of Thailand (BOT) No.SorKorSor 27/2562 dated September 2, 2019 regarding the Preparation and Announcement of Financial Statements for Specialized Financial Institutions.

The financial statements issued for Thai reporting and English translation has been prepared for convenience of readers conversant with Thai language.

3.2 Thai Accounting Standards and Thai Financial Reporting Standards effective in current period

The Federation of Accounting Professions had issued the financial reporting standards which was effective for the financial statements with the accounting period beginning on or after January 1, 2022, as follows:

Thai Financial Reporting Standards (TFRS)

| | |
|---------------------------|---|
| TFRS 1 | First-time Adoption of Thai Financial Reporting Standards |
| TFRS 4 | Insurance Contracts |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| TFRS 16 | Leases (Covid-19-Related Rent Concessions) |
| Thai Accounting Guidances | The provision of financial assistance to debtors affected by COVID-19 |

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.2 Thai Accounting Standards and Thai Financial Reporting Standards effective in current period (Continued)

The bank's financial statements had been prepared in accordance with the Bank of Thailand Notification No. Sor Kor Sor 2. 7/2564 announced on April 9, 2021, Re: Preparation of Accounting and Financial Reports for Specialized Financial Institutions. It required transactions relating to financial instruments, including other transactions with reference to TFRS9 to comply with the preparation of accounts rules prescribed by the Bank of Thailand (Note 3.1.1).

3.3 New accounting standards and financial reporting standards but were not effective.

3.3.1 The Federation of Accounting Professions had issued the announcement regarding Thai Financial Reporting Standard 17: Insurance Contracts, which was announced in the Royal Gazette on August 19, 2022, but was effective for the financial statements with the accounting period beginning on or after January 1, 2025.

3.3.2 The Federation of Accounting Professions had issued the announcement regarding Thai Financial Reporting Standards which was effective for the financial statements with the accounting period beginning on or after January 1, 2023 as follows

Thai Accounting Standards

| | |
|--------|--|
| TAS 16 | Property, Plant and Equipment |
| TAS 32 | Financial Instruments: Presentation |
| TAS 37 | Provisions, Contingent Liabilities and Contingent Assets |

Thai Financial Reporting Standards (TFRS)

| | |
|---------------------------|--|
| TFRS 1 | First-time Adoption of Thai Financial Reporting Standards |
| TFRS 3 | Business Combinations |
| TFRS 4 | Insurance Contracts |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| Thai Accounting Guidances | Financial Instruments and Disclosures for Insurance Business |

The bank was under evaluating the impact of adopting such financial reporting standards above and had not adopted the financial reporting standards before the effective date.

3.4 Significant Accounting Policies

3.4.1 Cash and cash equivalents

Cash and cash equivalents represent cash in hand and cash on collection.

3.4.2 Recognition of income

- Interest revenue

The Bank recognizes interest revenue from loans, i.e., interest on delinquent loans, past due or missing interest payments not exceeding three months starting from the due date, are recognized monthly on the accrual basis from the due date, and interests on any loan defaults are recognized on a cash basis.

The Bank ceases the recognition of revenue from interest on loans. Any loans past due or missing interest payments exceeding three months starting from the due date are suspended on revenue recognition, and the previously recorded accrued interest must be reversed from all related accounts after the debtors are suspended on revenue recognition.

The Bank recognizes revenue again after debtors who have been suspended from recognition of revenue on all types of loans pay off the principal and interest or overdue installments that have already been recognized as revenues and have not been recorded as revenues. The revenue shall be recognized monthly on accrual basis.

The Bank recognizes revenue for debtors undertaking debt restructuring in compliance with the Bank of Thailand's guidelines and additional regulations.

- Fee and service income

The Bank recognizes fees and service income from loan approval on a cash basis, except for fee income from issuance of guaranteed letter, management fees from the SME Development Fund, the SME Rehabilitation Fund and SME Recovery Fund, and the project to support minor SMEs via the Small and Medium Enterprise Promotion Fund, which are recognized on accrual basis.

3.4.3 Recognition of Interest Expenses

Interest expenses on deposits and borrowings are recognized on a proportion of time basis, using the effective interest rate method.

3.4.4 Loans

Loans are presented in terms of outstanding principal amount, and accrued interest receivables on loans are recorded separately. Deferred revenue is presented as a deduction from the loans.

3.4.5 Allowance For Doubtful Accounts

The Bank sets aside the allowance for doubtful accounts compliance with the Bank of Thailand's under the Notifications No. SorKorSor.23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions, Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Measures to facilitate long-term sustainable debt restructuring) and the Bank of Thailand's notification No. SorKorSor. 28/2562 Re: Regulations on Public Service Account (PSA), including additional regulations prescribed by the Bank of Thailand.

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.4 Significant Accounting Policies (Continued)

3.4.5 Allowance For Doubtful Accounts (Continued)

1) Loans to customers – The Bank sets aside provisions for doubtful accounts at the Bank of Thailand’s minimum provisioning rate, calculated from the outstanding book value of the loans less collateral or the outstanding book value less the present value of expected future cash flows from the sale of collateral. The collateral value depends on the type of collateral and the latest appraisal date.

In addition, the Bank set aside extra provisions over the Bank of Thailand’s minimum requirement, taking into account the loss from economic and legal changes as well as other factors affecting debtors’ capacity and loans to comply with the contract.

2) Hire purchase loans - The Bank set aside provisions for doubtful accounts according to the Bank of Thailand’s requirement, calculated from the outstanding balance of hire purchase loans after netting of deferred hire purchase income.

3) Other debtors - The Bank will set aside provisions at the full amount for accounts that are estimated to be uncollectible or may become doubtful. Doubtful accounts are considered expenses for the accounting period; they are recorded and will be reversed when they are paid.

Collateral valuation has been conducted according to the Bank of Thailand’s regulations relation to types of collateral, valuation method, valuation frequency and value of collateral that could be deductible before provisioning. The underlying collateral is required to reappraise or revalue on a 3-years basis.

Bad debts written off is deducted from the set aside provision in allowance for doubtful accounts. Bad debts recovered is recognized as other incomes on the statement of profit or loss and other comprehensive income. The Bank has sets criteria and guidelines for bad debts written off and bad debts that debtors classified as doubtful of loss and set full amount of provision to compensate such debts.

3.4.6 Troubled Debt Restructuring

Debt Restructuring (DR) means the restructuring of debt arising from a debtor’s increased credit risks, which can be divided into the following categories:

1) Debt restructuring for loans that are not yet classified as Non-Performing Loans (NPLs) or preemptive debt restructuring.

2) Debt restructuring for NPLs, which is regarded as troubled debt restructuring (TDR).

The Bank carried out debt restructuring according to the regulations and relevant rules under the Bank’s policy on sustainable debt restructuring, the Bank of Thailand’s notification Re: Guidelines for sustainable debt restructuring for debtors of specialized financial institutions, and the Bank of Thailand’s regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Measures to facilitate long-term sustainable debt restructuring).

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.4 Significant Accounting Policies (Continued)

3.4.7 Investments

The Bank's investments consisting of debt securities and equity securities are classified as available-for-sale securities, held-to-maturity debt securities, and general investments.

Investments in marketable securities classified as available-for-sale securities are stated at fair value. Gains or losses from the fair value are presented in the other comprehensive income (losses) in the statement of profit or loss and other comprehensive income. The accumulation is presented in the other components of equity and realized gains or losses after the disposal. The debt securities that the Bank intends and is able to hold to maturity classified as held-to-maturity securities are stated at the amortized cost. Premiums or discounts on held-to-maturity securities are adjusted to interest income at the end of each month. The interest income from held-to-maturity debt securities are recorded on accrual basis using the effective interest rate method.

Investments in non-marketable equity securities are stated at cost net of allowance for impairment (if any). Losses in impairment of investment are recognized to expenses in the statement of profit or loss and other comprehensive income.

3.4.8 Foreign Currency Translation

Assets and liabilities in foreign currencies including forward foreign exchange contracts are recorded in Thai Baht at the exchange rate of each currency prevailing at the transaction dates. And at the date in the statement of financial position, the rate will be converted to Thai Baht using the reference exchange rates of the BOT. Gains or losses on foreign exchange and foreign currency conversion are presented as gain (loss) in the period.

3.4.9 Premises and Equipment, Net

Land is presented at revaluing price, premises are presented at revaluing price less accumulated depreciation and allowance for impairment (if any). Premises improvement is stated at cost less accumulated depreciation and allowance for impairment (if any), equipment with an acquisition cost not exceeding Baht 2,000 is charged directly to expense in the period of acquisition.

The Bank has recorded revalued land and premises every 3-5 years by independent appraisers in accordance with the Bank of Thailand's regulations. The Bank under the capital of asset valuation the surplus of asset valuation is presented in the components of equity. The Bank recognized depreciation of surplus in the other operating expenses Reserved revaluation surplus is directly transferred to the retained earnings at the same amount of the depreciation mentioned. The decreased revaluation that is higher than original cost is recorded after less surplus. The decrease revaluation that is less than original cost is recorded as expenses in the statement of profit or loss and other comprehensive income. For the case of disposal, the revaluation surplus of land and premises will be directly transferred to the retained earnings and excluded in the disposal profit or loss.

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.4 Significant Accounting Policies (Continued)

3.4.9 Premises and Equipment, Net (Continued)

Depreciation is calculated on a straight-line basis over their estimated useful live, which are as follows:

| | |
|----------------------|-------------|
| Premises | 10-50 years |
| Premises improvement | 5-20 years |
| Equipment | 3-10 years |

Before January 1, 2017 depreciation of premises is calculated on a straight-line basis over their useful live of 20 years.

3.4.10 Right-of-use Assets, Net

The Bank recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment loss (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date. Unless the Bank is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on the straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

3.4.11 Other Intangible Assets, Net

Computer software and computer system development expenses are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the estimated useful life of the assets, which is between 3-10 years. The amortization is recognized as expenses in the statement of profit or loss and other comprehensive income.

Leasehold are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the lease period and recognized as expenses in the statement of profit or loss and other comprehensive income.

3.4.12 Properties for Sale, Net

Properties for sale are the Bank's assets. The Bank has purchased those assets that mortgaged to the Bank from the public auction ordered by the court. Or the Bank has accepted the transfer of the properties as collateral for loan payment under the scheme of asset warehousing with buy-back options.

Properties for sale stated at the value of the transfer payment or sale value from the sale by public auction and recorded to same debt repayment less allowance for impairment (if any). The property has been assessed against the transfer market price by the Bank. Losses in impairment are recognized as other operation expenses in the statement of profit or loss and other comprehensive income. The Bank will not deduct depreciation from buildings but recognize gain (loss) when the disposals and after remaining debts is repaid.

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.4 Significant Accounting Policies (Continued)

3.4.12 Properties for Sale, Net (Continued)

According to the Bank of Thailand's policy dated September 2, 2019 regarding Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan collateral or Public Auction of Specialized Financial Institutions, the Properties for sale in the amount of exceeding Baht 50 million are appraised by external appraisers and the amount of not exceeding Baht 50 million are considered appraised by the internal or external appraisers depending on the Bank.

For foreclosed immovable properties for sale under the asset warehousing scheme, the Bank of Thailand's allows financial institutions to value foreclosed immovable properties for sale every 5 years and classifies foreclosed immovable properties for sale only for the portion that the book value is greater than the value from the aforementioned valuation as doubtful accounts according to the Bank of Thailand's notification Re: Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

3.4.13 Derivatives

In the case of hedged assets or liabilities are recognized gains or losses according to the fair value. Hedging instrument assets or liabilities will be recognized as losses or gains arising from changes in fair value under the appropriation of time periods.

Hedging Instrument of assets or liabilities will be recognized accrued interest payable and accrued interest receivable under the appropriation of time periods.

3.4.14 Employees Provident Fund

The Bank established a provident fund under the Provident Fund Act B.E. 2530, which became a registered fund being approved by the Ministry of Finance on November 29, 1996. The provident fund is managed by the Krung Thai Assets Management Public Company Limited as a Fund manager.

Employees of the Bank are entitled to apply for membership according to Provident Fund regulation. Employees contribute to the provident fund at 3-9% according to the years of employment, and the Bank's supplemental contribution is at 5-10% according to the years of employment. Upon termination of employees, employees are entitled to receive this benefit.

The Bank contribution to the Provident Fund for employees as to expenses for employees in the statement of profit or loss and comprehensive income.

3. Basis of Presentation and Significant Accounting Policies (Continued)

3.4 Significant Accounting Policies (Continued)

3.4.15 Lease Liabilities

At the commencement date of the lease, the Bank recognized lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Bank's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

3.4.16 Short-term Leases and Leases of low-value Assets

Payments under the leases that, have a lease term of 12 months or less at the commencement date, or leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

3.4.17 Defined Benefit Plans

3.4.17.1 Short-term Employee Benefits

Short-term employee benefits consisting of salaries, absences, and other short-term benefits based on accounting estimates according to the Bank's program to improve employees operational effectiveness and efficiency.

3.4.17.2 Post-employment Benefits

The Bank provides estimate of employee benefits obligations from statutory compensation under the Labor Protection Act Employee benefit obligations calculated by using the actuarial techniques called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of the cash flow of the benefits expected future payment including forecasts salaries of employee's turnover rate, and rate of increase salaries, discount rate and other.

The Bank recognizes employee's benefits expenses in respect employees expenses in of employee's in the statement of profit or loss and other comprehensive income.

Gains (losses) on actuarial projections recognize, in retained earnings through profit (loss) in comprehensive period in which the entire amount arises.

3.4.18 Legal Reserve

The Bank shall allocate not less than 5% of its annual net profit to a legal reserve account until it reaches an amount not less than 10% of the registered authorized share capital.

3.4.19 Reserve for Investment

The Bank sets aside 25% of the previous year's net profit as a reserve for investment in new projects.

4. Risk Management

4.1 The Bank's Risk Information

Credit Risk

Credit risk means the opportunity or probability that the party was unable to meet its agreed obligations including the possibility that partners would be downgraded their credit risk rating which might affect income and capital funds of financial institutions.

The bank operated within the framework of risk management at an acceptable level of risk based on balancing the implementation of the mission to help entrepreneurs affected by the pandemic of the Coronavirus 2019 (Covid-19) by setting a check and balance mechanism between the credit approvers and customer supervisors to operate with transparency and support quality credit expansion. However, the bank set the credit risk management as follows:

1. Set credit risk management policy to ensure that the bank had good credit risk management in the same direction and consistent with the bank's strategies and policies.
2. Set loan policy to be used as framework, basis, and standard guidelines for the effective of bank's credit operations.
3. Set policies for debt classification and reserved to be used as guideline for debt classification and reserved of the bank and was a tool that built stability, sufficient reserved would be able to cover any losses that might incur from the impairment of assets held by the bank.
4. Set credit approval authority, credit Analysis and approval process and authorization to review and renew credit limits as well as reviewing processes and practices in granting credit to be consistent with the organizational structure. There was a process of checks and balances that was consistent with good risk management principles.
5. Develop and improve credit risk models such as Application Score and Behavior Score to optimize efficiency in screening and assessing customer risks appropriately. It was used in conjunction with the Bureau Score to support the bank's credit approval process to be more efficient.
6. Monitor and credit risks control such as:
 - 6.1 Set acceptable risk ceiling in each industry, monitor and control to prevent Concentration Risk and to manage the portfolio reflected the acceptable level of risk.
 - 6.2 Arrange credit portfolio quality monitoring, classify customer risk levels based on various risk factors such as factors from past debt repayment history to set measures to provide the assistance in granting credit lines to increase liquidity and improve debt restructuring for affected customers thoroughly and promptly.
 - 6.3 Set indicators for monitoring and controlling Credit Risk Dashboard to serve as early warning signs according to customer risk ratings and to enable the customer care unit to monitor and manage in advance of non-performing liabilities such as setting up Yellow's Risk Level and giving warnings to ensure that credit flow was prevented to Red's Risk Level.

4. Risk Management (Continued)

4.1 The Bank's Risk Information (Continued)

Credit Risk (Continued)

6.4 Arrange stress testing by considering both past events and future macroeconomic forecasts to assess the potential damage to SME Bank's capital. The results of the stress test would be reported according to the rules of the regulatory agency to the Risk Oversight Committee, and the Board of Directors. The report had to be submitted to the Bank of Thailand once a year.

7. Arrange for the development of work systems to support classification and reserved calculations of SME Development Bank in accordance with the Financial Reporting Standard 9: Financial Instruments (TFRS9), to be prepared before TFRS9 became effective in preparing the financial statements of SME Development Bank.

Market Risk

Market Risk refers to potential losses the Bank is facing due to the change in value status, both inside and outside the balance sheet, arising from movements in interest rates, equity prices, exchange rates, and commodity prices.

The Bank has managed the market risk as follows:

1. Determine relevant market risk management policies, for example policy on market risk management, policy on interest rate risk management in banking accounts, and policy on trading and banking book management, to be the framework and guidelines for management and control of market risk. The Bank also reviews the policies annually.

2. Prepare tools for measuring and assessing market risks, such as:

- Analysis of repricing gap, or remaining maturity by comparing assets, liabilities, and off-balance sheet items; assessment of the impact of interest rate changes on the Bank's earnings and economic value, and

- Measurement of the impact of changes in risk factors, such as the measurement impact of the dollar change in a bond's value to a change in the market interest rate (PV01), the fair value measurement of debt instruments, and foreign currency transactions.

3. Monitor and control market risk by implementing the following measures:

- Setting market risk limits and reviewing them annually to maintain appropriate risk limits

- Preparing a report on investment status and a report on market risk situation to be submitted to the Board of Directors and involved executives on a regular basis

- Controlling market risk by the management and relevant committees, such as the Asset and Liability Management Committee and the Risk Oversight Sub-committee

4. Risk Management (Continued)

4.1 The Bank's Risk Information (Continued)

Liquidity Risk

Liquidity risk means the risk resulting from the Bank's inability to pay debts or obligations as they become due. This might arise from the Bank's inability to liquidate assets into cash at a time of need or to acquire sufficient funding. The Bank is able to raise funds to settle the obligations, but the costs are unacceptably high, which may affect the Bank's earnings and capital funds.

The Bank has employed the following measures to manage liquidity risk:

1. Determine liquidity risk management policy as a framework and guidelines for management and control of the Bank's liquidity risk and review the policy annually.
2. Set up liquidity risk assessment and measurement tools, such as:
 - Preparing a status report of the liquidity gap
 - Measuring and assessing liquidity risk using financial ratios, such as large deposit concentration ratio, maintenance of liquid assets, and liquidity mismatches
 - Testing liquidity crisis regularly using simulated scenarios
 - Identifying early warning signs of abnormal liquidity situations
3. Monitor and control liquidity risk through the following actions:
 - Determining liquidity risk limits and reviewing them annually to maintain appropriate risk limits
 - Preparing a report on liquidity risk status to be submitted to the Board of Directors and relevant executives on a regular basis
 - Devising the Contingency Liquidity Plan by delegating duties and responsibilities to involved committees and executives, prescribing operational procedures and management approaches to the liquidity crisis, and testing the Contingency Liquidity Plan to ensure that the Bank is well-prepared for the liquidity crisis
 - Determining the sufficient level or quantity of liquidity cushion to guard against liquidity risk under normal and stress scenarios
 - Controlling liquidity risk by the management and related committees, such as the Asset and Liability Management Committee, the Risk Management Sub-committee and the Risk Management Committee

4. Risk Management (Continued)

4.1 The Bank's Risk Information (Continued)

As at December 31, 2022 and 2021, the Bank had significant asset and liability items classified by maturity as follows:

Unit : Million Baht

| | 2022 | | 2021 | | | |
|---------------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| | Not over | Over | Total | Not over | Over | Total |
| | 1 Year | 1 Year | | 1 Year | 1 Year | |
| Assets | | | | | | |
| Interbank and money market items, net | 2,750.77 | - | 2,750.77 | 921.40 | - | 921.40 |
| Investments, net | 1,217.85 | 7,563.92 | 8,781.77 | 2,542.40 | 6,470.70 | 9,013.10 |
| Loans to customers | <u>33,593.22</u> | <u>75,703.35</u> | <u>109,296.57</u> | <u>27,199.78</u> | <u>77,784.39</u> | <u>104,984.17</u> |
| Total | <u>37,561.84</u> | <u>83,267.27</u> | <u>120,829.11</u> | <u>30,663.58</u> | <u>84,255.09</u> | <u>114,918.67</u> |
| Liabilities | | | | | | |
| Deposits | 52,038.14 | 329.18 | 52,367.32 | 47,704.30 | 7,094.79 | 54,799.09 |
| Interbank and money market items, net | 898.13 | 22,709.73 | 23,607.86 | 5,118.74 | 8,935.30 | 14,054.04 |
| Debt issued and borrowings | <u>6,007.98</u> | <u>20,232.69</u> | <u>26,240.67</u> | <u>33.94</u> | <u>26,275.30</u> | <u>26,309.24</u> |
| Total | <u>58,944.25</u> | <u>43,271.60</u> | <u>102,215.85</u> | <u>52,856.98</u> | <u>42,305.39</u> | <u>95,162.37</u> |

4.2 Fair Value of Financial Instruments

Unit : Million Baht

| Type of financial instruments | 2022 | | 2021 | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Book value | Fair value | Book value | Fair value |
| Financial assets | | | | |
| Cash | 0.16 | 0.16 | 0.25 | 0.25 |
| Interbank and money market items, net | 2,750.77 | 2,750.77 | 921.40 | 921.40 |
| Investments, net | 8,781.77 | 8,781.77 | 9,013.10 | 9,013.10 |
| Loans to customers, net | <u>100,549.78</u> | <u>100,549.78</u> | <u>95,166.55</u> | <u>95,166.55</u> |
| Total | <u>112,082.48</u> | <u>112,082.48</u> | <u>105,101.30</u> | <u>105,101.30</u> |
| Financial liabilities | | | | |
| Deposits | 52,367.32 | 52,367.32 | 54,799.09 | 54,799.09 |
| Interbank and money market items, net | 23,607.86 | 23,607.86 | 14,054.04 | 14,054.04 |
| Liabilities payable on demand | 25.94 | 25.94 | 25.64 | 25.64 |
| Debt issued and borrowings | <u>26,240.67</u> | <u>26,240.67</u> | <u>26,309.24</u> | <u>26,309.24</u> |
| Total | <u>102,241.79</u> | <u>102,241.79</u> | <u>95,188.01</u> | <u>95,188.01</u> |

4.3 Maintenance of Capital Fund

| | Unit : Million Baht | |
|--|-------------------------|-------------------------|
| | <u>2022</u> | <u>2021</u> |
| Tier 1 capital | | |
| Paid-up share capital | 36,231.81 | 36,231.81 |
| Discount on share capital | (15,476.81) | (15,476.81) |
| Legal reserves | 48.19 | 48.19 |
| Investments reserves | 216.46 | 216.46 |
| Unappropriated retained earnings (deficit) | <u>(11,033.62)</u> | <u>(11,632.47)</u> |
| Total | 9,986.03 | 9,387.18 |
| Deficit, net | <u>-</u> | <u>(177.19)</u> |
| Total Tier 1 capital | <u>9,986.03</u> | <u>9,209.99</u> |
| Tier 2 capital | | |
| Incremental value of land appraisal | 289.66 | 289.66 |
| Incremental value of premises appraisal | 222.91 | 231.74 |
| Reserve for normal assets | <u>549.15</u> | <u>576.40</u> |
| Total Tier 2 capital | <u>1,061.72</u> | <u>1,097.80</u> |
| Total capital fund in accordance with the Bank of Thailand's regulation | <u>11,047.75</u> | <u>10,307.79</u> |

The Bank's capital fund was calculated based on the Bank of Thailand's notification No. SorKorSor.16/2562 Re: Capital Components of Specialized Financial Institutions.

According to the Bank of Thailand Notification No. SorKorSor. 15/2562 Re: Regulations on Capital Adequacy of Specialized Financial Institutions, it had stipulated that the total capital adequacy ratio to output should not be less than 8.5% and the Tier 1 capital adequacy ratio to output should not be less than 4.25 percent. As at December 31, 2022 and 2021, the bank had the capital adequacy ratio to output calculated as follows:

| | Percentage | |
|--------------------|-------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Total Capital fund | 13.90 | 13.56 |
| Tier 1 Capital | 12.57 | 12.12 |

5. Estimates and Assumptions

The preparation of financial statements in conformity with the Thai Financial Reporting Standards requires the management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected. Information about the areas estimation uncertainty and assumptions in applying of accounting policies that have a significant effect on the amounts recognized in the financial statements.

6. Supplementary Information

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the year ended December 31, 2022 and 2021 were as follows:

| | Unit : Million Baht | |
|--|---------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Increase in revaluation surplus (deficit) on investments in equity | (97.72) | (147.51) |
| Increase in appraisal surplus on assets in equity | 222.73 | - |
| Increase in properties for sale from loan payment | 577.95 | 148.04 |
| Increase in right-of-use from lease agreement | 80.54 | 80.54 |

6.2 Interbank and money market items, net (Assets)

| | Unit : Million Baht | | | | | |
|---|----------------------|------------------------|------------------------|----------------------|---------------------|----------------------|
| | <u>2022</u> | | | <u>2021</u> | | |
| | <u>Demand</u> | <u>Time</u> | <u>Total</u> | <u>Time</u> | <u>Demand</u> | <u>Total</u> |
| Domestic items | | | | | | |
| Bank of Thailand | 40.11 | 2,000.00 | 2,040.11 | 275.81 | - | 275.81 |
| Commercial banks | 678.54 | - | 678.54 | 608.51 | - | 608.51 |
| Specialized financial institutions | <u>0.74</u> | <u>27.09</u> | <u>27.83</u> | <u>1.07</u> | <u>34.04</u> | <u>35.11</u> |
| Total | 719.39 | 2,027.09 | 2,746.48 | 885.39 | 34.04 | 919.43 |
| Add Accrued interest receivables | <u>-</u> | <u>0.11</u> | <u>0.11</u> | <u>-</u> | <u>0.05</u> | <u>0.05</u> |
| Total domestic items | <u>719.39</u> | <u>2,027.20</u> | <u>2,746.59</u> | <u>885.39</u> | <u>34.09</u> | <u>919.48</u> |
| Foreign items | | | | | | |
| US Dollar | <u>4.18</u> | <u>-</u> | <u>4.18</u> | <u>1.92</u> | <u>-</u> | <u>1.92</u> |
| Total foreign items | <u>4.18</u> | <u>-</u> | <u>4.18</u> | <u>1.92</u> | <u>-</u> | <u>1.92</u> |
| Total domestic and foreign items | <u>723.57</u> | <u>2,027.20</u> | <u>2,750.77</u> | <u>887.31</u> | <u>34.09</u> | <u>921.40</u> |

6.3 Investments, Net

6.3.1 Available-for-sale Securities

| | Unit : Million Baht | |
|---|---------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Fair value</u> | <u>Fair value</u> |
| Government and state enterprise securities | 5,012.88 | 4,734.81 |
| <u>Add/(Less) Allowance for revaluation</u> | <u>(134.71)</u> | <u>(37.25)</u> |
| Total | <u>4,878.17</u> | <u>4,697.56</u> |

6.3.2 Held-to-maturity Debt Securities

| | Unit : Million Baht | |
|--|-----------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Cost/</u> | <u>Cost/</u> |
| | <u>Amortized cost</u> | <u>Amortized cost</u> |
| Government and state enterprise securities | 2,349.88 | 3,325.18 |
| <u>Add Allowance for revaluation</u> | <u>-</u> | <u>0.26</u> |
| Total | <u>2,349.88</u> | <u>3,325.44</u> |

6.3.3 General Investments

| | Unit : Million Baht | |
|---|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Cost</u> | <u>Cost</u> |
| Domestic non-marketable equity securities | 1,745.91 | 1,157.91 |
| <u>Less Allowance for Impairment</u> | <u>(192.19)</u> | <u>(167.81)</u> |
| Total | <u>1,553.72</u> | <u>990.10</u> |
| Total investments, net | <u>8,781.77</u> | <u>9,013.10</u> |

As at December 31, 2022 and 2021 the allowance for revaluation of investments (other components of equity: Revaluation surplus (deficit) on investments) amounted of Baht (134.71) million and Baht (36.99) million respectively (Note 6.21).

6.4 Loans to Customers and Accrued Interest Receivables, Net

6.4.1 Classified by Type of Loans

| | Unit : Million Baht | |
|--|-------------------------|-------------------------|
| | 2022 | 2021 |
| Loans to customers | 63,342.27 | 46,813.90 |
| Hire purchase receivables (Note 6.4.7) | 26.81 | 42.63 |
| Welfare receivables | <u>87.15</u> | <u>94.82</u> |
| Total | 63,456.23 | 46,951.35 |
| <u>Less</u> Deferred revenue | <u>(42.33)</u> | <u>(36.46)</u> |
| Total loans to customers, net of deferred revenue | 63,413.90 | 46,914.89 |
| <u>Add</u> Accrued interest receivables | <u>691.82</u> | <u>444.00</u> |
| Total loans to customers, net of deferred revenue, plus accrued interest receivables | 64,105.72 | 47,358.89 |
| <u>Less</u> Allowance for doubtful accounts | | |
| 1. Minimum reserve under BOT's regulations | (4,371.41) | (5,382.24) |
| 2. Excess allowance | <u>(4,803.07)</u> | <u>(3,892.69)</u> |
| Total loans to customers, net | <u>54,931.24</u> | <u>38,083.96</u> |

As at December 31, 2022, the Bank's total loans to customers in the amount of Baht 109,296.57 million which consisting of Baht 45,840.34 million classified as the projects of in public service account and Baht 63,456.23 million for the projects of public sector cooperation and for commercial purpose.

As at December 31, 2021, the Bank's total loans to customers in the amount of Baht 104,984.17 million which consisting of Baht 58,032.82 million classified as the projects of in public service account and Baht 46,951.35 million for the projects of public sector cooperation and for commercial purpose.

6.4.2 Classified by Currencies and Customer's Residence

| | Unit : Million Baht | |
|--------------|-------------------------|-------------------------|
| | 2022 | 2021 |
| Thai Baht | 63,456.23 | 46,951.35 |
| US Dollar | <u>-</u> | <u>-</u> |
| Total | <u>63,456.23</u> | <u>46,951.35</u> |

6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

6.4.3 Classified by Business Types and Loan Classification

Unit : Million Baht

| | <u>2022</u> | | | | | Total |
|---|-------------------------|------------------------|----------------------|----------------------|-------------------------|-------------------------|
| | <u>Normal</u> | <u>Special mention</u> | <u>Sub-standard</u> | <u>Doubtful</u> | <u>Doubtful of loss</u> | |
| Agriculture and mining | 569.78 | 73.68 | 1.16 | 7.78 | 524.47 | 1,176.87 |
| Manufacturing and commercial | 4,465.57 | 174.30 | 77.65 | 87.69 | 3,820.53 | 8,625.74 |
| Real estate and construction | 2,283.46 | 81.51 | 19.07 | 14.90 | 235.40 | 2,634.34 |
| Public utilities and services | 44,689.57 | 1,714.13 | 208.96 | 513.17 | 3,772.65 | 50,898.48 |
| Housing loans | 86.35 | - | - | - | 0.79 | 87.14 |
| Others | <u>13.68</u> | <u>18.64</u> | <u>-</u> | <u>-</u> | <u>1.34</u> | <u>33.66</u> |
| Total | <u>52,108.41</u> | <u>2,062.26</u> | <u>306.84</u> | <u>623.54</u> | <u>8,355.18</u> | 63,456.23 |
| Less Deferred revenue | | | | | | <u>(42.33)</u> |
| Total loans to customers-net of deferred revenue | | | | | | <u>63,413.90</u> |

Unit : Million Baht

| | <u>2021</u> | | | | | Total |
|---|-------------------------|------------------------|----------------------|----------------------|-------------------------|-------------------------|
| | <u>Normal</u> | <u>Special mention</u> | <u>Sub-standard</u> | <u>Doubtful</u> | <u>Doubtful of loss</u> | |
| Agriculture and mining | 641.14 | 18.24 | 8.76 | 2.29 | 604.18 | 1,274.61 |
| Manufacturing and commercial | 3,772.91 | 136.81 | 8.97 | 169.30 | 4,629.41 | 8,717.40 |
| Real estate and construction | 1,394.33 | 18.79 | 3.93 | 65.81 | 380.94 | 1,863.80 |
| Public utilities and services | 27,240.38 | 1,422.95 | 179.54 | 282.18 | 5,854.57 | 34,979.62 |
| Housing loans | 94.03 | - | - | - | 0.79 | 94.82 |
| Others | <u>19.76</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1.34</u> | <u>21.10</u> |
| Total | <u>33,162.55</u> | <u>1,596.79</u> | <u>201.20</u> | <u>519.58</u> | <u>11,471.23</u> | 46,951.35 |
| Less Deferred revenue | | | | | | <u>(36.46)</u> |
| Total loans to customers-net of deferred revenue | | | | | | <u>46,914.89</u> |

6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

6.4.4 Classified by Loan Classification

Unit : Million Baht

2022

| | Loans and accrued interest receivables | Net amount used for setting the allowance for doubtful accounts | % used for setting the allowance for doubtful accounts | Allowance for doubtful accounts |
|--|---|--|---|------------------------------------|
| 1. Minimum reserve under BOT's regulations | | | | |
| Normal | 52,732.77 | 26,257.02 | 1 | 262.57 |
| Normal - surplus | | | | 13.18 |
| Special mention | 2,128.84 | 743.03 | 2 | 14.86 |
| Substandard | 307.14 | 154.36 | 100 | 154.36 |
| Doubtful | 623.94 | 408.01 | 100 | 408.01 |
| Doubtful of loss | <u>8,355.36</u> | <u>3,518.43</u> | 100 | <u>3,518.43</u> |
| Total | 64,148.05 | <u>31,080.85</u> | | 4,371.41 |
| Less Deferred revenue | <u>(42.33)</u> | | | |
| Loans to customers and accrued interest receivables | 64,105.72 | | | |
| Less Allowance for doubtful accounts (Note 6.5) | <u>(9,174.48)</u> | | | |
| Loans to customers and accrued interest receivables, net | <u>54,931.24</u> | | | |
| 2. Excess allowance | | | | 4,803.07 |
| Total | | | | <u>9,174.48</u> |

Unit : Million Baht

2021

| | Loans and accrued interest receivables | Net amount used for setting the allowance for doubtful accounts | % used for setting the allowance for doubtful accounts | Allowance for doubtful accounts |
|--|---|--|---|------------------------------------|
| 1. Minimum reserve under BOT's regulations | | | | |
| Normal | 33,565.64 | 18,257.60 | 1 | 182.57 |
| Normal - surplus | | | | 16.51 |
| Special mention | 1,637.56 | 815.35 | 2 | 16.31 |
| Substandard | 201.23 | 86.32 | 100 | 86.32 |
| Doubtful | 519.69 | 371.04 | 100 | 371.04 |
| Doubtful of loss | <u>11,471.23</u> | <u>4,709.49</u> | 100 | <u>4,709.49</u> |
| Total | 47,395.35 | <u>24,239.80</u> | | 5,382.24 |
| Less Deferred revenue | <u>(36.46)</u> | | | |
| Loans to customers and accrued interest receivables | 47,358.89 | | | |
| Less Allowance for doubtful accounts (Note 6.5) | <u>(9,274.93)</u> | | | |
| Loans to customers and accrued interest receivables, net | <u>38,083.96</u> | | | |
| 2. Excess allowance | | | | 3,892.69 |
| Total | | | | <u>9,274.93</u> |

6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

6.4.4 Classified by Loan Classification (Continued)

As at December 31, 2022, the Bank set aside the allowance for doubtful accounts in compliance with the Bank of Thailand's notification No.SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

The Bank has set aside loans to customers based on the overdue of interest or principal payables according to conditions or time periods as stated in the contract or as requested by the Bank or make claims to pay back, whichever comes first, including with restructuring debts has followed the No. SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions the addition accordance to the Bank of Thailand's notification No. SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of the Public Service Account.

As at December 31, 2022 and 2021, the Bank has the loans with allowance and the loan without allowance as follows:

| | Unit : Million Baht | | | |
|-------------------------|--|---|--|---|
| | <u>2022</u> | | <u>2021</u> | |
| | Loans and accrued interest receivables, net of deferred revenue | % of Loans and accrued interest receivables, net of deferred revenue | Loans and accrued interest receivables, net of deferred revenue | % of Loans and accrued interest receivables, net of deferred revenue |
| Loans with allowance | 108,006.63 | 97.68 | 103,202.87 | 97.55 |
| Loans without allowance | <u>2,560.97</u> | 2.32 | <u>2,587.40</u> | 2.45 |
| Total | <u>110,567.60</u> | | <u>105,790.27</u> | |

Loans without allowance are debtors or persons or corporate who are the debtors of the Bank according to cabin resolution of the compensation for damages that loans classified as pass and without allowance since the government provided the compensation for damage based on the Bank of Thailand's notification No. SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of the Public Service Account.

During the period, the Bank has the loans with allowance under the public service accounts according to resolution the cabinet of the compensation damage and the expected compensation that estimated to receive in the amount of Baht 469.62 million.

As at December 31, 2021 and 2020, the Bank has loans that being stopped recognizing income in the amount of Baht 10,624.17 million and Baht 14,270.88 million are 9.61% and 13.49% of loans to customers and accrued interest receivables, net from deferred revenue, respectively.

6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

6.4.5 Classified by non-performing loans

As at December 31, 2022 and 2021, the Bank had non-performing loans as follows:

| | Unit : Million Baht | | | |
|--|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | 2022 | | 2021 | |
| | Non-performing loans | % of Non-performing loans | Non-performing loans | % of Non-performing loans |
| Public service account projects | 1,338.60 | 12.60 | 2,078.88 | 14.57 |
| Public sector cooperation and commercial projects | <u>9,285.57</u> | 87.40 | <u>12,192.00</u> | 85.43 |
| Total | <u>10,624.17</u> | | <u>14,270.88</u> | |

6.4.6 Troubled debt Restructuring

As at December 31, 2022 and 2021, details about troubled debt restructuring were as follows:

| | | Unit : Million Baht | |
|--|---------------------|--|--------------------------------|
| | | 2022 | |
| <u>Troubled debt restructuring methods</u> | <u>No. of cases</u> | <u>Outstanding debt Before restructuring</u> | <u>After restructuring</u> |
| Change of repayment conditions | <u>9,785</u> | <u>12,813.46</u> | <u>12,813.46</u> |
| Total | <u>9,785</u> | <u>12,813.46</u> | <u>12,813.46</u> |

| | | Unit : Million Baht | |
|--|----------------------|--|--------------------------------|
| | | 2021 | |
| <u>Troubled debt restructuring methods</u> | <u>No. of cases</u> | <u>Outstanding debt Before restructuring</u> | <u>After restructuring</u> |
| Change of repayment conditions | <u>11,281</u> | <u>14,163.10</u> | <u>14,163.10</u> |
| Total | <u>11,281</u> | <u>14,163.10</u> | <u>14,163.10</u> |

6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

6.4.7 Finance Lease Receivables Hire Purchase Receivables (Note 6.4.1)

Unit : Million Baht

| | <u>2022</u> | | | <u>Total</u> |
|---|-----------------------------------|-----------------------|---------------------|--------------------|
| | <u>Amount due of the contract</u> | | | |
| | <u>Not over 1 year</u> | <u>Over 1-5 years</u> | <u>Over 5 years</u> | |
| Gross investment of leases payment | 9.86 | 16.95 | - | 26.81 |
| Less Unearned financial income | | | | <u>(4.05)</u> |
| Present value of minimum leases payment | | | | 22.76 |
| Allowance for doubtful accounts | | | | <u>(17.29)</u> |
| Finance lease receivables, net | | | | <u>5.47</u> |

Unit : Million Baht

| | <u>2021</u> | | | <u>Total</u> |
|---|------------------------------------|-----------------------|---------------------|--------------------|
| | <u>Amounts due of the contract</u> | | | |
| | <u>Not over 1 year</u> | <u>Over 1-5 years</u> | <u>Over 5 years</u> | |
| Gross investment of leases payment | 21.18 | 21.45 | - | 42.63 |
| Less Unearned financial income | | | | <u>(5.59)</u> |
| Present value of minimum leases payment | | | | 37.04 |
| Allowance for doubtful accounts | | | | <u>(32.55)</u> |
| Finance lease receivables, net | | | | <u>4.49</u> |

6.5 Allowance for Doubtful Accounts

The Bank's allowance for doubtful accounts consisted of allowance for doubtful accounts for public sector cooperation project and commercial projects in the amount of Baht 9,174.48 million and allowance for doubtful accounts for project of public service accounts in the amount of Baht 843.34 million (Note 6.32.3) that total of allowance of doubtful account as at December 31, 2022 in the amount of Baht 10,017.82 million.

As at December 31, 2022, the allowance for doubtful accounts for public sector cooperation and commercial projects in the amounted to Baht 9,174.48 million as follows

Unit : Million Baht

| | <u>2022</u> | | | | | | |
|-------------------------|----------------------|------------------------|-----------------------|----------------------|-------------------------|----------------------------|------------------------|
| | <u>Normal</u> | <u>Special mention</u> | <u>Sub - standard</u> | <u>Doubtful</u> | <u>Doubtful of loss</u> | <u>Allowance in excess</u> | <u>Total</u> |
| Beginning balance | 199.08 | 16.31 | 86.32 | 371.04 | 4,709.49 | 3,892.69 | 9,274.93 |
| Doubtful accounts | 76.67 | (1.45) | 68.04 | 36.97 | 327.51 | 1,092.21 | 1,599.95 |
| Write-off and bad debts | - | - | - | - | <u>(1,518.57)</u> | <u>(181.83)</u> | <u>(1,700.40)</u> |
| Ending balance | <u>275.75</u> | <u>14.86</u> | <u>154.36</u> | <u>408.01</u> | <u>3,518.43</u> | <u>4,803.07</u> | <u>9,174.48</u> |

6.5 Allowance for Doubtful Accounts (Continued)

As at December 31, 2021, the allowance for doubtful accounts for public sector cooperation project and commercial projects in the amount of Baht 9,274.93 million consisting of :

Unit : Million Baht

| | <u>2021</u> | | | | | | |
|-------------------------|----------------------|----------------------------|---------------------------|----------------------|-----------------------------|--------------------------------|------------------------|
| | <u>Normal</u> | <u>Special mention</u> | <u>Sub - standard</u> | <u>Doubtful</u> | <u>Doubtful of loss</u> | <u>Allowance in excess</u> | <u>Total</u> |
| Beginning balance | 259.00 | 28.45 | 110.73 | 86.63 | 4,771.69 | 3,478.38 | 8,734.88 |
| Doubtful accounts | (59.92) | (12.14) | (24.41) | 284.41 | 358.98 | 414.31 | 961.23 |
| Write-off and bad debts | - | - | - | - | (421.18) | - | (421.18) |
| Ending balance | <u>199.08</u> | <u>16.31</u> | <u>86.32</u> | <u>371.04</u> | <u>4,709.49</u> | <u>3,892.69</u> | <u>9,274.93</u> |

The calculation of allowances for doubtful accounts in Note 6.4.4

The Bank has set allowances for doubtful accounts in compliance with the Bank of Thailand's notification No.SorKorSor.23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions and No.SorKorSor. 22/2562 dated September 2, 2019, regarding Regulations on Loan Guaranteed by the Thai Credit Guarantee Corporation under the Portfolio Guarantee Scheme for Specialized Financial Institutions.

During the year 2022 the Bank had reserved the provision for commercial transactions decreased by Baht 507.74 million which had amortization of allowance for doubtful accounts arising from ale of debt and write-off of bad debt of Baht 1,518.57 million.

As at December 31, 2022 and 2021, the Bank had the excess reserved amounted Baht 4,803.07 million and Baht 3,892.69 million, respectively, as the excess reserved amounted Baht 4,068.55 million and Baht 3,158.17 million, respectively, and PIL excess reserved amounted Baht 734.52 million. During the period, the bank had increased its reserve of excess reserved amounted Baht 2,335.88 million and to utilize the excess reserves as dependent reserves for those who made additional reserved from the changes in collateral amounted Baht 1,243.67 million including the amortized from the sale of liabilities amounted Baht 181.83 million. According to the Board of Director' of the Bank Meeting No. 2 dated January 25, 2023, Agenda 3.1. It was the report to acknowledge the operating results and performance according to organizational indicators and progress on outstanding credit disbursement, receivables care and NPL debt correction for December 2022. The meeting had resolved to acknowledge as proposed.

6.6 Properties for sale, net

Unit : Million Baht

| | 2022 | | | |
|---------------------------------------|----------------------|----------------------|------------------------|------------------------|
| | <u>Beginning</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending</u> |
| | <u>balance</u> | | | <u>balance</u> |
| Assets acquired from debt repayment | | | | |
| Immovable properties | 993.52 | 582.32 | (237.12) | 1,338.72 |
| Movable properties | <u>23.90</u> | <u>0.04</u> | <u>(0.09)</u> | <u>23.85</u> |
| Total | 1,017.42 | 582.36 | (237.21) | 1,362.57 |
| Properties for sale in transit | - | - | - | - |
| Total | 1,017.42 | 582.36 | (237.21) | 1,362.57 |
| Less Allowance for impairment | <u>167.74</u> | <u>(90.83)</u> | <u>99.24</u> | <u>(159.33)</u> |
| Total properties for sale, net | <u>849.68</u> | <u>491.53</u> | <u>(137.97)</u> | <u>1,203.24</u> |

Unit : Million Baht

| | 2021 | | | |
|---------------------------------------|----------------------|----------------------|------------------------|----------------------|
| | <u>Beginning</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending</u> |
| | <u>balance</u> | | | <u>balance</u> |
| Assets acquired from debt repayment | | | | |
| Immovable properties | 889.48 | 206.56 | (102.52) | 993.52 |
| Movable properties | <u>24.05</u> | <u>0.05</u> | <u>(0.20)</u> | <u>23.90</u> |
| Total | 913.53 | 206.61 | (102.72) | 1,017.42 |
| Properties for sale in transit | <u>11.89</u> | - | <u>(11.89)</u> | - |
| Total | 925.42 | 206.61 | (114.61) | 1,017.42 |
| Less Allowance for impairment | <u>(175.71)</u> | <u>(2.50)</u> | <u>10.47</u> | <u>(167.74)</u> |
| Total properties for sale, net | <u>749.71</u> | <u>204.11</u> | <u>(104.14)</u> | <u>849.68</u> |

As at December 31, 2022, the Bank had immovable properties acquired from debt repayment in the amount of Baht 1,338.72 million, which were appraised by an internal appraiser at amounting to Baht 612.73 million and by an external appraiser amounting to Baht 725.99 million.

As at December 31, 2021, the Bank had immovable properties acquired from debt repayment in the amount of Baht 993.52 million, which were appraised by an internal appraiser at amounting to Baht 688.26 million and by an external appraiser amounting to Baht 305.26 million.

As at December 31, 2022 and 2021, the Bank's allowances for impairment of properties for sale incurred from loss on impairment in the amount of Baht 159.33 million and Baht 167.74 million, respectively.

For the year ended at December 31, 2022 and 2021, the Bank had profited from disposals of properties for sale in the amount of Baht 113.13 million and Baht 32.15 million, respectively.

6.7 Premises and Equipment, Net

Unit : Million Baht

| | 2022 | | | | 2022 | | | | Premise and Equipment, Net |
|-----------------------------|-------------------|---------------|----------------|-----------------|--------------------------|--------------|-----------------|-----------------|----------------------------|
| | Cost | | | Equipment, Net | Accumulated depreciation | | | Ending Balance | |
| | Beginning Balance | Additions | Disposals | | Beginning Balance | Depreciation | Disposals | | |
| Land | 274.20 | - | - | 274.20 | - | - | - | - | 274.20 |
| Land-Appraisal increase* | 414.32 | 91.27 | - | 505.59 | - | - | - | - | 505.59 |
| Premises | 508.84 | - | - | 508.84 | 255.56 | 7.36 | - | 62.93 | 245.91 |
| Premises improvement | 41.21 | - | - | 41.21 | 3.89 | 2.50 | - | 6.39 | 34.82 |
| Premises-Appraisal increase | 569.67 | 79.38 | - | 649.05 | 71.13 | 19.05 | (71.12) | 19.05 | 630.00 |
| Equipment | | | | | | | | | |
| - Office equipment | 462.76 | 26.26 | (28.08) | 460.94 | 397.78 | 24.68 | (28.05) | 394.41 | 66.53 |
| - Furniture | 474.80 | 19.86 | | 486.45 | 461.47 | 11.81 | (8.18) | 465.10 | 21.35 |
| - Vehicles | 0.05 | - | (8.21) | 0.05 | 0.05 | - | - | 0.05 | - |
| Total | 2,745.85 | 216.77 | (36.29) | 2,926.33 | 1,189.88 | 65.40 | (107.35) | 1,147.93 | 1,778.40 |

*The Bank revalued these items in 2022.

Unit : Million Baht

| | 2021 | | | | 2021 | | | | Premise and Equipment, Net |
|------------------------------|-------------------|--------------|----------------|-----------------|--------------------------|--------------|----------------|-----------------|----------------------------|
| | Cost | | | Equipment, Net | Accumulated depreciation | | | Ending Balance | |
| | Beginning Balance | Additions | Disposals | | Beginning Balance | Depreciation | Disposals | | |
| Land | 274.20 | - | - | 274.20 | - | - | - | - | 274.20 |
| Land-Appraisal increase* | 414.32 | - | - | 414.32 | - | - | - | - | 414.32 |
| Premises | 514.97 | - | (6.13) | 508.84 | 251.35 | 7.25 | (3.04) | 255.56 | 253.28 |
| Premises improvement | 23.13 | 19.00 | (0.92) | 41.21 | 2.41 | 2.40 | (0.92) | 3.89 | 37.32 |
| Premises-Appraisal increase* | 569.67 | - | - | 569.67 | 56.90 | 14.23 | - | 71.13 | 498.54 |
| Equipment | | | | | | | | | |
| - Office equipment | 464.24 | 4.99 | (6.47) | 462.76 | 354.80 | 49.41 | (6.43) | 397.78 | 64.98 |
| - Furniture | 476.18 | 1.54 | (2.92) | 474.80 | 441.66 | 22.73 | (2.92) | 461.47 | 13.33 |
| - Vehicles | 0.05 | - | - | 0.05 | 0.05 | - | - | 0.05 | - |
| Total | 2,736.76 | 25.53 | (16.44) | 2,745.85 | 1,107.17 | 96.02 | (13.31) | 1,189.88 | 1,555.97 |

*The Bank revalued these items in 2017.

As at December 31, 2022 and 2021, the Bank had premises in the amount of Baht 508.84 million comprising of head office in the amount of Baht 491.35 million and branch offices in the amount of Baht 17.49 million.

6.8 Right-of-use Assets, Net

Unit : Million Baht

| | 2022 | | | | | | | | | |
|--------------|---------------|--------------|----------------|---------------|--------------------------|--------------|----------------|---------------|---------------|-----------------------------|
| | Cost | | | | Accumulated depreciation | | | | | |
| | Beginning | | Ending | | Beginning | | | Ending | | Right-of-use Assets, Net |
| | Balance | Additions | Disposals | Balance | Balance | Additions | Disposals | Balance | | |
| Premises | 117.83 | 73.33 | (28.20) | 162.96 | 53.04 | 40.72 | (25.26) | 68.50 | 94.46 | |
| Vehicles | 141.47 | 7.21 | (2.40) | 146.28 | 41.99 | 29.15 | (2.27) | 68.87 | 77.41 | |
| Total | 259.30 | 80.54 | (30.60) | 309.24 | 95.03 | 69.87 | (27.53) | 137.37 | 171.87 | |

Unit : Million Baht

| | 2021 | | | | | | | | | |
|------------------|---------------|--------------|-----------------|---------------|--------------------------|--------------|-----------------|--------------|---------------|-----------------------------|
| | Cost | | | | Accumulated depreciation | | | | | |
| | Beginning | | Ending | | Beginning | | | Ending | | Right-of-use Assets, Net |
| | Balance | Additions | Disposals | Balance | Balance | Additions | Disposals | Balance | | |
| Premises | 99.79 | 46.12 | (28.08) | 117.83 | 39.97 | 39.95 | (26.88) | 53.04 | 64.79 | |
| Office equipment | 0.22 | - | (0.22) | - | 0.10 | 0.02 | (0.12) | - | - | |
| Vehicles | 184.47 | 34.42 | (77.42) | 141.47 | 62.84 | 52.61 | (73.46) | 41.99 | 99.48 | |
| Total | 284.48 | 80.54 | (105.72) | 259.30 | 102.91 | 92.58 | (100.46) | 95.03 | 164.27 | |

6.9 Assets in Progress

Unit : Million Baht

| | 2022 | | | |
|----------------------|---------------|---------------|-----------------|---------------|
| | Beginning | | Ending | |
| | Balance | Additions | Transfer | Balance |
| Premises improvement | - | 0.51 | - | 0.51 |
| Office equipment | 3.88 | 2.74 | (4.16) | 2.46 |
| Computer system | 157.32 | 120.61 | (76.62) | 201.31 |
| Computer | 20.88 | - | (6.90) | 13.98 |
| Furniture | 1.51 | 23.00 | (18.91) | 5.60 |
| Total | 183.59 | 146.86 | (106.59) | 223.86 |

Unit : Million Baht

| | 2021 | | | |
|----------------------|---------------|--------------|-----------------|---------------|
| | Beginning | | Ending | |
| | Balance | Additions | Transfer | Balance |
| Premises improvement | 19.00 | - | (19.00) | - |
| Office equipment | - | 3.88 | - | 3.88 |
| Computer system | 271.33 | 54.05 | (168.06) | 157.32 |
| Computer | - | 20.88 | - | 20.88 |
| Furniture | 0.55 | 1.06 | (0.10) | 1.51 |
| Total | 290.88 | 79.87 | (187.16) | 183.59 |

6.10 Advances for Legal costs, Net

| | Unit : Million Baht | |
|---|---------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Advances in legal costs | 213.78 | 270.64 |
| <u>Less</u> Allowance for doubtful accounts | <u>(213.78)</u> | <u>(270.64)</u> |
| Advances for legal costs, net | <u>0.00</u> | <u>0.00</u> |

6.11 Other Intangible Assets, Net

| | Unit : Million Baht | | | | | | | | | |
|-----------------|----------------------|---------------------|-----------------|----------------------|--------------------------|---------------------|-----------------|----------------------|----------------------|--|
| | <u>2022</u> | | | | | | | | | |
| | Cost | | | | Accumulated depreciation | | | | | |
| | Beginning | | Ending | | Beginning | | | Ending | | |
| | balance | Additions | Disposals | balance | balance | Additions | Disposals | balance | Net | |
| Leasehold | 5.00 | - | - | 5.00 | 2.24 | 0.17 | - | 2.41 | 2.59 | |
| Computer system | <u>310.88</u> | <u>44.77</u> | - | <u>355.65</u> | <u>214.30</u> | <u>31.34</u> | - | <u>245.64</u> | <u>110.01</u> | |
| Total | <u>315.88</u> | <u>44.77</u> | <u>-</u> | <u>360.65</u> | <u>216.54</u> | <u>31.51</u> | <u>-</u> | <u>248.05</u> | <u>112.60</u> | |

| | Unit : Million Baht | | | | | | | | | |
|-----------------|----------------------|---------------------|-----------------|----------------------|--------------------------|---------------------|-----------------|----------------------|---------------------|--|
| | <u>2021</u> | | | | | | | | | |
| | Cost | | | | Accumulated depreciation | | | | | |
| | Beginning | | Ending | | Beginning | | | Ending | | |
| | balance | Additions | Disposals | balance | balance | Additions | Disposals | balance | Net | |
| Leasehold | 5.00 | - | - | 5.00 | 2.07 | 0.17 | - | 2.24 | 2.76 | |
| Computer system | <u>236.79</u> | <u>74.09</u> | - | <u>310.88</u> | <u>190.89</u> | <u>23.41</u> | - | <u>214.30</u> | <u>96.58</u> | |
| Total | <u>241.79</u> | <u>74.09</u> | <u>-</u> | <u>315.88</u> | <u>192.96</u> | <u>23.58</u> | <u>-</u> | <u>216.54</u> | <u>99.34</u> | |

6.12 Other Assets, Net

| | Unit : Million Baht | |
|--|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Accrued interest receivables | 30.91 | 40.73 |
| Prepaid expenses | 10.35 | 7.80 |
| Insurance expenses and loan guarantee fees refundable | 645.66 | 668.33 |
| Accounts receivables due to receive refund from TCG | 205.06 | 125.66 |
| Accounts receivables from properties for sale purchase | 15.41 | 15.41 |
| Other Accounts receivables and miscellaneous assets | <u>324.97</u> | <u>72.57</u> |
| | 1,232.36 | 930.50 |
| <u>Less</u> Allowance for doubtful accounts | <u>(604.36)</u> | <u>(611.19)</u> |
| Allowance for impairment | <u>(7.03)</u> | <u>(7.03)</u> |
| Total | <u>620.97</u> | <u>312.28</u> |

The Bank set aside the allowances for doubtful accounts, insurance expenses and loan guarantee fees refundable according to outstanding payments and advances for other operations (only for litigation).

6.13 Deposits

6.13.1 Classified by Type of Deposits

| | Unit : Million Baht | |
|-------------------------------------|-------------------------|-------------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Type of deposits</u> | | |
| Saving deposits | 963.13 | 120.41 |
| Time deposits | 51,175.24 | 54,522.59 |
| Negotiable certificates of deposits | <u>228.95</u> | <u>156.09</u> |
| Total | <u>52,367.32</u> | <u>54,799.09</u> |

Most of deposits paid back at the end of the period was the deposits of state enterprises and the interest rate was in accordance with the announcement by the bank.

6.13.2 Classified by currencies or Residence of Depositors

| | Unit : Million Baht | | | | | |
|--------------|-------------------------|-----------------|-------------------------|-------------------------|-----------------|-------------------------|
| | <u>2022</u> | | | <u>2021</u> | | |
| | <u>Domestic</u> | <u>Foreign</u> | <u>Total</u> | <u>Domestic</u> | <u>Foreign</u> | <u>Total</u> |
| Baht | <u>52,367.32</u> | <u>-</u> | <u>52,367.32</u> | <u>54,799.09</u> | <u>-</u> | <u>54,799.09</u> |
| Total | <u>52,367.32</u> | <u>-</u> | <u>52,367.32</u> | <u>54,799.09</u> | <u>-</u> | <u>54,799.09</u> |

6.14 Interbank and Money market items, Net (Liabilities)

These are promissory notes and bills of exchange issued to the financial institutions as at December 31, 2022 and 2021, amount to Baht 23,607.86 million and Baht 14,054.04 million, respectively interest rate of 0.01 - 0.10% per year.

| | Unit : Million Baht | | | | | |
|--------------------------------------|---------------------|-------------------------|-------------------------|-----------------|-------------------------|-------------------------|
| | <u>2022</u> | | | <u>2021</u> | | |
| | <u>Demand</u> | <u>Time</u> | <u>Total</u> | <u>Demand</u> | <u>Time</u> | <u>Total</u> |
| Domestic items | | | | | | |
| - Bank of Thailand | - | 19,767.29 | 19,767.29 | - | 8,259.56 | 8,259.56 |
| - Specialized financial institutions | <u>-</u> | <u>3,840.57</u> | <u>3,840.57</u> | <u>-</u> | <u>5,794.48</u> | <u>5,794.48</u> |
| Total domestic items | <u>-</u> | <u>23,607.86</u> | <u>23,607.86</u> | <u>-</u> | <u>14,054.04</u> | <u>14,054.04</u> |

6.15 Debt Issued and Borrowings

Unit : Million Baht

| | Currency | 2022 | | Domestic | Foreign | Total |
|---|----------|---------------|----------|-------------------------|-----------------|-------------------------|
| | | Interest Rate | Maturity | | | |
| | | (%) | Date | | | |
| Promissory notes | THB | 0.75-2.00 | At call | 6.98 | - | 6.98 |
| Loans | THB | - | - | 175.45 | - | 175.45 |
| Bonds guaranteed by the Ministry of Finance | | | | | | |
| No.1/2019 | THB | 2.125 | 2023 | 3,000.00 | - | 3,000.00 |
| No.1/2019 (Re-open) | THB | 2.125 | 2023 | 3,000.00 | - | 3,000.00 |
| Add Premium on bonds | | | | 0.99 | - | 0.99 |
| No.2/2019 | THB | 2.15 | 2025 | 5,000.00 | - | 5,000.00 |
| No.2/2019 (Re-open) | THB | 2.15 | 2025 | 4,000.00 | - | 4,000.00 |
| Add Premium on bonds | | | | 66.44 | - | 66.44 |
| No.1/2020 | THB | 1.55 | 2026 | 6,000.00 | - | 6,000.00 |
| Less Discount on bonds | | | | (9.19) | - | (9.19) |
| Bonds without guarantee | | | | | | |
| No.1/2021 | THB | 1.57 | 2024 | 3,000.00 | - | 3,000.00 |
| No.2/2021 | THB | 1.99 | 2026 | <u>2,000.00</u> | <u>-</u> | <u>2,000.00</u> |
| Total | | | | <u>26,058.24</u> | <u>-</u> | <u>26,058.24</u> |
| Total debts issued and borrowings | | | | <u>26,240.67</u> | <u>-</u> | <u>26,240.67</u> |

Unit : Million Baht

| | Currency | 2021 | | Domestic | Currency | Total |
|---|----------|---------------|----------|-------------------------|-----------------|-------------------------|
| | | Interest Rate | Maturity | | | |
| | | (%) | Date | | | |
| Promissory notes | THB | 0.75-2.00 | At call | 33.94 | - | 33.94 |
| Loans | THB | - | - | 175.45 | - | 175.45 |
| Bonds guaranteed by the Ministry of Finance | | | | | | |
| No.1/2019 | THB | 2.125 | 2023 | 3,000.00 | - | 3,000.00 |
| No.1/2019 (Re-open) | THB | 2.125 | 2023 | 3,000.00 | - | 3,000.00 |
| Add Premium on bonds | | | | 13.94 | - | 13.94 |
| No.2/2019 | THB | 2.15 | 2025 | 5,000.00 | - | 5,000.00 |
| No.2/2019 (Re-open) | THB | 2.15 | 2025 | 4,000.00 | - | 4,000.00 |
| Add Premium on bonds | | | | 97.53 | - | 97.53 |
| No.1/2020 | THB | 1.55 | 2026 | 6,000.00 | - | 6,000.00 |
| Less Discount on bonds | | | | (11.62) | - | (11.62) |
| Bonds without guarantee | | | | | | |
| No.1/2021 | THB | 1.57 | 2024 | 3,000.00 | - | 3,000.00 |
| No.2/2021 | THB | 1.99 | 2026 | <u>2,000.00</u> | <u>-</u> | <u>2,000.00</u> |
| Total | | | | <u>26,099.85</u> | <u>-</u> | <u>26,099.85</u> |
| Total debts issued and borrowings | | | | <u>26,309.24</u> | <u>-</u> | <u>26,309.24</u> |

6.15 Debt Issued and Borrowings (Continued)

Promissory notes, as at December 31, 2022 and 2021, amount of Baht 6.98 million and Baht 33.94 million, respectively, were the borrowings from individuals and juristic persons, issued as multiple promissory notes with interest rates of 0.75-2.00% per annum, and interest payment at call.

Loans, as at December 31, 2022 and 2021, amount of Baht 175.45 million borrowings from the Ministry of Finance by transferring the business from the Small Industry Finance Office under the Department of Industrial Promotion in 1992, with the capital in the amount of Baht 250.45 million. On October 21, 1992, the Bank had paid as share Baht 75 million for the 750,000 shares of the Small Industry Finance Corporation at a par value of 100 Baht per share. Thus, the amount of borrowing remains at Baht 175.45 million.

Bonds, as at December 31, 2022 and 2021, amount of Baht 26,058.24 million and Baht 26,099.85 million, respectively, comprise.

Bond worth Baht 21,000.00 million is guaranteed by the Ministry of Finance and exempted for the guarantee fee by the Public Debt Management Office throughout its outstanding guarantee period.

No. 1/2019: On May 29, 2019, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3 years 8 months on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on May 29 and November 29 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2019: On June 19, 2019, the Bank sold bearer bonds amount of Baht 5,000.00 million (units of Baht 1,000 each), in maturity of 5 years 8 months ending on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on June 19 and December 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 1/2019 (Re-open): On July 24, 2019, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3.52 years on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on May 29 and November 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2019 (Re-open): On September 4, 2019, the Bank sold bearer bonds amount of Baht 4,000.00 million (units of Baht 1,000 each), in maturity of 5.47 years on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on June 19 and December 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 1/2020: On October 16, 2019, the Bank sold bearer bonds amount of Baht 6,000.00 million (units of Baht 1,000 each), in maturity of 7 years ending on October 16, 2026. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.55% per annum, payable semi-annually on April 16 and October 16 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

6.15 Debt Issued and Borrowings (Continued)

Bonds with a total value of Baht 5,000.00 million, no guarantee

No. 1/2021: On November 8, 2021, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3 years ending on November 8, 2024. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.57% per annum, payable semi-annually on May 8 and November 8 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2021: On November 8, 2021, the Bank sold bearer bonds amount of Baht 2,000.00 million (units of Baht 1,000 each), in maturity of 5 years ending on November 8, 2026. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.99% per annum, payable semi-annually on May 8 and November 8 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

6.16 Lease liabilities

As at December 31, 2022 and 2021, the details on lease liabilities were as follows:

| | Unit : Million Baht | |
|---|----------------------|----------------------|
| | 2022 | 2021 |
| Up to 1 year | 66.46 | 63.84 |
| Over 1-5 years | 107.93 | 107.48 |
| Over 5 years | <u>4.87</u> | <u>0.31</u> |
| Total lease liabilities | 179.26 | 171.63 |
| <u>Less</u> Deferred interest expenses | <u>(4.78)</u> | <u>(4.77)</u> |
| Present value of lease liabilities | <u>174.48</u> | <u>166.86</u> |

The present values of lease liabilities as at December 31, 2022 and 2021 were as follows:

| | Unit : Million Baht | |
|----------------|----------------------|----------------------|
| | 2022 | 2021 |
| Up to 1 year | 64.16 | 61.23 |
| Over 1-5 years | 105.50 | 105.34 |
| Over 5 years | <u>4.82</u> | <u>0.29</u> |
| Total | <u>174.48</u> | <u>166.86</u> |

As at December 31, 2022 and 2021, paid interest from lease liabilities was amount to Baht 3.29 million and Baht 3.32 million, respectively, which were shown as part of "financial cost (interest expense)" in the statement of profit or loss and other comprehensive income.

6.17 Provisions

As at December 31, 2021 and 2020, Provisions in the amount of Baht 640.34 million and Baht 677.74 million, respectively, consisting of:

6.17.1 Employee benefits

| | Unit : Million Baht | |
|---|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Short-term benefits for employees | 2.28 | 0.99 |
| Long-term benefits for employees after retirement | <u>606.89</u> | <u>640.98</u> |
| Total | <u>609.17</u> | <u>641.97</u> |

The short-term benefits for employees were estimated on the basis of the Bank's regulation Regarding the Increase of Efficiency and Productivity of Employees B.E. 2563, which prescribes that not over 5% of eligible employees out of the total workforce shall be entitled to receive short-term benefits.

The Bank estimates employee benefits obligations from statutory compensation under the Labor Protection Act. Employee benefit obligation calculated by the actuarial technique called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of the cash flows of the benefits expected for future payments, including forecasts salaries of employees, the turnover rate, the rate of increases salaries, the discount rate, and other.

As at December 31, 2022 and 2021, the Bank set aside provisions for the benefits of retired employees as past service costs and current service costs in the amount of Baht 606.89 million and Baht 640.98 million respectively, as follows:

| | Unit : Million Baht | |
|---------------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Beginning balance | 640.98 | 634.36 |
| Current service costs * | 64.96 | 61.09 |
| Interest costs* | 12.80 | 11.43 |
| Benefits paid during the years | (16.68) | (10.39) |
| Actuarial (gains) losses arising from | | |
| - Experience adjustments | (26.32) | (5.52) |
| - Demographic assumption changes | 1.61 | (3.68) |
| - Financial assumption changes | <u>(70.46)</u> | <u>(46.31)</u> |
| Ending balance | <u>606.89</u> | <u>640.98</u> |

* These items are presented as employee expense in the statement of profit or loss and other comprehensive

The principal actuarial assumptions are as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------|----------------|-------------|
| Salary growth rate | 5.00% | 5.00% |
| Turnover rate | 0.96% – 11.46% | 0% – 8.00% |
| Discount rate | 3.15% | 2.01% |

6.17 Provisions (Continued)

6.17.1 Employee Benefits (Continued)

The Bank's defined benefit plans were sensitive to changes in each significant actuarial assumption as follows:

| | Unit : Million Baht | |
|--------------------|--|-------------|
| | <u>Increase (decrease) in the provisions</u> | |
| | <u>2022</u> | <u>2021</u> |
| Discount rate | | |
| - Increase of 1% | (54.02) | (64.88) |
| - Decrease of 1% | 62.43 | 75.73 |
| Salary growth rate | | |
| - Increase of 1% | 60.63 | 74.37 |
| - Decrease of 1% | (53.61) | (65.12) |
| Turnover rate | | |
| - Increase of 1% | (15.81) | - |
| - Decrease of 1% | 16.69 | - |
| Discount rate | - | (67.70) |
| - Increase of 1% | - | 47.84 |

6.17.2 Provision for Letter of Guarantee

As at December 31, 2022 and 2021, the Bank's provision for letter of guarantee in the amount of Baht 31.17 million and Baht 35.77 million, respectively. (Note 6.30.2)

6.18 Accrued Interest Payables

| | Unit : Million Baht | |
|----------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Deposits | 220.99 | 232.27 |
| Interbank and money market items | 1.73 | 0.98 |
| Debt issued—promissory note | 0.97 | 3.78 |
| Debt issued—bonds | <u>50.64</u> | <u>49.86</u> |
| Total | <u>274.33</u> | <u>286.89</u> |

6.19 Other Liabilities

| | Unit : Million Baht | |
|-----------------------------|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Accrued expenses | 447.34 | 373.49 |
| Payables—Revenue Department | 0.00 | 0.02 |
| Other payables | 438.33 | 466.94 |
| Marginal deposits | 126.69 | 101.12 |
| Others | <u>194.42</u> | <u>143.48</u> |
| Total | <u>1,206.78</u> | <u>1,085.05</u> |

6.20 Share Capital

The Bank was established under the Small and Medium Enterprise Development Bank of Thailand Act B.E.2545 (2002), which came into effect on December 20, 2002. The Bank received 28 million shares transferred from the Small Industry Finance Corporation at a par value of Baht 100 per share, totaling Baht 2,800 million.

Authorized share capital

As at December 31, 2022 and 2021, the Bank's authorized share capital are Baht 456 million shares at a par value of Baht 100 per share, totaling Baht 45,600.00 million.

Issued and paid-up share capital

As at December 31, 2022 and 2021, the Bank had paid-up capital of 362.32 million shares at a par value of Baht 100 per share, totaling Baht 36,231.81 million, with discounts on shares capital of Baht 15,476.81 million. The Ministry of Finance held 99.38% of the shares, respectively.

6.21 Other Components of Equity

| | Unit : Million Baht | | | | | |
|---|----------------------|----------------------|------------------------|------------------------|------------------------|----------------------|
| | <u>2022</u> | | | <u>2021</u> | | |
| | Beginning | Change during | Ending | Beginning | Change during | Ending |
| | <u>Balance</u> | <u>Period</u> | <u>Balance</u> | <u>Balance</u> | <u>Period</u> | <u>Balance</u> |
| Revaluation surplus (deficit) on | | | | | | |
| investments | (36.99) | (97.72) | (134.71) | 110.52 | (147.51) | (36.99) |
| Recalculation surplus (deficit) on assets | <u>912.86</u> | <u>222.73</u> | <u>1,135.59</u> | <u>927.08</u> | <u>(14.22)</u> | <u>912.86</u> |
| Total | <u>875.87</u> | <u>125.01</u> | <u>1,000.88</u> | <u>1,037.60</u> | <u>(161.73)</u> | <u>875.87</u> |

6.22 Interest Income

Interest income for the years ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|----------------------------------|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Interbank and money market items | 11.63 | 14.25 |
| Investments | 110.34 | 124.62 |
| Loans | 2,132.42 | 1,603.99 |
| Hire purchase lease | <u>0.04</u> | <u>0.18</u> |
| Total interest income | <u>2,254.43</u> | <u>1,743.04</u> |

6.23 Interest Expenses

Interest expenses for the years ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|----------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Deposits | 180.28 | 177.50 |
| Interbank and money market items | 3.48 | 2.84 |
| Bonds issuance fee | 0.32 | (5.77) |
| Debt issued—promissory note | 0.11 | 0.04 |
| Debt issued—bonds | 218.60 | 237.23 |
| Others | <u>1.56</u> | <u>1.40</u> |
| Total interest expenses | <u>404.35</u> | <u>413.24</u> |

6.24 Fees and Service Income, Net

Fees and service income, net for the year ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|-------------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Fees and service income | | |
| - Acceptance, avals and guarantee | 3.51 | 3.34 |
| - Others | <u>463.51</u> | <u>263.10</u> |
| Total fees and service income | 467.02 | 266.44 |
| Fees and service expenses | <u>(25.38)</u> | <u>(43.62)</u> |
| Fees and service income, net | <u>441.64</u> | <u>222.82</u> |

6.25 Gains on Trading and Foreign Exchange Transactions, Net

Gains on trading and foreign exchange transactions, net for the year ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|--|---------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Gains on trading and foreign exchange transactions | | |
| - Gains on foreign exchange transactions | <u>1.65</u> | <u>1.61</u> |
| Total | <u>1.65</u> | <u>1.61</u> |

6.26 Gains on financial instrument designated at fair value through profit or loss, Net

Gains on financial instrument designated at fair value through profit or loss, net (fair value option) for the year ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|----------------------------|---------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Changes in fair value, net | | |
| - Other liabilities | <u>-</u> | <u>0.04</u> |
| Total | <u>-</u> | <u>0.04</u> |

6.27 Gains (Loss) on Investments, Net

Gains (Loss) on investments, net for the year ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|------------------------|-----------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Reversal on impairment | | |
| - General investment | <u>(24.39)</u> | <u>9.08</u> |
| Total | <u>(24.39)</u> | <u>9.08</u> |

6.28 Impairment Loss of Loans and Debt Securities

Bad debts, doubtful accounts, and losses on impairment, including gains or losses from debt restructuring for the year ended December 31, 2022 and 2021, as follows:

| | Unit : Million Baht | |
|--|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Nonpublic service account | | |
| Loans to customers | 1,599.95 | 961.23 |
| (Gains) Losses from debt restructuring | <u>0.07</u> | <u>(0.12)</u> |
| Total | <u>1,600.02</u> | <u>961.11</u> |
| Public service account | | |
| Loans to customers from public service account | <u>(3.62)</u> | <u>72.93</u> |
| Total | <u>(3.62)</u> | <u>72.93</u> |
| Total bad debts, doubtful account, and losses on impairment | <u>1,596.40</u> | <u>1,034.04</u> |

6.29 Key Management Personnel Compensation

Key management personnel compensation are the benefits paid to directors and executives of the Bank, which consists of management personnel compensation in for money such as salaries and related benefits, which include benefits binding in the retirement project and compensation for directors.

| | Unit : Million Baht | |
|--------------------------|---------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Short-term benefits | | |
| Executive compensation | 54.58 | 43.11 |
| Directors' compensation | 8.30 | 9.53 |
| Post-employment benefits | <u>23.72</u> | <u>19.48</u> |
| Total | <u>86.60</u> | <u>72.12</u> |

6.30 Contingent Liabilities and Commitments

6.30.1 Contingencies

| | Unit : Million Baht | |
|---------------------|----------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Letter of credit | 4.42 | 6.89 |
| Other contingencies | <u>143.68</u> | <u>80.05</u> |
| Total | <u>148.10</u> | <u>86.94</u> |

6.30.2 Litigation

As at December 31, 2022, the Bank has contingent liabilities owing to prosecution which the exact amount of compensation could not be set. The Bank had 17 lawsuits with the total claim in the amount of Baht 1,222.93 million. Among the 17 cases, There are 1 cases that the Bank has proceeded under a guarantee (LG) contract in the amount of Baht 31.17 million. The cases are under consideration by the Central Administrative Court and the Supreme Administrative Court. The Bank set aside provision for contingent liability. (Note 6.17.2)

6.30.3 Commitment to purchase assets

As at December 31, 2022, the bank had the commitment under the balance of 4 assets purchase agreements amounted Baht 34.52 million.

6.31 The Fair Value of Financial Instruments

As at December 31, 2022, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

Unit : Million Baht

| | <u>2022</u> | | |
|---|------------------------|-----------------|------------------------|
| | <u>Fair value</u> | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| Financial Assets | | | |
| Derivative assets - Exchange rate | - | - | - |
| Available-for-sale securities | <u>4,878.17</u> | - | <u>4,878.17</u> |
| Total financial assets | <u>4,878.17</u> | <u>-</u> | <u>4,878.17</u> |
| Financial Liabilities | | | |
| Derivatives liabilities - Exchange rate | - | - | - |
| Total financial liabilities | <u>-</u> | <u>-</u> | <u>-</u> |

Fair Value Hierarchy

- Level 1 - quoted market prices in active market for identical assets or liabilities.
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

Level 2 fair values of derivatives are the prices based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data adjusted with counterparty credit risk.

6.32 Public Service Account (PSA)

6.32.1 Summary of public service account

| | Unit : Million Baht | |
|--|-------------------------|-------------------------|
| | <u>2022</u> | <u>2021</u> |
| Assets and Liabilities | | |
| Assets | | |
| Loans to customers from public service account and accrued interest receivables, net | <u>45,618.54</u> | <u>57,082.59</u> |
| Total assets | <u>45,618.54</u> | <u>57,082.59</u> |
| Income and Expenses | | |
| Income from public service account | 2,445.84 | 2,872.37 |
| <u>Less</u> Expenses from public service account | 2,030.45 | 2,064.93 |
| <u>Less</u> Impairment loss of loans and debt securities of public service account | <u>(3.62)</u> | <u>72.93</u> |
| Gains, net | <u>419.01</u> | <u>734.51</u> |

6.32.2 Loans to customers from public service account and accrued interest receivables, net

| | | | Unit : Million Baht | |
|---|--|--------------------------------------|---------------------|-------------|
| | | | <u>2022</u> | <u>2021</u> |
| Project | Brief Project Description | Project Period | | |
| 1. Financial assistance program for travel entrepreneurs | Financial assistance to tour operators who have been affected by the economic crisis. Due to the closure of Suvarnabhumi and DonMueang International Airports, (Resolution cabinet, dated February 17, 2009, April 28, 2009, July 21, 2009, October 13, 2009, March 2, 2010, and June 8, 2010) | May 4, 2009 - December 31, 2010 | 135.19 | 152.09 |
| 2. Financial assistance to entrepreneurs, business logistics Thailand | Liquidity support to entrepreneurs' logistics (Resolution cabinet, dated December 8, 2009) | January 19, 2010 - December 31, 2010 | 57.36 | 62.63 |
| 3. SME POWER loan for a new day | Provide liquidity to entrepreneurs Ratchaprasong and nearby areas have been affected by the incident. Political unrest (Resolution cabinet, dated April 27, 2010, and May 25, 2010) | May 26, 2010 - December 31, 2010 | 1,242.09 | 1,270.77 |

6.32 Public Service Account(PSA) (Continued)

6.32.2 Loan to customers from public service account and accrued interest receivables, net(Continued)

| | | | Unit : Million Baht | |
|---|--|---------------------------------------|---------------------|-------------|
| | | | <u>2022</u> | <u>2021</u> |
| Project | Brief project description | Time | | |
| 4. SME POWER project for a new day Phase 2 | Improvement loans are aligned with the need of the operators and the Ratchaprasong neighborhood. (Resolution cabinet dated June 8, 2010, and September 28, 2010) | June 8, 2010 - December 31, 2010 | 683.70 | 697.53 |
| 5. SMEs project that export who have been affected by the appreciation of the baht | Liquidity assistance to entrepreneurs to export (Resolution cabinet, dated October 12, 2010) | November 15, 2010 - Unknow | 0.00 | 0.00 |
| 6. SME Power project the flood victims in 2010 | Assistance and rehabilitation of those affected. Flood in 2010 (Resolution cabinet, dated November 2, 2010) | November 10, 2010 - April 30, 2011 | 87.27 | 110.64 |
| 7. Taxi strong project (Under the Prachawiwat Project) | Strengthening the taxi operators to have Opportunity to own a taxi and replacement. Taxi expired (Resolution cabinet, dated January 11, 2011) | February 10, 2011 - Unknow | 0.39 | 0.49 |
| 8. SME POWER project to help SMEs to get the impact on flooding and a windstorm in 2011 | Help entrepreneurs who have been affected. Flood and windstorm in 2011 (Resolutions cabinet, dated April 4, 2011 and May 3, 2011) | May 19, 2011 - October 31, 2011 | 666.76 | 684.87 |
| 9. To help SMEs to get impact on flooding, windstorm and a landslide project in 2011 | Assistance to victims of natural disasters 2010 and 2011 (more) (Resolution cabinet, dated May 3, 2011) | May 19, 2011 - October 31, 2011 | 36.05 | 40.25 |
| 10. SME POWER project for anew day Phase 3 | Help entrepreneurs Ratchaprasong. And neighborhood (For Entrepreneurs the policy has not yet received compensation. Alternative) (Resolution cabinet, dated May 3, 2011) | May 19, 2011 - June 30, 2011 | 5.49 | 5.49 |

6.32 Public service account (PSA) (Continued)

6.32.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

| | | | Unit : Million Baht | |
|---|---|---|---------------------|--------|
| | | | 2022 | 2021 |
| Project | Brief project description | Time | | |
| 11. Financial assistance Program for entrepreneurs-in business-logistics Thailand-more | To extend the period of assistance Logistics entrepreneurs. (Resolution cabinet, dated April 12, 2011) | June 6, 2011- December 31, 2011 | 54.82 | 68.88 |
| 12. Financial assistance program for entrepreneurs franchiseand direct sales | Target to expand the coverage business franchise and direct selling. (Resolution cabinet, dated April 12, 2011) | June 6, 2011 - December 31, 2011 | 0.86 | 0.93 |
| 13. Restoration-project SMEs after a catastrophic in 2011 | Help entrepreneurs' disaster in 2011 (Resolution cabinet, dated September 20, 2011, and December 13, 2011) | September 30, 2011 - December 31, 2011 | 384.93 | 395.00 |
| 14. Measures stay debt small farmers and people with a low income.-Debt outstanding under 500,000-baht. (Debtor NPL) | To alleviate the debt burden of the NPL.Small farmers and people with lowincome. A debt consolidation loan All contracts over Low 500,000 baht. (Resolutions cabinet, dated November 15, 2011, and February 7, 2012) | November 15, 2011 - April 15, 2012 (The debt moratorium period was from October 1, 2011 to September 30, 2014) | 0.22 | 0.60 |
| 15. Loan for work process development project under productivity improvement program | To empower SME sleverage. Productivity and supports access financing of industrial enterprises. As well as reducing the burden of higher labor costs. (Resolution cabinet dated April 24, 2012 and January 8, 2013) | June 28, 2012 - December 31, 2015 | 847.13 | 952.38 |

6.32 Public service account (PSA) (Continued)

6.32.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

| | | | Unit : Million Baht | |
|--|---|-------------------------------------|---------------------|----------|
| | | | 2022 | 2021 |
| Project | Brief project description | Time | | |
| 16. Loan for machine Development under productivity improvement program | To empower SME leverage Productivity And supports access Financing of industrial enterprises. As well as reducing the burden of Higher labor costs. (Resolution cabinet dated April 24, 2012 and January 8, 2013) | June 28, 2012 - December 31, 2015 | 22.07 | 27.24 |
| 17. Loan program the low-interest loan (Policy loan) | Help SMEs small. Experiencing problems with liquidity. Encourage small SMEs to have liquid for improvement businesses empowerment. (Resolution cabinet dated March 17, 2015, June 16, 2015, February 9, 2016 and June 28, 2016) | June 16, 2015 - December 31, 2016 | 1,006.20 | 1,302.07 |
| 18. Loan for SMEs rehabilitation affected flooding at southern in 2017 (Revised regulations for rehabilitation loan for SMEs Affected by Southern Flood in 2017) | Assistance for SMEs suffered from flooding at southern in 2017, to development, recover, and receive Sufficiency of working capital in order to run business. (Resolution cabinet, dated February 7, 2017 and August 1, 2017) | February 7, 2017 - January 31, 2018 | 1,213.99 | 1,778.56 |
| 19. Loan project to SMEs transformation loan | Help SME saffected to the economy caused liquidity problems. And SMEs according of the government's policy of transforming the business into an industrial 4.0 and SMEs to access low-interest-loan (Resolution cabinet dated March 21, 2017) | March 21, 2017 - March 20, 2018 | 3,948.24 | 5,488.92 |

6.32 Public Service Account (PSA) (Continued)

6.32.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

| | | | Unit : Million Baht | |
|---|---|--|-------------------------|-------------------------|
| | | | 2022 | 2021 |
| Project | Brief project description | Time | | |
| 20. Loan for upgrading local economy | To help, promote and develop to entrepreneur micro SMEs for income generating to community including supporting and community tourism, then accordance with tourism and agricultural processing (food and non-food) which to upgrading local economies according to government policy. (Resolution cabinet dated December 19, 2017, December 18, 2018, January 7, 2020 January 19, 2021 and September 21, 2021) | December 19, 2017- December 18, 2019 extended period 1 st , to December 18, 2020 2 nd , to December 18, 2021 | 28,651.50 | 35,468.17 |
| 21. Loan for SMEs impacted by COVID-19 situation. | Support liquidity and ease expense burdens in the business operations of SMEs impacted by COVID-19 situation). (Resolution cabinet, dated March 24, 2020, August 18, 2020 and November 3, 2020, June 29, 2021 and September 28, 2021) | March 24, 2020- December 30, 2020 extended period 1 st , to June 30, 2021 2 nd , to December 30, 2021 | <u>6,574.28</u> | <u>8,575.08</u> |
| Total | | | <u>45,618.54</u> | <u>57,082.59</u> |

As at December 31, 2022 and 2021, loans to customers from public service account and accrued interest receivable included outstanding and accrued interest receivables net deferred revenue, and allowance for doubtful accounts.

6.32 Public Service Account (PSA) (Continued)

6.32.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

The Bank uses the criteria of allocation of the public service account cost according to the memorandum Ref: No.GorKor. 1006/3327 from Fiscal Policy Office on the subject of approval to allocate public service account cost of Small and Medium Enterprise Development Bank of Thailand dated August 25, 2016

Interest Expense/capital cost compensation

Deposits/compensation for financial cost = Weighted average financial cost through the accounting period x average loans to customer on accounting period

Non-interest expenses

| | |
|---------------------------------|--------------------------------|
| Employees' expenses | Allocated using account number |
| Premises and equipment expenses | Allocated using account number |
| Directors' compensation | Allocated using account number |
| Fees and services | Allocated using account number |
| Other expenses | Allocated using account number |

6.32.3 Asset classification and allowance from public service account

| | | | | Unit : Million Baht | |
|---|----------------------|-------------------------|-------------------------|--|---------------------------------|
| | No. of cases | Outstanding | Collateral value* | % Use for set aside allowance for doubtful account | Allowance for doubtful accounts |
| 1. Minimum reserve under BOT's regulation | | | | | |
| Normal | 42,993 | 41,781.44 | 9,209.92 | 1 | 302.30 |
| Normal-surplus | | | | | 2.44 |
| Special mention | 2,645 | 2,720.30 | 2,170.05 | 2 | 11.09 |
| Substandard | 361 | 311.76 | 254.42 | 100 | 57.34 |
| Doubtful | 445 | 379.65 | 268.01 | 100 | 111.64 |
| Doubtful of loss | <u>701</u> | <u>647.19</u> | <u>286.97</u> | 100 | <u>358.53</u> |
| Total | | | | | 843.34 |
| 2. Excess allowance | | | | | - |
| Total | <u>47,145</u> | <u>45,840.34</u> | <u>12,189.37</u> | | <u>843.34</u> |

As at December 31, 2022, the Bank classified the assets and provided provision according to the Bank of Thailand's notification No.SorKorSor. 28/2562, dated September 2, 2019, regarding Regulations on Governance of public service accounts.

As at December 31, 2022, the Bank had 21 public service projects, which 6 projects has got compensation for damage by the cabinet resolutions. For these projects, the Bank set aside provisions for the amount exceeding the projected government compensation (Note 6.4.4) and the loan receivables whose credit limits do not exceed the projected government compensation, in accordance with the above-mentioned BOT's Notification.

6.32 Public service accounts (PSA) (Continued)

6.32.3 Asset classification and allowance from public service account (Continued)

*As at September 30, 2022, the total collateral amounted to Baht 12,189.37 million, part of the collateral was from the public service project account got compensation for damage by the cabinet resolutions in the amount to Baht 26.06 million, including those requiring provisions and not requiring provisions.

6.32.4 Income from public service account

| | Unit : Million Baht | |
|---|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Income from loans to customers from public service account | | |
| Interest income from loans to customers from public service account | 2,001.07 | 1,886.02 |
| Fees and service income from loans to customers from public service account | 27.77 | 380.81 |
| Public service account compensated income | | |
| Interest compensated income from public service account from the Government | <u>417.00</u> | <u>605.54</u> |
| Total | <u>2,445.84</u> | <u>2,872.37</u> |

6.32.5 Expenses from public service account

| | Unit : Million Baht | |
|--|------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> |
| Interest expenses from public service account | 446.65 | 568.25 |
| Fees and services from public service account | 38.83 | 69.54 |
| Operational expenses from public service account | 1,355.24 | 1,297.86 |
| Other expenses from public service account | <u>189.73</u> | <u>129.28</u> |
| Total | <u>2,030.45</u> | <u>2,064.93</u> |

6.33 Approval of the financial statements

These financial statements have been authorized to issue by Managing Director on March 14, 2023.

DIRECTORY OF EXECUTIVES



BOARD OF DIRECTORS DIRECTORY 2017-2022

Board of Directors 2017 (January 1 - November 8, 2017)

| | | | |
|-----|-----------------|---|------------------------------------|
| 1. | Mr. Somchai | Harnhirun | Chairman |
| 2. | Ms. Saowanee | Kamolbutr | Director |
| 3. | Mr. Lavaron | Sangsnit | Director |
| 4. | Mr. Anusorn | Muttaraid | Director |
| 5. | Mr. Seree | Nonthasoot | Director |
| 6. | Mr. Praphaisith | Tankeyura | Director |
| 7. | Mr. Taveesak | Foongkiatcharoen | Director |
| 8. | Ms. Poonsook | Musiklad | Director |
| 9. | Mr. Chanvit | Nakburee | Director |
| 10. | Mr. Pornlert | Lattanan (Appointed as Director on February 1, 2017) | Director |
| 11. | Mr. Mongkon | Leelatham | Managing Director and Secretary |

Board of Directors 2017 (November 9 - December 2017)

| | | | |
|-----|-----------------|---|------------------------------------|
| 1. | Mr. Pasu | Loharjun (Appointed as Chairman on November 9, 2017) | Chairman |
| 2. | Mr. Lavaron | Sangsnit | Director |
| 3. | Mr. Chanvit | Nakburee | Director |
| 4. | Mr. Praphaisith | Tankeyura | Director |
| 5. | Mr. Seree | Nonthasoot | Director |
| 6. | Ms. Poonsook | Musiklad | Director |
| 7. | Mr. Pornlert | Lattanan | Director |
| 8. | Mr. Prakit | Sheepakdee | Director |
| 9. | Ms. Jaree | Wuthisanti | Director |
| 10. | Mr. Mongkon | Leelatham | Managing Director and Secretary |

Board of Directors 2018

| | | | |
|-----|-------------------------------------|--|------------------------------------|
| 1. | Mr. Pasu | Loharjun | Chairman |
| 2. | Mr. Lavaron | Sangsnit | Director |
| 3. | Mr. Chanvit | Nakburee | Director |
| 4. | Mr. Praphaisith | Tankeyura | Director |
| 5. | Mr. Seree | Nonthasoot | Director |
| 6. | Ms. Poonsook | Musiklad | Director |
| 7. | Mr. Pornlert | Lattanan (Resigned on February 8, 2018) | Director |
| 8. | Mr. Prakit | Sheepakdee | Director |
| 9. | Ms. Jaree | Wuthisanti | Director |
| 10. | Asst.Prof.Dr. Tippawan Pinwanichkul | | Director |
| | | (Appointed as Director on February 8, 2018) | |
| 11. | Mr. Veerapong | Malai (Appointed as Director on June 1, 2018) | Director |
| 12. | Mr. Mongkon | Leelatham | Managing Director and Secretary |

Board of Directors 2019

| | | | |
|-----|-----------------|--|----------|
| 1. | Mr. Kobchai | Sungsitthisawad (Appointed as Director on April 17, 2019 and as Chairman on October 10, 2019) | Chairman |
| 2. | Mr. Pasu | Loharjun (Retired on September 30, 2019) | Chairman |
| 3. | Mr. Chanvit | Nakburee | Director |
| 4. | Ms. Yajai | Pattanasukwasun (Retired on September 30, 2019) | Director |
| 5. | Ms. Chunchachit | Sungmai (Appointed as Director on October 16, 2019) | Director |
| 6. | Mr. Seree | Nonthasoot | Director |
| 7. | Mr. Praphaisith | Tankeyura (Reached 65 years old on October 20, 2019) | Director |
| 8. | Mr. Prakit | Sheepakdee | Director |
| 9. | Ms. Jaree | Wuthisanti | Director |
| 10. | Mr. Veerapong | Malai (Resigned on January 31, 2019) | Director |

| | | |
|-----|---|---|
| 11. | Ms. Chanisa Chutipat (Appointed as Director on April 17, 2019) | Director |
| 12. | Mr. Kriengkrai Rukkulchon (Appointed as Director on April 17, 2019) | Director |
| 13. | Mr. Wanchai Phanomchai (Appointed as Director on December 18, 2019) | Director |
| 14. | Mr. Preecha Ua-Anantathanakul (Appointed as Director on December 18, 2019) | Director |
| 15. | Mr. Mongkon Leelatham (Reached 60 years old; Contract term ended on March 8, 2019) | Director and Secretary |
| 16. | Mr. Phongcharn Samphaongern (March 12 - September 30, 2019) | Senior Executive Vice President, Acting Managing Director, Director and Secretary |
| 17. | Ms. Nartnaree Rattapat (Appointed as Acting Managing Director on October 1, 2019) | Senior Executive Vice President, Acting Managing Director, Director and Secretary |

Board of Directors 2020

| | | |
|-----|---|------------------------------------|
| 1. | Mr. Kobchai Sungsitthisawad | Chairman |
| 2. | Mr. Chanvit Nakburee | Director |
| 3. | Ms. Chunhachit Sungmai | Director |
| 4. | Mr. Seree Nonthasoot | Director |
| 5. | Mr. Prakit Sheepakdee (Reached 65 years old on November 4, 2020) | Director |
| 6. | Ms. Jaree Wuthisanti (Resigned on October 1, 2020) | Director |
| 7. | Ms. Chanisa Chutipat | Director |
| 8. | Mr. Kriengkrai Rukkulchon | Director |
| 9. | Mr. Wanchai Phanomchai | Director |
| 10. | Mr. Preecha Ua-Anantathanakul | Director |
| 11. | Ms. Nartnaree Rattapat | Managing Director and Secretary |

Board of Directors 2021

| | | | |
|-----|------------------------|--|------------------------------------|
| 1. | Mr. Kobchai | Sungsitthisawad | Chairman |
| 2. | Mr. Vichak | Apirugnunchai (Appointed as Director on February 15, 2021) | Director |
| 3. | Ms. Sapatporn | Tharmmaphornphilas (Appointed as Director on February 15, 2021) | Director |
| 4. | Mr. Wanchai | Phanomchai | Director |
| 5. | Ms. Chanisa | Chutipat | Director |
| 6. | Mr. Preecha | Ua-Anantathanakul | Director |
| 7. | Dr. Chatchai | Thnarudee (Appointed as Director on February 15, 2021) | Director |
| 8. | Dr. Nattapol | Praditphonlert (Appointed as Director on February 15, 2021) | Director |
| 9. | Asst.Prof.Dr. Tippawan | Pinvanichkul (Appointed as Director on February 15, 2021) | Director |
| 10. | Mr. Pinit | Puapan (Appointed as Director on February 15, 2021 and Resigned on May 20, 2021) | Director |
| 11. | Mr. Chanvit | Nakburee (their terms expired on February 15, 2021) | Director |
| 12. | Ms. Chunhachit | Sungmai (their terms expired on February 15, 2021.) | Director |
| 13. | Mr. Seree | Nonthasoot (their terms expired on February 15, 2021) | Director |
| 14. | Mr. Kriengkrai | Rukkulchon (their terms expired on February 15, 2021) | Director |
| 15. | Ms. Nartnaree | Rattapat | Managing Director and Secretary |

Remarks :

- The following SME D Bank's Board members were appointed at the Extraordinary General Meeting of Shareholders No. 2/2017 on November 9, 2017 and their terms expired on February 14, 2021.
 - 1.1 Mr. Chanvit Nakburee
 - 1.2 Ms. Chunhachit Sungmai
 - 1.3 Mr. Seree Nonthasoot
 - 1.4 Mr. Kriengkrai Rukkulchon
- The following SME D Bank's Board members whose terms had expired were appointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.
 - 2.1 Mr. Kobchai Sungsitthisawad
 - 2.2 Mr. Wanchai Phanomchai
 - 2.3 Ms. Chanisa Chutipat
 - 2.4 Mr. Preecha Ua-Anantathanakul
- The following SME D Bank's Board members were reappointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.
 - 3.1 Mr. Vichak Apirugnunchai
 - 3.2 Ms. Sapatporn Tharmmaphornphilas
 - 3.3 Dr. Chatchai Thnarudee
 - 3.4 Dr. Nattapol Praditphonlert
 - 3.5 Asst. Prof. Dr. Tippawan Pinvanichkul
 - 3.6 Mr. Pinit Puapan
- Mr. Pinit Puapan resigned from SME D Bank's Board of Directors, effective from May 20, 2021.

BRANCH DIRECTORY

BRANCH DIRECTORY



BRANCH DIRECTORY

SME Bank Head Office

310 SME Bank Tower, Phahonyothin Rd.,
Samsen-Nai, Phayathai, Bangkok 10400
Tel. 02-265-3000 Fax. 02-265-4000

Zone Office 1

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|---|--|-------------|-------------------------|
| Zone Office 1 | 450/29-32 Moo 13, Phahonyothin Rd., Tambon Robviang, Amphoe Muang, Chiangrai 57000 | 053-718-504, 053-714-096, 053-714-501 | 053-711-915 | |
| Chiangrai Branch | 450/29-32 Moo 13, Phahonyothin Rd., Tambon Robviang, Amphoe Muang, Chiangrai 57000 | 053-718-504, 053-714-096, 053-714-501, 085-980-8075 | 053-711-915 | Chiangrai@smebank.co.th |
| Maesai Branch | 825/2 Moo 3, Phahonyothin Rd., Tambon Viangphangkam, Amphoe Maesai, Chiangrai 57130 | 053-734-495-6, 085-980-8124 | 053-734-497 | Maesai@smebank.co.th |
| Phayao Branch | 286/22 Phahonyothin Rd., Tambon Maetum, Amphoe Muang, Phayao 56000 | 054-480-222-3, 085-980-8107 | 054-485-989 | Phayao@smebank.co.th |
| Nan Branch | 226/6 Moo 6, Tambon Dutai, Amphoe Muang, Nan 55000 | 054-772-501-2, 085-980-8097 | 054-772-503 | Nan@smebank.co.th |

Zone Office 2

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|--|--|-------------|--------------------------|
| Zone Office 2 | 7/1-4 Chiangmai-Lampang Rd., Tambon Changphueak, Amphoe Muang, Chiangmai 50300 | 053-413-103-4, 053-412-535 | 053-413-112 | |
| Chiangmai Branch | 7/1-4 Chiangmai-Lampang Rd., Tambon Changphueak, Amphoe Muang, Chiangmai 50300 | 053-413-103-4, 053-412-535, 085-980-8076 | 053-413-112 | Chiangmai@smebank.co.th |
| Maehongson Branch | 6/2-3 Soi 5, Khunlumprapas Rd., Tambon Chongkham, Amphoe Muang, Maehongson 58000 | 053-614-501-2, 085-980-8125 | 053-614-503 | Maehongson@smebank.co.th |
| Lamphun Branch | 416 Charoenrat Rd., Tambon Naimuang, Amphoe Muang, Lamphun 51000 | 053-525-801-2, 085-980-8135 | 053-525-803 | Lamphun@smebank.co.th |
| Lampang Branch | 292-294 Highway Lampang-Ngaw Rd., Tambon Prabaht, Amphoe Muang, Lampang 52000 | 054-821-549-51, 085-980-8134 | 054-821-548 | Lampang@smebank.co.th |

Zone Office 3

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|---|--|-------------|---------------------------|
| Zone Office 3 | 838 Mittraphap Rd., Tambon Naimuang, Amphoe Muang, Phitsanulok 65000 | 055-221-575-6, 055-304-553 | 055-304-554 | |
| Phitsanulok Branch | 838 Mittraphap Rd., Tambon Naimuang, Amphoe Muang, Phitsanulok 65000 | 055-221-575-6, 055-304-553, 085-980-8113 | 055-304-554 | Phitsanulok@smebank.co.th |
| Uttaradit Branch | 20/22-23 Jessadabodinnua Rd., Tambon Thait, Amphoe Muang, Uttaradit 53000 | 055-411-872-3, 085-980-8160 | 055-411-874 | Uttaradit@smebank.co.th |
| Phetchabun Branch | 4/1-2 Samakkeechai Rd., Tambon Naimuang, Amphoe Muang, Phetchabun 67000 | 056-720-821-2, 085-980-8115 | 056-713-187 | Phetchabun@smebank.co.th |
| Phrae Branch | 410/53-54 Moo 9, Tambon Najuck, Amphoe Muang, Phrae 54000 | 054-628-010-2, 085-980-8116 | 054-533-996 | Phrae@smebank.co.th |

Zone Office 4

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|---|--|-------------|-----------------------------|
| Zone Office 4 | 642, 644 Charoensuk Rd., Tambon Naimuang, Amphoe Muang, Kamphaengphet 62000 | 055-773-205-6, 055-773-208 | 055-773-209 | |
| Kamphaengphet Branch | 642, 644 Charoensuk Rd., Tambon Naimuang, Amphoe Muang, Kamphaengphet 62000 | 055-773-205-6, 055-773-208, 085-980-7949 | 055-773-209 | Kamphaengphet@smebank.co.th |
| Tak Branch | 17/26 Asia Rd., Tambon Maesod, Amphoe Maesod, Tak 63110 | 055-506-971-2, 085-980-7850 | 055-506-970 | Tak@smebank.co.th |
| Phichit Branch | 42/1-2 Ratkasemautid Rd., Tambon Naimuang, Amphoe Muang, Phichit 66000 | 056-616-550-1, 085-980-8112 | 056-616-553 | Phichit@smebank.co.th |
| Sukhothai Branch | 1/2-3 Jarodwitheethong Rd., Tambon Thani, Amphoe Muang, Sukhothai 64000 | 055-616-166-7, 085-980-8148 | 055-616-168 | Sukhothai@smebank.co.th |

Zone Office 5

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|---|--|-------------|---------------------------|
| Zone Office 5 | 919/28, 919/111 Moo 10, Phahonyothin Rd., Tambon Nakhonsawantok, Amphoe Muang, Nakhonsawan 60000 | 056-220-877-8, 056-231-336 | 056-220-879 | |
| Nakhonsawan Branch | 919/28, 919/111 Moo 10, Phahonyothin Rd., Tambon Nakhonsawantok, Amphoe Muang, Nakhonsawan 60000 | 056-220-877-8, 056-231-336, 085-980-8095 | 056-220-879 | Nakhonsawan@smebank.co.th |
| Uthaitхани Branch | 137 Terbsiri Rd., Tambon Uthaimai, Amphoe Muang, Uthaitхани 61000 | 056-571-402-3, 085-980-8161 | 056-571-404 | Uthaitхани@smebank.co.th |
| Chainat Branch | 68/3-4 Phomprasert Rd., Tambon Naimuang, Amphoe Muang, Chainat 17000 | 056-416-741-2, 085-980-8071 | 056-416-743 | Chainat@smebank.co.th |

Zone Office 6

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|--|--|-------------|--------------------------|
| Zone Office 6 | 289 Moo 4, Malaiman Rd., Tambon Sanamchai, Amphoe Muang, Suphanburi 72000 | 035-501-584-5, 035-523-636 | 035-501-575 | |
| Suphanburi Branch | 289 Moo 4, Malaiman Rd., Tambon Sanamchai, Amphoe Muang, Suphanburi 72000 | 035-501-584-5, 035-523-636, 085-980-8149 | 035-501-575 | Suphanburi@smebank.co.th |
| Lopburi Branch | 228/4-6, Phahonyothin Rd., Tambon Tasala, Amphoe Muang, Lopburi 15000 | 036-784-446-7, 085-980-8132 | 036-784-448 | Lopburi@smebank.co.th |
| Singburi Branch | 155/59-60 Moo 7, Tambon Bangmon (Bang Putsa), Amphoe Muang, Singburi 16000 | 036-524-679-80, 085-980-8147 | 036-523-166 | Singburi@smebank.co.th |

Zone Office 7

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|--------------------------------------|--|--|-------------|--|
| Zone Office 7 | 1/44, 1/45, 1/46 Rodjana Rd., Tambon Pratuchai, Amphoe Phranakhonsiyutthaya, Phranakhonsiyutthaya 13000 | 035-345-334, 035-336-324-5 | 035-336-284 | |
| Phranakhonsi- ayutthaya Branch | 1/44, 1/45, 1/46 Rodjana Rd., Tambon Pratuchai, Amphoe Phranakhonsiyutthaya, Phranakhonsiyutthaya 13000 | 035-345-334, 035-336-324-5, 085-980-8156 | 035-336-284 | Phranakhonsiyutthaya@ smebank.co.th |
| Angthong Branch | 14/5-6 Angthong-Singburi Rd., Tambon Taladluang, Amphoe Muang, Angthong 14000 | 035-625-116, 035-625-106, 085-980-8157 | 035-625-207 | Angthong@smebank.co.th |
| Saraburi Branch | 88/24 Soodbuntud Rd., Tambon Pakpriaw, Amphoe Muang, Saraburi 18000 | 036-231-122, 036-221-142, 085-980-8145 | 036-221-254 | Saraburi@smebank.co.th |

Zone Office 8

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-------------------------|---|--|-------------|-----------------------------|
| Zone Office 8 | 499/3-5 Moo 7, Robmuang Rd., Soi Bannonpibon, Tambon Makkang, Amphoe Muang, Udonthani 41000 | 042-211-844-6 | 042-211-847 | |
| Udonthani Branch | 499/3-5 Moo 7, Robmuang Rd., Soi Bannonpibon, Tambon Makkang, Amphoe Muang, Udonthani 41000 | 042-211-844-6, 085-980-8159 | 042-211-847 | Udonthani@smebank.co.th |
| Nongbualamphu Branch | 99/1-2 Moo 3, Tambon Lampu, Amphoe Muang, Nongbualamphu 39000 | 042-312-400, 042-312-700, 085-980-8153 | 042-312-875 | Nongbualamphu@smebank.co.th |
| Loei Branch | 87/13 Maliwan Rd., Tambon Kudpong, Amphoe Muang, Loei 42000 | 042-833-786-7, 085-980-8136 | 042-833-788 | Loei@smebank.co.th |
| Nongkhai Branch | 899/1-2 Moo 5, Nong Khai - Poanpisai Rd., Tambon Pochai, Amphoe Muang, Nongkhai 43000 | 042-414-111-2, 085-980-8152 | 042-414-114 | Nongkhai@smebank.co.th |

Zone Office 9

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|----------------------|---|---------------------------------|-------------|-----------------------------|
| Zone Office 9 | 228/8 Charoenmuang Rd., Tambon Thatchoengchum, Amphoe Muang, Sakonnakhon 47000 | 042-730-960-2 | 042-716-764 | |
| Sakonnakhon Branch | 228/8 Charoenmuang Rd., Tambon Thatchoengchum, Amphoe Muang, Sakonnakhon 47000 | 042-730-960-2, 085-980-8138 | 042-716-764 | Sakonnakhon@smebank.co.th |
| Sawangdaendin Branch | 909 Moo 11, Nittayo Rd., Tambon Sawangdaendin, Amphoe Sawangdaendin, Sakonnakhon 47110 | 042-722-515-6, 085-980-8146 | 042-722-518 | Sawangdaendin@smebank.co.th |
| Mukdahan Branch | 199/1 Pitakphanomkhet Rd., Tambon Mukdahan, Amphoe Muang, Mukdahan 49000 | 042-630-928-30, 085-980-8121 | 042-612-889 | Mukdahan@smebank.co.th |
| Nakhonphanom Branch | 764/1 Suntornvichit Rd., Tambon Naimuang, Amphoe Muang, Nakhonphanom 48000 | 042-516-340-1, 085-980-8092 | 042-516-343 | Nakhonphanom@smebank.co.th |

Zone Office 10

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|------------------------|
| Zone Office 10 | 49, 49/1-3 Tewaphiban Rd., Tambon Naimuang, Amphoe Muang, Roiet 45000 | 043-519-520, 043-511-100, 043-514-666 | 043-514-535 | |
| Roiet Branch | 49, 49/1-3 Tewaphiban Rd., Tambon Naimuang, Amphoe Muang, Roiet 45000 | 043-519-520, 043-511-100, 043-514-666, 085-980-8128 | 043-514-535 | Roiet@smebank.co.th |
| Kalasin Branch | 1/8 Kudyangsamakkee Rd., Tambon Kalasin, Amphoe Muang, Kalasin 46000 | 043-812-446-7, 085-980-8064 | 043-812-424 | Kalasin@smebank.co.th |
| Yasothon Branch | 61/7 Rattanakheth Rd., Tambon Naimuang, Amphoe Muang, Yasothon 35000 | 045-715-552-3, 085-980-8126 | 045-715-554 | Yasothon@smebank.co.th |

Zone Office 11

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--|-------------|--------------------------|
| Zone Office 11 | 497/1-3 Moo 2, Mittraphap Rd., Tambon Sila, Amphoe Muang, Khonkaen 40000 | 043-343-580, 043-343-582-3 | 043-393-888 | |
| Khonkaen Branch | 497/1-3 Moo 2, Mittraphap Rd., Tambon Sila, Amphoe Muang, Khonkaen 40000 | 043-343-580, 043-343-582-3, 085-980-8067 | 043-393-888 | Khonkaen@smebank.co.th |
| Chumpae Branch | 1207, 1208 Moo 15, Maliwan Rd., Tambon Chumpae, Amphoe Chumpae, Khonkaen 40130 | 043-313-091-2, 085-980-8074 | 043-311-323 | Chumpae@smebank.co.th |
| Maharakham Branch | 453, 453/1 Nakhonsawan Rd., Tambon Talad, Amphoe Muang, Maharakham 44000 | 043-725-711-2, 085-980-8120 | 043-725-713 | Maharakham@smebank.co.th |

Zone Office 12

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--------------------------------|-------------|-----------------------|
| Zone Office 12 | 37/41-42 Thani Rd., Tambon Naimuang, Amphoe Muang, Buriram 31000 | 044-625-536-8 | 044-625-535 | |
| Buriram Branch | 37/41-42 Thani Rd., Tambon Naimuang, Amphoe Muang, Buriram 31000 | 044-625-536-8, 085-980-8102 | 044-625-535 | Buriram@smebank.co.th |
| Surin Branch | 297/4 Tessaban 3 Rd., Tambon Naimuang, Amphoe Muang, Surin 32000 | 044-713-141-2, 085-980-8151 | 044-713-143 | Surin@smebank.co.th |
| Sisaket Branch | 26/13 Moo 8, Sisaket - Ubonratchathani Rd., Tambon Pho, Amphoe Muang, Sisaket 33000 | 045-617-881-2, 085-980-8137 | 045-617-883 | Sisaket@smebank.co.th |

Zone Office 13

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-------------------------|--|--|-------------|--------------------------------|
| Zone Office 13 | 751/10-11 Mittraphap Rd., Tambon Naimuang, Amphoe Muang, Nakhonratchasima 30000 | 044-262-418-20 | 044-353-506 | |
| Nakhonratchasima Branch | 751/10-11 Mittraphap Rd., Tambon Naimuang, Amphoe Muang, Nakhonratchasima 30000 | 044-262-418-20, 085-980-8093 | 044-353-506 | Nakhonratchasima@smebank.co.th |
| Pakchong Branch | 88/7-8 Mittraphap Rd., Tambon Pakchong, Amphoe Pakchong, Nakhonratchasima 30130 | 044-313-142, 044-313-555, 085-980-8106 | 044-313-546 | Pakchong@smebank.co.th |
| Chaiyaphum Branch | 69/23-24 Niwedrut (Chaiyaphum-Boayai) Rd., Tambon Naimuang, Amphoe Muang, Chaiyaphum 36000 | 044-813-335-6, 085-980-8072 | 044-813-337 | Chaiyaphum@smebank.co.th |

Zone Office 14

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|------------------------|---|--|-------------|-------------------------------|
| Zone Office 14 | 756/4-5 Chayangkul Rd., Tambon Naimuang, Amphoe Muang, Ubonratchathani 34000 | 045-314-716, 045-317-125, 045-284-403 | 045-284-404 | |
| Ubonratchathani Branch | 756/4-5 Chayangkul Rd., Tambon Naimuang, Amphoe Muang, Ubonratchathani 34000 | 045-314-716, 045-317-125, 045-284-403, 085-980-8162 | 045-284-404 | Ubonratchathani@smebank.co.th |
| Detudom Branch | 439 Moo 5, Pracha Rd., Tambon Muangdet, Amphoe Detudom, Ubonratchathani 34160 | 045-361-870, 045-362-460, 085-980-8078 | 045-361-240 | Detudom@smebank.co.th |
| Amnatcharoen Branch | 76 Moo 12 Arunprasert Rd., Tambon Bung, Amphoe Muang, Amnatcharoen 37000 | 045-452-527-8, 085-980-8056 | 045-452-529 | Amnatcharoen@smebank.co.th |

Zone Office 15

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--|-------------|----------------------------|
| Zone Office 15 | 1044 Phetkasem Rd., Tambon Sanamjun, Amphoe Muang, Nakhonpathom 73000 | 034-244-415, 034-218-661-2 | 034-218-663 | |
| Nakhonpathom Branch | 1044 Phetkasem Rd., Tambon Sanamjun, Amphoe Muang, Nakhonpathom 73000 | 034-244-415, 034-218-661-2, 085-980-8091 | 034-218-663 | Nakhonpathom@smebank.co.th |
| Kanchanaburi Branch | 130, 132 Sangchuto Rd., Tambon Bantai, Amphoe Muang, Kanchanaburi 71000 | 034-514-092-3, 085-980-8063 | 034-514-102 | Kanchanaburi@smebank.co.th |
| Ratchaburi Branch | 260 Si Suriyawong Rd., Tambon Namuang, Amphoe Muang, Ratchaburi 70000 | 032-311-142-3, 085-980-8131 | 032-311-090 | Ratchaburi@smebank.co.th |
| Banpong Branch | 48/14-15 Banpakrat Rd., Tambon Banpong, Amphoe Banpong, Ratchaburi 70110 | 032-222-820-1, 085-980-8101 | 032-210-789 | Banpong@smebank.co.th |

Zone Office 16

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|----------------------------|
| Zone Office 16 | 5/74-75 Piboonsongkram Rd., Tambon Suanyai, Amphoe Muang, Nonthaburi 11000 | 02-525-1991-2, 02-525-1948 | 02-525-1949 | |
| Nonthaburi Branch | 5/74-75 Piboonsongkram Rd., Tambon Suanyai, Amphoe Muang, Nonthaburi 11000 | 02-525-1991-2, 02-525-1948, 065-350-8573 | 02-525-1949 | Nonthaburi@smebank.co.th |
| Bangbuathong Branch | 88/11-13 Moo 4, Bangkruiy - Sainoi Rd., Tambon Sanoloy, Amphoe Bangbuathong, Nonthaburi 11110 | 02-571-2335-6, 065-350-8572 | 02-571-2343 | Bangbuathong@smebank.co.th |
| Pathumthani Branch | 40/40,42 Bangkok-Pathumthani Rd., Tambon Bangprok, Amphoe Muang, Pathumthani 12000 | 02-581-7100-2, 065-350-8574 | 02-581-7103 | Pathumthani@smebank.co.th |
| Rangsit Branch | 300/207-208 Moo 13, Tambon Kukhot, Amphoe Lamlukka, Pathumthani 12130 | 02-581-2718-9, 065-350-8575 | 02-581-2719 | Rangsit@smebank.co.th |

Zone Office 17

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|----------------------------|
| Zone Office 17 | 1/79 Boromratchonanee Rd., Arunamarin, Bangkoknoi, Bangkok 10700 | 02-434-9211, 02-434-9178-9 | 02-434-9177 | |
| Pinklao Branch | 1/79 Boromratchonanee Rd., Arunamarin, Bangkoknoi, Bangkok 10700 | 02-434-9211, 02-434-9178-9, 065-350-8577 | 02-434-9177 | Pinklao@smebank.co.th |
| Chatuchak Branch | 1694, 1696 Phahonyothin Rd., Chankasem, Chatuchak, Bangkok 10900 | 02-513-8226-7, 065-350-8576 | 02-513-8215 | Chatuchak@smebank.co.th |
| Sukhumvit 62 Branch | 2150/9 Sukhumvit Rd., Bangchak, Prakanong, Bangkok 10260 | 02-311-1819-20, 065-350-8578 | 02-311-1821 | Sukhumvit62@smebank.co.th |
| Phahonyothin Branch | 310 SME Bank Tower, Phahonyothin Rd., Samsen-Nai, Phayathai, Bangkok 10400 | 02-265-4952-4, 065-350-8579 | 02-270-0488 | Phahonyothin@smebank.co.th |

Zone Office 18

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--------------------------------|-------------|----------------------------|
| Zone Office 18 | 458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10270 | 02-702-5830-2 | 02-702-5833 | |
| Samutprakan Branch | 458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10270 | 02-702-5830-2, 065-350-8581 | 02-702-5833 | Samutprakan@smebank.co.th |
| Phrapradaeng Branch | 105/11 Moo 10, Suksawat Rd., Tambon Bangkru, Amphoe Phrapradaeng, Samutprakan 10130 | 02-462-8433-4, 065-350-8580 | 02-462-8436 | Phrapradaeng@smebank.co.th |
| Latkrabang Branch | 497, 499 Luangpaeng Rd., Tubayo, Latkrabang, Bangkok 10520 | 02-172-9680-2, 065-350-8582 | 02-172-9683 | Latkrabang@smebank.co.th |

Zone Office 19

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|----------------------------|
| Zone Office 19 | 173/7-8 Prachintakam Rd., Tambon Namuang, Amphoe Muang, Phrachinburi 25000 | 037-216-818, 037-216-838 | 037-216-820 | |
| Phrachinburi Branch | 173/7-8 Prachintakam Rd., Tambon Namuang, Amphoe Muang, Phrachinburi 25000 | 037-216-818, 037-216-838, 085-980-8104 | 037-216-820 | Phrachinburi@smebank.co.th |
| Nakhonnayok Branch | ๑2-251/27-28 Nakhonnayok-Rangsit Rd., Tambon Nakhonnayok, Amphoe Muang, Nakhonnayok 26000 | 037-316-161-2, 085-980-8087 | 037-316-164 | Nakhonnayok@smebank.co.th |
| Sakaeo Branch | 318, 320 Suwansorn Rd., Tambon Sakaeo, Amphoe Muang, Sakaeo 27000 | 037-421-975-6, 085-980-8143 | 037-421-977 | Sakaeo@smebank.co.th |

Zone Office 20

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--|-------------|----------------------------|
| Zone Office 20 | 109/18-19 Moo 2, Prayasajja Rd., Tambon Samed, Amphoe Muang, Chonburi 20000 | 038-144-051-3 | 038-144-053 | |
| Chonburi Branch | 109/18-19 Moo 2, Prayasajja Rd., Tambon Samed, Amphoe Muang, Chonburi 20000 | 038-144-051-3, 085-980-8070 | 038-144-053 | Chonburi@smebank.co.th |
| Pattaya Branch | 245/155-156 Moo 9, Pattaya Sai 3 Rd., Tambon Nongprue, Amphoe Banglamung, Chonburi 20150 | 038-416-805-6, 085-980-8109 | 038-416-808 | Pattaya@smebank.co.th |
| Chachoengsao Branch | 182-184 Chachoengsao-Bangpakong Rd., Tambon Namuang, Amphoe Muang, Chachoengsao 24000 | 038-513-363, 038-535-915, 085-980-8069 | 038-535-082 | Chachoengsao@smebank.co.th |

Zone Office 21

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--|-------------|---------------------------|
| Zone Office 21 | 51/31-32 Moo 3, Sai 36 Rd., Tambon Tupma, Amphoe Muang, Rayong 21000 | 038-622-221, 038-622-258, 038-622-367 | 038-621-191 | |
| Rayong Branch | 51/31-32 Moo 3, Sai 36 Rd., Tambon Tupma, Amphoe Muang, Rayong 21000 | 038-622-221, 038-622-258, 038-622-367, 085-980-8130 | 038-621-191 | Rayong@smebank.co.th |
| Chanthaburi Branch | 35/119 Moo 7, Trirat Rd., Tambon Chanthanimit, Amphoe Muang, Chanthaburi 22000 | 039-324-562-3, 085-980-8068 | 039-313-216 | Chanthaburi@smebank.co.th |
| Trat Branch | 28/4-5 Moo 2, Sukhumvit Rd., Tambon Wangkrajae, Amphoe Muang, Trat 23000 | 039-523-244, 039-523-162, 085-980-7958 | 039-523-656 | Trat@smebank.co.th |

Zone Office 22

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|---------------------------------|-------------|------------------------------|
| Zone Office 22 | 1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Muang, Samutsakhon 74000 | 034-811-478-80 | 034-811-480 | |
| Samutsakhon Branch | 1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Muang, Samutsakhon 74000 | 034-811-478-80, 085-980-8142 | 034-811-480 | Samutsakhon@smebank.co.th |
| Aomnoi Branch | 219/1277-1278 Moo 12, Phetkasem Rd., Tambon Aomnoi, Amphoe Kratumban, Samutsakhon 74130 | 02-408-2467-8, 065-350-8583 | 02-408-2469 | Aomnoi@smebank.co.th |
| Samutsongkhram Branch | 129/11-12 Tangkhaomueng Rd., Tambon Maeklong, Amphoe Muang, Samutsongkhram 75000 | 034-723-661-2, 085-980-8141 | 034-723-663 | Samutsongkhram@smebank.co.th |

Zone Office 23

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|--------------------------|--|--------------------------------|-------------|---------------------------------|
| Zone Office 23 | 22/52-53 Phetkasem Rd., Tambon Huahin, Amphoe Huahin, Prachuapkhirikhan, 77110 | 032-516-690-2 | 032-516-693 | |
| Huahin Branch | 22/52-53 Phetkasem Rd., Tambon Huahin, Amphoe Huahin, Prachuapkhirikhan, 77110 | 032-516-690-2, 085-980-8154 | 032-516-693 | Huahin@smebank.co.th |
| Phetchaburi Branch | 45, 47 Shesain Rd., Tambon Klogkacheng, Amphoe Muang, Phetchaburi 76000 | 032-410-301-2, 085-980-8114 | 032-410-303 | Phetchaburi@smebank.co.th |
| Prachuapkhirikhan Branch | 197 Prachuapkhirikhan Rd., Tambon Prachuapkhirikhan, Amphoe Muang, Prachuapkhirikhan 77000 | 032-604-431-2, 085-980-8103 | 032-604-434 | Prachuapkhirikhan@smebank.co.th |

Zone Office 24

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|---|-------------|--------------------------|
| Zone Office 24 | 238/116-117 Moo 1, Chonkasem Rd., Tambon Makhantia, Amphoe Muang, Suratthani 84000 | 077-600-327, 077-600-329-30 | 077-600-391 | |
| Suratthani Branch | 238/116-117 Moo 1, Chonkasem Rd., Tambon Makhantia, Amphoe Muang, Suratthani 84000 | 077-600-327, 077-600-329-30, 085-980-8150 | 077-600-391 | Suratthani@smebank.co.th |
| Koh Samui Branch | Regional Distance Education Center, Suratthani Rajabhat University 88 Moo 2, Tambon Angthong, Amphoe Kosamui, Suratthani 84140 | 085-980-8066 | 077-600-391 | Kosamui@smebank.co.th |
| Ranong Branch | 999/1-2 Chalermprakiet 6 Rob Prachonmapansa Rd., Tambon Kaoniwed, Amphoe Muang, Ranong 85000 | 077-826-500-1, 085-980-8129 | 077-826-502 | Ranong@smebank.co.th |
| Chumphon Branch | 25/46-47 Krommaluangchumphon Rd., Tambon Tatapao, Amphoe Muang, Chumphon 86000 | 077-501-646, 077-506-879, 085-980-8073 | 077-506-880 | Chumphon@smebank.co.th |

Zone Office 25

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|--|--|-------------|------------------------|
| Zone Office 25 | 32/175-176 Poonpol Rd., Tambon Taladnuea, Amphoe Muang, Phuket 83000 | 076-215-757, 076-217-009, 076-218-268 | 076-355-929 | |
| Phuket Branch | 32/175-176 Poonpol Rd., Tambon Taladnuea, Amphoe Muang, Phuket 83000 | 076-215-757, 076-217-009, 076-218-268, 085-980-8117 | 076-355-929 | Phuket@smebank.co.th |
| Phangnga Branch | 68/9-10 Moo 3, Phangnga-Tubpud Rd., Tambon Thamnapud, Amphoe Muang, Phangnga 82000 | 076-460-778-9, 085-980-8108 | 076-460-780 | Phangnga@smebank.co.th |
| Krabi Branch | 50/6-7 Krabi - Khaothong Rd., Tambon Paknam, Amphoe Muang, Krabi 81000 | 075-621-076, 075-656-274, 085-980-8062 | 075-621-102 | Krabi@smebank.co.th |

Zone Office 26

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|--------------------------|---|--|-------------|---------------------------------|
| Zone Office 26 | 2/1-2 Wandeeositkumporn Rd., Tambon Naimuang, Amphoe Muang, Nakhonsithammarat 80000 | 075-357-301-3 | 075-357-304 | |
| Nakhonsithammarat Branch | 2/1-2 Wandeeositkumporn Rd., Tambon Naimuang, Amphoe Muang, Nakhonsithammarat 80000 | 075-357-301-3, 085-980-8094 | 075-357-304 | Nakhonsithammarat@smebank.co.th |
| Thungsong Branch | 70 Thungsong - Huaiyod Rd., Tambon Pakprak, Amphoe Thungsong, Nakhonsithammarat 80110 | 075-424-301-2, 085-980-8083 | 075-424-303 | Thungsong@smebank.co.th |
| Patthalung Branch | 284/7-8 Ramate Rd., Tambon Kuhasawan, Amphoe Muang, Patthalung 93000 | 074-616-215, 074-616-253, 085-980-8110 | 074-616-254 | Patthalung@smebank.co.th |
| Trang Branch | 3/9 Wisadekul Rd., Tambon Thapthiang, Amphoe Muang, Trang 92000 | 075-217-911-2, 085-980-8079 | 075-217-913 | Trang@smebank.co.th |

Zone Office 27

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|------------------------|
| Zone Office 27 | 434 Supasarnrungsun Rd., Tambon Hatyai, Amphoe Hatyai, Songkhla 90110 | 074-247-451-3 | 074-247-454 | |
| Hatyai Branch | 434 Supasarnrungsun Rd., Tambon Hatyai, Amphoe Hatyai, Songkhla 90110 | 074-247-451-3, 085-980-8139 | 074-247-454 | Hatyai@smebank.co.th |
| Songkhla Branch | 20/60-61 Moo 2, Kanchanawanich Rd., Tambon Kaoroubchang, Amphoe Muang, Songkhla 90000 | 074-380-033, 074-380-333, 085-980-8122 | 074-380-071 | Songkhla@smebank.co.th |
| Satun Branch | 483/1-2 Moo 7, Yontakarnkamtorn Rd., Tambon Khongkut, Amphoe Muang, Satun 91000 | 074-725-190-1, 085-980-8140 | 074-725-192 | Satun@smebank.co.th |

Zone Office 28

| Branch | Location/branch of the office | Tel. | Fax. | E-mail |
|-----------------------|---|--|-------------|--------------------------|
| Zone Office 28 | 400/47-48 Moo 4, Phetkasem Rd., Tambon Rusamilae, Amphoe Muang, Pattani 94000 | 073-450-801, 073-330-731-2 | 073-450-803 | |
| Pattani Branch | 400/47-48 Moo 4, Phetkasem Rd., Tambon Rusamilae, Amphoe Muang, Pattani 94000 | 073-450-801, 073-330-731-2, 085-980-8105 | 073-450-803 | Pattani@smebank.co.th |
| Yala Branch | 277-279 Premjit - Suraphan Rd., Tambon Sateng, Amphoe Muang, Yala 95000 | 073-224-458-9, 085-980-8127 | 073-224-460 | Yala@smebank.co.th |
| Narathiwat Branch | 153/8-9 Suriyapradit Rd., Tambon Bangnak, Amphoe Muang, Narathiwat 96000 | 073-532-752-3, 085-980-8096 | 073-532-751 | Narathiwat@smebank.co.th |

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