

Strengthen  
**SMEs**  
to Growth



TOWARD  
The  
Success







*The King of Our Hearts Eternally*





SME Development Bank, a state-owned enterprise regulated by the Ministry of Finance and the Ministry of Industry, carries out its business under the vision of “To be the core stable and sustainable government financial institution for supporting and helping Thai SMEs”. The Bank works as a supporter of the SMEs to strengthen and upgrade their businesses and develop their competence in order to expand their businesses and create employment, careers, income and opportunities for communities all over the country.



## Corporate Social Responsibility

SME Development Bank operates its business with the commitment to drive the organization in success under good governance together with the quality development of society by determining the practices through 4 aspects: social and environmental development, educational development, religious supports and public benefits. The Bank participates regularly in many social activities; for example, preparing food and beverage for the people attended the Royal funeral of His Majesty King Bhumibol Adulyadej at Sanam Luang, Wat Phai Tan and The Government Complex Commemorating His Majesty, participating in the Planting the Yellow Star trees in honor of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun, awarding scholarships and providing sports goods for community schools in various areas as well as taking part in volunteer activities all over the country in order to meet a loan target. This success of the Bank comes from the “Realizing...Love...Unity” of all staffs of the organization.





## Financial Services

SME D Bank has driven the local community entrepreneurs with the support measures of the government sectors through the projects of special interest rate loan schemes. The Bank has put its effort into outreach microentrepreneurs in access to financing through many projects for example: the Carriage Fund Refilled to Strengthen SMEs Right at Their Doors Project for setting up new businesses, renovation, acquiring new machines, or bring innovation; the SMEs Development Fund according to the Pra-Cha-Rat ideology with the interest rate of 1% by the Ministry of Industry, to use as working capital, expand, improve, or upgrade their businesses toward the Industry and SME 4.0 Era; the SMEs Transformation Loan scheme with the interest rate of 3% aims for non-juristic person to be juristic person according to the government policy; and the SMART SMEs Single Account with the interest rate of 5%.



## Entrepreneur Development

SME Development Bank has organized lots of training, seminars and workshops as well as other ones cooperated with other alliance organizations that many of scholars or first-hand experienced experts in the aspects of marketing, business management, and production were invited to share knowledge with the entrepreneurs in all areas in order to upgrade their business to the standards and strengthen their competence to enter the global competitive market.

## What our customers are saying ...

Featuring: Innovation

"I've seen big changes of the Bank. I really like the proactive approaches - to strengthen SMEs - the seminar training; and bring market opportunity - road show to the Chinese market, go online. I think they get on track since most SMEs lack of information. Hope they'll keep going which benefits not only to me but also to all SMEs."



**Panasin Dhanabadeesakul**  
Managing Director  
Dhanabadee Décor Ceramic Co.,Ltd.

### Dhanabadee Ceramic

Pioneer and worldwide famous for the Rooster brand ceramic bowl of Lampang

### Buatong Khow Suan Kwang Grilled Chicken

Grow from small vendor extend the business to specialty gift from Khon Kaen

"I was surprised when the staffs came to me one day, offering financial support. I thought to myself this was for real!! 'cause I own just a small shop selling grilled chicken and Som Tum in Khon Kaen. The Bank's kind of lifting up my business. Helped with whole new packaging design, To-Go box or as a gift-box-set of chicken; taught me an easy accounting system, how to manage the cost and stocking. Say, I needed 10,000 baht in cash daily for stocking a big lot of raw material. For example, now I buy only 40 kg. of chicken instead of 50 kg., and so on. The bottom line of monthly profit increases by 10-20%. Apparently, my business is looking good and other banks stop by frequently and now offer some deals. I insist to stay with SME Development Bank."



**Jantrawan Sudathip**  
Buatong Khao Suan Kwang Grilled Chicken



Featuring: CSR

“Most of our community enterprise of Nam Kian village’s products: soap, bath soap, shampoo, lotion, and etc. use local herbs and labors that make fame to our products and community. But behind our success story, we always have SME D Bank be there for us; promote us to the public, support financial with low-interest rate to build the factory that meets standards. Now we go far exporting our products with sales revenues get close to 200 million baht.”

Sirinan Sarnmanatee  
Manager of Community Enterprise



## Nam Kian Village

A prototype of Community Enterprise on the base of Smart Group Smart Product of Nan

## Dee-Kids

The Innovative Managing Smart Trash Turns Phuket a Clean City with technology 4.0

Featuring: Innovation

“I feel the difference of SME D Bank. Unlike other banks, this Bank creates opportunity and see the benefit on the customer side. Dee Kids was original in the computer media business. Later, we want to extend the business to managing smart trash and needed for investment. Unfortunately, other banks rejected our loan requests for seeing as inconsistent business fields. Thanks to SME D Bank, who have seen the same with us the opportunity. They also fulfilled the business in other areas and made possible today. We've acquired more tools and expanded our service territories out of Patong across Kata, and far of Karon beach. The revenue is over 10 million baht now.”

Chalermrat Deelokpat  
Director Dee-Kids Co.,Ltd.



Featuring: Innovation



“We’re new to the industry, but we’re fortunate having the Bank as our mentor; gave advice, did the PR jobs. As a result, the network of quality palm oil producers was formed. The challenge ahead is - stick to the plan and to be a national leader before stepping up to competes in the overseas market.”



**Boonruk Oonyueng**  
Puea Krabi Palm Oil Co., Ltd.



## Puea Krabi Palm Oil

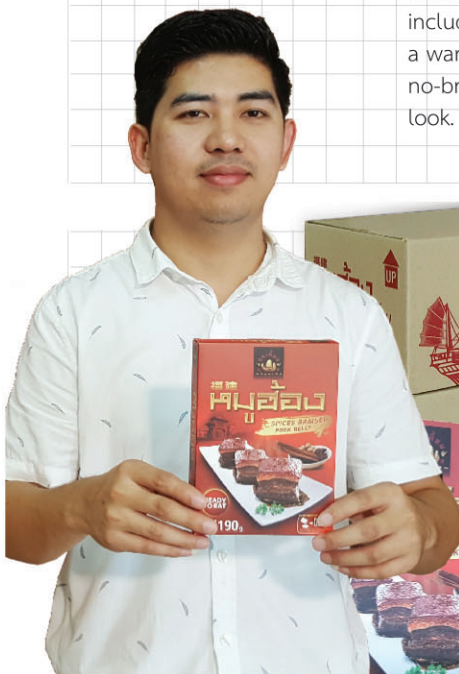
A prototype of a creative business that turns the local economy to grow and sustain

## The Hokkien, Ready to Eat Hong Pork

A Startup upgrades its Hong Pork to value-added menu from Phuket

Featuring: Innovation, Startup

“The top executives to staffs have been taking turns to visit, give consultation on preparing the business plan, collect documents, including follow up. And it’s been years now that we have received a warm service. I would say this inspired me to drive and elevate a no-brand and traditional business to be a brand name and modern look. The sale growth makes up to 300,000 – 400,000 baht a month.”



**Somchok Nayiam**  
Manager of Krabi Food and Marketing Co.,Ltd.





Featuring: Green Hotel

“Not until we found SME D Bank did we need the last fund to complete setting up our business. Besides the loans, we’ve also got like a business package. The PR made us known as the Green Hotel of Nan. With their advice, so we have come up with a boutique green hotel today in trend among foreign tourist clients. Obviously, the occupancy rate has been increasing, and room rates are higher in 2-3 folds than what we used to sell in a regular hotel.”

**Jantira Chinsukserm**

Owner of Nan Boutique Hotel (Green Hotel)



## Nan Boutique Green Hotel

Grow the business with green heart

## Baan Mon

Proud to bring businesses to the community, Nakhonsawan

Featuring: Local Cultural Preservation

“Unfortunately, Baan Mon - the land is public property, we can’t make a loan request as a result. SME D Bank is the only one who makes possible our dream. Part of the loan is used for building the learning center of the community. There are homestays within available for tourists or people come to learn and make earth ware handy craft from our real Mon Race. Another part of the loan is used for upgrading the ceramic kiln capacity to make more revenue to our community.”

**Roongroj Liengsuk**

Head of Baan Mon Earthenware Group



# TOWARD The SUCCESS



## Smart

The Development Bank with Innovation  
& Modern Technology ...Smart SME 4.0

## Strength

Strength with Financial Security

## Sustainable

Growth with Transparency





หน่วยรถม้าเติมทุน  
ส่งเสริม SMEs ไทย  
ฉับไว ไม่ถึงถิ่น

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1357

Smart  
Strength  
Sustainable



As a small Cog But a **Powerful** Mechanism that  
Drives the Nation's Economy

**SME Development Bank**, a True Companion,  
Strengthens SMEs in all Aspects to Further and Sustainable Growth

Strengthen  
SMEs  
to Growth





Optimize our service with innovation  
and modern technology  
Smart SME 4.0



Smart  
SME 4.0

# Good Governance



Commitment to the  
Ethics, Transparency,  
Good Governance, and Fairness



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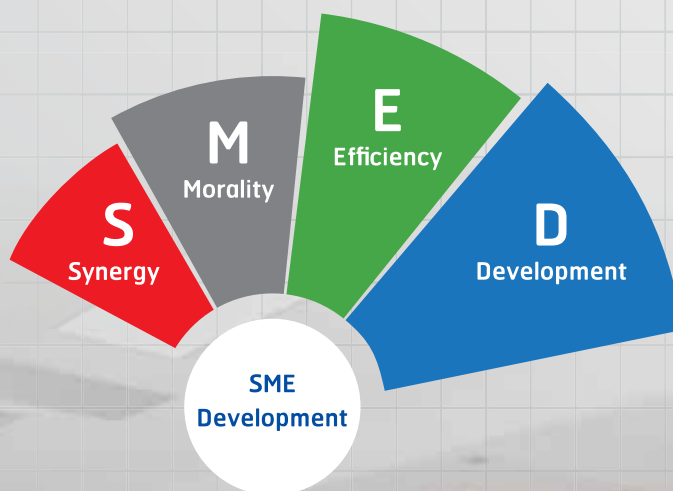
## Vision

To Be the Main State Owned Financial Institution with Security and Sustainability that Assists and Supports to Thai SMEs.

## Missions

- To increase opportunities access to financing for micro SMEs that do not appeal to the commercial financial institutions, by providing financial services such as loan and venture capital.
- To drive the economy by providing proactive assistance to SMEs encompassing marketing, business management, and production with the focus on innovation, technology, and creativity.
- To provide satisfaction and relationship with customers, partners, shareholders, and stakeholders under efficient services and business process through the use of modern informational technology.

## Corporate Values



<b>S</b>	➤ Synergy	Collaboration
<b>M</b>	➤ Morality	Commitment
<b>E</b>	➤ Efficiency	Cost-effective
<b>D</b>	➤ Development	Continuously

## Policy of State Shareholders (Statement of Direction: SODs)

The State Enterprise Policy Committee's Resolution No.1/2560 on January 9, 2017, approved the state enterprise strategic plan and appointed state enterprises and relevant agencies to deploy as directions for their 2017 implementation plan, the 5-year plan, and the 20-year goals. The Umbrella Statement is that "as a financial institution for development in creating opportunities for people to access the capital source across the region along with financial knowledge. The objectives are to strengthen the economic foundation, develop the competitiveness of the country, and reduce social inequality under the management of a stable, transparent, and sustainable organization through the use of technology and innovative financial services" with five strategies as follows:

**Strategy 1:** Set clear roles of each state-owned enterprise in driving the National Strategy

**Strategy 2:** Exercise the budgeting to be in line with the National Strategy

**Strategy 3:** Strengthen financial sustainability in the long run

**Strategy 4:** Support innovation and technology comply with Thailand 4.0

**Strategy 5:** Promote good governance mechanism and transparency

## Policy and Strategy of the Government and Regulators

### Government Policy (General Prayut Chan-O-Cha)

Strengthen SMEs to competitiveness by adding knowledge base encompassing production, management, access to financial resources, financial services, and investment for small and medium enterprises.

### The National Strategy for 20 Years (B.E.2560 - 2579)

To achieve the vision, "Thailand as a developed country with security, prosperity, and sustainability in accordance with the principles of the Sufficiency Economic Philosophy" that shall lead to the improvement of the quality of life, high income, and happiness of the Thai people, with the directions of the National Strategy related as follows:

**Strategy 1: Security**

**Strategy 2: Strengthen Competitiveness** - by entrepreneur development and the local economy, skill development, elevation labor productivity, and promotion SME for international trade

**Strategy 4: Create opportunities for equality and Social Equality** - by reinforcing security and decreasing inequality, socially and economically.

### The National Economic and Social Development Plan No.12 (B.E.2560 - 2664)

**Strategy 3: Strengthening the economy and competitiveness** - by emphasizing the steadily and sustainably of the economic growth. Key to Thailand 4.0, it's essential to strengthen the sectoral growth, aiming for innovative products driven by technology, creativity, and innovation that changing from the production intensive to service.



#### **SME Promotional Plan No.4 (B.E.2560 - 2564)**

**Strategy 1: SMEs Promotion and Development on Certain SME Issues** - aim to create the ecosystem that helps support the growth and strength to SMEs.

**Strategy 2: Strengthen the Capability of SME in specific sectors** - that required the different approach of the promotion and development.

**Strategy 3: Develop mechanisms to drive SME promotion systematically** - for the promotion and development of SMEs to be more effective.

#### **Ministry of Finance (FPO)**

Policy on the operation of specialized financial institutions (SFIs) for 5 years (B.E.2559-2563)

**Strategy 1: Proceed the rehabilitation program with the focus on solving the non - performing loans and providing loans to small enterprises.**

**Strategy 2: Promote the access to financial capital to SMEs** - emphasis on providing loan up to 15 million baht for each enterprise and developing new innovative financial products such as joint venture and services to SMEs in line with the government policy.

#### **Ministry of industry**

The Strategic Plan of the Ministry of Industry (B.E.2560 - 2564) focuses on strengthening the industrial sector based on the country's potential fundamental with research, technology, and innovation. It shall enhance the productivity, standards, and higher competing abilities, such as the establishment of the SMEs Development Fund regarding the Pra-Cha-Rat directions and measures to help support micro SMEs, etc.

#### **Goal and Objective**

As stated in the intention to establish SME Development Bank that is mentioned in the Small and Medium Enterprise Development Bank of Thailand Act, B.E.2545 stated "Small and Medium Enterprises are crucial to the economic development of the country for growth and sustainability which will create jobs, generate income, and support the production base. It is deemed reasonable to establish the Small and Medium Enterprise Development Bank of Thailand with the objectives stated in Section 11, indicated that, "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 investment, giving recommendations, suggestion, or providing other necessary services."

Side by Side  
toward your GOAL



Application  
SME D Bank



แอปพลิเคชันและ  
ซอฟต์แวร์กว่า 50 แอป

- ▶ ขายหน้าร้าน
- ▶ การจองออนไลน์
- ▶ การเขียนแผนธุรกิจ ยื่นกู้
- ▶ บัญชี
- ▶ งานบริหารบุคคล
- ▶ บริหารลูกค้าสัมพันธ์
- ▶ คลังสินค้า
- ▶ จัดการการขนส่ง

## History

The Small and Medium Enterprise Development Bank of Thailand (SME Bank) has been developed in the 3 following stages.

### 1. Small Industrial Finance Office (1964 - 1991)

In 1963, the Cabinet passed a resolution to promote a small industrial loan program which was put in the National Economic and Social Development Plan No. 1 and has established a "loan office to promote a small industry in March 1964 under the supervision of the Department of Industrial Promotion, Ministry of industry to provide financial supports to the small industrial businesses and subsequently changed into the Small Industrial Finance Office. However, owing to its status as a governmental office, there were capital limitation from the governmental budget regarding its solely funding source, and the governmental bureaucratic process. As a result, the Office witnessed the deficiency of its lending facilities.

### 2. Small Industry Finance Corporation (1991 - 2002)

The earlier said funding and financial servicing limitations steered the Ministry of Industry and the Ministry of Finance to transform the Small Industrial Finance Office to the "Small Industry Finance Corporation (SIFC)." It was a juristic entity under the Civil and Commercial Code with the initial registered capital 300 million baht. In 2000, the Ministry of Finance increased its capital to 2,500 million baht.

- In 1991, the Corporation's registered capital rose to 300 million baht.
- In 2000, the Ministry of Finance increased its registered capital by 2,500 million baht, resulting in the increase in its share capital to 2,800 million baht.

In 1997, the currency crisis surfaced and had significant impacts on the business sector, especially the small and medium enterprises that suffered a lack of financial liquidity to the extent of becoming the non-performing debtors. Therefore, the Ministry of Industry In conjunction with the Ministry of Finance initiated the concept of elevating SIFC to be a main financial institution for SMEs development.

### 3. Small and Medium Enterprise Development Bank of Thailand (A.D. 2002 - present)

In 2001, the government agreed to increase the role and scope of the Small Industry Finance Corporation by changing it to the "Small and Medium Enterprise Development Bank of Thailand" (SME Bank), for which the Ministry of Industry and Ministry of Finance jointly drafted the Act of the Small and Medium Enterprise Development Bank of Thailand (A.D. 2002) that was effective on 20 December 2002. That date thus was the establishment day of the SME Bank. The Ministry of Finance increased its share capital by Baht 11,955 million during 2004- 2016, making the SME Bank to currently have the share capital Bt 20,006.63 million, which is lower than the value of the ordinary shares by Bt 5,251.63 million.

- 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, increasing its 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 the 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 the share capital 12,200 million baht.
- In 2013, the Ministry of Finance increased its capital by 555 million baht, resulting in the increase in the share capital to 12,755 million baht.
- In 2015, the Ministry of Finance increased its capital by 1,000 million baht, resulting in the increase in the share capital to 16,380.82 million baht, lower than the ordinary share value by 2,625.82 million baht.
- In 2016, the Ministry of Finance increased its capital by 1,000 million baht, resulting in the increase in the share capital to 20,006.63 million baht, which was lower than the ordinary share by 5,251.63 million baht.

## Message from the Chairman

SME Development Bank has entered a rehabilitation process since mid-2014. Since then, the Bank has improved the working process and regulatory compliance to meet standards, solved previous problems, and built sustainability in future operations. The improvement is including the initiative of the Check and Balance mechanism used in the loan process, the risk management and internal control systems, the governance in the audit process, and the promotion to morality for sustainable organizational growth. Consequently, the Bank's operating results have outperformed respectively and steadily. The Fitch Ratings has affirmed the credit ratings of SME Development Bank as National Long-Term Rating affirmed at 'AAA (tha)'; Outlook Stable. The Integrity and Transparency Assessment (ITA) of the Bank, scored by Office of the National Anti-Corruption Commission (ONAC), has moved up ranking number 10<sup>th</sup> with scoring 92.07 from the 13<sup>th</sup> place with scoring 89.55 in the year of 2016 and ranking number 43<sup>rd</sup> with scoring 79.44 in 2015, respectively. And then in the early year 2018, on January 19 the State Enterprises Policy Committees' meeting approved the Bank to exit its rehabilitation program.

Furthermore this year, the Bank has been reliably assigned by the government to be one of the main units to implement the SME Development Fund with the Ministry of Industry, in compliance with the Pra-Cha-Rut: the public-private collaborative scheme, in accordance with the Cabinet Resolution agreed to the establishment of the Fund with the budget allocation amounting to 20,000 million baht. The objectives are to provide financial support and to promote SMEs to the high-value industry followed the Thailand 4.0 policy. The Bank has also been assigned to join the Khlong Phadung Krung Kasem Market fair frequently and hosting the last fair event during December 12- 27, 2017, under the theme "Season's Greeting 2018 Cheers & Shop", featuring selected merchandise from top of SMEs up to 400 enterprises, including the Bank's customers and non-customer SMEs. The sales volume recorded of 143 million baht.

In the year 2018, the Bank determines the business direction as "A Truly Development Bank" in line with its mission and in comply with the government policies of which toward the Bank, that is to promote, develop and strengthen small and medium enterprises with financial assistance along with knowledge and know-how enhancement. The policies also regulate the Bank's performance to become sustainability.

The Bank has announced itself herewith as M-SME Development Bank which M abbreviates for Micro. The implication clearly states its mission as a specialized financial institution to support Micro SMEs in communities in accordance with government policy, which will drive the economic growth by creating careers to spread revenues throughout the country.

On behalf of the board of directors, the management, and all employees, I would like to express my deep gratitude to the Prime Minister Prayut Chan-O-Cha's administration, the National Council for Peace and Order (NCPO), the Committee of State Enterprise Policy, the Subcommittee on Screening of State Enterprise Problem Solving, Ministry of Finance, Ministry of Industry, and the Bank of Thailand for their kind support. I would also like to convey my gratitude to our customers, business partners, alliances, partner agencies, and the like for their continuous support extended both in the past and in the years to come.



(Mr. Pasu Loharjun)  
Chairman



## Report of the Audit Committee

The Audit Committee is appointed by the Board of Directors of Small and Medium Enterprise Development Bank of Thailand (SME Development Bank; the Bank) on February 1, 2017 and November 9, 2017, comprised 4 members as follows:

- |   |           |
|---|-----------|
| 1. Mr. Pornlert Lattanan  | Chairman  |
| 2. Mr. Seree Nonthasoot   | Director  |
| 3. Mrs. Poonsuk Musiklad  | Director  |
| 4. Executive Vice President / (acting charged with governance)<br>Compliance and Internal Audit Divisions | Secretary |

The Audit Committee has performed its duties and responsibilities in compliance with the charter of Audit Committee by using the knowledge, capability, prudence, and are free from the Bank, to benefit the stakeholders equally.

In 2017, the Bank was in the process of rehabilitation. The Audit Committee, therefore, has carried out some crucial matters such as the requirement for the bank to set up the clear-cut policy of excess reserve and the use of the excess reserve, along with the discussion with the Office of the Auditor General and the Bank of Thailand and suggestion to the management. The suggestions, including the preparation of accounting policy, the disclosure and review of the notes to financial statements and financial reporting, are to ensure that the financial reporting is prepared correctly in compliance with legal and regulatory requirements and comply with accounting standards generally accepted. The Audit Committee also provides opinions on improvement and review of the items that are required to fully comply with the Bank of Thailand's regulations, including meeting with the middle management level to ensure the operation proceed with integrity and transparency practice.

The Audit Committee performs its duty within the scope as appointed from the Board of Directors, and through the guidelines of the Audit Committee of the Office of the State Enterprise Policy Commission (SCC), by overseeing the bank's operation as to comply with the code of ethics procedures and standards. The Audit Committee summarizes the results and reports to the Board of Directors on a quarterly and yearly basis as follows:

**1. Review good corporate governance process;** the management and operation to be in line with the principles of good corporate governance constantly and in compliance with the regulations.

**2. Review the Bank's governance, internal controls, and operations comply with the requirement of applicable laws.** The Audit Committee considers the internal control over the regulations and practices, procedures, the Cabinet's Resolutions, rules related self-regulatory organizations' standards and the code of conduct of the Bank and State Enterprises and notifies to the management to make improvements as needed. The oversight is on a regular monitoring basis and reports to the Board of Directors.

**3. Review the risk management process.** The Audit Committee considers the results of the audit and credit review regarding the internal control, the compliance with relevant regulations and orders, as to assess the risk management process whether it covers key risk factors or has an effective implementation regarding the risk appetite and risk tolerance of the Bank to achieve its performance and objective.

The Audit Committee also takes into consideration the effectiveness and appropriateness of the consistency risk management from the reports of risk assessment by risk management department. Again, the suggestion is provided to responsible departments for improvement.

**4. Review the effectiveness and efficiency of the internal control processes.** The audit results of the Internal Audit Department and the credit quality review results of the Credit Review Department are put into consideration. The Audit Committee requires the management develop and improve the Bank's internal control process, and control self-assessment, including management auditing, as adequacy, completeness, efficiency, and in accordance with the regulation of internal control standards of the Office of the Auditor General.

**5. Review the internal audits and the credit reviews process** to ensure its independence and fair in implementation and reporting the mutual benefit to the Bank.

**6. Review the transaction of the related-party, conflicts of interest, or opportunity of frauds.** Those transactions may adversely impact the ability to the execution of the Bank. As a result, the monitoring is on a regular basis.

**7. Review the Audit Committee Charter and the Charter of the Internal Audit Department.** The review is conducted to ensure that the process covers the duty and responsibility and aligns with the handbook of the Audit Committee required by the State Enterprise Policy Office and the Bank of Thailand.

**8. Review the Monitoring and Correction of the Management.** The Audit committee follows up the corrections of the management as per the audit results appear with remarks and suggestions from relevant agencies: Internal Audit Department, Credit Review Department, Compliance Department, and the auditors regarding the internal controls, risk management, and the compliance with government and regulator's rules.

The Audit Committee adheres to the good practices and performs its duty with prudence independence and fairness so that the Bank could stimulate the good corporate governance as well as the proper and adequate risk management and internal control to direct the Bank towards its objectives. Several departments; Internal Audit Department, Credit Review Department, and Compliance Department, work as the crucial mechanism with the efforts and efficiency in helping the work of the Audit Committee.



(Mr. Pornlert Lattanan)  
Chairman of the Audit Committee

## Board of Directors



1. Mr. Pasu Loharjun  
Chairman

2. Mr. Somchai Harnhirun  
Chairman  
(Aug 24, 2016 - Sep 30, 2017)

3. Mrs. Saowanee Kamolbutr  
Director  
(Jul 30, 2014 - May 14, 2017)

4. Mr. Lavaron Sangsnit  
Director

5. Mr. Anusorn Muttaraid  
Director  
(Jul 30, 2014 - Nov 8, 2017)

6. Mr. Seree Nonthasoot  
Director

7. Mr. Praphaisith Tankeyura  
Director

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SMEs  
to Growth





## TOWARD The SUCCESS

8. Mr. Chanvit Nakburee  
Director

9. Mr. Taveesak Foongkiatcharoen  
Director  
(Jan 2 – Nov 8, 2017)

10. Mrs. Poonsuk Musiklad  
Director

11. Mr. Pornlert Lattanan  
Director

12. Mr. Prakit Sheepakdee  
Director

13. Mrs. Jaree Wuthisanti  
Director

14. Mr. Mongkon Leelatham  
Director and Secretary

## Profiles of the Board of Directors



### 1. Mr. Pasu Loharjun Chairman

Age: 58

#### Education

- Ph.D. (Industrial Engineering and Operations research), Virginia Polytechnic Institute and State University, USA
- M.S. (Industrial Engineering), Polytechnic Institute of New York, USA
- B.S. (Electrical Engineering), Chulalongkorn University

#### Training

- Top Executive Program in Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT)
- Executive Creative Economy Program (EXCET Program - 1), The Office of Knowledge Management and Development (OKMD), 2010

#### Other Positions

- President of Chulalongkorn University Preparatory School Alumni Association Under His Royal Patronage 2558 (CUPSAA 2558)
- President of Chulalongkorn Engineering Alumni (year group 1976)
- Board of Directors Member, Foundation for Industrial Development

#### Work Experience

- 2017 - Present : Permanent Secretary Ministry of Industry
- 2016 : Director General Department of Industrial Promotion
- 2014 : Director General Department of Industrial Works



## 2. Mr. Somchai Harnhirun Chairman

(Aug 24, 2016 - Sep 30, 2017)

Age: 60

### Education

- Ph.D. (Economics) Concordia University, Canada
- Master of Art (Economics) Queen's University, Canada
- Master of Development Economics, NIDA
- B.A. (Economics) Thammasat University

### Training

- Energy Science Program Executive (Thailand Energy Academy)
- Top Executive Program in Commerce and Trade : TEPCoT Ministry of Commerce
- Diploma, National Defence College (Course group 52)

### Other Positions

- The Board of Investment of Thailand
- Committee of the Energy Conservation Center of Thailand
- Chairman of General Environmental Conservation Plc.

### Work Experience

- June 2016 - 30 Sep 2017, Permanent Secretary, Ministry of Industry
- 2014 - 2016, Director - General, Department of Industrial Promotion, Ministry of Industry
- 2013 - 2014, Director - General, Office of Industrial Economics

## 3. Mrs. Saowanee Kamolbutr Director

(Jul 30, 2014 - May 14, 2017)

Age: 65

### Education

- Master of Political Science (Public Administration), Thammasat University
- Bachelor of Political Science (Public Administration), Thammasat University

### Training

- Diploma, National Defence College (Class Year 2005)
- Senior Executive Program, Kellogg Sasin Graduate Institute
- Director Certification Program (DCP 69), Financial Institution Governance Program (FGP) Thai Institute of Directors (IOD)

### Other Positions

- Independent Director and Member of the Audit Committee, Glow Energy Plc.
- Independent Director, Member of the Audit Committee, Member of the Risk Management Committee, and Chairman of the Corporate Government Committee, FN Factory Outlet Plc.
- Independent Director and Chairman of Audit Committee, Carabao Group Plc.
- Independent Director and Audit Committee, Interlink Communication Plc.

### Work Experience

- Deputy Permanent Secretary, Ministry of Finance
- Chairman, TMB Bank Public Co., Ltd.
- Deputy Director - General, The Revenue Department, Ministry of Finance



#### 4. Mr. Lavaron Sangsnit

##### Director

Age: 50

##### Education

- M.S.(Economic Policy and Planning), Northeastern University, USA
- Bachelor of Economics, Chulalongkorn University

##### Training

- Diploma, National Defence College (Course group 58)
- Director Certification Program, The Thai Institute of Banking and Finance Association
- The Civil Service Executive Development Program: Visionary and Moral Leadership, High Potential Leaders (Course group 75), Office of the Civil Service Commission

##### Other Positions

- Director, Expressway Authority of Thailand
- Director, Krung Thai Asset Management Plc.
- Director, Deposit Protection Agency

##### Work Experience

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

#### 5. Mr. Anusorn Muttaraid

##### Director

(Jul 30, 2014 - Nov 8, 2017)

Age: 63

##### Education

- Bachelor of Science. (Honors), Kasetsart University

##### Training

- Director Certification Program (DCP 37), Thai Institute of Directors Association (IOD)

##### Other Positions

- Chairman of Committee on Thailand - Indian Business Council, The Thai Chamber of Commerce
- Director DET International Holding
- Managing Director Delta Green Industrial (Thailand) Co., Ltd.

##### Work Experience

- Director Delta Electronics Components (Thailand) Co., Ltd.
- Director Palo Alto Manufacturing (Thailand) Co., Ltd.
- Director Palo Alto Plastic (Thailand) Co., Ltd.



## 6. Mr. Seree Nonthasoot

### Director

Age: 43

#### Education

- Doctor of Philosophy (DPhil), University of Oxford, United Kingdom
- LL.M. (International Trade Law), Columbia University School of Law, New York, USA (Fulbright Scholarship)
- BARRISTER-AT-LAW, Bar Association of Thailand
- LL.B., Thammasat University (1990 - 1993)

#### Training

- Institute of Directors, Directors Certification Program (DCP 205) (2015)
- Executive Certificate Program in Good Governance for Medical Executives (Course group 1) King Prajadhipok Institute (2013)
- Capital Market Academy (Course group 14) Stock Exchange of Thailand (2012)

#### Other Positions

- Representative of Thailand to the ASEAN Intergovernmental Commission on Human Rights (AICHR)
- Director & Chairman of Audit Committee, KTB Law Co., Ltd.
- Director, Krungthai Computer Services Co., Ltd.
- Senior Executive Vice President, Institute of Research and Development for Public Enterprises

#### Work Experience

- Legal Counsel, State Enterprise Policy Office, Ministry of Finance (2003-2013)
- Legal Advisor, Office of the Council of State (1995 - 2000)

## 7. Mr. Praphaisith Tankeyura

### Director

Age: 63

#### Education

- MBA (Finance) ,Florida State University, USA
- Bachelor of Statistics (Applied Business), Faculty of Commerce & Accountancy, Chulalongkorn University

#### Training

- Director Certificate Program (DCP), Thai Institute of Directors (IOD)
- Regional Credit Seminar, Citicorp - South Korea
- Valuation & Restructuring, Citicorp - Singapore
- Real Estate Project Finance, Citicorp - USA

#### Other Positions at Present

- Managing Director Boathouse Hua-Hin Co., Ltd.
- Director & CEO of Ma Boonyong Real Estate Co., Ltd.
- Chief Advisor of JWS Construction Co., Ltd.
- Independent Director, Chairman of Audit, Corporate Governance & Social Responsibilities Committee Nominating & Remuneration Committee, Krungthai Card Plc.

#### Work Experience

- President of Bank of Ayudhya Plc.
- Chairman of Ayudhya Development Leasing Co., Ltd.
- CEO & Director of Ayudhya Insurance Plc.
- Chairman & Managing Director of Citicorp Finance & Securities (Thailand) Co., Ltd. / Vice President of Citibank Thailand



## 8. Mr. Chanvit Nakburee

### Director

Age: 53

#### Education

- M.B.A. (General Business Administration), Ramkhamheang University
- B.B.A. (Accounting), Ramkhamheang University

#### Training

- Executive Development Program : Public Service Management Level (Course group 8)
- Corporate Governance for Board of Director and Executives of State Enterprise and Public Organization, Public Development Institutes (PDI 9)
- Executive Development Program : Visionary and Morality Leadership (Course group 77)

#### Other in Positions

- Board of Director of National Credit Bureau
- Board of Director of SME Development Bank
- Chairman of Board of Director of Neutral Gateway & Data Center

#### Work Experience

- September 2016 – Present : Deputy Director - General, State Enterprise Policy Office, Ministry of Finance
- 2011- September 2016 : Director of Policy and Planning Bureau, State Enterprise Policy Office, Ministry of Finance

## 9. Mr. Taveesak Foongkiatcharoen

### Director

(Jan 2 - Nov 8, 2017)

Age: 62

#### Education

- Faculty of Laws, Thammasart University (1981)
- Faculty of Commerce and Accountancy, Thammasart University (1977)

#### Training

- Certificate of Business Laws Thammasart University (2000)
- The Senior Administrators Program ( SAP) SASIN Graduate Institution of Business Administration and Kellogg School of Management (2005)

#### Other Positions

- Board of Executive Director P Planner Co., Ltd.

#### Work Experience

- Member of Financial Institution and System Reform Sub-Committee and Economics and Finance Reform Committee, National Reform Council
- Board of Executive Director Small and Medium Enterprise Development Bank of Thailand
- Business Recovery Planning Executive TT& T Plc.
- Sub-committee Advisor of Financial Institution and Banking (Member of the Commission) King Mongkut's Institute of Technology Lad Krabang
- President, Thai Credit Guarantee Corporation



## 10. Mrs. Poonsuk Musiklad

### Director

Age: 64

#### Education

- MBA, Murray State University, Kentucky, USA
- Master of Computer Science, Chulalongkorn University
- BA (Statistics), Thammasart University

#### Training

- Green Science and Technology (Course group 2) (2013)
- Wharton Advance Management (2010)
- Director Certification Program (DCP - 2006)

#### Work Experience

- Senior Executive Vice President, Bank for Agriculture and Agricultural Cooperatives (2009-2014)

## 11. Mr. Pornlert Lattanan

### Director

Age: 64

#### Education

- MBA (Marketing and Finance), Columbia University, USA
- B.Eng. (Mechanical Engineering), Chulalongkorn University
- L.L.B (First Class Honor), Chulalongkorn University
- Barrister at Law, The Thai Bar Association

#### Training

- Peace Building Program, King Prajadhipok Institute
- Management Development, Harvard Business School
- Directors Certification Program, IOD

#### Other Positions

- Facilitator DCP, IOD
- Associate Judger ,The Central Court for Intellectual Property and International Trade

#### Previous Positions

- President, GE Corporation (Thailand)
- Chairman of the Board, GE Money Retail Bank
- Managing Director, Post Publishing Plc.
- Managing Director, SCF Finance and Securities Plc. (Siam City Bank Group)



## 12. Mr. Prakrit Sheepakdee

### Director

Age: 62

#### Education

- M.P.A . (Public Administration), National Institute of Development Administration
- B.B.A. (Accounting), Chulalongkorn University

#### Training

- Diploma, National Defence College, The State, Private Sector and Political Sectors Course (2005)

#### Work Experience

- Executive Vice President, Government Saving Bank
- Executive Vice President, SME Development bank of Thailand
- The Siam commercial Bank Plc.

## 13. Mrs. Jaree Wuthisanti

### Director

Age: 60

#### Education

- M.B.A. National Institute of Development Administration (NIDA)
- B.A.(Accounting) (First Class Honor), Chiang Mai University
- Diploma, Advanced International Bank Management Program, The Swedish International Development Cooperation Agency (SIDA)

#### Training

- Top Executive Program in Commerce and Trade: (TEPCOT 9), Thai Chamber of Commerce Academy University (2016)
- Capital Market Academy Leadership Program (Course group 16), The Stock Exchange of Thailand
- Diploma, National Defence College, The Joint State - Private Sector Course group 19 (2006)

#### Other Positions

- Director, KTB Advisory Company Limited

#### Work Experience

- Senior Executive Vice President, Krungthai Bank Plc.
- Senior Executive Vice President, Thanachart Bank Plc.
- Senior Executive Vice President, Siam City Bank Plc.





## 14. Mr. Mongkon Leelatham Director and Secretary

Age: 58

### Education Master Degree

- Economic Development NIDA (1983)
- Bachelor Degree Accounting, Thammasart University (1981), Economic, Ramkhamheang University (1980)

### Training

- Certificate, Energy Literacy for a Sustainable Future (TEA Course group11), Thailand Energy Academy (2018)
- Certificate, Office of the Public Sector development Commission (PDI 16), King Prajadhipok's Institute and State Enterprise Policy Office (2017)
- Anti-Corruption Strategic Management for Senior Executive, Course group 6, Sanya Dharmasakti Anti-Corruption Institute, NACC
- SEC. Capital Market Leader Program : Building Competitiveness of Nation and Thai Capital Markets, IMD - SEC Partnership Program, IMD - World Competitiveness Center
- Certificate, Broadcasting Executive Forum (BCF course group 1) (Awarded), National Broadcasting and Telecommunications Commission (NBTC) 2013
- Certificate, Capital Market Leader Program, Course group 13, Capital Market Academy (2012)
- Certificate, Directors Certification Program (DCP course group 35), Thai Institute of Director (2004)
- Top Executive Program in Commerce Trade - TEPCoT 6, Commerce Academy, MOC, MOI, MOF and UTCC (1983)
- Construction Planning (Honorary), Sukothai Thammatirat University (1983)
- Certificate of Economic Development, NIDA (1982)

### Other Positions

- Representative of Thailand to the ASEAN Intergovernmental Commission on Human Rights (AICHR)
- Director & Chairman of Audit Committee, KTB Law, Co., Ltd.
- Director, Krungthai Computer Services, Co., Ltd.
- Senior Executive Vice President, Institute of Research and Development for Public Enterprises

### Work Experience

- Board of Executive Directors and Deputy Vice President Thai Public Broadcasting Service (Thai PBS)
- Committee, National Credit Bureau (NCB)
- Chairman; Board of Executive Directors, Thai Credit for Retail Co., Ltd.
- Chairman; Board of Executive Directors, Thanabun Co., Ltd.
- Board of Executive Directors & Managing Director, Thai Kaeha Credit Foncier Co., Ltd.
- Board of Executive Directors and Managing Director, Metropolis Trust and Securities Plc.
- Inspector, Financial Sector Restructuring Authority
- Director, The Agricultural Futures Exchange of Thailand
- Director and Chairman of Audit Committee, National Housing Authority

## Board of Executive Directors

		
1. Mr. Lavaron Sangsnit Chairman		
2. Mrs. Saowanee Kamonbutr (Jul 30, 2014 – May 14, 2017) Chairman		
3. Mr. Praphaisith Tankeyura Director		
4. Mr. Chanvit Nakburee (Jan 9 – Feb 8, 2017) Director		
5. Mrs. Jaree Wuthisanti Director		
6. Mr. Mongkon Leelatham Director and Secretary		

As of January - December 2017

## Audit Committee

1. Mr. Pornlert Lattanan	Chairman
2. Mr. Seree Nonhasoot	Director
3. Mrs. Poonsuk Musiklad	Director
4. Executive Vice President / (acting) EVP. Compliance and Audit Group	Secretary

## Risk Management Committee

1. Mr. Chanvit Nakburee	Chairman
2. Mr. Mongkon Leelatham	Director
3. Mr. Woramit Krutto	Director
4. Mr. Phongcharn Samphaongern	Director
5. Mrs. Chongrak Politanont	Director and Secretary
6. Mr. Boonsong Jiamjitvanicha	Assistant Secretary

## Employee Relations Committee

1. Mr. Chanvit Nakburee	Board of Directors	Chairman
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### Employer Representatives

1. Senior Executive Vice President	Designated	Director
2. Executive Vice President	Strategic and Resources Management Group	Director
3. Executive Vice President	IT and Management Support Group	Director
4. Executive Vice President	Treasury & Accounting Group	Director
5. Executive Vice President	Risk Management Group	Director
6. Vice President / Senior VP	Branch Operation Control Department	Director
7. Vice President / Senior VP	Legal Department	Director

### Employee Representatives

1. Mrs. Jidapa Nimnoi	Chairman, the State Enterprise Labor Union	Director
2. Mr. Wirote Pronlertprong	Vice Chairman, the State Enterprise Labor Union	Director
3. Mr. Namyod Laksanangam	Vice Chairman, the State Enterprise Labor Union	Director
4. Mr. Pannawith Kruewan	Vice Chairman, the State Enterprise Labor Union	Director
5. Mr. Paskon Suriyo	Director, the State Enterprise Labor Union	Director
6. Mr. Prakit Kopolrutana	Director, the State Enterprise Labor Union	Director
7. Miss Pinyapat Arthamaneeya	Director, the State Enterprise Labor Union	Director

## Nomination and Remuneration Committee

1. Mr. Kriengkrai Rukkulchon		Consultant
2. Mr. Anusorn Muttaraid		Chairman
3. Mr. Seree Nonthasoot		Director
4. Mr. Taveesak Foongkiatcharoen		Director
5. Executive Vice President Administrative Support Group		Secretary
6. VP / Senior VP Human Resources Department		Assistant Secretary

## Information Technology Committee

1. Mr. Anusorn Muttaraid		Consultant
2. Col.Dr. Jearanai Vongsaard		Consultant
3. Senior Executive Vice President	Responsible for new product and target Group, BPI, and risk management. Oversee Marketing & Government Policy group and Risk Management group	Consultant
4. Executive Vice President	Responsible for Loan Growth and supervise Credit Analysis and Operation Group	Consultant
5. President of SME Development Bank		Chairman
6. Executive Vice President	Supervise Asset Management Group	Director
7. Executive Vice President	Supervise Risk Management Group	Director
8. Mr. Maythapolnun Athimethphat	External Expert	Director
9. Mr. Krit Won-in	External Expert	Director
10. Executive Vice President	Responsible for Entrepreneur Development and VC group and supervise IT and Management Support group.	Director and Secretary

## Corporate Governance Committee

1. Gen. Pissanu Puttawong	Corporate Governance Specialist
2. Mr. Pittaya Thammanijakul	Corporate Governance Consultant
3. Mr. Anusorn Muttaraid (January 9 - November 30, 2017)	Chairman
4. Mr. Prakrit Sheeppakdee	Chairman
5. Mr. Lavaron Sangsnit (January 9 - February 8, 2017)	Director
6. Mr. Charvit Nakburee (February 8 - November 30, 2017)	Director
7. Mr. Mongkon Leelatham	Director
8. Senior Executive Vice President, Responsible for Corporate Governance	Director
9. Senior Vice President / Vice President, Responsible for Corporate Governance	Secretary
10. Manager, Responsible for Corporate Governance	Assistant Secretary

## Venture Capital Committee

1. Mr. Mongkon Leelatham	Chairman
2. Mr. Weidt Nuchjalearn	Director
3. Mr. Krisada Sektrakul	Director
4. Mrs. Julaporn Namchaisiri	Director
5. Mrs. Jitwatana Jaruwatanachai	Director
6. Mr. Suwanchai Lohawatanakul	Director
7. Executive Vice President, responsible for Entrepreneur Development Group	Secretary

## The Management



1 Mr. Mongkon Leelatham  
President

2 Mr. Woramit Krutto  
Senior Executive Vice President

3 Mr. Phongchan Samphaengern  
Senior Executive Vice President

4 Miss Nartnaree Rathapat  
Executive Vice President

5 Mrs. Intira Phokpoonyarak  
Senior Executive Vice President  
(1 Sep 2003 - 17 Oct 2017)

6 Mr. Surachai Kampalanonwat  
Senior Executive Vice President  
(1 Dec 2001 - 22 Mar 2017)

7 Mr. Pongsak Chajiamjan  
Senior Professional Level  
Professional

8 Mr. Tiravutti Jirachaisri  
Executive Vice President

9 Mr. Kongdacha Chairatana  
Senior Professional Level  
Professional

Strengthen  
SMEs  
to Growth



## TOWARD The SUCCESS

10 Mr. Samanpong Klienglumyong  
Executive Vice President

11 Mr. Somdul Chatunart  
Executive Vice President

12 Miss Malin Wuvanich  
Executive Vice President

13 Mrs. Chongrak Politanont  
Executive Vice President

14 Miss Wipha Luengmanee  
Executive Vice President

15 Mr. Kajornsak Chiarathanakul  
Executive Vice President

16 Mr. Kantaphon Kaewmanee  
Senior Vice President

17 Mr. Jessada Chor. Charoenying  
Senior Vice President

18 Mr. Cherdchai Ouanmin  
Senior Vice President

19 Mr. Arnat Wiboonkanarak  
Senior Vice President

## Senior Executive Vice Presidents



### 1. Mr. Woramit Krutto

#### Senior Executive Vice President

Responsible for new product and target group, Business Process Improvement, Risk Management  
Oversee Marketing & Government Policy group and Risk Management group  
Age: 58

#### Education

- Master of Economics Development, National Institute of Development Administration (NIDA)
- Bachelor of Economics, Ramkhamhaeng University

#### Training

- Financial Executive Development Program FINEX XI Year 2002, Organized by: The Thai Institute of Banking and Finance Association
- Executive Management Seminar II Year 2006, organized by Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCot course group11)

#### Experience

- Senior Executive Vice President of Branch Operation Group 1
- Senior Executive Vice President of Risk Management Group
- Senior Executive Vice President of Loan Department
- Executive Vice President of Entrepreneur Development Department
- Executive Vice President of Portfolio Management Department
- Executive Vice President of Business Organization & Network Development Department
- Director of Research and Development Department
- Director of Internal Auditing Department
- Manager of Kon Kaen Branch
- Head of Industrial Business Development Division Industrial Promotion Center (Region 5)



### 2. Mr. Phongchan Samphaengern

#### Senior Executive Vice President

Responsible for Loan Growth  
Supervise Credit Analysis and Operation groups  
Age: 58

#### Education

- Master of Public Administration Science, National Institute of Development Administration (NIDA)
- Bachelor of Economics and Business Administration: Ramkhamhaeng University

#### Training

- Executive Management Program Year 2011 by Ministry of Industry
- Digital Economy for Executives Program Year 2017 by the Foundation for Government Research and Development Institute

#### Experience

- Responsible for Loan Growth, Supervise Credit Analysis and Operation Groups
- Executive Vice President responsible for Credit Analysis Group
- Executive Vice President of responsible for Operation Group
- Executive Vice President responsible for Loan Group and Medium Enterprise Loan Department 3
- Executive Vice President of Central Loan Department 1
- Executive Vice President Loan Division
- Senior Vice President Loan Department 2





### 3. Mr. Pongsak Chajiamjan Senior Professional Level

Perform as assigned by the President  
Age: 60

#### Education

- M.A. (Public Affair), Thammasat University
- B.B.A. (Majoring in Accounting), Ramkhamhaeng University
- LL.B. (Majoring in Laws), Thammasat University

#### Training

- Diploma, Advance HR: Survival Beyond Tomorrow (Class group 2), Thammasat University
- Diploma, Human Resource & Organizational Development – HR&OD (Class group 3), Thammasat University
- Economics in Public Administration for High – Level Administrators (Class group 1), King Prajadhipok’s Institute
- Democratic Politics and Governance for High – Level Administrator (Class group 8), King Prajadhipok’s Institute
- Diploma, Understanding and Analysis of Financial, Bangkok University

#### Experience

- The Ad Hoc Committee, House of Representatives and The Senate Ad Hoc Committee Draft Act Small and Medium Enterprise Development Bank of Thailand
- Chairman of Credit Risk Rating System Development Committee
- Academic Support and Service Committee, Bureau of Academic Support and Service



### 4. Mr. Kongdacha Chairatana Senior Professional Level

Perform as assigned by the President  
Age: 58

#### Education

- Master of Economics (Project Appraisal), National Institute of Development Administration (NIDA)
- Bachelor of Laws, Thammasat University

#### Training

- Budget Management for Executive (Class group 3), Bureau of the Budget
- Economics in Public Administration for High-Level Administrators (Class group 9), King Prajadhipok’s Institute
- Director Certification Program “Thammasat Leadership Program” (Class group 1 ), Thammasat University
- Leadership Succession Program (Class group 2), Institute of Research and Development for Public Enterprises of Thailand (IRDP)
- Systematic thinking
- Small Business Counselor APEC-IBIZ, Department of Industrial Promotion
- Integrated Marketing Communication (IMC)

#### Experience

- Credit Management and Branch Banking
- Kasikorn Bank Plc.
- Bank of Asia
- Government Housing Bank

## Vice Presidents

### Marketing and Government Policy Group

Mr. Soonthorn Suksomnate	Deputy Vice President (acting VP), Product Development Department
Mrs. Laongdao Dhirarattana	Deputy Vice President (acting VP), Process Development Department
Mr. Chainarong Chatrattanawaree	Vice President, SMEs Core Portal Department

### Risk Management Group

Mr. Boonsong Jiamjitvanicha	Deputy Vice President (acting VP), Risk Management Department
Miss Somsri Likitpreeda	Senior Vice President, Credit Risk Management Department
Miss Chansatit Vekavakyanont	Vice President, TCG Risk Management Department

### Credit Analysis Group

Mrs. Mena Geerajasadaporn	Deputy Vice President (acting VP), Credit Analysis Department 1
Mr. Weerasak Kwankijarun	Deputy Vice President (acting VP), Credit Analysis Department 2
Mr. Phongchan Samphaengern	Senior Executive Vice President (acting VP), Credit Analysis Department 3
Mr. Prasij Virasilpa	Vice President, Credit Analysis Department 4

### Operation Group

Mr. Kodchagone Ludchasawee	Senior Vice President, Credit Processing Department
Miss Nongluck Nilwongsawat	Vice President, Credit Accounting Department
Mr. Satien Tantipipop	Senior Vice President, Factoring Credit Operation Department
Mr. Praves Masawat	Senior Vice President, Collateral Appraisal Department

### Asset Management Group

Mrs. Neeranart Chutiwong	Vice President, Asset Management Control Department
Mr. Thakoon Pattamagovit	Vice President, Asset Management Department 1
Mr. Vitoon Buasakdi	Senior Vice President (acting VP), Asset Management Department 2
Mr. Boonsek Phanudom	Senior Vice President, Asset Management Department 3
Mr. Khemmachat Apiratchatanont	Vice President, Property for Sale Department
Mr. Saree Musigerst	Vice President (acting VP), Litigation Department 1
Mr. Saree Musigerst	Vice President (acting VP), Litigation Department 2

### Loan Monitoring Group

Mr. Pramaun Rattanalertlop	Vice President, Loan Monitoring Department 1
Mr. Pissanu Nagasara	Vice President, Loan Monitoring Department 2
Mr. Vachirapon Vichienwan	Vice President, Loan Monitoring Department 3
Mr. Passapong Thaina	Deputy Vice President (acting VP), Loan Monitoring Department 4
Mr. Janyarit Songmanee	Vice President, Credit for Medium Enterprise Department

### Entrepreneur Development & Venture Capital Group

Mr. Chatri Wetsoranasuttee	Senior Vice President, Entrepreneur Development & Venture Capital Department 1
Mr. Kantham Tribavornrat	Specialist, Entrepreneur Development & Venture Capital Department 2
Mr. Piwat Chaiyanukij	Senior Vice President, Entrepreneur Development & Venture Capital Department 4
Miss Lucksanavadee Lertsaravuth	Vice President, Trust Management for Venture Capital Department
Miss Yupin Thanativakul	Senior Vice President, Entrepreneur Development Promotion Department
Mr. Sumeth Anusithsupakarn	Senior Vice President, Entrepreneur Assistance Support Department

### Information Technology and Management Support Group

Mr. Somchanok Palakawong	Deputy Vice President (acting VP), Office of the President
Mr. Saree Musigerst	Vice President, Legal Department
Mrs. Ubolrat Karpang	Vice President, Marketing Promotion Customer Relations and CSR Department
Miss Benjamas Amornchaichan	Vice President, IT Planning and Development Department
Mr. Jakkrid Karoonsit	Vice President, IT Engineering Department

### Treasury and Accounting Group

Miss Jintana Suchonchart	Vice President, Treasury Department
Miss Malin Wuvanich	Executive Vice President (acting VP), Accounting Department
Mr. Suthat Kanthasaibour	Vice President, Banking Department

### Strategy and Resources Management Group

Mr. Sahadchai Lertporngulrat	Vice President, Strategy Planning and Research Department
Mr. Suksun Rataveissanun	Vice President, Human Resources Department
Mr. Boonchorb Krutbua	Deputy Vice President (acting VP), General Administration Department
Miss Papataree Glangjai	Deputy Vice President (acting VP), Supplies Management Department

### Compliance and Audit Group

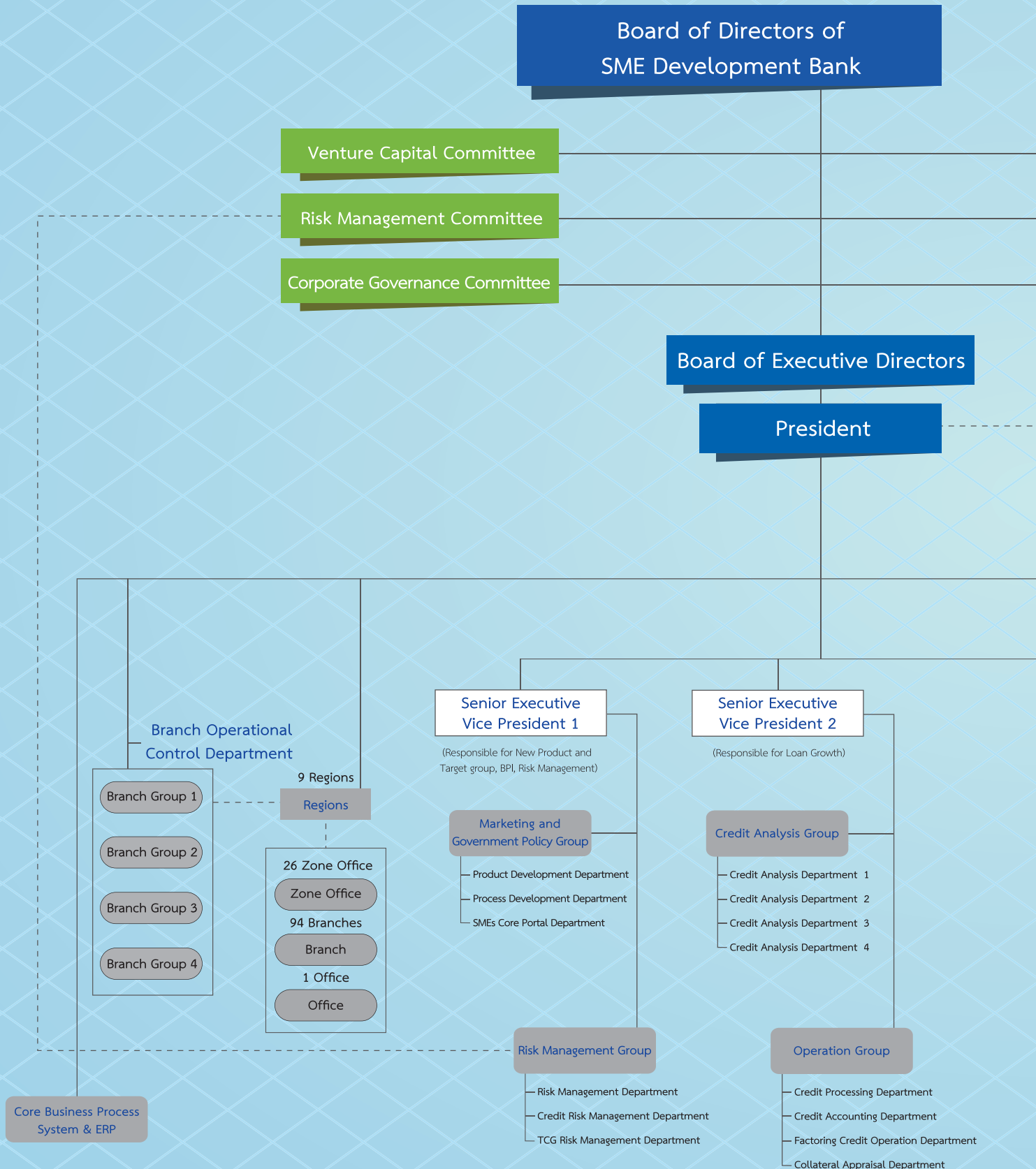
Mr. Jessada Chor. Charoenying	Senior Vice President (acting VP), Internal Audit Department
Mrs. Chuthamas Nualpring	Vice President, Credit Review Department
Miss Montathip Kitcharoen	Deputy Vice President (acting VP), Compliance Department

### Under Supervision of the President

Mrs. Budsakorn Kichthivaranond	Deputy Vice President (acting VP), Core Business Process System & ERP Project
Mr. Pichit Mitrawong	Professional Level, Encompass Marketing and Government Policy Mission
Mr. Damrong Tangtanakan	Vice President, Branch Operation Control Department
Mr. Amnat Hialong	Inspector, Regional 1
Mr. Anupong Sangarunthong	Inspector, Regional 2
Mr. Chokchai Rauntawee	Inspector, Regional 3
Mr. Surapat Chanchotsatien	Inspector, Regional 4
Mr. Sahachat Waenthong	Inspector, Regional 5
Mr. Phanurak Boonphaisarn	Inspector, Regional 6
Mr. Sirichai Loyprasert	Inspector, Regional 7
Mr. Prakob Umlod	Inspector, Regional 8

# Organization Chart

As at December 31, 2017



Nomination and Remuneration Committee

Employee Relations Committee

Audit Committee

Compliance and Audit Group

- Internal Audit Department
- Credit Review Department
- Compliance Department

Consultant/Professional/  
Specialist/Technical

Senior Executive Vice President 3

(Responsible for Asset Management and NPLs)

Entrepreneur Development & Venture Capital Group

- Entrepreneur Development & Venture Capital Department 1
- Entrepreneur Development & Venture Capital Department 2
- Entrepreneur Development & Venture Capital Department 3
- Entrepreneur Development & Venture Capital Department 4
- Entrepreneur Development Promotion Department
- Trust Management for Venture Capital Department
- Entrepreneur Assistance Support Department

Asset Management Group

- Asset Management Control Department
- Asset Management Department 1
- Asset Management Department 2
- Asset Management Department 3
- Property for Sale Department
- Litigation Department 1
- Litigation Department 2

Loan Monitoring Group

- Loan Monitoring Department 1
- Loan Monitoring Department 2
- Loan Monitoring Department 3
- Loan Monitoring Department 4
- Credit for Medium Enterprise Department

Information Technology and Management Support Group

- Office of the President
- Legal Department
- Marketing Promotion Customer Relations and CSR Department
- IT Planning and Development Department
- IT Engineering Department

Treasury and Accounting Group

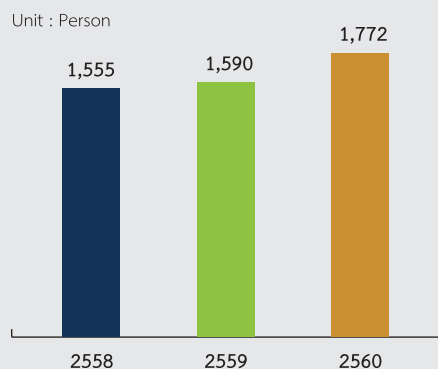
- Treasury Department
- Accounting Department
- Banking Department

Strategy and Resources Management Group

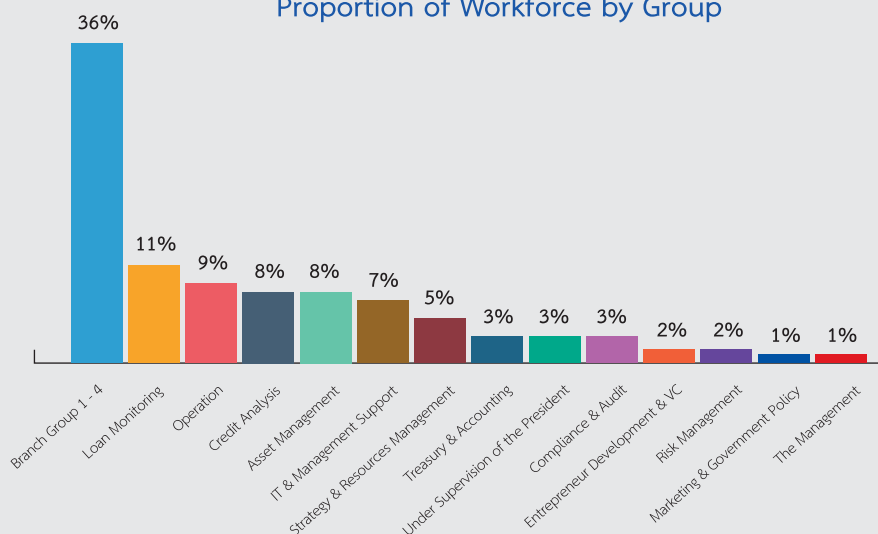
- Strategy Planning and Research Department
- Human Resources Department
- General Administration Department
- Supplies Management Department

# Workforce Structure

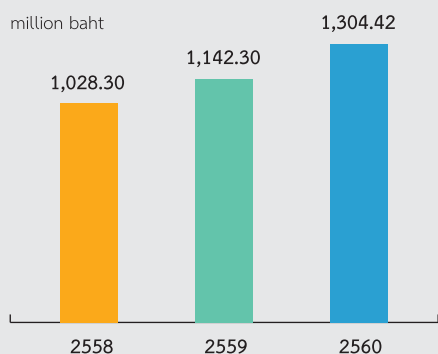
### Total Employees by Year



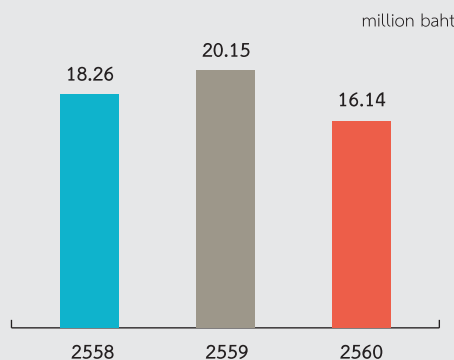
### Proportion of Workforce by Group



### Employee's Compensation classified by year



### Remuneration of Top Management classified by year



Note: Employee expenses are before withholding tax including salary, temporary cost of living, extra money for living temporarily, insurance for specific risk, depreciation of motorcycle, monthly child allowance, bonus, overtime, and medical expenses.

Note: Remuneration of the President and Senior Executives consist of salaries and providential funds contribution.

(Unit : Person)

Number of Employees classified by Group	
Branch Group 1 - 4	638
Loan Monitoring	197
Operation	159
Credit Analysis	140
Asset Management	139
IT & Management Support	130
Strategy & Resources Management	89
Treasury & Accounting	60
Under Supervision of the President	57
Compliance & Audit	45
Entrepreneur Development & VC	42
Risk Management	41
Marketing & Government Policy	22
The Management	13
<b>Total</b>	<b>1,772</b>

As of December 31, 2017, total employees have reached 1,772 persons, an increase of 11.44% from the previous year approved by the board of directors to support the mission and goals of the operational functions. The ratio of the front office to the back office is 75:25, resulting in the employee expenses rise to align with the increase in employees. Meanwhile, the remuneration expenses of top management amounted to 16.14 million baht, decreased from the previous year owing to 3 of whom resignation and retirement.

## Shareholders Structure

Small and Medium Enterprise Development Bank of Thailand  
As of December 31, 2017

Shareholders	number of Share	amount (baht)	%
<b>Public Sector</b>			
1 Ministry of Finance	197,816,318	14,530,000,000	98.875
2 Government Saving Bank	550,000	55,000,000	0.275
3 Krungthai Bank (Public) Co.,Ltd.	222,000	22,200,000	0.111
4 Financial Institutions Development Fund	18,000	1,800,000	0.009
<b>Public Sector Total</b>	<b>198,606,318</b>	<b>14,609,000,000</b>	<b>99.270</b>
<b>Private Sector</b>			
1 Ladawan Investment Co., Ltd.	400,000	40,000,000	0.200
2 Members of Thai Banker's Association	697,711	69,771,100	0.349
3 Members of Association of Finance Companies	359,389	35,938,900	0.180
4 Others	2,900	290,000	0.001
<b>Private Sector Total</b>	<b>1,460,000</b>	<b>146,000,000</b>	<b>0.730</b>
<b>Grand Total</b>	<b>200,066,318</b>	<b>14,755,000,000</b>	<b>100.0000</b>



## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has appointed by the board of directors of the Bank on March 30, 2017, comprised the following members:

1. Mr. Kriengkrai Rukkulchon	Independent Legal Expert	Consultant
2. Mr. Anusorn Muttaraid	Member of the board of directors	Chairman
3. Mr. Seree Nonthasoot	Member of the board of directors	Director
4. Mr. Taveesak Foongkiatcharoen	Member of the board of directors	Director
5. Executive Vice President	Responsible for Strategy and Resources Management Group	Secretary
6. Senior Vice President/ Vice President	Human Resources Department	Assistant Secretary

However, Mr. Anusorn Muttaraid and Mr. Taveesak Foongkiatcharoen were ending their term as the director position. The board of directors has re-appointed new members according to the Order of the board of directors' no.47/2560 dated November 21, 2017, as follows:

1. Mr. Kriengkrai Rukkulchon	Independent Legal Expert	Consultant
2. Mr. Prakit Sheeppakdee	Member of the board of directors	Chairman
3. Mr. Chanvit Nakkuree	Member of the board of directors	Director
4. Mr. Seree Nonthasoot	Member of the board of directors	Director
5. Executive Vice President	Responsible for Strategy and Resources Management Group	Secretary
6. Senior Vice President / Vice President	Human Resources Department	Assistant Secretary

The Nomination and Remuneration Committee held 13 meetings in 2017 to carry out various tasks under the scope of duties and responsibilities including other related tasks assigned by the board of directors and in compliance with the supervisory guidelines of the Bank of Thailand. The board has formulated the criteria and methods of recruitment Senior Executive Vice President (level 15) to replace the resignations, selected qualified personnel according to the Order of the Nominating and Remuneration Committee no. 36/2560, and nominated Mr. Phongchan Samphaengern as a Senior Executive Vice President to the board of directors. In addition to the revision of criteria and methods of recruiting Senior Executive Vice President (level 15) and Executive Vice President (level 14), the board considered the guidelines of annual performance evaluation the year 2017 for Executive Levels; level 13 acting Executive Vice President up to Level 15, and the middle management Level 11 – 13 nominated by the President. The board also prepared the assessment of performance forms for four committees and sub-committees; the Audit Committee, the Risk Management Committee, the Nomination, and Remuneration Committee, and the Corporate Governance Committee.



(Mr. Prakit Cheeppakdee)  
Chairman of the Nomination  
and Remuneration Committee



## Corporate Good Governance

SME Development Bank is structured its management mechanisms to connect the inter-relationship between the board of directors, the management, and the employees to create appropriate benefits and take the overall stakeholders into account. The organization structure should reflect the seven characteristics of principles according to international standards as follows:

1. **Accountability:** responsibilities for decisions and actions of duties.
2. **Responsibility:** a sense of duty with sufficient competence and efficiency.
3. **Equitable Treatment:** to treat the stakeholders fairly and equally.
4. **Transparency:** transparency in operation that is available for inspection. Disclose information and present fairly operating results to all relevant parties.
5. **Value Creation:** the creation of value added to the corporate for both short-term and long-term which any change or increase in value should increase the competency in all aspects for competitiveness.
6. **Ethics:** the promotion of good corporate governance and ethics in business operations.
7. **Participation:** to promote the opportunity open to the public to give or to share their opinions that may have a negative impact on the environment, health, quality of life and well-being of the community.

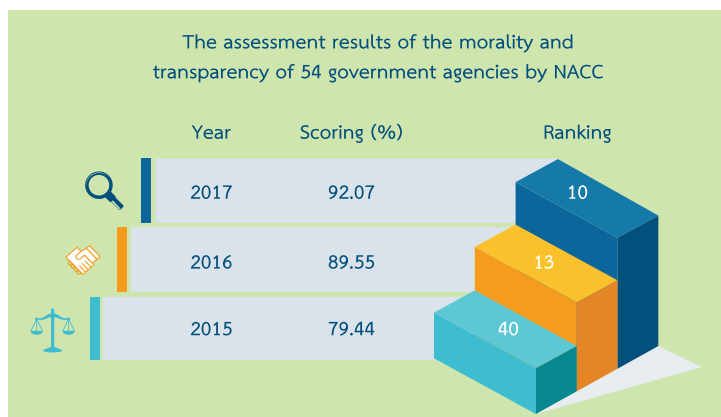
As a state-owned bank, SME Development Bank has adhered to pursue good corporate governance principles in compliance with the policy of the Ministry of Finance and the framework of international standards. Such missions must be achieved through a well-planned policy, coupled with a good implementation plan and the working process, and the good corporate governance process. As a result, the Bank has committed to building a corporate culture in accordance with good governance along with the basic Corporate Governance fundamental (CG) throughout the organization.

A series of activity campaign has been introduced to employees and executives of all levels to promote and to be aware of good corporate governance. They have clearly expressed their intention to pursue a corporate culture and Integrity within the organization in five aspects as follows:

1. **Transparency:** duties with fairness, honesty, transparency, and available for audit. Information is disclosure and accessible, including open to participate and inspect by stakeholders.
2. **Accountability:** perform duties according to the roles and responsibilities by taking the achievement with integrity and good governance into account and be responsible for own decisions and actions.
3. **Corruption-Free:** encourage all levels of employee to perform duties with fairness and transparency, including adhere to the absence of bribery or misuse of positions.
4. **Integrity Culture:** promote virtuousness and create a good attitude and honest corporate culture, including actions to avoid and prevent conflict of interests.
5. **Work Integrity:** promote the fairness of organization management, namely the human resource, budgeting, and workplace environment that take the organization's sake into account at most.

This year, the Bank also participates in the assessment of the morality and transparency of government agencies with the National Anti-Corruption Commission (NACC), Office of the State Enterprise Policy (SEPO), and other 54 state-owned enterprises, as to ensure that the implementation of promoting good governance has carried out in a concrete manner. It has been three years since 2015 which the assessment resulted in 2017 of the Bank with scoring 92.07%, ranked the 10th among its peers and considered the highest sequence of rating criteria which outperformed the prior year with scoring 89.55% ranked the 13<sup>th</sup>.

The assessment results of the morality and transparency of 54 government agencies by NACC



## Guidelines to good corporate governance principles

The Bank aims to communicate with all stakeholders; employees, shareholders, customers, partners, and society to realize and adhere to pursue good governance. The board of directors and the management have expressed the intention to promote and encourage the pursuance of good corporate governance practices within the bank to become the corporate culture, including the development of the systems to meet standards; internal control process, compliance and risk management. It also promotes the fair treatment of stakeholders, opportunity to participate in important events of the Bank, and builds the sentiment and confidence to customers or SMEs.

**The shareholders:** the Bank shall treat shareholders equally regarding the information disclosure that shall be disclosed completely, adequately, fairly, and transparently. It shall clearly set the rights to vote in shareholders' meetings and perform its duties with competence to ensure that the business has grown and generated reasonable returns to the shareholders. The shareholders' meeting shall be held in a manner that supports the treatment of shareholders equally. The shareholders also have an equal opportunity to provide feedback and suggestions.

**The Customers:** commitment to customer's satisfaction by offering a wide range of quality financial and non-financial services excellence, prompt to respond

to customer's needs with thoughtfulness, responsibility, honesty, fairness, and trustworthy. The Bank shall not exploit customer's information for benefits. Rather than it provides accurate and useful information to customer constantly to ensure customer satisfaction.

**The Employees:** the employees take a crucial part in driving the mission to achieve the bank's vision. Maintaining personnel is as important as recruiting the right person with knowledge and competency. Opportunity for career advancement is clearly set. The Bank strives to strengthen its employees in all aspects including the necessary skills needed to achieve the outcome and to meet customer satisfaction. Appropriate remunerations and welfare package are provided; return on the job contributions and responsibilities, safety workplace, and friendly working environment, including the promotion of career advancement continuously.

**Other financial institutions and competitors:** to be transparent and auditable, the Bank treats all trade partners and stakeholders fairly and equally based on its highest interest without taking into account the personal or allied interests throughout the promotion of good understanding with others. Correct information is released based on facts without misleading or incompleteness.

## Ethics and Code of Conducts

The Bank recognizes the importance of the corporate governance. It is the main result that supports for the Bank to be a leading financial institution with excellent management and moral in business operation, transparent, auditable, value-added creation in the long run, and protect the interests of stakeholders. These are an important factor in driving the mission to achieve the Bank's vision.

Hence, the Bank prepares the code of practice for members of the director, the management, and the employees. It would bring about a mechanism and a good management system that will lead to being a

state-owned financial institution and make contribution to sustainable SMEs development. However, the handbook shall be revised on a regular basis.

### Policy to prevent conflicts of interest

The Bank has pursued the policy and action to prevent conflicts of interest as follows:

1. Prepare the Bank's statement regarding the code of practice over the conflict of interest.
2. Immediate reporting on conflict of Interest is not an option, otherwise the annual report of the fiscal year.
3. Hold the benefits of the Bank over personal interests and have no conflict of interest.
4. Review and set up preventive measures to prevent conflict of interest of each department on a yearly basis.
5. The board of directors and the president shall declare their account of assets and liabilities items along with the form provided by the National Anti-Corruption Commission.
6. For those acting in the procurement and board committees, sub-committees, and working committees appointed by the Bank shall declare before performing duties.

### Board of Directors

The Act of Small and Medium Enterprise Development Bank of Thailand, B.E.2545, has designated one committee called "the Board of Directors of the Small and Medium Enterprise Development Bank of Thailand" consisted of one chairman and no more than nine directors who are elected by the shareholders' meeting. The President is a director by position.

The Chairman and directors will hold office for a term of three years. Retiring directors are eligible for re-election but for not exceeding two consecutive terms.

### Qualifications of the Directors

The Board of Directors consists of the caliber persons with relevant experience that benefits to the

Bank and are qualified under the Act of Standard Qualifications of the Directors and the Employees of State Enterprises B.E. 2518, and its amendments, including the SME Bank Act as mentioned above.

### Scope of Duties and Responsibilities

1. Formulate the policy and oversee general administration of the Bank's business under the scope of its objectives in developing, promoting, assisting, and supporting the establishment, management, expansion or improvement of the small and medium enterprises. Financial and nonfinancial services are including granting of credits, guaranteeing, participating in investment, and giving advice on finance, technique and knowledge, development of production, marketing, administration and management for SMEs including other necessary services.
2. Appoint the Executive Board of Directors, consisted of the Chairman and not more than 3 other Executive Directors of which the President shall be one of the members by position.
3. Establish the Articles of Association for the Bank's operation as follows;
  - 3.1 issuance of regulations on the Bank's shares;
  - 3.2 issuance of regulations on money lending, debt guarantee, sale or sale by rediscount of bills to financial institutions, acceptance of pledges, acceptance of mortgages, and other businesses of the Bank;
  - 3.3 issuance of regulations on management and business operation of the Bank;
  - 3.4 issuance of regulations on human resources management, remunerations and other expenses of the Bank;
  - 3.5 issuance of regulations on procurement, finance, asset, accounting, and internal audit of the Bank;
  - 3.6 issuance of regulations on the welfare of the employees and official of the SME Bank and their families;
  - 3.7 set up of branches or representative offices of the Bank.

## Disclosure of Directors' Information as of December 30, 2017

	Mr.Somchai Harnhiran Chairman	Mr.Pasu Loharjun Chairman	Mrs.Saowanee Kamolbutr Director	Mr.Lavaron Sangsnit Director	Mr.Anusorn Muttaraid Director	Mr.Praphaisith Tankeyura Director	Mr.Seree Nonthasut Director
Remark:	Hold position until Sep 30, 2017	Appointed position effective Nov 9, 2017	Hold position until May 14, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017	Hold position until Nov 8, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017
1. Holding a position of Director in not more than 3 state enterprises and/or juristic persons in which a state enterprise being a shareholder.	All Directors of the SME Bank in position of not more than 3 state enterprises.						
2. File a report with the Bank regarding the directors' interest or related person's interest relates to the Bank.	All Directors of the SME Bank, their spouses, and minor child (children) have no credit transaction nor being a trade partner with the SME Bank personally or by a juristic person in which that particular Director/s are shareholders or a signatory director or an executive or a guarantor.						
3. Listed in the Director's Pool of State Enterprises.	✓	✓	✓	✓	✗	✗	✓
4. Holding a position or shares in a company, in which the SME Bank is a shareholder.	related	unrelated	related	unrelated	related	unrelated	related
1. Thai Credit Guarantee Corporation (TCG)		x		x		x	
2. National Credit Bureau Co., Ltd.		x		x		x	
3. Chao Phraya Insurance Company Limited		x		x		x	
3.1 We Thai Dot Co., Ltd. (data as of 30 Jun 2014)		x		x		x	
4. Wattasarn Media Co., Ltd.		x		x		x	
5. Pet-tech Inter Group Co., Ltd.		x		x		x	
6. Thai Fashion Center Co., Ltd.		x		x		x	
7. Techno Asia Tire Co., Ltd.		x		x		x	
8. Bangkok Marine Engineering Co., Ltd.		x		x		x	
9. Trinity Education Co., Ltd.		x		x		x	
10. Thai Umaporn Textile Co., Ltd.		x		x		x	
10.1NPT Engineering Solutions Co., Ltd. (data as of 30 June 2014)		x		x		x	
11. APZ Corp., Ltd.		x		x		x	
12. Manee Taming Co., Ltd.		x		x		x	
13. Arto Wood (Thailand) Co., Ltd.		x		x		x	
14. BiTEC Cooling Co., Ltd.		x		x		x	
14.1Electrical Engineering and Energy Saving Co., Ltd. (data as of 30 Jun 2014)		x		x		x	
15. Khao Yai Panorama Co. Ltd.			x		x		x
16. Ruam Toon Satang Co., Ltd. (data as of 30 June 2014)		x		x		x	

### Disclosure of Directors' Information as of December 30, 2017

	Mr. Taveesak Foongkiatcharoen Director	Mrs. Poonsuk Musiklad Director	Mr. Chanvit Nakburee Director	Mr. Pornlert Lattanan Director	Mr. Prakrit Sheeppakdee Director	Mrs. Jaree Wuthisanti Director	Mr. Mongkon Leelatham Director and Secretary	
Remark:	Hold position until Nov 8, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017	Hold position until Nov 8, 2017 and appointed new term on Nov 9, 2017	Appointed position effective Nov 9, 2017	Appointed position effective Nov 9, 2017	Appointed position effective Jan 1, 2016	
1. Holding a position of Director in not more than 3 state enterprises and/or juristic persons in which a state enterprise being a shareholder.	All Directors of the SME Bank in position of not more than 3 state enterprises.							
2. File a report with the Bank regarding the directors' interest or related person's interest relates to the Bank.	All Directors of the SME Bank, their spouses, and minor child (children) have no credit transaction nor being a trade partner with the SME Bank personally or by a juristic person in which that particular Director/s are shareholders or a signatory director or an executive or a guarantor.							
3. Listed in the Director's Pool of State Enterprises.	×	×	×	✓	×	✓	✓	
4. Holding a position or shares in a company, in which the SME Bank is a shareholder.	related	unrelated	related	unrelated	related	unrelated	related	unrelated
1. Thai Credit Guarantee Corporation (TCG)		x		x		x		x
2. National Credit Bureau Co., Ltd.		x		x		x	✓	
3. Chao Phraya Insurance Company Limited		x		x		x		x
3.1 We Thai Dot Co., Ltd. (data as of 30 Jun 2014)		x		x		x		x
4. Wattasarn Media Co., Ltd.		x		x		x		x
5. Pet-tech Inter Group Co., Ltd.		x		x		x		x
6. Thai Fashion Center Co., Ltd.		x		x		x		x
7. Techno Asia Tire Co., Ltd.		x		x		x		x
8. Bangkok Marine Engineering Co., Ltd.		x		x		x		x
9. Trinity Education Co., Ltd.		x		x		x		x
10. Thai Umaporn Textile Co., Ltd.		x		x		x		x
10.1NPT Engineering Solutions Co., Ltd. (data as of 30 June 2014)		x		x		x		x
11. APZ Corp., Ltd.		x		x		x		x
12. Manee Taming Co., Ltd.		x		x		x		x
13. Arto Wood (Thailand) Co., Ltd.		x		x		x		x
14. BITEC Cooling Co., Ltd.		x		x		x		x
14.1Electrical Engineering and Energy Saving Co., Ltd. (data as of 30 Jun 2014)		x		x		x		x
15. Khao Yai Panorama Co. Ltd.				x		x		x
16. Ruam Toon Satang Co., Ltd. (data as of 30 June 2014)		x		x		x		x

■ means the date when the information showed that the Director had not yet been involved with the said company.

■ refers to the companies in which the Bank is no longer holding shares.

## Board of Executive Directors

According to the Small and Medium Enterprise Development Bank of Thailand Act B.E.2545, the board of directors shall have the authority of appointing the board of executive directors, which is comprised of one executive chairman and no more than three executive directors, in which the President shall be one member by position. The Board holds office for a term of two years.

### Scope of duties and Responsibilities

1. Establish the direction and guidelines of the Bank in compliance with the policy and goal of the board of directors where the authority of the President as specified in Section 25 shall not be superseded.

2. Report the operating results to the board of directors every three months.

3. Approve the request for the budget changes within the amount limits of the Bank's regulations and report to the board of directors.

4. Approve restructuring of the organizational and the scope of responsibilities of the departments supervised by the Senior Executive Vice President and report to the board of directors.

5. Determine the annual bonus rate, the payment in special case. and propose them to the board of directors for approval.

6. Determine the annual salary raise rates for the employees and propose them to the board of directors for approval.

7. Appoint sub-committee and/or working group to carry out any action within the delegated authority framework.

8. Approve the procurement and lease of the properties the amount of 20 million baht up to 50 million baht.

9. Appoint or hire an external expert as appropriate or seek professional opinions from outside and the like at the Bank's expenses.

10. Approve the loan renewal or the loan amount review and the debt restructuring, of which the credit line exceeds 50 million baht and up to 200 million baht per case, under the following approval authorities:

10.1. Formulate the policy, criteria, and procedures related to the consideration for the loan limit renewal

or limit review and the debt restructuring according to the credit line approval authority mentioned in item 10.

10.2. Approve the loan renewal or limit review and approve the waiver or change of the lending terms and conditions that have already been approved within the credit limit authorization shown in item 10 as follows:

- 1) Lengthen or reduce the Grace Period.
- 2) Adjust the short-term debt to the long-term or vice versa.
- 3) Increase or decrease the interest rate, the grace period, the principal of repayment, and/or the interest payment of each installment.
- 4) Review the loans type that shall not increase the loan amount limits beyond the approval authority.
- 5) Increase, reduce, or changes of the collateral or the guarantor.
- 6) Accept the transferred assets of both the collateral and non-collateral for debt payments.
- 7) Reduce or exempt the accrued interests, the fines, the default interest rates, and other fees that have not yet been realized as income in the profit and loss account according to the rules of the Bank of Thailand.

The actions in items 1-7 shall not cause the accounting loss recognized in the profit and loss statement according to the criteria of the Bank of Thailand at that time.

10.3 Approve a debt restructuring of Non-Performing Loans (NPLs) within credit limits of authority in item 10 as follows:

- 1) Extend or reduce the Grace Period.
- 2) Adjust short-term debt to long-term or vice versa.
- 3) Increase or decrease the interest rate, the grace period, the principal of repayment, and/or the interest payment of each installment.
- 4) Review the loans type that shall not increase the loan amount limits beyond the approval authority.

- 5) Increase, reduce, or changes of the collateral or the guarantor.
- 6) Accept the transferred assets of both the collateral and non-collateral for debt payments.
- 7) Reduce or exempt the accrued interests, the fines, the default interest rates, and other fees that have not yet been realized as income in the profit and loss account according to the rules of the Bank of Thailand.

The actions in items 1-7 shall not cause the accounting loss in the realized revenue in profit and loss statement according to the criteria of the Bank of Thailand at that time.

11. Consider and screen the loans and debt restructuring with the amount limits exceed 200 million baht per case before submitting to the board of directors for approval.

12. Perform any other task assigned by the board of directors.

## Audit Committee

### Scope of duties and responsibilities:

The Audit Committee performs the duties and responsibilities of overseeing the operation in compliance with the laws regulations and other rules of practice, including the Cabinet's resolutions, the Bank of Thailand's Announcements, and relevant guidelines and practices of the state enterprises' audit committee. The Audit Committee shall enhance the efficiency of the operations that add value to the Bank and build the public's trust and confidence in the Bank's performances that those operations are run under transparent, fair and careful supervision, authority, and responsibilities as stated in the Charter of the Audit Committee. The Audit Committee is also required to report the audit results to the board of directors.

## Risk Management Committee

### Scope of Duties and Responsibilities:

1. Formulate the risk management policy framework covering key types of risk such as credit risk, market risk, liquidity risk, operational risk, strategic risk, and the risk that may impact to the reputation of the Bank. The policy is presented to the board of directors.

2. The policy shall be in line with the corporate strategy covering the risk assessment, monitor and maintain the risk to appropriate at an acceptable level.

3. Review of the adequacy of the policy and risk management process including the effectiveness of the process and the implementation according to the policy guidelines.

4. Modify or improve on the matter to ensure it's in line with the policy and strategy and report to the Audit Committee regularly.

5. Approve the implementation plan of risk management, risk ceiling, measuring tool to the risk appetite and risk tolerance of the Bank, and constantly review and adjust as appropriate according to the changing environment of the Bank, including relevant projects aim to achieve the action plan as well as review the sufficient of resources for risk management.

6. Approve all types of non-derivatives product except non-collateral loan of more than 1 million baht per account.

7. Review all types of derivatives and non-derivatives products with non-collateral loan of more than 1 million baht and loan products according to government policy.

8. Approve the business continuity management as well as carry out the business continuity plan to all departments within the Bank.

9. Perform other duties as assigned by the board of directors.

## Employee Relations Committee

### Scope of duties and responsibilities:

1. Consider and provide opinions on the improvement of operational efficiency as well as promote and develop the labor relations.

2. Find a way to reconcile and settle conflicts within the Bank.

3. Consider the revision of the rules and regulations that will benefit employers, employees, and the Bank.

4. Provide consultancy resolutions to the complaint of the employees or the Bank's state enterprise labor union and the disciplinary action..

5. Provide consultation to improve the employment conditions.

## Nomination and Remuneration Committee

### Duties and Responsibilities:

1. Formulate the policy, criteria, and procedure the recruitment of Senior Executive Vice President and Executive Vice President and propose to the board of directors for approval.

2. Nominate the qualified persons for the following positions and propose to the board of directors for approval.

2.1 Members of the Sub-committees that are delegated authorities and responsibilities by the board of directors.

2.2 Senior Executive Vice President and Executive Vice President

3. Establish the policy that has clear criteria and transparent procedure of compensation package, proposed to the board of directors for approval. The package includes the compensation and other benefits for the members of the Sub-committees, Senior Executive Vice President, and Executive Vice President.

4. Disclose the policies and details of the recruitment process in the Annual Report.

5. Oversee and ensure fair remunerations with the duties and responsibilities of the members of the Sub-committees, the Senior Executive Vice President and the Executive Vice President. Additional duties and responsibilities of those assigned members shall receive appropriate remuneration accordingly.

6. Specifying the guidelines of performance evaluation for the annual adjustment of their remunerations of the members of the Sub-committees, the Senior Executive Vice President and the Executive Vice President where their responsibilities and the risks involved shall be taken into consideration.

7. Disclose the policy on remunerations in various forms and prepare remuneration report to include at least the details of the goals and the implementations as well as the opinions of the board of Nomination and Remuneration Committee in the annual report.

8. Give opinions and approval of the criteria and process recruitment of the employee level 11 to level 13 nominated by the President.

9. Perform any other task assigned by the board of directors.

## Information Technology Committee

### Scope of duties and responsibilities:

1. Formulate the IT policy, IT Road Map, and IT planning in utilization an appropriate information technology in line with the Bank's direction and business plan.

2. Provide constructive opinions on the IT Master Plan in line with the business plan of the Bank with consideration of the integration of the information systems at present and in compliance with the IT security policy and IT Standards.

3. Stipulate the IT security policy and guidelines in compliance with the standards and laws.

4. Consider and comment on the procurement and development of the information technology and the information technology infrastructure to ensure the IT projects meet the outcomes and the set targets.

5. Report the IT results to the board of directors on a quarterly basis.

## Corporate Governance Committee

### Scope of duties and responsibilities:

1. Determine the principle of good corporate governance (CG) for efficient and effective operations of the Bank by developing and promoting the awareness and understanding to the personnel of the practice in compliance with the regulators and the supervisory rules of other relevant agencies.

2. Oversee and promote the implementation of the Bank in compliance with good corporate governance principles.

3. Evaluate and revise constantly the policy of the CG to be in line with international practice, guidelines, and the comments of the Ministry of Finance.

4. Provide suggestions to the management and relevant committees regarding the implementation of the CG principles.

5. Appoint the sub-committees to supports the activity of the CG.

## Venture Capital Committee

### Scope of duties and responsibilities:

1. It requires consideration of the investment conditions; the investment types and amounts, the



duration, fees, returns on investment, the disbursements to pay the shares, the debt repayments, the withdrawal, the sale of the venture capitals or shares received from the venture capitals, and other related debt restructuring, in compliance with the requirements and policies designated by the board of directors of the Bank.

2. Approve, waive or change the criteria, conditions, and methods of the Bank's venture capitals, including the reduction or increase in the venture capital amount for up to 30 million baht per case under the regulations of the Venture Capitals.

3. Consider the exit from the venture capital financing or the filing of lawsuits against the company that the Bank has invested in.

4. Determine the investment policy for the venture capital fund or private equity trust in line with the government policy.

5. Select and approve the venture capital financing from the proposals of the trust fund manager.

6. Supervise the implementation of the trustees and the trust fund manager in line with the purposes of the establishment.

7. Appoint the advisors of the committee, the sub-committee, and the working group to undertake the activities regarding the venture capital.

8. Report the results to the board of directors at least once a year.

9. Perform any other task assigned by the board of directors.



Table of summary : meeting attendances and remuneration of the board of directors in 2017

No.	Board Member	Monthly remuneration (12 month)	Monthly meeting allowance, total	Committees													
				Board of Directors (No. of attendance / total meeting)	Executive Directors (No. of attendance / total meeting)	Audit (No. of attendance / total meeting)	Risk Management (No. of attendance / total meeting)	Employee Relations (No. of attendance / total meeting)	Nomination and Remuneration (No. of attendance / total meeting)	IT (No. of attendance / total meeting)	Corporate Governance (No. of attendance / total meeting)	Venture Capital (No. of attendance / total meeting)					
1	Mr.Somchai Harnhirun	179,333	125,000	Chairman (13/14)													
2	Mr.Pasu Loharjun	34,667	25,000	Chairman (3/3)													
3	Mrs.Saowanee Kamonbutr	44,333	40,000	Director (6/6)	Chairman (9/10)	Director											
4	Mr.Lavaron Sangsri	120,000	110,000	Director (17/18)	Director (5/7)	Chairman (2/2)	Chairman (2/2)										
5	Mr.Anusorn Muttaraid	102,667	100,000	Director (12/15)	Chairman (14/17)												
6	Mr.Seree Nonthasoot	120,000	100,000	Director (14/18)		Director (11/14)											
7	Mr.Praphaisith Tankeyura	120,000	110,000	Director (17/18)	Director (23/23)												
8	Mr.Chanvit Nakkuree	120,000	100,000	Director (15/18)	Director (3/5)		Chairman (16/16)	Chairman (1/1)									
9	Mr.Taveesak Foongkatcharoen	102,667	100,000	Director (15/15)													
10	Mrs.Poonsuk Musiklad	120,000	110,000	Director (18/18)		Director (14/14)											
11	Mr.Pornlert Lattanan	110,000	100,000	Director (16/18)		Chairman (14/14)											
12	Mr.Prakit Sheeppakdee	17,333	20,000	Director (3/3)													
13	Mrs.Jaree Wuthisanti	17,333	20,000	Director (3/3)	Director (1/1)												
14	Mr.Mongkon Leelatham	120,000	110,000	Director & Secretary (18/18)	Director & Secretary (24/24)		Director (18/18)										
<b>Total remuneration</b>		<b>1,328,333</b>	<b>1,170,000</b>	<b>1,145,000</b>	<b>452,500</b>	<b>370,833</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>267,500</b>	<b>-</b>	<b>20,000</b>	<b>-</b>				

Total remuneration

1. Payments of remuneration and meeting allowance for the board of directors shall be in accordance with the regulation of the State Enterprise Policy Office (SEPO) Memo No. KorKhor. 0805/1630 dated May 24, 2004.
2. The Board of Directors ended their term of office on November 8, 2017 and was appointed at the annual general meeting 1/2017 dated November 9, 2017
3. Mr. Somchai Harnhirun resigned his chairman position of board of the director committee effective September 1, 2017.
4. Mr. Anusorn Muttaraid and Mr. Taveesak Foongkatcharoen, members of the board of director ended their term of office on November 8, 2017.
5. Mr. Prakit Sheeppakdee was appointed as chairman of Corporate Governance Committee effective on December 1, 2017.

## Execution in compliance with Official Information Act B.E.2540

SME Development Bank has undertaken regarding the disclosure and access according to The Official Information Act B.E.2540 to the public as follows:

1. The Bank has appointed the Information Committee of the Bank with authorities and duties to determine criteria and guidelines regarding the classification of Bank's information both information management and service available, including actions according to the Order in compliance with The Official Information Act B.E.2540.

2. The Bank has posted for public its organizational structure, list of the board of directors and their scope of authority under the SME Development Bank Act B.E.2545, and the management team, on the Bank's website: [www.smebank.co.th](http://www.smebank.co.th).

3. The Bank has released its invitation to the bid and inquiry for procurement, announced the cancelation, and the winners of each procurement project on the website and at SME Bank Tower PR spots.

4. There are several channels available to the public for more information or complaints through Call Center 1357, facebook, twitter SME Development Bank, YouTube: SME Development Bank, LINE@: SME Development Bank.

5. The Compliance report is submitted to the Official Information B.E.2540 to the Office of the

Official Information Commission and the Ministry of Finance on an annual basis.

6. Disclosure of data and customer's information of the Bank to government agencies and private partners including individuals as requested subject to the provisions of law and the Bank's regulations as follows:

6.1 To provide data verification, or documentation and evidence, or send the Bank's officer to present and give a statement as a witness on demand by state agencies authorized by law. The agencies are including the court, Legal Executive Department, Revenue Department, Department of Special Investigation, Royal Thai Police, Office of the Consumer Protection Board, Social Security Office, the Securities and Exchange Commission, Office of the National Anti-Corruption Commission, Anti-Money Laundering Office, Office of the Narcotics Control Board, Office of the Auditor General of Thailand, Inspector General of the Ministry of Finance, Office of the ombudsman Thailand, the BOT, and so on.

6.2 For agencies or unauthorized individuals to ask for verification of information, either public or private agency, the Bank shall not be able to disclose such information according to The Official Information Act B.E. 2540 Section 24 stated that "a state agency shall not disclose personal information under control to other state agencies or individuals without prior or immediate consent given in writing by the person who is the subject thereof".

## Key Factors Affecting Operations

Changes in the business environments may impact on the Bank's operation and ability to do the business of its customers. However, the Bank has been monitoring and reviewing various risk factors consistent with the situation as follows:

### Risk from the Economic Condition

Export and tourism sectors are the primary drivers for Thai's economic growth, seen by the rebound of the private investment expansion that still concentrates on certain industries and in large business groups. Meanwhile, small businesses including grass root economy do not fully utilize from the economic expansion. The Bank has monitored other risk factors to assess the impact; such as the decline of certain agricultural prices may impact on the household income of farmers sector, the uncertainty of the economic on Thai's export and the appreciation of Thai Baht.

### Modification of the Business Model Leading by Technology

Technology advances play a crucial role in the business operations coupled with the change in consumer behavior that tends to employ more financial transactions through online channels. Thanks to the government policies; the development of financial infrastructure that aims to cut down the cost of cash management in the national financial system and an opportunity to access financial services. Consequently, there are new service opportunities that benefit to consumers. Fin-tech innovative, in particular from both financial and non-financial institutions, has increased efficiency to business operation including the alternatives of services to customers that focus on convenience, fastness at low cost.

Amid those changes, the Bank adopts a new business model in response accordingly which needs a vast investment in technology elevation for efficiency. The challenge lies ahead.



## Risk Management



### Overview

SME Development Bank has adopted the risk management and the internal control in line with international standards; COSO-ERM, as well as the guidelines of the Bank of Thailand (BOT) and the Ministry of Finance (MOF) as its risk framework which is to ensure that the operation achieves the set target with sound governance. In the fiscal year 2017, the Bank has set forth the direction and strategy of risk management to support overall operations to meet the objectives and goals. The implementation concludes as follows:

1. Adopt risk management guidelines that are generally accepted and are suitable with the Bank's mandates and missions.

Measures and plans are formulated for risk management lead to implementation in the same direction. The risk management process is regularly reviewed to ensure its effectiveness.

2. Take advantage of risk management to

cultivate business opportunity, create value-added, distribute the risk, and reduce loss to the corporate.

The Bank focuses on the systematic and effective risk management and control. Some major systems have been developed; operational risk management, operational loss data; in order to provide a database for computing the adequacy of capital funds in line with international standards. The Bank has also initiated the early warning system used for monitoring and alert. The system links to major risk factors of the organization.

3. Get all stakeholders involve. Risk management is the responsibility of all levels within the organization ranging from the Board of Directors, the management, and the operating personnel that required all parties take into account and practice till it becomes the corporate culture.

The efforts have put through communication throughout the organization, including creating awareness and understanding with stakeholders within; seminars and training, regarding good governance, risk management, and internal control. Various channels of communication

and vehicles are constantly employed including intranet, newsletters, and reports. In addition, the Bank has established the structure of integrated framework regarding Governance, Risk Management and Compliance (GRC).

4. The challenge and professional risk management lie in the balance between risk appetite and risk tolerance that won't hurt the Bank to achieve its objective and goal. As such, HRD and an effective risk instrument development, continuously and in-timely, are critical to the success of the Bank's risk management.

5. Establish the Enterprise Risk Management (ERM) framework throughout the organization to encourage corporate culture, the top-down participation practices on a regular basis.

- Director level: the board of directors appoints the Risk Management Committee (RMC), comprised representatives of the Board of Directors, the President, and the management as members. The RMC duty and responsibility are including: designate the policies, strategies, and frameworks of the risk management, review the risk factors as well as monitor and supervise to ensure sound risk management at the acceptable levels.

- The management level: the management, as a member of the RMC, with governance in each function, oversees its risk management.

- Operation level: the appointed risk owners are responsible for risk control self-assessment (RCSA), under the supervision of each department executive, in line with the risk management policy framework as the assurance that the execution meets the set target.

Furthermore, the Risk Management Department is taking charge of overall risk management and administrations referred to above activities. In addition to seminar and workshop provided to participants, risk management department also proposes the risk policy framework to the RMC. Risk status monitoring and reports are submitted on a monthly basis.

## Risk Factors and Risk Management

The Bank classifies its risk factors, in compliance with the BOT and the Ministry of Finance's guidelines, into two major groups and six categories: credit risk, market risk, liquidity risk, are the financial risk; strategic risk, operational risk, compliance risk, are the non-financial risk. In 2017, the Bank has deployed the risk map to identify risk factors at the enterprise level by the assessment and analysis of internal and external factors in linkages with all aspects of the risk classifications referred above, in accordance with the ERM principles.

## Strategic Risks

Strategic risk is the risk generates from inappropriate strategic planning, operation, and implementation not in line with internal factors and external environment producing undesirable impact on the earnings, capital funds or business survival. Or will take into consideration, whether the matter the Bank is implementing or will do in the future, impact on its survival and security?

Here's a roundup of the strategic risk management as follows:

1. Establish / review the strategic risk management policy framework as a guideline and implementation.

2. Formulate strategy and target of the Bank based on the internal and external factors, such as the operating results and current predicament of the Bank, the economic condition, SMEs' business condition, the government policy, and other risk factors facing the Bank, etc., by using the data and results of SWOT analysis as a component. Later, follow up process is to compare and ensure its operating performance meet the targets.

3. Adopt the COSO as the guidelines used in the process of risk management planning of the Bank, in compliance with the State Enterprise Performance Appraisal (SEPA) by connecting risk management process with the Bank's objective and strategic planning.

Follow up reports are prepared and submitted to the RMC quarterly basis, including mid-year plan review to ensure proper risk management.

4. Establish the follow-up process. Monthly report on strategic risk status is presented to the RMC and submitted to other relevant parties, if in-case-of, to help make corrections or provide direction to implement to achieve the objectives.

### Credit risk

Credit risk refers to the risk arisen from the borrower or the counterparties of the Bank, failed to repay or meet contractual obligations, including the probability of downgrading the credit rating of counterparties, which may adversely impact the Bank's performance and capital funds.

The Bank has executed the credit risk management process in accordance with the BOT's guidelines on supervision as follows:

The Bank has executed the credit risk management process in accordance with the BOT's guidelines on supervision as follows:

1. Proactive to Credit Risk Management: according to the Bank's mission - to support SMEs access to financing, balancing between an effective credit risk management and customer base expansion is challenging. New loan products or measures are designed to support government policy and in line with the Bank's mission. As such, the screening committee involves in the process and is responsible for the risk assessment. Subsequently, the new loan scheme is presented to the RMC for approval before launching. Nonetheless, the Bank has initiated the "co-signing" authority as the Check and Balance mechanism, which complies with the credit policy guidelines, and credit guarantee supported by Thai Credit Guarantee Corp (TCG), in the process of the new loan origination portfolio since 2015. The approach seems to suit the Bank and its target group - micro SMEs - the bulky and speedy characteristic.

In 2017, the Bank has paid more attention to the provision as to aggregate borrowers into groups that were not-yet NPL, alongside with closely monitored the capital adequacy applied with Basel II and reported to the Board of Directors every 6 months.

2. Risk Identification: the backtest was carried out on the credit risk measurement classified by loan-account basis. The RMC approved for A-score-the new tool development plan-to enhance the loan process, specifically micro SME (credit line up to 15 million baht) which was the main goal of the Bank.

3. Portfolio Management: the Bank puts efforts and closely monitors the loan quality in charge by Loan Monitoring Group that not only watch over the repayments meet due date but also prevent overdue customers from becoming NPLs. As a conclusion, the year-round activities have involved reviewing the credit risk policy and using tools for enhancing portfolio management as follows:

3.1 Risk Priority: portfolio management and loan monitoring processes have been classified by the type of risk and the risk factor of each portfolio. Priority gives to those with higher risk in terms of high debt amount in order to reduce NPLs re-entry.

3.2 Warning Report: monthly report on the First Date Not Paid is alert for action, including in-depth analysis to use for improving the underwriting rules and therefore as the lesson learns to the officers.

3.3 Quality Supervision: early warning report is to prevent downgraded loan quality. As a result, the priority to loan monitoring aims toward managing higher risk debt with the high probability of default.

3.4 Improvement of the Industrial Loan Ceiling Supervision: the reviews of the industrial loan ceiling supervision use reliable external data to ensure better reflect the risk. The execution of backtesting made earlier during the year help to improve ceiling adjustment more effectively. Moreover, there was also supervision on the ceilings of the trade receivables factoring to reduce the concentration risk of the account receivables.

3.5 Industry Rating Review: the industrial confidence data and the NPLs risk are reviewed and properly re-calibrated to cover more industrial sectors to enhance the efficiency of the loan process.

4. NPLs Management: as to reduce the NPLs to meet the set target. The Bank has accelerated the legal actions to the NPLs Re-entry aimed toward those with high debt value and non-cooperative characteristics. The actions lead to other legal processes; the claims from TGC, property seizing, property investigation, auction, and eventually write off. However, a more supportive approach employs to deal with micro SMEs who still have enough cash flow for repayments under the loan restructuring agreements. The loan monitoring officers visit and negotiate with sincere help offer to them in order to keep their business going.

The Bank has monitored and prepared the monthly report of credit portfolio movement for the management. The report includes qualitative analysis and trends of risk profile, classified by the amount of credit line; over 15 million baht and up to 15 million baht, for the management use to formulate the strategy for loan expansion as well as the direction for improvement on the process regarding the execution of debt management. Particularly, Special Mentioned class debt and restructured debt are required close monitoring.

### Market Risk Management

Market risk refers to the risk that the Bank may affect by changes in the value of the position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate, the equity prices, the exchange rates, and commodity prices.

The Bank has conducted the market risk management in line with the BOT's guidelines as follows:

1. Establish the market risk management policy framework as the guidelines for managing and controlling, including the interest rate risk in banking

book portfolio, the financial position in the trading book and banking book portfolio.

2. Develop the instruments for measurement and assessment of the market risks such as:

- Repricing Gap - the analysis of the difference between periods of interest rate repricing, or the remaining contract periods between assets liabilities and the off-balance sheet items. And the consideration of the impact of the interest rate changes on the Bank's revenue and economic value.
- The measurement of the impact of the changes in the risk factors such as DV01 - the money value of an interest rate drops of one basis point, the fair value of the bond, and foreign currency transactions.

3. Monitor and control of the market risk as follows:

- Set the market risk limits and annually evaluate to maintain the appropriate risk limits.
- Present the investment status report and the market risk status report to the board of directors and relevant executives regularly.
- Oversee the market risk management by executives and related committees, namely the Assets and Liabilities Management Committee and the RMC.

### Liquidity Risk Management

Liquidity risk refers to the risk that the Bank fails to repay liabilities or obligations on due date because of inability to liquidate assets into cash or having insufficient funds or acquiring funds at a higher unacceptable cost thus affecting earnings and capital funds.

The Bank implements liquidity risk management in compliance with the BOT's guidelines as follows:

1. Establish the Liquidity Risk Management Policy that used as guidelines for managing and controlling





of liquidity risks.

2. Develop the instrument for measurement and assessment liquidity risk such as

- Liquidity Gap report
- The measurement and assessment of liquidity risk using the financial ratios such as the large-deposit concentration ratio, the reserve requirements and liquidity mismatch etc.

3. Monitor and control the liquidity risk as follows:

- Set the liquidity risk limits and annually evaluate to maintain an appropriate risk level.
- Present liquidity risk status reports to the Board of Directors and relevant executives regularly.
- Oversee the liquidity risk management by executives and related committees, namely the Assets and Liabilities Management Committee and the RMC.

The Bank has conducted its operational risk management

in accordance with the BOT's guidelines, aimed to reduce or control the probability of risk by setting up the preventive measures on routine jobs which have established good internal control system as follows:

1. The Bank has fully established the policy related to the operational risk management in accordance with the BOT's guidelines. The framework includes operational risk management policy, the business continuity management policy, the outsourcing policy, and the IT security policy.

2. The Bank has formulated the policy related to the compliance risk management, such as the compliance risk management policy, the anti-money laundering and counter financing terrorist policy, and the known your customer policy.

3. The Bank has developed the instruments or methods for measurement and assessment the Operational Risks such as:

- Seminar training and workshop are provided for all levels to ensure an effective operation.
- Conduct the Risk Control Self-Assessment (RCSA) of all department units throughout the Bank, annually and continuously.

4. The Bank has prepared to deal with the potential risk that might occur and affect its operational services to the customers. Therefore, the business continuity management (BCM) framework has been conducted as BCM Life Cycle, to ensure constant development, under the activities as follows:

- Establishing the business continuity management policy (BCM) and revision together with the Business Continuity Plan (BCP) and the faced events and restore plan (FRP) as a management framework, including the structure of line management and responsibility. The risk agencies, the representative from each unit, are assigned.
- Building BCM as part of the corporate culture.
- The implementation starts with seminar training and workshop regarding the risk tolerance of the Bank by using the Business Impact Analysis (BIA) for examining and prioritizing the Bank's risk factors: products, services, business processes, and other activities. The assumption is also including other risk factors under the circumstances that might affect the Bank. The recovery process pursues to ensure the business continuity in terms of customer service, business partners' transaction, or avoid the risk of the lawsuit.
- Planning for the Recovery Strategy and Guidelines in response to the Bank's major operational disruption.
- Developing and Implementing a BCM Response.
- Exercising, maintaining and reviewing BCP regularly.

5. The monitoring and controlling of the operational risk have been done as follows:

- Preparing the report of the operational risk status and submitting to the RMC regularly.

- Appointing all department units as the risk owners; responsible for their operational risk management. Risk owners prepare Data Loss reporting along with the solutions in compliance with the BOT's guidelines and submit to the risk management department for consolidation and integration of risk identification and solution, then, present the integrated report to the RMC regularly.

### Compliance Risk

Compliance risk refers to the risk of non-compliance with the laws, the Cabinet's resolution, the applicable governmental regulations, and state's announcements that might damage the Bank's operations, reputation and image.

The Bank recognizes the importance of compliance risk by establishing the compliance risk management policy and the compliance risk department to oversee and monitor to ensure that all units are working in compliance with the regulators such as the BOT, the Anti Money Laundering Office, and other official bodies with legal authority. The compliance department is also responsible for the suggestion on the operation to comply with the rules and laws, in addition to the communication of the rules and regulations that are new or changed to all departments of the Bank. It also works as a coordinator between the regulator, the official agency with legal authority, and internal units of the Bank to ensure the operation comply with the rules, regulations of the Bank and applicable laws.

### Internal control

The Bank recognizes the importance of the internal control system by continuously developing the internal control system to support the business operation to achieve the objectives and goals set efficiently and effectively. The execution of the internal control system is to ensure the effectiveness, efficiency, and proper utilization of the Bank's resources. It also allows for various stages of operation undergo rightly

and properly. The Bank, therefore, has modified various control measures in correspondence with the rules, law, regulation, the changing environment, and risks, and assessed the adequacy of the internal control system. According to the rules and regulations of the Audit Commission on the Internal Control Standards B.E. 2544, and the practices adapted from the internal control system of the Committee of Sponsoring Organization of the Treadway Commission (COSO) required all units of the organization adopt the Risk Control Self-assessment (RCSA) for their risk management and internal control. The guidelines cover general accepted managerial components as follows:

### 1. Control environment

The board of directors and the management of the Bank encourage the employees to be well aware of their responsibilities to achieve the Bank's objectives by promoting and supporting the corporate culture to pursue good corporate governance, integrity, and ethics in business practices which is the foundation component lead to complement element of other controls. In addition, the oversight of good corporate governance for transparency and practice in compliance with relevant regulations and orders ensures a good and appropriate internal control environment as follows:

- Prepare the codes of conduct B.E. 2560 for Directors, management and staffs of the Bank which emphasize on the importance of transparency, accountability, corruption-free, integrity culture and work integrity without the conflicts of interest. In 2017, the Bank has modified the composition of the Corporate Governance Committee to oversee and promote the management practices in accordance with the principles of good corporate governance and to ensure that all parties' levels adhere to work with integrity and ethics follow the codes of conduct. The handbook has

released throughout the organization via intranet and expected all employees adhere to practice.

- A well and proper modified organization and environment that facilitates the operation shares the main support to the Bank's internal control system in line with the policy which is concise and sufficient as a result. The annual plan is formulated with midterm reviewed. This year there are some changes of the organization with the orders of practice modified accordingly as well as designation a department supervise the ethics of the employees and the fair treatments to the customers.
- The Bank has formulated the annual plan and the mid-year review as well as restructured the organization with the modification of the rules and regulations accordingly. Specific divisions were appointed to supervise the ethics of the employees and the fairness for the customers. The organization and environment that are appropriate and conducive to the operation help support the internal control system of in accordance with the Bank's policies and result in the concise and sufficient control system.

### 2. Risk Assessment

The Bank undertakes the risk assessment of the internal control with the participation of all levels of the employee in identifying and assessing the risks of their own operations and responsibilities. As a result, the risk management that is consistent with the problems arising from the operation leads to the damage at minimal. This is done through the development of the right tool from the assessment. The purpose of the activity level is clear, consistent, and coherent that aligns with the appropriate allocation of the budgets and resources.

The Bank is well aware of the risk management arising from the internal and external factors by implementing the followings:

- Set up the structure of the risk management group as well as the appointment of the RMC which responsible for setting up the roles, responsibilities, frameworks, screening, reviewing the policies, strategies, and guidelines of the risk management, and supervised the implementation of the risk management guidelines.
- Carry out the risk management across the organization in accordance with the COSO - Enterprise Risk Management guidelines (ERM) and formulates the Risk Management Policy as the guidelines for managing the risk that might affect to the achievement of the Bank. The Bank has evaluated the Risk Profiles both corporate and department levels, including the risk management of the process level.
- Set the information security policy in compliance with the ISO/IEC 27001 and the ISO/IEC 27002 standards to ensure the confidence in the efficiency and effectiveness of its information security of the Bank. Training and communication are conducted throughout the Bank to create awareness and understanding the risk and preventing against the new era of informational technology threats.

### 3. Control Activities

The Bank set its business directions by conducting the clearly written policies, rules and regulations handbook for executive and staff levels throughout the organization as to mitigate or control the operational risks in line with the changing policy and environment to ensure that the internal control system of all units is appropriate and sufficient. This should be well worth the expense. The Bank provides efficient information system control to prevent access to data and any

damage that may result in misuse of data. The Bank has reviewed its compliance with the laws, regulations, internal and external regulations. Report on overall performance is submitted to the President, the audit committee, and the board of directors.

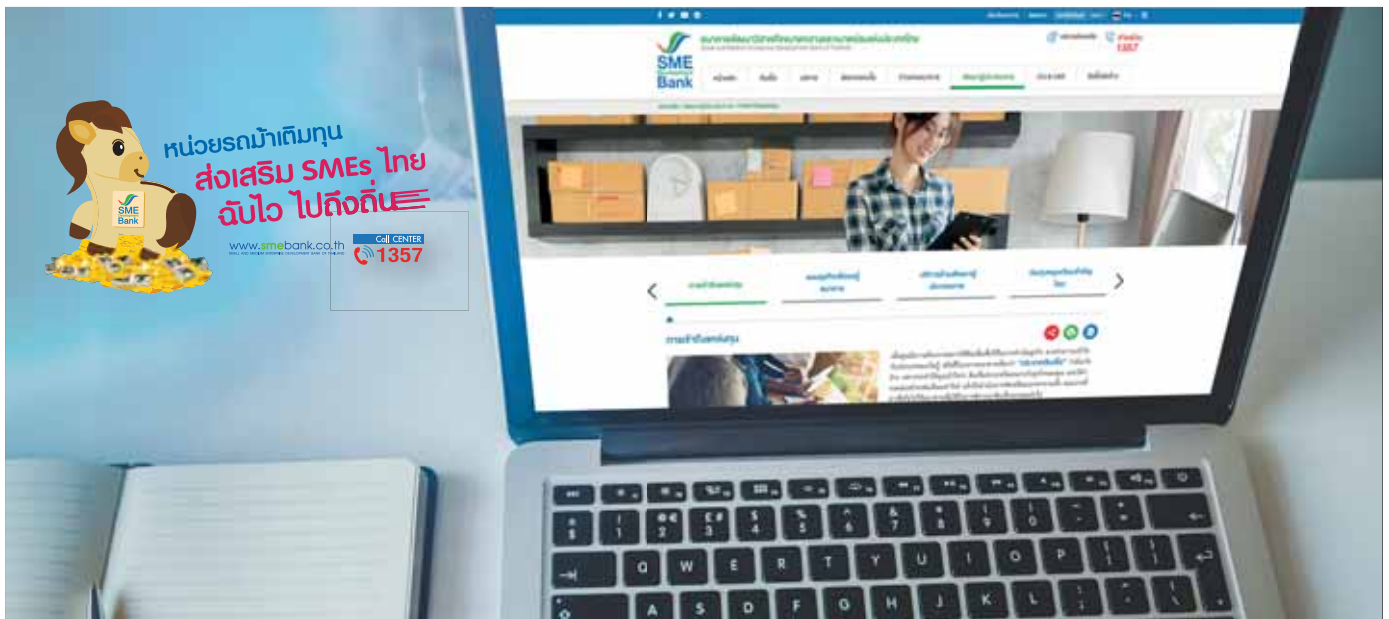
The Bank has defined and reviewed the scope of authority, duty, and authority line of approval of each level of the executives in clearly written. Duties by function have been separated to ensure the check and balance appropriately.

### 4. Information and Communication

The Bank has provided the information technology system that is appropriate to the operation and responds to the executives' needs. The Bank realizes the appropriate quality of the information and communication that delivered to the management, staffs, and relevant parties internal and external accommodate those receivers to work effectively and achieve the Bank's objectives. The Bank has also reviewed the business continuity plan of the information technology to mitigate the impact and maintain the Bank's operation in case of emergency.

The Bank applies the accounting policy in compliance with the accounting standards appropriate to the business. Information and other database systems have been developed to ensure the retrieving of important data adequately and timely to the changing condition. The Bank provides a good communication system for both the internal and external agencies including stakeholders as follows:

- The communication is on the significant issues related to the Bank's operating results. Documents are sent to the board of directors, all boards of committees, and the relevant parties in advance before the meeting or addition information provided by the related agency on request.
- Internal communication is through several channels including electronic mail via Intranet as well as other practical knowledge



through the E-learning.

- The Bank's website, e-mails, Facebook, and Line are channels available for communication of information and news with external.
- Several channels are also available for receiving complaint through Customer Relationship Center, Call Center 1357, the Bank's phone number: 02-265-3000 and Fax number: 02-265-4000, the Bank's official website, Facebook, Line, and Tweeter to assure the employees and outside individuals that all complaints are considered transparently and fairly.

## 5. Monitoring and Assessment

The Bank implements the monitoring and assessment in every aspect directly from the person responsible or from those who are independence from the control measures as follows:

- The implementation of the risk control self-assessment (RCSA) of each component of the internal control in every aspect is consistency on an annual basis of both corporate and the process levels. The RCSA is one of the management tools

used for monitoring and self-assessment the internal control system, while the risk management department is responsible for reviewing the result, unless adequate and appropriate or found defect, and provides a guideline to improve. A summary result of the assessment report and certified forms are prepared and submitted to The State Audit Office, the RMC, and the Audit Committee, including the monthly and quarterly reports of monitoring.

- The Bank has assigned the internal audit department; an independent unit reports directly to the Audit Committee, to review, consistently report on the result of the efficiency of the internal controls in every direction and the major risks that might affect to the operation and provide a recommendation. The audit practice with the Risk Base Approach focuses on the risk management, the sufficiency, and appropriateness of the internal control system, the compliance with regulations, policies, regulations, and orders of the Bank and the government.
- The Bank has implemented the annual

work plan, compared the performance with the set target, as well as the monitoring system between the executives in the head office and their staffs in remote branches. The monitoring tools are including daily performance report, weekly and monthly reports. In case of the problem occurs signal by the drop of performance, the Executive Vice President who in charge of the branches along with the branch operation control department will call on meeting or have a branch visit to provide recommendations and resolutions, timely manner.

### The Internal Audit

The internal audit is a key to accommodate the efficiently and effectively operations of the Bank. It also prevents or reduces the risk of the erroneous operations and mitigates potential damage. The internal audit, as an essential part of the internal control, is inserted in the normal operation that required the right practice and in accordance with the rules, regulation, and applicable law. The management can use the internal audit results as part of the management

process to achieve the Bank's objectives.

The Internal Audit Department reports directly to the Audit Committee and has adopted the internal audit practices from the international professional practice standards, the Internal Audit Practice Manual of the state enterprises and the Code of Ethics of the Internal Audit.

The audit strategic planning links with the Bank's strategic plan and goal. It also takes into account the opinions of the audit results of the regulators and related, including the Audit Committee, the management, the Chief of the Organizational Risk Inspector Office, the BOT, and the Office of the State Audit Office, under the risk-based approach. The audit plan is approved by the Audit Committee and reported to the board of directors. Internal Audit Department recognizes the importance of empowering its internal auditors with the capabilities to pinpoint the cause of risk and is beneficial to value creation to the bank.

The State Audit Office was the Bank auditor for the fiscal year 2017 Financial Statements as required by law with the annual audit fee of 1,810,000 baht.

## Financial Highlights

Small and Medium Enterprise Development Bank of Thailand  
As of December 31, 2017, 2016, and 2015

Items	2017		2016		2015	
	Amount	Increase (Decrease)%	Amount	Increase (Decrease)%	Amount	Increase (Decrease)%
<b>Financial position (Baht in million)</b>						
Interbank and money market items, net	5,513.85	31.61	4,189.69	(47.35)	7,957.49	(55.98)
Investment, net	7,236.28	(6.93)	7,774.84	(14.17)	9,058.79	86.94
Loans and accrued interest receivable, net	91,236.14	7.95	84,515.02	14.28	73,957.55	5.92
Total assets	107,858.43	6.64	101,139.78	5.73	95,660.90	0.63
Deposits	85,517.28	15.36	74,132.44	(2.40)	75,954.67	(8.06)
Interbank and money market items, net (liabilities)	8,407.44	(45.15)	15,327.82	46.60	10,455.41	138.18
Borrowings	290.12	(0.68)	292.12	(5.79)	310.06	(24.41)
Total liabilities	97,921.60	5.70	92,643.16	3.13	89,827.56	(1.81)
Issued and paid-up share capital	20,006.63	0.00	20,006.63	22.13	16,380.82	28.43
Premium (discount) on share capital	(5,251.63)	0.00	(5,251.63)	100.00	(2,625.82)	0.00
Shareholders' equity	9,936.83	16.95	8,496.62	45.66	5,833.34	62.93
<b>Operating results (Baht in million)</b>						
Interest income	5,365.43	(1.37)	5,439.74	0.23	5,427.02	7.06
Non-interest income	662.72	(6.19)	706.45	(12.26)	805.20	109.31
Total income	6,028.15	(1.92)	6,146.19	(1.38)	6,232.22	14.27
Interest expenses	1,505.20	(18.78)	1,853.35	(31.69)	2,713.32	14.68
Non-interest expenses	3,054.53	37.39	2,223.21	163.26	844.49	(57.22)
Total expenses	4,559.73	11.85	4,076.56	14.58	3,557.81	(18.02)
Profit (loss) from operations, net	1,468.42	(29.05)	2,069.63	(22.61)	2,674.41	140.06
Impairment loss of loans and losses from debt restructuring	1,011.60	146.31	410.70	(71.46)	1,439.15	53.51
Net profit (loss)	456.82	(72.46)	1,658.93	34.30	1,235.26	599.75
Profit (loss) per share (baht)	2.28	(76.04)	9.53	11.33	8.56	520.29
<b>Capital adequacy ratio</b>	<b>11.66%</b>		<b>22.38%</b>		<b>13.64%</b>	

# Operating Results for 2017

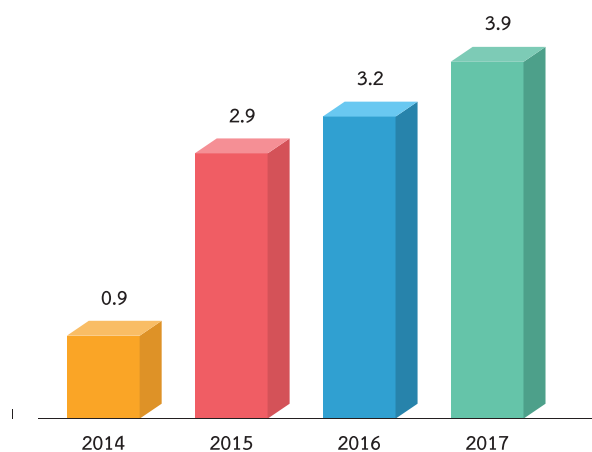
## Industry Situation and Trend

### 1. Thai Economy in 2017

In 2017, Thailand's economy has continued to grow by 3.9 percent as compared to 3.3 percent in 2016. Export remains a major driven factor and aligns with the growth of tourism expanded by the global economic recovery. Meanwhile, domestic economic activities of private consumption extended continuously followed the spending of a durable product and expenditure of the service sector, including the increase in consumer confidence.

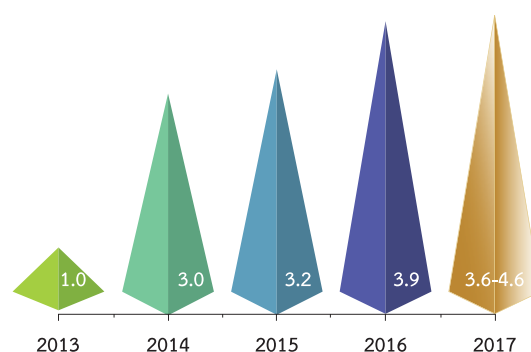
Private investment has improved gradually followed the ongoing expansion of the import volume, capital goods, and commercial vehicle sales volume. However, the public investment has declined for the first time since 2015 as a result of flood issues in many areas and the adjustment of government procurement in the public sector, making the disbursements for investment delayed.

Thai GDP Growth Rate by Year



Source: Office of the National Economics and Social Development Board

Economic Outlook for 2018



### 2. Thai Economic Outlook 2018

Office of the National Economic and Social Development Board (NESDB) estimates that Thailand's economic in 2018 will grow by 3.6-4.6 percent resulting from the global economic growth the synchronized growth in many regions. This positive impact on international trade is beneficial to the Thai export and tourism sectors that continue to expand. The public spending boosts by the government measures with an additional budget 150 billion baht in the middle of the fiscal year 2018, while the public investment is likely to accelerate along with the increasing investment expenditures of the annual budget for 2018, and the major infrastructure investment projects that have

been progressing. Private investment is expected to have a better direction followed the expansion of exports, including the approval of the Eastern Economic Corridor (EEC) Act, and hopefully its effectiveness by the first half of the year will attract more investments that help support the development of the project.

However, economic growth may face some drawbacks because of slowing into the normal of the production of the agricultural sector. The inflation rate and direction of interest rate in the global market is in the uptrend as well as the risk of fluctuations caused by the implementation of the U.S.policies on the trade barrier and investment against its major trade partners.



### 3. Financial Institution Overview

Commercial banking loan in 2017 increased by 4.4 percent YOY compared to 2.0 percent YOY of the previous year, driven by corporate and consumer loans with the growth rate of 3.6 and 6.1 percent respectively.

Business loan increased from SMEs in industrial, real estate, and commercial sectors, while the overall loan growth of the large-scale business was stable. It tended to raise the capital through the use of the bond or debt instruments and fund raising in equity markets rather than opting to the loans during the low-interest rate condition to regulate financial costs and to repay the debt to commercial banks.

Consumer loan increased particularly leasing of the vehicle loan, which accelerated followed the car sales

volume growth by 23.7 percent whereas the mortgage and credit card loans expanded at a slower pace.

The overall quality of the loans was poorer, however. The NPLs ratio surged at a slowdown rate, since the end of 2016, by 2.83 percent to 2.91 percent at the end of 2017. The NPLs of the business loans increased in the large-scale loan sector, but the NPLs of all types of the consumer loans declined except for the mortgage loans.

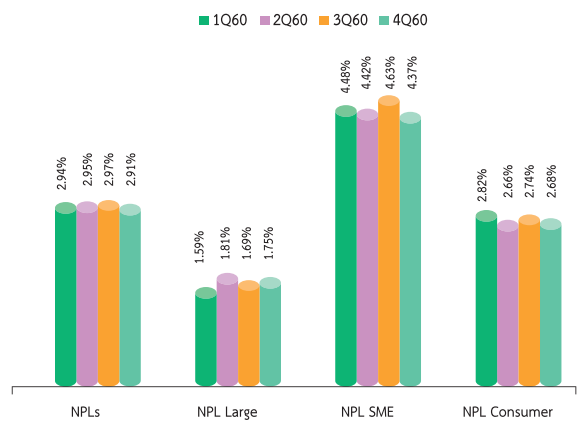
Specialized Financial Institutions (SFIs) witnessed their accelerated loans growth by 12.1 percent YOY compared to 1.9 percent of the previous year. Most of which was the expansion of the public policy loan for economic purposes including reducing the loan access limitation of the vulnerable target groups such as the low-income farmers, the community enterprises, and the SMEs.

Loan Growth of Commercial Bank by Segment

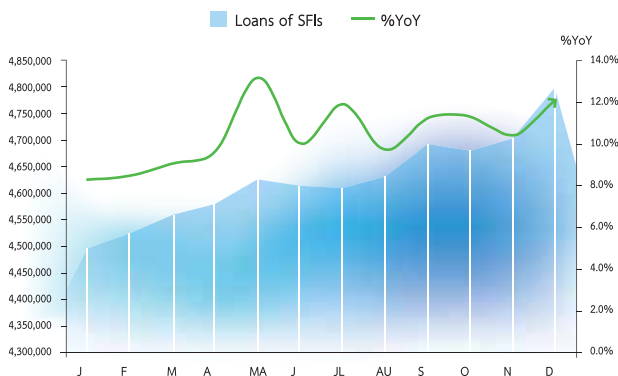


Source: Bank of Thailand

NPL by Segment

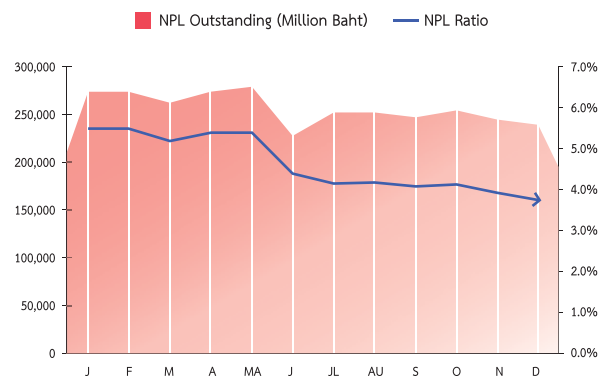


Loan Growth of SFIs



Source: Fiscal Policy Office

Loan Quality of SFIs



The overall loan quality was favorable. The NPLs ratio of SFIs in 2017 was down to 4.26 percent from 4.91 percent in 2016.

The economic outlook has seen favorable and more likely dispersion together with infrastructure investments and accelerating the EEC project. These positive factors are expected to support loan growth in the year, the business sector in particular. However, financial institutions are likely to focus on managing financial cost to maintain the net interest margin (NIM) to an appropriate level, coupled with the allocation of liquidity in line with the increasing loan demand.

#### 4. Overview of Thai SMEs

SMEs contributed to GDP amounting to 6.55 trillion baht accounting for 42.4 percent of the GDP, a growth when compared to 42.1 percent of the previous year 2016, and with the growth rate of 5.1 percent compared to 4.8 percent of the earlier year. The Export valued 1.98 trillion baht or 24.8 percent of total exports.

The measure of financial and fiscal support and promotion to SMEs through SFIs and commercial financial institutions helped push SMEs access to funding sources with low financial cost. Examples were

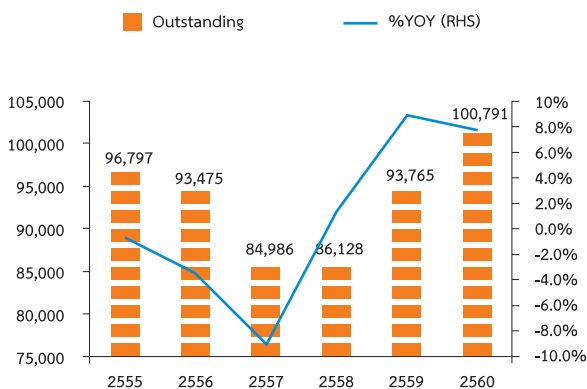
Low-Interest Loan Project, the measure of corporate tax rate reduction for SMEs, and credit guarantee. SME loans' growth jumped to 6.4 percent compared to 1.4 percent, in the previous year, of total outstanding from commercial banking system amounting to 5.06 trillion baht. The loans of some industries outperformed than others such as the service sector, real estate, and commerce.

#### 5. The Role of SME Development Bank Loan to customer

The Bank carried out the operation in line with its mission in supporting the government policies and driving the economy through special loan projects with the focus on the micro SMEs group, such as Soft Loan projects (phase III), Policy Loan project, the SME Development Fund under the Pra-Cha-Rut ideology, and SME Bank's loan projects, to name a few.

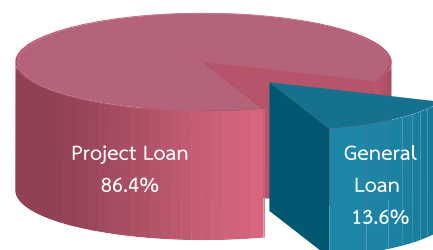
The Bank has provided financial support to SMEs with outstanding loans totaling of 100,791 million baht, of which 13.6 percent was the regular loan and 86.4 percent the project loan which in line with the government policy. The contribution to the economy with value-added amounted to 55,127.20 million baht and job creation to 142,813 people.

Outstanding of SMEs Loan



Source: SME Development Bank of Thailand

Proportion of Outstanding Loan by Loan Type



## Entrepreneur Development

The Bank has focused on helping and promoting the development to SMEs in four groups based on their business potentials: 1) SMEs Startup, 2) SME Regular, 3) SMEs high potential, and 4) the tourism-based community. Regarding the development activities, the Bank has regularly worked and jointed projects with public and private partner agencies and educational institutions through the process as follows:

- Providing knowledge/know-how with seminar and workshop training, and consultancy services
- Participants obtain efficiency development by improving business operation systematically
- Prefer outcome of access to financing and improving the operating results of SMEs

Key Performance of SMEs development as follows:

(unit : SME)

Activity Output / outcome	2015	2016	2017
1. Seminar / workshop training, and consultancy	3,750	4,536	6,548
2. Efficiency output	1,155	1,068	1,354
3. Effectiveness outcome	550	554	662

## Joint venture

The Bank has set up three funds of joint venture projects with SMEs amounting to 1,291 million baht, consisting of two trust funds with project limits of 500 million baht and 501 million baht, and a trust fund for joint ventures in accordance with the Bank's mission SMEs in agri-business and related with project limits of 290 million baht. The joint ventures within those three trust funds in four businesses valued at 81 million baht.

## Nature of Business

The Small and Medium Enterprises Development Bank of Thailand (SME Development Bank) established

in accordance with the Act B.E. 2545 to support the source of funding to SMEs, OTOP SMEs, and community enterprises and to provide access to funding sources in the system to fulfill financial gaps that commercial banks are not interested in support funds.

The Bank has invested with various types of businesses, by which its shareholding was over 25 percent as follows:

- Bangkok Marin Engineering Co. Ltd., Type of Business: Shipyard and marine vessel construction dock. Location: 21/772. Moo 12, Bangna-Trad Road, Bangna, Bangkok 10260. Tel: 02 398 2543, 02 744 5151, 02 744 5152 Fax: 02 388 2450. Registered Capital: 100 million baht. Proportion of SME Bank's Shareholding: 40%.

- Bitec Cooling Co. Ltd., Type of Business: Manufacturer and Distributor of light-weighted bricks. Location: No. 34 BITEC Holding Building, Ladprao 101 (SoiKittichit), Ladprao Road, Klongjan, Bangkok 10240. Tel: 02376 0990 Fax: 02513 2314-5. Registered Capital: 25 million baht. Proportion of SME Bank's Shareholding: 40%.

- Virgin F & B Co. Ltd., Type of Business: Processed Food. Location: 1055/174 Silom Road, Silom, Bangrak, Bangkok 10500. Tel: 02 630 9300-1. Fax: 02 630 9303. Registered Capital: 80 million baht. Proportion of SME Bank's Shareholding: 37.50%.

- Sue Wattasarn Co. Ltd., Type of Business: Magazine Publishing. Location: 77/118 Sin Sathorn Tower, 28th Floor, Krung Thon Buri Road, Klongtonsai, Klongsan, Bangkok 10600. Tel: 02 886 4000, 02 424 3355 Fax: 02 424 3999. Registered Capital: 60 million baht. Proportion of SME Bank's Shareholding: 33.33%

- Trinity Education Co. Ltd., Type of Business: International School. Location: No. 30 SoiNapha Sap Junction 2 , Sukhumvit 36 Road, Klongton, KlongToey, Bangkok 10110. Tel: 02 661 3993 Fax: 02 661 3992. Registered Capital: 40 million baht. Proportion of SME Bank's Shareholding: 30%.

- Electrical Energy and Saving Engineering Co. Ltd., Type of Business: Manufacturer and Distributor of Lightning Preventive and Anti Power Surge System Location: No. 700/110 Village no.5, Amata Nakorn Industrial Estate, Klong Tam Ru Sub-district, Muang Chon Buri District, Chonburi Province 20000. Tel: 038 468 698 Fax: 038 468 690. Registered Capital: 130 million baht. Proportion of SME Bank's Shareholding: 28.85%.

- Powerq and Saving Intania Co., Ltd. Type of Business: Manufacturer and Distributor of Lightning Preventive and Anti Power Surge System. Location: No.700/110 Moo 5, AmataNakorn Industrial Estate, Klong Tam Ru, Muang Chon Buri, Chonburi Province 20000. Tel: 038 468 698 Fax: 038 468 690. Registered Capital: 130 million baht. Proportion of SME Bank's Shareholding: 28.85%.

- Thai Umaphorn Textile Co. Ltd., Type of Business: Towel Production and Sale Location: 194 Moo 2, Soi Suksawat 76, Suksawat Road, Bangchak, Pra Pradaeng, Samutprakarn 10130. Tel: 02 817 7834-6 Fax: 02 817 7837. Registered Capital: 40 million baht. Proportion of SME Bank's Shareholding: 25%.

## Operating Results in 2017

The total loan disbursement in 2017 was amounting to 32,741.61 million baht provided to 8,076 SMEs and hence made the outstanding loans total 100,791.18 million baht for 73,214 SMEs. The loans created the added value to the economy by 55,127.20 million baht and built 142,813 jobs into the economy. The non-performing loans (NPLs) by the end of 2017 totaled 16,959.93 million baht, decreasing from the previous year by 943.70 million baht. The NPLs ratio was accounting for 16.83 percent of total outstanding, down from 19.09 percent of the earlier year. The net profit of the Bank was 456.82 million baht.

### 1. Financial Results

In the year 2017, the Bank's total revenues were 6,028.14 million baht, a drop down of 118.04 million baht or 1.92 percent from the previous year. Total expenses were 4,559.72 million baht, an increase of

483.16 million baht or 11.85 percent from the previous year. Bad debt, doubtful accounts, and losses on debt restructuring totaled 1,011.60 million baht, resulting in a net profit of 456.82 million baht.

- Interest income amounted to 5,365.43 million baht, down from the year 2016 by 74.31 million baht or by 1.37 percent.

- Non-interest income: income from fees and services; profit (loss) from trade and foreign exchange transactions; net profit from financial liability as stated at fair value; net profit (loss) from investments and income from other operations; amounted of 662.72 million baht, down from the year 2016 by 43.73 million baht or 6.19 percent.

- Interest expenses totaled 1,505.20 million baht, decreasing from the year 2016 by 348.15 million baht or 18.78 percent.

- Non-interest expenses: the expenses from fees; services; and other operations, totaled 3,054.53 million baht an increase of 831.32 million baht or 37.39 percent.

- Doubtful debt: bad debts, doubtful accounts, and losses from troubled debt restructurings amounted to 1,011.60 million baht, an increase of 600.90 million baht or 146.31 percent from the end of the year 2016.

- Net profit (Loss): the net profit was 456.82 million baht, down from the year 2016 by 1,202.11 million baht or 72.46 percent.

### 2. Financial Position

- Assets: as of December 31, 2017, the Bank's assets were 107,858.43 million baht, an increase of 6,718.65 million baht compared to 2016 or an increase of 6.64 percent with some increasing items such as interbank and money market.

- Liability and Equity: the liability increased by 5,278.44 million baht to 97,921.60 million baht in

2017, compared to 2016 or an increase of 5.70 percent with some increasing items such as deposits and estimated liabilities, etc. The Bank's equity increased by 1,440.21 million baht to 9,936.83 million baht in 2017, compared to 2016 or an increase of 16.95 percent.

- Capital to risk assets ratio (CAR): as of December 31, 2017, total capital funds and risk assets were 8,964.79 million baht and 76,893.86 million baht respectively, representing the CAR ratio at the level of 11.66%.

### 3. The Investment Now and Then

In the year 2017, the Bank has been modernizing the loan origination system and the loan procedure to support the business operations. It has also sought a new business process system which will be the core standard system that needed a high investment. As such, a study on the technological properness and the optimal benefits has been carried out simultaneously with the improvement of the existing system. In addition, the Bank, in cooperation with other SFIs, has developed

SMEs Intelligence Information (SII) with the integration of big data.

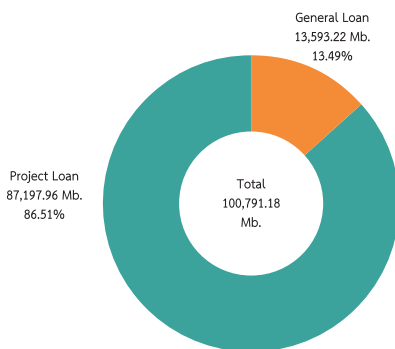
## 4. Loans to customers

### 1. Outstanding Loans

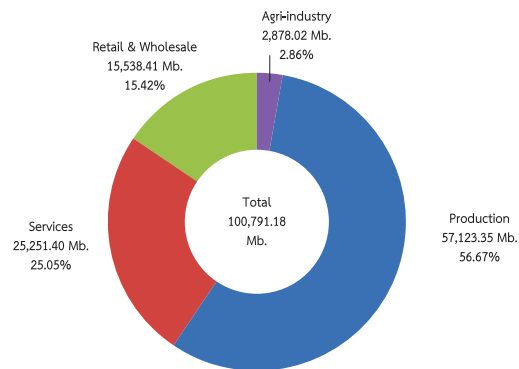
- Total outstanding loans increased by 7,073.53 million baht to 100,791.18 million baht for 73,214 SMEs, an increase of 7.02 percent in 2017, compared to 2016. It was comprised of general loans outstanding 13,593.22 million baht for 4,112 SMEs, and the project loans amounted to 87,197.96 million baht for 69,102 SMEs.

- The outstanding loan and proportion classified by sector: industrial sector amounted to 57,123.35 million baht accounting for 56.67 percent of the total outstanding; service sector amounted to 25,251.40 million baht accounting for 25.05 percent; wholesale and retail sectors amounted to 15,538.41 million baht accounting for 15.42 percent; agricultural sector amounted to 2,878.02 million baht accounting for 2.86 percent, respectively.

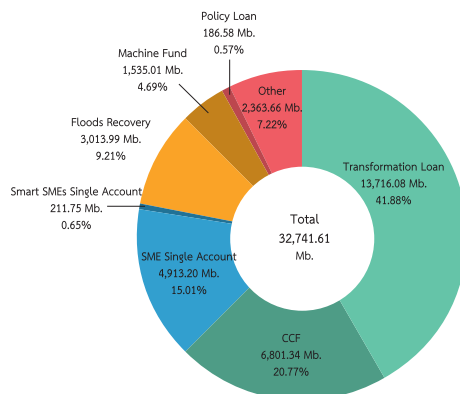
Loan Outstanding by Loan Type



Loan Outstanding by Sector



Total Loan Disbursement in 2017 by Loan Project



## 2. Loan Disbursements

Total loan disbursements in the year of 2017 of the Bank recorded 32,741.61 million baht to 8,076 enterprises which exceeding the set target amounted to 2,741.61 million baht and mostly were the projects that supported to the government policy.

## 3. Project Loans

### • Project Loans by SME Development Bank

The Bank has launched the loan products to support SMEs and in line with the government policies of which served various SMEs group in seven projects as follows:

**(1) The Loans for the Tourism Business and Community Tourism - based Enterprises:** to provide loans to community tourism businesses in accordance with government policy that located within the Creative Industry Villages (CIV): community tourism; community markets; hotel and resort; service areas: restaurants, souvenir shops; and the like related to tourism, including franchise business. The objective is to elevate community and local enterprises to improve their business efficiency and for making further business progress with a low - interest rate. The project also responds to the Local Economy policy in the provinces - to use for working capital, or business improvement or expansion. Total project limit is 7,500 million baht.

**(2) SMEs Transformation Loan project:** to help SMEs affected by the economy caused liquidity problems and encourage SMEs to be in line with the government's policy of transforming the business into an industry 4.0 and SMEs 4.0 allowing SMEs to access low-interest-rate loan to use for working capital or business improvement or expansion. Total project limit is 15,000 million baht.

**(3) Elderly Career Loan project:** to provide financial support to entrepreneurs aged 55 and over; whether natural or juristic persons, together with providing knowledge and know-how to start a new business, to generate income, and to create jobs. The loan is also used for business improvement for

competitiveness, for working capital, and for business expansion. The total project limit is 1,000 million baht.

**(4) Smart Factoring:** to support working capital to SMEs with trade receivables owed by central and local government agencies, state enterprises, state universities, public and listed companies in SET and MAI. Total project limit is 4,000 million baht.

**(5) Factoring Private Traders (phase I and II) - the measure of accelerating loan disbursement:** to support working capital to SMEs with trade receivables owed by companies not listed in SET and MAI. The phase I project limit is 3,000 million baht and 4,000 million baht in phase II respectively.

**(6) Around Thailand Factoring Disbursement within 1 Day - the measure of accelerating loan disbursement:** to support working capital to SMEs with trade receivables owed by government agencies, state enterprises, and listed companies in SET and MAI. The measures (5 and 6) are used as a financial instrument to stimulate the economy according to the government policy and to accelerate the budget disbursement of the fiscal year 2017 of government agencies and state enterprises. It also aims to build the Bank's image regarding the service availability and accessibility to financial sources. The phase I project limit is 4,000 million baht and 8,000 million baht in phase II respectively.

**(7) Disaster Relief Measures:** to help existing customers' businesses established within the disaster - affected areas as announced by the Bank and also non-customer SMEs found affected by the flood, windstorm, mudslide, earthquake, and the like. There are two measures involved: (1) debt moratorium, change of repayment conditions, and/or debt restructuring; (2) the emergency credit lines for business rehabilitation.

### • Loans under the Government Policies

In the year 2017, the Cabinet approved the implementation of four government policies as follows:

**(1) Local Economy Loan:** to elevate and develop business operation of micro SMEs. The loan project aims to create income for entrepreneurs in the communities which will bring about the strength of the overall economy and the foundations of Thailand. Qualified businesses are those related to tourism businesses in communities including agri-processing food and non-food products. The loan project was designed in line with the Local Economy policy, and the Cabinet's resolutions on December 19, 2017, approval of additional measures to drive SMEs into Industry 4.0. Total project limit is 4,000 million baht.

**(2) Soft Loan low-interest rate project:** to support SMEs upgrade their machines for optimization the productivity and be in accordance with the Cabinet's Resolution on January 17, 2017. The loan project's purpose is to encourage SMEs for investment, addition, refurbishment, or improvement of the assets related to their businesses as follows:

1. Machinery including components, parts, tools, and utensils.
2. Computer software used to add production efficiency of goods produced or services.
3. A permanent building for use as machinery site only, excluding for living and/or land. However, the loan is not for re-finance purpose or not for the restoration of the properties related to the business. Total project limit is 5,000 million baht.

**(3) Restoration SMEs from floods and disaster in 2017 loan project:** to help SMEs affected or damaged by the flood and disaster in that year to improve, rehabilitate, and have working capital for the business. The project was approved by the Cabinet's resolution on August 1, 2017, with a total project limit of 5,000 million baht.

**(4) The Loan Project for the Entrepreneurs in Southern Border Provinces in the year 2017:**

to provide financing for SMEs to reduce the interest burden of their outstanding and to be the work capital for the business rehabilitation or business expansion; plant, new machine, and so on. The project was approved by the Cabinet's resolution on November 28, 2017, with a total project limit as allocated by the Governmental Saving Bank.

## 5. Management on the Non - Performing Loans

At the end of 2017, the Bank's net NPLs totaled 16,959.93 million baht, accounting for 16.83 percent of total outstanding loans, decrease from 19.09 percent compared to the year end 2016. This was resulting mainly from the consistency fitted in of the policy and operation practice. The efficiency of NPLs management stemmed from the improvement of the administrative process. The classification of debt and the guidelines were well-defined suite to the characteristic of each debt type in compliance with the international standards. The methods used such as debt restructuring and received repayment from debtors and so on. Besides, the loan monitoring department has watched closely over weak debtors together with working closely with NPLs whose businesses still exist. The Bank has improved the loan process to ensure the Check and Balance mechanism by separating marketing function out of the credit analysis. As a result, the quality of new debtors was good, but the degradation rate of the new loans was low. The NPLs, new loan originations during the year 2017, were accounted for 0.21 percent of total loan disbursement.

## 6. Entrepreneur Development

According to its mission of developing and supporting the business operation of SMEs to be competitive and sustainable in line with government policies, the Bank sets a clear target and implementation of SME development both quantitative and qualitative. Activities are including fulfilling the knowledge/know-how of business management skills together with strengthening the capital and marketing activities for customers and non-customer SMEs.

At year-end of 2017, the Bank provided the training and consultancy services to 6,548 SMEs; exceeding the set target of 4,500 clients, on business management of which most SMEs required. The efficiency outcome was 1,354 SMEs exceeding the set target of 1,100 SMEs and accounting for 21 percent of total output. Details were as described below:

#### 4. Administration

There were 43 SMEs, accounting for 44 percent, out of 99 participants obtaining skills from training and workshop with the experts. They were able to prepare their own business plans and then ready to move on together with learning how to use and get the most out of ICT for their businesses.

(unit : SME)

Business Field	Output	Outcome	%
Accounting & Finance	4,902	1,047	22%
Marketing	973	207	22%
Production	80	57	72%
Administration	99	43	44%
Eco System	494		
<b>Total</b>	<b>6,548</b>	<b>1,354</b>	<b>21%</b>

#### 1. Accounting & Finance

There were 1,047 SMEs, accounting for 22 percent of total 4,902 participants after receiving consultancy services and/or training, obtained higher skills and knowledge in accounting and financial management. They were able to prepare an official accounting system and documentation including financial plans of which required by financial institutions. They also had a better understanding of how and when to get financial supports such as lending or joint venture.

#### 2. Marketing

The number of 207 SMEs accounting for 22 percent of total 973 participants was able to expand their distribution channel on particularly E-commerce; Tarad.com, Lazada totally 203 SMEs, and 4 out of those have started up networking with other businesses.

#### 3. Production

There were 57 SMEs, accounting for 72 percent, out of 80 participants obtaining services from the experts to step up to the production improvement, involving either the upgrading of production standards, products or services standardize, and new product development.

The Bank has put its effort into strengthening customers and SMEs development to get an effectiveness outcome. There were 662 SMEs, exceeding the set target of 550 SMEs, obtained development where 555 SMEs access to funding sources and 107 SMEs gaining distinctive business performance such as sales increase or cost reduction and so on.

Effectiveness outcome	No. of SME
Access to financing	555
Improve Business Performance	107
<b>Total</b>	<b>662</b>

Moreover, the Bank organized several activities to create and promote the marketing opportunities for its customers and non-customer SMEs. This year the Bank was designated by the government to co-organize the activities in Klong Phadung Krung Kasem Market Fair continually and hosted during December 12-27 the event called "Top SMEs for the 2017 Year End's Happiness." There were varieties of activities and free of charge services: business consultancy service, Credit Bureau, career teaching, gift wrapping, shuttle bus



service, happy hour with everyday products, live music, auction time with the prime minister and ministers loved items; donated to Veterans Hospitals. There were 422 SMEs participated in the fair and generated total sales up to 143,796,845 million baht.

### Joint Venture

The financial service in addition to the loans, the Bank also has joint venture available to SMEs through the SMEs Private Equity Trust Fund. The trust fund is set up in accordance with the Cabinet’s resolution on December 16, 2014, and the additional Resolution on September 8, 2015, that assigned to SME Bank, Government Saving Bank, and Krung Thai Bank to establish the trust funds amounting to 6,000 million baht of which each bank contributed 2,000 million baht in capital limit.

The Bank has set up the joint venture projects the total amount of 1,291 million baht, from November 2015 to December 2016, in the following three units:

1) The first unit of the private equity trust fund was set up on November 11, 2015, with the capital limit of 500 million baht, for the joint venture with SMEs.

2) The joint venture project according to the Bank’s mission with SMEs in agro-business and related. The fund has been set up since July 15, 2016, with the capital limit of 290 million baht.

3) The second unit of the private equity trust fund set up on April 19, 2017, with the capital limit of 501 million baht, for the joint venture with SMEs. The projects are in progress as follows:

- The progress of the first unit of the SMEs Private Equity Trust Fund

The Bank has joint in two ventures with the total amount of 39 million baht.

Company	Business	Million baht
1.Fruita Natural Co., Ltd.	Produce and sell healthy grain beverages	9.00
2.Three N Cassava by Products Co., Ltd.	Producer and distributor of processed feeds from processed cassava	30.00
	Total	39.00

- The progress of joint venture, in accordance with the mission, project with SMEs agro-business: the Bank has invested in 2 businesses with the amount of 42 million baht.

Company	Business	Million baht
1.Virgin F&B Co., Ltd.	Manufacturer and exporter of rolled wafer	30.00
2.Khaoyai Panorama Farm Co., Ltd.	Mushroom farm and accommodation	12.00
	Total	42.00

- The progress of second unit of private equity trust fund: there are 6 businesses are ongoing in the process of approval with the total amount of 148 million baht.



## 7. Corporate Social Responsibility (CSR)

The Bank has committed to CSR in 4 aspects as follows:

- **Social and Environmental Development**

(1) "SME Bank's Mangrove Reforestation for Careers"; inspired by the King's Philosophy "Forest Planting in Mind" project, undertook in collaboration with Bangkok Metropolitan Administration and Bang Khun Thian District Office. The project aimed to restore and preserve the sea of Bangkok and prevent the soil loss from waves, to keep the balance of nature, ecology, water resources, aquatic animal conservation without further diminution. In addition, the project also aimed to build careers for the communities on Bang Khun Thian Coast.

(2) The "Planting Honeycombs to Celebrate King Rama X" was the project that the Bank co-organized with the Department of Public Relations and the office of the Prime Minister to show loyalty and peace under the royal mercy at Aree Samphan Park, Department of Public Relations, Bangkok.

(3) The Bank, in cooperation with the Department of Probation; Ministry of Justice, and the House of Blessing Foundation, has proceeded "SME Bank's Return

of Good People to Society" project in 3 consecutive years. The project aimed to support the needy persons who were released from the prison so that they could have jobs to earn their lives and families and started new lives. This year, 22 participants received the grants fund of up to 50,000 baht per person. The grant was interest-free funds with repayment up to two years.

(4) The Bank in cooperation with Phayathai District Office restored the nearby and neighborhood areas from the start of Phaholyothin Soi 2 up to Phaholyothin Soi 6. The project aimed to promote SME D culture on a voluntary basis. The activities involved keeping clean and clear of the walkway then painting, and planting.

(5) The Bank co-hosted "Bangkok Big Cleaning" project with public agencies; Phayathai District Office, representatives of the governmental offices, and people living nearby on a voluntarily basis. The activities involved keeping clean and clear of the walkway then painting, and planting along Phaholyothin road from Big C supermarket Sapankwai branch through Victory Monument.

- **Educational Support**

(1) Sponsoring to 12 public agencies and non-profit organizations as follows, on activities of the

National Children's Day on Saturday, January 13, 2017, to promote saving awareness to children by giving away learning media materials and Piggy Banks:

- Wat Pan Prasitharam School, Samutprakarn Province
- Niramai Community School and Radio Station, Nakhonpanom Province
- Ban Sap Nam Yen School, Nakhonratchasima Province
- Nak Kham Pittaya School, Nakhonratchasima Province
- Samakkhee Tham School (Muslim Youths of Ban Pak Lad)
  - Disability Equality Promotion Fund
  - Department of Industrial Works
  - First Battalion of Artillery, Royal Guard
  - Office of Finance, Mahasarakham Province
  - Bang Sue Police Station
  - Phyathai District Office
  - Parliament

(2) Granting ten scholarships totaling 10,000 baht, to eligible children of the officials of Phayathai District Officers. The activity held under the cleaning project at the SME Bank head office.

- **Foster the Buddhism**

(1) The Kathin ceremony of the Bank this year took place at Pikul-Ngoen Temple on October 8, 2017, where about 500 participants including executives, employees, and devotees partook and donated proceedings 888,888.88 baht to renovate the religious places and uphold Buddhism.

(2) Donating 5,000 baht for the construction of a temple at Sai Tong temple, Petchburi province, in cooperation with the first Infantry Regiment, the Bank's partner agency.

(3) Sponsoring media sets in the prayer room in ten southern provinces value 25,000 baht for Promoting Religious Practices under the "Return Peace to the southern region" project.

- **Volunteer Activity**

In 2017, the Bank participated in volunteer activities this year focused on a commemoration of King Rama IX and a display of loyalty to the Monarchy, such as:

(1) The artificial 15,999 flowers making project used for the cremation of the late King Bhumibol taking place at the Bank's Head Office. The participants were the Bank's all level of employees, public agencies such as the State Enterprise Policy Committee, Samsaen Witthayalai School, and interested people.

(2) Sponsoring drinking water and umbrellas to the Security Administrative Force of the Royal Palace to facilitate conveniences for the people who came to pay homage to the late King Rama IX during May to September 2017 at Sanamluang.

(3) Volunteer by executives and employee 15 persons daily to give away snacks and refreshments to the public who came to worship the remains of the late King at the tents of the Ministry of Finance and the Ministry of Industry, Ratchadamnoennoak Ave.

(4) Caravanning the survival kits for floods victims of the three Southern provinces; Prachuapkhirikhan, Suratthani, and Nakhonsrithammarat.

(5) During 17 – 25 December 2017, the Bank hosted the Season Greeting's 2018 shopping fair at Klong Phadung Krung Kasem market. An event of making merit by offering luncheon to 9 monks from Sommanat Ratchaworawiharn Temple held for SMEs and customer sellers, including shoppers to join the ceremony.

(6) According to above fair on December 20th which was the Bank's 16th Founding day held another activity to raise fund amounting of 275,000 baht donated to the Veterans Hospital partially by the auction of the loved items from celebrities.

(7) Fundraising by selling the Red Cross lotteries the total amount of 565,000 baht helped support charity work for the Ministry of Finance and Ministry of Industry.



## 8. The Cooperation with Other Organizations

There were 33 agencies that signed up the memorandum of understanding to cooperate with the Bank.

- **The Cooperation with the Domestic Agencies:** in projects according to the memorandum of understanding as follows:

(1) According to the Cabinet Resolution that approved the establishment of SME Development Fund followed the Pra-cha-rut Ideology by the Ministry of Industry with the budget allocation of 20,000 million baht and SME Development Bank was designated one of the project operation units. The project aimed to provide financial support in transforming SMEs into the high-value industries and value added creation into the economy in line with Thailand 4.0 policy and also for SMEs who lacked the opportunity of access to legally financial institutions to use to scale up their business and attractive to financial institutions. Thailand 4.0 Direction emphasized strengthening local economy through the Pra-cha-rut ideology or popularist mechanism, which worked by the collaboration of all parties; public agency, private sector, and local unit. The execution was the financial support provided together with SMEs development. The progress of the

project since the beginning of the project until December 31, 2017, the SMEs' loan requests, including those from sub-committee fund management of each province and those that the Bank finished the analysis and forward to the approval process, total 1,623 cases valued 6,297.72 million baht.

(2) The project of "Promoting and Supporting the Potential of SMEs" was to strengthen SMEs to sustainable growth in cooperation with three companies; Saijo Denki International Co., Ltd., AEC Talad Tor Yod Co., Ltd., Coffee Wawee Co., Ltd. and an partner agency; Lamphun Chamber of Commerce. The project promoted SMEs to extend their businesses, build strong networking, competitive and prompt to the era of industry 4.0.

(3) "Tourism Business and Community Tourism Enterprises" loan project undertook in cooperation with the Department of Business Development and 12 franchiser enterprises, namely, Praphawan Group Ltd., K-Nex Corporation Co. Ltd., Teddy House Co. Ltd., Car Lac (Thai-German) Co. Ltd., N & B Pizza Crape Co. Ltd., Doi Chang Franchise Management Co., Ltd., Meena-Thai Cooperation Co., Ltd., Purich One Co., Ltd., Sor Khonkaen Foods Co., Ltd., Rich Restaurant Co., Ltd., Hokkaido Morimoto Co., Ltd., and P.D. House Corporation Co. Ltd., to support SMEs access to funding and job creation.

- **Cooperation with International Organizations**

(1) Reception to the study visit groups and seek for cooperation during 2017 as follows:

- Embassy of the republic of the Singapore to the kingdom of Thailand (Mr. Wong Kai Jiun: Deputy Chief of Mission and Consular) on February 17.
- Oxford Business Group on March 24
- Royal Thai Embassy Cairo on May 23
- The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and its workshop attendance.

(2) SME Bank's study trip overseas

- A study trip during April 18 - 22, 2017 along with the Department of Industrial Promotion, Ministry of Industry, regarding the One-Stop Comprehensive Support for SMEs in Japan to learn its SME supporting

network and applied Regional Integrated SME Promotion Mechanism in Thailand.

- A business trip to Hong Kong during April 26–30, 2017, along with the Department of Industrial Promotion, Ministry of Industry, regarding the collaboration on the development of special economic zone and SMEs.

- A study trip to Singapore during October 18-20, 2017, along with the Bank's consultant, regarding SMEs development of Spring Singapore and site visit to several SMEs, e.g. Sri Ambikas Pte Ltd., Food Innovation & Resource Centre (FIRC), Boon Tong Kee, and Fin Lab.

- A study trip to Singapore during October 18-20, 2017, along with the Bank's consultant, regarding SMEs development of Spring Singapore and several companies visit, e.g. Sri Ambikas Pte Ltd., Food Innovation & Resource Centre (FIRC), Boon Tong Kee, and Fin Lab.

# Business Direction for 2018

The Bank proceeds the business direction in line with its mission and the government policy. In 2018, the Bank will be focusing on strengthening small and medium enterprises by providing financial services together with empowering knowledge and skills as well as accelerating the resolution for its own organization. The Bank is also

undertaking its long-term business model as not to compete with commercial financial institutions. Owing to current financial gaps where tremendous micro SMEs cannot yet reach the source of capitals from commercial financial institutions, the marketing opportunity occurs that required the Bank to propel its mission.

## The Policy of Relevant Agencies



**OBJECTIVES**

**Under the SME Bank Act :** “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 investment, giving recommendations, suggestion, or providing other necessary services”



**Guidelines & Directions of SME Bank’s Operations**

SME Bank shall increase the role of entrepreneurial development to be more concentrated and elevated a core mission to be “ **SME Development Bank** ”

**Strategic Plan for Year 2018-2022 and Strategy**



The Bank has set 3 Strategic Plan consisted of 7 Strategies.

**Strategy 1: Stabilize Financial Position** aims to strengthen the financial position of the Bank to reduce its dependence on the government budget. The strategy constitutes 3 strategic plans as follows:

#### ❖ Quality Loan Expansion

The Bank has improved and integrated the loan process as well as the internal control system to support new loan expansion, including project loan from government policy mandate. The Bank will employ its Mobile Unit for offering financial services penetration micro-enterprises and SMEs (MSMEs) across local communities. The existing customer base will be selective to ensure loan quality, and use for both generating new customers as well as expand. Creating good image and relationship with customers will encourage through SMEs development activities, with the collaboration among allied partners and relevant agencies, in providing services and empowering competitiveness to the customers of SME Bank.

#### ❖ NPLs Management

The Bank has been committing to manage its nonperforming loans (NPLs) in accordance with its rehabilitation plan. The Bank has designated the NPLs corrective measures to suit the debtor group, according to the ability of repayment, and process improvement to increase the efficiency of loan monitoring. Intensive monitoring is to prevent the downgrading of new loan origination, including monitoring the loans guaranteed by Thai Credit Guarantee Corporation (TGC) to ensure their existence within TGC's guarantee ceiling. These strategies were proved as evidence of its performance during of the years 2015 – 2017.

#### ❖ Strengthen Financial Security

SME D Bank shall continue to strengthen its capital reserve by maintaining its net profits to reduce the

dependency on the government budget and maintaining its liquidity secure. In order to reflect its financial sound and in response to uncertainty upcoming and shall implement as per the financial risk management policies, the Bank need to adjust its capital reserve setting in accordance with the guidelines of the Bank of Thailand and make it in full as required, including arrange the excess reserve as projected at an appropriate level.

**Strategy 2: Support to SMEs to Access to Financing together with entrepreneurship development (SME Development Bank for SME Spring up)** - as a truly development bank in supporting SMEs on financial capital and strengthening potential SMEs in terms of elevating entrepreneurship in all aspects such as, production or services to meet appropriate standards, productivity improvement, encourage innovation, and toward international market. The implementation plans are as following:

#### ❖ Create Opportunities, Empower, and Joint Venture toward Entrepreneur Development

The Bank shall serve as both the core and ancillary agency in helping, developing and supporting SMEs of each sector the opportunities to access to the financial source and enhance their business potentials and competitiveness that in line with the National Strategy that aims for 10 targeted S-Curve industries toward industrial 4.0. Financial services include joint venture for potential businesses and investment in the ecosystem as to encourage and support SMEs to obtain the platform of entrepreneur development. The Bank will also initiate SMEs Core Portal an information technology platform for entrepreneur development. The challenge lies in accelerating the enhancement of its SME development officers with “the 2 in 1 approach”; as developers along with financial service providers.



**Strategy 3: Transform toward a truly Developmental Bank** The Bank will revamp its business process and services through; the use of modern information technology, enhancement human resources at all levels. This will achieve along with 3 strategies as follows:

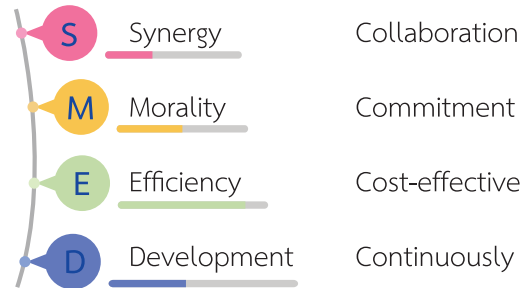
❖ **Development of the Working System and Work Processes along with the Mission and with Standards.**

The Bank will improve working processes and the loan administration to increase its efficiency by adopting and developing the information technology system for more efficient operations under the information technology master plan. Data integration is also the challenge to pursue within the organization to prepare the bank to enter toward the Digital Banking.

❖ **Human Resource Development Enhance work skill and Good Governance**

The Bank aims at its core business as well as develops the human resources along with the good corporate governance under the three strategies;

creating talented people, promoting good people, and supporting happiness to the employees that links with “SME-D-D Mak Mak” the Bank’s core values.



❖ **Risk Management and Internal Control**

The SME Bank shall develop tools and improve the process of risk management and internal control system in compliance with the guidelines and the principles of good governance practice as a crucial part of the corporate culture. The process is taken into consideration the risk protection and risk mitigation in line with the risk management guidelines for SFIs under the supervision of The BOT.

## Statement of Board of Directors' Responsibilities for Financial Reporting

The board of directors has recognized the importance and realized their duties and responsibilities to the financial statements and financial information as present in this annual report. The financial statements are prepared in compliance with generally accepted accounting standards and principles under appropriate and accounting policy and consistently practice, based on prudence, accuracy, completeness, and reasonableness, that fully reflects the performance of the Bank. The Bank has reported its operating results and transparently disclosed significant information and sufficiently in the Notes to the financial statements.

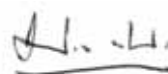
The board of directors has set up and maintained the risk management system, the internal control and internal audit systems, and an appropriate and effective governance to ensure that the Bank's financial statements are correct, complete, and sufficient as to maintain the Bank's assets as well as to prevent fraud or significant misconduct.

The board of directors has appointed the Audit Committee, including independent directors, to oversee and review the reliability and accuracy of the financial reporting, and the Risk Management Committee. These Committees, comprised capable and knowledgeable members, oversee the internal control over financial reporting as sufficient and appropriate, and to ensure that financial statements of the Bank are reliable as expressed in the accompanying Report of the Audit Committee.

In the board of directors' opinions, the overall internal control of the Bank is sufficient, appropriate, and provides reasonable assurance that the financial statements of the Bank as of December 31, 2017, present fairly, in compliance with generally accepted accounting principles and the relevant applicable rules and regulations.



(Signed) Pasu Loharjun  
(Mr. Pasu Loharjun)  
Chairman of the Board of Director



(Signed) Mongkon Leelatham  
(Mr. Mongkon Leelatham)  
President



(TRANSLATION)

## AUDITOR'S REPORT

To: The Shareholders of The Small and Medium Enterprise Development Bank of Thailand

### Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of the Small and Medium Enterprise Development Bank of Thailand, which comprise the statements of financial position as at December 31, 2017, the statements of profit or loss and other comprehensive income, the statement of changes in equity, and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the financial statements present fairly, in all material respects, the financial position of the Small and Medium Enterprise Development Bank of Thailand as at December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with Thai Standards on Auditing (TSAs). The State Audit Office of the Kingdom of Thailand's responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial statements section of the State Audit Office of the Kingdom of Thailand's report. The State Audit Office of the Kingdom of Thailand is independent of the Bank in accordance with the ethical requirements set out in the State Audit Standards issued by the State Audit Commission and the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to the State Audit Office of the Kingdom of Thailand's audit of the financial statements, and has fulfilled other ethical responsibilities in accordance with these requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence the State Audit Office of the Kingdom of Thailand has obtained is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's opinion.



### **Emphasis of Matter**

The State Audit Office of the Kingdom of Thailand draws attention to Notes 5.31.2 to the financial statements which described the Litigations that the Bank has been prosecuted as a defendant in the case of breach of Cross Currency Swap Contract (CCS Contract), and interest rate Swap (IRS Contract) on floating-rate certificate of deposit (FRCD) total claim of Baht 1,074.01 million and USD 135.74 million. The case is under consideration by the Supreme Court. The Bank has set aside provision for the case in the amount of Baht 1,644.04 million. The State Audit Office of the kingdom of Thailand's opinion is not modified in respect of these matter.

### **Other Information**

Management is responsible for the other information. The other information comprises the information include in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to the State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The State Audit Office of the Kingdom of Thailand's opinion on the financial statements does not cover the other information and The State Audit Office of the Kingdom of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, the State Audit Office of the Kingdom of Thailand's 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 the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

State Audit Office of the Kingdom of Thailand

## (TRANSLATION)



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In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a 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**

The State Audit Office of the Kingdom of Thailand's 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 the State Audit Office of the Kingdom of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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.

As part of an audit in accordance with TSAs, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The State Audit Office of the Kingdom of Thailand also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the State Audit Office of the Kingdom of Thailand's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes 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's ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention



in the auditor's report of the State Audit Office of the Kingdom of Thailand to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand's opinion. The State Audit Office of the Kingdom of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates 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.

The State Audit Office of the Kingdom of Thailand communicates 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 the State Audit Office of the Kingdom of Thailand identifies during the State Audit Office of the Kingdom of Thailand's audit.

(Signed)

Thurdpong Pongsaksri

(Mr.Thurdpong Pongsaksri)

Director of Financial and Procurement Audit Office No. 3

(Signed)

Chalursri Vipusaporn

(Miss Chalursri Vipusaporn)

Auditor, Senior Professional Level

State Audit Office of the Kingdom of Thailand

May 25, 2018

## (TRANSLATION)

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## Small and Medium Enterprises Development Bank of Thailand

## Statement of Financial Position

As at December 31, 2017

	Notes	Unit : Thousand Baht	
		December 31, 2017	December 31, 2016
<b>Assets</b>			
Cash		237	261
Interbank and money market items, net	5.2	5,513,846	4,189,686
Derivatives assets	5.14	14	98
Investments, net	5.3	7,236,280	7,774,842
Loans to customers and accrued interest receivables, net	5.4		
Loans to customers		65,505,674	68,151,607
Accrued interest receivables		172,611	183,119
Total loans to customers and accrued interest receivables		65,678,285	68,334,726
Less Deferred revenue		124,974	155,849
Less Allowance for doubtful accounts	5.5	7,602,695	7,416,269
Total loans to customers and accrued interests receivables, net		57,950,616	60,762,608
Loans to customer from public service account and accrued interest receivables, net	5.34		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		31,531,746	21,373,534
Portion that is subject to government compensation for damages		3,753,763	4,239,787
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		56,262	45,827
Portion that is subject to government compensation for damages		454,581	181,034
Total loans to customers from public service account and accrued interest receivables		35,796,352	25,840,182
Less Deferred revenue from public service account		11,045	18,657
Less Allowance for doubtful accounts from public service account	5.34.3	2,499,787	2,069,114
Total loans to customers from public service account and accrued interest receivables, net		33,285,520	23,752,411
Properties for sale, net	5.6	1,332,015	1,370,459
Premises and equipment, net	5.7	1,659,747	724,584
Assets in progress	5.8	11,714	17,278
Advance for Legal costs, net	5.9	0	0
Other intangible assets, net	5.10	25,240	25,443
Other accounts receivables from sale of debt		260,851	1,919,019
Other assets, net	5.11	582,355	603,094
Total assets		107,858,435	101,139,783

Notes to the financial statements are an integral part of these financial statements.

(TRANSLATION)

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**Small and Medium Enterprises Development Bank of Thailand**

**Statement of Financial Position (continued)**

**As at December 31, 2017**

	Notes	Unit : Thousand Baht	
		December 31, 2017	December 31, 2016
<b>Liabilities and shareholders' equity</b>			
Deposits	5.12	85,517,285	74,132,436
Interbank and money market items, net	5.13	8,407,439	15,327,820
Liabilities payable on demand		55,530	15,615
Derivative liabilities	5.14	13	6
Debt issued and borrowings	5.15	290,117	292,116
Provisions	5.16	2,073,455	1,472,393
Accrued interest payables	5.17	635,165	528,159
Grant fund from the Bureau of the Budget	5.18	23,053	23,053
Other liabilities	5.19	919,545	851,568
<b>Total liabilities</b>		<b>97,921,602</b>	<b>92,643,166</b>

Notes to the financial statements are an integral part of these financial statements.



## (TRANSLATION)

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## Small and Medium Enterprises Development Bank of Thailand

## Statement of Financial Position (continued)

As at December 31, 2017

	Notes	Unit : Thousand Baht	
		December 31, 2017	December 31, 2016
<b>Liabilities and shareholders' equity (Continued)</b>			
<b>Shareholders' equity</b>			
Share capital	5.20		
Authorized share capital			
300,000,000 Ordinary shares of Baht 100 each		30,000,000	30,000,000
Issued and paid-up share capital			
200,066,318 Ordinary shares of Baht 100 each		20,006,632	20,006,632
Premium or discount on share capital		(5,251,632)	(5,251,632)
Other components of equity	5.21	972,045	(7,720)
Retained earnings (deficit)			
Appropriated			
Legal reserve		48,192	48,192
Others		216,457	216,457
Unappropriated		(6,054,861)	(6,515,312)
Total retained earnings (deficit)		(5,790,212)	(6,250,663)
Total shareholders' equity		9,936,833	8,496,617
Total Liabilities and Shareholders' Equity		107,858,435	101,139,783

Notes to the financial statements are an integral part of these financial statements.

(Signed) Pasu Loharjun  
(Mr. Pasu Loharjun)  
Chairman Of The Board Of Director

(Signed) Mongkon Leelatham  
(Mr. Mongkon Leelatham)  
President

**Small and Medium Enterprises Development Bank of Thailand**  
**Statement of Profit or loss and Other comprehensive income**  
**For the year ended December 31, 2017**

		Unit : Thousand Baht	
	Notes	2017	2016
Interest income	5.22	3,846,058	3,972,571
Interest expenses	5.23	1,030,201	1,318,393
Interest income, net		<u>2,815,857</u>	<u>2,654,178</u>
Fees and service income		186,828	324,379
Fees and service expenses		72,243	76,302
Fees and service income, net	5.24	<u>114,585</u>	<u>248,077</u>
Gains on trading and foreign exchange transactions	5.25	7	81,265
Gains (losses) on financial instrument designated at fair value through profit or loss (Fair value option)	5.26	695	(80,544)
Gains (losses) on investments, net	5.27	(7,167)	57,740
Other operating income			
Dividend income		9,821	9,384
Gain on sale of debt		-	48,200
Other income		171,000	163,047
Total other operating income		<u>180,821</u>	<u>220,631</u>
Revenue from public service account	5.34.4	1,820,904	1,570,143
Total operating income		<u>4,925,702</u>	<u>4,751,490</u>
Other operating expenses			
Employee' expenses		852,311	758,593
Directors' remuneration		3,224	3,611
Premises and equipment expenses		217,011	203,846
Taxes and duties		17	38
Derivative expenses		304,008	-
Other expenses		239,557	143,017
Total other operating expenses		<u>1,616,128</u>	<u>1,109,105</u>
Expenses from public service account	5.34.5	1,841,153	1,572,757
Impairment loss of loans and debt securities	5.28	1,011,603	410,699
Net Profit		<u>456,818</u>	<u>1,658,929</u>
Other comprehensive income (losses)			
Items that will be reclassified subsequently to profit or loss			
Gains (losses) on revaluation of available-for-sale investment		9,856	(33,125)
Items that will not be reclassified subsequently to profit or loss			
Actuarial losses on defined benefit plans		(10,592)	(50,525)
Total other comprehensive income (losses)		<u>(736)</u>	<u>(83,650)</u>
Total comprehensive income		<u>456,082</u>	<u>1,575,279</u>
Basic earnings per share		<u>2.28</u>	<u>9.53</u>

Notes to the financial statements are an integral part of these financial statements.

(Signed) **Pasu Loharjun**  
(Mr. Pasu Loharjun)  
Chairman Of The Board Of Directors

(Signed) **Mongkon Leelatham**  
(Mr.Mongkon Leelatham)  
President

(TRANSLATION)

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Small and Medium Enterprises Development Bank of Thailand

Statement of Changes in Shareholders' Equity

For the year ended December 31, 2017

Unit : Thousand Baht

	Issued and paid up share capital	Premium or discount on share capital	Other components of equity			Total other components of equity	Retained Earning (Deficit)			Total
			Revaluation surplus (deficit) on investments	Capital Surplus of Asset Valuation	of equity		Appropriated	Appropriated others	Unappropriated	
<b>Beginning balance as at January 1, 2016</b>	16,380,816	(2,625,816)	25,051	-	25,051	48,192	216,457	(8,211,362)	5,833,338	
Correction of error	-	-	-	-	-	-	-	87,646	87,646	
The balance after adjustment	16,380,816	(2,625,816)	25,051	-	25,051	48,192	216,457	(8,123,716)	5,920,984	
Issue of share capital	3,625,816	-	-	-	-	-	-	-	3,625,816	
Premium or discount on share capital	-	(2,625,816)	-	-	-	-	-	-	(2,625,816)	
Revaluation surplus (deficit) on investment	-	-	354	-	354	-	-	-	354	
Total comprehensive income (losses)	-	-	(33,125)	-	(33,125)	-	-	1,608,404	1,575,279	
<b>Ending balance as at December 31, 2016</b>	20,006,632	(5,251,632)	(7,720)	-	(7,720)	48,192	216,457	(6,515,312)	8,496,617	
<b>Beginning balance as at January 1, 2017</b>	20,006,632	(5,251,632)	(7,720)	-	(7,720)	48,192	216,457	(6,515,312)	8,496,617	
Revaluation surplus (deficit) on investment	-	-	149	-	149	-	-	-	149	
Capital Surplus of Asset Valuation	-	-	-	983,985	983,985	-	-	-	983,985	
Total comprehensive income	-	-	9,856	-	9,856	-	-	446,226	456,082	
Transfer to retained earnings	-	-	-	(14,225)	(14,225)	-	-	14,225	-	
<b>Ending balance as at December 31, 2017</b>	20,006,632	(5,251,632)	2,285	969,760	972,045	48,192	216,457	(6,054,861)	9,936,833	

Notes to the financial statements are an integral part of these financial statements.

(Signed) Pasu Loharjun  
(Mr. Pasu Loharjun)  
Chairman Of Board Of Directors

(Signed) Mongkon Leelatham  
(Mr. Mongkon Leelatham)  
President

## Small and Medium Enterprises Development Bank of Thailand

## Statement of Cash Flows

For the year ended December 31, 2017

	Unit : Thousand Baht	
	2017	2016
<b>Cash flows from operating activities</b>		
Net profits	456,818	1,658,929
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization expenses	91,552	92,819
Bad debt and doubtful accounts	995,118	398,656
Bad debt and doubtful accounts-claims	123,804	(34,994)
(Gain) from disposal of assets	(104)	(315)
Loss on impairment of properties for sale	66,048	34,625
(Reversal) on impairment of properties for sale	(77,223)	(15,568)
Loss (reversal) on impairment of investment	7,167	(15,453)
Premium on investment	13,400	23,481
Loss on retirement of assets	35	-
(Gain) loss on revaluation of foreign currencies	(695)	80,544
Increase in accrued expenses	25,069	45,271
Increase in provisions	590,470	48,636
	<b>2,291,459</b>	<b>2,316,631</b>
Interest income, net	(3,860,233)	(3,586,395)
Dividends income	(9,821)	(9,384)
Cash received from interest income	5,091,957	5,341,006
Cash paid on interest expenses	(1,398,194)	(1,933,240)
Dividend received	9,821	9,384
Operating profit before changes in operating assets and liabilities	<b>2,124,989</b>	<b>2,138,002</b>
(Increase) decrease in operating assets		
Interbank and money markets items	(1,343,912)	3,638,020
Loans to customers	(7,442,761)	(10,857,390)
Properties for sale	49,620	(391,436)
Accounts receivable from the sale of debt	1,658,168	614,438
Other assets	(103,598)	(202,102)
Increase (decrease) in operating liabilities		
Deposits	11,384,849	(1,822,232)
Interbank and money market items	(6,920,381)	4,872,407
Liabilities payable on demand	39,915	(4,363)
Debt issued and short - term borrowing	(1,999)	(17,944)
Grant from the Bureau of the Budget	-	(42,400)
Other liabilities	43,299	(157,640)
Net cash provided by (used in) operating activities	<b>(511,811)</b>	<b>(2,232,640)</b>

Notes to the financial statements are an integral part of these financial statements.

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**Small and Medium Enterprises Development Bank of Thailand**

**Statements of Cash Flow (continued)**

**For the year ended December 31, 2017**

	<b>Unit : Thousand Baht</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from investing activities</b>		
Decrease in time deposits	20,539	22,697
Purchases of securities investment	(592,000)	(1,099,966)
Purchase of premises and equipment	(21,227)	(14,140)
Purchase of intangible assets	(8,872)	(77)
Purchase of assets in progress	(6,777)	(18,997)
Proceeds from disposal of premises and equipment	124	-
Proceeds from securities investment	1,120,000	2,343,114
Net cash provided by (used in) investing activities	<u>511,787</u>	<u>1,232,631</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance for capital increase	-	1,000,000
Net cash provided by (used in) financing activities	<u>-</u>	<u>1,000,000</u>
Net (decrease) in cash and cash equivalents	(24)	(9)
Beginning balance of cash and cash equivalents	261	270
Ending balance of cash and cash equivalents	<u>237</u>	<u>261</u>

Notes to the financial statements are an integral part of these financial statements.

(Signed) Pasu Loharjun  
(Mr. Pasu Loharjun)  
Chairman Of The Board Of Direct

(Signed) Mongkon Leelatham  
(Mr.Mongkon Leelatham)  
President

**Small and Medium Enterprise Development Bank of Thailand****Notes to the Financial Statements****For the year ended December 31, 2017****1. General information**

The Small and Medium Enterprise Development Bank of Thailand 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 situated at 310 SME Bank Tower, Phahonyothin Road, Sam Sen Nai district, Phayathai, Bangkok. The Bank has branches covering all regions of Thailand.

**2. Basis of Presentation and Significant Accounting Policies****2.1 Basis of Presentation of Financial Statements**

The Bank's financial statements are presented and disclose item in accordance with the notification of The Bank of Thailand (BOT) No. SOR KOR SOR 1/2559 dated June 29, 2016 regarding preparation and announcement of the financial statements of Specialized Financial Institution, and financial statements were prepared in conformity with the generally accepted account principle under the Accounting Act, B.E. 2543.

The financial statements issued for Thai reporting and English translation has been prepared for convenience of readers conversant with Thai language.

**2.2 The New and Revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS)**

2.2.1 The Bank has adopted the New and Revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations that announced and revised in accordance with the Federation of Accounting Professions, those are effective for the financial statements of the periods beginning on or after January 1, 2017. The Bank's managements have already considered that they have no significant impacts on the Bank's accounting policies, and the Bank's financial statements.

2.2.2 The Federation of Accounting Professions has announced Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), those are effective for the financial statements periods beginning on or after January 1, 2018, that are relevant to the Bank as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 7 (revised 2017)	Statements of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue

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**2.2 The New and Revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) (continued)**

TAS 19 (revised 2017)	Employee Benefits
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TFRS 13 (revised 2017)	Fair Value Measurement

The Bank has been preparing for adopting related Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) mentioned above. The Bank has considered that there is no material impact on the Bank's financial statements in the period of initial adoption.

**2.3 Changes in Accounting Policies**

The resolutions of the Board of Directors of the Bank Meeting No. 12/2017 held on August 31, 2017, The Bank has changed the accounting policies on Premises and equipment from the method to revaluation method, consisting of Cost Approach and Market Comparison Approach beginning on January 1, 2017.

**2.4 Significant Accounting Policies****2.4.1 Cash and Cash Equivalents**

Cash and Cash equivalents represent cash in hand and cash on collection.

**2.4.2 Recognition of Income****- Interest Income**

The Bank recognized interest income on proportion of time basis using the effective interest rate method, except for interest on loans classified as delinquent over three months which is recognized as on a cash basis.

The Bank reversed all accrued interest income on loans classified as delinquent over three months since the first date of overdue according with Bank of Thailand's regulations.

**- Fees and Service Income**

The Bank recognized fees and service income from loans approval on a cash basis, except for fee income from issuance of guarantee letter which is recognized on a right basis.

**2.4.3 Recognition of Interest Expenses**

Interest expenses on deposits and borrowings are recognized on a proportion of time basis using the effective interest rate method.

#### **2.4.4 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.

#### **2.4.5 Allowance for Doubtful Accounts**

The Bank sets aside the allowance for doubtful account compliance with the Bank of Thailand's under the Notifications No. SOR KOR SOR 14/2559 dated October 11, 2016 regarding Classification and Provision Criteria of Specialized Financial Institution, the Bank of Thailand's under Notifications No. SOR KOR SOR 18/2559 dated June 10, 2016 Regulations on Governance of public service accounts based on the BOT's Regulation on Valuation and Appraisal of Collateral and Immovable Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institution, summarized as follows:

1) The Bank has sets aside the provision for impaired-debtors at 100 percent of the difference between the book value of loans and the present value of expected cash flows from the disposals of collateral as to the practice stipulated by the BOT.

2) Collateral using for calculating the present value of expected cash flows from the disposals are immovable properties, properties, and leasehold rights (The present value of the expected cash flows from disposal are collateral equal to 62 percent of the appraisal value). Other types of collateral are calculated by using the valuation rate stipulated by the BOT.

3) Collateral valuation has been conducted according to the BOT's regulations relating to types of collateral, valuation method, valuation frequency, and values of collateral that could be deductible before provisioning. The underlying collateral is required to reappraise or revalue on a 3-years basis.

The Bank has considered provision base on a quantitative basis by assessing debtor's solvency to repayment, collateral value, and additional debt classification accordance with monitoring reports of the BOT.

Bad debts written off is deducted from allowance for doubtful accounts. Bad debt recovered is recognized as other incomes on the statements of profit or loss and other comprehensive income. The Bank has set criteria and guidelines for bad debts written off recovered and bad debt recovered by written-off debts that debtors classified as doubtful of loss and set full amount of provision to compensate such debts.

#### **2.4.6 Trouble Debt Restructuring**

The Bank considers debtors that expected to be able to pay their debts if there is a compromise condition without any losses of account according to the procedure of the Bank. The Bank uses practices regarding troubled debt restructuring, such as transfer of an asset to pay the debt, change to terms of repayments, and other troubled debt restructuring according to the BOT's announcement No. SOR KOR SOR 14/2559 dated October 11, 2016 regarding Classification and Provision Criteria of Specialized Financial Institution.

#### **2.4.7 Investments**

The Bank's investments consist of debt securities as trading securities, available-for sale securities, held-to maturity debt securities and general investment securities.

Investments in marketable classified as trading and 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 Statements 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.



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**2.4.7 Investments (Continued)**

The debt securities that the Bank intends and is able to hold to maturity classified as held-to maturity are stated at the amortized cost. Premiums or discounts on held to maturity are adjusted to interest income at the end of each month by using the straight-line method. The interest income from held-to maturity debt securities are recorded on actual basis using the effective 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 expense in the Statements of Profit or Loss and Other Comprehensive Income.

**2.4.8 Foreign Currency Translation**

Assets and liabilities in foreign currencies including forward foreign exchange contracts are recorded in Thai Baht at the exchange rates 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.

**2.4.9 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). Building improvement is stated at cost less accumulated depreciation and allowance for asset impairment (if any). Equipment with an acquisition cost not over than Baht 2,000 is charged directly to expense in the period of acquisition.

The Bank has recorded revalued land and Building every 3-5 year by qualified outsource estimator in accordance with the BOT's policy. 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 the surplus. The decreased revaluation that is less than original cost is recorded as expenses in the the Statements of Profit or Loss and Other Comprehensive Income. For the case of disposal, the revaluation surplus of Land and building will be directly transferred to the retained earnings and excluded in the disposal profit or loss.

Depreciation is calculated on the straight-line basis over their estimated useful lives, which are as follows:

Building	10 – 50 years
Building improvement	5– 20 years
Equipment	5– 10 years

Before January 1, 2017, depreciation of premises is calculated on the straight-line basis over their useful lives of 20 years.

**2.4.10 Other Intangible Assets, Net** consisted of:

Software licenses and computer system development are stated at cost deducting accumulated amortization is calculated on a straight-line method over their useful lives 5-10 years and recognized in the statements of profit or loss and other comprehensive income.

Leasehold rights are stated at cost less accumulated amortization. Amortization is calculated on a straight-line method under the appropriate of time period specified in the agreement and recognized in the statements of profit or loss and other comprehensive income.

**2.4.11 Properties for Sale, Net**

Properties for sale are the Bank's assets. The Bank has purchased those assets that mortgaged to the SME Development Bank from the public auction ordered by the court, and the Bank has the intention to sell the property later.

Properties for sale are stated at the value of the transfer payment or sale value from the sale by public auction and recorded to some debt repayment less allowance for impairment (if any). The Property has been assessed against the transfer the market price by the bank. Losses in impairment are recognized as other operation expenses or income 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 debt is repaid.

According to the BOT's Policy THOR PO THOR. PHOR NOR SOR.(23) WOR.745/2559 dated June 10, 2016 ,regarding Delivery Policy of Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, the properties for sale in the amount of exceeding Baht 50 million are appraised by the external appraisers, and the amount of not exceeding Baht 50 million are considered appraised by the internal or external appraisers depending on the Bank.

**2.4.12 Derivatives**

Assets and liabilities with risk protection are recognized gain (loss) according to the fair value. Hedging instrument of assets or liabilities will be recognized as gain (loss) are subsequently measured at fair value under the appropriation of time periods.

Hedging instrument of assets or liabilities will be recognized accrued interest payable and receivable under the appropriation of time periods.

**2.4.13 Employees Provident Fund**

The Bank established a provident fund under the Provident Fund Act B.E. 2530 and entered to the registered fund 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 can contribute to the fund at the rate of 3-9% according to the period of the employment and the Bank contribution to this is at the rate of 5-10% according to the period of the employment. The Bank employees will be reimbursed the benefits according to the employee's period of the employment.

The Bank contribution to the provident fund for employees as to expenses for employees in the Statement of Profit or Loss and Other Comprehensive Income.

**2.4.14 Employee Benefit Plan**

The Bank provides estimate of employee benefits obligations from statutory compensation under the Labor Protection Act Employee benefit Obligation 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 flows of the benefits expected future payment including forecasts salaries of employees, turnover rate, and rate of increases salaries, discount rate and other.

The Bank recognizes employee benefits expenses as expenses in respect of employees in the Statements of Profit or Loss and Other Comprehensive Income.

Gains (losses) on actuarial projections Recognize retained earnings through profit (Total) (loss) in comprehensive period in which the entire amount arise.

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**2.4.15 Rented Assets**

Operating lease contracts The Bank has classified to operating leases and recorded as non-interest expense in the Statements of Profit or Loss and Other Comprehensive Income for monthly payment, throughout the term of the contract.

**2.4.16 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.

**2.4.17 Reserve for Investment**

The Bank set aside 25% of previous year's net profit as reserves for investment in the new projects.

**2.4.18 Basic Earnings (Loss) Per Share**

Basic earnings (loss) per share are calculated by dividing the net income with the number of weighted-average issued and paid-up share capital at the end of the year.

**3. Risk management****3.1 The Bank's Risk Information****Strategic Risk**

Strategic risk is the risk generates from inappropriate strategic planning, operation, and implementation not in line with internal factors and external environment producing undesirable impact on the earnings, capital funds or business survival. Or will take into consideration, whether the matter the Bank is implementing or will do in the future, impact on its survival and security?

Here's a roundup of the strategic risk management as follows:

- 1) Establish / review the strategic risk management policy framework as a guideline and implementation.
- 2) Formulate strategy and target of the Bank based on the internal and external factors, such as the operating results and current predicament of the Bank, the economic condition, SMEs' business condition, the government policy, and other risk factors facing the Bank, etc., by using the data and results of SWOT analysis as a component. Later, follow up process is to compare and ensure its operating performance meet the targets.
- 3) Adopt the COSO as the guidelines used in the process of risk management planning of the Bank, in compliance with the State Enterprise Performance Appraisal (SEPA) by connecting risk management process with the Bank's objective and strategic planning. Follow up reports are prepared and submitted to the RMC quarterly basis, including mid-year plan review to ensure proper risk management.
- 4) Establish the follow-up process. Monthly report on strategic risk status is presented to the RMC and also submitted to other relevant parties, if in-case-of, to help make corrections or provide direction to implement to achieve the objectives.

**Credit Risk**

Credit risk refers to the risk arisen from the borrower or the counterparties of the Bank, failed to repay or meet contractual obligations, including the probability of downgrading the credit rating of counterparties, which may adversely impact the Bank's performance and capital funds.

**Credit Risk (Continued)**

The Bank has executed the credit risk management process in accordance with the BOT's guidelines on supervision as follows:

1) Proactive to Credit Risk Management: According to the Bank's mission - to support SMEs access to financing, balancing between an effective credit risk management and customer base expansion is challenging. New loan products or measures are designed to support government policy and in line with the Bank's mission. As such, the screening committee involves in the process and is responsible for the risk assessment. Subsequently, the new loan scheme is presented to the RMC for approval before launching. Nonetheless, the Bank has initiated the "co-signing" authority as the Check and Balance mechanism, which complies with the credit policy guidelines, and credit guarantee supported by Thai Credit Guarantee Corp (TCG), in the process of the new loan origination portfolio since 2015. The approach seems to suit the Bank and its target group - micro SMEs - the bulky and speedy characteristic.

In 2017, the Bank has paid more attention to the provision as to aggregate borrowers into groups that were not-yet NPL, alongside with closely monitored the capital adequacy applied with Basel II and reported to the Board of Directors of the Bank every 6 months.

2) Risk Identification: The backtest was carried out on the credit risk measurement classified by loan-account basis. The RMC approved for A-score - the new tool development plan - to enhance the loan process, specifically micro SME (credit line up to 15 million baht) which was the main goal of the Bank.

3) Portfolio Management: The Bank puts efforts and closely monitors the loan quality in charge by Loan Monitoring Group that not only watch over the repayments meet due date but also prevent overdue customers from becoming NPLs. As a conclusion, the year-round activities have involved reviewing the credit risk policy and using tools for enhancing portfolio management as follows:

3.1 Risk Priority: Portfolio management and loan monitoring processes have been classified by the type of risk and the risk factor of each portfolio. Priority gives to those with higher risk in terms of high debt amount in order to reduce NPLs re-entry.

3.2 Warning Report: Monthly report on the First Date Not Paid is alert for action, including in-depth analysis to use for improving the underwriting rules and therefore as the lesson learns to the officers.

3.3 Quality Supervision: Early warning report is to prevent downgraded loan quality. As a result, the priority to loan monitoring aims toward managing higher risk debt with the high probability of default.

3.4 Improvement of the Industrial Loan Ceiling Supervision: The reviews of the industrial loan ceiling supervision use reliable external data to ensure better reflect the risk. The execution of backtesting made earlier during the year help to improve ceiling adjustment more effectively. Moreover, there was also supervision on the ceilings of the trade receivables factoring to reduce the concentration risk of the accounts receivables.

3.5 Industry Rating Review: The industrial confidence data and the NPLs risk are reviewed and properly re-calibrated to cover more industrial sectors to enhance the efficiency of the loan process.

4) NPLs Management: as to reduce the NPLs to meet the set target. The Bank has accelerated the legal actions to the NPLs Re-entry aimed toward those with high debt value and non-cooperative characteristics. The actions lead to other legal processes; the claims from TGC, property seizing, property investigation, auction, and eventually write off. However, a more supportive approach employs to deal with micro SMEs who still have sufficient cash flow for repayments under the loan restructuring agreements. The loan monitoring officers visit and negotiate with sincere help offer to them in order to keep their business going.

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**Credit Risk (Continued)**

The Bank has followed up and prepared the monthly report of credit portfolio movement to the management. The report includes qualitative analysis and trends of risk profile classified by the amount of credit line; over 15 million baht and up to 15 million baht, to use for imposing strategy for loan expansion as well as the direction for improvement on the process regarding the execution of debt management. Particularly, special mentioned class and restructured debt require close monitoring.

**Market Risk**

**Market risk** refers to the risk that the Bank may affect by changes in the value of the position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate, the equity prices, the exchange rates, and commodity prices.

The Bank has conducted the market risk management in line with the BOT's guidelines as follows:

- 1) Establish the market risk management policy framework as the guidelines for managing and controlling, including the interest rate risk in banking book portfolio, the financial position in the trading book and banking book portfolio.
- 2) Develop the instruments for measurement and assessment of the Market Risks such as:
  - Repricing Gap - the analysis of the difference between periods of interest rate repricing, or the remaining contract periods between assets liabilities and the off-balance sheet items. And the consideration of the impact of the interest rate changes on the Bank's revenue and economic value.
  - The measurement of the impact of the changes in the risk factors such as DV01 - the money value of an interest rate drops of one basis point, the fair value of the bond, and foreign currency transactions.
- 3) Monitor and control of the market risk as follows:
  - Set the market risk limits and annually evaluate to maintain the appropriate market risk limit.
  - Present the investment status report and the market risk status report to the Board of Directors of the Bank and relevant executives regularly.
  - Oversee the market risk management by executives and related committees, namely the Assets and Liabilities Management Committee and the Risk Management Committee.

**Liquidity Risk**

Liquidity risk refers to the risk that the Bank fails to repay liabilities or obligations on due date because of inability to liquidate assets into cash or having insufficient funds or acquiring funds at a higher unacceptable cost thus affecting earnings and capital funds.

The Bank implements liquidity risk management in compliance with the BOT's guidelines as follows:

- 1) Establish the Liquidity Risk Management Policy that used as guidelines for managing and controlling of liquidity risks.
- 2) Develop the instrument for measurement and assessment liquidity risk such as:
  - Liquidity Gap report
  - The measurement and assessment of liquidity risk using the financial ratios such as the large-deposit concentration ratio, the reserve requirements and liquidity mismatch etc.

**Liquidity Risk (Continued)**

3) Monitor and control the liquidity risk as follows:

- Set the liquidity risk limits and annually evaluate to maintain an appropriate risk level.
- Present liquidity risk status reports to the Board of Directors of the Bank and relevant executives regularly.
- Oversee the liquidity risk management by executives and related committees, namely the Assets and Liabilities

Management Committee and the Risk Management Committee.

**Operational Risk**

**The Operational Risk refers to the risk that may cause damage due to the lack of good corporate governance or good internal control.** It may involve the internal operation, work process, the operators, or other external factors, that may negatively impact the Bank's earnings and capital funds. However, it does not include the strategic risk and the reputational risk.

The Bank has conducted its operational risk management in accordance with the BOT's guidelines, aimed to reduce or control the probability of risk by setting up the preventive measures on routine jobs which have established good internal control system as follows:

1) The Bank has fully established the policy related to the operational risk management in accordance with the BOT's guidelines. The framework includes operational risk management policy, the business continuity management policy, the outsourcing policy, and the IT security policy.

2) The Bank has formulated the policy related to the compliance risk management, such as the compliance risk management policy, the anti-money laundering and counter financing terrorist policy, and the known your customer policy.

3) The Bank has developed the instruments or methods for measurement and assessment the Operational Risks such as:

- Seminar training and workshop are provided for all levels to ensure an effective operation.
- Conduct the Risk Control Self-Assessment (RCSA) of all department units throughout the Bank, annually

and continuously.

4) The Bank has prepared to deal with the potential risk that might occur and affect its operational services to the customers.

Therefore, the business continuity management (BCM) framework has been conducted as BCM Life Cycle, to ensure constant development, under the activities as follows:

- Establishing the business continuity management policy (BCM) and revision together with the Business Continuity Plan (BCP) and the faced events and restore plan (FRP) as a management framework, including the structure of line management and responsibility. The risk agencies, the representative from each unit, are assigned.
- Building BCM as part of the corporate culture.
- The implementation starts with seminar training and workshop regarding the risk tolerance of the Bank by using the Business Impact Analysis (BIA) for examining and prioritizing the Bank's risk factors: products, services, business processes, and other activities. The assumption is also including other risk factors under the circumstances that might affect the Bank. The recovery process pursues to ensure the business continuity in terms of customer service, business partners' transaction, or avoid the risk of the lawsuit.
- Planning for the Recovery Strategy and Guidelines inresponding to the Bank's major operational disruption.
- Developing and Implementing BCM Response.
- Exercising, Maintaining and Reviewing BCP regularly.

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**Operational Risk (Continued)**

5) The monitoring and controlling of the operational risk have been done as follows:

- Preparing the report of the operational risk status and submitting to the Risk Management Committee regularly.
- Appointing all department units as the risk owners; responsible for their operational risk management. Risk owners prepare Data Loss reporting along with the solutions in compliance with the BOT's guidelines and submit to the risk management department for consolidation and integration of risk identification and solution, then, present the integrated report to the RMC regularly.

As at December 31, 2017, and 2016, SME Development Bank had major assets and liabilities based on remaining time to maturity as follows:

	Unit : Million Baht					
	2017			2016		
	<u>Not over 1 year</u>	<u>Over 1 year</u>	<u>Total</u>	<u>Not over 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<b>Assets</b>						
Interbank and money						
market items	5,513.85	-	5,513.85	4,189.69	-	4,189.69
Investment, net	1,305.18	5,931.10	7,236.28	1,120.15	6,654.69	7,774.84
Loans to customers	<u>17,394.86</u>	<u>83,396.32</u>	<u>100,791.18</u>	<u>23,594.72</u>	<u>70,170.21</u>	<u>93,764.93</u>
Total	<u>24,213.89</u>	<u>89,327.42</u>	<u>113,541.31</u>	<u>28,904.56</u>	<u>76,824.90</u>	<u>105,729.46</u>
<b>Liabilities</b>						
Deposits						
	75,465.53	10,051.76	85,517.29	61,830.99	12,301.45	74,132.44
Interbank and money						
Market items	235.76	8,171.68	8,407.44	7,600.90	7,726.92	15,327.82
Debt issued and borrowings	<u>114.67</u>	<u>175.45</u>	<u>290.12</u>	<u>116.67</u>	<u>175.45</u>	<u>292.12</u>
Total	<u>75,815.96</u>	<u>18,398.89</u>	<u>94,214.85</u>	<u>69,548.56</u>	<u>20,203.82</u>	<u>89,752.38</u>

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## 3.2 Fair Value of Financial Instruments

Type of Financial Instruments	Unit : Million Baht			
	2017		2016	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>				
Cash	0.24	0.24	0.26	0.26
Interbank and money market items, net	5,513.85	5,513.85	4,189.69	4,189.69
Derivatives assets	0.01	0.01	0.10	0.10
Investments, net	7,236.28	7,236.28	7,774.84	7,774.84
Loans to customers, net	<u>91,236.14</u>	<u>91,236.14</u>	<u>84,515.02</u>	<u>84,515.02</u>
<b>Total</b>	<b><u>103,986.52</u></b>	<b><u>103,986.52</u></b>	<b><u>96,479.91</u></b>	<b><u>96,479.91</u></b>
<b>Financial Liabilities</b>				
Deposits	85,517.29	85,517.29	74,132.44	74,132.44
Interbank and money market items, net	8,407.44	8,407.44	15,327.82	15,327.82
Liabilities payable on demand	55.53	55.53	15.61	15.61
Derivatives liabilities	0.01	0.01	0.01	0.01
Debt issued and borrowing	<u>290.12</u>	<u>290.12</u>	<u>292.12</u>	<u>292.12</u>
<b>Total</b>	<b><u>94,270.39</u></b>	<b><u>94,270.39</u></b>	<b><u>89,768.00</u></b>	<b><u>89,768.00</u></b>

## 3.3 Statutory Capital Fund

	Unit : Million Baht	
	2017	2016
<b>Tier 1 Capital</b>		
Paid-up share capital	20,006.63	20,006.63
Discount on share capital	(5,251.63)	(5,251.63)
Legal reserves	48.19	48.19
Investments reserves	216.46	216.46
Unappropriated retained earnings	<u>(6,054.86)</u>	<u>(6,515.31)</u>
<b>Total Tier 1 Capital</b>	<b><u>8,964.79</u></b>	<b><u>8,504.34</u></b>
<b>Tier 2 Capital</b>		
Reserve for normal assets (see Note5.4.4)	-	<u>455.66</u>
<b>Total Tier 2 Capital</b>	<b>-</b>	<b><u>455.66</u></b>
<b>Total Capital Fund accordance with the BOT's regulation</b>	<b><u>8,964.79</u></b>	<b><u>8,960.00</u></b>

\*The bank's capital fund was calculated based on Basel II framework bagining on July 1, 2017.



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**3.3 Statutory Capital Fund (Continued)**

The Bank's capital fund was calculated based on Ministerial Regulation, B.E. 2549 dated January 24, 2006 in regard the Sustenance of Capital Fund for Small and Medium Enterprise Development Bank of Thailand, and the basis of BOT guideline set forth under Basel II framework.

According to the above regulations the Ministerial of Finance and Basel II framework are required to maintain the capital adequacy ratio of not less than 8.5% provided that the Tier 1 capital must not be less than 4.25% of total risk assets. As at December 31, 2017, and 2016, the Bank maintained a ratio of capital fund as follows:

	<u>Percentage</u>	
	<u>2017*</u>	<u>2016</u>
Capital Fund	11.66	22.38
Tier 1 Capital	11.66	21.24

\*As at December 31, 2017, the Bank calculated loan-risk assets under guarantee scheme of Thai Credit Guarantee Corporation (TCG) by the basis of compensation instead of collateral.

**4. Estimation and Assumption**

The preparation of this financial statements in conformity with the Thai financial reporting standards; requires management to make estimate and assumptions that affect the application of policies and reported amount of the assets, liabilities, income, and expenses. Actual results many differ from estimations.

Estimation and underlying assumption are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates ware revised and in any future periods affected. Information about significant areas estimation uncertainty and assumptions in applying accounting policies has a significant effect on the amount recognized in the financial statements.

**5. Supplementary Information****5.1 Supplementary Information about cash flows**

Significant non-cash items for year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Increase (decrease) Revaluation surplus (deficit) on investment in shareholders' equity	10.01	(32.77)
Increase in properties for sale from loan payment	-	88.22

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**5.2 Interbank and money market items, Net (Assets)**

	Unit : Million Baht					
	2017			2016		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
<b>Domestic Items</b>						
Bank of Thailand	18.37	4,780.00	4,798.37	25.70	3,570.00	3,595.70
Commercial banks	610.94	-	610.94	456.43	-	456.43
Specialized financial institutions	<u>7.11</u>	<u>93.33</u>	<u>100.44</u>	<u>7.01</u>	<u>113.87</u>	<u>120.88</u>
Total	636.42	4,873.33	5,509.75	489.14	3,683.87	4,173.01
<u>Add</u> Accrued interest receivable	<u>-</u>	<u>0.52</u>	<u>0.52</u>	<u>-</u>	<u>0.35</u>	<u>0.35</u>
Total Domestic Items	<u>636.42</u>	<u>4,873.85</u>	<u>5,510.27</u>	<u>489.14</u>	<u>3,684.22</u>	<u>4,173.36</u>
<b>Foreign Items</b>						
US Dollar	<u>3.58</u>	<u>-</u>	<u>3.58</u>	<u>16.32</u>	<u>-</u>	<u>16.32</u>
Total Foreign Items	<u>3.58</u>	<u>-</u>	<u>3.58</u>	<u>16.32</u>	<u>-</u>	<u>16.32</u>
Total Domestic and Foreign Items	<u>640.00</u>	<u>4,873.85</u>	<u>5,513.85</u>	<u>505.46</u>	<u>3,684.22</u>	<u>4,189.68</u>

As at December 31, 2017, and 2016, the domestic deposits of specialized financial institutions in the amount of Baht 93.33 million and Baht 113.87 million respectively, to guarantee against credit for the housing loans of the Bank's employee.

**5.3 Investments, Net**

	Unit : Million Baht	
	2017	2016
	<u>Fair Value</u>	<u>Fair Value</u>
<b>5.3.1 Available-for-sale securities</b>		
Government and state enterprise securities	1,254.87	1,008.18
<u>Add/(Less)</u> Allowance for revaluation	<u>1.93</u>	<u>(7.93)</u>
Total	<u>1,256.80</u>	<u>1,000.25</u>

	Unit : Million Baht	
	2017	2016
	<u>Cost/</u>	<u>Cost/</u>
	<u>Amortized Cost</u>	<u>Amortized Cost</u>
<b>5.3.2 Held-to-maturity debt securities</b>		
Government and state enterprise securities	5,077.56	6,207.65
<u>Add</u> Allowance for revaluation	<u>0.36</u>	<u>0.21</u>
Total	<u>5,077.92</u>	<u>6,207.86</u>

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**5.3 Investments, Net (Continued)**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Cost</u>
<b>5.3.3 General Investment</b>		
Domestic non-marketable equity securities	1,067.77	725.78
<u>Less</u> Allowance for impairment	<u>(166.21)</u>	<u>(159.05)</u>
Total	<u>901.56</u>	<u>566.73</u>
Total investment, net	<u>7,236.28</u>	<u>7,774.84</u>

As at December 31, 2017, and 2016, allowance for revaluation of investments (other components of equity: Revaluation surplus (deficit) on investments) amounted of Baht 2.29 million and Baht (7.72) million respectively (see Note 5.21).

**5.4 Loans to Customers and Accrued Interest Receivable, Net****5.4.1 Classified by Type of Loans**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Loans to customers	64,482.59	66,901.77
Hire purchase receivables (see Note 5.4.7)	839.49	1,059.54
Welfare receivables	<u>183.59</u>	<u>190.30</u>
Total	65,505.67	68,151.61
<u>Less</u> Deferred revenue	<u>(124.97)</u>	<u>(155.85)</u>
Total loans to customers, net of deferred revenue	65,380.70	67,995.76
<u>Add</u> Accrued interest receivables	<u>172.61</u>	<u>183.12</u>
Total loans to customers, net of deferred revenue, plus accrued interest receivables	65,553.31	68,178.88
<u>Less</u> Allowance for doubtful accounts		
1. Minimum reserve under the Bank of Thailand regulations	(7,386.89)	(6,540.97)
2. Excess Allowance	<u>(215.80)</u>	<u>(875.30)</u>
Total loans to customers, net	<u>57,950.62</u>	<u>60,762.61</u>

As at December 31, 2017, the Bank's total loans to customers amount of Baht 100,791.18 million which consist of Baht 35,285.51 million classified as the for the projects of public service accounts and Baht 65,505.67 million for the projects of public sector cooperation and for commercial purpose.

As at December 31, 2016, total loans to customers amount of Baht 93,764.93 million which consist of Baht 25,613.32 million the projects of for the public service accounts and Baht 68,151.61 million for the projects of public sector cooperation and for commercial purpose.

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**5.4 Loans to Customers and Accrued Interest Receivable, Net (Continued)****5.4.2 Classified by Currencies and Customer's Residence**

	Unit : Million Baht	
	2017	2016
Thai Baht	65,505.67	68,151.61
US Dollar	-	-
<b>Total</b>	<b><u>65,505.67</u></b>	<b><u>68,151.61</u></b>

**5.4.3 Classified by Business Types and Loan Classification**

	Unit : Million Baht					
	2017					
	Pass	Special Mention	SubStandard	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,196.97	70.51	211.72	98.61	489.96	2,067.77
Manufacturing and commercial	8,017.34	488.88	275.38	723.52	5,789.40	15,294.52
Real estate and construction	672.87	59.35	31.79	53.21	619.70	1,436.92
Public utilities and services	38,135.48	2,619.03	859.89	1,196.39	3,663.34	46,474.13
Housing loans	183.59	-	-	-	-	183.59
Others	<u>45.68</u>	<u>-</u>	<u>-</u>	<u>3.06</u>	<u>-</u>	<u>48.74</u>
<b>Total</b>	<b><u>48,251.93</u></b>	<b><u>3,237.77</u></b>	<b><u>1,378.78</u></b>	<b><u>2,074.79</u></b>	<b><u>10,562.40</u></b>	<b>65,505.67</b>
<b>Less</b> Deferred revenue						<b><u>(124.97)</u></b>
<b>Total loans to customers-net of deferred revenue</b>						<b><u>65,380.70</u></b>

	Unit : Million Baht					
	2016					
	Pass	Special Mention	SubStandard	Doubtful	Doubtful of loss	Total
Agriculture and mining	1,620.24	107.31	34.62	81.22	498.33	2,341.72
Manufacturing and commercial	9,597.39	867.43	417.39	487.07	5,786.04	17,155.32
Real estate and construction	721.86	38.87	24.82	52.68	661.12	1,499.35
Public utilities and services	40,817.92	1,879.29	664.13	719.92	2,874.41	46,955.67
Housing loans	190.29	0.01	-	-	-	190.30
Others	<u>7.16</u>	<u>2.03</u>	<u>0.06</u>	<u>-</u>	<u>-</u>	<u>9.25</u>
<b>Total</b>	<b><u>52,954.86</u></b>	<b><u>2,894.94</u></b>	<b><u>1,141.02</u></b>	<b><u>1,340.89</u></b>	<b><u>9,819.90</u></b>	<b>68,151.61</b>
<b>Less</b> Deferred revenue						<b><u>(155.85)</u></b>
<b>Total loans to customers-net of deferred revenue</b>						<b><u>67,995.76</u></b>

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5.4 Loans to Customers and Accrued Interest Receivable, Net (continued)

5.4.4 Classified by Loan Classification

Unit : Million Baht

	<u>2017</u>			
	Net Amount		%	Allowance for Doubtful Accounts
	Loans and Accrued Interest Receivables	Use for set aside The Allowance for Doubtful Accounts	Use for set aside The Allowance for Doubtful Accounts	
1. Minimum reserve under BOT's regulations				
Pass	48,389.64	28,905.71	1	289.06
Pass - Surplus				257.06
Special Mention	3,272.14	706.44	2	14.13
Substandard	1,378.86	335.98	100	335.98
Doubtful	2,075.11	597.63	100	597.63
Doubtful of Loss	<u>10,562.53</u>	<u>5,893.03</u>	100	<u>5,893.03</u>
Total	65,678.28	<u>36,438.79</u>		7,386.89
Less Deferred revenue	<u>(124.97)</u>			
Loans to customers and accrued interest receivables	65,553.31			
Less Allowance for doubtful accounts (see Note 5.5)	<u>(7,602.69)</u>			
Loans to customers and accrued interest receivable, net	<u>57,950.62</u>			
2. Excess allowance				<u>215.80</u>
Total				<u>7,602.69</u>

Unit : Million Baht

	<u>2016</u>			
	Net Amount		%	Allowance for Doubtful Accounts
	Loans and Accrued Interest Receivables	Use for set aside The Allowance for Doubtful Accounts	Use for set aside The Allowance for Doubtful Accounts	
1. Minimum reserve under BOT's regulations				
Pass	53,102.87	30,223.02	1	302.23
Special Mention	2,929.81	756.39	2	15.13
Substandard	1,141.09	323.17	100	323.17
Doubtful	1,340.89	488.11	100	488.11
Doubtful of Loss	<u>9,820.07</u>	<u>5,412.33</u>	100	<u>5,412.33</u>
Total	68,334.73	<u>37,203.02</u>		6,540.97
Less Deferred revenue	<u>(155.85)</u>			
Loans to customers and accrued interest receivables	68,178.88			
Less Allowance for doubtful accounts (see Note 5.5)	<u>(7,416.27)</u>			
Loans to customers and accrued interest receivable, net	<u>60,762.61</u>			
2. Excess allowance				<u>875.30</u>
Total				<u>7,416.27</u>

**5.4 Loans to Customers and Accrued Interest Receivable, Net (continued)****5.4.4 Classified by Loan Classification (continued)**

As at December 31, 2017, the Bank set aside the allowance for doubtful accounts compliance with the Bank of Thailand's notification No. SOR KOR SOR 14/2559 dated October 11, 2016 regarding Classification and Provision Criteria of Specialized Financial Institution.

The Bank has set aside loans to customers based on the overdue of the interest or principal payables according to conditions or time periods as stated in the contracts or as requested by the Bank or make claims to pay back, whichever comes first, including with restructuring debts has followed the No. SOR KOR SOR 14/2559 dated October 11, 2016 regarding Classification and Provision Criteria of Specialized Financial Institution the addition accordance to the Bank of Thailand's notification No. SOR KOR SOR 18/2559 dated October 11, 2016 on Regulations on Governance of public service accounts.

As at December 31, 2017, and 2016, the Bank has the loans with allowance and the loans without allowance as follows:

	Unit : Million Baht			
	2017		2016	
	Loans and Accrued Interest	% of Receivables Net of Deferred Revenue	Loans and Accrued Interest	% of Receivables Net of Deferred Revenue
Loans with allowance	98,703.82	97.40	89,750.55	95.48
Loans without allowance	<u>2,634.80</u>	2.60	<u>4,249.85</u>	4.52
Total	<u>101,338.62</u>		<u>94,000.40</u>	

Loans without allowance are debtors or a person or corporate who are the debtors of the Bank according to the cabinet resolution of the compensation for damage that loans classified as pass and with out allowance since the government provided the compensation for damage based on the Bank of Thailand's notification No. SOR KOR SOR 18/2559 dated October 11, 2016 on Regulations on Governance of public service accounts.

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 estimates to receive in the amount of Baht 1,132.70 million.

As at December 31, 2017, and 2016, the Bank has loans that being stopped recognizing income in the amount of Baht 17,066.73 million and Baht 17,903.63 million are 16.82% and 19.01% of loans to customers and accrued interest receivables, net from deferred revenue respectively.

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**5.4 Loans to Customers and Accrued Interest Receivable, Net (continued)**

**5.4.5 Classified by Non-Performing Loans**

As at December 31, 2017, and 2016, the Bank had non-performing loans as follows:

	<u>2017</u>		<u>2016</u>	
	Non-Performing <u>Loans</u>	% of Non-Performing <u>Loans</u>	Non-Performing <u>Loans</u>	% of Non-Performing <u>Loans</u>
public service accounts project	3,050.76	17.88	5,601.82	31.29
public sector cooperation and commercial project	<u>14,015.97</u>	82.12	<u>12,301.81</u>	68.71
Total	<u>17,066.73</u>		<u>17,903.63</u>	

Unit : Million Baht

**5.4.6 Troubled Debts Restructuring**

Troubled debts restructuring for the year ended December 31, 2017, and 2016, as follows:

<b><u>Troubled Debt Restructuring</u></b>	No. of <u>Cases</u>	<u>2017</u>		<u>2016</u>	
		<u>Outstanding Debt</u>		<u>Transferred Assets</u>	
		Before <u>Restructuring</u>	After <u>Restructuring</u>	Types <u>of Assets</u>	Fair <u>Value</u>
Changes of repayment conditions	7,512	10,172.52	10,172.52	-	-
Transfer of assets	-	-	-	Lands, and Premises	-
Total	<u>7,512</u>	<u>10,172.52</u>	<u>10,172.52</u>		

<b><u>Troubled Debt Restructuring</u></b>	No. of <u>Cases</u>	<u>2016</u>		<u>2016</u>	
		<u>Outstanding Debt</u>		<u>Transferred Assets</u>	
		Before <u>Restructuring</u>	After <u>Restructuring</u>	Types <u>of Assets</u>	Fair <u>Value</u>
Changes of repayment conditions	7,893	13,202.91	12,363.36	-	-
Transfer of assets	<u>28</u>	<u>91.96</u>	<u>40.50</u>	Lands, and Premises	51.46
Total	<u>7,921</u>	<u>13,294.87</u>	<u>12,403.86</u>		

Unit : Million Baht

Unit : Million Baht

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**5.4 Loans to Customers and Accrued Interest Receivable, Net (continued)****5.4.7 Finance Lease Receivables Hire Purchase Receivable (see Note 5.4.1)**

Unit : Million Baht

	<u>2017</u>			
	<u>Amounts Due of the Contracts</u>			
	<u>Not over 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment of minimum lease payment	436.41	325.26	77.82	839.49
<u>Less</u> Unearned financial income				<u>(113.51)</u>
Present value of minimum lease payment				725.98
Allowance for doubtful accounts				<u>(568.91)</u>
Finance lease receivable, net				<u>157.07</u>

Unit : Million Baht

	<u>2016</u>			
	<u>Amounts Due of the Contracts</u>			
	<u>Not over 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment of minimum lease payment	397.51	550.45	111.58	1,059.54
<u>Less</u> Unearned financial income				<u>(148.96)</u>
Present value of minimum lease payment				910.58
Allowance for doubtful accounts				<u>(665.54)</u>
Finance lease receivable, net				<u>245.04</u>

**5.5 Allowances for Doubtful Accounts**

As at December 31, 2017, the Bank's allowance for doubtful accounts were comprised allowance for doubtful accounts for project of public service accounts in the amount of Baht 2,499.79 million (was Baht 2,069.11 million in 2016) See Note 5.34.3 and allowance for doubtful account for public sector cooperation project and commercial project in the amount of Baht 7,602.69 million (was Baht 7,416.27 million in 2016) that total of allowance of doubtful accounts as at December 31, 2017 in the amount of Baht 10,102.48 million.

As at December 31, 2017 the allowance for doubtful accounts for public sector cooperation project and commercial project in the amount of Baht 7,602.69 million as follows:

	Unit : Million Baht						
	<u>2017</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Allowance in Excess</u>	<u>Total</u>
Beginning balance	302.23	15.13	323.17	488.11	5,412.33	875.30	7,416.27
Doubtful accounts	243.89	(1.00)	12.81	109.52	574.51	(659.50)	280.23
Write-off and Bad debt	-	-	-	-	(93.81)	-	(93.81)
Ending balance	<u>546.12</u>	<u>14.13</u>	<u>335.98</u>	<u>597.63</u>	<u>5,893.03</u>	<u>215.80</u>	<u>7,602.69</u>



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**5.5 Allowances for Doubtful Accounts (continued)**

As at December 31, 2016 the allowance for doubtful accounts for public sector cooperation project and commercial project in the amount of Baht 7,416.27 million as follows:

	Unit : Million Baht						
	2016				Doubtful	Allowance	Total
	Pass	Special Mention	Substandard	Doubtful	of Loss	in Excess	
Beginning balance	33.11	7.42	387.39	470.90	7,296.57	1,435.85	9,631.24
Doubtful accounts	269.12	7.71	(57.37)	36.70	485.35	(417.34)	324.17
Write-off and Bad debt	-	-	(6.85)	(19.49)	(2,369.59)	(143.21)	(2,539.14)
Ending balance	<u>302.23</u>	<u>15.13</u>	<u>323.17</u>	<u>488.11</u>	<u>5,412.33</u>	<u>875.30</u>	<u>7,416.27</u>

The calculation of allowances for doubtful accounts in Note 5.4.4

The Bank set aside allowance for doubtful accounts compliance with the Bank of Thailand 's notification No. SOR KOR SOR 14/2559 dated October 11, 2016 regarding The Classification and Provision Criteria of Specialized Financial Institution and No. SOR KOR SOR 15/2559 dated October 11, 2016 regarding The Regulation on Supervision of Portfolio Guarantee Scheme of Specialized Financial Institution.

During the year ended December 31, 2017, the Bank set aside the provision of total net Baht 280.23 million which has increased according to the classification of outstanding loan in the amount of Baht 939.73 million. As during the period, the Bank has done the debt restructuring and the classifying as Pass also the reversal of allowance for doubtful accounts was made immediately. The allowance in excess was used as a reserve in the amount of Baht 659.50 million. The Bank modified regulation of allowance in excess and usage of allowance in excess according in the resolutions of the meeting of the Board of Directors of the Bank No. 4/2017 on March 30, 2017 as appeared in the resolution of the meeting of the Board of Directors of the Bank No. 13/2017 on September 14, 2017. Further more, The Bank has adjusted regulation of allowance in excess in accordance with the resolutions of the meeting of the Board of Directors of the Bank No. 17/2017 on November 30, 2017 and the meeting of the Board of Directors of the Bank No. 10/2018 on May 22, 2018. As a result, the allowance in excess of possible impaired loan (PIL) is remaining in the amount of Baht 215.80 million.

As at December 31, 2017 allowance in excess are as follows:

	Unit : Million Baht
Beginning balance As at January 1, 2017	875.30
Increased during the year	120.89
Transferring allowance in excess to allowance	
- Loans of public sector cooperation project and commercial project - Q2/2017	(494.37)
- Q4/2017	(257.06)
- Loans of public service accounts project (see Note 5.34.3)	(28.96)
Ending balance As at December 31, 2017	<u>215.80</u>

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## 5.6 Properties for Sale, Net

Unit : Million Baht

	<u>2017</u>			
	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
<b>Assets from debt repayment</b>				
Immovable properties	1,081.81	140.46	(175.29)	1,046.98
Movable properties	<u>122.63</u>	<u>67.61</u>	<u>(98.28)</u>	<u>91.96</u>
Total	1,204.44	208.07	(273.57)	1,138.94
Properties for sale in transit	<u>336.43</u>	<u>119.15</u>	<u>(103.27)</u>	<u>352.31</u>
Total	1,540.87	327.22	(376.84)	1,491.25
<b>Less Allowance for impairment</b>	<u>(170.42)</u>	<u>(66.05)</u>	<u>77.23</u>	<u>(159.24)</u>
<b>Total properties for sale, net</b>	<u>1,370.45</u>	<u>261.17</u>	<u>(299.61)</u>	<u>1,332.01</u>

Unit : Million Baht

	<u>2016</u>			
	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
<b>Assets from debt repayment</b>				
Immovable properties	1,017.96	177.82	(113.97)	1,081.81
Movable properties	<u>131.34</u>	<u>16.42</u>	<u>(25.13)</u>	<u>122.63</u>
Total	1,149.30	194.24	(139.10)	1,204.44
Properties for sale in transit	<u>-</u>	<u>338.83</u>	<u>(2.40)</u>	<u>336.43</u>
Total	1,149.30	533.07	(141.50)	1,540.87
<b>Less Allowance for impairment</b>	<u>(151.22)</u>	<u>(34.77)</u>	<u>15.57</u>	<u>(170.42)</u>
<b>Total properties for sale, net</b>	<u>998.08</u>	<u>498.30</u>	<u>(125.93)</u>	<u>1,370.45</u>

As at December 31, 2017, the Bank's allowance for impairment of properties for sale incurred from loss on impairment in the amount of Baht 159.24 million. Which were appraised by external appraisers.

As at December 31, 2016, the Bank's allowance for impairment of properties for sale incurred from loss on impairment in the amount of Baht 170.42 million. Which were appraised by internal appraisers.

For the year ended at December 31, 2017, and 2016, the Bank had profit from the sale of properties for sale in the amount of Baht 48.03 million and Baht 18.78 million respectively.

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5.7 Premises and Equipment, Net

Unit : Million Baht

	2017								
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	Beginning		Ending		Beginning		Ending		
	Balance	Additions	Disposal	Balance	Balance	Depreciation	Disposal	Balance	
Land	274.20	-	-	274.20	-	-	-	-	274.20
Appraisal increase*	-	414.32	-	414.32	-	-	-	-	414.32
Premises	515.98	-	(1.01)	514.97	223.17	7.25	(0.83)	229.59	285.38
Premises improvement	-	1.01	-	1.01	-	1.01	-	1.01	-
Premises-Appraisal increase*	-	569.67	-	569.67	-	14.23	-	14.23	555.44
Equipment									
- Office equipment	299.06	21.01	(5.27)	314.80	246.17	19.79	(5.26)	260.70	54.10
- Furniture	433.81	6.44	(2.66)	437.59	329.13	34.81	(2.66)	361.28	76.31
- Vehicles	0.73	-	(0.02)	0.71	0.73	-	(0.02)	0.71	-
<b>Total</b>	<b>1,523.78</b>	<b>1,012.45</b>	<b>(8.96)</b>	<b>2,527.27</b>	<b>799.20</b>	<b>77.09</b>	<b>(8.77)</b>	<b>867.52</b>	<b>1,659.75</b>

\* The Bank revalues it in 2017

Unit : Million Baht

	2016								
	Cost				Accumulated Depreciation				Premises and Equipment, Net
	Beginning		Ending		Beginning		Ending		
	Balance	Additions	Disposal	Balance	Balance	Depreciation	Disposal	Balance	
Land	274.20	-	-	274.20	-	-	-	-	274.20
Premises	515.98	-	-	515.98	197.26	25.91	-	223.17	292.81
Equipment									
- Office equipment	282.69	16.40	(0.03)	299.06	228.90	17.29	(0.02)	246.17	52.89
- Furniture	422.51	11.30	-	433.81	295.28	33.85	-	329.13	104.68
- Vehicles	2.65	-	(1.92)	0.73	2.64	0.01	(1.92)	0.73	-
<b>Total</b>	<b>1,498.03</b>	<b>27.70</b>	<b>(1.95)</b>	<b>1,523.78</b>	<b>724.08</b>	<b>77.06</b>	<b>(1.94)</b>	<b>799.20</b>	<b>724.58</b>

In 2017, The Bank has Land and premises appraised. The appraisal value defined by independent appraisers. The fair value has 2 appraising approaches that were the Cost Approach which was categorized as level 1 of the fair value hierarchy and the Market Comparison Approach which was categorized as level 2 of the fair value.

As at December 31, 2017, premises in the amount of Baht 514.97 million comprising of head office in the amount of Baht 497.48 million and branch office in the amount of Baht 17.49 million.

As at December 31, 2016, premises in the amount of Baht 515.98 million comprising of head office in the amount of Baht 498.41 million and branch office in the amount of Baht 17.57 million.

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## 5.8 Assets in Progress

Unit : Million Baht

	2017			
	Beginning Balance	Additions	Transfer	Ending Balance
Office equipment	-	0.07	-	0.07
Computer system	3.62	1.93	(0.64)	4.91
Computers	11.70	-	(11.70)	0.00
Furniture	<u>1.96</u>	<u>4.77</u>	<u>-</u>	<u>6.73</u>
Total	<u>17.28</u>	<u>6.77</u>	<u>(12.34)</u>	<u>11.71</u>

Unit : Million Baht

	2016			
	Beginning Balance	Additions	Transfer	Ending Balance
Computer system	0.99	2.63	-	3.62
Computers	5.85	5.85	-	11.70
Furniture	<u>5.00</u>	<u>10.52</u>	<u>(13.56)</u>	<u>1.96</u>
Total	<u>11.84</u>	<u>19.00</u>	<u>(13.56)</u>	<u>17.28</u>

## 5.9 Advances for Legal Costs, Net

Unit : Million Baht

	2017	2016
Advances for legal costs	273.36	165.33
Less Allowances or doubtful accounts	<u>(273.36)</u>	<u>(165.33)</u>
Advances for legal costs, net	<u>0.00</u>	<u>0.00</u>

## 5.10 Other Intangible Assets, Net

Unit : Million Baht

	2017				2017				
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Amortization	Disposals	Ending Balance	Net
Leasehold rights	5.00	-	-	5.00	1.38	0.17	-	1.55	3.45
Computer system	<u>155.90</u>	<u>15.51</u>	<u>-</u>	<u>171.41</u>	<u>134.08</u>	<u>15.54</u>	<u>-</u>	<u>149.62</u>	<u>21.79</u>
Total	<u>160.90</u>	<u>15.51</u>	<u>-</u>	<u>176.41</u>	<u>135.46</u>	<u>15.71</u>	<u>-</u>	<u>151.17</u>	<u>25.24</u>

Unit : Million Baht

	2016				2016				
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Amortization	Disposals	Ending Balance	Net
Leasehold rights	5.00	-	-	5.00	0.89	0.49	-	1.38	3.62
Computer system	<u>155.82</u>	<u>0.08</u>	<u>-</u>	<u>155.90</u>	<u>118.81</u>	<u>15.27</u>	<u>-</u>	<u>134.08</u>	<u>21.82</u>
Total	<u>160.82</u>	<u>0.08</u>	<u>-</u>	<u>160.90</u>	<u>119.70</u>	<u>15.76</u>	<u>-</u>	<u>135.46</u>	<u>25.44</u>

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**5.11 Other Assets, Net**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Accrued interest receivables	42.80	65.33
Prepaid expenses	24.98	11.54
Insurance expenses and loan guarantee fees refundable	385.25	319.47
Accounts receivables due to receive refund from TCG	15.05	1.30
Accounts receivables from properties for sale purchase	136.76	160.56
Other account receivables and miscellaneous asset	<u>222.31</u>	<u>274.12</u>
	827.15	832.32
<u>Less</u> Allowance for doubtful accounts	(236.99)	(221.22)
Allowance for impairment	<u>(7.80)</u>	<u>(8.01)</u>
Total	<u>582.36</u>	<u>603.09</u>

The Bank set aside the allowances for doubtful accounts, insurance expenses, and loan guarantee fees refundable at the same rate as the debt's classification.

**5.12 Deposits**

**5.12.1 Classified by Type of Deposits**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
<b>Type of Deposits</b>		
Saving deposits	3,268.99	4,930.82
Time deposits	82,153.41	69,116.98
Negotiable certificates of deposits	<u>94.89</u>	<u>84.64</u>
Total	<u>85,517.29</u>	<u>74,132.44</u>

Time deposits are mainly the deposits of state enterprises using interest rate of the Bank's announcement.

**5.12.2 Classified by Currency and Residence of Deposits**

	Unit : Million Baht					
	<u>2017</u>			<u>2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Thai Baht	<u>85,517.29</u>	<u>-</u>	<u>85,517.29</u>	<u>74,132.44</u>	<u>-</u>	<u>74,132.44</u>
Total	<u>85,517.29</u>	<u>-</u>	<u>85,517.29</u>	<u>74,132.44</u>	<u>-</u>	<u>74,132.44</u>

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**5.13 Interbank and Money Markets Items, Net (Liabilities)**

These are promissory notes and bills of exchange issued to the financial institutions as at December 31, 2017, and 2016, amount of Baht 8,407.44 million and Baht 15,327.82 million respectively, interest rate of 0.01 – 0.10% per year.

	Unit : Million Baht					
	2017			2016		
	<u>Demand</u>	<u>Time</u>	<u>Total</u>	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Domestic Items						
- Specialized financial institutions	-	8,407.44	8,407.44	-	10,327.82	10,327.82
- Other financial institutions	-	-	-	-	<u>5,000.00</u>	<u>5,000.00</u>
Total domestic items	-	<u>8,407.44</u>	<u>8,407.44</u>	-	<u>15,327.82</u>	<u>15,327.82</u>

**5.14 Derivatives Liabilities**

Fair value and contract amounts, classified by risk types:

<u>Risk Types</u>	Unit : Million Baht					
	2017			2016		
	<u>Fair Value</u>		<u>Contract</u>	<u>Fair Value</u>		<u>Contract</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Price</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Price</u>
Exchange rates	<u>0.01</u>	<u>0.01</u>	<u>24.75</u>	<u>0.10</u>	<u>0.01</u>	<u>22.48</u>
Total	<u>0.01</u>	<u>0.01</u>	<u>24.75</u>	<u>0.10</u>	<u>0.01</u>	<u>22.48</u>

Derivative assets are the difference of the fair value adjustment as at December 31, 2017, and the price as of the date of buying or selling of derivations and profits from foreign currency value-derivatives adjustment.

Derivative liabilities are the difference of the fair value adjustment as at December 31, 2017, and the price as of the date of selling or buying of derivations and losses from foreign currency value-derivatives adjustment.

**5.15 Debts Issued and Borrowing**

	Unit : Million Baht					
	2017			2016		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Promissory notes	114.67	-	114.67	116.67	-	116.67
Loans	<u>175.45</u>	-	<u>175.45</u>	<u>175.45</u>	-	<u>175.45</u>
Total	<u>290.12</u>	-	<u>290.12</u>	<u>292.12</u>	-	<u>292.12</u>

Promissory notes as at December 31, 2017, and 2016, amount of Baht 114.67 million and Baht 116.67 million respectively were the borrowings from individuals, juristic persons, state-enterprises, and government affairs as promissory notes with interest rates of 0.25 - 2.00% per annum and interest payment at call.

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**5.15 Debts Issued and Borrowing (continued)**

Loans as at December 31, 2017, and 2016, amount of Baht 175.45 million borrowing from the Ministry of Finance, by transferring the business from 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 of the Small Industry Finance Corporation with the total number of 750,000 shares, of Baht 100 per share, totaling Baht 75 million. The remaining amount for the Bank borrowing of Baht 175.45 million.

**5.16 Provisions**

As at December 31, 2017, and 2016, provisions in the amount of Baht 2,073.46 million and Baht 1,472.39 million respectively, consisting of:

**5.16.1 Employee Benefits**

The Bank estimates employee benefits obligations from statutory compensation under the Labor Protection Act. Employee benefit obligation 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 flows of the benefits expected future payments including forecasts salaries of employees, the turnover rate, the rate of increases salaries, the discount rate, and other.

For the year ended December 31, 2017, and 2016, the Bank set aside provisions for the benefits of retired employee as past of the service costs and current service costs in the amount of Baht 397.43 million and Baht 346.21 million respectively, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Beginning balance	346.21	279.19
Current service costs*	39.66	30.35
Interest cost*	9.85	8.73
Benefit paid during the year	(8.88)	(22.59)
Actuarial losses based on update assumption	<u>10.59</u>	<u>50.53</u>
Ending balance	<u>397.43</u>	<u>346.21</u>

\* Shown as employee expense in the statement of comprehensive income

Main hypothesis to forecast benefits of retired employees as follows:

	<u>2017</u>	<u>2016</u>
Rate of salary raise	5.00%	5.00%
Average rate of resignation	0% – 14.00%	0% – 22.00%
Discount rate	2.50%	2.86%

**5.16.2 Provision for Derivatives**

As at December 31, 2017, and 2016, the Bank's provision for derivatives in the amount of Baht 1,644.04 million and Baht 1,094.04 million respectively as the provision for the litigations according to Note 5.31.2.

**5.16.3 Provision for letter of guarantee**

As at December 31, 2017, and 2016, the Bank's provision for letter of guarantee in the amount of Baht 31.99 million and Baht 32.15 million respectively. (see Note 5.31.2)

**5.17 Accrued Interest Payable**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Deposits	625.03	513.71
Interbank and money markets items	0.46	5.88
Debt issued-promissory note	<u>9.67</u>	<u>8.57</u>
Total	<u>635.16</u>	<u>528.16</u>

**5.18 Grant Fund from the Bureau of the Budget****5.18.1 Project for Debt Moratorium for Minor agriculturists and low-income people whose outstanding debts are less than 500,000 Baht**

On July, 19, 2013, the Bank was allocated a budget of a debt suspension scheme for minor agriculturists and low-income people whose outstanding debts are less than 500,000 Baht, in the amount of Baht 1.67 million, and the operation commenced in April 2013.

In the drawdown of the support fund for debt suspension scheme for minor agriculturists and low-income people whose outstanding debts are less than 500,000 Baht, the Bank gradually recognized the fund as income compensated for training cost of 2,500 Baht each. In the twelve-month period ended December 31, 2017, the Bank has the remaining support fund in the amount of Baht 1.57 Million.

**5.18.2 Strategic Development Project for Entrepreneur (Productivity Improvement Loan: PIL)**

The Bank has been allocated with the budget for strategic development project for entrepreneur (productivity improvement loan: PIL) in the amount of Baht 205.00 Million. The Project has been started since October 2013, by granting loans to different activities as follows:

- Loan for machine development 45.00 Million Baht
- Loan for work process development 160.00 Million Baht

On 21 November 2013, the Bank was allocated the project budget for 10.00 Million Baht and 14 October 2014, for 92.50 Million Baht, as follows:

- Loan for machine development 22.50 Million Baht
- Loan for work process development 80.00 Million Baht

Disbursement of the grant fund for Strategic Development Project for Entrepreneur (Productivity Improvement Loan: PIL), the Bank gradually recognized the fund as income compensated as follows:

- Loan for machine development in the amount of Baht 15,000.00 each, In the twelve months period ended December 31, 2017, the Bank gradually recognized the fund as income compensated in the amount of Baht 21.48 Million and the remaining grant fund in the amount of Baht 21.48 Million.

- Loan for work process development in the amount of Baht 40,000.00 each, In the twelve months period ended December 31, 2017, no outstanding balance.



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**5.19 Other Liabilities**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Accrued expenses	316.99	291.92
Payables-Revenue Department	0.77	1.35
Other payables	249.32	225.08
Insurance	64.85	44.41
Others	<u>287.61</u>	<u>288.81</u>
Total	<u>919.54</u>	<u>851.57</u>

**5.20 Share Capital**

The Bank was established in accordance to the Act of Small and Medium Enterprise Development Bank of Thailand 2002 which were expected to be effective on December 20, 2002. The Bank received the shares transferred from Small Industry Finance Corporation. Total number of the shares received 28 million shares with a par value of 100 baht per share or Baht 2,800 million.

**Registered share capital**

As at December 31, 2017, and December 31, 2016, the Bank has total authorized number of the ordinary shares is 300 million shares with a par value of Baht 100 per share, amount of Baht 30,000 million.

**Issued and paid-up share capital**

As at December 31, 2017 and 2016, the Bank had paid-up share capital of 200.07 million shares, with a par value of 100 baht per share, Amount of Baht 20,006.63 million and the discount on share capital in the amount of Baht 5,251.63 million. The Ministry of Finance held 98.88% of total shares (In according with the resolution of the Bank's annual general shareholders' meeting of year 2014, held on April 21, 2014, on the capital increase of Baht 2,000 million or par value of 100 baht per share. And then, on January 13, 2015, the extraordinary general shareholders' meeting No.1/2015 was changed the par value for public offering from 100 baht per share to 27.58 baht per share, which was the accounting value as of September 30, 2014. On July 15, 2015, the Bank received the first batch of capital increase worth Baht 1,000 million and September 19, 2016, the Bank received the second batch of capital increase worth Baht 1,000 million from the Ministry of Finance or equal to 72.52 million common shares).

**5.21 Other Components of Equity**

	Unit : Million Baht					
	<u>2017</u>			<u>2016</u>		
	Beginning Balance	Change during Period	Ending Balance	Beginning Balance	Change during Period	Ending Balance
Revaluation surplus (deficit) on investments	(7.72)	10.01	2.29	25.05	(32.77)	(7.72)
Revaluation surplus on assets	-	<u>969.76</u>	<u>969.76</u>	-	-	-
Total	<u>(7.72)</u>	<u>979.77</u>	<u>972.05</u>	<u>25.05</u>	<u>(32.77)</u>	<u>(7.72)</u>

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**5.22 Interest Income**

Interest income for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Interbank and money market items	41.04	95.43
Investments	179.58	234.74
Loans	3,615.94	3,616.56
Hire-purchase lease	<u>9.50</u>	<u>25.84</u>
Total interest income	<u>3,846.06</u>	<u>3,972.57</u>

**5.23 Interest Expenses**

Interest expenses for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Deposits	1,005.70	1,223.19
Interbank and money market items	23.62	94.51
Debt issued – promissory note	<u>0.88</u>	<u>0.69</u>
Total interest expenses	<u>1,030.20</u>	<u>1,318.39</u>

**5.24 Fees and Service Income, Net**

Fees and service income, net for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Fees and service income		
- Acceptance, avals and guarantee	5.35	7.44
- Others	<u>181.48</u>	<u>316.94</u>
Total fees and service income	186.83	324.38
Fees and service expenses	<u>(72.24)</u>	<u>(76.30)</u>
Fees and service income, Net	<u>114.59</u>	<u>248.08</u>

**5.25 Gain (Losses) on Trading and Foreign Exchange Transactions, Net**

Gains (losses) on trading and foreign exchange transaction for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Gain (losses) on trading and foreign exchange transactions		
- Gain (losses) on foreign exchange transactions	<u>0.01</u>	<u>81.27</u>
Total	<u>0.01</u>	<u>81.27</u>

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**5.26 Gains (Losses) on financial instrument designated of fair value through profit or loss, net (Fair value option)**

Gains (losses) on financial instrument designated of fair value through profit or loss, net (fair value option) from for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Changes in fair value, net		
- Borrowing	0.79	(80.65)
- Other liabilities	(0.09)	0.11
Total	<u>0.70</u>	<u>(80.54)</u>

**5.27 Gains on Investments, Net**

Gains on investments, net for the year ended December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Gains on disposal of		
- Sale investment	-	42.29
Reversal of impairment		
- General investments	(7.18)	15.45
Total	<u>(7.18)</u>	<u>57.74</u>

**5.28 Impairment loss of loans and debt securities**

Bad debts, doubtful accounts and loss on impairment which already included in the gain or loss at the year end of December 31, 2017, and 2016, as follows:

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
<b>Non public service account</b>		
Loans to customers	280.23	324.17
Loans on troubled debts	<u>16.48</u>	<u>12.04</u>
Total	<u>296.71</u>	<u>336.21</u>
<b>Public service account</b>		
Loans to customers from public service account	<u>714.89</u>	<u>74.49</u>
Total	<u>714.89</u>	<u>74.49</u>
Including bad debts, Doubtful accounts, and loss on impairment	<u>1,011.60</u>	<u>410.70</u>

**5.29 Remuneration for Important Management**

Remuneration for important management are the benefits paid to directors and management of the Bank, which consisting of remuneration to management in for money such as salaries and related benefits, which include benefits binding in the retirement project and remuneration to directors.

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Short-term benefits		
Remuneration to management	29.01	35.17
Remuneration to directors	5.83	6.77
Benefits after resignation	<u>15.99</u>	<u>15.99</u>
Total	<u>50.83</u>	<u>57.93</u>

**5.30 Long-Term Leasing Contracts**

**5.30.1 Operating Leases** The Bank has the lease on land and premises for expanding its branches, including other rental contracts for vehicles and equipments. The Bank has commitment arising from lease agreement to payment as follows:

	Unit : Million Baht		
	<u>2017</u>		
<u>Types</u>	<u>Within 1 year</u>	<u>Over 1-5 year</u>	<u>Total</u>
Land/Premises	25.92	13.61	39.53
Vehicles	56.63	79.86	136.49
Office equipment	<u>0.77</u>	<u>-</u>	<u>0.77</u>
Total	<u>83.32</u>	<u>93.47</u>	<u>176.79</u>

	Unit : Million Baht		
	<u>2016</u>		
<u>Types</u>	<u>Within 1 year</u>	<u>Over 1-5 year</u>	<u>Total</u>
Land/Premises	32.36	21.15	53.51
Vehicles	52.60	117.63	170.23
Office equipment	<u>49.18</u>	<u>0.77</u>	<u>49.95</u>
Total	<u>134.14</u>	<u>139.55</u>	<u>273.69</u>

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**5.30 Long-Term Leasing Contracts (continued)**

**5.30.2 Service Contract** The Bank has made the service contracts as at December 31, 2017, and 2016, as follows:

Unit : Million Baht			
2017			
Type	<u>Within 1 year</u>	<u>Over 1-5 year</u>	<u>Total</u>
Service contract	64.86	111.75	176.61
Total	64.86	111.75	176.61

Unit : Million Baht			
2016			
Type	<u>Within 1 year</u>	<u>Over 1-5 year</u>	<u>Total</u>
Service contract	65.03	151.46	216.49
Total	65.03	151.46	216.49

**5.31 Contingent Liabilities and Commitment**

**5.31.1 Contingencies**

Unit : Million Baht		
	<u>2017</u>	<u>2016</u>
Letters of Credit	2.28	3.00
Other contingencies		
Other guarantees	212.76	253.17
Foreign contract		
- Buy	9.80	2.12
- Sell	13.06	18.01
Spot buy contract	-	0.96
Spot sell contract	<u>1.89</u>	<u>1.39</u>
Other commitment	<u>237.51</u>	<u>275.65</u>
Total	<u>239.79</u>	<u>278.65</u>

**5.31.2 Litigation**

As at December 31, 2017, the Bank has contingent liabilities owing to prosecution which the exact amount of compensation could not be set. The Bank had 41 lawsuits with the total claim in the amount of Baht 2,161.56 million and US\$ 135.74 million.

1) There are 3 cases regarding a commercial bank filed a lawsuit against the Bank on contractual breach of Cross Currency Swap (CCS) and Interest Rate Swap (IRS Contract) on floating-rate certificate of deposit (FRCD) claiming amounting to Baht 1,074.01 million and US\$ 135.74 million. The case is dismissed by Civil Court. Later on, the Court of Appeal issued a court order to the Bank to repay approximately Baht 6,500 million. At present, the bank has filed a petition to the supreme court. The case has not yet reached its final verdict. As at December 31, 2017, the Bank has set aside provision for the case in the amount of Baht 1,644.04 million. (see Note 5.16.2) and continue to set up provisions for contingent liabilities in full within five years.

**5.31 Contingent Liabilities and Commitment (continued)****5.31.2 Litigation (continued)**

2) There are 5 cases that the Bank has proceeded under a guarantee (LG) contract in the amounting of Baht 83.03 million. The case is under consideration by the Central Administrative Court and the Supreme Administrative Court. The Bank set aside provision for contingent liability from 2 legal cases (see Note 5.16.3).

**5.32 Related Party Transaction**

As at December 31, 2017, The Bank has no related-party transaction. And as at December 31, 2016, deposits of Directors and Executive floor staff from administrators to the group in the amount of Baht 4,328.88 million.

**5.33 The Fair Value of Financial Instruments**

As at December 31, 2017, the fair value hierarchy, The Bank's financial assets and financial liabilities as follows:

	Unit : Million Baht		
	<u>2017</u>		
	<u>Fair value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets instrument</b>			
Assets derivatives-currency	-	0.01	0.01
Available-for-sale securities	<u>1,256.80</u>	-	<u>1,256.80</u>
Total assets instrument	<u>1,256.80</u>	<u>0.01</u>	<u>1,256.81</u>
<b>Liabilities instrument</b>			
Liabilities derivatives-currency	-	<u>0.01</u>	<u>0.01</u>
Total liabilities instrument	-	<u>0.01</u>	<u>0.01</u>

**Fair Value Hierarchy**

Level 1 : - quoted market prices in active the liquidity for identical assets or liabilities

Level 2: - the value set by an evaluation technique with a direct and indirect data from the market (observable data) as an important factor in evaluating the fair value

Level 3 : - the value set by an evaluation technique with an unobservable data in the market as an important factor in evaluating the fair value

The fair value of the derivatives set at level 2 was a reference price value bought/sold in the market, quoted by the sale representatives, buying/selling prices of other resemble items, or by the simulation of value evaluation from the observable market data, adjusted by the credit risk rate of each trader.

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**5.34 Public Service Account (PSA)**

**5.34.1 Summary of public service account**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
<b>Assets and Liabilities</b>		
<b>Assets</b>		
Loans to customers from public service account and accrued interest receivable, net	35,796.35	25,840.18
Total assets	<u>35,796.35</u>	<u>25,840.18</u>
<b>Income and Expense</b>		
Revenue from public service account	1,820.91	1,570.14
<u>Less</u> Expenses from public service account	1,841.15	1,572.76
<u>Less</u> Bad debts and losses for impairment of public service account	<u>714.89</u>	<u>74.49</u>
Profit (loss), Net	<u>(735.13)</u>	<u>(77.11)</u>

**5.34.2 Loans to customers from public service account and accrued interest receivable, net**

			Unit : Million Baht	
Project	Brief Project Description	Time	<u>2017</u>	<u>2016</u>
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 Don Mueang International Airport (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	332.73	440.24
2. Loan Program financial assistance to entrepreneurs, business logistics Thailand	Liquidity support to entrepreneurs' logistics. (Resolution cabinet, dated December 8, 2009)	January 19, 2010 December 31, 2011	109.76	160.09
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	1,432.33	1,503.90

**5.34 Public Service Account (PSA) (Continued)****5.34.2 Loans to customers from public service account and accrued interest receivable, net (Continued)**

Project	Brief Project Description	Time	Unit : Million Baht	
			2017	2016
4. SME POWER project for a new day Phase 2	Improvement loans are aligned with the needs of the operators and the Ratchaprasong neighborhood (Resolution cabinet, dated June 8, 2010 and September 28, 2010)	June 8, 2010 - December 31, 2010	761.90	837.23
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 - Unknown	6.87	6.62
6. SME POWER project the flood victims in 2010	Assistance and rehabilitation of those affected. Flood in 2010(Resolution cabinet dated October 12, 2010)	November 10, 2010 - April 30, 2011	323.17	395.19
7. Taxi strong project (Under the Pracha Wiwat project)	Strengthening the taxi operators to have. Opportunity to own a taxi and replacement. Taxi expired (Resolution cabinet dated January11, 2011)	February 10, 2011 - Unknown	21.96	63.09
8. Career Thailand Strength - Hawker Stalls entrepreneurs	Opportunities for access to capital target. Are being held. The target has a better charged. (Resolution cabinet dated January11, 2011)	February 10, 2011 - Unknown	0.03	0.16
9. SME POWER 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. (Resolution cabinet, dated April 4, 2011 and May 3, 2011)	May19, 2011 - October 31, 2011	798.51	943.08
10. SME POWER to help SMEs are affected Flooding ,windstorm and a landslide in 2011	Assistance to victims of natural disasters 2010 and 2011 (more) (Resolution cabinet, dated May 3, 2011)	May19, 2011 - October 31, 2011	75.43	219.20



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**5.34 Public Service Account (PSA) (continued)**

**5.34.2 Loans to customers from public service account and accrued interest receivable, net (continued)**

Project	Brief Project Description	Time	Unit : Million Baht	
			2017	2016
11. The SME POWER project for a new 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	6.59	12.02
12. Financial assistance program for entrepreneurs in business logistics Thailand - more	To extend the period of assistance. Entrepreneur (Resolution cabinet. dated April 12, 2011)	June 6, 2011- December 31, 2011	122.66	172.19
13. Financial assistance program for entrepreneurs franchise and direct sales	Target to expand coverage business franchising and direct selling. (Resolution cabinet dated April 12, 2011)	June 6, 2011 - December 31, 2011	2.49	3.07
14. Restoration Project SMEs after a catastrophic in 2011	Help entrepreneurs' disaster. 2011 (Resolution cabinet, dated September 20, 2011 and December 13, 2011 )	December 14, 2011 - December 31, 2011	527.95	734.43
15. 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 low income. A debt consolidation loan All contracts over Low 500,000 Baht (Resolution cabinet dated November 15, 2011 and February 7, 2012)	December 26, 2011- September 30, 2014	1.20	1.28
16. Loan Program Development process Work under the project manufacturing development program	To empower SMEs leverage. Productivity And supports access Financing of industrial enterprises. As well as reducing the burden of labor costs. The increase (Resolution cabinet, dated April 24, 2012 and January 8, 2013)	June 28, 2012 - December 31, 2015	3,362.54	6,469.88

**5.34 Public Service Account (PSA) (continued)****5.34.2 Loans to customers from public service account and accrued interest receivable, net (continued)**

Unit : Million Baht				
Project	Brief Project Description	Time	2017	2016
17. Loan Program To develop machines under the project, manufacturing development program	To empower SMEs leverage. Productivity And supports access Financing of industrial enterprises. As well as reducing the burden of labor costs. The increase (Resolution cabinet, dated April 24, 2012 and January 8, 2013)	June 28, 2012 - December 31, 2015	101.59	135.98
18. Loan Program The low-interest loans (Policy Loan)	Help SMEs, small. Experiencing problems with liquidity. Encourage small SMEs to have liquid for improvement business Empowerment (Resolution cabinet dated March 17, 2015, June 16, 2015 and February 9, 2016)	June 16, 2015 - June 30, 2016	9,364.96	11,654.76
19. Loan for SMEs rehabilitation affected flooding at southern in 2017	Assistance for SME 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)	February 7, 2017 – August 7, 2017	2,897.02	-
20. Loan project to SMEs Transformation	Help SMEs affected to the economy caused liquidity problems. And SMEs according to the government's policy of transforming the business into an industry 4.0 and SMEs to access low-interest-loan. (Cabinet Resolution dated March 21, 2017)	March 21, 2017 – March 20, 2018	13,035.83	-

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**5.34 Public Service Account (PSA) (continued)**

**5.34.2 Loans to customers from public service account and accrued interest receivable, net (continued)**

Project	Brief Project Description	Time	Unit : Million Baht	
			2017	2016
21. Loan for Upgrading Local Economy	To help, promote and develop to entrepreneurs 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 economy according to government policy (Resolution cabinet dated December 19, 2017)	December 19, 2017 – December 19, 2018	-	-
<b>Total</b>			<b>33,285.52</b>	<b>23,752.41</b>

As at December 31, 2017, and 2016, loans to customers from public service account and accrued interest receivable included outstanding and accrued interest receivables net of deferred revenue, and allowance for doubtful accounts.

The Bank use criteria for allocation of the public service account cost according to the memorandum Ref: No. Gor Khor 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 / compensation of finance cost

Deposits / compensation of finance cost = Weighted average finance 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' remuneration	Allocated using account number
Fees and services	Allocated using account number
Other expenses	Allocated using account number

**5.34 Public Service Account (PSA) (continued)****5.34.3 Asset classification and provisioning policy transactions**

Unit : Million Baht

	No. of cases	Outstanding	Collateral value*	%	
				Use for set aside Allowance for Doubtful Account	Allowance for Doubtful Accounts
Pass	26,363	31,300.82	5,898.97	1	234.43
Pass-Surplus					28.96
Special mention	1,461	933.93	361.23	2	11.52
Substandard	695	498.93	150.78	100	348.15
Doubtful	764	565.03	163.82	100	402.43
Doubtful of loss	<u>3,209</u>	<u>1,986.80</u>	<u>512.49</u>	100	<u>1,474.30</u>
Total	<u>32,492</u>	<u>35,285.51</u>	<u>7,087.29</u>		<u>2,499.79</u>

As at December 31, 2017, the Bank classified the assets and provided provision according to the Bank of Thailand's notification No.SOR KOR SOR 18/2559 dated October 11, 2016 regarding Regulations on Governance of public service accounts.

As at December 31, 2017, the Bank had 21 public service projects, which 6 projects has got compensation for damage by The Cabinet resolution and classified as pass and not set aside provision according to notification mentioned above. The public service projects consisted of 7,888 contract with the total loans to customer in the amount of Baht 2,630.21 million.

\*As at December 31, 2017, the total of collateral value was Baht 7,087.29 million. A part of the collateral was from the public service project account in the amount of Baht 95.02 million that the government will compensation in case the debtors can not make a repayment. There for, The Bank partially set aside the provision for the public service project.

The allowance for doubtful accounts in the amount of Baht 2,499.79 million did not include the transferring of the allowance in excess to be the allowance for the period in the amount of Baht 28.96 million. However, the item of the allowance in excess transferring to be an allowance for the Pass classification of loan in the amount of Baht 28.96 million has been presented in the item of allowance in excess in Note 5.5

**5.34.4 Revenue from public service account**

Unit : Million Baht

	<u>2017</u>	<u>2016</u>
Income from loans to customer from public service account		
Interest income from loans to customer from public service account	1,071.59	1,097.64
Fees and service income from loans to customer from public service account	301.53	102.97
Public service account compensated income		
Public service account compensated interest income	447.79	369.53
Public service account compensated finance cost	-	-
Total public service account compensated income from operation expense or Mangement expense.	<u>-</u>	<u>-</u>
Total	<u>1,820.91</u>	<u>1,570.14</u>

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**5.34 Public Service Account: PSA (continued)**

**5.34.5 Expenses from public service account**

	Unit : Million Baht	
	<u>2017</u>	<u>2016</u>
Public service account interest expenses	475.00	534.95
Public service account fees and services	58.45	66.80
Public service account operation expense	1,113.86	845.80
Public service account other expenses	<u>193.84</u>	<u>125.21</u>
Total	<u>1,841.15</u>	<u>1,572.76</u>

**5.35 Approval of financial statements**

These financial statements have authorized to issue by the President date May 25, 2018

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# Board of Directors Directory

## Board of Directors 2002

1	Mr.Manu Leoparote	Chairman
2	Mr.Utid Tamwatin	Vice Chairman
3	Mr.Bunphot Hongthong	Director
4	Mr.Chanchai Musikanisakorn	Director
5	Mrs.Sumonman Kalayasiri	Director
6	Mr.Uttama Sawanayon	Director
7	Mr.Santi Wilatsakdanon	Director
8	Mr.Yongyos Palanitisena	Director
9	Mr.Theerawat Thanyaluckphak	Director
10	Mr.Samran Phuanantanon	Director and Secretary

## Board of Directors 2005

1	Mr.Manu Leoparote	Chairman
2	Mr.Utid Tamwatin	Vice Chairman
3	Mr.Sakthip Krailerk	Director
4	Mr.Chakramon Phasukavanich	Director
5	Mrs.Sumonman Kalayasiri	Director
6	Mr.Uttama Sawanayon	Director
7	Mrs.Anchalee Chavanit	Director
8	Prof. Dr. Phisut Chalakornkun	Director
9	Mr.Kiattipong Noijaiboon	Director
10	Mr.Theerawat Thanyalakpark	Director
11	Mr.Chotisak Asapaviriya	Director and Secretary

## Board of Directors 2003

1	Mr.Manu Leoparote	Chairman
2	Mr.Utid Tamwatin	Vice Chairman
3	Mrs.Sumonman Kalayasiri	Director
4	Mr.Chanchai Musikanisakorn	Director
5	Mr.Uttama Sawanayon	Director
6	Mr.Santi Wilatsakdanon	Director
7	Mr.Theerawat Thanyaluckphak	Director
8	Mr.Yongyos Palanitisena	Director
9	Mr.Chotisak Asapaviriya	Director and Secretary

## Board of Directors 2006

1	Mr.Chakramon Phasukavanich	Chairman
2	Mr.Somchai Sujjapongse	Vice Chairman
3	Mr.Damri Sukhotanang	Director
4	Mr.Thevan Vichitakul	Director
5	Mr.Sutisak Laohachewin	Director
6	Mr.Sorasit Sontornkes	Director
7	Mr.Pongsak Chewcharat	Director and Secretary

## Board of Directors 2004

1	Mr.Manu Leoparote	Chairman
2	Mr.Utid Tamwatin	Vice Chairman
3	Mr.Sakthip Krailerk	Director
4	Mr.Chakramon Phasukavanich	Director
5	Mrs.Sumonman Kalayasiri	Director
6	Mr.Uttama Sawanayon	Director
7	Mrs.Anchalee Chavanit	Director
8	Prof. Dr. Phisut Chalakornkun	Director
9	Mr.Kiattipong Noijaiboon	Director
10	Mr.Theerawat Thanyalakphak	Director
11	Mr.Chotisak Asapaviriya	Director and Secretary

## Board of Directors 2007

1	Mr.Chakramon Phasukavanich	Chairman
2	Mr.Somchai Sujjapongse	Vice Chairman
3	Mr.Thevan Vichitakul	Director
4	Mr.Damri Sukhotanang	Director
5	Mr.Sutisak Laohachewin	Director
6	Mr.Somchai Kuvijitsuwan	Director
7	Ms.Wilaporn Liwagasemsan	Director
8	Mr.Kongkrit Hiranyakit	Director
9	Ms.Ladawan Thanathanit	Director
10	Mrs.Sukanya Chantrapannik	Director
11	Mr.Pongsak Chewcharat	Director and Secretary

#### Board of Directors 2008

1	Mr.Pongpanu Svetarundra	Chairman
2	Mr.Phichit Akrathit	Director
3	Mr.Vudhibhongse Vibulyawongse	Director
4	Mr.Sakarindr Bhumiratana	Director
5	Mr.Tanit Sorat	Director
6	Mr.Pramode Vidtayasuk	Director
7	Mr.Ekniti Nitithanprapas	Director
8	Mr.Vichaya Vitheethum	Director
9	Mr.Poonnis Sakuntanaga	Director
10	Mr.Pongsak Chajiamjan	Director and Secretary

#### Board of Directors 2011

1	Mr.Naris Chaiyasoot	Chairman
2	Mr.Pichai Chunhavajira	Director
3	Mr.Witoon Simachokedee	Director
4	Mr.Anusorn Muttaraid	Director
5	Mr.Udom Wongviwachai	Director
6	Mr.Vudhibhongse Vibulyawongse	Director
7	Mr.Somma Khowkachaporn	Director
8	Mrs.Wanee Thasanamontien	Director
9	Mr.Adul Laohapol	Director
10	Mr.Jirayut Rungsrithong	Director
11	Mr.Soros Sakornvisava	Director and Secretary

#### Board of Directors 2009

1	Mr.Pongpanu Svetarundra	Chairman
2	Mr.Poonnis Sakuntanaga	Director
3	Mr.Ekniti Nitithanprapas	Director
4	Mr.Pramode Vidtayasuk	Director
5	Mr.Sakarindr Bhumiratana	Director
6	Mr.Vichaya Vitheethum	Director
7	Mr.Vudhibhongse Vibulyawongse	Director
8	Mr.Tanit Sorat	Director
9	Mr.Adul Laohapol	Director
10	Mr.Boonsak Chiempricha	Director
11	Mr.Soros Sakornvisava	Director and Secretary

#### Board of Directors 2012

1	Mr.Naris Chaiyasoot	Chairman
2	Mr.Pichai Chunhavajira	Director
3	Mr.Witoon Simachokedee	Director
4	Mr.Vudhibhongse Vibulyawongse	Director
5	Mr.Udom Wongviwachai	Director
6	Mrs.Wanee Thasanamontien	Director
7	Mr.Anusorn Muttaraid	Director
8	Mr.Somma Khowkachaporn	Director
9	Mr.Adul Laohapol	Director
10	Mr.Jirayut Rungsrithong	Director
11	Mr.Soros Sakornvisava	Director and Secretary

#### Board of Directors 2010

1	Mr.Pongpanu Svetarundra	Chairman
2	Mr.Poonnis Sakuntanaga	Director
3	Mr.Pramode Vidtayasuk	Director
4	Mr.Sakarindr Bhumiratana	Director
5	Mr.Vudhibhongse Vibulyawongse	Director
6	Mr.Tanit Sorat	Director
7	Mr.Adul Laohapol	Director
8	Mr.Boonsak Chiempricha	Director
9	Mr.Soros Sakornvisava	Director and Secretary

#### Board of Directors 2013

1	Mr.Naris Chaiyasoot	Chairman
2	Mr.Witoon Simachokedee	Director
3	Mr.Pichai Chunhavajira	Director
4	Mr.Kritsda Udyanin	Director
5	Mr.Somchai Harnhirun	Director
6	Mr.Patima Jeerapaet	Director
7	Mr.Vitaya Suriyawong	Director
8	Mr.Anusorn Muttaraid	Director
9	Mr.Jirayut Rungsrithong	Director
10	Miss Parichatara L. Sirivong	Director and Secretary

#### Board of Directors 2014

1	Mrs.Salinee Wangtal	Chairman
2	Mrs.Saowanee Kamolbutr	Director
3	Mr.Atsadang Chiewthada	Director
4	Mr.Vitaya Suriyawong	Director
5	Mrs.Pankanitta Boonkrong	Director
6	Mr.Lavaron Sangsnit	Director
7	Mr.Anusorn Muttaraid	Director
8	Mr.Somchai Harnhirun	Director
9	Mr.Vichit Kornvityakoon	Director
10	Miss Parichatara L. Sirivong	Director and Secretary

#### Board of Directors 2015

1	Mrs.Salinee Wangtal	Chairman
2	Mrs.Saowanee Kamolbutr	Director
3	Mr.Atsadang Chiewthada	Director
4	Mrs.Pankanitta Boonkrong	Director
5	Mr.Lavaron Sangsnit	Director
6	Mr.Anusorn Muttaraid	Director
7	Mr.Somchai Harnhirun	Director
8	Mr.Vitaya Suriyawong	Director
9	Mr.Vichit Kornvityakoon	Director
10	Mr.Seree Nonthasoot	Director
11	Mr.Praphaisith Tankeyura	Director
12	Mr.Supot Arevart	President Director and Secretary
13	Mrs.Intira Phokpoonyarak	Senior Executive Vice President Acting President Director and Secretary (Aug 31 - Oct 30, 2015)
14	Mr.Woramit Krutto	Senior Executive Vice President Acting President Director and Secretary (Nov 2 - Dec 31, 2015)

#### Board of Directors 2016

1	Mrs.Salinee Wangtal	Chairman (Jul 30, 2014 - Aug 22, 2016)
2	Mr.Somchai Harnhirun	Chairman
3	Mrs.Saowanee Kamolbutr	Director
4	Mrs.Pankanitta Boonkrong	Director
5	Mr.Lavaron Sangsnit	Director
6	Mr.Seree Nonthasoot	Director
7	Mr.Praphaisith Tankeyura	Director
8	Mr.Taveesak Foongkiatcharoen	Director
9	Mrs.Poonsuk Musiklad	Director
10	Mr.Chanvit Nakhburee	Director
11	Mr.Pornlert Lattanan	Director
12	Mr.Mongkon Leelatham	President Director and Secretary



## Branch Directory

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### Mae Hong Son Branch

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### Lamphun Branch

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Chiang Rai 57000  
Tel. 053-718504, 053-714096, 053-714501  
Fax. 053-711915  
E-mail : Zoneoffice2@smebank.local

### Chiang Rai Branch

450/29-32 Moo 13, Phaholyothin Rd.,  
Tambon Rob Viang, Amphoe Muang,  
Chiang Rai 57000  
Tel. 053-718504, 714096, 714501  
Fax. 053-711915  
E-mail : ChiangRai@smebank.co.th

### Mae Sai Branch

825/2 Moo 3, Phaholyothin Rd., Tambon  
Viang Phang Kam, Amphoe Maesai,  
Chiang Rai 57000  
Tel. 053-734494-6  
Fax. 053-734497  
E-mail : MaeSai@smebank.co.th

### Phayao Branch

286/22 Phaholyothin Rd., Tambon  
Maetum, Amphoe Muang, Phayao 56000  
Tel. 054-480222-3  
Fax. 054-485989  
E-mail : Phayao@smebank.co.th

### Zone Office 3

292-294 Lampang-Ngaw Super-Highway  
Rd., Tambon Pra Baht, Amphoe Muang,  
Lampang 52000  
Tel. 054-821549-53  
Fax. 054-821548  
E-mail : Zoneoffice3@smebank.local

### Lampang Branch

292-294 Lampang-Ngaw Super-Highway  
Rd., Tambon Pra Baht, Amphoe Muang,  
Lampang 52000  
Tel. 054-821549-53  
Fax. 054-821548  
E-mail : Lampang@smebank.co.th

### Phrae Branch

303/20-21 Moo 7, Tambon Na Juck,  
Amphoe Muang, Phrae 54000  
Tel. 054-533997, 628010-2  
Fax. 054-533996  
E-mail : Phrae@smebank.co.th

### Nan Branch

37/12 Lobkampongmuang Tawantok Rd.,  
Tambon Nai Muang, Amphoe Muang nan,  
Nan 55000  
Tel. 054-772500-2  
Fax. 054-772503  
E-mail : Nan@smebank.co.th

### Zone Office 4

21 Soi 4 Rraddamnarn 1 Rd., Tambon Nai Muang,  
Amphoe Muang, Kamphaengphet 62000  
Tel. 055-773205-8  
Fax. 055-773209  
E-mail : Zoneoffice4@smebank.local

### Kamphaeng Phet Branch

21 Soi 4 Rraddamnarn 1 Rd., Tambon Nai Muang,  
Amphoe Muang, Kamphaengphet 62000  
Tel. 055-773205-8  
Fax. 055-773209  
E-mail : KamphaengPhet@smebank.co.th

### Sukhothai Branch

1/2-3 Jarod Withee Thong Rd., Tambon Thani,  
Amphoe Muang, Sukhothai 64000  
Tel. 055-616166-7  
Fax. 055-616168  
E-mail : Sukhothai@smebank.co.th

### Tak Branch

17/26 Asia Rd., Tambon Mae sod,  
Amphoe Mae sod, Tak 63110  
Tel. 055-506971-2  
Fax. 055-506970  
E-mail : Tak@smebank.co.th

### Zone Office 5

838 Mittraphap Rd., Tambon Nai Muang,  
Amphoe Muang, Phitsanulok 65000  
Tel. 055-221575-6  
Fax. 055-304554  
E-mail : Zoneoffice5@smebank.local

### Phitsanulok Branch

838 Mittraphap Rd., Tambon Nai Muang,  
Amphoe Muang, Phitsanulok 65000  
Tel. 055-221575-6  
Fax. 055-304554  
E-mail : Phitsanulok@smebank.co.th

### Phichit Branch

42/1-2 Ratkasemautid Rd., Tambon Nai Muang,  
Amphoe Muang, Phichit 66000  
Tel. 056-616550-2  
Fax. 056-616553  
E-mail : Phichit@smebank.co.th

### Phetchabun Branch

4/1-2 Samakkeechai Rd., Tambon Nai Muang,  
Amphoe Muang, Phetchabun 67000  
Tel. 056-720821-2, 720922  
Fax. 056-713187  
E-mail : Phetchabun@smebank.co.th

#### Uttaradit Branch

20/22-23 Jessadabodinnua Rd., Tambon Tha It, Amphoe Muang, Uttaradit 53000  
Tel. 055-411872-3  
Fax. 055-411874  
E-mail : Uttaradit@smebank.co.th

#### Zone Office 6

919/28,919/111 Moo 10, Phahonyothin Rd., Tambon Nakhon Sawan Tok, Amphoe Muang Nakhon Sawan, Nakhon Sawan 60000  
Tel. 056-220877-8, 232976, 231336  
Fax. 056-220879  
E-mail : Zoneoffice6@smebank.local

#### Nakhon Sawan Branch

919/28,919/111 Moo 10, Phahonyothin Rd., Tambon Nakhon Sawan Tok, Amphoe Muang Nakhon Sawan, Nakhon Sawan 60000  
Tel. 056-220877-8, 232976, 231336  
Fax. 056-220879  
E-mail : NakhonSawan@smebank.co.th

#### Uthai Thani Branch

137 Terbsiri Rd., Tambon Uthaimai, Amphoe Muang Uthaitani 61000  
Tel. 056-571401-3  
Fax. 056-571404  
E-mail : UthaiThani@smebank.co.th

#### Chai Nat Branch

68/3-4 Phormprasert Rd., Tambon Nai Muang, Amphoe Muang Chainat 17000  
Tel. 056-416741-3, 414023, 414050  
Fax. 056-416744  
E-mail : ChaiNat@smebank.co.th

#### Zone Office 7

497/1-3 Moo 2, Mittraphap Rd., Tambon Sila, Amphoe Muang, Khon Kaen 40000  
Tel. 043-465588  
Fax. 043-465589  
E-mail : Zoneoffice7@smebank.local

#### Khon Kaen Branch

497/1-3 Moo 2, Mittraphap Rd., Tambon Sila, Amphoe Muang, Khon Kaen 40000  
Tel. 043-343580-3, 393889  
Fax. 043-393888  
E-mail : KhonKaen@smebank.co.th

#### Chumpae Branch

1207, 1208 Mu 15, Maliwan Rd., Tambon Chumphae, Amphoe Chumphae, Khon Kaen 40130  
Tel. 043-313091-2, 384091  
Fax. 043-311323  
E-mail : Chumpae@smebank.co.th

#### Chaiyaphum Branch

69/23-24 Niwedrut (Chaiyaphum-Boayai) Rd., Tambon Nai Muang, Amphoe Mueang, Chaiyaphum 36000  
Tel. 044-813334-6  
Fax. 044-813337  
E-mail : Chaiyaphum@smebank.co.th

#### Loei Branch

87/13 Maliwan Rd., Tambon Kudpong, Amphoe Muang Loei 42000  
Tel. 042-833785-7  
Fax. 042-833788  
E-mail : Loei@smebank.co.th

#### Zone Office 8

751/10-11 Mittraphap Rd., Tambon Nai Muang, Amphoe Muang, Nakhon Ratchasima 30000  
Tel. 044-353508  
Fax. 044-353550  
E-mail : Zoneoffice8@smebank.local

#### Nakhon Ratchasima Branch

751/10-11 Mittraphap Rd., Tambon Nai Muang, Amphoe Muang, Nakhon Ratchasima 30000  
Tel. 044-262418-20, 251050-51  
Fax. 044-262418  
E-mail : NakhonRatchasima@smebank.co.th

#### Pak Chong Branch

199 Mittraphap Rd., Tambon Pakchong, Amphoe Pakchong, Nakhon Ratchasima 30130  
Tel. 044-313142, 313555, 313135  
Fax. 044-313546  
E-mail : PakChong@smebank.co.th

#### Buri Ram Branch

37/41-42 Thani Rd., Tambon Nai Muang, Amphoe Muang, Buriram 31000  
Tel. 044-625536 - 8  
Fax. 044-625535  
E-mail : BuriRam@smebank.co.th

#### Zone Office 9

499/3-5 Moo 7, Robmuang Rd., Soi Bannonpibon, Tambon Makkang, Amphoe Muang, Udon Thani 41000  
Tel. 042-242435-6  
Fax. 042-242437  
E-mail : Zoneoffice9@smebank.local

#### Udon Thani Branch

499/3-5 Moo 7, Robmuang Rd., Soi Bannonpibon, Tambon Makkang, Amphoe Muang, Udon Thani 41000  
Tel. 042-211844-6  
Fax. 042-211847  
E-mail : UdonThani@smebank.co.th

#### Nong Khai Branch

899/1-2 Moo 5, Nong Khai - Poanpisai Rd., Tambon Pochai Amphoe Muang, Nong Khai 43000  
Tel. 042-414111-3  
Fax. 042-414114  
E-mail : NongKhai@smebank.co.th

#### Nong Bua Lam Phu Branch

3/1-2 Wiriyothin Rd., Tambon Nongbua, Amphoe Muang Nongbualamphu 39000  
Tel. 042-312400, 312700, 312800  
Fax. 042-312875  
E-mail : NongBuaLamPhu@smebank.co.th

#### Zone Office 10

228/8 Charoenmueang Rd., Tambon Thatchoengchum, Amphoe Muang, Sakon Nakhon 47000  
Tel. 042-730960-2, 716534  
Fax. 042-716764  
E-mail : Zoneoffice10@smebank.local

#### Sakon Nakhon Branch

228/8 Charoenmueang Rd., Tambon Thatchoengchum, Amphoe Muang, Sakon Nakhon 47000  
Tel. 042-730960-2, 716534  
Fax. 042-716764  
E-mail : SakonNakhon@smebank.co.th

#### Sawang Daen Din Branch

909 Moo 11, Tambon Sawangdandin, Amphoe Sawandandin, Sakon Nakhon 47110  
Tel. 042-722515-7  
Fax. 042-722518  
E-mail : SawangDaenDin@smebank.co.th

#### Nakhon Phanom Branch

764/1 Suntornvichit Rd., Tambon Nai Muang,  
Amphoe Muang Nakhonphanom 48000  
Tel. 042-516340-2  
Fax. 042-516343  
E-mail : NakhonPhanom@smebank.co.th

#### Zone Office 11

199/1 Pitak Phanom Khet Rd., Tambon  
Mukdahan, Amphoe Muang, Mukdahan 49000  
Tel. 042-630928-30  
Fax. 042-612889  
E-mail : Zoneoffice11@smebank.local

#### Mukdahan Branch

199/1 Pitak Phanom Khet Rd., Tambon  
Mukdahan, Amphoe Muang, Mukdahan 49000  
Tel. 042-630928-30  
Fax. 042-612889  
E-mail : Mukdahan@smebank.co.th

#### Yasothon Branch

85/3-4 Rattana Khet Rd., Tambon Nai Muang,  
Amphoe Muang, Yasothon 35000  
Tel. 045-715551-3  
Fax. 045-715554  
E-mail : Yasothon@smebank.co.th

#### Kalasin Branch

1/8 Kudyangsamakkee Rd., Tambon Kalasin,  
Amphoe Muang, Kalasin 46000  
Tel. 043-812446-7, 043-812442  
Fax. 043-812424  
E-mail : Kalasin@smebank.co.th

#### Amnat Charoen Branch

76 Moo 12 Aurunprasert Rd., Tambon Bung,  
Amphoe Muang, AmnatCharoen 37000  
Tel. 045-452526-8  
Fax. 045-452529  
E-mail : AmnatCharoen@smebank.co.th

#### Zone Office 12

49, 49/1-3 Tewa Phiban Rd., Tambon Nai  
Muang, Amphoe Muang, Roi Et 45000  
Tel. 043-519520-1, 3  
Fax. 043-519522  
E-mail : Zoneoffice12@smebank.local

#### Roi Et Branch

49, 49/1-3 Tewa Phiban Rd., Tambon Nai  
Muang, Amphoe Muang, Roi Et 45000  
Tel. 043-511100, 514666, 514775, 519538-9  
Fax. 043-514535  
E-mail : RoiEt@smebank.co.th

#### Maha Sarakham Branch

453, 453/1 Nakhon Sawan Rd.,  
Tambon Talad, Amphoe Muang,  
Maha Sarakham 44000  
Tel. 043-741211-3  
Fax. 043-741214  
E-mail : MahaSarakham@smebank.co.th

#### Surin Branch

297/4 Tessaban 3 Rd., Tambon Nai  
Mueang, Amphoe Muang, Surin 32000  
Tel. 044-713141-2, 713725-6  
Fax. 044-713143  
E-mail : Surin@smebank.co.th

#### Zone Office 13

756/4-5 Chayangkul Rd., Tambon Nai  
Muang, Amphoe Muang,  
Ubon Ratchathani 34000  
Tel. 045-314720  
Fax. 045-314720  
E-mail : Zoneoffice13@smebank.local

#### Ubon Ratchathani Branch

756/4-5 Chayangkul Rd., Tambon Nai  
Muang, Amphoe Muang,  
Ubon Ratchathani 34000  
Tel. 045-284403, 317124-5  
Fax. 045-284404  
E-mail : UbonRatchathani@smebank.co.th

#### Det Udom Branch

439 Moo 5, Tambon Muangdet, Amphoe  
Detudom, Ubon Ratchathani 34160  
Tel. 045-361870, 362670, 362460  
Fax. 045-361240  
E-mail : DetUdom@smebank.co.th

#### Si Sa Ket Branch

26/13 Moo 2, Sisaket - Ubon Ratchathani  
Rd., Tambon Pho, Amphoe Muang,  
Si Sa Ket 33000  
Tel. 045-617880-2, 610031  
Fax. 045-617883  
E-mail : SiSaKet@smebank.co.th

#### Zone Office 14

289 Moo 4, Malai Maen Rd., Tambon  
Sanamchai, Amphoe Muang,  
Suphanburi 72000  
Tel. 035-501584  
Fax. 035-501575  
E-mail : Zoneoffice14@smebank.local

#### Suphan Buri Branch

289 Moo 4, Malai Maen Rd., Tambon  
Sanamchai, Amphoe Muang,  
Suphanburi 72000  
Tel. 035-501584  
Fax. 035-501575  
E-mail : SuphanBuri@smebank.co.th

#### Kanchanaburi Branch

130, 132 Sangchuto Rd., Tambon Ban Tai,  
Amphoe Muang, Kanchanaburi 71000  
Tel. 034-514092-3, 514101  
Fax. 034-514102  
E-mail : Kanchanaburi@smebank.co.th

#### Lop Buri Branch

41/29-30 Moo 1, Phahonyothin Rd.,  
Tambon Ta-Sala, Amphoe Muang,  
Lopburi 15000  
Tel. 036-784445-7  
Fax. 036-784448  
E-mail : LopBuri@smebank.co.th

#### Sing Buri Branch

155/59-60 Moo 7, Tambon Bang Mon,  
Amphoe Muang, Singburi 16000  
Tel. 036-524678-80  
Fax. 036-523166  
E-mail : SingBuri@smebank.co.th

#### Zone Office 15

58/9-10 Moo 1, Rodjana Rd., Tambon  
Thanu, Amphoe Uthai, Phra Nakhon Si  
Ayutthaya 13000  
Tel. 035-345334-6  
Fax. 035-345337  
Zoneoffice15@smebank.local

#### Phra Nakhon Si Ayutthaya Branch

58/9-10 Moo 1, Rodjana Rd., Tambon  
Thanu, Amphoe Uthai, Phra Nakhon Si  
Ayutthaya 13000  
Tel. 035-336324-5  
Fax. 035-336284  
E-mail : PhraNakhonSiAyutthaya  
@smebank.co.th

#### Saraburi Branch

88/24 Soodbuntud Rd., Tambon Pak Priaw,  
Amphoe Muang, Saraburi 18000  
Tel. 036-221112, 221142, 231121-2  
Fax. 036-221254  
E-mail : Saraburi@smebank.co.th

#### Ang Thong Branch

14/5-6 Anghong-Singburi Rd., Tambon Talad-luang, Amphoe Muang, Anghong 14000  
Tel. 035-625116, 625106, 625198  
Fax. 035-625207  
E-mail : AngThong@smebank.co.th

#### Nakhon Nayok Branch

Kho 2-251/27-28 Nakhonnayok-Rangsit Rd., Tambon Nakhonnayok, Amphoe Muang, Nakhonnayok 26000  
Tel. 037-316161-2  
Fax. 037-316164  
E-mail : NakhonNayok@smebank.co.th

#### Zone Office 16

5/74-75 Piboonsongkram Rd., Tambon Suanyai, Amphoe Muang, Nonthaburi 11000  
Tel. 02-5252002  
Fax. 02-5251949  
E-mail : Zoneoffice16@smebank.local

#### Nonthaburi Branch

5/74-75 Piboonsongkram Rd., Tambon Suanyai, Amphoe Muang, Nonthaburi 11000  
Tel. 02-5251991-2  
Fax. 02-5251949  
E-mail : Nonthaburi@smebank.co.th

#### Bang Bua Thong Branch

88/12-13 Moo 4, Bangkruay-Sainoi Rd., Tambon Sanoloy, Amphoe Bangbuathong, Nonthaburi 11110  
Tel. 02-5712336, 5712342  
Fax. 02-5712343  
E-mail : BangBuaThong@smebank.co.th

#### Pathum Thani Branch

40/40-42 Bangkok-Pathumthani Rd., Tambon Bang Prok, Amphoe Muang, Pathumthani 12000  
Tel. 02-5817100-2  
Fax. 02-5817103  
E-mail : PathumThani@smebank.co.th

#### Rang Sit Branch

132/15-17 Lamlukka Rd., Tambon Kukod, Amphoe Lamlukka, Pathumthani 12130  
Tel. 02-9007245-6  
Fax. 02-9007247  
E-mail : RangSit@smebank.co.th

#### Zone Office 17

497 Luangpaeng Rd., Tambon Tubyao, Ladkrabang, Bangkok 10520  
Tel. 02-1729680-2  
Fax. 02-1729683  
E-mail : Zoneoffice17@smebank.local

#### Lat Krabang Branch

497 Luangpaeng Rd., Tambon Tubyao, Ladkrabang, Bangkok 10520  
Tel. 02-1729680-2  
Fax. 02-1729683  
E-mail : LatKrabang@smebank.co.th

#### Chatuchak Business Center

1694, 1696 Phahonyothin Rd., Tambon Chankasem, Amphoe Chatuchak, Bangkok 10900  
Tel. 02-5138226  
Fax. 02-5138215  
E-mail : ChatuchakBusinessCenter@smebank.co.th

#### Pin Klao Branch

1/79 Boromratchonanee Rd., Tambon Arun Amarin, Amphoe Bangkok Noi, Bangkok. 10700  
Tel. 02-4349211, 02-4349178-9  
Fax. 02-4349177  
E-mail : PinKlao@smebank.co.th

#### Zone Office 18

458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10280  
Tel. 02-7025830-2  
Fax. 02-7025833  
E-mail : Zoneoffice18@smebank.local

#### Samut Prakan Branch

458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10280  
Tel. 02-7025830-2  
Fax. 02-7025833  
E-mail : SamutPrakan@smebank.co.th

#### Phra Pradaeng Branch

105/11 Moo 10, Suksawat Rd., Tambon Bang Pueng, Amphoe Prapradaeng, Samutprakan 10130  
Tel. 02-4628433-5  
Fax. 02-4628436  
E-mail : PhraPradaeng@smebank.co.th

#### Sukhumvit 62 Branch

2150/9 Sukhumvit Rd., Tambon Bankchak, Amphoe Prakanong, Bangkok 10260  
Tel. 02-3111819-22  
Fax. 02-3111821  
E-mail : Sukhumvit62@smebank.co.th

#### Zone Office 19

51/15-16 Moo 2, Sukhumvit Rd., Tambon Sa-med, Amphoe Muang, Chonburi 20000  
Tel. 038-144051,3  
Fax. 038-144052  
E-mail : Zoneoffice19@smebank.local

#### Chon Buri Branch

51/15-16 Moo 2, Sukhumvit Rd., Tambon Sa-med, Amphoe Muang, Chonburi 20000  
Tel. 038-285630-1, 784171  
Fax. 038-784172  
E-mail : ChonBuri@smebank.co.th

#### Pattaya Branch

245/155-156 Moo 9, Pattaya Sai Sam Rd., Tambon Nongprue, Amphoe Banglamung, Chonburi 20150  
Tel. 038-416805-7  
Fax. 038-416808  
E-mail : Pattaya@smebank.co.th

#### Chachoengsao Branch

182-184 Chachoengsao-Bangpakong Rd., Tambon Na-muang, Amphoe Muang, Chachoengsao 24000  
Tel. 038-812642-3, 513363, 535915  
Fax. 038-535082  
E-mail : Chachoengsao@smebank.co.th

#### Phrachin Buri Branch

173/7-8 Prachin-Ta-kam Rd., Tambon Na-muang, Amphoe Muang, Prachinburi 25000  
Tel. 037-216818-9, 037-216838  
Fax. 037-216820  
E-mail : PhrachinBuri@smebank.co.th

### Zone Office 20

51/32 Moo 3, Sai Sam-Sib-Hok Rd., Tambon  
Tupma, Amphoe Muang, Rayong 21000  
Tel. 038-617219  
Fax. 038-617220  
E-mail : Zoneoffice20@smebank.local

#### Rayong Branch

51/32 Moo 3, Sai Sam-Sib-Hok Rd., Tambon  
Tupma, Amphoe Muang, Rayong 21000  
Tel. 038-622221, 622258, 622367  
Fax. 038-621191  
E-mail : Rayong@smebank.co.th

#### Sa Kaeo Branch

318,320 Suwansorn Rd., Tambon Sa kaew,  
Amphoe Muang, Sa kaew 27000  
Tel. 037-421974-6  
Fax. 037-421977  
E-mail : SaKaeo@smebank.co.th

#### Chanthaburi Branch

35/119 Moo 7, Trirat Rd., Tambon  
Chanthamit, Amphoe Muang Chanthaburi,  
Chanthaburi 22000  
Tel. 039-324562-3  
Fax. 039-313216  
E-mail : Chanthaburi@smebank.co.th

#### Trat Branch

87/1-2 Wiwattana Rd., Tambon Wangkrajae,  
Amphoe Muang, Trat 23000  
Tel. 039-523162, 039-523244  
Fax. 039-523656  
E-mail : Trat@smebank.co.th

### Zone Office 21

28/29-30 Yingpao Rd., Tambon Sanam Jun,  
Amphoe Muang, Nakhonpathom 73000  
Tel. 034-244415-6  
Fax. 034-244410  
E-mail : Zoneoffice21@smebank.local

#### Nakhon Pathom Branch

28/29-30 Yingpao Rd., Tambon Sanam Jun,  
Amphoe Muang, Nakhonpathom 73000  
Tel. 034-218661-2, 085-980-8091  
Fax. 034-218663  
E-mail : NakhonPathom@smebank.co.th

#### Aom Noi Branch

219/1277-1278 Moo 12, Phetkasem Rd.,  
Tambon Aom Noi, Amphoe Kratumban,  
Samutsakhon 74130  
Tel. 02-8128785-6  
Fax. 02-8128787  
E-mail : AomNoi@smebank.co.th

#### Samut Sakhon Branch

927/302-303 Settakit 1 Rd., Tambon  
Mahachai, Amphoe Muang,  
Samutsakhon 74000  
Tel. 034-811479-80  
Fax. 034-811481  
E-mail : SamutSakhon@smebank.co.th

#### Samut Songkhram Branch

129/11-12 Tang Khao Muang Rd.,  
Tambon Mae Klong, Amphoe Muang,  
Samutsongkhram 75000  
Tel. 034-723661-2  
Fax. 034-723663  
E-mail : SamutSongkhram@smebank.co.th

### Zone Office 22

260 Si Suriyawong Rd., Tambon Na  
Muang, Amphoe Muang,  
Ratchaburi 70000  
Tel. 032-311142-3, 338958  
Fax. 032-311090  
E-mail : Zoneoffice22@smebank.local

#### Ratchaburi Branch

260 Si Suriyawong Rd., Tambon Na  
Muang, Amphoe Muang,  
Ratchaburi 70000  
Tel. 032-311142-3, 338958  
Fax. 032-311090  
E-mail : Ratchaburi@smebank.co.th

#### Ban Pong Branch

178-180 Songpol Rd., Tambon Banpong,  
Amphoe Banpong , Ratchaburi 70110  
Tel. 032-222820-2  
Fax. 032-210789  
E-mail : BanPong@smebank.co.th

#### Phetchaburi Branch

45,47 She-Sa-In Rd., Tambon  
Klogkacheng, Amphoe Muang,  
Phetchaburi 76000  
Tel. 032-410302  
Fax. 032-410303  
E-mail : Phetchaburi@smebank.co.th

#### Prachuap Khiri Khan Branch

197 Prachuapkhirikhan Rd., Tambon  
Prachuapkhirikhan, Amphoe Muang,  
Prachuapkhirikhan 77000  
Tel. 032-604431-3  
Fax. 032-604434  
E-mail : PrachuapKhiriKhan@smebank.co.th

#### Hua Hin Branch

22/52-53 Phetkasem Rd., Tambon HuaHin,  
Amphoe HuaHin, Prachuapkhirikhan, 77110  
Tel. 032-516690-2  
Fax. 032-516693  
E-mail : HuaHin@smebank.co.th

### Zone Office 23

238/116-117 Moo 1, Chonkasem Rd.,  
Tambon Makhantia, Amphoe Muang,  
Suratthani 84000  
Tel. 077-600327  
Fax. 077-600326  
E-mail : Zoneoffice23@smebank.local

#### Surat Thani Branch

238/116-117 Moo 1, Chonkasem Rd.,  
Tambon Makhantia, Amphoe Muang,  
Suratthani 84000  
Tel. 077-600329-30, 381  
Fax. 077-600391  
E-mail : SuratThani@smebank.co.th

#### Ko Samui Branch

115/25-26 Moo 6, Rob Koh Rd., Tambon  
Boput, Amphoe Koh Samui,  
Suratthani 84320  
Tel. 077-427286-7, 427282  
Fax. 077-427446  
E-mail : KoSamui@smebank.co.th

#### Chumphon Branch

25/46-47 Krommaluang Chumphon Rd.,  
Tambon Tatapao, Amphoe Muang,  
Chumphon 86000  
Tel. 077-501646, 506879  
Fax. 077-506880  
E-mail : Chumphon@smebank.co.th

#### Ranong Branch

999/1-2 Chalermprakiet Hok Rob  
Prachonmapansa Rd., Tambon Kaoniwed,  
Amphoe Muang, Ranong 85000  
Tel. 077-826501-3  
Fax. 077-826504  
E-mail : Ranong@smebank.co.th

### Zone Office 24

32/175-176 Poonpon Rd., Tambon Talad Nua,  
Amphoe Muang Phuket, Phuket 83000  
Tel. 076-215757-8

Fax. 076-215755

E-mail : Zoneoffice24@smebank.local

#### Phuket Branch

32/175-176 Poonpon Rd., Tambon Talad Nua,  
Amphoe Muang Phuket, Phuket 83000  
Tel. 076-217009, 218268, 214719

Fax. 076-355929

E-mail : Phuket@smebank.co.th

#### Krabi Branch

50/6-7 Krabi-Khao Thong Rd., Tambon  
Paknam, Amphoe Muang, Krabi 81000  
Tel. 075-621076

Fax. 075-621102

E-mail : Krabi@smebank.co.th

#### Phang-nga Branch

68/9-10 Moo 3 Lho Phangnga-Tubpud Rd.,  
Tambon Thamnampud, Amphoe Muang,  
Phangnga 82000

Tel. 076-460778-9

Fax. 076-460780

E-mail : Phang-nga@smebank.co.th

#### Trang Branch

3/9 Wisadekul Rd., Tambon Thap Thiang,  
Amphoe Muang Trang, Trang 92000

Tel. 075-217911-2

Fax. 075-217913

E-mail : Trang@smebank.co.th

### Zone Office 25

70/34-35 Paknakhon Rd., Tambon Klung,  
Amphoe Muang,

Nakhon Si Thammarat 80000

Tel. 075-342690-2

Fax. 075-342670

E-mail : Zoneoffice25@smebank.local

#### Nakhon Si Thammarat Branch

70/34-35 Paknakhon Rd., Tambon Klung,  
Amphoe Muang,

Nakhon Si Thammarat 80000

Tel. 075-357301-3

Fax. 075-357304

E-mail : NakhonSiThammarat@smebank.co.th

### Thung Song Branch

47/1 Moo 2, Thungsong-Surat Rd.,  
Tambon Chamai, Amphoe Thungsong,  
Nakhon Si Thammarat 80110

Tel. 075-424300-2

Fax. 075-424303

E-mail : ThungSong@smebank.co.th

#### Patthalung Branch

284/7 - 8 Ramate Rd., Tambon  
Kuhasawan, Amphoe Muang,  
Patthalung 93000

Tel. 074-616214-5, 616253

Fax. 074-616254

E-mail : Patthalung@smebank.co.th

#### Satun Branch

483/1-2 Moo 7, Yontakarnkamtorn Rd.,  
Tambon Khongkut, Amphoe Muang,  
Satun 91000

Tel. 074-725190-1

Fax. 074-725192

E-mail : Satun@smebank.co.th

### Zone Office 26

434 Supasarnrungsun Rd., Tambon  
Hatyai, Amphoe Hatyai, Songkhla 90110  
Tel. 074-247712-3

Fax. 074-247714

E-mail : Zoneoffice26@smebank.local

#### Hatyai Branch

434 Supasarnrungsun Rd., Tambon  
Hatyai, Amphoe Hatyai, Songkhla 90110  
Tel. 074-247451-3

Fax. 074-247454

E-mail : Hatyai@smebank.co.th

#### Songkhla Branch

20/60-61 Moo 2, Kanchanawanich Road,  
Tambon Kaoroubchang, Amphoe Muang,  
Songkhla 90000

Tel. 074-380333, 380033, 380035

Fax. 074-380071

E-mail : Songkhla@smebank.co.th

#### Pattani Branch

400/22-23 Moo 4, Nong Chik Pattani Rd.,  
Tambon Rusamilae, Amphoe Muang,  
Pattani 94000

Tel. 073-450801-2

Fax. 073-450803

E-mail : Pattani@smebank.co.th

### Yala Branch

277-279 Premjit-Suraphan Rd., Tambon  
Sateng, Amphoe Muang, Yala 95000  
Tel. 073-224458-9

Fax. 073-224460

E-mail : Yala@smebank.co.th

#### Narathiwat Branch

153/8-9 Suriyapradit Rd.,  
Tambon Bangnak, Amphoe Muang,  
Narathiwat 96000

Tel. 073-532752-4

Fax. 073-532751

E-mail : Narathiwat@smebank.co.th



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