



# SMEs

New Normal

Next to your side...Fight Crisis  
for **Stability and Sustainability**  
to **Thai SMEs**



**Annual Report 2020**

Small and Medium Enterprise Development Bank of Thailand



Next to your side...Fight Crisis  
for **Stability and Sustainability**  
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# SMEs

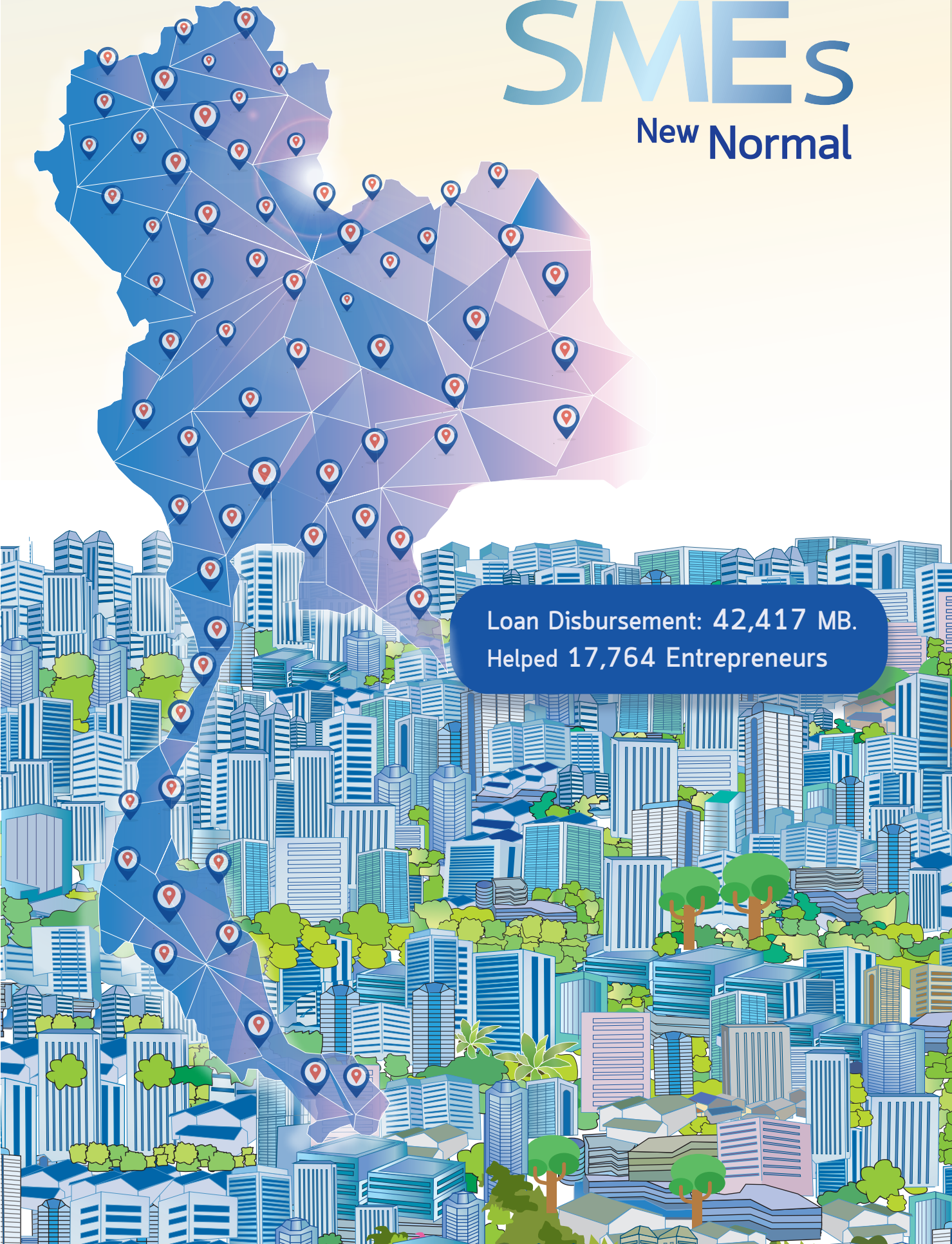
## New Normal



Small and Medium Enterprise Development Bank of Thailand or SME D Bank, a government's dedicated financial institution operated under the supervision of the Ministry of Finance and Ministry of Industry, is ready to play the important mechanical roles of the ecology concerning the development of capability of Thai SME entrepreneur to be efficiently prosperous under the mission "To be a government financial institution rendering one-stop service and perform sustainable success-oriented development of SME business capabilities" through providing supports to the SME entrepreneurs on accessing to the funding sources with special interest rate accompanying with gaining the knowledge, elevating to catch up with all-dimension changes, and integrating the allied entities, regardless of public, private, and educational institute sectors to support the business to be conducted by SME entrepreneurs leading to the formation of employments, occupations, and revenue to communities, reduction of social disparity, and **building Thai economic foundation with stable and sustainable growth.**

# SMEs

New Normal



Loan Disbursement: 42,417 MB.  
Helped 17,764 Entrepreneurs







SME  
Development  
Bank

Ready...to Dedicate Manpower  
Field Visits to Take Care of Thai SMEs



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Coverage for Every  
SMEs Group

# SMEs

New Normal

Never leave  
your side

Offer measures to handle the impact from the Covid-19 crisis, whether **suspending of debt principal** and interest repayment. or..**Add capital**, enhance liquidity, support business, retain employment with project called “**Extra Cash**” for micro SMEs. The SME D Bank helps all businesses affected by the Covid-19 pandemic.

And the role of development, boost sales, help market expansion in all channels. The SME D Bank always by your side in every paths for Thai SMEs to grow.



# Steady ..transparency

With stable, stable from the Fitch Ratings (Thailand), the credit rating of **SME D Bank** is at “**AAA(tha)**”, the highest credit rate in the country.

**Transparency organization** with fairness, verifiable, aims to educate, build up businesses, increase efficiency to SMEs and public.

## Bank's Activities



### ISO 26000 Corporate Social Responsibility

#### Social and Environmental Responsibility

The Bank adheres to the organization management guidelines under the Sufficiency Economy Philosophy with social and environmental responsibility under the participative processes to cause the developments of employees, organization, and social. Therefore, the Bank operates according to the ISO 26000: Social Responsibility, good governance, and success-oriented organization implantation through 4 aspects of activities, i.e., educational development, social and environmental development, religious nurture, and contribution of employees under the 2 following projects: 1) Go Green Project; 2) Deeply Knowing In-Process Project and; 3) SME D Partner by CSR Project. Previously, the Bank has arranged activities, e.g., education on CS in process for the employees, contribution in organization's environmental conservation, and provision of help during the COVID-19 outbreak. The examples of activities are distributing refillable alcohol to the employees and ordinary peoples around the SME Bank Tower, providing drinking

water, cloth face masks, and face shields at the 12 screening points founded by the cooperation between the Bangkok Metropolitan Administration and the Royal Thai Police, including forming the "SME D Bank Happiness-Sharing Cabinet" to provide help and reduce the cost of living for the persons affected by the COVID-19 outbreak. Meanwhile, the Bank contributed to the Buddhism event called "Thot Kathin Samakki" of the year 2020 to construct the "First Ubosot" of Wat Khlong Theppalok, Nakhon Nayok Province, granting scholarships to the poor students but study excellence of Wat Arun Rangsi School, Nakhon Nayok Province, and the activity entitled "Create Career, Occupation, and Income" with the cooperation from the Bank's customers in order to provide the peoples in communities with the opportunity to obtain careers, skills of an entrepreneur, and associate the network alliances to enable product distribution so that the peoples in the community are capable of self-reliance and sustainable strong.



## Loan Service

The Bank, as a government's dedicated financial institution primarily obligated to develop capability and act as the source to provide the fund with the special interest rate for SME entrepreneurs for the purposes of circulation, expansion, and improvement, is ready to provide assistance through various measures to mitigate troubles and reduce any impact from the COVID-19 outbreak to be consistent with the government's policy to accelerate providing assistances to SME businesses to be stably supported. Previously, the Bank propelled rendering services through the measure called "Reduction-Suspension-Extension-Installment-Increase" to help the affected SME entrepreneurs to remain alive and preserve employment including the loan service comprehensive to all groups of SMEs, e.g., Soft Loan of Bank of Thailand, Extra Cash Loan for Small Enterprise, etc. to, directly and indirectly, provide helps to SME businesses affected by the COVID-19 outbreak.



## Entrepreneur Development

The Bank implements the policy supporting entrepreneurs through the concept "Education with Capital". In addition to the loan with the special interest rate, the Bank also improves the entrepreneurs' capabilities to enhance the business immunity so that SME entrepreneurs could get through the COVID-19 crisis and the businesses would be supported to be more robust and sustainably grow in the future by the online and offline mixed procedures. Such businesses are elevated through the development of entrepreneurs' knowledge, developing "www.smebank.co.th" acting as a knowledge source, developing SMEs through e-learning system, and developing the entrepreneurs' businesses through the online channels, "Power SME Thai" page and the Facebook page, "Fak Ran Free SME D Bank", including promoting the sales of products on e-commerce markets through the well-known leading online shopping platforms, e.g., Thailandpostmart.com, Shopee, Lazada, JD Central, and Alibaba.com, etc. Moreover, the Bank arranged several activities, e.g., the training on business cost management, suggestion on single accounting, etc. as well as the increase of sales channels to increase income and generate income, e.g., exhibition booth, product sales within the area of the principal office, SME Bank Tower, on a free-of-charge basis. These include the public relation for awareness through mass media that is deemed as a channel promoting and supporting the businesses of SME entrepreneurs to stably and sustainably grow.

## Voices from Our Customers

**“GO SENGA”** Joins Forces with Academic Institutions  
in Moving to the Next Level

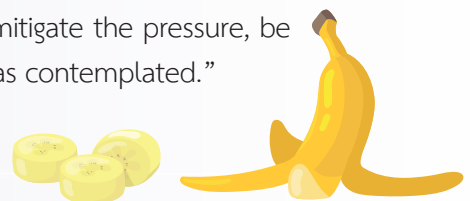
Bangkok



**Mr. Pharon Kaeoprakaisaengkun**

Biopharm International Co., Ltd.

“Gros Michel powder and basil tea are health food processed from plants originated from the idea to reduce the oversupply of agricultural products and to maximize worthiness in the utilization of the existing resources including providing the more distribution channels to agriculturists. I have cooperated with leading educational institutes and research teams to seriously perform the relevant studies and finally obtained the high-quality product to be launched in both domestic and international markets. Nevertheless, this kind of success would never become true without the financial support from the Bank, a loan with the special interest rate, and my business could mitigate the pressure, be provided with good liquidity, and continue growing up as contemplated.”





## “Papa Paper Craft” Soars with Ban Ton Pao Mulberry Paper

Chiang Mai



**Mr. Thanakon Suphasa**

Simply Decor Co., Ltd.

“The changes in consumers’ needs lead to the lowering needs for mulberry paper and Papa Paper could never avoid this impact. The recovery needs several aspects of driving power such as funding source, modernization of product designs, and seeking new online/offline marketing channels. The consistent and continual solution provided by the Bank have promoted the company’s growth to the extent of being granted with honorable and proud awards, e.g., The Prime Minister’s Industry Award 2020 in the type of innovative product development, National Top SME No. 12, 2020 Excellent Environmental-Oriented Business Award, and NSP Innovation Award 2020, etc.”



## “Kiengmool” Innovation from Charcoal

Ubon Ratchathani



**Miss Witchani Wasinthanabodi**

Kiengmool Palangngan Yangyuen (Thailand) Co., Ltd.

“Kiengmool, a tiny OTOP brand from Mekong River, has led the journey of its products, the innovative freshener charcoal, and spray, to cope with obstructions and elevated the local products to be an international brand. The products have been marketed in both domestic and international department stores. This point is not simply reached but not too difficult by the coaching from the Bank who has stayed beside. The Bank has provided funding from the public sector as if the river fostering the seedlings to be growing and strong and reinforcing by the fertilization that means competence and expertise. The public relations of the products have been conducted through various platforms such as SME D Digital Marketplace and popular convenient stores, etc. This has resulted in the expansion of distribution channels, origination of employment and occupation, including distribution of income towards communities.”



## “Hia Nop Moo Num” Millionaire Roasted Pork Seller

Nonthaburi



**Mr. Chawaphop Chuhiran**

Moonum Co., Ltd.

“Began from motorbike taxi rider, crossed the professional road, and ended as the grilled pork merchant, there were a lot of issues and obstacles coming to test my tolerance. I have never given up because, in my view, all refer to my lessons to learn to improve my business. I have learned anything unknown from the experts. Online marketing, in my opinion, is significant for merchandising in the present time. Thanks to the Bank who provided me with the support by encouraging me to participate the Facebook sales technique training to the extent that I could apply my knowledge to develop the contents, photo retouching, and posting the interesting contents. These have resulted in the increase of orders and sales. Additionally, the Bank also publicized the brand “Hia Nop Moo Num” to obtain the opportunity to expand the marketing channel through the popular convenient stores and acts as a coach driving me to participate in the contest of the Thailand TOP SME Awards 2020, and I won in the type of Distribution Innovation of the Year, I am really proud of it.”





## “Coffee Factory Wang Nam Khiao” Shapes One-stop Agriculture



Nakhon Ratchasima



**Mr. Pakon Techasitworachot**

Wang Nam Khiao Coffee Limited Partnership

“In the past, my business was failed and severely suffered from the flood crisis in 2011. Due to my desire to overcome obstacles, upon having a chance to expose to nature at Wang Nam Khiao District, Nakhon Ratchasima Province, I thereby fully invested my last amount to determinedly conduct the organic agriculture business and the complete coffee business. My business had gradually been extended and it caused the need for current capital to purchase the machines. According to the scar resulted from the previous business, a lot of financial institutes refused and turned their backs on me, but there was the only bank trusting and foreseeing my capabilities, its officers provided me various advice, the suggestion to register as a legal entity, and my business finally commenced to access to funding sources. Furthermore, the Bank performed business matching, the extension of marketing channels, and public relations to become more well-known.







## Platform “BIM” A New Dimension of 3D Construction Design

Chiang Mai



**Mr. Thana Wontan**

Trident Intelligence Service Co., Ltd.

“TIS conducts the business of interior and exterior designs of buildings and venues through the platform “Building Information Modeling (BIM)”, a construction management software solely developed by the company. Its prominent point is the capability of interior and exterior prior design of which the clear 3D images, such as structure, civil, architectural, electrical works, etc., could be viewed by the customer on the computer monitor. The software assists in the calculation of costs, equipment required, and construction period to mitigate the risk and control the expenditures. Previously, this BIM system was very popular in foreign countries but new for Thailand. Therefore, it was difficult to perform marketing and high capital is required for platform development, the Company began to incur a shortage of current capital, and reliance on financial institutions was required. Fortunately, the Bank provided us the supports due to foreseeing that our innovation would be beneficial to the design industry and the support we received was the loan with a special interest rate of 1%.”





## **“THAIS” Making Scrap Leather Valuable**

Bangkok



**Mr. Thanyawat Thangtrakun and  
Miss Phanchita Tharadonsirithitikon**

Thais Ecoleathers Co., Ltd.

“I privately prefer leatherworks so much and thereby know that the production of any leatherworks will leave the waste leathers over 40% which are difficult to be degraded or destroyed and the manners of landfill and burning cause the pollutions against the environment. This point of view originated the machine compressing and connecting scraps of leather to be single sheet under the brand THAIS. This brand developed the first innovation of the world bringing the lives of scraps of leathers, concretely beneficial, value-added, environment-friendly, and the markets had provided good responses. While encountering the COVID-19 outbreak, the business was greatly affected, the productions of all orders were delayed, and the gap of shortage of current capital was suddenly formed. At the time, the Bank supported us by filling the fund to enable the business driving. Previously, the business was granted several awards from both public and private sectors such as the winner of Clean Technology Contest 2020 from the United Nations Industrial Development Organization, Denmark Award from the Ministry of Commerce, Best Start-up Award Winning 2020 from the Asian Institute of Technology, etc.”







## “Bio Way” Builds on Thai Herbs

Nakhon Pathom



**Miss Ornprapha Phromrangrit**

Sense Beauty Cosmetic (Thailand) Co., Ltd.

“Without giving up, the opportunity always comes during the crisis. It is identical to “Bio Way”, a business of Thai herb processing having above-14-years of experience in this field. Upon the COVID-19 outbreak, the effects incurred led to the suspension of orders, products, and remaining raw materials. We would be mortal if we adhere to the existing ways of running the business. This lesson educated us to avoid adherence, to learn adjustment, to review the situations, and to open our eyes to new marketing methods by adopting the advantage of herbal expertise to initiate and develop the existing product. Therefore, the new product line, “Algelogy Anti Pollution”, was developed. This is an alcohol gel for hand sanitization satisfying the needs in the present time. The combination between the new product and supports from the Bank by performing public relations through mass media in various activities, upon the product launch, positive feedbacks from the customers was received, and this became a highly popular product under the brand “Bio Way”.



# Contents

20	Message from the Chairman
22	Significant Developments
23	Vision, Mission, Core Values
25	Government Policies and SMEs Promotions
28	Business Direction 2021
33	Background
34	Board of Directors
36	Profiles of the Board of Directors
47	Board of Executive Directors
48	The Management
50	Profiles of the Board of Executive Directors
62	Organization Chart
64	Directory of Executives
66	Workforce Structure
69	Policy on Payment of the Director's Remuneration and Meeting Allowances
70	Senior Executives Remuneration Policy
71	Shareholders Structure
72	2020 Thai Economy Situation and Trends
81	Operating Results for 2020
94	Key Factors Affecting Operations
95	Risk Management
106	Disclosure of the Board of Directors, Board of Executive Directors, Senior Executive Vice President
108	Summary of Meeting Attendance and Remuneration of the Board of Directors and Executive Directors 2020

SME  
Bank



Next to your side...Fight Crisis  
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- 110** Good Corporate Governance
- Good Corporate governance policy
  - Policy to Prevention of Insider Information Use
  - Policy on Related Parties Transaction Prevention
  - Policy to Prevent Conflicts of Interest
  - Guideline for Treating the Stakeholders
  - Corporate Social Responsibility (CSR) Policy
  - Receipt of Feedback and Complaints
- 119** Guidelines for Recruitment of Directors from the List of State Enterprise Policy Office (SEPO)
- 120** The Committee
- 138** Compliance with the Official Information Act B.E. 2540
- 139** Financial Highlights
- 140** Charter of SME D Bank's Board of Directors
- 143** Report of the Committee
- Report of the Board of Executive Directors
  - Report of the Audit Committee
  - Report of the Risk Oversight Committee
  - Report of the Nomination and Remuneration Committee
  - Report of Corporation Governance Committee (CG&CSR)
- 152** Report of the Board of Directors' Responsibilities for the Financial Statements
- 154** Auditor's Report and Financial Statements
- 212** Board of Directors Directory
- 223** Branch Directory



## Message from the Chairman





The Small and Medium Enterprise Development Bank of Thailand (SME D Bank) has observed its visions, missions, objectives of the Bank establishment, and public sector's policies to develop, promote, assist, and support SME entrepreneurs to conduct their businesses and access funding sources. In 2020, the Bank's amount of the loan disbursed to 17,219 entrepreneurs, a higher number than the previous year's, was 42,417 Million Baht. In such a year, Thailand commenced encountering the crisis from the COVID-19 outbreak resulting in economic retardation and broad effects on SME entrepreneurs. The Bank has provided them with assistance by enhancing their business liquidity through the key projects such as Soft Loan of the Bank of Thailand Project, Soft Loan for SMEs Unable to Access the System Funding Sources Project, Retail Loan for Entrepreneurs Affected by the COVID-19 Outbreak-Extra Cash for Small Enterprises Project, Local Economy Loan Project: Phase 3, and Loan from SME Development Fund by Civil State of Ministry of Industry Project of which the Bank acts as a contributor, including the measures assisting in debt structure improvement, indulgence on settlement conditions, temporary suspension of principal and/or interest settlement, reduction of interest rate, penalty, or fee, reduction of interest rate to be lower than the market rate, to provide help to the affected debtors both directly and indirectly. The assistance has been rendered since the sign of issue of debt settlement arises or on a pre-emptive basis to enable entrepreneurs to foster and continue their businesses during the period of economic crisis.

Additionally, the Bank has provided help to the SME entrepreneurs in self-adjustment to enter the new-normal age by educating SME entrepreneurs (Business Solutions) in the aspects of finance and business to prepare their robust capabilities and grow

their businesses such as the "Educating Vaccine" measure conducted through the on-line training of the simple and easy-to-understand program, "Increasing Income Vaccine" assisting the SME entrepreneurs to sell their products on the online markets, providing the opportunity of business matching through the Facebook group "Free Store Promotion by SME D Bank", and "Market Expansion Vaccine" driving the expansion of product markets through the well-known online platforms.

The credit rating performed by the Fitch Rating indicates that the Bank is ranked in the AAA (tha) class with the stable credit trend which is the topmost credit rank of the country from 2013 to 2020, a consecutive period of 8 years, and remain ranked in the F1+ (tha) class for the short-term credit. This reflects the Bank's stability, reliability, and security. Additionally, the Bank yielded the score of the 2020 Integrity and Transparency Assessment (ITA) of 93.51 or A-Level and was ranked at the 9<sup>th</sup> from 53 state enterprises with a score higher than 2019's of 91.92 or the 14<sup>th</sup>. This refers to the improvement of the Bank's virtue and transparency through good governance that provides the stakeholders with confidence in the aspect of virtue and transparency.

On behalf of the Bank's Board of Directors, executives, and employees, we would provide our gratitude to General Prayut Chan-o-cha, the Prime Minister, the government, Ministry of Finance, Ministry of Industry, and Bank of Thailand for their valuable supports that have been provided to the Bank. The Bank also gives thanks to the customers, partners, cooperators, and allied entities for their excellent supports provided for the Bank's operations from the past and in the future.



(Mr. Kobchai Sungsitthisawad)  
Chairman

## Significant Developments



The entire period of 2020 is deemed challenging due to the COVID-19 outbreak that has severely affected the Thai economy particularly SME entrepreneurs. The Small and Medium Enterprise Development Bank of Thailand or SME D Bank, as a government's dedicated financial institution has assisted SME entrepreneurs in every respect through its financial measures, support to access the soft loan, and education. These actions have elevated and adjusted the businesses, promoted marketing channels, played important roles to enable SME entrepreneurs to make adjustments, gain their capabilities, continually conduct the businesses, and efficiently get through this existing crisis.

The Bank has adopted the services rendered through the cutting-edge technologies enabling SME entrepreneurs to request several services via online channels facilitating the 24-hour services, e.g., "SME D Bank" Application to be accessed by the users upon scanning the QR Code available in various public relations materials provided by the Bank, LINE Official Account: SME Development Bank, and [www.smebank.co.th](http://www.smebank.co.th), etc. The services are rendered by the nationwide branches of the Bank.

In the meantime, the Bank adheres to building confidence for the stakeholders in the terms of virtue and transparency, realizes the importance of corporate governance (CG) that is deemed as the major factor promoting and supporting the Bank to be a financial institution equipped with good governance, excellent organization management, operational virtue, transparency, and accountability. This creates a long-term value-added and protects the benefits of associates and stakeholders.

The achievement of providing supports and promotions to SME entrepreneurs throughout the year 2020 resulted in the Bank being granted the honorable shield of Excellent ESCO Financial Supporting Awards 2020 by Mr. Suphatphong Phanmichao, the Deputy Prime Minister,

and Minister of Energy, during the Thailand ESCO Fair 2020. This was because the Bank has played outstanding roles in promoting and supporting the business of efficient energy management and adopting the environment-friendly alternative energy through its loan service with the special interest rate and the cooperation of allied entities to educate in energy conservation and efficient utilization. The Bank was the first and only bank that has been granted such an award.

The Bank has acknowledged the score of the 2020 Integrity and Transparency Assessment (ITA) performed by the National Anti-Corruption Commission (NACC) of 93.51, higher than the 2019's, ranked in the A-Level, the 9<sup>th</sup> from 53 state enterprises. This reflects the success originated from the management and employees adhering to good governance and improved development of virtue and transparency resulting in the Bank's good image in the efficient propulsion of the organization.

Additionally, upon the credit rating performed by the Fitch Rating (Thailand) for the year 2020, it was indicated that the Bank was ranked at "AAA (tha)" level which is deemed as the topmost level in the country for a consecutive period of 8 years. This reflects the Bank's stability derived from the government's dedicated supports. Furthermore, this refers to the key tool assisting Thai SMEs, particularly, in the period of the vulnerable economy affected by the COVID-19 outbreak through the measures helping the debtors, i.e., postponement of principal and interest settlement including the emergency loan.

The observable success reflects the Bank's roles under the efficient management system that is ready to drive and develop entrepreneurs to grow by education and funding. SME entrepreneurs' capabilities would be reinforced to have the business immunity and be capable of robust and sustainable growth to be the key components to propel the Thai economy.

# Vision / Mission / Core Values



## Vision

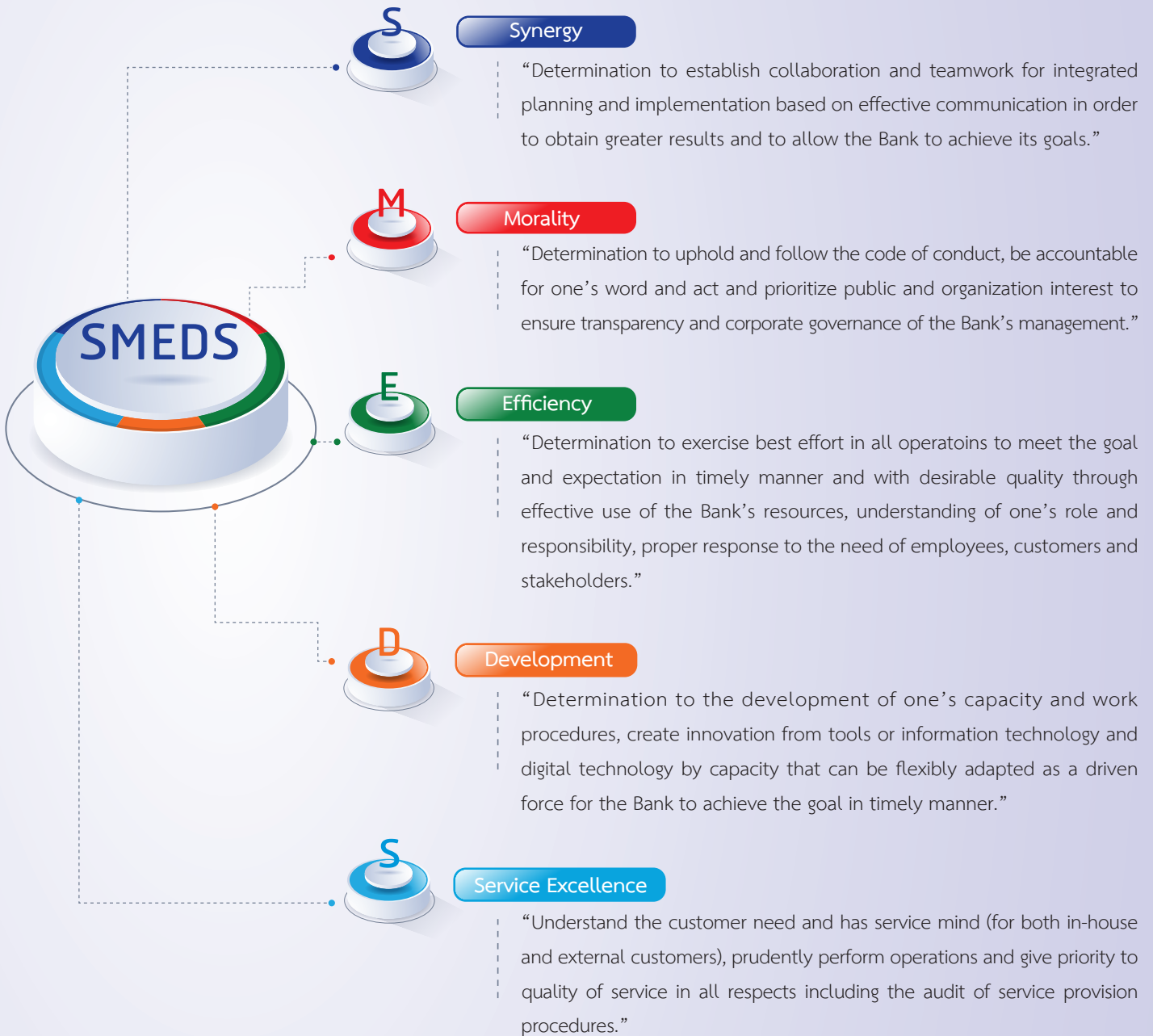
To be a state-owned financial institution for providing comprehensive financial services and facilitating the development of Thai SMEs' business capacity toward sustainable growth.

## Mission

- T** Total Solution - To be one of significant mechanisms of the ecosystem for the development of Thai SMEs by allowing them to access to finance and necessary resources.
- H** Human Capital - To enhance personnel's skill and capability to meet global and local changes and to provide service of excellence with good governance.
- A** Agility and  
**I** Innovation - To promote administration based on knowledge, technology and innovation in order to add value to the customer and stakeholders in convenient and swift manner.



## Core Value





# Government Policies and SMEs Promotions

In determining its direction and operational approaches, the Bank has taken into consideration the 20-Year National Strategy (2018-2037), Master Plans under National Strategy, the National Reform Plans, the 12<sup>th</sup> National Social and Economic Development Plan (2017-2021), government policies, and policies of regulating agencies and policies of agencies involving in SMEs promotion, as follows:

## The 20-Year National Strategy (2018-2037)

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

## Strategy 2: Competitiveness Enhancement

### Issue 4.5: Developing modern, entrepreneur-based economy

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

## Strategy 4: Social Cohesion and Equity Enhancement

### Issue 4.1: Mitigating inequality and creating comprehensive justice

- Adjusting grassroots economy

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

- Empowering local communities' capacity for self-reliance and interdependence

## Strategy 6: Rebalancing and Development of Public Sector Administration

### Issue 4.6: Ensuring that the public sector operates in transparent and corruption-free manner

- Having an integrated corruption prevention and suppression management

## Master Plans under National Strategy (2018-2037)

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

### Issue 8: Smart entrepreneurs and SMEs

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

### Issue 16: Grassroots economy

- Elevating entrepreneurship potentials
- Creating an ecosystem and a mechanism promoting the development of grassroots economy

### Issue 20: Public sector's services and competency

- Balancing public administration

### Issue 21: Anti-corruption and malfeasance

- Prevention of corruption and malfeasance
- Suppression of corruption

## National Reform Plans

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

**Legal Reform Plan:** Establish a legal mechanism that formulates laws to collectively and systematically promote and enhance the competitiveness of SMEs and startups.

**Economic Reform Plan:** Empower local communities and develop community enterprises to improve access to markets and resources that can create income and sustainable growth for communities.

## The 12<sup>th</sup> National Social and Economic Development Plan (2017–2021)

**Strategy 3: Building Sustainable Economic Strength and Competitiveness** by focusing on (1) creating stable and sustainable economic growth through the improvement of economic competitiveness and (2) strengthening particular sectors of the economy by promoting SMEs' role in the economic system.

More importantly, the link of value chains among agricultural, industrial, service, and trading and investment sectors will enhance the country's competitiveness and enable transformation into Thailand 4.0, steering the country toward technology-driven innovation and service innovation.

### Government Policies

#### Core Policies

**Policy 5: Enhancing Thailand's economic development and competitiveness**

5.1 Macroeconomic, monetary and fiscal policy

5.2 Developing industrial sector

5.9 Advancing the new economy

**Policy 7: Enhancing the country's strength through a bottom-up approach**

7.1 Promoting community enterprises and products

**Policy 12: Preventing and suppressing corruption and malfeasance**

12.1 Solving corruption and malfeasance problems

#### Urgent Policies

**Policy 6: Laying down the foundations for future growth**

**Policy 8: Addressing corruption and malfeasance**

**Policy 10: Improving public services**

## The 4<sup>th</sup> SME Promotion Plan (2017–2021) by the Office of Small and Medium Enterprises Promotion (OSMEP)

**Strategy 1 Issue-based SME promotion and development** with an emphasis on building the ecosystem that supports SMEs' growth and strength

**Strategy 2 Capability development of specifically-targeted SMEs** by considering diverse needs for promotion and development

**Strategy 3 Development of systematic SME promotion mechanism** to support and strengthen SMEs and improve their efficiency

In addition, the Cabinet approved that the Bank shall significantly take part in implementing the project for granting loans from SMEs Development Fund for the total sum of 4,890 million baht.

### Ministry of Finance

Two significant action plans to be implemented by the Fiscal Policy Office (FPO) after consulted with the Ministry of Finance are as follows:

**1. Implementing the Fintech action plan** which at least includes the following:

- Development of applications that facilitate convenient services for bank customers
- Development of credit risk assessment using Untraditional Data

**2. Developing diverse financial products for SMEs** and improving the efficiency of factoring underwriting

### Ministry of Industry

The Ministry of Industry Strategic Plan 2017-2021 (Reviewed for the fiscal year 2020) emphasizes the promotion and development of SME capacities and strength as well as advancing the industrial ecosystem to achieve the industrial transformation to Industrial 4.0. The plan also promotes environmentally friendly operations to create productivity, value, and standards and develop SME potentials and competitive advantage in the global market.

In addition, the Cabinet approved that the Bank shall significantly take part in implementing the project for granting loans from SMEs Development Fund according to Civil State Policy for the total sum of 18,000 million baht.

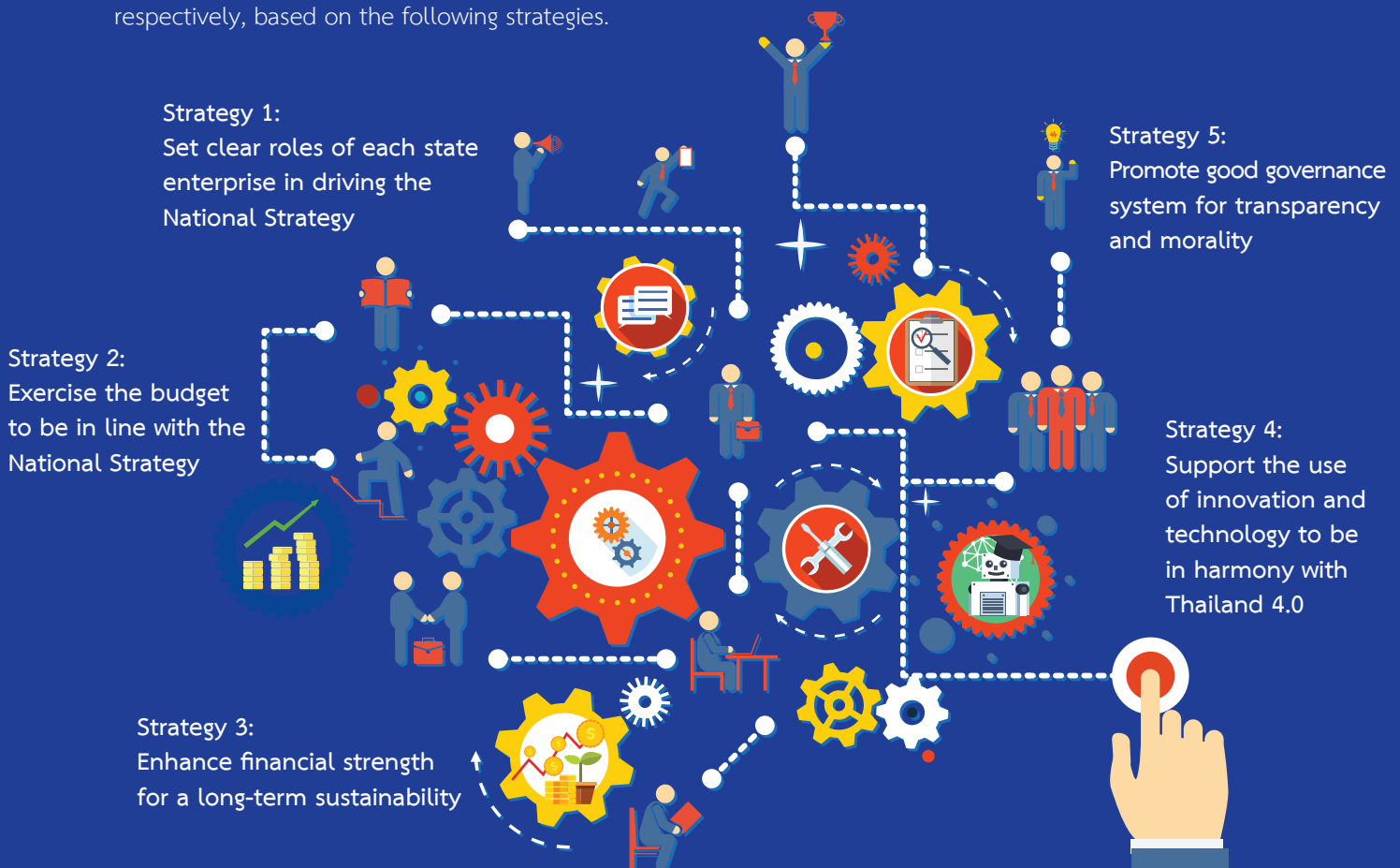
# State Shareholder Policy

## Strategies on State Enterprises by Sector (2017-2021)

The meeting of the State Enterprise Policy Office (SEPO) No. 1/2560 on January 9, 2017, approved the State Enterprise Strategic Plan for 2017-2021 and the meeting of the State Enterprise Policy Office No. 3/2560 on July 17, 2017, resolved to acknowledge the progress of the preparation of the State Enterprise Strategic Plan by Sector. The Prime Minister instructed all state enterprises to adopt the State Enterprise Strategic Plan and the State Enterprise Strategic Plan by Sector as a basis for the development of their own enterprise/business plan for 2018 and the State Enterprise Policy Office (SEPO) to consider and assign related state enterprises and agencies to adopt the strategies as the guideline for the development of 2017 action plan, the 5-year action plan and the 20-year goals, respectively, based on the following strategies.

## Objectives and Goals

As stated in the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 (2002) that the “Small and Medium Enterprises are crucial to the development of the country’s strong and sustainable economy, employment, income generation, and production base. It is, therefore, deemed appropriate to establish the Small and Medium Enterprise Development Bank of Thailand, whose objectives were stipulated in Section 11 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 through granting of credits, guaranteeing service, venture capital, provision of advice, recommendations and other necessary services.”



# Business Direction 2021

In the year 2021, the SME Bank sets the operational direction to suit the mission and in accordance with the government policies. These are the government guidelines towards the SME Bank, including a focus on developing small and medium-sized enterprises (SMEs) to strengthen their business capabilities with sustainability and support the full range of business operations. In order to maintain the SME Bank for the SMEs entrepreneurs improvement.

## Policies of relevant agencies

### Government Policies

#### Main Policies

- Section 5: Economic Development and Thailand's Competitiveness
- Section 7: Strengthen Development from the Ground.
- Section 12: Prevention and Suppression of Corruption and Misconduct

#### Urgent Policies

- Chapter 6: Establishing a Foundation of the Economic System of the Country to the Future
- Chapter 8: Corruption and Misconduct Problem Solving
- Chapter 10: Development of Public Service System

### National Economics and Social Development Plan

#### Strategy 3: Building Economic Strength and Sustainable Competitiveness

1. The economy expands with stability and sustainability.
2. Strengthening the economy by sector

### Thailand 4.0

#### Changes in 3D

- Focus on innovative product
- Driven by technology/creativity and innovation
- Turn production into services

### OSMEP Plans

- Strategy 1: Promote and develop SMEs by issue
- Strategy 2: Enhance the capacity of SMEs in specific groups
- Strategy 3: Develop a mechanism to drive the promotion of SMEs in a systematic way

## Policies of relevant agencies

### 20-Year National Strategies

- Strategy 2: Building Competitiveness
- Strategy 4: Creating Opportunity and Social Equality
- Strategy 6: Balancing and Developing Government Management System

### Master Plan under the 20-year National Strategies

- Issue 8 entrepreneurs and SMEs in the new era
- Issue 16 Foundational Economy
- Issue 20 Public Service and Efficiency
- Issue 21 Anti-Corruption and Misconduct

### Country Reform Plan

**Public administration:** The government sector links information to each other. Work mainly for the people in the area Digitalize management systems and services Personnel have a central standard. Have morals and ethics anti corruption

**Legal:** There is a mechanism for enacting laws to promote and develop the country's competitiveness.

**Economy:** There is community empowerment and community business development

## Regulatory Authority Policy

### Ministry of Finance (FPO)

#### 1. The Implementation of the Financial Technology (Fintech) Program should at Least Consist of:

- Preparation of applications to facilitate and serving the bank's customers
- Developing new data-driven credit risk assessments (Untraditional Data)

#### 2. Develop Financial Products for SMEs to be more diversified as well as increasing the efficiency of factoring credit facilities

### Ministry of Industry

#### Strengthening the Capacity of the Industrial Sector to Grow and be Strong

- To promote and develop industries that are in line with the basic potential of the country
- Emphasis on research, technology and innovation to increase productivity and develop standards for the industrial sector to be able to compete at a higher level.

#### Special Measures to Drive SMEs into the 4.0 Era

- Promotion and development: 9 measures to promote SMEs in 2018
- Finance: Enhance the capability of the Bank of Thailand, the 78,000 million baht loan project.

### Strategic State Enterprises by Branch (SEPO)

1. Clearly define the role of state enterprises to drive the national strategy
2. Manage investment plans in accordance with the national strategy.
3. Strengthen your finances for long term sustainability
4. Support innovation and technology in accordance with Thailand 4.0
5. Promote the system of good governance to be transparent and ethical



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



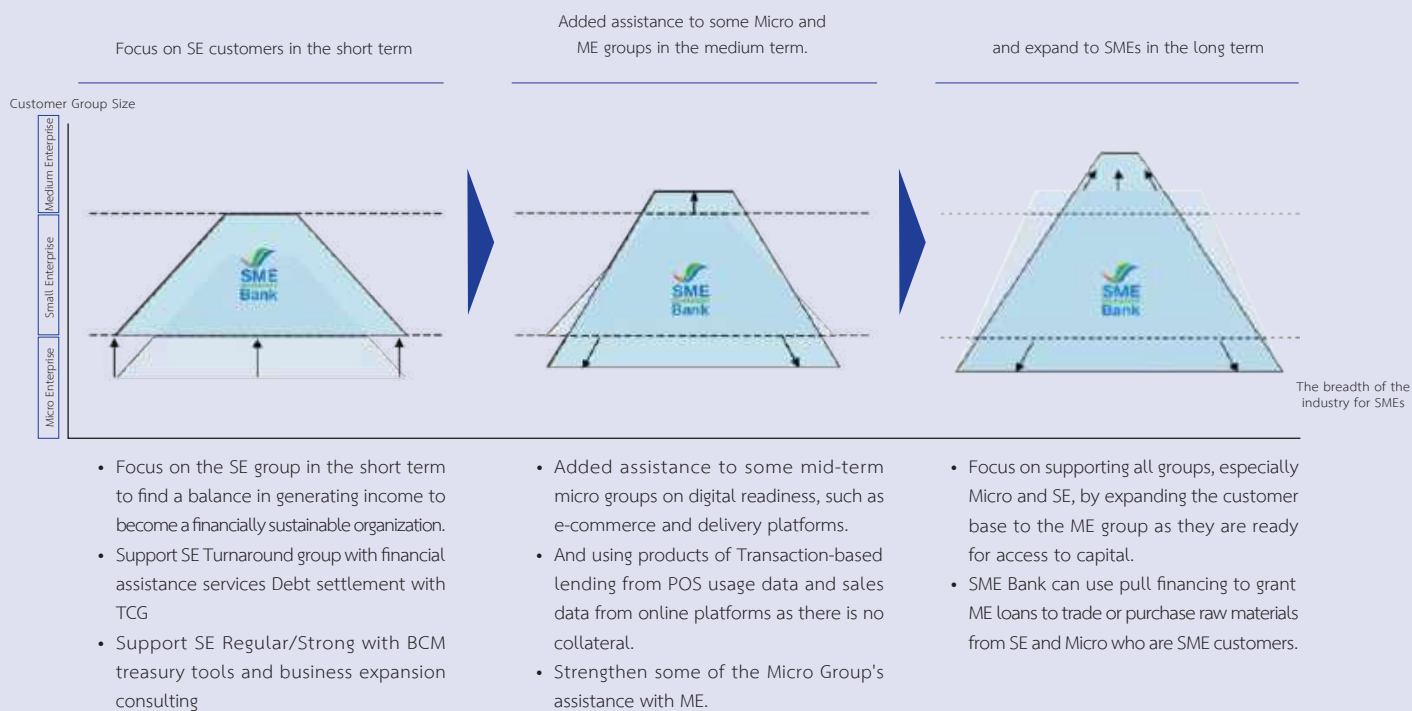
### Guidelines and Directions of Operations of SME Bank.

Developing SMEs Entrepreneurs, increase business capabilities to be strong and sustainable by supporting integrated business operations in order for the bank to become

"SME Development Bank"

The SME Bank has an action plan divided into three main target groups: (1) Small-sized SMEs or SEs who lack strength. SEs had been enhanced the business growth. The SME Bank provides services and helps in terms of liquidity or debt by cooperated with partners. Meanwhile, SME Bank also focuses on targets who are ready to expand their business through systematic management with management instruments in both financial and non-financial terms. (2) Expand the role of supporting SMEs to the Micro entrepreneurs by strengthening their knowledge and competence in digital business operations. And e-commerce platforms, the delivery service platforms, such as promote the restaurants with systems and selling channels via applications such as GRAB, Lineman, or Food Panda. The business preparation for being ready changes to digital business. SME Bank also focused on medium-sized enterprises (MEs) to expand its role in supporting SMEs since Micro size is successful and grows in the larger business. The SME bank focused on Customer lifetime value maximization. And (3) expanding the scope of services to more MEs groups in order to fully cover the true business cycle of SMEs. Those actions resulted the SME Bank was able to respond to the SMEs needs at all levels.

### Strategic Position of SME Bank in the Short, Medium, and Long Term



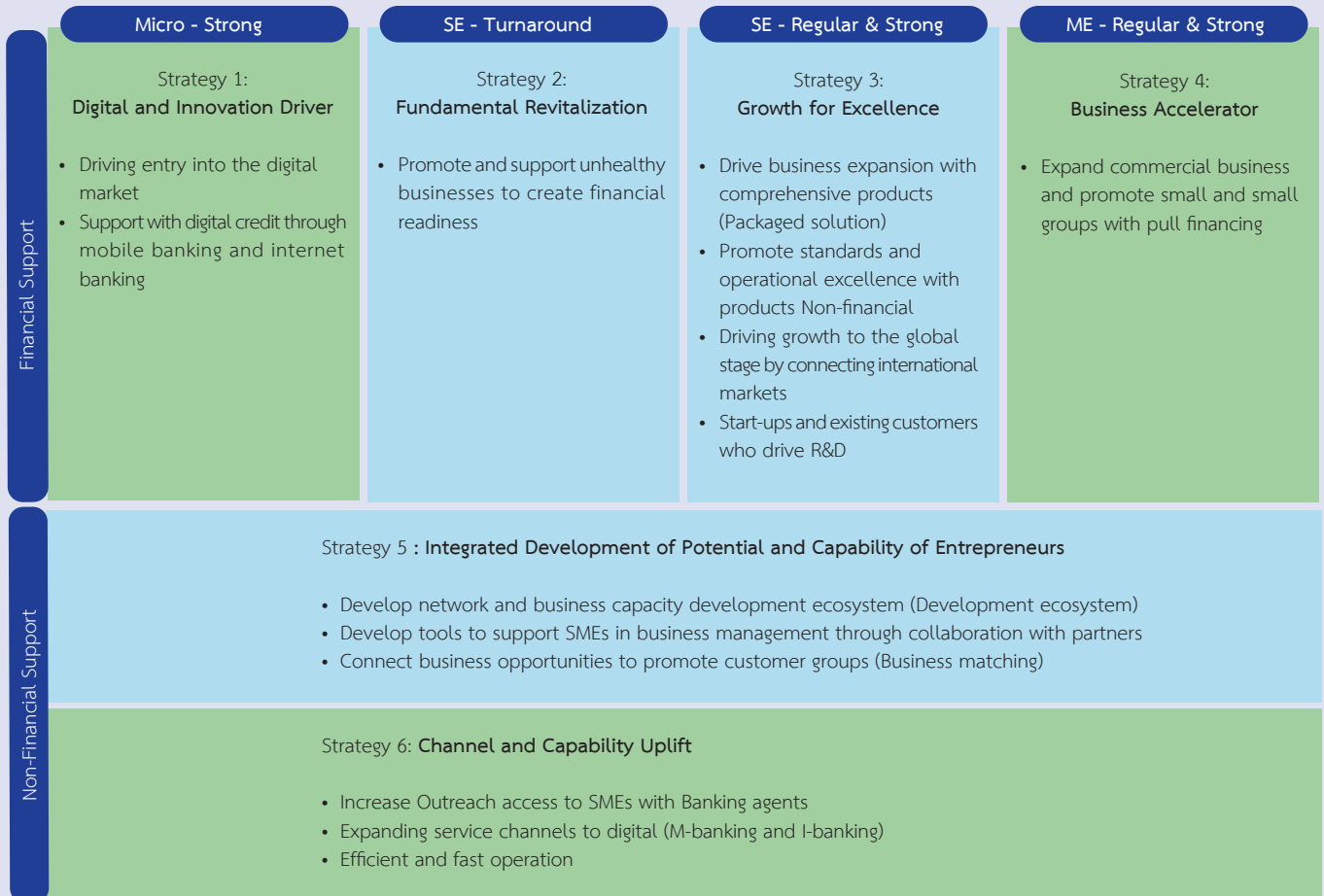
The SME Bank business model is the government financial institution that has a role in supporting the financing (loans and other financial services). However, the operation on each strategic position has presented the business model that might be differed in many dimensions.

Therefore, the SME Bank has established a strategy which is divided into 3 phases to respond to SMEs at each phase according to the SME Bank's strategic plan.

- Short phase: The SME Bank drives the strength and capability of small businesses for sustainable growth.
- Medium phase: The SME Bank systematically drives digital business and online trading with systematic and promotes the strong groups of SMEs to integrate the SMEs development in Micro and SEs groups.
- Long phase: The SME Bank upgrades its services to support SMEs throughout the business cycle.

## 5-Year Strategic Plans (2021 - 2025) and Strategic Plans

The SME Bank has established six main operational guidelines in 6 strategies as follows:



Phase 1 (0-1 year)

Phase 2 (1-3 years)

Note: Phase 3 (3-5 years) will be additional operations on all strategies with more complex transactions.

### Strategy 1: Digital and Innovation Driver

To increase competitiveness through full-scale digital development and generate alternative credit information from trading transactions

#### Operation:

1. Expand the cooperation network with partners in terms of knowledge for online business readiness.
2. Expand the cooperation network with partners in terms of digital platforms to assist SMEs to sell on the platform.
3. Expand the cooperation network with partners in terms of store management to assist SMEs to manage their trading transactions through the management system.
4. Store the actual trading data to assess the Credit Scoring.
5. Approval of loans to potential entrepreneurs.



### **Strategy 2: Fundamental Revitalization**

To build up a strong financial foundation and the potential to request loans from financial institutions.

#### **Operation:**

1. Screen customer profile based on problems, identify the right helping programs and refer to the appropriate specialist.
2. Cooperate with TCG to revive SMEs who have accumulated debt or NPLs.
3. Collaborate with partners in terms of the business management systems to enable SMEs in revenue data storage. And partners in terms of the knowledge base in financial accounting to build the ability in financial planning analysis including repayment planning.
4. Log in to commercial loan system

### **Strategy 3: Enhance Business for Growth for Excellence**

To upgrade the standard of business administration and drive the growth to medium-sized businesses.

#### **Operation:**

1. Screen customers according to business types and customer industries in order to support with appropriate funding.
2. Develop credit products and solutions based on the business industry to support a low cost of business management and upgrade business management to be equivalent to medium-sized businesses.
3. Evaluate value and screen Start-up potential to recommend a suitable funding program.
4. Develop Business Cash Management (BCM) services to enhance business management.

### **Strategy 4: Driving Business Towards Stability and Prosperity (Business Accelerator)**

To drive the business growth among Micro and SEs through funding for MEs on value-to-foundation terms.

#### **Operation:**

1. Screen the medium-sized businesses (MEs), targeted with partners at Micro, SEs and SME Bank customers or industrial groups who have been supported by the National strategies.
2. Develop the Pull financing, determine credit conditions. The purpose is mainly traded with small and minor trading partners.
3. Conduct MEs to trades with trading partners under the legal contract.
4. Check trading status with the Micro entrepreneurs to confirm the execution of the contract compliance of MEs.

### **Strategy 5: Integrate Development**

To increase potential and opportunities for growth by connecting business networks throughout the industry chain with partner agencies.

#### **Operation:**

1. Screen customer types and identify networks for appropriate connection.
2. Connect the business network throughout the industrial supply chain to promote trade and create value add throughout the supply chain.
3. Work with partners to extend business network connections rather than internal connections within the SME Bank, for example, connect to the business network of the Thailand Tourism Council.
4. Offer business management solutions from Startups that SME Banks jointly invest in the industry chain.

### **Strategy 6: Channel and Capability Uplift**

To expand channels for customers outreach and Cost-to-Income management.

#### **Operation:**

1. Develop a workflow system with partners to identify, store and input factors data for credit assessment.
2. Develop a credit scoring system
3. Develop an automatic credit disbursement system into the Operating account of the credit applicants.
4. Expand partner network of SME Banking agents and alliance Banks to receive the payment that covers the service network area.

# SMEs

New Normal



1963



## Background

The Small and Medium Enterprise Development Bank of Thailand (SME D Bank) has been through the following three significant stages of organizational development and changes:

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

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

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

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

- In 1991, upgraded to the Small Industry Finance Corporation (SIFC) with initial registered capital of 300 million Baht
- In 2000, the Ministry of Finance increased its capital by 2,500 million Baht, raising the total share capital to 2,800 million Baht.

However, the financial crisis in 1997 brought about severe impacts on almost all business sectors especially the small and medium enterprises due to lack of liquidity which subsequently became an NPL. The Ministry of Industry in joint deliberation with the Ministry of Finance, therefore, proposed to upgrade SIFC to a primary financial institution for SMEs development.

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

In 2001, the Government agreed to extend the role and scope of operation of the Small Industry Finance Corporation by upgrading its status to "Small and Medium

Enterprise Development Bank of Thailand." Jointly drafted by the Ministry of Industry and the Ministry of Finance, Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 (2002) became effective on December 20, 2002. The date was thus regarded as the establishment day of SME D Bank. The Ministry of Finance had increased its share capital by 17,955 million Baht during 2004-2020. The share capital of the SME D Bank has grown to 36,231.81 million Baht, which is currently lower than the ordinary share value by 15,476.81 million Baht.

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

## Board of Directors



1. Mr. Kobchai Sungsitthisawad  
Chairman

2. Mr. Chanvit Nakburee  
Director

3. Miss Chunchachit Sungmai  
Director

4. Mr. Seree Nonthasoot  
Director

5. Mr. Prakit Sheeppakdee  
Director  
(November 9, 2017 - November 4, 2020)





6. Mrs. Jaree Wuthisanti  
Director

(November 9, 2017 - October 1, 2020)

7. Mrs. Chanisa Chutipat  
Director

8. Mr. Kriengkrai Rukkulchon  
Director

9. Mr. Wanchai Phanomchai  
Director

10. Mr. Preecha Ua-Anantathanakul  
Director

11. Miss Nartnaree Rattapat  
Director and Secretary



## Profiles of the Board of Directors



### Mr. Kobchai Sungsitthisawad

Date of Appointment as Chairman of the Board: October 10, 2019

**Chairman**

**Age 58 Years**

#### Education

- Master's Degree, Master of Business Administration (Management) Khon Kaen University
- Bachelor's Degree, Bachelor of Engineering (Mechanical Engineering) Khon Kaen University

#### Training

- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives
- Executive Program in Energy Science
- Executive Program in Business Development and Investment Industry

#### Working Experiences

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

#### Other Position While on Officiating SME D Bank's BOD

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

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mr. Chanvit Nakburee

Date of Appointment as Directors: November 9, 2017

- **Directors (Representative of Ministry of Finance)**
- **Director**
- **Chairman, Board of Executive Directors**
- **Chairman, the Employee Relations Committee**
- **Chairman, the President's Remuneration Subcommittee**
- **Chairman, the Performance Appraisal & Remuneration Committee**

**Age 56 Years**

#### Education

- Master's Degree, Master of Business Administration, Ramkhamheang University
- Bachelor's Degree, Bachelor of Business Administration (Accounting), Ramkhamhaeng University.

#### Training

- The National Defence Course, (No. 61)
- Executive Development Program II (No. 8)
- Corporate Governance for Board of Director and Executives of State Enterprise and Public Organization, Public Development Institutes (PDI 9)
- Executive Development Program I (No. 77)

#### Working Experiences

- State Enterprise Performance Appraisal Advisor (October 2020 - Present)
- Deputy Director - General, State Enterprise Policy Office, Ministry of Finance, Thailand (September 2016 - Present)
- Director of Policy and Planning Bureau, State Enterprise Policy Office, Ministry of Finance, Thailand (2011 - September 2016)

#### Other Position While on Officiating SME D Bank's BOD

- Board of Director of National Credit Bureau
- Board of Director of The Government Lottery Office

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None





### Miss Chunhachit Sungmai

Date of Appointment as Directors: October 16, 2019

- Director
- Member, the Risk Oversight Committee
- Member, the Nomination and Remuneration Committee

Age 59 Years

#### Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Economics, Thammasat University
- Post Graduate Diploma on Information Management, Strathclyde University, United Kingdom

#### Training

- Director Certification Program (DCP) 298 Capital Market Academy (CMA) Batch 29
- Anti-Corruption Strategic Management for Senior Executives Class 8
- Directory of Executive 2, Program Towards High Potential Leaders Class 7
- The National Defence College of Thailand (NDC2) Batch 56
- The Programme For Senior Executives on Justice Administration Batch 17
- Directory of Executive, Program Visionary Leadership Class 45

#### Working Experiences

- Director of the Office of Public Procurement Management
- Deputy Director-General
- Advisor of Fiscal and Financial System Development
- Inspector General

#### Other Position While on Officiating SME D Bank's BOD

- Director of Expressway Authority of Thailand
- Director of Port Authority of Thailand

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mr. Seree Nonthasoot

Date of Appointment as Directors: November 9, 2017

- **Director (Independent Director)**
- **Chairman, the Audit Committee**
- **Member, the Nomination and Remuneration Committee**
- **Member, the President's Remuneration Subcommittee**

**Age 46 Years**

#### Education

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

#### Training

- Institute of Directors, Directors Certification Programme (DCP) 205 (2015)
- Executive Certificate Programme in Judicial System (24<sup>th</sup> Class)
- Executive Certificate Programme in Good Governance for Medical Executives (1<sup>st</sup> Class) King Prajadhipok Institute (2013)
- Capital Market Academy (14<sup>th</sup> Class) Stock Exchange of Thailand (2012)

#### Working Experience

- Representative of Thailand to the ASEAN Intergovernmental Commission on Human Rights (AICHR) (2013 - 2018)
- Legal Counsel, State Enterprise Policy Office, Ministry of Finance (2003 - 2012)
- Legal Advisor, Office of the Council of State (1995 - 2000)

#### Other Position While on Officiating SME D Bank's BOD

- Stock Exchange of Thailand, Governor
- Thailand Post Company Limited, Director and Chair of Audit Committee
- Neighboring Countries Economic Development Cooperation Agency (Public Organization)
- Institute of Research and Development for Public Enterprises, Senior Executive Vice President

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None





### Mr. Prakrit Sheepakdee

Date of Appointment as Directors: November 9, 2017

- **Director (Independent Director)**

(November 9, 2017 - November 4, 2020)

- **Member, the Audit Committee**

(November 14, 2019 - November 3, 2020)

- **Chairman, the Risk Oversight Committee**

(September 17, 2020 - November 3, 2020)

- **Chairman, the Corporate Governance Committee (CG&CSR)**

(November 18, 2019 - November 3, 2020)

- **Member, the Director's Nomination Committee**

**Age 65 Years**

#### Education

- Master's Degree, Graduate School of Public Administration, National Institute of Development Administration
- Bachelor's Degree, Chulalongkorn University Faculty of Commerce and Accountancy

#### Training

- Risk Management Program For Corporate Leaders Class 16 (IOD)
- National Defence College (2005)

#### Working Experience

- Executive Vice President, Government Saving Bank
- Executive Vice President, Small and medium Enterprise Development bank of Thailand
- The Siam commercial Bank Public Company Limited

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mrs. Jaree Wuthisanti

Date of Appointment as Directors: November 9, 2017

**- Director (Independent Director)**

(November 9, 2017 - October 1, 2020)

**- Member, Board of Executive Directors**

(December 1, 2017 - October 1, 2020)

**- Chairman, the Risk Oversight Committee**

(November 14, 2019 - September 30, 2020)

**- Member, the Director's Nomination Committee**

(October 16, 2019 - October 1, 2020)

**- Member, the Performance Appraisal & Remuneration Committee**

(March 2, 2020 - September 30, 2020)

**Age 63 Years**

**Education**

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor of Accounting (First Class Honor), Chiang Mai University
- Diploma in Advanced International Bank Management Program, The Swedish International Development Cooperation Agency (SIDA)

**Training**

- Diploma, National Defence College, The Joint State-Private Sector Course Class 19
- Top Executive Program in Commerce and Trade (TEPCOT 9) Commerce Academy

- Capital Market Academy Leadership Program (No. 16) The Stock Exchange of Thailand
- Executive Leadership Development Program, Joint state Private

**Working Experiences**

- Senior Executive Vice President, Krungthai Bank Public Company Limited
- Senior Executive Vice President, Thanachart Bank Public Company Limited
- Senior Executive Vice President, Siam City Bank Public Company Limited

**Other Position While on Officiating SME D Bank's BOD**

- Director of Investment Committee, Dhipaya Insurance
- Director of Audit Committee, Dhurakij Pundit University
- Independent Director and Audit Committee Richy Place (2002)

**Shares in SME D Bank**

None

**Status as SME D Bank's Stakeholders**

None

**Holding Positions in Businesses that Compete with State Enterprise**

None

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

None

**Family Relationship with Other Director**

None

**Criminal Record Dating Back Ten Years**

None



### **Mrs. Chanisa Chutipat**

Date of Appointment as Directors: April 17, 2019

- **Director (Independent Director)**
- **Member, Risk Oversight Committee**
- **Member, the Nomination and Remuneration Committee**
- **Member, the Director's Nomination Committee**
- **Chairman, the Information Technology Management Committee**
- **Chairman, Working Committee for Reviewing Digital Strategy Master Plan (2020-2024)**

**Age 59 Years**

#### Education

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

#### Training

- Director Certification Program (DCP) (No.71)
- Capital Market Academy Program (No.1)
- Senior Executive Program (No.19) SASIN
- Strategy and Innovation for Business in Asia Program (No.1) CMMU
- Regulator (No.21) King Prajadhipok's Institute
- Audit Program
- Risk Management Program for Corporate Leaders (RCL) (No. 21/2020)

#### Working Experiences

- President, Siam Piwat Company Limited
- Senior Executive Vice President, The Stock Exchange of Thailand
- Executive Vice President, Securities One Public Limited Company
- Assistant Auditor, Ernst & Young Office

#### Other Position While on Officiating SME D Bank's BOD

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

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mr. Kriengkrai Rukkulchon

Date of Appointment as Directors: April 17, 2019

- Director
- Member, Board of Executive Directors
- Chairman, the Nomination and Remuneration Committee
- Chairman, the Director's Nomination Committee
- Member, the Performance Appraisal & Remuneration Committee

Age 63 Years

#### Education

- Bachelor of Law, Ramkhamheang University
- The Thai Barrister Law, Ramkhamheang University (No.33)

#### Training

- Director Accreditation Program (DAP), (No. 66) Thai Institute of Directors (IOD), 2007
- Corporate Governance for Directors and Senior Executives of Regulator, State Enterprises and Public Organization, (No. 21) King Prajadhipok's Institute

#### Working Experiences

- Director and Director of Remuneration/ Nomination Committee, Pacific Pipe Public Company Limited
- Legal Subcommittee Industrial Estate Authority of Thailand
- Independent Director and Audit Committee, Premier Enterprise Company Limited

#### Other Position While on Officiating SME D Bank's BOD

- Managing Director, Pikanate Lawyer Company Limited
- Independent Director and Chairman of Remuneration Nomination and Corporate Committee, Pacific Pipe Public Company Limited
- Professional in Industrial Product Standards Council, Thai Industrial Standards Institute Ministry of Industry
- Subcommittee, Thai Industrial Standards Institute Ministry of Industry
- Independent Director, Ratch Group Public Company Limited

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mr. Wanchai Phanomchai

Date of Appointment as Directors: December 18, 2019

- **Director**
- **Member, the Nomination and Remuneration Committee**
- **Member, the Performance Appraisal & Remuneration Committee**
- **Member, Working Committee for Reviewing Digital Strategy Master Plan (2020 - 2024)**
- **Chairman, the Knowledge and Innovation Management Committee**

**Age 56 Years**

#### Education

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

#### Training

- Ministry of Industry, Performance Management Program for CEOs of Model Government Agencies, Batch 10
- The Civil Service Executive Development Program Visionary and Moral Leadership Batch 76, Office of the Civil Service Commission (OCSC)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers, (SMCPSP#7) The Office of the National Anti-Corruption Commission

- ANTI-Corruption Training for ONACC, IACA (Vienna/Luxemburg/Czech) (August 15-17, 2016)
- Diploma, National Defense College, The National Defense Course (NDC) Class 60

#### Working Experiences

- Secretary-General Thai Industrial Standards Institute (2018 - Present)
- Deputy Secretary-General Thai Industrial Standards Institute (2017 - 2018)
- Director of Certification Division, Thai Industrial Standards Institute (2015 - 2017)

#### Other Position While on Officiating SME D Bank's BOD

None

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None



### Mr. Preecha Ua-Anantathanakul

Date of Appointment as Directors: December 18, 2019

- Director (Independent Director)
- Member, Audit Committee

Age 57 Years

#### Education

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

#### Training

- Diploma, National Defence College The Nation Defence Course (NDC), No. 62
- Institute of Business and Industrial Development (IBID), No. 4
- Office of Insurance Commission (OIC), No. 4
- Thai Institute of Director
- King Prajadhipok's Institute

#### Working Experiences

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

#### Other Position While on Officiating SME D Bank's BOD

- Special Advisor to the Election commissioner of Thailand
- The Practical Solution Public Company Limited

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None





### Miss Nartnaree Rattapat

Date of Appointment as Director and Secretary: October 1, 2019

- **Managing Director**
- **Director and Secretary, Board of Directors**
- **Director and Secretary, Board of Executive Directors**
- **Member, Risk Oversight Committee**
- **Member, Corporate Governance Committee (CG&CSR)**
- **Member, Information Technology Management Committee**
- **Chairman, Investment Committee SMEs Private Equity Fund 1**
- **Chairman, Investment Committee SMEs Private Equity Fund 2**
- **Chairman, Working Committee for Reviewing Digital Strategy Master Plan (2020-2024)**

**Age 49 Years**

#### Education

- Bachelor of Laws (LL.B), Bachelor of Laws Program, Chulalongkorn University
- Master of Business Administration (MBA), Concentration Area, Financial Management, National Institute of Development Administration (NIDA)
- Master of Science (M.Sc.) Major, Biotechnology, Chulalongkorn University
- Bachelor of Science (B.Sc.) Major, Biochemistry, Chulalongkorn University

#### Training

- The Executive Program in Energy Literacy for a Sustainable Future (TEA 15) Thailand Energy Academy
- Advance Master of Management Program, (AMM 4), National Institute of Development Administration (NIDA)

- Political & Democracy for Leadership Program (No. 22), King Prajadhipok's Institute (KPI)
- Director Certification Program (DCP 245), Thai Institution of Directors (IOD)
- Leadership Succession Program (LSP 6), Institute of Research and Development
- Thammasart Leadership Program (TLP 4)
- Financial Executive Development Program (Finex 21) from The Thai Institute of Banking and Finance Association

#### Working Experiences

Small and Medium Enterprise Development Bank of Thailand (SME D Bank)

- Acting Managing Director, (October 1, 2019)
- Senior Executive Vice President, Asset Management & Legal Division and Entrepreneur Development Division, Project Core Business Process System & ERP
- Executive Vice President, Counseling and Legal Division
- Executive Vice President, Entrepreneur Development Division
- Senior Vice President, Office of the President
- Vice President, Debt Expedition Department

#### Other Position While on Officiating SME D Bank's BOD

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

#### Shares in SME D Bank

None

#### Status as SME D Bank's Stakeholders

None

#### Holding Positions in Businesses that Compete with State Enterprise

None

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

None

#### Family Relationship with Other Director

None

#### Criminal Record Dating Back Ten Years

None

## Board of Executive Directors



1. Mr. Chanvit Nakburee  
Chairman

2. Mrs. Jaree Wuthisanti  
Director  
(December 1, 2017 - October 1, 2020)

3. Mr. Kriengkrai Rukkulchon  
Director

4. Miss Nartnaree Rattapat  
Director and Secretary



# The Management



- |   |  |   |  |
|---|--|---|--|
| 1. Miss Nartnaree Rattapat<br>Managing Director                         | 2. Mr. Samanpong Klienglumyong<br>Senior Executive Vice President                    | 3. Mr. Jessada Chor. Charoenying<br>Senior Executive Vice President | 4. Mrs. Chongrak Politanont<br>Senior Executive Vice President<br>(Retired September 2020) |
| 5. Mr. Kongdacha Chairatana<br>Professional<br>(Retired September 2020) | 6. Miss Malin Wuvanich<br>First Executive Vice President<br>(Retired September 2020) | 7. Miss Wipha Luengmanee<br>Executive Vice President                | 8. Mr. Chatri Wetsoranasuttee<br>Executive Vice President                                  |
| 9. Mr. Kantaphon Kaewmanee<br>Executive Vice President                  | 10. Mr. Pichit Mitrawong<br>Executive Vice President                                 | 11. Mr. Saree Musigerst<br>Executive Vice President                 | 12. Mr. Mogul Posayapisith<br>Executive Vice President                                     |





13. Mr. Cherdchai Ouanmin  
Senior Vice President

14. Mr. Arnat Wiboonkanarak  
Senior Vice President

15. Mr. Prakob Umplod  
Senior Vice President

16. Mrs. Ubolrat Karpang  
Senior Vice President

17. Mr. Prasij Virasilpa  
Senior Vice President

18. Mr. Ataporn Tragulmalee  
Senior Vice President

19. Mr. Damrong Tangtanakan  
Senior Vice President

20. Mr. Amnat Hialong  
Senior Vice President

21. Mr. Khemmachat Apiratchatanont  
Senior Vice President

22. Miss Kunlaya Chalermchokchai  
Senior Vice President

23. Mr. Kodchagone Ludchasawee  
Senior Vice President  
(Voluntary Participation in Early Retirement Program January 1, 2021)



# Profiles of the Board of Executive Directors



**Mr. Samanpong Klienglumyong**  
Senior Executive Vice President  
as Branch and Entrepreneur  
Development Group  
Age 59 Years



**Mr. Jessada Chor. Charoenying**  
Credit Analysis and Operation Group  
Senior Executive Vice President  
Age 55 Years

## Education :

- B.B.A. General Management Sukhothai Thammathirat University, (1985 - 1989)
- M.B.A. University of The Thai Chamber of Commerce, (1995 - 1998)

## Training :

- Curriculum of Digital Agriculture Business Promotion, (2019)
- Leadership Succession Program (LSP), (2017)
- Director Certification Program, (2014)
- Curriculum of Justice Governance for High Executives, (2013)
- Public Economy Execution Curriculum for Top Executives, (2011 - 2012)
- Fiscal Executive Curriculum (Course group 2), (2011)
- Curriculum of Loan Management for Executives, (2010)
- SME Consultant Development Project APEC - IBIZ, (2004)

## Experiences :

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Executive Vice President, (2019 - Present)
  - Executive Vice President, (2009 - 2019)
  - Senior Vice President, (2006 - 2009)
  - Vice President, (2004 - 2006)
  - Deputy Vice President, (2002 - 2004)
- Chief of Regional Credit, Bank of Ayudhya Public Company Limited, (1994 - 2002)
- Assistant Chief of Credit Line, Siam Commercial Bank PCL, (1984 - 1994)
- News Officer, National Intelligence Agency, (1981 - 1984)

## Family relationship among the executives

None

## Education :

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

## Training :

- Securities Business Operations (August 23, 2019 - September 6, 2019)
- IIA International Conference (July 6, 2019 - July 11, 2019)
- Transforming iA for The Digital Age (August 6, 2018 - August 6, 2018)
- The Institute of Internal Auditor (May 5, 2018 - May 10, 2018)
- Asian Institute of Internal Auditor (July 22, 2017 - July 27, 2017)
- AC Hot Update for Modern CG (January 25, 2017 - January 25, 2017)
- Diploma, Corporate Governance for Middle Manager (July 14, 2016 - December 20, 2016)
- Company secretary Program (March 22, 2016 - March 23, 2016)
- Board Reporting Program (BRP) (February 15, 2016 - February 15, 2016)

## Experiences :

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Executive Vice President, (2020 - Present)
  - Executive Vice President, (2018 - 2020)
  - Senior Vice President, (2015 - 2018)
  - Vice President, (2004 - 2015)
- Director of Internal Audit Department, Secondary Mortgage Corporation
- Director of Audit and Supervisory Department, KGI Securities (Thailand) PCL.
- Audit Manager, Sweden Motors PCL
- Division Manager, Audit Department, Nava Vickers Ballas Securities Ltd.
- Senior Manager, Audit and Development, SICCO Securities PCL
- Head of Internal Audit Unit, Dynamic Eastern Finance Thailand (1991) Co., Ltd.
- Junior Staff, Siam Commercial Bank PCL

## Family relationship among the executives

None





**Mrs. Chongrak Politanont**  
**Senior Executive Vice President**  
 Age 60 Years  
 (October 1, 2019 - September 30, 2020)



**Mr. Kongdacha Chairatana**  
**Professional**  
 Age 60 Years  
 (May 1, 2012 - September 30, 2020)

**Education :**

- Master of Business Administration (M.B.A.) Sasin Graduate Institute of Business and Administration of Chulalongkorn University (Scholarship from KBANK)  
 Sasin Graduate Institute of Business and Administration is a joint international business school program between Chulalongkorn University, Kellogg school of Management at Northwestern University and the Wharton School of the University of Pennsylvania in the United States, (1984 - 1986)
- Bachelor of Business and Administration (B.B.A.), Thammasat University (Major : Accounting, Minor: English, (1978 - 1981)

**Training :**

- Digital Leadership for Executive, (2019)
- Super Series “Leadership & Effective Corporate Culture” joint program by IRDP and Cambridge Judge Business School, University of Cambridge, (2018)
- Thammasat Leadership Program (TLP12), (2018)
- Leadership Succession Program (LSP 8), Institute of Research and Development for Public Enterprises (IRDP), (2017)
- Advanced Certificate Course in Public Economics Management for Executives (13), King Prajadhipok’s Institute, (2014)
- Financial Executive Development Program - FINEX (20), Bangkok, (2011)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Executive Vice President, (2019 - Present)
  - First Executive Vice President, (2018 - 2019)
  - Executive Vice President, (2015 - 2018)
  - CDM AND SME Project Consultant GTZ, (2009 - 2009)
  - Senior Vice President/ ABN AMRO/ UOB Bank, (1998 - 2008)
- Assistant Director, Kasikorn Bank, (1981 - 1996)

**Family relationship among the executives**

None

**Education :**

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

**Training :**

- Budget Management for Executive (Course group 3), Bureau of the Budget
- Economics in Public Administration for High-Level Administrators (Course group 9), King Prajadhipok’s Institute
- Director Certification Program “Thammasat Leadership Program” (Course group 1), Thammasat University
- Leadership Succession Program (Course 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)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Professional, (2016 - Present)
  - Senior Executive Vice President, (2012 - 2016)
- Branch Manager, Government Housing Bank
- Credit Analyzing Manager, Asia Bank
- Marketing Manager, Financial and Banking Magazine
- Reporter, Inter Credit & Trust Finance and Securities Co., Ltd.
- Credit Analyst, Kasikorn Bank PCL
- Marketing Staff, Credit Foncier Seri Sakhon Tanakit Co., Ltd.

**Family relationship among the executives**

None



**Miss Malin Wuvanich**  
**First Executive Vice President**  
**Treasury and Accounting Division**

Age 60 Years  
 (September 13, 2018 - September 30, 2020)



**Miss Wipha Luengmanee**  
**Executive Vice President**

Age 59 Years

**Education :**

- Master of Political Science, Chulalongkorn University (2006 - 2008)
- Bachelor of Accountancy, University of the Thai Chamber of Commerce (1979 - 1983)

**Training :**

- FX Refresher Course (September 21, 2019 - September 21, 2019)
- Public Economy Administration for Senior Executive (October 7, 2017 - June 30, 2018)
- Debt Instrument Issuance Strategy (September 12, 2017 - September 12, 2017)
- Treasury Dealer Certification (May 27, 2017 - May 27, 2017)
- AC HOT UPDATE for Modern CG (January 25, 2017 - January 25, 2017)
- Risk and Fund Management Standards (May 29, 2015 - May 29, 2015)
- Meditation for Executive (May 17, 2014 - September 22, 2014)
- Senior Executive (April 20, 2012 - May 24, 2012)
- Thai Accounting Standard No. 21 (October 25, 2011 - October 25, 2011)
- Financial Report under Accounting Standards (March 23, 2010 - March 23, 2010)
- Accounting Records and Risk Analysis (October 27, 2010 - October 27, 2010)
- Financial Report under International Accounting Standards (March 31, 2010 - March 31, 2010)
- Issues from Changes to Accounting Standards (November 13, 2010 - November 28, 2010)
- Basel II and Minimum Fund Computation (August 15, 2007 - August 17, 2007)
- ROE under Risk (March 31, 2006 - April 1, 2006)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - First Executive Vice President, (2018 - Present)
  - Executive Vice President, (2015 - 2018)
  - Senior Vice President, (2011 - 2015)
  - Vice President, (2004 - 2011)
- Assistant Director, UOB Bank
- Assistant Director, Siam City Syndicate Finance and Securities Co., Ltd.
- Head of Managerial Accounting Section, Siam City Bank PCL

**Family relationship among the executives**

None

**Education :**

- Master of Laws, Chulalongkorn University (2001)
- Master of Economic Development, (M.Econ.), NIDA (1989)
- Bachelor of Law (LL.B.), Sukhothai Thammathirat Open University (2007)
- Bachelor of Education (B.S.), Prince of Songkhla University (1983)

**Training :**

- Preparedness for Thailand 4.0 (20 March 2019 - 22 March 2019)
- Good Governance for Sustainable Development, Class Group 6 (March 9, 2019 - September 30, 2019)
- Treasury Laws and Regulations (November 23, 2018 - November 24, 2018)
- In-depth of the Act on Tortious Liability of Official (November 10, 2018 - November 10, 2018)
- The Role of Financial Technology for SMEs (November 7, 2018 - November 8, 2018)
- HR Challenges: Agile Human Capital Towards (July 17, 2018 - July 18, 2018)
- Government Agency Administration in 4.0 Era (June 27, 2018 - June 29, 2018)
- Sufficiency and Environment (June 16, 2018 - June 13, 2018)
- Procurement Act (May 31, 2017 - June 2, 2017)
- Transforming HR for 4.0 (April 28, 2017 - April 28, 2017)
- Management and Philosophy of Sufficiency Economy (April 24, 2017 - April 24, 2017)
- Sufficient Leader for Security (March 20, 2017 - March 24, 2017)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2016 - Present)
- HR Director, Thai PBS
- Executive Vice President, The Thai Credit Retail Bank
- Assets Management Director, SME D Bank
- Special Manager, Bangkok Capital Finance Co., Ltd.
- Director, Metropolis Trust Finance and Securities PCL
- Manager, HSBC Thailand
- Assistant Manager, SICCO Finance and Securities PCL
- Junior Staff, Siam Commercial Bank PCL
- Planning Officer, Hitachi Bangkok Cable Co., Ltd.

**Family relationship among the executives**

None





**Mr. Chatri Wetsoranasutee**  
Executive Vice President  
Branch Division 3  
Age 55 Years



**Mr. Kantaphon Kaewmanee**  
Executive Vice President  
Branch Division 2  
Age 59 Years

**Education :**

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

**Training :**

- Leadership Succession Program, Class Group 10 (March 28, 2019 - July 25, 2019)
- E-commerce Program (September 26, 2016 - September 26, 2016)
- Macroeconomic Analysis for Economic Tycoon (May 22, 2014 - May 22, 2014)
- Organization Appraisal Report (June 19, 2013 - June 21, 2013)
- OPR Coaching (April 30, 2013 - April 30, 2013)
- ASEAN FTA Impacts on Thailand (September 24, 2010 - September 24, 2010)
- Trade and Investment Trends (March 18, 2009 - March 18, 2009)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2020 - Present)
  - Senior Vice President, (2016 - 2020)
  - Vice President, (2008 - 2016)
  - Deputy Vice President, (2005 - 2008)
- Manager, Thai Bank
- Assistant Manager, Krungthai Banking Finance and Securities
- Credit Analyst, Kasikorn Bank PCL

**Family relationship among the executives**

None

**Education :**

- Master of Business Administration (MBA) Chulalongkorn University (1990 - 1992)
- Bachelor of Accountancy (B.Acc.) Chulalongkorn University (1979 - 1983)

**Training :**

- Thai Publics Form 100 - Year life (December 12, 2018 - December 12, 2018)
- Leadership Succession Program (March 24, 2018 - July 15, 2018)
- SMEs Advance (August 30, 2013 - October 12, 2013)
- Performance Report (OPR Coaching) (April 30, 2013 - April 30, 2013)
- State Enterprise Appraisal System, SEPA (May 21, 2012 - August 1, 2012)
- State Enterprise Appraisal System, SEPA (July 25, 2011 - July 26, 2011)
- Appraisal Criteria by SEPA (June 6, 2011 - June 13, 2011)
- Workshop on Approaches and Tools (October 4, 2010 - October 8, 2010)
- HR For non HR (June 30, 2010 - June 30, 2010)
- Challenges and Survival of Thai Exports (September 21, 2007 - September 21, 2007)
- Economic and Treasury Administration for Executive (August 5, 2005 - November 23, 2005)
- Consultant to Small Enterprise, APEC-IBIZ (April 21, 2004 - September 20, 2004)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2020 - Present)
  - Senior Vice President, (2006 - 2020)
  - Vice President, (2002 - 2006)
- Chief Operation Officer, Media of Medias PCL
- Senior Vice President, Wall Street Finance and Securities Co., Ltd.
- Assistant Managing Director, Siam General Factory PCL
- Project Development Department Manager, Premier Group
- Credit Division Manager, SITCA Finance and Securities PCL
- Project Manager, IFCT

**Family relationship among the executives**

None



**Mr. Pichit Mitrawong**  
Executive Vice President  
Strategy and Public Policy Division  
Age 53 Years

**Education :**

- Master of Public Administration, NIDA (2000 - 2003)
- Bachelor of Business Administration (BBA), Ramkhamhaeng University (1986 - 1989)

**Training :**

- Trainer for Management Science for Top Executive (February 14, 2018 - June 13, 2018)
- 7 Young Ladies Market Approach (November 24, 2016 - November 30, 2016)
- Smart Branding (September 4, 2016 - September 9, 2016)
- Smart Balancing & Marketing for Digital (July 1, 2016 - September 30, 2016)
- Economic and Treasury Administration for Executive (August 5, 2005 - November 23, 2005)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2020 - Present)
  - Senior Vice President, (2011 - 2020)
  - Vice President, (2004 - 2011)
- Assistant Manager, Siam Commercial Bank PCL

**Family relationship among the executives**

None



**Mr. Saree Musigerst**  
Executive Vice President  
Legal Division  
Age 55 Years

**Education :**

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

**Training :**

- Certificate of Leadership Succession Program (LSP) Class Group 11 (July 11, 2020 - October 29, 2020)
- Public Procurement Act (August 3, 2017 - August 3, 2017)
- Laws relating to Labor and Organization Management (January 16, 2016 - March 19, 2016)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2020 - Present)
  - Senior Vice President, (2018 - 2020)
  - Vice President, (2015 - 2018)
  - Deputy Vice President, (2006 - 2015)
- Assistant to Head of Litigation Division, Siam City Bank PCL
- Lawyer, Anajak Law Office

**Family relationship among the executives**

None



**Mr. Mogul Posayapisith**  
Executive Vice President  
Risk Management Division  
Age 44 Years

**Education :**

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

**Training :**

None

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Executive Vice President, (2020 - Present)
- Chief of Sales Management, TMB Bank
- Executive Vice President, Krungthai Bank PCL
- Senior Director, Kasikorn Bank PCL

**Family relationship among the executives**

None



**Mr. Cherdchai Ouanmin**  
Senior Vice President  
Compliance Division  
Age 53 Years

**Education :**

- Bachelor of Business Administration (BBA), Siam University (1988 - 1990)

**Training :**

- New Generation Executive Development Project (MOBEX) (March 3, 2017 - March 31, 2017)
- New Perspective of Neighboring Countries for AEC (October 1, 2015 - October 3, 2015)
- Real Property Appraisal Program (July 7, 2007 - September 2, 2007)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2015 - Present)
  - Vice President, (2009 - 2015)
  - Deputy Vice President, (2005 - 2009)
- Assistant Manager, Business Relations, Bangkok Bank PCL

**Family relationship among the executives**

None



**Mrs. Ubolrat Karpang**  
Senior Vice President  
Entrepreneur Development and  
Customer Relation Division  
Age 53 Years

**Education :**

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

**Training :**

- TALENT Recruitment for Organization (December 19, 2018 - December 19, 2018)
- Marketing Transformation Program (September 19, 2018 - November 21, 2018)
- State Enterprise Appraisal System (SEPA) (May 21, 2012 - August 1, 2012)
- Digital Economy for Executive (March 14, 2018 - April 26, 2018)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
  - Vice President, (2015 - 2018)
  - Deputy Vice President, (2006 - 2015)
- Marketing Staff, Thai Bank
- Staff, Standard Chartered Bank
- Head of Division, Nakhon Thon Bank
- Reporter, Daily Mirror Newspaper
- Accounting Clerk, Chokdi Co., Ltd.

**Family relationship among the executives**

None



**Mr. Prasij Virasilpa**  
Senior Vice President  
Credit Analysis Division  
Age 56 Years

**Education :**

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

**Training :**

None

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
  - Vice President, (2015 - 2018)
  - Deputy Vice President, (2008 - 2015)
- Head of Credit Division, Government Housing Bank
- Branch Manager, SME D Bank
- Assistant Manager, CIMIC Finance and Securities PCL
- Credit Division Manager, Cathay Trust Finance and Securities Co., Ltd.

**Family relationship among the executives**

None



**Mr. Arnat Wiboonkanarak**  
Senior Vice President  
Asset Management Division  
Age 51 Years



**Mr. Prakob Umplod**  
Senior Vice President  
Branch Division 4  
Age 51 Years

**Education :**

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

**Training :**

- Good Governance (March 3, 2018 - September 30, 2018)
- Middle Management Development, Class Group 22 (April 22, 2011 - July 9, 2011)
- Intensive Marketing Communication: IMC, Class Group 11 (March 25, 2006 - April 23, 2006)
- Economic and Treasury Administration for Executive (August 5, 2005 - November 23, 2005)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2016 - Present)
  - Vice President, (2005 - 2016)
- Credit Analyst, Srithana Finance and Securities PCL

**Family relationship among the executives**

None

**Education :**

- Master of Economics (M.Econ.), Ramkhamhaeng University (2008)
- Bachelor of Economics (B.Econ.) Ramkhamhaeng University (1989 - 1993)

**Training :**

- Managerial Skills Development for Young Leader (April 23, 2018 - May 10, 2018)
- Treasury Management Competency Development (April 21, 2008 - April 26, 2008)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
  - Vice President, (2015 - 2018)
  - Deputy Vice President, (2011 - 2015)
- Loan Management Officer, Thai Credit Guarantee Corporation

**Family relationship among the executives**

None



**Mr. Ataporn Tragulmalee**  
Senior Vice President  
Digital and Information Technology  
Division  
Age 55 Years

**Education :**

- Master of Applied Statistics (M.Sc.) NIDA (1992 - 1996)
- Bachelor of Science (B.Sc.) Chandrakasem Rajabhat University (1988 - 1991)

**Training :**

- Data Protection Officer (March 23, 2020 - March 27, 2020)
- Digital Leadership for Executive (February 1, 2019 - February 22, 2019)
- Big Data Certification Course (September 13, 2018 - December 29, 2018)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
- Executive Vice President, AIRA Capital Public Company Limited
- Head of Information System Development, National ITMX Co., Ltd.
- Chief Process Innovate Officer, The Thai Credit Retail Bank PCL
- Assistant Vice President, ABN AMRO Bank
- IT Manager, Standard Chartered Bank
- Assistant Vice President, SIMICO Capital PCL
- System Development Manager, Thaimex Finance and Securities Public Company Limited
- Junior System Analyst, Thai Application Software Company Limited

**Family relationship among the executives**

None



**Mr. Damrong Tangtanakan**  
Senior Vice President  
Credit Quality Control Management  
Division  
Age 54 Years

**Education :**

- Master of Business Administration (MBA) Sripatum University (1997 - 1999)
- Bachelor of Business Administration (BBA), Dhurakij Pundit University Dhurakij Pundit University (1990)

**Training :**

- Synergy for Management (September 7, 2017 - November 15, 2017)
- New Perspective, Blue Ocean Strategy (November 26, 2007 - November 26, 2007)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
  - Vice President, (2016 - 2018)
  - Deputy Vice President, (2015 - 2016)
- Senior Division Manager, Thai Bank
- Unit Head, Siam City Bank PCL

**Family relationship among the executives**

None





**Mr. Amnat Hialong**  
Senior Vice President  
Branch Division 1  
Age 54 Years



**Mr. Khemmachat Apiratchatanont**  
Senior Vice President  
Resource Management Division  
Age 55 Years

**Education :**

- Master of Political Science (M.Pol.Sc.) Ramkhamhaeng University (1992 - 1996)
- Bachelor of Management Science (B.Econ.) Kamphaeng Phet Rajabhat University (1990 - 1992)

**Training :**

- Modern Banking Executive Development Program (March 30, 2019 - May 23, 2019)
- Bank and Financial Institution Management Development (February 25, 2012 - August 31, 2012)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2018 - Present)
  - Vice President, (2015 - 2018)
  - Deputy Vice President, (2011 - 2015)
- Deputy Manager, Bank of Ayudhya PCL

**Family relationship among the executives**

None

**Education :**

- Master of Business Administration (MBA) Thonburi University (2012 - 2015)
- Bachelor of Education Science (B. Ed.) Srinakharinwirot University Prasanmit (1984 - 1987)

**Training :**

- Tax Incentives for Employee of Government and Private Agency (August 9, 2013 - August 10, 2013)
- Thai Labor Fraud in Overseas Countries (August 23, 2012 - August 25, 2012)
- Coordination Group Meeting for State Enterprise Personnel 2012 (March 28, 2012 - March 30, 2012)
- Loopholes in Legal Practice (September 19, 2011 - September 19, 2011)
- Expectation from HR Auditor under Appraisal System (August 3, 2011 - August 3, 2011)
- Laws relating to Human Capital Management (March 29, 2011 - March 31, 2011)
- Good Governance for Middle Management (July 15, 2010 - November 30, 2010)
- Coordination Group Meeting for State Enterprise Personnel (November 25, 2010 - November 26, 2010)
- Study Visit and Trade Negotiation on Labor Issues at Korean Republic (July 16, 2010 - July 19, 2010)
- Legal Issues in Labor Lay-off (July 1, 2010 - July 1, 2010)
- Labor Laws and State Enterprise (March 23, 2010 - March 24, 2010)
- Labor Relations Committee Development (September 28, 2008 - September 29, 2008)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2019 - Present)
  - Vice President, (2017 - 2019)
  - Deputy Vice President, (2009 - 2017)
- Manager, S.V. Printing (1996) Co., Ltd.
- Project Leader, Siam City Bank PCL
- Staff, Ruang Phet Agriculture Co., Ltd.
- Staff, Silo Trade Co., Ltd.

**Family relationship among the executives**

None



**Miss Kunlaya Chalermchokchai**  
**Senior Vice President**  
**Treasury and Accounting Division**  
 Age 43 Years

**Education :**

- Master of Business Administration (MBA) University Melbourne (2002 - 2002)
- Bachelor of Accountancy (B.Acc.) Chulalongkorn University (1994 - 1998)

**Training :**

None

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2020 - Present)
- Financial Controller, Turtle Twenty Three Co., Ltd.
- Executive Vice President, Asia Wealth Securities Co., Ltd.
- Senior Manager, Risk Management, Siam Piwat Co., Ltd.

**Family relationship among the executives**

None



**Mr. Kodchagone Ludchasawee**  
**Senior Vice President**  
**Operation Division**  
 Age 60 Years  
 (January 4, 2011 - January 1, 2021)

**Education :**

- Master of Business Administration (MBA) Kasetsart University (1997 - 1999)
- Bachelor of Economics (B.Econ.) Ramkhamhaeng University (1978 - 1984)

**Training :**

- Systematic Thinking Course (April 2, 2004 - April 2, 2004)
- Consultant to Small Enterprise Program, APEC-IBIZ (April 21, 2004 - September 20, 2004)
- Intensive Marketing Communication, IMC Class Group 11 (March 25, 2006 - April 23, 2006)
- New Perspective, Blue Ocean Strategy (November 26, 2007 - November 26, 2007)
- Administrative Laws for Top Executive (April 1, 2013 - November 29, 2013)

**Experiences :**

- Small and Medium Enterprise Development Bank of Thailand (SME D Bank)
  - Senior Vice President, (2011 - Present)
  - Vice President, (2004 - 2011)
- Branch Manager, Siam City Bank PCL
- Accounting Officer, Bank of Ayudhya PCL

**Family relationship among the executives**

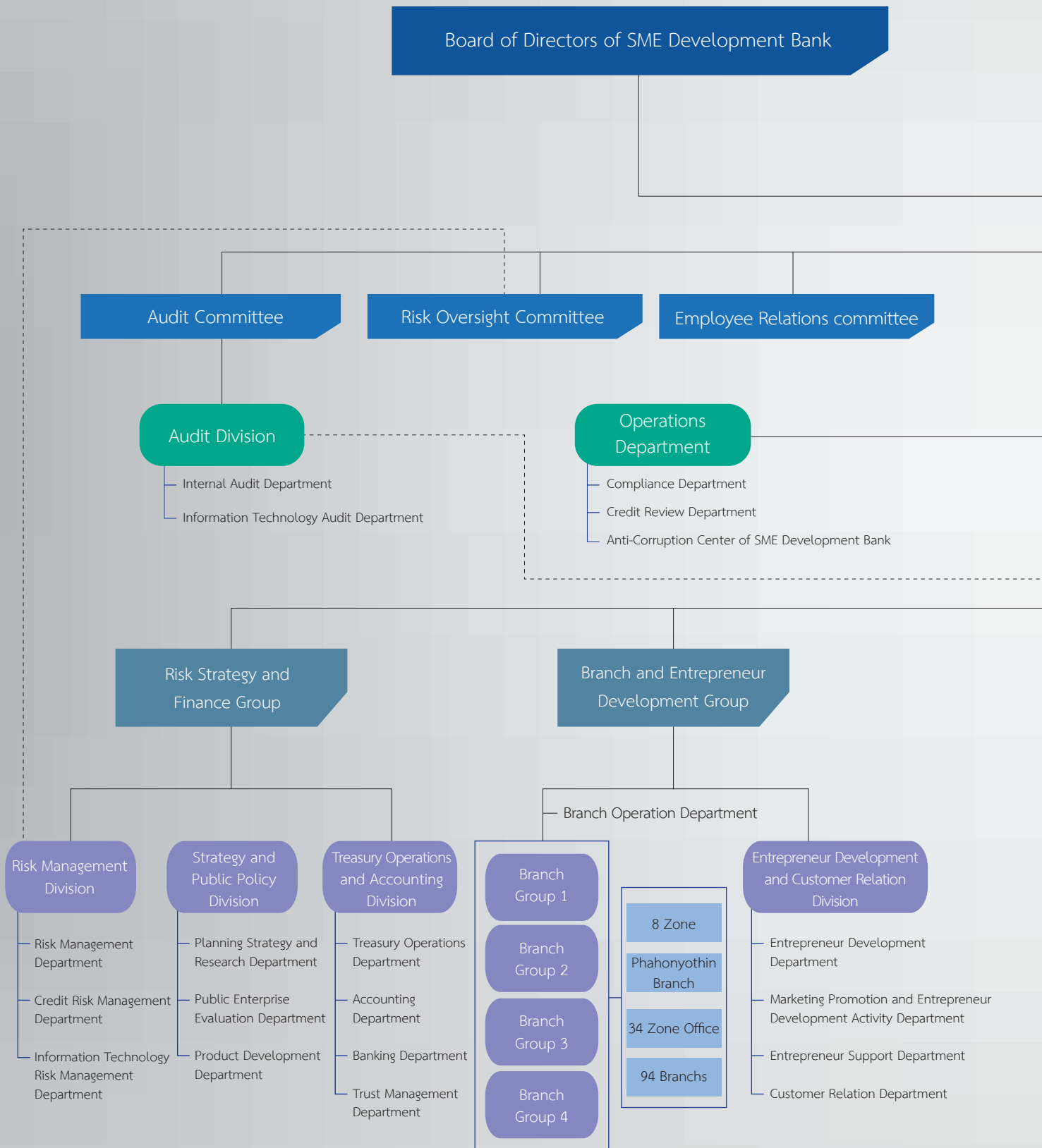
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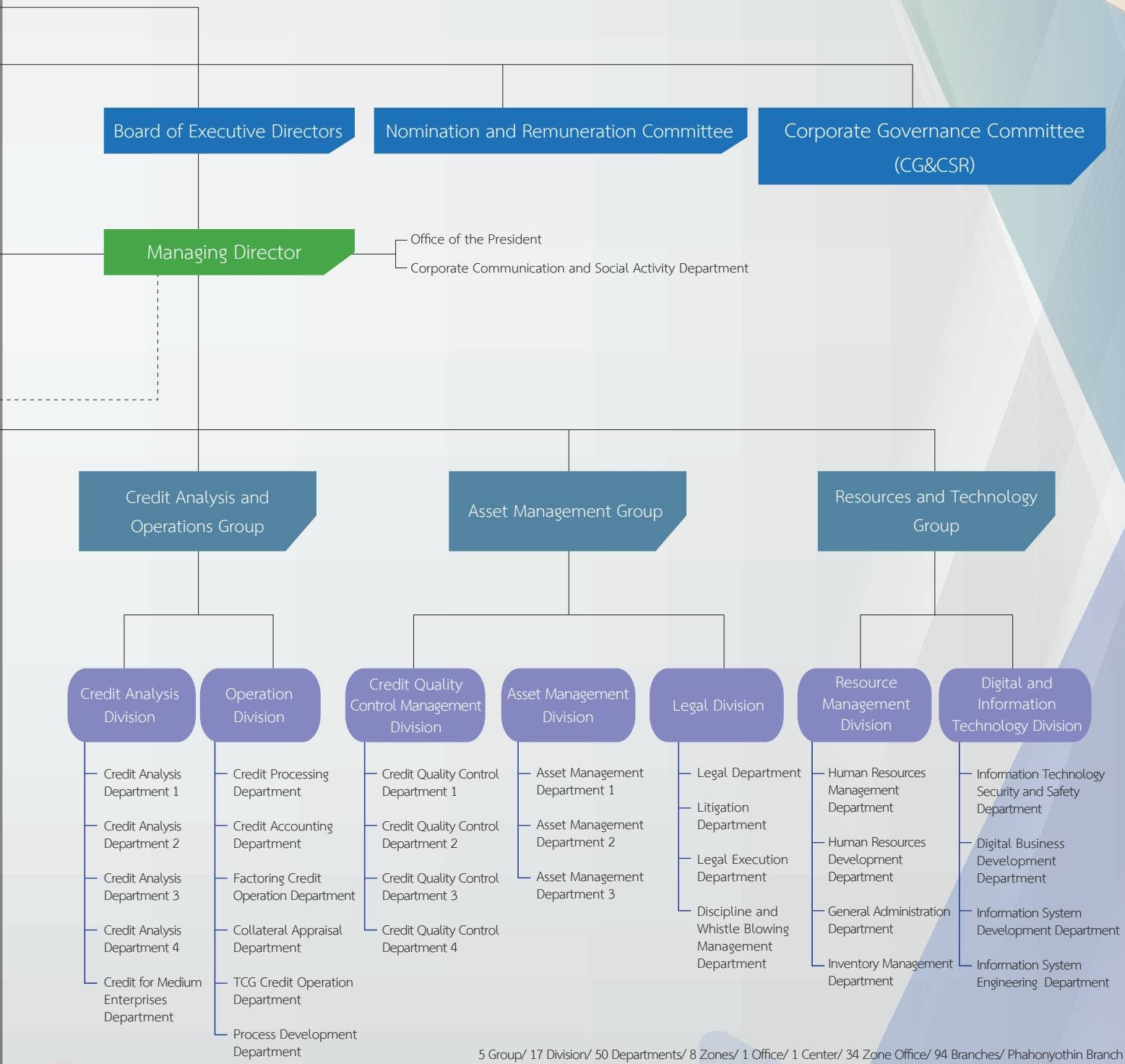
# SMEs

New Normal



# Organization Chart





5 Group/ 17 Division/ 50 Departments/ 8 Zones/ 1 Office/ 1 Center/ 34 Zone Office/ 94 Branches/ Phahonyothin Branch

## Directory of Executives

### Risk Management Division

Mr. Koratak Weeradaecha	Senior Vice President	Risk Management Department
Miss Busaba Khaiaboot	Deputy Vice President (Acting VP)	Credit Risk Management Department
Mr. Piroon Dechates	Vice President	Information Technology Risk Management Department

### Strategy and Public Policy Division

Mr. Sahatchai Lertpompulrat	Vice President	Planning Strategy and Research Department
Mrs. Laongdao Dhirarattana	Vice President	Public Enterprise Evaluation Department
Miss Thipprapa Boonpoka	Vice President	Product Development Department

### Treasury and Accounting Division

Miss Jintana Suchonchart	Vice President	Treasury Department
Miss Papataree Glangjai	Vice President	Accounting Department
Miss Pensri Suanarunsawat	Deputy Vice President (Acting VP)	Banking Department
Miss Lucksanavadee Lertsaravuth	Senior Vice President	Trust Management Department

### Branch Division

Mr. Piwat Chaiyanukij	Senior Vice President	Branch Operation Department
Mr. Anupong Sangarunthong	Vice President	Regional 1
Mr. Boonsek Phanudom	Senior Vice President	Regional 2
Mr. Manachai Chomchuen	Deputy Vice President (Acting VP)	Regional 3
Mr. Manachai Chomchuen	Deputy Vice President (Acting VP)	Regional 4
Miss Nongluck Nilwongsawat	Senior Vice President (Acting VP)	Regional 5
Mr. Sirichai Loyprasert	Senior Vice President	Regional 6
Mr. Watthana Kaewpraju	Vice President	Regional 7
Mr. Ramet Rattana-Arun	Professional (Acting VP)	Regional 8
Miss Nongluck Nilwongsawat	Senior Vice President	Phahonyothin Branch

### Entrepreneur Development and Customer Relation Division

Miss Yupin Thanativakul	Senior Vice President	Entrepreneur Development Department
Mrs. Lalana Chainaronk	Vice President	Marketing Promotion and Entrepreneur Development Activity Department
Mrs. Neeranart Chutiwong	Vice President	Entrepreneur Support Department
Miss Thanyakorn Jansawang	Vice President	Customer Relation Department

### Credit Analysis Division

Mrs. Jitraporn Unsuwan	Vice President	Credit Analysis Department 1
Mr. Weerasak Kwankijarun	Vice President	Credit Analysis Department 2
Miss Niramol Techathanasub	Vice President	Credit Analysis Department 3
Mr. Yongyut Suwannarit	Vice President	Credit Analysis Department 4
Miss Sopitrawee Sriwaratpaphat	Vice President	Credit For Medium Enterprises Department



## Operation Division

Mr. Thakoon Pattamagovit	Senior Vice President	Credit Processing Department
Miss Jindarat Promthong	Vice President	Credit Accounting Department
Mr. Surachet Phounggetkaw	Vice President	Factoring Credit Operation Department
Mr. Kantham Tribavornrat	Vice President	Collateral Appraisal Department
Mr. Praves Masawat	Senior Vice President (Acting VP)	TCG Credit Operation Department
Mr. Praves Masawat	Senior Vice President	Process Development Department

## Credit Quality Control Management Division

Mr. Pissanu Nagasara	Senior Vice President	Credit Quality Control Department 1
Mr. Chavalit Tangyoopuwadol	Vice President	Credit Quality Control Department 2
Mr. Chavalit Tangyoopuwadol	Vice President (Acting VP)	Credit Quality Control Department 3
Mr. Hathairat Nilkamhaeng	Vice President	Credit Quality Control Department 4

## Asset Management Division

Mr. Pramaun Rattanalertlop	Senior Vice President	Asset Management Department 1
Mr. Pramaun Rattanalertlop	Senior Vice President (Acting VP)	Asset Management Department 2
Mrs. Chamaiporn Vannaratha	Vice President	Asset Management Department 3

## Legal Division

Mr. Saree Musigerst	Executive Vice President (Acting VP)	Legal Department
Miss Pornphen Teumpornlerd	Deputy Vice President (Acting VP)	Litigation Department
Mr. Saree Musigerst	Executive Vice President (Acting VP)	Legal Execution Department
Mr. Nuttapol Napapornchana	Deputy Vice President (Acting VP)	Discipline and Whistle blowing Management Department

## Resource Management Division

Mr. Suksun Rataveissanun	Senior Vice President (Acting VP)	Human Resources Management Department
Mr. Suksun Rataveissanun	Senior Vice President	Human Resources Development Department
Mr. Boonchorb Krutbua	Vice President	General Administration Department
Mr. Booncherd Thongmung	Vice President	Inventory Management Department

## Digital and Information Technology Division

Mr. Ataporn Tragulmalee	Senior Vice President (Acting VP)	Information Technology Security and Safety Department
Miss Sumavasee Salasuk	Senior Vice President	Business Digital Development Department
Miss Benjamas Amornchaichan	Senior Vice President	Information System Development Department
Mr. Jakkrid Karoonsit	Senior Vice President	Information System Engineering Department

## Audit Division

Mrs. Chuthamas Nualpring	Senior Vice President	Internal Audit Department
Mrs. Chuthamas Nualpring	Senior Vice President (Acting VP)	Information Technology Audit Department

## Compliance Division

Miss Juntarapun Jotidilok	Senior Vice President	Compliance Department
Mr. Sahachat Waenthong	Vice President	Credit Review Department

## Under Supervision of the President

Mr. Somchanok Palakawong	Vice President	Office of the President
Na Ayudhaya		
Mr. Uthai Supachokpanit	Vice President	Corporate Communication and Social Activity Department

# Workforce Structure

## Workforce Capacity by Group

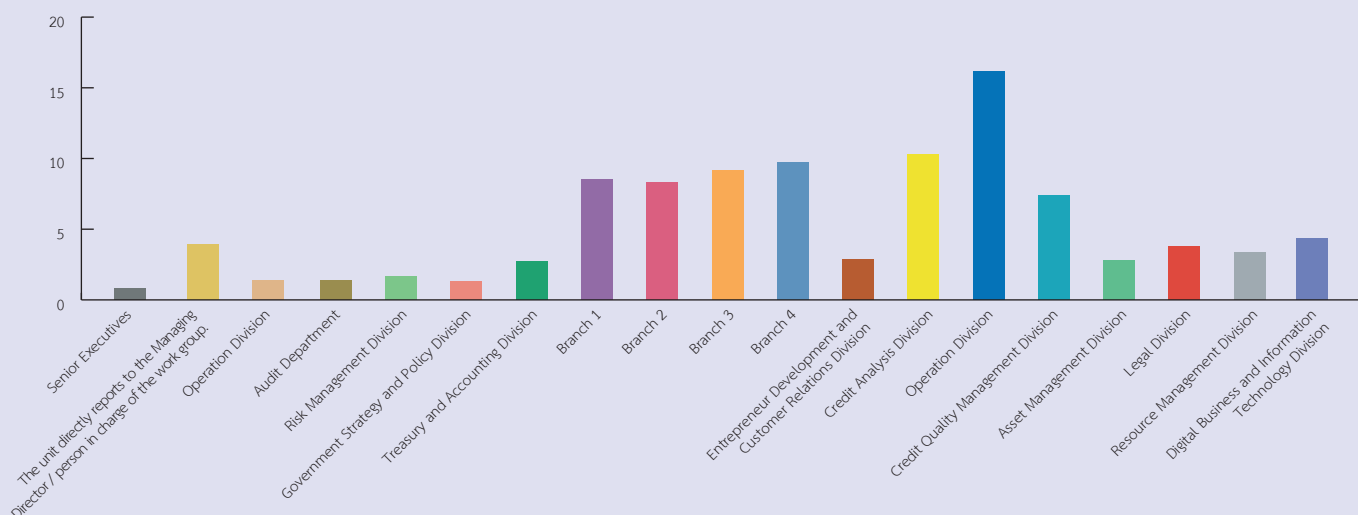
Line of work / work group	full time Staff	Contract Staff	total	Percentage
Senior Executives	19	-	19	0.81%
The unit directly reports to the Managing Director / person in charge of the work group.	88	4	92	3.94%
Operation Division	27	6	33	1.41%
Audit Department	25	7	32	1.37%
Risk Management Division	36	2	38	1.63%
Government Strategy and Policy Division	30	1	31	1.33%
Treasury and Accounting Division	62	2	64	2.74%
Branch 1	149	50	199	8.52%
Branch 2	153	41	194	8.31%
Branch 3	171	43	214	9.16%
Branch 4	170	57	227	9.72%
Entrepreneur Development and Customer Relations Division	64	3	67	2.87%
Credit Analysis Division	223	18	241	10.32%
Operation Division	331	46	377	16.15%
Credit Quality Management Division	166	7	173	7.41%
Asset Management Division	65	-	65	2.78%
Legal Division	87	1	88	3.77%
Resource Management Division	72	7	79	3.38%
Digital Business and Information Technology Division	89	13	102	4.37%
<b>Total</b>	<b>2,027</b>	<b>308</b>	<b>2,335</b>	<b>100.00%</b>

## Workforce Data

Year	full time staff	Contract staff	Total
2018	1,970	665	2,635
2019	2,167	492	2,659
2020	2,027	308	2,335



## Workforce Capacity by Group



## Employee compensation / Personnel expenses

The bank has expenses for its personnel (including top management) consist of salary, bonus and benefits such as “contributions to provident funds, medical expenses, child support and education expenses for the total of 1,479,024,838.70 baht”.

For the bonus paid in 2020 (performance evaluation of 2019), the bank considers from performance according to the criteria not to pay the bonus of 2020 which, from 2018-2020, the bank has total personnel expenses as follows

### Total expenses for staff and employees

Unit: million baht

Description	2018	2019	2020
Salary	1,061.09	1,154.78	1,338.39
Bonus	206.93	0.00	0.00
Benefits	131.11	144.68	127.78
<b>Total (Unit: million baht)</b>	<b>1,399.13</b>	<b>1,299.46</b>	<b>1,466.16</b>

Note: The information consists of salary temporary living cost, risk-taking incentive, motorcycle depreciation, monthly child support, bonus, OT, accommodation, medical and child tuition expenses. However, the above information is before withholding tax deduction.

## Senior management compensation

Unit: million baht

Description	2018	2019	2020
Salary	10.79	10.97	12.11
Bonus	0.00	0.00	0.00
Contributions to provident funds	0.67	1.01	0.75
<b>Total (Unit: million baht)</b>	<b>11.46</b>	<b>11.98</b>	<b>12.86</b>

Note: Compensation for top management and the next ranking after consists of salary and contributions to provident funds.

## Succession Plan for Senior Executives

In 2020, the SME Bank has prepared a Succession Plan for the year 2020 to ensure continuity of key positions of the SME Bank. The recruitment, development, and selection processes for various positions are as follows:

1. Assign key positions that require successors of 5 major positions included Deputy Managing Director, Assistant Managing Director, Region Director, Area Manager, and Branch Manager.
2. Screen the candidate who is eligible to be successors by considering the criteria, qualifications, and conditions of job succession.
3. Improve the candidates who have passed the qualifications screening according to the Successor Development Program from internal or external training courses.
4. Select the successor who has been improved according to the Successor Development Program by interviewing and/or testing as prescribed by the authorized committee and presented to the authorized person for approval and appointment for the job position.



## Policy on Payment of the Director's Remuneration and Meeting Allowances

The Bank manages to pay remuneration by referring to the criteria and guideline provided by the Resolution of the Cabinet dated 24 April 2019 acknowledged by the Bank's Board of Directors Session 11/2019 dated 30 May 2019 and Session 18/2019 dated 4 September 2019. The summary of remuneration rate and criteria for monthly allowance and meeting allowance for state enterprise directors and member of other board, committee and steering committee are provided below:

	Remuneration	Note
1. Monthly remuneration for the director of state enterprise	10,000 baht per month	Chairman receives 2 times of such monthly remuneration or = 20,000 baht per month
2. Meeting allowance for the director of state enterprise	20,000 baht per month	Chairman receives additional 25% of meeting allowance = 25,000 baht per month In case of the meeting of the directors of state enterprise, the state enterprise shall pay meeting allowance once a month and if there is reasonable ground to do so, payment can be made more than 1 time a month but in any case, not 15 times per year, namely, such extra 3 payments shall be made in April, August and December.
3. Meeting allowance for sub-committee or other working group for director of state enterprise	10,000 baht per month	Chairman receives additional 25% of meeting allowance = 12,500 baht per month In case of the meeting of sub-committee or other working group, the state enterprise shall pay meeting allowance to director and independent member of the committee for an equal amount but in aggregate shall not exceed 2 committees by which its meeting must not be held more than 1 time a month.
4. Meeting allowance for member of sub-committee or other working group for independent member not a director of state enterprise	10,000 baht per month	

## Senior Executives Remuneration Policy

The remuneration of senior executives has consisted of the remuneration of the Managing Director, Vice Managing Director, and Assistant Managing Director or equivalent. There are criteria and methods for consideration as follows:

### Managing Director's Remuneration

The Subcommittee considers the remuneration of the managing director in terms of the initial return rate of the Managing Director based on the criteria and guidelines for the remuneration of the top management under the employment contract. According to the Cabinet resolution on June 13, 2000, with the assigned duties and responsibilities, the total performance of the SME Bank and the remuneration in accordance with the market rate of the financial institutions. During the operation, the SME Bank board of directors assigned the managing director's performance audit committee to assess the performance of the Managing Director. Later, the Audit Committee shall present the SME Bank Board of Directors, the return adjustment is according to the rules and guidelines for the remuneration of the top management under the employment contract.

### Remuneration of Vice Managing Director and Assistant Managing Director or equivalent

The Managing Director will assign missions and targets as well as indicators to the Vice Managing Director and Assistant Managing Director or equivalent. The nomination committee shall determine the remuneration and consider the approval of criteria for performance assessment. And criteria for the annual salary prior to the presentation to the Board of Directors of the Bank for consideration and approval. Thus, the performance assessments shall be conducted in two dimensions included the achievement of operations by indicators and competency assessment according to the completion of the process. The managing director will present the performance of the Vice Managing Director and Assistant Managing Director or equivalent before the Nomination committee determine the agreed remuneration and present it to the Executive Board for consideration and approval of the assessment result. Therefore, the assessment result shall be used for the annual promotion of salary as the criteria.





## Shareholders Structure

Small and Medium Enterprise Development Bank of Thailand (As of December 31, 2020)

Shareholders	Number of Share	Amount (baht)	%
<b>Public Sector</b>			
1. Ministry of Finance	360,068,073	20,529,999,978.85	99.3790
2. Government Saving Bank	550,000	55,000,000	0.1518
3. Krungthai Bank (Public) Co., Ltd.	222,000	22,200,000	0.0613
4. Financial Institutions Development Fund	18,000	1,800,000	0.0050
<b>Public Sector Total</b>	<b>360,858,073</b>	<b>20,608,999,978.85</b>	<b>99.5970</b>
<b>Private Sector</b>			
1. Ladawan Investment Co., Ltd.	400,000	40,000,000	0.1104
2. Members of Thai Banker's Association	697,711	69,771,100	0.1926
3. Members of Association of Finance Companies	359,389	35,938,900	0.0992
4. Others	2,900	290,000	0.0008
<b>Private Sector Total</b>	<b>1,460,000</b>	<b>146,000,000</b>	<b>0.4030</b>
<b>Grand Total</b>	<b>362,318,073</b>	<b>20,754,999,978.85</b>	<b>100.0000</b>



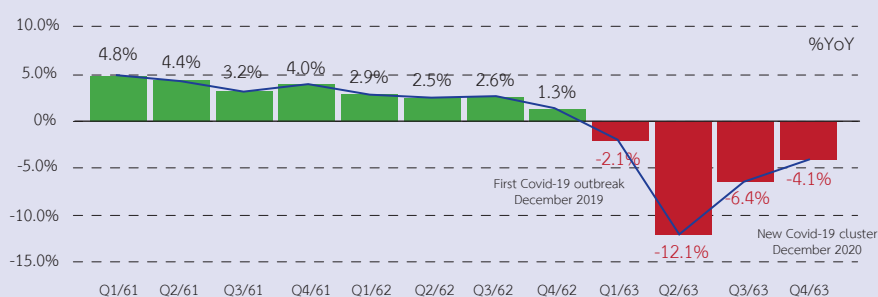
# 2020 Thai Economy Situation and Trends

## 1. Overview of the Thai economy in year 2020

The year 2020 was the year that economic conditions around the world, including Thailand, have been impacted by the COVID-19 pandemic. Thailand was affected by the first wave in late 2019. The continued impact COVID-19 pandemic is the new wave at the end of the year 2020. This is the major cause of the global and Thai economy has been declined. The global economy was dropped by 3.5%, the lowest level since World War 2. The Thai economy was dropped at 6.1% which was the first economic decline in 11 years since the economic crisis year 1998, which was declined at 7.6%. This was a declination in private sector investment for 8.4%. The export value was decreased by 6.6%. The private sector consumption was decreased by 1.0%. The investment of the government sector and government expenditure was extended by 5.7% and 0.8%, respectively.

However, the economy in the fourth quarter of the year 2020 was continued to recover after falling at the lowest number from the second quarter. Subsequently, the economic activity has been recovered from the easing of epidemic control measures.

Gross Domestic Product (GDP) 2018–2020 of each Quarter



Source: Office of the National Economic and Social Development Council

Thai Economy from 2018-2020 and Projections for 2021

(%YoY)	2018	2019	2020	2021F
GDP Growth Rate	4.2	2.3	↓ -6.1	↑ 2.5-3.5
Private Consumption	4.6	4.0	↓ -1.0	↑ 2
Public Consumption	2.6	1.7	↑ 0.8	↑ 5.1
Private Investment	4.1	2.7	↓ -8.4	↑ 3.8
Public Investment	2.8	0.1	↑ 5.7	↑ 10.7
Export Value	7.5	-3.3	↓ -6.6	↑ 5.8
Inflation Rate (%)	1.1	0.7	↓ -0.8	↑ 1.0-2.0
Current Account Balance per GDP (%)	5.6	7.0	↑ 3.3	↑ 2.3

Source: Office of the National Economic and Social Development Council

The expenditure: Private sector consumption has returned to expand. Private sector investment and merchandising exports were declined at a slow rate, while public spending and government investment were expanded, and service export was continued to decline.

The production: the agricultural sector has returned to expand, while industrial production, accommodation, and food service, wholesaling and retailing and repairing, transportation sector, and storage were decreased at a slower rate. The construction sector was declined and the electricity and gas sector were continued to decline.

• **Economic Outlook year 2021**

It is estimated that the Thai economy in 2021 will recover gradually in line with the global economic recovery from important factors as followed:

1) The improvement of the world economy and global trade volume from the Economic stimulus measures of large economies countries.

The world economy in the year 2020 was declined by 3.5% the lowest level since the end of World War 2. It was estimated that the expansion of the world economy in the year 2021 will expand by 5.2%, and ongoing expand in the year 2022. The key factor was the increasing number of COVID-19 vaccine approvals and widespread vaccination in various countries since December 2020. The vaccination has boosted hopes for ending of COVID-19 pandemic. The issuance of economic stimulus measures from large economies countries is considered a factor in reviving the world economy.

**Global Economic Outlook year 2021**

(%YoY)	2018	2019	2020	2021F
Global Economic Expansion (%)	3.8	3.0	-3.5	5.2
USA	3.0	2.2	-3.5	4.8
Eurozone	1.9	1.3	-6.8	4.3
Japan	0.3	0.7	-4.0	2.4
China	6.7	6.1	2.3	7.7
Thailand	4.2	2.3	-6.1	2.5-3.5
Global Trade Volume (%)	3.9	1.0	-11.0	6.7
Exchange rate (Bath/USD)	32.3	31.0	31.3	29.5-30.5
Dubai Crude Oil (USD/Barrel)	69.5	63.3	42.1	48.0-58.0

Source: Office of the National Economic and Social Development Council

The US economy was estimated to grow by 4.8% in the year 2021. In the previous forecasting, the economic growth was only 3.1%, driven by the economic stimulus measures with a budget of 900 billion dollars from the US government under former President Donald Trump. While the economic stimulus measures with the budget of 1.9 trillion dollars by President Joe Biden's will result in the higher expansion of US economy. The Chinese economy was estimated to expand by 7.7% in the year 2021. The world economy has continued volatility of international capital under the uncertainty of the pandemic situation. This will affect exchange rate fluctuations and capital mitigation.

2) Progress of the approval and distribution of the COVID-19 vaccine in the key economic countries. This was faster than expected, resulting in a decline of infection rate in many countries, including Israel, the USA, England, and the European Union.

#### Proportion of vaccinated population to total population (%)

Country	Current status	Forecast		
		64H1	64	65H1
Israel	71	>75	>75	>75
UAE	48	>75	>75	>75
England	21	50	>75	>75
USA	14	50	>75	>75
Europe	4	20	>75	>75
China	3	40	>75	>75
Indonesia	0.5	7	40	67
South Korea	0	20	>75	>75
Thailand	0	12	50	70

Source: Compiled by NESDB, data as of January 13, 2021

3) Public sector investment tended to expand at an accelerated rate by the increasing of budget framework under budget of the year 2021 for 32.3%, included the disbursement under the Loan Act, and progress of infrastructure investment projects.

(Billion Bath)	Actual		Forecast
	FY2019 Total	FY2020 Total	FY2021 Total
Annual Budget	2,783	2,944	3,072
(%YoY)	-0.3	5.8	4.3
Cumulative Disbursements (%)	92.8	92.0	93.5
Fixed Expense	2,396	2,576	2,585
(%YoY)	-0.6	7.5	0.3
Cumulative Disbursements (%)	97.8	97.4	98.0
Investment Expense	387	368	487
(%YoY)	1.80	-5.0	32.3
Cumulative Disbursements (%)	70.2	66.3	75.0
1 Trillion baht Decree		299	510
(%YoY)			75.8
Total Disbursements	3,043	3,467	3,765

Source: [www.nesdc.go.th](http://www.nesdc.go.th)

4) The slow expansion of domestic demand was driven by ongoing government measures such as economic measures that continued to boost public spending. (The half-half co-payment scheme, We Win scheme (Roa Chana), and Shop Dee Mee Khuen scheme) are the measures to help low-income people by government welfare cards. Measures to alleviate the burden of basic utilities expenses (water supply/electricity/internet) and financial measures to help liquidity, debtor support measures, etc.

5) The new wave of COVID-19 outbreaks control measures is limited to only certain areas with severe situations (Partial Lockdown). This enables the areas with low infectious rates to continue their economic activities. The new wave of COVID-19 outbreaks still has higher levels of traveling and economic activities, compared with the first wave.

However, the global economy still faces uncertainty among the new waves of outbreaks and the mutation of the COVID-19 virus. Thailand has been monitored and prepared for the risks of global economic and financial volatility. Along with a focus on the stability of the country's economy for being ready to face risks from various situations such as uncertainty of the outbreak situation and the delay in vaccine distribution. The tendency of delay in the recovery of the tourism sector, drought situation, liquidity problem. Moreover, non-performing debt (NPL) issues may increase after the easing measures and debt restructuring.

Thailand has a strong economic foundation, stable fiscal position and sufficient liquidity for the implementation of government policies. This made the country is ready to implement various policies to support the country's economic recovery on the next phase.

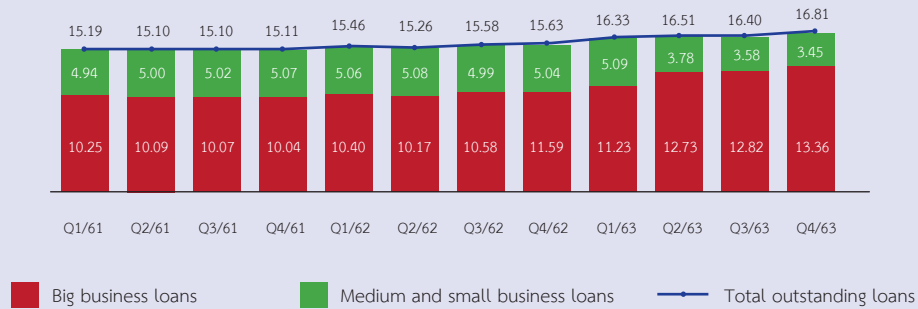
## 2. Credit overview

Bank of Thailand reported the commercial banking system performance in year 2020 that the commercial banking system is strong. Its reserve fund and liquidity were high while can support the economic recovery from the impact of COVID-19. Measures to help debtors and soften the debtor class, supported the credit growth and lessen the credit quality deterioration in the banking system. While the performance of the banking system was declined. It was the result of high reserves, prepared for the impact of COVID-19 on credit quality.

By overall, the SME D bank credit growth in year 2020, is expanded to 5.1%, compared to the same period from last year was 2.0% in year 2019 with the following details:

Corporate loan (64.2% of total loan), expanded by 5.4%, compared to last year that was contraction rate at 0.8%. The key factor from the growth of large corporate loans, which partly reverted to loan instead of issuing bonds during second quarter of year 2020. While SMEs loans was contracted at a lower rate that resulted of soft loan measures. The consumer loans (35.8% of total loans) was expanded by 4.6%, decreased from the previous year that was expanded by 7.5%. This was in line with the purchasing power of households, affected by COVID-19. It gradually improved in all loan portfolios at the second half of year 2020. The improving economic activities after the easing of lockdown measures. The credit demand in the housing market was expanded, especially the demand in housing market on horizontal dimension and the marketing campaigns of the entrepreneurs have been improve.

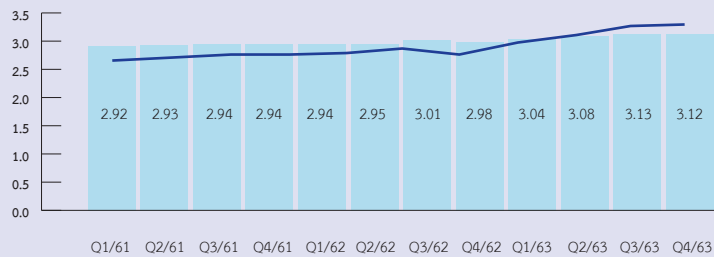
### Outstanding loans of commercial banks classified by business size (million baht)



Source : Bank of Thailand

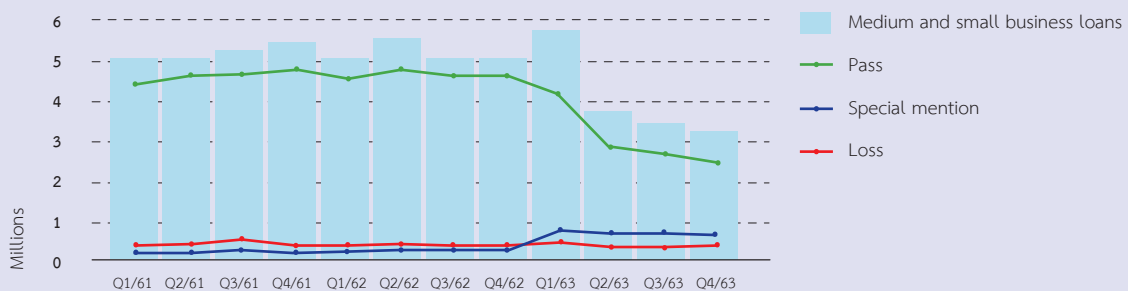
About the credit quality, debtors who has affected by COVID-19 obtained helps from commercial banks. Consequently, the outstanding amount of Non-Performing Loans (NPLs) increased slightly, with the NPL ratio of total loans was at 3.12%, and the reserve was increased continuously, prepared for the impact of COVID-19 on the next phase of credit quality.

### NPL per total loans (%)



Source : Bank of Thailand

### The loans classification of medium and small business



Source : Bank of Thailand

Return on Assets (ROA) was decreased to 0.65% from the previous year, ROA was at 1.39% and the ratio of Net Interest Margin (NIM) was dropped to 2.51% from 2.73% of last year NIM.

#### • Credit outlook in year 2021

In the year 2021, loan growth is likely to remain low due to many economic components are contracted due to the impact of the Coronavirus Disease 2019 (COVID-19) pandemic. It is limited credit growth. However,



large corporate loans and SMEs continued to demand credit. That will be used as key working capital and internal fund of the company. Meanwhile, the demand for investment loans is continued to decline, such as investments in fixed assets, machinery, and equipment.

The demand for credit has been increased in many businesses including agriculture, industry, and service sectors related to tourism have been affected by outbreaks of COVID-19. The loan will help businesses to be carried on continuously and maintain employment. However, loan approval rates of large businesses and SMEs were slightly increased. The key factors that the Financial Institutions (FFIs) shall consider in credit approval from overall business conditions and economic conditions.

- **Small and Medium Enterprises (SMEs)**

Gross domestic products from the small and medium-sized enterprises (GDP MSME) in the third quarter of the year 2020 were decreased by 9.3%. The reduction was less than the previous quarter which was 17.1%, with a value of 1,318.04 million baht, representing a ratio of the country's GDP at 34.1%. The ratio was increased from 32.9% in the previous quarter. Meanwhile, the country GDP from the Notification by the publication of the Office of economic development and the National Society on November 16, 2020, was decreased by 6.4%, considered the size of the state enterprises.

In terms of GDP, MSME in the business sector has decreased significantly. Most of them were in the hospitality sector, including hotel and food services, transportation and logistics business as well as a service business in the arts, entertainment, and recreation.

The concern over the COVID-19 pandemic situation, resulting in the decline of new businesses in December 2020.

Department of Business Development reported on December 2020 about the new business registration with the establishment was 3,287 entities or -27% MoM decreased from the previous month. However, it was increased, compared to the same period last year, was 4%YoY. The highest new establishment on December 2020 included general building construction business was 10% of total new established businesses, followed by Real estate business was 6% and restaurant/food business was 4%. Since considered the registered capital, it was found that the business with the highest registered capital was another credit business had capital at the amount of 8,610 million baht or 31% of the registered capital of the new establishment in December 2020.

The number of business divestment on December 2020 with a business divestment was 6,013 businesses, increased from the previous month or 145% MoM, It was increased compared to the same period last year, or 6%YoY. The business divestment is continued by the seasonal trend. The number of divestment will be increased by the end of the year. It found that the number of divestment in December 2020 was the highest number in 10 years.

The economic trend of MSMEs in the year 2021, the situation of the COVID-19 pandemic is continuing, directly and indirectly, impact to SMEs. The tourism sector and businesses related to the tourism sector have been directly impacted. While the indirect impact through the contraction of domestic demand.

The outlook for the year 2021 is expected that the GDP MSME will be expanded. There are supporting factors from the COVID-19 pandemic crisis around the world that should begin to lessen. The world economy will expand again, which is good for export businesses. The supporting domestic factors were spending and various state measures to stimulate the economy as well as government infrastructure investment projects. Those will accelerate the Thai economy to be faster recovered.

# The Bank's Role



## Loans

The bank operates according to the bank's mission to support government sector policies. Apart from providing funding support, the bank supports the development of small entrepreneurs to create opportunities to access sources of capital, provide support in marketing, accounting and areas where SMEs have limitations in addition to comprehensively connecting support in collaboration with allied agencies to support SME entrepreneurs by using knowledge and capital. Furthermore, the bank plays a major role in Thailand's economy as a key mechanism in driving the government's economic measures. The bank carries out projects in compliance with government policies to support SME entrepreneurs in accessing sources of capital and boost liquidity during economic recessions through major projects. In 2020, the bank modified and issued new loan products to be consistent with target group needs. The bank used the loan needs of target groups from branches and SME support guidelines of allied agencies to develop the bank's loan products to fit target group needs and support SMEs affected by the COVID-19 pandemic. The bank's loan products consist of the following five projects:

- 1) The Local Economy Loan Project, Phase 3
- 2) The 3rd Transformation Loan Project (Soft Loans to Change Machinery, Phase 2)

- 3) The Extra Cash Loan Project to support small entrepreneurs affected by the COVID-19 pandemic pursuant to the Council of Ministers' resolution on 24 March 2020.
- 4) The BOT Soft Loan Project to help debtors affected by the COVID-19 pandemic.
- 5) Three soft loan projects for SMEs with no access to sources of capital in the system and loan products of allied agencies consisting of:
  - (1) The SMEs Support Project through the Small and Medium Enterprise Promotion Fund.
  - (2) The SME Development Fund Loan Project to support SMEs that are debtors in civil-state SME development fund loan projects.
  - (3) The Civil-State SME Development Fund Loan Project to Support SMEs that are Debtors, the Civil-State SME Development Fund Loan Project and the SME Restoration and Capacity Building Project.

In 2020, the bank provided capital for SMEs with a total unpaid loan balance of 101,520.22 million baht divided into ordinary loans (9.04% of total loans) and loans in government sector policy projects (90.96% of total loans). The bank was able to create added economic value in the amount of 79,168.99 million baht and created employment for 221,116 people in the economy.



### Entrepreneur Development

The bank plays a role in strengthening SMEs and the bank hopes to promote, support and develop SMEs in activities ranging from providing funding support, developing entrepreneurs and building market access opportunities in addition to linking to create integration and systematically connecting allied agencies including the bank’s branches nationwide and agencies in the government sector, the private sector and the education sector to drive and enable new entrepreneurs to have greater ability to enter the country’s economy. Entrepreneurs have clearly grown from creating or using innovations in business operations, having higher standards for goods and services and developing goods and services with higher value, causing higher income, lower costs or expenses, higher profit, ability to operate businesses, repay debts and invest along with increasing employment and improving the country’s economic overview.

The bank carries out activities to improve entrepreneurs unilaterally and in cooperation with allied networks in the government sector, the private sector, educational institutions, associations and federations. The bank improves SME entrepreneurs in each group through the following processes:

- Training, Seminars and Consultation - Entrepreneurs participate in the activities aimed at improving entrepreneurs organized by the bank including networks in training courses, seminars and consultation in the areas of accounting/finance, marketing, production and management.
- Effectiveness - In this area, the bank improves entrepreneurs who participated in entrepreneur development activities in areas such as development

of systematic accounting systems or compliance with accounting standards, having clear business plans, information technology systems that support business operations, expansion of marketing channels, modification of products to create standards and readiness to access sources of capital, etc.

- Efficiency - The bank enables entrepreneurs to access sources of capital and improve performance. SMEs entrepreneurs who were developed to have greater effectiveness were able to create efficiency in each area of business operation such as restoration of business operations, accreditation with national or international standards, increase sales, lower costs and business expansion to a better level.

Unit: Person

Entrepreneur Development	2015	2016	2017	2018	2019	2020
1. Training, Seminars and Consultation	3,750	4,536	6,548	8,776	8,930	8,159
2. Effectiveness	1,155	1,068	1,354	1,894	2,166	2,552
3. Efficiency	550	554	662	933	1,062	1,170



### Joint Ventures

Joint ventures are focused on SME startups, SMEs in the S-curve industry and future cluster industries according to government sector policies. Joint venture funds are divided into a total of three funds with a total balance of 1,291 million baht.

- 1) 1<sup>st</sup> SMEs Private Equity Trust Fund Balance: 500 million baht
- 2) Agricultural and Related SMEs Private Equity Trust Fund Balance: 290 million baht
- 3) 2<sup>nd</sup> SMEs Private Equity Trust Fund Balance: 501 million baht

## Nature of Business

The Bank has entered into joint ventures with the following companies in various businesses, holding more than 25% stake in those companies:

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



# Operating Results for 2020

For the year 2020, the SME D Bank had a mission to expand loans for SMEs entrepreneurs who are specially promoted under government policies and encourage the SMEs entrepreneurs to access the subsidy. The SME D bank has a total disbursed loans at 42,417.10 million baht to 17,764 entrepreneurs, of which (1) 39,126.74 million baht loans were disbursed to 13,531 entrepreneurs, (2) 3,290.37 million baht Alliance loans were disbursed to 4,233 entrepreneurs. The Bank's total outstanding loans were at 101,520.22 million baht to 82,274 entrepreneurs which added an economy value of 79,168.99 million baht and maintained 221,116 jobs in the economy. At the end of year 2020, NPLS outstanding stood at 15,238.80 million baht and the ratio of NPLs to outstanding loans was 15.01%. The SME D Bank's gross operating profit was 268.09 million baht.

## 1. Financial Performance

In 2020, the Banks had total revenues of 5,408.07 million baht, decreasing by 791.64 million baht from 2019 or 12.77%. The total expense was 2,671.01 million baht, decreasing by 6,569.63 million baht from 2019 or 71.09%. The bank reserved the derivatives according to a lawsuit filed by a commercial bank against the Bank on derivative case. March 2020, there was a verdict ordered the SME D bank to pay the damages. However, it was negotiated and the payment was lower than the reserve of 1,366.08 million baht. The SME D bank had bad debts, doubtful accounts and losses from debt restructuring at the total amount of 2,468.97 million baht. The Bank's net profit was 268.09 million baht.

- **Interest income** of 4,529.53 million baht, decreasing by 597.42 million baht from 2019 at or 11.65%.

- **Non-interest income** (consisting of income from commissions and services, net gains (losses) from commercial and foreign exchange transactions, net gains (losses) on investments, dividend income, and other operating income) of 878.54 million baht, decreasing 194.22 million baht from 2019 or 18.10%.

- **Interest expenses** of 1,318.16 million baht, decreasing by 282.60 million baht from 2019 or 17.65% declined.

- **Non-interest expenses** (consisting of fees and service charges, and other operating expenses) of 1,352.85 million baht, decreasing by 6,287.03 million baht from 2019 or 82.29%.

- **Doubtful accounts**, the SME D bank has bad debts, doubtful accounts, and loss from debt restructuring amounting 2,468.97 million baht, decreasing by 348.41 million baht from year 2019 or 12.37% .

- **Net Profit (Loss)**, The Bank had a gross operating profit of 268.09 million baht, the performance was greater from 2019, the Bank recorded a net loss of 5,858.31 million baht.

## 2. Financial position

- **Asset** The Bank's assets amount of 107,764.54 million baht, decreasing by 3,946.80 million baht from 2019 or 3.53%.

- **Liabilities** The Bank's liabilities amounted to 97,339.76 million baht, decreasing by 7,275.57 million baht from 2019 or 6.95%.

- **Shareholder's Equity** The Bank's shareholder's equity amounted to 10,424.78 million baht, decreasing by 3,328.77 million baht from 2019 or 46.91%. In November 2020, the Bank received the 2<sup>nd</sup> installment of capital increase worth 3,000 million baht following the Resolution from the Cabinet Meeting dated October 15, 2019, which approved the budget limit allocated from the Specialized Financial Institutions Development Fund for up to 6,000 million baht as approved by the Financial Institutions Development Fund Committee.

- **Capital Adequacy Ratio** As of December 31, 2020, the Bank had total funds of 10,178.08 million baht and risk-weighted assets of 73,313.85 million baht. Thus, the Bank's Capital Adequacy Ratio is approximately 13.88%.

## 3. Key Current and Future Investment

The Bank recognized the importance of technology and innovation. The 5 years Action Plan for Digital technology (from 2020 - 2025) is the framework to push digital technology as an important mechanism to enhance the Operational Excellence, led to support new business opportunities. The SME bank's 5 years

Action Plan for Digital technology is consisted of 4 key strategies. There are 29 project that cover the short, medium and long-term digital and information technology projects including the digital technology foundations, enhance the digital empowerment towards the expansion of digital technology implementation with sustainability.

The operation performance for the year 2020, the Bank has conducted the Core Business Process System or CBPS. The new system will serve the Bank’s missions and business strategies in response to government policies and efficient service, consistent with the deployment of modern technologies in application software and ICT infrastructure. In terms of operations to upgrade the information technology security. The Bank has established processes and has been certified ISO/IEC 27001: 2013. The projects implementation of the surveillance system and Data Leakage Protection, Cyber Resilience and the Security Operation Center (SOC) to reduce the risks and damage, affected the data and information security, including security against cyber-attacks, cyber-crimes and errors. It takes into account the fundamental element of information security included the Confidentiality, Integrity and Availability. The Bank has developed the important projects which adopted the new technologies such as AI and Data Analytics/Big Data applied into the operations. For example, AI Chatbot project and the 360-degree customer analytics (Business Intelligence) were significant tools to upgrade the efficiency of the Bank’s operation and customer service.

In addition, the innovative projects that upgrade new technologies for enhancing operations and services. The Bank also improved and developed its existing system to respond and support its target groups rapidly and efficiently. For example, the development of online channels for Thai SMEs. Customers of Thai bank who was affected during the COVID-19 pandemic, can request for variety helping services from the Bank.

They can apply by themselves anytime, anywhere. The request was automatically connected to the Bank’s current internal systems. For example, the debt deferrals, debt restructuring, principal payment free and top-up capital, etc. Those programs resulted customers to obtain the quick service, met the requirement. This was the factor that drove us to survive through this crisis together.

#### 4. Credit

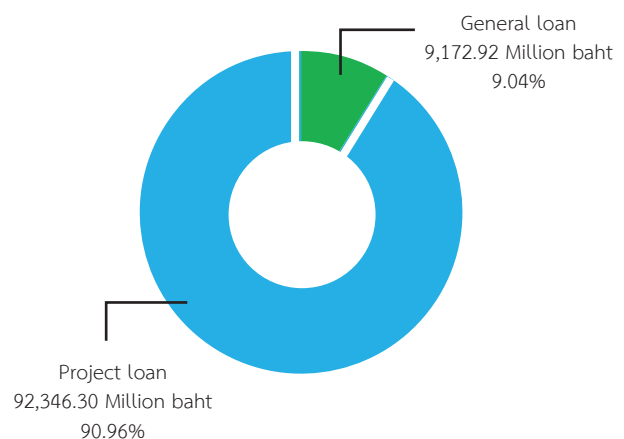
##### 1) Outstanding Loans

- The Bank’s outstanding loans amounted to 101,520.22 million baht for 82,274 accounts, increasing by 4,937.29 million baht over last year or 5.11%, comprising of outstanding general loans of 9,172.92 million baht to 2,476 accounts, and outstanding project loans of 92,347.30 million baht to 79,798 accounts.

- The total amount and proportion of outstanding loans by sector were: 82,622.72 million baht or 81.39% in service sector, 8,166.03 million baht or 8.04% in the industrial manufacturing sector, 6,236.68 million baht or 6.14% in commercial sector, 3,170.65 million baht or 3.12% in real estate and construction sector and 1,324.14 million baht or 1.31% in the agricultural sector.

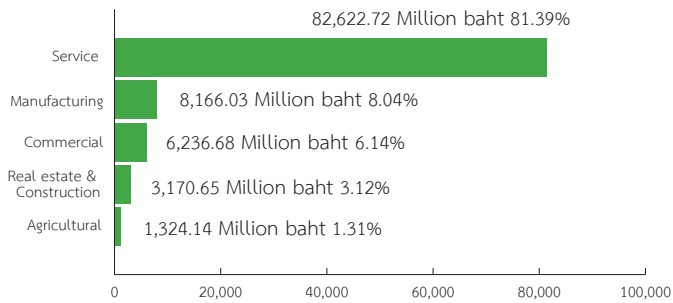
##### Outstanding loans of 101,520.22 million baht

Classified by Type of Loan





### Classified by Sector



### 2) Loan disbursement

In 2020, the Bank disbursed a total of 42,417.10 million baht in loans to 17,764 entrepreneurs, increasing by 4,013.53 million baht from last year or 10.45%. The increasing of 2,671 entrepreneurs or 17.70% which can be divided into (1) Bank loans to 13,531 entrepreneurs in the total amount of 39,126.74 million baht (2) Partners loans to 4,233 entrepreneurs in the total amount of 3,290.37 million baht.



Most of loan disbursement were the supportive credit projects and assistance measures from the government policy including partner loans with low interest rate and rate of return which supported the SMEs entrepreneurs to continue their business during the economic crisis from COVID-19 pandemic under the following project:

- Soft Loan from BOT
- Transformation Loan (Soft loan from Savings bank for machinery upgrade)
  - Loan for small entrepreneurs affected by the COVID-19 pandemic or called Extra Cash
  - Local Economy Loan
  - Loan project that SME D bank has joined with the project of the SME Development Fund from the Pracharat scheme (Ministry of Industry) and The Office of SMEs Promotion's Fund (OSMEP).





3) Project Loan

3.1 Soft Loan project under the following projects:

1) Soft Loan from BOT to help debtors affected by the COVID-19 pandemic

To assist debtors affected by the spreading of the Coronavirus Disease (COVID-19) under the Royal Decree on Financial Assistance to Entrepreneurs affected by the outbreak of the Coronavirus Disease 2019 B.E. 2563 and the Notification from Bank of Thailand No. Sor.Kor.Sor 2/2563 titled : the subsidy for to Entrepreneurs affected by the outbreak of the Coronavirus Disease 2019, announced on April 22, 2020, and to further help the SMEs entrepreneurs, affected by the outbreak of the Coronavirus Disease 2019 thoroughly and sufficient to meet the needs.



2) Transformation Loan (Soft Loan from the Savings Bank for the machine replacement).

To assist the SMEs operators in the 10 S-Curve businesses who plan to transform the their technologies (Transform), including supply chain and businesses apart from the 10 S-Curve businesses and provided loans to NPLs debtors who passed the debt restructuring to increase the potential and enhance the business operations liquidity for SMEs and stimulate domestic investment and driven sustainable growth under special measures to drive SMEs into the Industry 4.0 (financial measures) and measures to increase SME capital to build Thailand. Moreover, the projects can help debtors who has been affected by the situation that is impacted to the Thai economy such as the trade war, the drought, the COVID-19 pandemic and various situations thoroughly and promptly as the announcement by the Bank of Thailand which is a financial support and enhance liquidity to potential debtors affected from aforementioned situations both direct and indirect impact.



### 3.2 Loans project under government policies (PSA: Public Service Account):

#### 1) Local Economy loan

The project has been implement under Cabinet Resolutions, dated December 19, 2017, issued the special measures to drive SMEs to Industry 4.0 (financial measures) to support, promote and develop micro SMEs to generate and distribute income to nationwide community-based entrepreneurs, which will strengthen the Thai economy from the local to national levels. It also supports the tourism sector, community-based tourism, tourism-related businesses, and processed agriculture (food or non-food), which will contribute to local economy in according with the government’s Local Economy Policy. The maximum loan limit was 5.0 million baht, 7 years loan period with loan limit of 50,000 million baht.

#### 2) Loans to help small entrepreneurs from COVID-19 pandemic (Extra Cash)

The project has been implement in according to Cabinet Resolutions, dated March 24, 2020, to support mall SMEs entrepreneurs affected by the outbreak of the Coronavirus Disease 2019 and help the debtors affected by the impact of Thai economy. For example the spread of the coronavirus (COVID-19) thoroughly and on time in according to the Bank of Thailand's announcement which is subsidy and enhance liquidity for potential debtors. The maximum loan for each debtor was 3.0 million baht with 5-year loan period. The fixed interest rate of 3% per year, the first

2 years after the interest rates by SMEs, the individual or legal entity. The project budge was 10,000 million baht. Later, the improvement of the SMEs qualifications for participating in the project thoroughly as follows:

- The Cabinet Resolution on August 18, 2020 to relax SME qualifications, cover both individual and small sized juristic persons who has direct or indirect impact from COVID-19 pandemic, including adjustment of interest rates classified by individual and juristic persons.
- The Cabinet resolution on November 3, 2020, extended the project period to June 30, 2021.

### 3.3 SME D bank loans support government policies

#### 1) SMART SMEs loans

To enhance liquidity for SMEs who are natural person and registered for value added tax (VAT) and juristic persons for business investment and improvement and/or cash flow improvement to facilitate expansion and growth. The business can expand and grow at the higher rate. The maximum loan per person was 15.0 million baht with 10 years period, the initial interest rate was 5% per year. The project’s credit limit is 20,000 million baht.

#### 2) SME D HAPPY Loan

To enhance liquidity for SMEs who are providing the manufacturing, service, wholesale, and retail business to operate their business efficiently and strengthen with sustainability. The maximum loan per person was 15.0



million baht with 7 years period, the initial interest rate was 4.25% per year. The project's credit limit is 5,000 million baht.

### **3) Smart Factoring Loan, Phase 3**

To offer financial tool to stimulate the economy following the government policies by disbursement under the budget of government agencies, state enterprises in the fiscal year 2020 - 2021, including public relations for the SME bank's smart factoring loan, and create a favorable public image for the Bank for its quick and convenient services and provision of financial access. The maximum loan per person was 15.0 million baht. The project's credit limit is 10,000 million baht.

### **4) Factoring measures to enhance SMEs liquidity (Phase 3)**

To offer the financial tool to stimulate the economy following the government policies in terms of disbursement under the budget of government agencies, state enterprises in the fiscal year 2020 - 2021, including public relations for the SME bank's factoring loan It also helps create a favorable public image for the Bank for its quick and convenient services and provision of financial access. The total project's credit limit is 18,000 million baht.

## **3.4 Performing Duties as a Co-operator: SME Development Fund under the Pracharat Scheme (Ministry of Industry) and Office of SME's Promotion's Fund (OSMEP).**

### **3.4.1 Loan project: Measure to help debtors of SME Development Fund under Pracharat Scheme**

#### **1) SME Loan for Quick Growth and Sustainable Thailand from the SME Development Fund under the Pracharat Scheme.**

To support funding and increase the access to funding sources for potential SMEs who are juristic person, to help them grow businesses efficiently and sustainably. The loans are granted via the Pracharat mechanisms of public and private organizations in each province, in the form of the Sub-Committee of the SME Development Loan under the Pracharat Scheme in

Bangkok and provincial areas. The provincial governor or vice governor is the chairman who selected the potential SMEs in accessing to funding sources and improve, develop, expand the business with technology and innovation. This will consistent with the government's policies in driven of Thailand's economy with higher prosperity. The maximum loan per person was 3.0 million baht with fixed interest rate of 1% per year for 7 years. The project's credit limit is 3,000 million baht.

#### **2) Measures to help SMEs debtors of the SME Development Fund under Pracharat Scheme, who affected by the drought situation or the spread of COVID-19 at 1-2 phases.**

To help and alleviate the burden of debt repayment in loan receivables from the SME Development Fund under Pracharat Scheme. The liquidity which can drive business in the crisis of drought and the COVID-19 pandemic at phase 1 on June 30, 2020 / phase 2 on December 31, 2020.

#### **3) The SMEs loan from SME Development Fund under Pracharat Scheme, help the debtors of the SME Development Fund under Pracharat Scheme, affected by the drought situation or the spread of COVID-19, year 2020 of phase 1-2.**

To help SMEs debtors of the SME Development Fund under Pracharat Scheme, affected by the drought situation and the spread of COVID-19 for the financial liquidity and maintain the employment conditions. In order, the business operations are continuously proceed by the criteria for helping with the conditions that are relaxed, quick and on time. The project's credit limit is 1,000 million baht with the project period by the ends of December 31, 2020.

#### **4) The SMEs loan from SME Development Fund under the Pracharat Scheme, help the debtors of the SME Development Fund under the Pracharat Scheme. The restoration projects helps to strengthen SMEs affected by the drought situation or the spread of COVID-19, year 2020 of phase 1-2.**



To help SMEs debtors of the SME Development Fund under Pracharat Scheme, affected by the drought situation and spread of COVID-19 for the financial liquidity and maintain the employment conditions. In order, the business operations are continuously proceed by the criteria for helping with the conditions that are lessen, quick and on time. The project's credit limit is 700 million baht with the project period by the ends of December 31, 2020.

#### 5) Loans to empower Thai SMEs under the SME Development Fund according to the Pracharat Scheme

To support to SME entrepreneurs who are legal entity with potential and able to conduct business in the situation of the COVID-19 pandemic. The pandemic that continues to affect the Thai economy both domestic and international dimensions. The loan can stimulate the domestic economy to be recovered and strength quickly. The maximum loan was 5.0 million baht for 7 years, fixed interest rate 1% per year. The project budget was 1,000 million baht.

#### 3.4.2 Projects to support small SMEs through the Small and Medium Enterprises Promotion Fund

The Office of Small and Medium Enterprises Promotion (OSMEP) implemented the project according to the Cabinet resolution on August 20, 2019. The project's credit limit is 10,000 million baht. Subsequently, the Cabinet resolution on January 7, 2020 has approved the OSMEP to allocate the budget from the project to support small SMEs to Thai Credit Guarantee Corporation (TCG) at the amount of 5,000 million baht for implementation of TCG: SMEs Build Thailand project. The reduction of small SMEs project to be 5,000 million baht to help SMEs, both natural persons and juristic persons, to access funding sources in according

to operational plans and budget expenditure plans for the year 2019 - 2020. In according to the economic stimulus measures, the Board of Small and Medium Enterprises Promotion (Ad hoc). The maximum loan of 3 million baht with 7 years periods, fixed interest at 1% per year. OSMEP is scheduled to accept applications from June 1, 2020 until the end of March 31, 2021.

### 5. Non-performing loan management (NPLs)

In year 2020, there was an economic crisis from the COVID-19 pandemic which affects SMEs in a wide range. The Bank focused in preventing debtors from loan degradation to NPLs from upstream to downstream. In addition, the business operation knowledge base improvement can upgrade the business efficiency. They can adapt the operation to survive in the crisis and help the potential debtors who are directly and indirectly affected. Since there was a sign of issues in paying debts or Pre-emptive, therefore, the debtor can continue the business operation in the economic crisis, especially the debtors in normal and special monitoring classes. They are the good debtors with good payment history but faced with the economic situation resulting the decreasing of income and effect to debt payment efficiency. At the end of 2020, the SME D Bank's net NPLs stood at 15,238.80 million baht, representing 15.01% of total outstanding loans, most of which are loans granted before 2015, in the total amount of 10,516.01 million baht accounting for 69.01% of the net NPLs outstanding.

For new loans since 2020, the Bank has applied preventive and corrective measures covering all loan classes. It has a close loan monitoring to control the volume of new loans for not degrading to NPLs. This resulted the SME D Bank did not have NPLs debtors in 2020 from the issuance of new loans in 2020.





## 6. Entrepreneurship Development

The Bank formulated strategies and missions to promote SMEs, the SME D bank has a policy to support SMEs to keep up with the changes and aims to develop entrepreneurs according to effective development, build up Entrepreneurs through Effective Incubation Process. Encouraging the entrepreneurs to upgrade their capabilities in terms of accounting/financial, marketing, production, management and technology as well as innovation, by collaborating with allied agencies including the government, private, educational institutions, associations, confederations, and organizations sectors to promote SMEs as one of the country's economic mechanisms. The Bank has organized projects and activities to promote and develop entrepreneurs as follows:

**1) Training, Seminar, and Consultation.** The Bank has carried out activities in collaboration with its network partners and allied agencies aim to enhance knowledge, coupled with fund and develop the potentials of entrepreneurs to increase competitiveness to generate sustainable income and growth of entrepreneurs. The activities were attended by 8,159 entrepreneurs.

**2) Efficiency Enhancement** Entrepreneurs can implement knowledge from training, seminars, and consultation activities to extend their knowledge to improve business efficiency. For example the systematic accounting system improvement or in accordance to standard, business planning, increasing of marketing channels. Products or services have been improved and standardized. They can apply the loan application process, resulted in 2,552 entrepreneurs, improved their efficiency with total project loan's credit limit is 1,006.33 million baht.

**2.1) Accounting and Finance** Entrepreneurs have developed their skills in preparing systematic, standardized financial accounts which are ready for a loan application.

**2.2) Marketing** Entrepreneurs gained marketing knowledge to enhance marketing capacity, can increased selling channels both online and offline. The e-commerce online platforms, namely LINE OA, Facebook, Shopee, TikTok, Alibaba, JD Central, Lazada, Thailandpostmart to increase the opportunity to clearly reach target customers.



**2.3) Production** Entrepreneurs learned about the improvement of production processes to enhance product or services capacity. It made products or services reach the standards including the increase of new products in businesses.

**2.4) Management** Entrepreneurs gained knowledge of business plans writing. The business is conducted with planning, clear pattern, can predict future performance, developed by implementing an ERP system in the business as well as the improvement of the business administration until obtained standards.

**3) Effectiveness Enhancement,** Those entrepreneurs who have participated in capacity building activities can apply what they learned to improve their businesses in various areas, such as getting financial access or tax management, sales and revenue increase, use of technology in business management, and business registration. They can plan their business more effectively in business planning and have more potential to grow or expand their business. 1,170 entrepreneurs attended the effectiveness enhancement activities, with the approved total loan of 664.85 million baht.

**4) The Bank's training development plan to educate new customers in various fields** with the objective to upgrade and increase SMEs operational capacity. The new customers in 2020 being developed was 85.41%.



## 7. Venture Capital

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

The Bank has already set up the 3 private equity trust funds, with a total value of 1,291 million baht, as follows:

1) SMEs Private Equity Trust Fund I worth 500 million baht was established on November 11, 2015.

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

3) SMEs Private Equity Trust Fund II worth 501 million baht was established on April 19, 2017.

Since the establishment of the fund until 2020 the Bank has invested up to 232.40 million baht in eleven venture capitals as follows:

Company	Type of Business	Million Baht	Year of Approval
Fruita Natural Co., Ltd.	Producer and distributor of healthy grain beverages	7.50	2016
Three N Cassava Products Co., Ltd.	Producer and distributor of animal feeds from processed cassava	26.95	2016
Virgin F&B Co., Ltd.	Producer and exporter of wafer rolls	30.00	2017
Khao Yai Panorama Farm Co., Ltd.	Producer and distributor of mushroom products and accommodation business	12.00	2017
Pet Club Co., Ltd.	Convenient store and comprehensive pet shop	12.92	2018-2019
Api Logistics Co., Ltd.	Comprehensive transportation services	30.00	2018
Big Paisan Project Co., Ltd.	Distribution and installation of completed electrical equipment	30.00	2018
General Outsourcing Co., Ltd.	Human Resources Management and payroll data preparation	15.02	2019
Delta Color Co., Ltd.	Production and distribution of building paints	29.93	2019
Nova Organic Co., Ltd.	Producer and distributor of cosmetics and food supplements	33.08	2019-2020
Innospace (Thailand) Co., Ltd.*	Invest and support the work of Thai startups under the government policies	5.00	2019
<b>Total</b>		<b>232.40</b>	

Note: \* A joint investment under the government's policies to encourage Startup enterprises.



## 8. Social and Environmental Responsibility (CSR)

The Bank's CSR activities fall into four focal areas as follows:

### (1) Social and environmental development

1.1 The Bank organizes the activity "Job creation, generate income" in collaboration with Tha Muang Biological Herbal Learning Center Kanchanaburi (the Bank's customer), Career building course, Biological Herbal Soap. The activities created opportunities for the community with the skills of entrepreneurs as well as connect with the alliance networks for product distribution. The community can be self-reliant and sustainably grow.

1.2 The Bank organized activities to help society in emergency situations of COVID-19 pandemic, including:

- Distributed refilled alcohol to employees and people within the Phayathai area and face shields, cloth masks, bottled water, gave to staffs who worked at 12 screening points in the Bangkok area.

- "Pansuk Cabinet" was installed in front of the SME D bank Tower to lessen the burden of people's expenses.

1.3 The Bank organized CG&CSR Day 2020 activities by educating employees from the CSR In Process section to enhance social and environmental responsibility skills of business processes with good governance. In order to truly build up the practical result in the SME bank's operations.

1.4 The Bank organized activities "the Remedy Bag after a healing" in Nakhon Sri Thammarat province recognized for 1,000 bags to relieve the suffered entrepreneurs and people.

### (2) Education development

2.1 Donation of teddy bear money boxes on Children's Day to raise the saving awareness of children who are the nation future, including items and school supplies to organize activities for National Children's Day On Saturday, January 9, 2020, to 4 different agencies/ organizations as follows:

- Department of Women's Affairs and Family Institute
- Wat Panprasittharam School, Samut Prakan Province
- Phayathai District Office
- Bang Sue Police Station

2.2 Gave 23 scholarships for students with good behavior but lacks of funds, included educational equipment for Wat Arunrangsee School, Nakhon Nayok Province.

### (3) Religious preservation

The Bank's annual Kathin ceremony, at Wat Thep Lok, Nakhon Nayok Province on October 11, 2020. The Bank's executives, employees and believers attended the event. The contribution from Kathin merit brought for building the first church, amount 1,088,888.88 baht.

### (4) Public interest

4.1 Donation of snacks and beverages to service people in volunteer activities called "New normal under the His Majesty the King...We build up together" on the occasion of the birthday of His Majesty the King on July 28, 2020. The activities were held between July 28-31, 2020 at Sanam Luang.



4.2 SME banks participate in the merit ceremony and the signing for blessings on the occasion of New Year's Day 2020 on Thursday, January 9, 2020, at the Office of the Permanent Secretary, Ministry of Industry

4.3 The Bank supports activities with alliances, participated in the sale of Red Cross lotto at Red Cross Shop, Ministry of Finance, at the amount of 100,000 baht and Ministry of Industry, at the amount of 500,000 baht by 2020.

## 9. Cooperation Organization and other agencies.

### 1) Cooperation with the local agencies

Cooperate with partner agencies, both public and private sectors. The Bank has signed cooperation agreements in various projects as follows:

(1) Project to enhance the potential of Thai SMEs between the SME D bank and General Electronic Commerce Services Co., Ltd. to support Thai SMEs expand sales and marketing channels. This promotes the value of both domestic and international trade, creates and transfers knowledgebase, and gives advice to Thai SMEs to promote and support SMEs in The Hub Thailand project access to the capital of the SME D bank. Moreover, it can publicize activities that are beneficial to the business operations of Thai SMEs.

(2) The Credit Guarantee Program for Financial Institutions, Phase 6 between the SME D bank and Thai Credit Guarantee Corporation (TCG) as an agreement named "Criteria and Procedures for Credit Guarantees" for TCG to consider credit guarantees on a first-come, first-served basis after the Bank and Financial institution submits a request to TCG for a credit guarantee. The request from each SME in this credit guarantee project

has linked data to Metropolitan electricity Authority (MEA), Provincial Electricity Authority (PEA), Metropolitan Waterworks Authority (PEA), and Provincial Waterworks Authority (PWA) under consent to disclose information from each SMEs

(3) A collaboration project to promote knowledge on foreign exchange risk management and support SMEs in doing international trade between The SME D banks and the Export-Import Bank of Thailand, Office of SMEs Promotion, Kasikornbank PCL, Bangkok Bank PCL, Krung Thai Bank PCL, Bank of Ayudhya PCL, CIMB Thai, Bank for Agriculture and Agricultural Cooperatives, TMB Bank Public Company Limited, Siam Commercial Bank Public Company Limited, United Overseas Bank Public Company Limited, Islamic Bank of Thailand and Government Savings Bank. The SMEs who do the international trade obtains knowledge on foreign exchange risk management and has experience in using effective currency hedging tools. Moreover, SMEs can reduce the burden of international trade transactions. The parties agree to jointly implement the project to promote knowledge on foreign exchange risk management and support SMEs for international trading to promote and provide knowledge in trading of foreign exchange at pre-determined rates, namely "Option transactions", as well as reduce the burden of international trading transactions expenses, namely the "International trade transactions". OSMEP gives financial support to SMEs entrepreneur by the credit amount received to pay Options' transaction fees and Trade Related Fees. However, the SMEs must be a member of OSMEP, has income or sales as defined

by OSMEP. Therefore all parties jointly prepared this memorandum of agreement for cooperation agreement among other.

(4) Ruam Jai Project of food safety market for well-being among Thai people (October 29, 2020). The collaboration project between the Bank and the Department of Local Administration (Public Administration), The Market Organization under the Ministry of Interior (Marketing Organization), Wastewater Management Authority (WMA), and Thai Paper Products Co., Ltd. The project aims to promote the markets under the supervision of the Marketing Organization. Those markets are developed to be a standard agricultural market for the community, enterprise community and promote safe agricultural products to increase distribution channels and product distribution efficiently, to be a mechanism in government support for social problems solutions, to promote the economy in terms of products exchange between related markets, to create a good image for the agricultural market, community market, and other related markets, to create public benefits for society, community, enterprise community as well as other related organizations.

(5) The Portfolio Guarantee Scheme Phase 8, TCG guarantees credit for Thai SMEs. The collaboration between the Bank and TCG. Therefore, in order the Bank provides financial support by being a credit provider to support funding for SMEs who apply for credit and TCG provide credit guarantees through the Portfolio Guarantee Scheme (PGS), Phase 8, the Scheme of Credit Guarantee by TCG: SMEs build Thailand under the conditions and regulations of the Bank. TCG provides credit guarantees to SMEs received financial support from the Bank through the PGS phase 8, the Scheme of Credit Guarantee by TCG: SMEs build Thailand under the conditions and regulations of TCG. The parties will cooperate in public relations activities, attend the activities including supporting activities organized by either party to achieve the objectives under this Memorandum of Understanding.

(6) Memorandum of Understanding in receiving-sending the Bank the pledger's Bank Account data in criminal cases

via E-mail between the Bank and the Office of the Court of Justice. Member banks of Thai Banker's Association, Association of International Banks, The Government Financial Institutions Association (GFA). The MOU aims to verify the deposit information of the pledgers in criminal cases via E-mail or any other similar channels.

(7) Project to support micro SMEs between the Bank and the Office of SMEs Promotion (OSMEP) to support micro SMEs to access the funding sources, enhance liquidity or invest in business expansion, support micro SMEs entrepreneurs in improving, repairing, expanding their businesses, and upgrading the development of service quality standards.

(8) Memorandum of understanding in providing loans with low interest. The scheme helps entrepreneurs directly and indirectly affected by the COVID-19 pandemic, in the amount of 10,000 million baht. The collaborative scheme between the Bank and government Saving Bank (GSB) to help entrepreneurs who are directly and indirectly affected by the coronavirus (COVID-19) outbreak. GSB is assigned to give loans to the financial institutions, later the financial institutions distribute loans to SMEs who are directly and indirectly affected by the coronavirus (COVID-19) outbreak at the amount of 10,000 million baht, with the maximum credit limit per person of not more than 20 million baht.

(9) Memorandum of understanding in supporting entrepreneurs in the preparation of accounts and financial statements that are accurate and consistent with the actual conditions of the business. The MOU is made between the SME D bank and the Revenue Department, the Association of State Specialized Financial Institutions, Thai Bankers Association to increase the entrepreneurs opportunities in business transactions, business competitiveness and opportunities, increase the potential of entrepreneurs included the development of the tax base and drives the country's economy to grow sustainably, integrate the entrepreneurs' data who notified their rights under the Penalty Exemption, tax increase and criminal responsibility Act., increase support for Taxation operations under the Revenue Code. B.E. 2562 (2019). The MOU will encourage entrepreneurs to prepare corrected accounting and financial

statements and consistent with the actual conditions of the business, support the special financial benefits for entrepreneurs who did the correct Accounting and financial statements that consistent with the actual condition of the business under the Financial institution policies.

(10) Loan project, empowering Thai SMEs future from the SME Development Fund under Pracharat scheme, the collaboration project between the SME D bank and the Office of the Permanent Secretary, Ministry of Industry. In order for potential SMEs who are the juristic person, faced with financial problems, has difficulty in accessing the loan of the financial institutions and lack of financial liquidity in business operations. In the current economic crisis, the project increase opportunities for SMEs to access more funding sources, and invest in business expansion, improve business and use as working capital to supplement liquidity or reserve as an expense for efficient business operations, increase capacity and continue doing business in line with the Ministry of Industry policies.

## 2) Collaboration with International Agencies

Collaboration with partner agencies, both public and private sectors. The SME D bank has signed the Cooperation agreements in the following project:

Memorandum of Understanding between SME D bank and SME Development of Malaysia to create cooperation between the Export-Import Bank of Thailand, SME D Bank of Thailand, Export-Import Bank of Malaysia, and SME Development Bank of Malaysia by promoting SMEs, boost economic growth in Thailand and Malaysia, to strengthen the relationship between the two agencies. The activities organizing within the cooperation including Seminars, workshops, Education, and training programs to share information and experiences of both agencies. This involves skills engagement and enhancement among the employees of both agencies, to organize employee-related programs or activities and employee exchanges between the two agencies.





## Key Factors Affecting Operations



### Key risk factors

- Risks from the uncertainty of the Thai economy faced with negative factors from the continued spreading of coronavirus disease 2019 (COVID-19) pandemic. This has affected the whole economy in terms of demand, supply, and financial sectors which are required the implementation of additional financial and public financing measures.

- Risk from non-performing debt, the economic slowdown from the COVID-19 pandemic. Consequently, the SME bank had to upgrade the reserve to cover potential non-performing debt or NPLs in the future.

- The SME Bank must invest in technology to respond to the target customers' demand that has changed by the information technology diversity. The increasing customer service potential and the operational efficiency of the SME bank, along with the implementation

of Cyber Security with rapid accessibility of digital technology. As a result, customers have expectations in the upgrading of the corporate services to a digital system while highly aware of data privacy and security. Consequently, the SME bank has invested in technology to meet the customers' demand and build up confidence among our targets. The confidence build up and confidence in transactions, optimize the operations based on Cyber Security.

- The adjustment in practices of the new rate of transaction fee calculation among the whole system of financial institutions. This might have a negative impact on the bank's revenue. In addition, the implementation under measures to help SMEs, survive the crisis, and the Bank of Thailand (BOT) policy in requiring the Financial Institutions conducted the Financial Reporting Standard: TFRS 9. It will greatly affect the operation and financial position.





## Risk Management

### Risk Management Overview

The Bank has adopted risk management framework in accordance with international standards for risk management and internal control, i.e., the Committee of Sponsoring Organization of the Treadway Commission (COSO)'s framework and Enterprise Risk Management (ERM)'s principles, and the guidelines of the Bank of Thailand (BOT) and the Ministry of Finance as the framework of Bank's Risk management. The aim is to ensure that the Bank's operations achieve the set goals with stability and good governance. In the fiscal year 2019, the Bank established direction and strategies for risk management to drive the overall operation to achieve predefined goals and objectives as follows:

1. Adopting the approaches of widely-accepted risk management standards that are aligned with the Bank's mission and activities. Risk management Plans and measures were established to ensure aligned operations. There have been regular reviews of existing risk management approaches to improve the effectiveness of risk management.

2. Leveraging risk management to create business opportunities and added value, diversify risks, and mitigate the loss to the Bank.

The Bank focused on the systematization of the management of major risks, provides risk management system, development of operational risk management system, data collection system of loss incident to provide a database for calculating capital adequacy in compliance with international standards. The Bank has prepared the early warning system to monitor and warn of threats associated with its major risk factors.

3. Risk management is the responsibility of all work units: the Board of Directors, the management, and the staff. They are required to realize and internalize risk management as part of the corporate culture.

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

4. The development of risk management tools to achieve professionalism continually and timely for managing risk appetite and to respond to the Bank's achievement goals

5. To ensure that the Bank's risk management complies with the Enterprise Risk Management principles, the Bank has cultivated risk management as corporate culture and actively engage all organizational levels in the Bank in risk management, from the Board of Directors, the Risk Oversight Committee (ROC), the management, to departments.

- **The Board Level:** The Board of Directors appointed the Risk Oversight Committee (ROC), which comprises representatives from the Board of Directors, Senior Executive Vice Presidents, and high-ranking executives. The Risk Oversight Committee (ROC) is responsible for devising risk management policy, strategies and framework, reviewing risk factors, and defining measures and plan for risk management. The Committee also monitors risk management in line with the policy and strategies to ensure that the risks are within risk appetite, and review and evaluate the adequacy of the Bank's internal control system.

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

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

In addition, the Bank's Risk Management Department oversees the overall risk management. The duties include educating and providing advice on risk management to other units, proposing the policy on risk management, defining risk management framework, monitoring the performance of risk management, and reporting the status of risks to the Risk Oversight Committee.

## Risk Factors and Risk Management

The Bank has defined the risk management and also classified risk factors under Bank of Thailand guidelines, Ministry of Finance into two major groups and seven categories. Financial risks consist of credit risk, market risk, and liquidity risk, while non-financial risks include strategic risk, operational risk, IT risk and compliance risk. In 2020, the Bank identified risk factors at the enterprise level by the assessment and analysis of internal and external factors and created a risk map to integrate all aspects of enterprise-wide risks according to the Enterprise Risk Management (ERM) principles.

## Strategic Risk

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

The Bank has managed the strategic risk as follows:

1. Formulating and reviewing the strategic risk management policy to be implemented as guidelines for managing the Bank's strategic risk.

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

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

4. Monitoring the strategic risk status and reporting regularly to relevant committees and monthly to the Risk Oversight Committee for improvement or determining operational guidelines to achieve the set targets

## Credit Risk Management

Credit Risk Management means the risk which the debtor or counterparty might not be able to pay the

debt or comply with the agreed terms which may arise from financial problems from the economic volatility. This affects business, including mistakes of the debtors in debt management that may affect the Bank's income and funds. Such risks may arise from normal financial transactions such as lending or giving credit, obligations or guarantees as well as other related credit transactions.

In 2020, the Bank aims focused on SMEs to grow continuously and in line with its mission to promote and improve the Thai SMEs capacity. The Bank aims at helping SMEs' access to sources of finance with to obtain the funds with financial service limits up to 15 million baht. In 2020, the Bank managed the Credit Risk Management to align with those missions with following areas:

**1. The credit portfolio management at the risk appetite:** The Bank determines an industry rating as a guideline for risk levels for analysts. An Industry Limit is established from current NPL data and Macroeconomic factors, considered as a weighting factor for industry growth planning in accordance with the annual business plan. The control of the level of credit portfolio risk for not being congested in any industry and support for the debtors class management as the Bank of Thailand (BOT) guidelines under the debtors assisting measures, affected by the coronavirus disease 2019 (COVID-19). In order, to provide assistance proactively and appropriate to their needs and the debts repayment abilities of each debtor.

**2. Regularly review of annual credit policies and guidelines as the situation changed:** For helping the Bank to screen and distribute credit to potential customers in business operation. In 2020, the Bank established the credit policy specifically for debtors who were affected by the Coronavirus Disease 2019 (COVID-19). In order to distribute assistance to empower SMEs, affected by the pandemic. However, for factoring loans, the Banks considered the additional risks for the credit limit by the risk levels. The Bank focused on customers who have trade accounts receivable as government agencies, state enterprises, state universities, local government officials, public organizations, and companies listed on the Stock Exchange of Thailand. The credit helped them to deduct the goods or services payment.

**3. Using the Credit Scoring Model as a guideline for credit approval standards:** By processing data from Application (A-Score) with data from National Credit Bureau (NCB Score). The risk assessment is conducted for consideration and determination of approval authority. This will enhance risk management capabilities and efficient the credit management process. In addition, the Bank has initiated the development of a working system in terms of risk based pricing for the Bank's business value and long-term profitability.

**4. Monthly report and monitor:** The credit risk analysis of the credit portfolio must be reported to the management. It is used for management and monitoring the overview of the credit portfolio. Moreover, there is an analysis report on the cause of debt outstanding, verify the identity of the business and the source of income, then reported to relevant agencies and prepare a lesson learned. Therefore, the improvement of control criteria for data and documents audit can be improved in the line the risk.

**5. The Bank's readiness in compliance with the requirements of authorized agencies:** The system has been developed to support TFRS9 accounting standard and financial impact .assessment to gradually reserve since 2020. The stress testing was conducted to help the Bank estimates the adequacy of capital funds against potential impact from the crisis situation and to strengthen the confidence of the stakeholders.

## Market Risk

**Market Risk:** Refers to potential losses facing the Bank due to the change in value status, both inside and outside the balance sheet, arising from movements in interest rates, equity prices, exchange rates, and commodity prices.

The Bank has managed the market risk according to the BOT's guidelines as follows.

1. Determining market risk management policies, such as policy on market risk management, policy on interest rate risk management in banking accounts, policy on trading and banking book management, to be the framework and guidelines for management and control of market risk. The policies are reviewed annually.

2. Preparing tools for measuring and assessing market risks, for instance:

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

- Measurement of the impact of risk factor variations, such as the impact of the dollar value change in price (DV01), the fair value measurement of debt instruments, and foreign currency transactions

3. Monitoring and controlling market risk by the following measures:

- Setting market risk limits and reviewing them annually to maintain appropriate risk limits

- Preparing a report on investment status and a report on market risk situation to be submitted to the Board of Directors and involved executive officers on a regular basis

- Controlling market risk by the management team and related committees, such as the Asset and Liability Management Committee and the Risk Management Committee.

## Liquidity Risk

**Liquidity Risk** means risk arising from the Bank's inability to pay debts or obligations as they become due. The Bank might be unable to convert assets into cash at a time of need or unable to acquire sufficient funding. The risk may also arise when the Bank is able to raise funds to settle the obligations, but the costs are unacceptably high, which may affect the Bank's earnings and the capital.

The Bank managed liquidity risk according to the BOT's guidelines as follows:

1. Determining liquidity risk management policy to be used as a framework and guidelines for management and control of the Bank's liquidity risk. The policy is reviewed annually.

2. Preparing tools for measuring and assessing liquidity risk, for example,

- Preparing a report on the liquidity gap
- Measuring and assessing liquidity risk using financial ratios, such as large deposit concentration ratio, maintenance of liquid assets, and liquidity mismatches

- Testing liquidity crisis regularly using simulated scenarios

- Identifying early warning signs of abnormal liquidity situations

3. Monitoring and controlling liquidity risk through the following actions:

- Determining liquidity risk limits and reviewing them annually to maintain appropriate risk limits

- Preparing a report on liquidity risk status to be submitted to the Board of Directors and relevant executives on a regular basis

- Devising the Contingency Liquidity Plan by delegating duties and responsibilities to involved executive officers, prescribing operational procedures and management approach to the liquidity crisis, and testing the Contingency Liquidity Plan, to ensure that the Bank is well-prepared prepare for the liquidity crisis

- Determining the sufficient level or quantity of liquidity cushion to guard against liquidity risk under normal and stress scenarios

- Controlling liquidity risk by the management team and related committees, such as the Asset and Liability Management Committee and the Risk Management Committee.

## Operational Risk

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

The Bank regularly reviews policies relating to operational risks, such as operational risk management policy, business facilitator policy, IT outsourcing policy, and business continuity management policy, by taking into consideration changes in the business environment over the past year and improving its management to accommodate those changes.

In 2020, the Bank's guidelines for operational risk management focused on the risk relating to compliance with relevant laws, regulations, rules, and orders, particularly, the IT risk due to significant changes in laws and regulations, and information technology.

Operational risk management was carried out as follows:

### **1. Awareness-raising**

The Bank raised awareness and understanding of compliance risk and other risks relating to its objectives, goals, and important activities. It has identified risk factors, causes, or potential risk factors within the organization that could affect its operations and achievement of objectives by considering both internal and external factors. Methods of risk identification are as follows:

1. Engaging all work units in the risk identification process to obtain diverse risks
2. Identifying risks based on past incidents
3. Analyzing different risk scenarios, such as human errors or system errors, or other incidents
4. Creating a checklist which allows respondents to choose and add risks not included in the checklist

### **2. Measuring and assessing operational risk**

The Bank established a systematic risk analysis to assess the likelihood and impact of each risk factor and to prioritize risks according to their likelihood of preventing the departments/the Bank from achieving their objectives. Risk control self-assessment enables the departments/the Bank to determine appropriate management measures for those risks. The assessment is performed once a year to ensure that all departments have adequate and continuous risk management. The guidelines and criteria for risk assessment are as follows:

- 2.1 Assessing risks by considering such criteria as likelihood and impact using the risk matrix, both qualitatively and quantitatively, based on internal and external incidents
- 2.2 Prioritizing risks based on risk exposure, which is the sum of the likelihood score and the potential impact score, to expedite management and align the risk profile with the organization's risk profile to ensure the organization-wide standards
- 2.3 Determining risk appetite by quantitatively assessing the level of severity of the risk/risk factors and impact the Bank is prepared to accept in pursuit of its objectives and how much the risk appetite in

quantity. It is considered as number of risk appetite which represented it in the form of a risk appetite score.

2.4 Risk management is a practice to mitigate or prevent potential risks that could pose a threat to the Bank at an acceptable level. Risk management and control systems were designed to fit available time and resources. There are several risk management strategies, such as acceptance, mitigation/control, transfer, and avoidance. The Bank has put in place various risk management measures, for instance, the development of the Compliance Framework to ensure systematic oversight and management. It conducted a risk assessment and implemented the framework in the high-risk functional area. The Bank requires that all employees and departments comply with relevant internal and external laws and regulations by setting forth in the working manual and implementing through workshops. It also oversees compliance with the work manual through internal audits and closely monitors changes in relevant laws and regulations.

### **3. Monitoring and reporting on operational risk**

The Bank set up a monitoring system and reported to the management and responsible committees as follows:

- 3.1 Monitoring the implementation according to the risk prevention and control plan (of the previous accounting period) of all work units and report to the Risk Oversight Committee (ROC) and the Audit Committee on a quarterly basis
- 3.2 Monitoring the risk control self-assessment annually and submit a summary report to the Risk Oversight Committee and the Audit Committee.
- 3.3 Monitoring the progress of the implementation of risk correction/improvement on a monthly basis until the implementation is complete and submitting progress reports to the Risk Oversight Committee.
- 3.4 Reporting complaints and the proportion of complaints resolved within a specified period to the Risk Oversight Committee every month.
- 3.5 Reporting risk status and overall management approaches as appropriate to the Risk Oversight Committee for acknowledgment every month



#### 4. Risk Control

The Bank classified risks into risk events that require management attention or specific treatment or a contingency plan and request of data on operational errors from the Internal Audit Department to supervise self-risk assessment to ensure that it reflects actual risks to enhance the effectiveness of risk management.

#### Information Technology Risk

**Information technology risk** means risk may occur due to the absence of good Information Technology risk management for business operations' support at various phases appropriately. This includes the risks from process supervision and information technology procedures of the Bank under standards. The Information technology (IT) practices shall comply with laws, rules, regulations, and orders. Uncorrected and uncompleted IT practices have resulted in business interruption.

The Bank has reviewed the risk management policy framework in terms of Information Technology and operating procedures to comply with the rules and regulations of the regulatory agencies that significantly change.

There are the key procedures of Information Technology Risk Management in as followed:

1. Determine an information technology risk management framework and policy which comply with the standards of COBIT 2019, ISO27001/ISO27002, and NIST, such as determine the IT Key Risk Indicators to monitor and review the Bank risks as risk appetite. Reporting the IT risk status to the Board of Directors, regularly.

2. Conduct the IT Risk Control Self Assessment (IT RCSA) of the Bank's key working systems and report on the assessment results to the Risk Management Sub-committee, Technology Committee, and Risk Oversight Committee.

3. Assess the information security risks as the ISO 27001:2013 standard and assess the readiness of the Cyber Resilience Assessment Framework (CRAF)

4. Determine policies related to Information security and supplier relationships policies.

#### Compliance Risk

The Bank realizes and emphasizes the importance of compliance risk management by formulating a policy on compliance risk management and compliance policy. It is the framework for oversight of compliance risks. The key rules and laws in 2020 that affected the Bank's operations can be summarized as follows:

##### 1. Protection of personal information

At present, with advanced technology and a variety of communication channels. They are convenient and rapid for personal data accessibility. Sometimes, it caused nuisance and annoyance to the data owner, personal data may be used or disclosed with bad faith or without consent from the data owner. Those actions resulted in damage or insecurity to the data owner. In some cases, the damage was thoroughly impacted the country's economy. Therefore, the Personal Data Protection Law is oversight the guidelines for regulating personal data collection, use, and disclosure. The Bank as the administrator of the customer's personal data is therefore realizes the importance to maintain and handle of customer data to ensure maximum security while does not violate customer privacy. Therefore, a personal data protection policy has been established, improve the Bank's practices in accordance with the Law of personal data protection.

##### 2. Bank of Thailand regulations

In 2020, Thailand faced the crisis of the Coronavirus Disease 2019 (COVID-19) pandemic, which has a continued impact on the overall country's economy. In order to help the Micro debtors and SMEs, the Bank of Thailand (BOT) has issued minimum measures to help them,





especially Micro debtors and SMEs. In addition, the Bank established the bank's potential debtors who met the Bank of Thailand's criteria. For example, soft loans to stimulate the liquidity of the Bank's customer delayed the debt repayment of principal and interest in accordance with the rules prescribed by the Bank of Thailand. The conduct of debt restructuring for debtors concerned the repayment ability. These schemes help to alleviate the burden on debtors, such as deduction of the repayment amount, an extension of the repayment period, increasing of working capital to enhance liquidity, and prevented the debtor to become the NPL.

### 3. Market Conduct

The Bank places importance on providing fair customer service under the Bank of Thailand guidelines. The Board of Directors and top executives have driven it as the corporate culture. The suitable products are developed with fair conditions for the customers. The sales process provides clear, complete information that has never been distorted and does not disturb customers. There are some knowledge is communicated to the Bank's employees: fair services, safely maintain the customer data, privacy concern, suitable and fair handle with the complaints while strictly verify and control, the emergency plan and practice systems available for service continuously.

In addition, the aforementioned rules and laws, the Bank as a Specialized Financial Institution has performed duties in compliance with the laws, rules, and regulations of various authorized agencies such as the Ministry of Finance, the State Enterprise Policy Office (SEPO), Bank of Thailand (BOT), Anti-Money Laundering Office, etc. The Bank has supervisory units to give advice, clarification, and opinions as well as govern the Bank's operations to ensure the Bank has effective compliance risk management. The Bank's operations are in compliance with the law, rules, and internal risk order of the Bank. In addition, the compliance risks are significantly reported to the executives and related committees.

### Internal Control

The Bank places importance on the internal control system and has been developing its internal

control system to effectively and efficiently mobilize the Bank toward the achievement of its goals and objectives. An internal control system is a management tool for protecting and safeguarding Bank assets to ensure efficient use of the Bank's resources. It also enables the correct and proper execution of operations, especially in the current competitive environment. Moreover, there has been a significant increase in regulatory changes by regulatory agencies and other relevant government agencies. The Bank thus improved its internal control mechanisms to respond to changing situations, environments, and risks. The Bank also conducted an assessment of an internal control system and requires working units at the head office and all branch offices in the provincial areas to adopt the risk control self-assessment (RCSA) as a tool to manage risks and internal control according to the Ministry of Finance's Regulation regarding the Internal Control Standards and Guidelines for State Agencies B.E. 2561 and the framework adapted from the Committee of Sponsoring Organizations (COSO) internal control-integrated framework, which includes the following components:

#### 1. Control Environment

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

- The Bank developed the handbook of corporate governance, code of ethics and conduct for SME D Bank's Directors, Executives, and Staff, B.E. 2563, which stresses transparency, accountability, corruption-free, integrity culture, work integrity, and free from conflict of interest. In 2020, the Bank revised the composition of the Corporate Governance Committee, which has duties to oversee and promote the Bank's good corporate governance. The Bank also encouraged all

the management and staff to comply with the handbook of corporate governance, code of ethics and conduct, which was made available via the Bank's website.

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

## 2. Risk Assessment

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

The Bank prioritizes management of risk caused by internal and external factors and has carried out the following actions:

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

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

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

## 3. Control Activities

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

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

## 4. Information and Communication

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

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

appropriate communication systems for internal and external parties, including stakeholders, as follows:

- To communicate important issues relating to the meeting on the Bank's performance, the Bank sends meeting documents to the Board of Directors, all committees, and involved parties in advance of the meeting. This provides attendees ample time to analyze the data before making decisions, and attendees may request additional information from relevant departments to assist in decision making.
- The Bank has various internal communication channels, namely the Bank's intranet, electronic mail, and e-learning system providing useful knowledge for operation.
- The Bank has various external communication channels, namely the Bank's website, electronic mail, Facebook, and Line, to ensure inclusive and consistent communications of the Bank's information.
- The Bank provides multiple complaint channels, including

-  Customer Relations Call Center 1357
-  Bank's telephone : 02-265-3000
-  [www.smebank.co.th](http://www.smebank.co.th)
-  Facebook: Small and Medium Enterprise Development Bank of Thailand
-  Twitter: SME Development Bank
-  Line OA: SME Development Bank
-  Youtube: SME Development Bank

For employees and outsiders can be confident that complaints will be considered transparently, honest and fair

## 5. Monitoring

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

- The Bank requires the assessment of each internal control component in all aspects to be

conducted yearly, both at the organizational level and process level, through risk control self assessment (RCSA), which is a tool for management, monitoring, and self-assessment of internal controls. The Risk Management Department reviews the adequacy and appropriateness of the assessment and provides advice on the improvement of any deficiencies in internal control. The Bank submits the summary report and the internal control sufficiency assessment form to the State Audit Office of the Kingdom of Thailand within the specified period and reports to the Risk Oversight Committee and the Audit Committee. The Bank monitors the implementation according to the improvement plan on a monthly basis and submits summary reports to the Risk Oversight Committee and the Audit Committee on a quarterly basis.

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

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

## Internal Audit

Internal audit is a critical factor contributing to effective and efficient operations according to the Bank's mission. It also prevents and mitigates operational risks and potential losses. Hence, an internal audit is a crucial component of the internal control embedded within normal operations, which must strictly follow procedures and comply with applicable laws and regulations. The management can incorporate internal audit results into the management process to achieve the Bank's objectives. The Internal Audit Department and IT Audit Department are under the supervision of the Compliance and Audit Group, which reports directly to the Audit Committee. It adopted the International Standards for the Professional Practice of Internal Auditing, the internal audit guidelines for state enterprises, the Regulation of the Minister of Finance regarding the Standards and Guidelines for Internal Audit of Government Agencies, B.E. 2561 under the State Fiscal and Financial Discipline Act, B.E. 2561, and the Code of

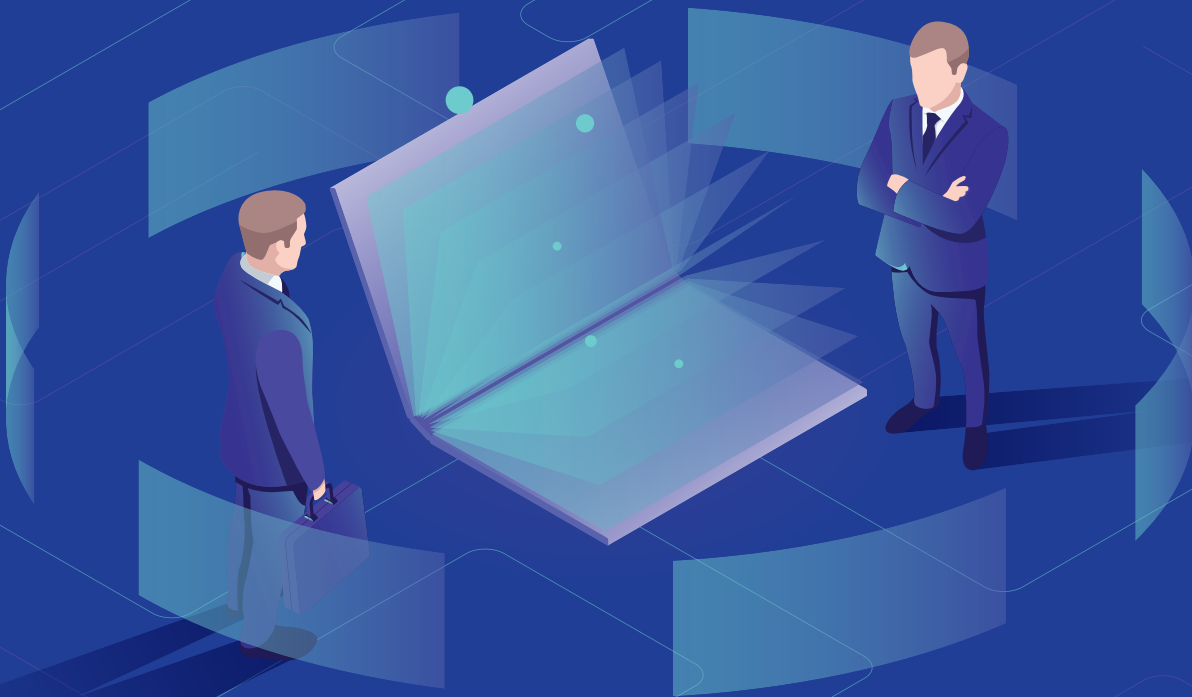
Ethics of Internal Auditors as guidelines for internal audit strategic planning in line with the Bank's strategic plan and goals.

The opinions of the Audit Committee, the management, heads of units being audited, corporate risk management guidelines, the external auditor's report, and the Bank of Thailand's report were taken into account in management and preparation of the annual audit plan based on the risk management based approach. The audit plan was approved by the Audit Committee and the Board of Directors. In addition, the Audit Committee prioritizes the development of the internal auditors' knowledge and competencies to ensure that they can identify the root causes of weaknesses in internal audit and risk management and suggest the right solutions to improve the internal control system, risk management, and create value for the Bank by continuously support the ongoing trainings and seminars.



# SMEs

New Normal



# Disclosure of the Board of Directors, Board of Executive Directors, Senior Executive Vice President

As of December 31, 2020

	Mr. Kobchai Sungsitthisawad Chairman of the Banking Committee	Mr. Chanvit Nakburee Chairman of the Executive Committee	Miss Chunhachit Sungmai Director	Mr. Seree Nonthasoot Director	Mr. Prakrit Sheeppakdee Director	Mrs. Jaree Wuthisanti Director	Mrs. Chanisa Chutipat Director	Mr. Kriengkrai Rukkulchon Director
<b>Note:</b> Date and time of taking the position and leaving the position	Take the position of Director on April 17, 2019 and Chairman on October 10, 2019.	Take the position on November 9, 2017	Take the position on October 16, 2019	Take the position on November 9, 2017	Take the position on November 9, 2017 and turns 65 years old on November 4, 2020	Take the position on November 9, 2017 and resigned on October 1, 2020	Take the position on April 17, 2019	Take the position on April 17, 2019
1. Holding a position as a Director in a state enterprise and/or a juristic person in which the state enterprise is a shareholder of no more than 3 places	All bank directors hold positions in no more than 3 state enterprises.							
2. Reporting on the connection between the Director and his close relatives and the Small and Medium Enterprise Development Bank of Thailand	Bank Director, spouse, and minor children of all Directors have not credit transactions or being a partner with the bank personally, or a legal entity in which the Director is a shareholder, or authorized signatory, or executive, or guarantor.							
3. Having a stake in Small and Medium Enterprise Development Bank of Thailand	No	No	No	No	No	No	No	No
4. Shareholder Proportion Small and Medium Enterprise Development Bank of Thailand (%)	No	No	No	No	No	No	No	No
5. History of illegal actions in the past 10 years	No	No	No	No	No	No	No	No
6. Listed in the list of Director State Enterprises (Director's Pool)	✓	✓	✓	✓	✗	✓	✗	✗
7. Joining a position or holding shares in a company that the Small and Medium Enterprise Development Bank of Thailand holds shares	Related	Not Related	Related	Not Related	Related	Not Related	Related	Not Related
1. Small Industrial Credit Guarantee Corporation (TCG)	✗	✗	✗	✗	✗	✗	✗	✗
2. National Credit Information Co., Ltd.	✗	✓	✗	✗	✗	✗	✗	✗
3. Innospace (Thailand) Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
4. Chao Praya Insurance Pub Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
5. Electrical Engineering and Energy Saving Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
6. Mediawutsarn Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
7. Pettec Inter Group Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
8. Thai Fashion Center Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
9. Techno Asia Tire Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
10. Bangkok Marine Engineering Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
11. Thai Umaporn Textile Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
12. Manita Ming Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
13. Arto Wood (Thailand) Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
14. BITEC Cool Block Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
15. Khao Yai Panorama Farm Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
16. Virgin F and B Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
17. Fruita Natural Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
18. Three N Cassava by Products Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
19. Pet Club Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
20. Aphi Logistics Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
21. Big Paisan Project Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
22. General Outsourcing Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
23. Nova Organic Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗
24. Delta Color Co., Ltd.	✗	✗	✗	✗	✗	✗	✗	✗

**Note:** Director Mr. Chanvit has been assigned by to take the position of Director of National Credit Bureau Co., Ltd., the Bank agreed and assigned to be the Director of National Credit Bureau Co., Ltd.  
Director Manager Ms. Nartnaree Rattaphat was assigned by the Bank to be the Bank's Representative Director in National Credit Bureau Co., Ltd.



	Mr. Wanchai Phanomchai Director	Mr. Preecha Ua-Anantathanakul Director	Miss Nartnaree Rattapat Director and Secretary	Mrs. Chongrak Politanont Deputy Director and Secretary	Mr. Samanpong Klienglumyong Senior Executive Vice President	Mr. Jessada Chor. Charoenying Senior Executive Vice President						
<b>Note:</b> Date and time of taking the position and leaving the position	Take the position on December 18, 2019	Take the position on December 18, 2019	Take the position of Acting Executive Vice President on October 1, 2019 and Take the position of Executive Vice President on April 1, 2020	Take the position of Senior Executive Vice President on October 1, 2019 Retired September 2020	Take the position of Senior Executive Vice President on October 1, 2019	Take the position of Senior Executive Vice President on July 20, 2020						
1. Holding a position as a Director in a state enterprise and/or a juristic person in which the state enterprise is a shareholder of no more than 3 places	All bank directors hold positions in no more than 3 state enterprises.											
2. Reporting on the connection between the Director and his close relatives and the Small and Medium Enterprise Development Bank of Thailand	Bank Director, spouse, and minor children of all Directors have not credit transactions or being a partner with the bank personally, or a legal entity in which the Director is a shareholder, or authorized signatory, or executive, or guarantor.											
3. Having a stake in Small and Medium Enterprise Development Bank of Thailand	No	No	No	No	No	No						
4. Shareholder Proportion Small and Medium Enterprise Development Bank of Thailand (%)	No	No	No	No	No	No						
5. History of illegal actions in the past 10 years	No	No	No	No	No	No						
6. Listed in the list of Director State Enterprises (Director's Pool)	×	×	×	×	×	×						
7. Joining a position or holding shares in a company that the Small and Medium Enterprise Development Bank of Thailand holds shares	Related	Not Related	Related	Not Related	Related	Not Related	Related	Not Related	Related	Not Related	Related	Not Related
1. Small Industrial Credit Guarantee Corporation (TCG)		×	×		×	×		×	×		×	×
2. National Credit Information Co., Ltd.		×	×	✓		×		×	×		×	×
3. Innospace (Thailand) Co., Ltd.		×	×		×	×		×	×		×	×
4. Chao Praya Insurance Pub Co., Ltd.		×	×		×	×		×	×		×	×
5. Electrical Engineering and Energy Saving Co., Ltd.		×	×		×	×		×	×		×	×
6. Mediawutsarn Co., Ltd.		×	×		×	×		×	×		×	×
7. Pettec Inter Group Co., Ltd.		×	×		×	×		×	×		×	×
8. Thai Fashion Center Co., Ltd.		×	×		×	×		×	×		×	×
9. Techno Asia Tire Co., Ltd.		×	×		×	×		×	×		×	×
10. Bangkok Marine Engineering Co., Ltd.		×	×		×	×		×	×		×	×
11. Thai Umaporn Textile Co., Ltd.		×	×		×	×		×	×		×	×
12. Manita Ming Co., Ltd.		×	×		×	×		×	×		×	×
13. Arto Wood (Thailand) Co., Ltd.		×	×		×	×		×	×		×	×
14. BITEC Cool Block Co., Ltd.		×	×		×	×		×	×		×	×
15. Khao Yai Panorama Farm Co., Ltd.		×	×		×	×		×	×		×	×
16. Virgin F and B Co., Ltd.		×	×		×	×		×	×		×	×
17. Fruita Natural Co., Ltd.		×	×		×	×		×	×		×	×
18. Three N Cassava by Products Co., Ltd.		×	×		×	×		×	×		×	×
19. Pet Club Co., Ltd.		×	×		×	×		×	×		×	×
20. Aphi Logistics Co., Ltd.		×	×		×	×		×	×		×	×
21. Big Paisan Project Co., Ltd.		×	×		×	×		×	×		×	×
22. General Outsourcing Co., Ltd.		×	×		×	×		×	×		×	×
23. Nova Organic Co., Ltd.		×	×		×	×		×	×		×	×
24. Delta Color Co., Ltd.		×	×		×	×		×	×		×	×

## Summary of Meeting Attendance and Remuneration of the Board of Directors and Executive Directors 2020

No.	Board Member	Monthly meeting allowance (12 months)	Board of Directors' Monthly meeting allowance (total)	Board of Executive Directors' Monthly meeting allowance (total)	Audit Committee's Monthly meeting allowance (total)					
						Board of Directors	Board of Executive Directors	Audit Committee	Risk Oversight Committee	Nomination and Remuneration Committee
1	Mr. Kobchai Sungsitthisawad	240,000.00	350,000.00			Chairman (23/23)				
2	Mr. Chanvit Nakhburee	120,000.00	280,000.00	150,000.00		Director (20/23)	Chairman (25/25)			
3	Mr. Seree Nonhasoot	120,000.00	280,000.00		337,500.00	Director (21/23)		Chairman (13/13)		Director (13/16)
4	Mr. Prakrit Sheeppakdee	101,000.00	240,000.00		202,000.00	Director (21/21)		Director (11/11)	Chairman (2/2) <sup>1</sup>	
5	Mrs. Jaree Wuthisanti	90,000.00	220,000.00	90,000.00		Director (19/19)	Director (18/19)		Chairman (10/10) <sup>2</sup>	
6	Mrs. Chanisa Chutipat	120,000.00	280,000.00		76,666.66	Director (22/23)			Director (2/2) <sup>2</sup>	Director (12/16)
7	Mr. Kriengkrai Rukkulchon	120,000.00	260,000.00	110,000.00		Director (21/23)	Director (25/25)			Chairman (16/16)
8	Miss Chunhachit Sungmai	120,000.00	280,000.00			Director (22/23)			Director (10/10) <sup>2</sup> Director (2/2) <sup>2</sup>	Director (14/16)
9	Mr. Wanchai Phanomchai	124,666.67	280,000.00			Director (23/23)				Director (6/16)
10	Mr. Preecha Ua-Anantathanakul	124,666.67	260,000.00		240,000.00	Director (22/23)		Director (11/12)		
11	Miss Nartnaree Rattapat	120,000.00	280,000.00	120,000.00		Director and Secretary (23/23)	Director and Secretary (25/25)		Director (10/10) <sup>2</sup> Director (2/2) <sup>2</sup>	
12	Mrs. Chongrak Politanont								Director (10/10) <sup>2</sup>	
13	Mr. Samanpong Klienglumyong								Director (9/10) <sup>2</sup>	
14	Mr. Jessada Chor. Charoenying				106,333.33			Director and Secretary (7/7)		
	<b>Compensation - meeting allowance</b>	<b>1,400,333.34</b>	<b>3,010,000.00</b>	<b>470,000.00</b>	<b>962,499.99</b>	<b>3,010,000.00</b>	<b>470,000.00</b>	<b>962,499.99</b>	<b>245,000.00</b>	<b>405,000.00</b>

- Remarks:**
1. Remuneration for the Board of Directors In accordance with the memorandum of the Office of the State Enterprise Policy Director's Office (SEPO) Memorandum No. Kor.Khor 0805/1630 dated May 24, 2004
  2. Mr. Prakrit Sheeppakdee turned 65 years old on November 4, 2020, and therefore retired from being Board of Directors
  3. Mrs. Jaree Wuthisanti submitted her resignation letter. Board of Directors and Executive Directors on October 1, 2020.
  4. Miss Nartnaree Rattapat took the position of Managing Director on April 1, 2020.
  5. Mr. Jessada Chor. Charoenying took the position of Senior Executive Vice President on July 20, 2020.
  6. Mrs. Chongrak Politanon retired on September 30, 2020.
  7. <sup>1</sup> Risk Management Committee Order No. 57/2019, effective from November 14, 2019 to September 16, 2020.

\*\*Information as of December 31, 2020

Meeting attendance and receiving meeting allowances of the Board of Directors

	Employee Relations Committee	Corporate Governance Committee (CG&CSR)	Director's Nomination Committee	President's Remuneration Subcommittee	Performance Appraisal & Remuneration Committee	Information Technology Management Committee	Working Committee for Reviewing Digital Strategy Master Plan (2020-2024)	Knowledge and Innovation Management Committee	Investment Committee SMEs Private Equity Fund 1	Investment Committee SMEs Private Equity Fund 2	Investment Committee
(number of times attended/number of meetings)											
	Chairman (11/11)			Chairman (1/1)	Chairman (5/5)						
				Director (1/1)							
		Chairman (9/9)	Director (1/1)								
			Director (0/1)		Director (4/4)						
			Director (1/1)			Chairman (14/14)	Chairman (3/3)				
			Chairman (1/1)		Director (4/5)						
					Director (4/5)		Director (3/3)	Chairman (2/2)			
		Director (9/9)				Director (13/14)		Director (1/2)	Chairman (1/4) <sup>3</sup>	Chairman (2/4) <sup>4</sup>	Chairman (1/2) <sup>5</sup>
	Director (6/11)					Director (9/14)					
	Director (6/11)					Director (11/14)			Chairman (3/4)	Chairman (2/4)	Chairman (1/2)
								Director (2/2)			
	168,700.00	87,500.00	32,500.00	-	40,000.00	150,000.00	32,500.00	25,000.00	-	-	-

8. <sup>2</sup> Risk Oversight Committee the name change from Risk Management Committee is the Risk Oversight Committee, Order No. 23/2020, effective from September 17, 2020.

9. <sup>3</sup> Steering Committee SMEs Private Equity Fund No. 2/2016 appointed by the Ministry of Finance end of term according to the Cabinet resolution on March 24, 2020

10. <sup>4</sup> Investment Committee SMEs Private Equity Fund 2, Order 32/2016, effective from July 15, 2016 to July 14, 2020

11. <sup>5</sup> Investment Committee Joint Investment Projects, Missions for SMEs Agriculture and Related, Order No. 40/2016, effective from July 15, 2016 to July 14, 2020

# Good Corporate Governance

## Good Corporate Governance Policy

The Board of Directors intends to encourage the Bank to become an efficient organization in terms of business operations, good corporate governance, and excellent management. The Bank is focusing on the provision of benefits for all stakeholders, has honest, transparent, verifiable business operations, operates the business with high quality, efficiency, and allows stakeholders to participate and express opinions, decision-making, and cooperate in the business operations. In order for good corporate governance to be continuously developed under the principles of good corporate governance with international practices at all times. The Bank focuses on practicing good corporate governance principles in the management to achieve the mission in line with the country's strategy. The Bank believes that business practices on the basis of honesty, fairness, and transparency, compliance with rules and laws, will enable the Bank to grow with sustainability and stability.

The Bank has promoted a culture of good governance by the board of directors and management at various levels. They are good role models for employees to create awareness for compliance with good corporate governance principles, ethics, codes of conduct, and anti-corruption through various activities and communication channels.

In addition, the Bank focuses on the organizational structure and internal management mechanisms that connected the Board of Directors, executives, and employees with key objectives in leading to the organization with good governance and credibility. Those can increase economic value, highest benefits for the Bank's stakeholders with the sustainable development of the organization.

## Good Corporate Governance Principle

The Bank has continually adhered and complied with the Good Corporate Governance Principle. The Bank's adherence to the international good corporate governance guidelines including OECD (Organization for Economic Co-operation and Development) and the "Principles and Guidelines for Good Governance in State

Enterprises, Year 2019" of the State Enterprise Policy Office (SEPO), and the implementation of good corporate governance principles at international standards. Those principles are reflect the Bank's adherence to the operational guidelines with seven key principles of corporate governance as follows:

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

Moreover, the Bank has organized a wide range of activities which regularly implemented to promote the Bank's good corporate governance to the directors, executives, and employees, realize the importance of good corporate governance. The Bank commits to prevention and anti-corruption which the directors, executives, and employees. Accordingly, they have explicitly expressed their intention to promote Integrity, transparency in administration within the organization by adhering to the five principles as follows:

## 1. Transparency

the Bank aims to disclose transparent, verifiable, and clear information. Public and stakeholders can access various Bank information conveniently and quickly. The Bank opens for the stakeholders to express opinions



for operational improvement and modification and systematically handle the complaints.

## 2. Accountability

The Bank's management, and employees with the aim to perform duties and practices with integrity and good corporate governance according to the rules and regulations, are responsible for any fault from operations.

## 3. Corruption-Free

Commit and support the organization to be corruption-free both malpractice and corruption policies. The Bank will never allow them to act in the conflict between personal interests and common interests, uphold and adhere to the principles of good governance

## 4. Integrity Culture

instill the Bank's moral and ethical principles, do not accept and tolerate any form of corruption. There is a shame and fear of corruption. There are preventive and anti-corruption measures while has a good plan and implement an action plan for preventing and anti-corruption.

## 5. Work Integrity

with good management of the Bank, adhere the integrity, transparency operations, focus on common interests rather than personal interests in the personnel management, budget management, works assignment and working environment management as well as provides the standard of clear and fair work instructions.

## 6. Communication

the Bank's personnel can access information thoroughly and quickly. Bank executives at all levels communicate with subordinates regularly while fully

communicate the important policies of senior management to the Unit personnel.

## Integrity and Transparency Assessment (ITA)

The Bank realized the importance of Corporate Governance: CG, is considered a key factor in achievement of the Bank as the leading financial institution in terms of good corporate governance with excellent organization management, ethical operation with transparency and verifiability, create business value added in the long term. This is an important factor in driving the mission to achieve the organizational vision. Therefore, the Bank participated in the assessment of integrity and transparency of government agencies with the National Anti-Corruption Commission (NACC), the Office of the State Enterprise Policy (SEPO), and other 53 state enterprises. The Bank has taken part in the program for the fourth consecutive year since 2015. According to the assessment results in 2020, the Bank was ranked the 9th among 53 state enterprises that undertook the assessment, at the A level with an average score of 93.51 points, increasing continuously over the past years.

This indicates that the Bank has work ethic and transparency improvement at the greater trend as the key financial institution of the state with transparency, reliability, economic valued add for the sustainable development of Thai SMEs.

## Practices in Accordance with the Principles of Good Corporate Governance

For the transparency of the Bank's Good Corporate Governance process and fair to all related parties by not focusing only on individual benefit. The Bank also promotes fair treatment of stakeholders and provides them opportunities to take part in the Bank's important

matters while building trust and acceptance among the customers or SMEs. The Bank has realized and focused the operation under the principles of good corporate governance from the state enterprises adhere as guidelines.

**Government role** The Bank determines the policies, manuals, and guidelines for the compliance of good corporate governance principles to both financial and non-financial government shareholders, also establishes a fair market competition policy, legal business operation with honesty, transparency, fairness, and verifiability.

**Shareholder Equity** The Bank aims to treat all shareholders very well and appropriately under equal fundamental rights under the legal scope by setting policies handbooks and guidelines for the shareholder rights management under the law and other regulations. Those covered key topics such as insider protection policies, policies to prevent the use of inside information. Policy to prevent connected transactions and conflict of interest prevention policy, Related Parties Transaction prevention policy, Conflict of interest prevention policy.

**The Board of Directors** performs the fiduciary duty and supervises the Board of Directors, the Management, and the operators to perform their duties with responsibility, Duty of Care and Duty of Loyalty, and supervise the management to achieve mission, government objectives, and policies. Sub-committees and the operations management department have been assigned ongoing duties. In order, the Bank operates its business with fairness, transparency, and accountability to stakeholders under the principles of good corporate governance for business sustainability.

**Stakeholders Roles** Banks determines the policies handbook, and Guidelines in treating stakeholders of each group by concerning the legitimate rights of stakeholders with mechanisms and good governance as well as community, society, and environmental responsibility. The support of stakeholders' participation in the operation improvement while not violates the stakeholders' rights. The Bank will operate a business with openness, transparency, and fair competition.

**Sustainability and Innovation** The bank brings innovations that create value to businesses along with benefits for customers or related parties while responsible for society and the environment for the improvement of the working processes, services, and internal management effectively. Those will meet the rapid changes of business and promote knowledge management as the learning

organization to create continuous creativity and innovation, leading to sustainable growth.

**Date Disclosure** The Bank has supervised the disclosure of important information related to the Bank, its stakeholders both financial and non-financial information with accuracy, reliability, completeness, adequate, timely compliance to laws and regulations. Therefore, the public and stakeholders can make the appropriate decisions with convenient accessibility.

**Risk Management and Internal Control** The Bank has established a risk management policy for the Bank's performance to achieve its mission and strategy. Good governance is conducted to continue the risk management. The Risk Management Committee is driving the Bank's risk management system.

**Code of Conduct** The Board of Directors has established guidelines for code of conduct and supervises the Bank's directors, executives, and all employees to adhere and practice in the same direction. All units must set up the practicing plan with concrete follow-up. The principles and practices of good corporate governance will be applied as the Bank's guidelines. The complaint channel is served the complaints about unethical behavior or not compliance with the guidelines.

**Performance Follow-up** The Bank requires the management to present and report the performance of both financial and non-financial information with completeness and accuracy in accordance with the rules of the State Enterprise Policy Office (SEPO), Ministry of Finance, and the Bank of Thailand. The information presented in the report must consist of accurate information and analytical information, sufficient for the Board of Directors to consider, make a decision, observe or recommend. In order for the management shall proceed with the operations improvement efficiency that meets the target and objectives of the Bank's business operations for stability and sustainability.

**Whistleblowing Policy, complaint, and measures to protect whistleblowers and complaints** The Bank has made policies for whistleblowing, report a complaint and measures to protect whistleblowers and complaints. This is the channel for all stakeholders and outsiders, affected or at risk of being affected by the Bank's operations. They can make a complaint or whistleblowing in case of fraud, such as violations of the Bank's policies, rules, regulations, in order to improve or proceed to ensure accuracy, appropriateness, transparency, and



fairness. The Bank will open to all complaints equitably, pay attention and fairness with the appropriate period, maintain confidentiality as well as protect the whistleblowers, complainants, and related persons fairly.

### **Ethics and Code of Conduct**

As a state-owned bank with the primary mission to develop SMEs, SME D Bank recognizes the importance of corporate governance (CG) since it is the key factor that supports the Bank to become a leading financial institution with good governance, management excellence and ethical conduct, The Bank's operation is transparent, auditable, aiming for value-added creation in the long run and safeguarding benefits for all stakeholders. These are significant factors contributing to the achievement of the Bank's vision. Hence, the Bank formulated the Corporate Governance Handbook and the Code of Conduct for members of the Board of Directors, the management, and employees to strictly follow. This will result in a sound management system and mechanism and drive the Bank to be a transparent and creditable state-owned financial institution, leading to sustainable SME development by adhering to 7 ethical standards as follows:

1. Adhere to the main institutions of the country including nation, religion, monarchy and the democratic regime of government with the King as Head of State.
2. Honesty with good conscience and responsible for duties
3. Courage to make decisions and stand up for what is right and righteous.
4. Concern of the common interest over the personal interest with public mind
5. Focus on the achievement
6. Perform duties with fairness without discrimination
7. Act as a role model and maintain the Bank's image

### **Policy to Prevention of Insider Information Use**

In order to process information in compliance with law and regulations and strictly. There is always good control over the information quality, cultivates and creates a good culture in using the Bank's information, maintain data quality and create value-added data. Those actions shall bring sustainable benefits to the Bank in order to obtain and use the Bank's information correctly, completely, up-to-date, with high security. The Bank has

established a policy to prevent the use of insider information by none disclosing the bank's internal information to the public for personal benefit or related persons either directly or indirectly way. The Bank maintains confidential information of customers, partners, or stakeholders and set the authenticity of operators at different levels according to the responsibilities

### **Policy on Related Parties Transaction Prevention**

To prevent transactions that may cause conflicts of interest from making transactions between the Bank and related parties, known as "related transactions", to be transparent, tracking system and verification of the transaction. By concerning the interest of the Bank and all shareholders. The Bank has therefore established the policies and guidelines to prevent the related parties' transactions. Those transactions must pass the transparent approval process by the authorized person with caution and honesty. There is a tracking and auditing system to ensure that the transactions, proceed with the correct procedures.

### **Policy to Prevent Conflicts of Interest**

To effectively avoid conflicts of interest, the Bank has put in place the following actions:

1. Prioritize the benefits of the Bank over personal interests and have no conflict of interest.
2. Neither seeks benefits for oneself and related persons by using the Bank's information that has not been disclosed to the public nor act that may cause the Bank's conflict of interest.
3. Not demand, accept or agree to accept assets or benefits for oneself or others dishonestly.
4. Require immediate reporting of the cases where conflicts of interest occur and reporting at the end of the fiscal year if there are no known conflicts of interest.
5. Annually review and prescribe measures to prevent conflicts of interest in each department.
6. The board members and the President shall declare their assets and liabilities, using the declaration form prepared by the National Anti-Corruption Commission.
7. Those appointed by the Bank to work in procurement/committees/sub-committees and working groups shall declare their assets before performing the duties.

## Guideline for Treating the Stakeholders

For the sustainability of the Bank's operations, the Board of Directors has established a policy to treat each group of stakeholders by concerning their legal rights or the agreement with them. As well as supervise the establishment of appropriate mechanisms and ethical practices with social, community, and environmental responsibility. The support of stakeholders' participation in the operation improvement while not violates the stakeholders' rights. The Bank will operate a business with openness, transparency, and fair competition without unfair competition. Moreover, the Bank has announced the anti-fraud and corruption to adhere and practice that lead to success and cooperation between the Bank and all groups of stakeholders as follows:



**Shareholders** The Bank shall treat shareholders equally under their legitimate rights. The Bank is committed to operating work by adhering to ethics and code of conduct with fairness to maximize the satisfaction among the shareholders. While respecting the stakeholder rights in gaining the key information and treat all shareholders equally.

**Customers** The Bank focuses on customer care and ensures customer confidence that they will receive good quality products and services at fair prices. This resulted in customers satisfaction while commit to comply with the customer obligation strictly. The compliance with the services management policy with fair services is provided to customers (Market Conduct).

**Business partners, competitors** The Bank treats the business partners and competitors under the principles of code of conduct and ethics along with the Trade Competition Act B.E. 2542, the legal framework related to the trade competition principle. The Bank does not seek confidential information of competitors in a dishonest way or inappropriately, not infringing and destroying the reputation of competitors by making malicious accusations. The Bank also strictly complies with the law of intellectual property.

**Creditor** The Bank stress adherig and responsibility for any covenants or agreements made with honesty, integrity, and ethics, concerns only the mutual

benefits, and builds trust with a good image of the organization. Adhering to fair practices under the principles of good corporate governance. The Bank also manages funds with an appropriate structure to support business operations and maintain trust from its creditors.

**Employee** Personnel development is the key program to become the learning organization, enhance the culture of teamwork and realize that every employee is the valuable factor who brings success and advancement to the Bank. Meanwhile, the Bank takes good care of work safety and maintain the working environment, focus on development, transfer knowledge and competence of employees, equally open for opinions and suggestions from employees at all levels.

**Community, Society, and Environment** The community, Social and environmental responsibility is one of the key missions of the Bank by focusing on the community and social activities, emphasis on creativity, community, and social development, and environment preservation. Moreover, the Bank has supported the public benefit activities for the community to strengthen the community and strict compliance with environmental laws. The Bank does not make any harmful activities to natural resources, the environment, and related ecosystems.

## Stakeholders Master Plan

The establishment of organizational direction and the implementation of the Bank's future policies including operational guidelines for gap closure, expectations, and satisfaction from stakeholders. The Bank is a financial institution that plays a major role in financial support along with the development of SMEs' capabilities in business operation for sustainable success. Therefore, it is necessary to the concerned of the role of stakeholders that currently increase the influence on the organization's operations. The Bank also emphasizes building a comprehensive bond with stakeholders in the creation and delivery of services value that compliance with regulations to meet the needs and expectations among varied stakeholder groups. Therefore, the bank determines Stakeholder vision is "Stakeholders are partners to develop Thai SMEs" as follows:

### Strategic Objective 1

#### Promote stakeholder participation

with a target to create stakeholder engagement, focus on stakeholder engagement improvement as part of the operation. Open for opinions and suggestions from all stakeholder groups. The objective has consisted of two strategic plans: 1. Develop the stakeholder cooperation and 2. Build stakeholder engagement and satisfaction measurement.

### Strategic Objective 2

#### Enhance the stakeholder relationship

with a target to develop a stakeholder management system, focus on the communication process, build relationships with stakeholders as one of the key operational processes. The Bank established the two strategic plans: 1. Develop a stakeholder database and 2. Communicate and transfer stakeholder strategies.

### There are 4 action plans in year 2021

Action Plan 1: Develop a Stakeholder Profile

Action Plan 2: Develop relationships with key stakeholders.

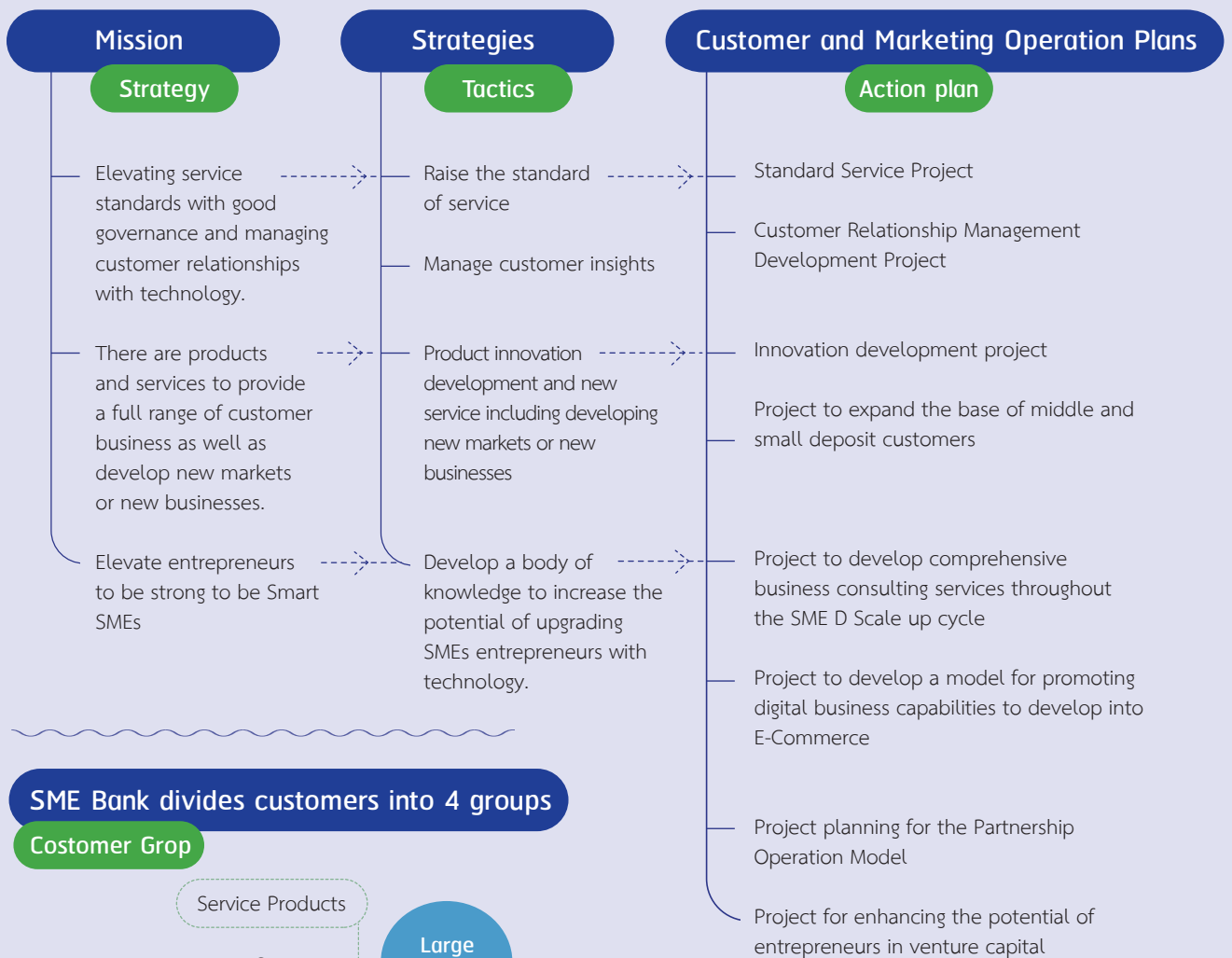
Action Plan 3: Communicate and transfer stakeholder strategies

Action Plan 4: Stakeholder Satisfaction Survey

# Long-term master plan 2021-2025 on customers and markets

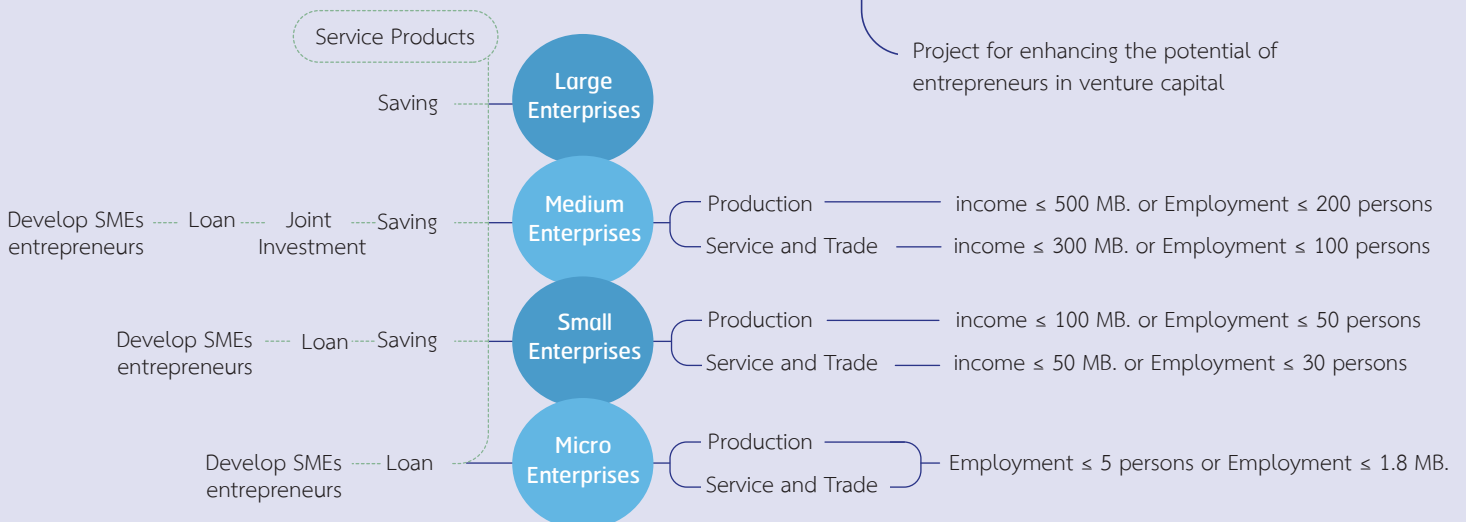
## Customer and Marketing Vision

“Elevating entrepreneurs to become Smart SMEs for competitive and sustainable growth”



## SME Bank divides customers into 4 groups

### Customer Group



# Corporate Social Responsibility (CSR) Policy



The Bank is aware of Corporate Social Responsibility (CSR) as the Thai SMEs financial institution for the Thai SMEs development. The Bank has focused on organization management under the philosophy of sufficiency economy with social and environmental responsibilities in accordance to the development of participation process. Therefore, the Bank's operations resulted from the actual practice of the philosophy of sufficiency economy. This is the mutual expression that benefits all parties in the organization with sustainable development and became the learning organization. The Bank, therefore, adheres to 7 guidelines in accordance with the International Standard on Social Responsibility (ISO 26000) as follows: 1) Good Corporate Governance 2) Respect for Human Rights 3) Labor Practices 4) Environment Care 5) Fair practices 6) Consumer care 7) Community participation and development. Those have been conducted to meet with the organization's strategy with the objective of becoming learning and organization with sustainability. Therefore, the Bank has focused on the participation process and raised awareness from the board of directors, executives, and employees, reached out to entrepreneurs, stakeholders, and the general public. The CSR In process and CSR after are the two processed, conducted to reflect

the results of the implementation by the organization's policies that concerned with social and environmental responsibility as key policies. The practices are as follows:

- 1) The implementation of the social and environmental responsibility plan as part of the organization's practical strategy, especially CSR in Process.
- 2) Personnel development to create awareness, understanding, and cooperation in all CSR projects or activities from employees to executives.
- 3) Product, services, and process development by concerning to the factors of the social and environmental responsibility;
- 4) An analysis of the impact of service product designed or improvement of operational processes towards concrete society and the environmental impact.

Therefore, "The Bank's social and environmental responsibility is to operate its business under the principles of good governance and good management with the social and environmental responsibility both internal and external dimensions, including stakeholders, led to the ultimate goal of sustainable development."

# Receipt of Feedback and Complaints

## Receipt of Feedback and Complaints

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

## Complaints Channels

The Bank has channels to receive complaints and voices of customers, as well as stakeholders, are as follows:

1) Internal channels to receive complaints are via the Bank's employees/branch offices, activities, customer relations service center, Call center 1357, the Bank's website: [www.smebank.co.th](http://www.smebank.co.th), the Bank's social media channels via Facebook/Twitter/YouTube/LINE OFFICIAL, letter to the Bank or the President, survey, and suggestion box.

## External channels

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

- The Bank's website: <http://www.smebank.co.th>
- Email: SME D Bank' Anti-corruption Operation Center, [ACsme@smebank.co.th](mailto:ACsme@smebank.co.th), [vocs@smebank.co.th](mailto:vocs@smebank.co.th)
- By postal mail or in person: the Chairman of the Board of Directors, the Chairman of the Audit Committee, the President of the Bank, and/or the Bank' Anti-corruption Operation Center, Head of the Internal Audit Department, Head of Employee Discipline Department, Head of Complaint Handling Department
- Other Channels

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





## Guidelines for Recruitment of Directors from the List of State Enterprise Policy Office (SEPO)

The recruitment of directors shall consider the qualifications and the absence of prohibited characteristics as stipulated in Clause 15 of the Small and Medium Enterprise Development Bank Act B.E. 2545 (SME D Bank Act), Clause 5 of the Act of Standard Qualifications of the Directors and the Employees of State Enterprises B.E. 2518 and its amendments and the Bank of Thailand Notification No. SorKorSor.13/2562, dated September 2, 2017 Re: the qualifications and prohibited characteristics of the director who is not directors by management position, the authorized person and advisors of specialized financial institutions. Moreover, the recruitment and appointment of the Board of Directors shall proceed under the appointment guidelines of State Enterprise directors set by the State Enterprise Policy Office (SEPO).

The Board of Directors consists of 1 chairman, other directors for not more than 9 directors, and the Managing Director is a director in total for not more than 11 members. The Board of Directors must consist of the following qualifications:

- A person with a wide range of competences based on core competencies and requirement (Skill Matrix), which the policy determines as the Bank's mission and strategy. The number of Skill Matrix must not exceed the total number of the Board of directors.
- Must be on the list of Director Pool (DP) of the Ministry of Finance, for not less than one-third of the other directors.
- Must have independent directors for not less than one-third of the total number of the directors.
- Must have experience in the business sector for not less than one-third of the number of directors who are not directors by position.
- Must has at least one director with knowledge or experience in information technology.
- Must has at least one director with knowledge, expertise and understanding of risks of financial institutions business.

## The Committee

### Board of Directors of Small and Medium Enterprise Development Bank

#### List of Committee Member

1. Mr. Kobchai Sungsitthisawad	Chairman
2. Mr. Chanvit Nakburee	Director
3. Miss Chunhachit Sungmai	Director
4. Mr. Seree Nonthasoot	Director
5. Mr. Prakit Sheeppakdee	Director
6. Mrs. Jaree Wuthisanti	Director
7. Mrs. Chanisa Chutipat	Director
8. Mr. Kriengkrai Rukkulchon	Director
9. Mr. Wanchai Phanomchai	Director
10. Mr. Preecha Ua-Anantathanakul	Director
11. Miss Nartnaree Rattapat	Director and Secretary

#### Qualifications of the Directors

The Board of Directors comprises the competent persons with experience in relevant fields that benefit 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 Small and Medium Enterprise Development Bank Act B.E. 2545.

#### Duties and Responsibilities

1. Draw policies and oversee the Bank's operations within the objective scope under Section 11 of the Act, which also include the following:
  - 1.1 Issuance of regulations on the Bank's shares
  - 1.2 Issuance of regulations on granting of credits, guarantee, sale or sale by rediscount of bills to financial institutions, acceptance of pledges, acceptance of mortgages and other banking businesses.
  - 1.3 Issuance of regulations on the Bank's management and business operations
  - 1.4 Issuance of regulations on human resources management, remunerations and other expenses of the Bank
  - 1.5 Issuance of regulations on procurement, finance, assets, accounting, as well as internal audit of the Bank
  - 1.6 Issuance of regulations on benefit and welfare of employee and their families
  - 1.7 Establishment of branches or representative offices of the Bank
2. The Board of Directors may appoint the Board of Executive Directors consisting of the Chairman and not more three other Executive Directors one of which shall be the President as ex officio member.
3. The Board of Executive Directors shall have the authorities, duties and responsibilities to determine the Bank's business direction and operation to be in line with the policies and goals given by the Board of Directors.

## Board of Executive Directors

### List of Committee Member

1. Mr. Chanvit Nakhburee	Chairman
2. Mrs. Jaree Wuthisanti	Director
3. Mr. Kriengkrai Rukkulchon	Director
4. Miss Nartnaree Rattapat	Director and Secretary

### Duties and Responsibilities

1. Establish the direction and guidelines for the Bank's operation in line with the policies and goals set out by the Board of Directors, without infringing the President's authority under Section 25.
2. Report the operating results to the Board of Directors on a quarterly basis.
3. Approve the request for the budget adjustment within the amount specified in the Bank's regulations and report to the Board of Directors for acknowledgment.
4. Approve organizational restructuring and scope of responsibilities of the departments supervised by the Senior Executive Vice President and report to the Board of Directors for acknowledgment.
5. Determine the annual bonus rate and extra payment and propose such remuneration to the Board of Directors for approval.
6. Determine annual salary increase rates for employees and propose them to the Board of Directors for approval.
7. Appoint sub-committees and/or working groups to carry out any action within the delegated authority framework.
8. Approve the procurement and lease of the properties in the amount of over 20 million baht up to not exceeding 50 million baht.
9. Appoint or hire an external expert as deemed appropriate or seek professional opinions from relevant qualified persons or external experts at the Bank's expense.
10. Approve credit line for an individual of over 50 million baht but not exceeding 200 million baht exclusively for those falling within the definition of the Act for Financial Aids for Enterprises affected by COVID-19 Pandemic B.E. 2563.
11. Approve loan term extension or review loan limit and debt restructuring for borrowers with a credit line of over 50 million baht up to not exceeding 200 million baht as follows:
  - 11.1 Formulate policy, criteria, and practical procedures regarding review of loan term extension or loan limit and debt restructuring according to the credit limit authorization set forth in item 11
  - 11.2 Approve loan term extension or review loan limit and approve the waiver or change of lending terms and conditions that have been previously approved within the credit limit authorization set forth in Item 11 as follows:
    - 1) Extend or shorten the Grace Period.
    - 2) Transform short-term debt into long-term debt and vice versa
    - 3) Increase or decrease interest rate, grace period, repayment of principal amount and/or interest for each installment.
    - 4) Review credit category provided that it shall not increase credit limit beyond the approval authority.

- 5) Increase or decrease or change of collateral or guarantor.
- 6) Accept the transferred assets whether they are collateral for repayment or not.
- 7) Reduce or exempt the accrued interests, fines, default interest rates and other fees that have not been realized as revenue in the profit and loss account according to the criteria prescribed by the Bank of Thailand.

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

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

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

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

12. Consider and screen loans and debt restructuring with a credit line of over 200 million baht per case before submitting to the Board of Directors for approval.

13. Perform other tasks as assigned by the Board of Directors.

## Audit Committee

### List of Committee Member

- |   |           |
|---|-----------|
| 1. Mr. Seree Nonthasoot   | Chairman  |
| 2. Mr. Prakit Sheeppakdee   | Director  |
| 3. Mr. Preecha Ua-Anantathanakul  | Director  |
| 4. First Executive Vice President/<br>Executive Vice President/ Senior Vice President Audit Group | Secretary |

### Duties and Responsibilities

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

# Risk Oversight Committee

## List of Committee Member

(Effective from November 14, 2019 - September 16, 2020)

- |                                |                        |
|--------------------------------|------------------------|
| 1. Mr. Vichit Kornvityakoon    | Consultant             |
| 2. Mrs. Jaree Wuthisanti       | Chairman               |
| 3. Miss Chunhachit Sungmai     | Director               |
| 4. Miss Nartnaree Rattapat     | Director               |
| 5. Mrs. Chongrak Politanont    | Director               |
| 6. Mr. Samanpong Klienglumyong | Director               |
| 7. Mr. Mogul Posayapisith      | Director and Secretary |

(May 22, 2020 - September 16, 2020)

(Effective from September 17, 2020 - October 21, 2020)

- |                             |            |
|-----------------------------|------------|
| 1. Mr. Vichit Kornvityakoon | Consultant |
| 2. Mr. Prakit Sheeppakdee   | Chairman   |
| 3. Miss Chunhachit Sungmai  | Director   |
| 4. Mrs. Chanisa Chutipat    | Director   |
| 5. Miss Nartnaree Rattapat  | Director   |
| 6. Mr. Mogul Posayapisith   | Secretary  |

## Duties and Responsibilities

1. Provide advice to the Board of Directors on the Risk Governance Framework.
2. Ensure that the high-ranking management, including heads of departments, manage risks in compliance with the risk management policy and strategy and risk appetite.
3. Ensure that there are strategies for fund and fluidity management to mitigate all the Bank's risks by the approved risk appetite and regularly monitor the Bank's capital position and liquidity. Therefore, the Bank has stable capital and liquidity and sufficient to support current and future business operations.
4. Review and audit the overall adequacy and effectiveness of the risk management policy and strategy and risk appetite at least once a year. The Risk Oversight Committee should discuss and share opinions with the Audit Committee to assess whether the policy and strategy of the Bank cover all risks and emerging ones and to ensure that there is an efficient implementation of the policy and strategy.
5. Report to the Board of Directors about the status of existing risks, the effectiveness of risk management, and compliance with risk culture as well as significant factors and problems and areas for improvement in line with the Bank's risk management policy and strategy.
6. Provide opinions on or participate in assessing performance efficiency and effectiveness of the Vice President of the Risk Management Department.
7. Determine the overall risk management policy and strategy to cover significant risks, namely strategic risk, credit risk, marketing risk, liquidity risk, operation risk, IT risk, and reputation risk. The policy and strategy must comprise assessment, monitoring, and control of risk appetite, which are to be submitted for approval by the Board of Directors.
8. Monitor and ensure that the high-ranking management sets the risk limit by risk appetite and manages the risks within their risk appetite and risk limit.



9. Monitor and ensure that the high-ranking management plans the policy that covers the overall risk management processes and systems based on the Bank's risk aspects by taking into account the Bank's systematic significance and risk assessment of the market conditions and macroeconomic context.
10. Provide opinions and suggestions on the organizational structure that facilitates monitoring, supervising, controlling, and checking under risk management policy, strategy, processes, and practices. In doing so, the chain of command or reporting must have a system of checks and balances in which the department that causes risk and the department that manages risks must be independent of each other.
11. Cultivate risk culture at all levels of employees so that they are aware of and understand risk issues. Monitor the status of risks and compliance with the corporate risk culture. The employees at all levels shall understand and be aware of the risk.
12. Screen every derivative and such non-derivatives as non-collateral loans, loan products under the government policy, and new loan products.

Notes: 1. Loan products under the government's policy mean the government's policy projects are approved by the Cabinet. Loan conditions are looser, aiming to rehabilitate the livelihood of people affected by disasters or sabotage, instigate economic recovery, enhance career competitiveness, or elevate the quality of life and business sector.

2. New loan products mean any loan products/transactions offered by the Bank offered services in addition to the existing loan products/transactions.

13. Approve the project loan product and/or the bank measures that are collateralized with land or buildings or land with buildings or savings / fixed deposits with the Small Industry Credit Guarantee Corporation (TCG). The proportion with the TCG is not exceeding 50 percent of the total approved limit.
14. Approve and screen new products as follows:
  - 14.1 Project credit and/or bank measures with collateral or type of collateral other than item 13.
  - 14.2 Government policy loan and/or government policy measures with all types of collateral and without collateral.
15. Approve the Risk Appetite (RA) and Risk Tolerance (RT)
16. Approve risk management plan, risk management approach, risk-limit tools and methods for risk assessment and control, and review the adequacy of resources for risk management.
17. Approve the business continuity management, including the business continuity plan of all departments, to be implemented when the need arises.
18. The Risk Oversight Committee may propose particular persons with expertise to the Board of Directors for appointment as consultants to provide consultation and advice to the Risk Oversight Committee.
19. Appoint the members of the Risk Oversight Sub-Committee and delegate their duties within the scope of authority and responsibilities.
20. Perform other duties as assigned by the Board of Directors.

## Internal Control

1. Determine the guidelines for evaluation of internal control, coordination on internal control evaluation, scrutiny, summarizing, and
2. Acknowledge the report on internal control evaluation in accordance with the Regulations of the Ministry of Finance, Re: Standards and Criteria for Internal Control Practices for Government Agencies B.E. 2561.

# Nomination and Remuneration Committee

## List of Committee Member

1. Mr. Kriengkrai Rukkulchon	Chairman
2. Mr. Seree Nonthasoot	Director
3. Miss Chunhachit Sungmai	Director
4. Mr. Wanchai Phanomchai	Director
5. Mrs. Chanisa Chutipat	Director
6. First Executive Vice President/ Executive Vice President/ Senior Vice President Resources Management Group	Secretary

## Duties and Responsibilities

1. Plan policy, criteria, and procedure for recruiting Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performing duties equivalent to Senior Executive Vice President and First Executive Vice President and propose them to the Board of Directors for approval.
2. Screen and nominate qualified candidates for the Director position under law, rules, and regulations under the Bank's good governance principles, analyze skills and the necessary knowledge from the Bank's Skill Matrix. Later, consider from the database (Director's Pool) of the Ministry of Finance. Including check the history and work performance from the past to the present to avoid conflicts of interest. Propose to the Board of Directors and/or shareholders for approval before seeking approval from the Bank of Thailand (BOT).
3. Consider and approve the succession plan and management process of executives level included Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performing duties of Senior Executive Vice President or Executive Vice President. This creates continuity in management which is beneficial to business operations and efficient Bank management.
4. Specify the guidelines for performance evaluation of the Sub-committees' members according to the Good Corporate Governance.
5. Approve the annual performance evaluation, criteria of salary increasing or bonus payment. The Bank had profit and has been approved by the State Enterprise Policy Office (SEPO), later the Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performing duties equivalent to Senior Executive Vice President, Executive Vice President, There shall concern the responsibilities and risks involved, propose to the Board of Directors for approval.
6. Disclose the human resources management, recruitment, and remuneration in various forms as well as present in the Bank annual report.
7. Provide opinions on and approve the criteria and process for recruitment of the employee levels 11-13 nominated by the Managing Director.
8. Propose guidelines and recommendations used as a guideline for the efficiency of the Bank's human resource management, such as the organizational structure, the Bank's personnel compensation structure, development and empowerment of personnel, guidelines for effective management of the bank's employees, and guidelines for improvement of the personnel disciplines, etc.
9. Other Actions related to human resource management, nomination, and remuneration assigned by the Board of Directors.

## Employee Relations committee

Mr. Chanvit Nakkburee Chairman

### Employer Representatives

1. Mr. Samanpong Klienglumyong	Senior Executive Vice President Branch and Entrepreneur Development Group	Director
2. Mrs. Chongrak Politanont	Senior Executive Vice President Risk Strategy and Treasury Group	Director
3. Miss Malin Wuvanich	First Executive Vice President Treasury and Accounting Division	Director
4. Mr. Saree Musigerst	Executive Vice President Legal Division	Director
5. Mr. Kodchagone Ludchasawee	Senior Vice President Operation Division	Director
6. Mr. Khemmachat Apiratchatanont	Senior Vice President Resource Management Division	Director
7. Mr. Piwat Chaiyanukij	Senior Vice President Branch Operation Department	Director

### Employee Representatives

1. Mr. Cherngchai Pornwattana	Chairman, the State Enterprise Labor Union	Director
2. Miss Khampin Pimporn	Vice Chairman, the State Enterprise Labor Union	Director
3. Mr. Putthinan Suyanan	Vice Chairman, the State Enterprise Labor Union	Director
4. Mr. Pongsatorn Mantawong	Director, the State Enterprise Labor Union	Director
5. Mr. Paskon Suriyo	Director, the State Enterprise Labor Union	Director
6. Miss Jiraphakchaya Khanthahiran	Director, the State Enterprise Labor Union	Director
7. Mrs. Siriporn Sangchan	Secretary, the state Enterprise Labor Union	Director

Senior Vice President/Vice President responsible for human resource management shall act as a secretary of the Employee Relations Committee and the Committee shall be assigned with duties and responsibilities as provided in Section 23 of the State Enterprise Labor Relations Act B.E. 2543. The term of office of the member of the Committee shall be 2 years.

### Duties and Responsibilities

1. Consider and provide opinions on the Bank's operational efficiency improvement as well as promote and develop labor relations.
2. Seek for a mean to reconcile or settle labor disputes.
3. Revise work rules and regulations which will benefit employer, employees and the Bank.
4. Discuss and solve the problems raised by SME D Bank's employee or labor union including those complaints regarding disciplinary action.
5. Provide consultation on employment condition improvement.

# Corporate Governance Committee (CG&CSR)

## List of Committee Member

(Effective from November 18, 2019 - December 31, 2020)

1. Mr. Prakit Sheeppakdee	Chairman
2. Miss Nartnaree Rattapat	Director
3. Mrs. Ubolrat Karpang	Director
4. Mr. Saree Musigerst	Director
5. Mr. Cherdchai Ouanmin	Director and Secretary
6. Mrs. Siriporn Sangchan	Assistant Secretary

## Duties and Responsibilities

1. Determine the principles of good corporate governance and social and environmental responsibility for the Bank's efficient and effective operations by developing and promoting the personnel's understanding and practice of the good corporate governance principles as well as social and environmental responsibility
2. Oversee and promote the Bank's compliance with good corporate governance principles as well as social and environmental responsibility.
3. Regularly assess and review the good corporate governance and social and environmental responsibility policies to ensure compliance with international practices.
4. Provide suggestions to the management and relevant committees on how to efficiently adopt good corporate governance principles as well as social and environmental responsibility to the Bank's operations.
5. Appoint sub-committees to support corporate governance and social and environmental responsibility activities.
6. Perform other tasks relevant to corporate governance and corporate social responsibility as assigned by the Board of Directors.

## Director's Nomination Committee

### List of Committee Member

1. Mr. Kriengkrai Rukkulchon	Board of Directors	Chairman
2. Mr. Prakit Sheepakdee	Board of Directors	Director
3. Mrs. Jaree Wuthisanti	Board of Directors	Director
4. Mrs. Chanisa Chutipat	Board of Directors	Director
5. Mr. Vichit Kornvityakoon	Expert	Director
6. Mr. Saree Musigerst	Executive Vice President Management Division	Secretary

### Duties and Responsibilities

1. Determine qualifications of the person to be nominated as the Managing Director who shall possess qualifications and not have prohibited characteristics as provided by the Act for Determining Standard Qualifications for Director and Employee of the State Enterprise B.E. 2518 and as amended, the Act for the Small and Medium Enterprise Development Bank of Thailand B.E. 2545 and the Financial Institution Business Act B.E. 2551 and as amended.
2. Select qualified person holding proper knowledge, capability and experiences to be appointed as the Managing Director according to the procedures and guideline for nominating top executive personnel for the state enterprise.
3. Nominate such qualified person to the Board of Directors for consideration.

## President's Remuneration Subcommittee

### List of Committee Member

1. Mr. Chanvit Nakburee	Board of Directors	Chairman
2. Mr. Seree Nonthasoot	Board of Directors	Director
3. Mrs. Saowanee Kamolbutr	Expert	Director
4. Delegate State Enterprise Policy Office		Director
5. Executive Vice President	Strategy and Resources Management Group	Secretary

### Duties and Responsibilities

1. Consider remuneration and other benefits and negotiate for a reasonable amount.
2. Propose to the Board of Directors for consideration the President's remuneration together with draft employment agreement which shall at least contain requirements concerning the position, employment condition, retirement, termination of employment, performance evaluation and remuneration or other benefits.



## Performance Appraisal & Remuneration Committee

### List of Committee Member

1. Mr. Chanvit Nakhuree	Board of Directors	Chairman
2. Mrs. Jaree Wuthisanti	Board of Directors	Director
3. Mr. Kriengkrai Rukkulchon	Board of Directors	Director
4. Mr. Wanchai Phanomchai	Board of Directors	Director
5. Mr. Vichit Kornvityakoon	Expert	Director
6. Mr. Pichit Mitrawong	Executive Vice President Strategy and Public Policy Division	Secretary

### Duties and Responsibilities

1. Determine criteria for the Managing Director performance evaluation.
2. Develop guideline for evaluating operation results and for increasing fixed and special remuneration for the Managing Director.
3. Evaluate the Managing Director's performance and present the evaluation results to the Board of Directors for consideration.
4. Perform other tasks in connection with remuneration fixing as assigned by the Board of Directors.

## Information Technology Management Committee

### List of Committee Member

1. Mrs. Poonsook Musiklad	Expert Information Technology Committee	Expert
2. Mrs. Chanisa Chutipat	Directors	Chairman
3. Managing Director		Director
4. Senior Executive Vice Presidents	Responsible for Loan Growth, Supervise Credit Analysis group, Operation group and Credit for Medium Enterprise Department group	Director
5. Senior Executive Vice Presidents	Responsible for target group, new product BPI, Risk Management group, Marketing & Government Policy and Inspector	Director
6. Senior Executive Vice Presidents	Responsible for Asset Management and NPLs	Director
7. First Executive Vice President/ Executive Vice President	Risk Management Group	Director
8. Mr. Maythapolnun Athimethphat	External Expert	Director
9. Mr. Krit Won-in	External Expert	Director
10. First Executive Vice President/ Executive Vice President	Executive Vice President IT & Management Support Group	Director and Secretary
11. Vice President/ Senior Vice President	IT Strategic & Performance Improvement Department	Assistant Secretary

### Duties and Responsibilities

1. Draw up an IT policy and approaches for IT system development (IT Road Map), develop a plan for implementing proper IT to the Bank's direction and business plan.
2. Provide opinions on developing IT Master Plan in line with the Bank's business plan by taking into consideration the integration of existing information system to be in alignment with IT security policy and IT standards.
3. Draw up a policy and guidelines concerning the Bank's IT security (IT Security Policy) to be in compliance with applicable standards and statutory requirements.
4. Consider, review and provide opinions on the procurement and development of IT system and IT infrastructure system, and oversee the implementation of the plan to ensure that the IT projects achieve their results and set targets.
5. Report the IT performance to the Board of Directors for acknowledgment on a quarterly basis.

## Working Committee for Reviewing Digital Strategy Master Plan (2020-2024)

### List of Committee Member

1. Mrs. Chanisa Chutipat	Directors	Chairman
2. Mr. Wanchai Phanomchai	Directors	Director
3. Mr. Maythapolnun Athimethphat	External Expert	Director
4. Mr. Ataporn Tragulmalee	Senior Vice President Digital and Information Technology Division	Director
5. Miss Sumavasee Salasuk	Senior Vice President	Director and Secretary

### Duties and Responsibilities

1. Consider the appropriateness of the Bank's digital technology strategic plan.
2. Consider the appropriateness of budget and 5-year digital operation plan (2020-2024).
3. Be empowered to invite in-house or external expert/consultant to discuss and give opinions as well as to invite related personnel to discuss in the meeting.
4. Perform other tasks as assigned the Board of Directors.

# Knowledge and Innovation Management Committee

## List of Committee Member

1. Mr. Wanchai Phanomchai	Directors	Chairman
2. Dr. Pakorn Prechaporn	Expert	Director
3. Professor Dr. Supachai Patomnakul	Expert	Director
4. Managing Director		Director
5. Senior Executive Vice President Risk Management Division		Director
6. Senior Executive Vice Operation Division		Director
7. Senior Vice President Resource Management Technology Division		Director
8. Senior Vice President Digital and Information Technology Division		Director
9. Senior Vice President Resource Management Division		Director and Secretary
10. Vice President Human Resources Management Department		Assistant Secretary
11. Vice President Public Enterprise Evaluation Department		Assistant Secretary

## Duties and Responsibilities

Duties and responsibilities are described in the Charter for Knowledge and Innovation Management Committee as follows:

1. Determine and review policy and strategy on development of knowledge management, promote creative idea and innovation management and present them to the Board of Directors for consideration.
2. Approve both long-term and annual master plan for knowledge and innovation management.
3. Determine and review the promotion and support of activities for the development of knowledge and innovation management allowing the executives and employees to share creative idea and innovation management.
4. Oversee and monitor implementation results of master plan for knowledge and innovation management at least on a quarterly basis to ensure that annual operation plan achieves its targets.
5. Appoint steering committee or invite related person or agency who can play supporting roles and urge departments to use their creative idea and manage innovation.
6. Refrain from disclosing the Banks' internal information to the public in order to obtain benefit, directly or indirectly, for one's own or for relevant parties.
7. Perform other tasks as assigned by the Board of Directors in relation to knowledge and innovation management.

# Investment Committee SMEs Private Equity Fund 1

## List of Committee Members

SMEs Venture Capital Committee (Steering Committee) 2/2559 was appointed by the Ministry of Finance and their term of office has expired due to the resolution of the Cabinet since March 24, 2020.

1. Ms. Nartnaree Rattapat	Chairman
2. Mr. Weidt Nuchjalearn	Director
3. Mrs. Jitwatana Jaruwatanachai	Director
4. Mrs. Julaporn Namchaisiri	Director
5. Mr. Phonrat Piathanom	Director
6. Representative from Bureau of Savings and Investment Policy	Director

(Effective from October 14, 2020 - March 9, 2021)

1. Mr. Samanpong Klienglumyong	Chairman
2. Mr. Surapol Opasathien	Director
3. Mr. Weidt Nuchjalearn	Director
4. Trust Manager	Secretary

## Duties and Responsibilities

1. Draw up a joint venture investment policy.
2. Approve venture capital transaction and determine practical guideline for venture capital, risk prevention and exit from the joint venture as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies in relation to joint investment in the trust.
3. Supervise the trust manager's operation.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Approve the trust's investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other tasks as resolved and assigned by the meeting of the unitholders.

The committee members who are not the Bank's executives shall hold the term of office for 2 years and may be reappointed provided that they shall not hold such office for more than 2 consecutive terms. Upon expiry of the term office, if the replacing committee member has not been appointed yet, such vacated member shall continue to perform duty until the new committee member has been appointed.

## Investment Committee for Venture Capital Fund 2

### List of Committee Member

(Effective from July 15, 2016 - July 14, 2020)

- |                                   |          |
|-----------------------------------|----------|
| 1. Miss Nartnaree Rattapat        | Chairman |
| 2. Mr. Weidt Nuchjalearn          | Director |
| 3. Mrs. Julaporn Namchaisiri      | Director |
| 4. Mrs. Jitwattana Jaruwatanachai | Director |

(Effective from October 14, 2020 - March 9, 2021)

- |                                |           |
|--------------------------------|-----------|
| 1. Mr. Samanpong Klienglumyong | Chairman  |
| 2. Mr. Bunsak Siprasertying    | Director  |
| 3. Miss Phensi Suthirasan      | Director  |
| 4. Trust Manager               | Secretary |

### Duties and Responsibilities

1. Draw up a joint venture investment policy.
2. Approve venture capital transaction and determine practical guidelines for venture capital, risk prevention and exit from the joint venture as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies in relation to joint investment in the trust.
3. Supervise the trust manager's operation.
4. Appoint the subcommittee or other steering committee as deemed appropriate.
5. Approve the trust's investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other tasks as resolved and assigned by the meeting of the unitholders.

The committee members who are not the Bank's executives shall hold the term of office for 2 years and may be reappointed provided that they shall not hold such office for more than 2 consecutive terms. Upon expiry of the term office, if the replacing committee member has not been appointed yet, such vacated member shall continue to perform duty until the new committee member has been appointed.



## Investment Committee for SMEs involving in Agriculture-Based and Related Fields

### List of Committee Members

(Effective from July 15, 2019 - July 14, 2020)

- |                                  |          |
|----------------------------------|----------|
| 1. Miss Nartnaree Rattapat       | Chairman |
| 2. Mr. Weidt Nuchjalearn         | Director |
| 3. Mrs. Julaporn Namchaisiri     | Director |
| 4. Mrs. Jitwatana Jaruwatanachai | Director |

(Effective from October 14, 2020 - March 9, 2021)

- |                                      |           |
|--------------------------------------|-----------|
| 1. Mr. Samanpong Klienglumyong       | Chairman  |
| 2. Mr. Chatri Wetsoranasutee         | Director  |
| 3. Mrs. Ubolrat Karpang              | Director  |
| 4. Vice President - Trust Management | Secretary |

### Duties and Responsibilities

1. Draw up a joint venture investment policy, determine practical guidelines for venture capital, risk prevention.
2. Approve venture capital transaction and guidelines for exit from joint venture as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies in relation to joint investment.
3. Oversee project operation.
4. Appoint the subcommittee or other steering committee as deemed appropriate.
5. Perform other tasks as assigned by the Board of Directors.

## Compliance with the Official Information Act B.E. 2540

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

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

1. An information center based at the office which is referred to as an official information center
2. An electronic information center which provides information on the Bank’s website: [www.smebank.co.th](http://www.smebank.co.th)

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

1. The Bank appointed the Official Information Committee which is empowered to develop guidelines and determine implementation operation and service procedures of the official information center to be in compliance with the Official Information Act B.E. 2540.
2. The Bank shall disclose official information according to Section 7 and Section 9 of the Official Information Act B.E. 2540 on the Bank’s website: [www.smebank.co.th](http://www.smebank.co.th).
3. The Bank provides channels for the public to conveniently access official information via the official information center with staff’s assistance or online channel via the Bank’s website: [www.smebank.co.th](http://www.smebank.co.th).
4. The Bank makes available official Information for public inspection according to Section 9 paragraph one (8) of the Official Information Act B.E. 2540 by disclosing the list of employees attending the training courses hosted by the Bank to build employee capability on the Bank’s website: [www.smebank.co.th](http://www.smebank.co.th).
5. The Bank discloses information on procurement, an invitation to bid, and procurement inquiry, and the winner of each bid or procurement that is officially signed on the Bank’s website: [www.smebank.co.th](http://www.smebank.co.th).
6. The Bank annually submits a report on the implementation of the Official Information Act B.E. 2540 to the Office of the Official Information Commission, the Office of the Permanent Secretary, the Prime Minister’s Office.

## Financial Highlights

As of December 31, 2020, 2019 and 2018

Items	2020		2019		2018	
	Amount	Increase (Decrease) %	Amount	Increase (Decrease) %	Amount	Increase (Decrease) %
<b>Financial position (million Baht)</b>						
Interbank and money market items, net	3,304.83	(66.28)	9,801.94	7.40	9,126.93	65.53
Investment, net	8,835.63	3.43	8,542.80	15.77	7,378.97	1.97
Loans and accrued interest receivable, net	92,089.99	2.94	89,461.37	0.09	89,378.26	(2.04)
Total assets	107,764.54	(3.53)	111,711.34	1.72	109,824.52	1.82
Deposits	53,603.23	(7.93)	58,220.97	(26.75)	79,479.90	(7.06)
Interbank and money market items, net (liabilities)	14.17	(99.79)	6,779.82	(5.12)	7,145.84	(15.01)
Borrowings	30,378.85	(0.28)	30,464.12	228.13	9,284.29	3,100.16
Total liabilities	97,339.76	(6.95)	104,615.33	4.75	99,874.21	1.99
Issued and paid-up share capital	36,231.81	0.00	27,300.58	0.00	20,006.63	0.00
Premium (discount) on share capital	(15,476.81)	0.00	(9,545.58)	0.00	(5,251.63)	0.00
Shareholders' equity	10,424.78	46.91	7,096.01	(28.69)	9,950.31	0.14
<b>Operating results (million Baht)</b>						
Interest income	4,529.53	(11.65)	5,126.95	(3.98)	5,339.34	(0.49)
Non-interest income	878.54	(18.10)	1,072.76	(13.86)	1,245.37	87.92
Total income	5,408.07	(12.77)	6,199.71	(5.85)	6,584.71	9.23
Interest expenses	1,318.16	(17.65)	1,600.76	15.95	1,380.57	(8.28)
Non-interest expenses	1,352.85	(82.29)	7,639.88	119.98	3,472.92	13.70
Total expenses	2,671.01	(71.09)	9,240.64	90.39	4,853.49	6.44
Profit (loss) from operations, net	2,737.06	190.01	(3,040.93)	(275.65)	1,731.22	17.90
Impairment loss of loans and losses from debt restructuring	2,468.97	(12.37)	2,817.38	64.61	1,711.55	69.19
Net profit (loss)	268.09	104.58	(5,858.31)	0.00	19.67	(95.69)
Capital adequacy ratio	13.88%		9.57%		12.58%	

# Charter of SME D Bank's Board of Directors

In order to determine the clear roles, duties, and responsibilities of the SME D Bank's Board of Directors (SME D Bank) and adhere as a key policy to perform duties correctly and efficiently under the principles of good governance of the Bank and the Regulatory Agencies.

## 1. Objectives

The board of directors has an important role in the governance and leadership of the Bank's organization with ultimate benefit. The Board of directors also the policymaker, defines the direction of the Bank's operational strategies, control, monitor, and drive to the operation with appropriateness, continuity, effectiveness, efficiency, and transparency.

## 2. Composition and qualifications

The Board of Directors consists of 1 Chairman and Director for not more than 9 directors and the Managing Director. Directors by position are totally for not more than 11 directors, by the Board of Directors must have the following qualifications:

- 2.1 Has a wide range of competencies that meet the core competencies and necessities (Skill Matrix), which is in line with the Bank's mission and strategies. The number of Skill Matrix must not exceed the number of directors.
- 2.2 Listed on the state enterprise directors of the Ministry of Finance (Director Pool: DP) for not less than one-third of the other directors.
- 2.3 Must have independent directors for not less than one-third of the total directors.
- 2.4 Must have a director with experience in the business sector for not less than one-third of the number of directors who are not directors by position.
- 2.5 Must have at least one director with knowledge or experience in information technology.
- 2.6 Must have at least one director with knowledge, expertise, and understanding of risks related to financial institutions' business.

The Board of Directors must have qualifications and not have prohibited characteristics as specified in Clause 15 of the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, Clause 5 of the Standard Qualifications for Directors and Employees of State Enterprises Act, B.E. 2518 and amendment, including the Bank of Thailand Notification No. SorKorSor.13/2562 dated September 2, 2019, regarding qualifications and prohibited characteristics of directors by the position with management authorities and advisors of the specialized financial institutions.

## 3. Term of office and retirement

The Board of Directors has a term of office under Clause 16 of the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 is as follows:

- 1) Directors are in office term of 3 years.
- 2) In the event that there is an election of more directors while the directors have been elected. They were is still in the term of office. The newly elected directors shall hold office terms for the remaining term of the elected directors.
- 3) Upon the expiration of the office term as stated in Clause 2) if there were none of the elected directors. The directors who vacate from office upon the expiration shall remain in office to continue their works until new directors are elected.
- 4) Director who is retired from the office term, might be re-elected but not more than two consecutive office terms.

In addition from the vacant from the office term under Clause 16, the directors may vacate from office under Clause 17 of the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545 under the following condition:

- 1) Pass away
- 2) Resign
- 3) Become a person who has prohibited characteristics under Clause 15 under the SME D Bank Act
- 4) The shareholders' meeting passed a resolution for the directors to expire from the office term with voting for more than half of the total shareholders who attended the meeting.
- 5) The violation of Clause 20 of SME D Bank Act.

In addition, The Board of Directors shall expire from the office term for having the prohibited characteristics as specified in Clause 5 of the Standard Qualifications for Directors and Employees of State Enterprises Act, B.E. 2518 and amendment, the Bank of Thailand Notification No. SorKorSor.13/2562 dated September 2, 2019, regarding qualifications and prohibited characteristics of directors by the position with management authorities and advisors of the specialized financial institutions.

#### **4. Roles, Duties, and Responsibilities of Bank Directors**

The Board of Directors have authority to set up policies, the direction of strategies and establish a strategic plan, action plan in corporate management, and general supervision of the Bank's business within the scope of its objectives under Clause 11 and Clause 21 of the Small and Medium Enterprise Development Bank Act. B.E 2545. In addition, the Board of Directors are responsible for monitoring the Bank operations to comply with missions, objectives, and policies that have been established with security, effectiveness, efficiency, sustainability, transparency, and responsibility to stakeholders under good governance principles.

#### **5. Guidelines for preventing the conflicts of interest**

- 5.1 The Board of Directors stress the common interests of the organization without seeking personal benefit, do not engage in the decision-making of transaction or any business that has a self-interest. This is Conflict of Interest prevention. If there is any meeting agenda concerned with self-interest, whether directly or indirectly, the director must notify the Board of Directors and not attend the meeting or participate or be involved in decision making or voting of the aforementioned agenda.
- 5.2 Must maintain confidentiality and must not disclose the bank's internal information for personal benefit and others both direct and indirect disclosure.

#### **6. Meetings and Agenda**

- 6.1 The Board of Directors shall schedule a meeting on a monthly basis at least once a month with an annual meeting plan in advance. The additional meeting can be arranged as necessary
- 6.2 Call for the Board of Directors meeting to the Chairman of the Board of directors or the secretary of the Board or the designated person. The invitation letter is sent to the Board of Directors at least 5 business days prior to the meeting. Unless the emergency to prevent the damage or protect benefits, the Bank may notify the Board of Director meeting by other means and arrange the earlier meeting date.
- 6.3 The Board of Directors receive documents or information for the meeting in advance
- 6.4 The Board of Directors Meeting, the quorum must not less than one-half of the total directors of the Bank. In the event that the Chairman is not present at the meeting or unable to perform his duty. The director who attends the meeting shall be elected as the Chairman of the aforementioned meeting.
- 6.5 The final judgment of the meeting from the majority vote whereby one director has one vote. If the votes are equal, the chairman of the meeting shall have an additional vote for casting the vote.

6.6 At the meeting, the management or related persons are invited to attend the meeting, provide information for consideration as necessary and appropriate.

6.7 The Board of Directors Meeting on electronic media can be conducted in accordance with the Royal Decree on Conference via Electronic Media B.E. 2563 and related criteria. The electronic conference required consent from the Chairman of the Board of directors.

## 7. Self-Assessment

The Board of directors is required to do a self-assessment at least once a year. There are 3 types of assessments: 1) individual assessment 2) cross assessment and 3) the Board assessment. The assessment form is revised annually before the assessment. The management conducts the results of the assessment and recommendations of the Board of directors for making the Governance Optimization plan to the Board of directors.

## 8. Remuneration

Remuneration Policy and Meeting Allowance for the Bank's Directors shall be paid under the framework of rules and guidelines for compliance with the resolutions of the Cabinet and the State Enterprise Policy Office (SEPO).

## 9. Reporting

The Bank's Board of Directors will present the bank's annual business report, financial and non-financial performance report, presented to the general meeting of shareholders every year.

## 10. Review and update the Charter

Review the charter of the Board of Directors every year or there is a change that has a significant impact. In the event that there is none of the change, shall be submitted to the Board of Directors for acknowledgment.

## 11. Other criteria

In any other cases that are not specified in this Charter, the Bank's Board of Directors makes the discretion and applies the guidelines set forth in general standards. Board of Directors Charter of the Bank has been approved by the Board of Directors Meeting No. 21/2563 on October 26, 2020, effective from October 26, 2020, onwards.

Small and Medium Enterprise Development Bank of Thailand



(Mr. Kobchai Sungsitthisawad)  
Chairman



## Report of the Committees

### Report of the Board of Executive Directors

According to the SMEs Development Bank of Thailand Act, B.E 2545, Clause 22, stipulated the Board of Directors (the SME D Bank's Board) has authorization in the appointment of the Board of Executive Directors that consisted of one chairman of the Executive Director and Executive Directors Committee for not more than three directors. The Managing Director holds the position of Chairman of the Executive Committee. The Board of directors elect one Executive Director to be Chairman of the Executive Directors. The Executive Director can have a service term for two years and be re-elected, but not more than consecutive 2 terms. Accordingly to Clause 24, the Board of Executive Director has authority and responsibility in determining the guidelines and procedures for the Bank's operations to comply with the policy and goals set by the Board. While must not infringe upon the authorities and duties of the Managing Director. The Board of Executive Directors has consisted of (as of December 31, 2020):

1. Mr. Chanvit Nakburee	Director	Chairman
2. Mrs. Jaree Wuthisanti	Director	Director (as of September 30, 2020).
3. Mr. Kriengkrai Rukkulchon	Director	Director
4. Managing Director		Director and Secretary

The Board of Executive Directors has performed its duties stipulated in the notification from the SME D Bank's Board of Directors No. 13/2563 Re: The Board of Executive Directors, Date May 14, 2020, for having their responsibilities in screening, giving opinions, and observations on various matters before proposing to the Board of Directors

In 2020, the Board of Executive Directors meeting a total of 25 times, with the agenda including all 231 items: 62 items for screening and consideration, 70 items for approval, and 99 items for acknowledgment. The Board of Executive Directors has proposed policies, suggestions, and observations that are useful to the management in order to develop and improve the efficiency of the Bank's operations, rules, and practices. These will affect the achievement of the Bank's goals are summarized as follows:

- Review and screen the draft memorandum of the performance assessment by 2020, the improvement and change of the indicators under the memorandum of the performance assessment by 2020 and draft report of the second terms: Bank's performance assessment indicators, and screening the improvement of the action plan under the suggestion from Sub-Committee's memorandum of state enterprises performance assessment (Sub PAC) by 2020 as well as reviewing the 2021 Budget.
- Follow-up the report on the implementation of the key indicators under the memorandum of performance assessment by 2020 and the performance by the indicators of achievement assessment in the second terms recapitalization regularly. In addition, report the performance of the State enterprises under the Core Business Enablers to comply with the guidelines of the State Enterprise Policy Office (SPEO), Ministry of Finance.
- Review and screen the regulations, rules, orders, policies, and master plans of the Bank, including accounting policies, joint investment policies and the structure of the SMEs venture fund (Sub-Fund 1), the Bank's Knowledge Management Policy, the Master Plan in Stakeholders and customers oriented year 2021-2025, the Digital governance Policy, Data governance Policy, Data, Integration Policy. The Expansion of the maximum credit limit per head has been extended to more than 15 million baht to support the accessibility of SMEs.

The operational guidelines in expansion the maximum credit limit by granting credit per case up to 100 million baht. The improvement of the SMEs. The guidelines to support and assist debtors affected by situations that impact to Thai economy including the 2021 Risk Management Plan and the Master Plan on Human Capital Management year 2021 - 2025.

- Review and screen the credit works and debt restructuring by giving policies and recommendations such as approval for a write-off of bad debts, guidelines for expense calculation for consideration the selling price of collateralized non-performing assets, guidelines for approval and solving the NPLs debt with IAM / SAM or Plans and Processes for NPLs management by the year 2020, etc.
- Review and screen the amendment the Bank's regulation Re: Bank's loan, guarantee, the pledge, the mortgage and other businesses operation B.E 2551 (No. 3) B.E 2561 and the amendment of Loan Policy, the SME Development Fund under the Pracharat Approach, the loan project to Empowering Thai SMEs across Thailand with Capital with the credit limit at 1,000 million baht.
- The Board of Executive Directors monitors the Bank's monthly performance reports, reviews and reports the Bank's interim financial information for the three-month, six-month, and nine-month periods and monitors the progress of credit disbursement, the compliance with the NPLs follow-up and prevention schemes, reports the operation in terms of the entrepreneur development and quarter-venture capital, regularly.
- The Board of Executive Directors follows up the policies to help SMEs to implement the business under the Bank of Thailand (BOT) measures, Soft Loan Project to assist entrepreneurs affected by the economic impact from COVID -19 pandemic and project to support Micro SMEs from The Office of SMEs Promotion (OSMEP ) or "SMEs One" regularly. The Implementation under the measures to help SMEs who are debtors of the SME Development Fund under the Pracharat Approach, affected by the drought situation and COVID-19 pandemic, the year 2020, including the Report on Voice of Customers (VOCS) and complaints in according to the suggestion of Bank of Thailand (BOT)
- Follow up the report on the Stress Test plan by considering the impact of the implementation of measures to help debtors affected by the economic impact of the COVID-19 pandemic.

The Board of Executive Directors has stressed on follow-up the management to report operational progress, results and opinion or recommendation of the Board of Executive Directors has ordered from the Board of Director regularly and consistently.



(Mr. Chanvit Nakburee)

Chairman of the Board of Executive Director

## Report of the Audit Committee

The Audit Committee of the Small and Medium Enterprise Development Bank of Thailand (SME D Bank) has been appointed by the Bank's Board of Directors under the Board of Directors' Order No. 02/2563, effective from January 9, 2020. The Audit Committee is comprised with

- |                                  |          |
|----------------------------------|----------|
| 1. Mr. Seree Nonthasoot          | Chairman |
| 2. Mr. Prakit Sheeppakdee        | Director |
| 3. Mr. Preecha Ua-Anantathanakul | Director |

The head of the internal audit unit acting as the secretary of the Audit Committee

In the year 2020, The Audit Committee meetings were total 13 meetings to review and monitor all subjects. The meeting with executives, internal auditors, and specific meeting with the Bank's auditors (Office of the Auditor-General of Thailand) and the Bank of Thailand (BOT) auditors, without the executive's department, attended the meeting. The meetings have been held with agendas, related to the extent, responsibility assigned by the Board of Directors and Treasury regulations, adhering to the Bank's operations must be done in good faith with the correct procedures, standards, the good corporate governance. The operational report is submitted to the Board of Directors on quarterly and annual basis. The material is summarized as follows:

### Review of Financial Report

The Audit Committee has reviewed the quarterly and annual financial reports by reviewing accounting information Consider analyzing the Bank's operating performance and financial position on crucial issues. The compliance with the standard of the Financial Report and official requirements, reviewing the potential fraud items or transactions that may cause the conflicts of interest affected to the bank's position and operations. The useful suggestions, monitoring, and supervision of accounting policies as a guideline of accounting system and financial report preparation which correct, appropriate with the available, sufficient and reliable data. Giving feedback and follow-up on the preparation to support the compliance with the Financial Reporting Standards for Financial Instruments (IFRS9) including the preparation of the financial report in accordance with the IFRS16 Re: the lease contract.

### Reviewing the effectiveness and efficiency of the internal control system

The Audit Committee has reviewed the sufficient internal control system by considering the results of the internal auditors and the Bank's supervisory authority. The committee gave opinions and suggestions to improve internal control issues that have weaknesses by informing the management to oversee the operations and establish the setting, development, and improvement of internal control. Therefore, the Bank obtains the optimized internal controls system which is sufficient, completed, and effective according to the Regulations of the Ministry of Finance, the audit committee and internal audit unit of the State Enterprises Act B.E. 2555, and Rules of the Ministry of Finance Re, Fiscal Policy and guidelines for the internal audit departments of Public Enterprises Act, B.E. 2561 and the State Fiscal Discipline Act B.E. 2561. Defines and provides information on the risk from audit results to the risk management units to consider the Bank risk prevention measures, monitoring and supervision the tracking system especially the control of the advance payment refund control. Revision of the issues found from the audit results to ensure the appropriateness, on time and follow-up the internal audit assessment which

has recommended to use the risk factors in all dimensions such as financial risk, accounting risk, and reserves risk, regulatory risk's, reputation risk's and the risk of fraud and repeated default actions on the same issues and etc.

### **Reviewing the process of good corporate governance**

The Audit Committee has reviewed the practices to ensure the good corporate governance is conducted on a regular basis, emphasized compliance with the code of conduct of employees, fraud prevention, review of role and duties class in order to create a balance between the 1<sup>st</sup> Line, 2<sup>nd</sup> Line and 3<sup>rd</sup> Line of defense. And the independence in auditing and considering the related transactions or transactions that may cause the conflict of interest or fraud that may affect the Bank's operations under the principles of good governance. The management of complaints as well as suggestions to establish the rules and guidelines in prevention of corruption. The monitor the progress of the fact investigation in order with transparency and verifiability.

### **Reviewing of the risk management process**

The Audit Committee has considered the results of the internal control audit. The compliance with related orders and regulations to assess the key risk management processes that whether there had the effective and efficient work system and risk management plan that able to control or reduce the impact on achievement of the Bank's objective at the acceptable level. The recommendations has given to improve the risk management process that has weakness to be appropriated.

### **Reviewing the Bank's operations to ensure compliance with laws, rules and regulations of the Bank and regulatory agencies.**

The Audit Committee has stressed the management, compliance with laws, rules, and regulations of the Bank and regulatory agencies. The project oversee based on observations of the Bank of Thailand and follow-up the result. Follow up the progress of the implementation from the advice of the internal auditors and Office of the Auditor-General. Auditing the key procurement project and gave suggestions and observations to the management such as the CBPS project apart from the general and regular tasks. This includes reviewing and monitoring compliance with rules, regulations, operating procedures, announcements, and orders relating to operations. Giving recommendations, if there were any operations that might lead to corruption and not transparency or irregularity. The investigation is conducted in accordance with the regulations of the Bank and its regulatory agencies. This can support the Bank's operations to achieve its objectives.

### **Meeting with auditors and management**

The Audit Committee had meetings and discussions with the auditors (Office of the Auditor General) to consider the issues found and acknowledge the problem, obstacles, the review, and the Audit of Financial Statements. The submission of financial reports to the auditor and meeting with the management to acknowledge the problems and obstacles in management and operations. Giving suggestions in terms of the major changes in a financial report to ensure that the financial report has been prepared properly with transparency and verifiability under the legal principle, legal requirements, and accounting standards that are generally accepted. The data disclosure in the financial reports that are sufficiently in material and follow up the management to improve by the auditor's observations.

### **Maintaining the quality of the Audit Committee**

The Audit Committee complies with the Audit Committee Charter. The Charter has been reviewed in accordance with the rules and practices from the Ministry of Finance and the Bank of Thailand. The performance reports are proposed to the Bank's committee for acknowledgment on a quarterly and annual basis. The Audit Committee has conducted the self-assessment every year in accordance with the good practice of the State Enterprise Policy Office, Ministry of Finance, and report to the Board of Directors.

### **Auditor's Remuneration**

The Audit Committee has appointed the accounting auditors and audit fees for the Office of the Auditor-General of Thailand, the audit fees in 2020 were in the amount of 1,860,000.00 baht.

The Audit Committee has followed the good practice guidelines with carefulness, independence, and fairness. Therefore, the Bank can obtain good corporate governance, risk management, and internal control with appropriateness, sufficient for the Bank's management to achieve its objectives and equal interest among the stakeholders.



(Mr. Seree Nonthasoot)  
Chairman of the Audit Committee

## Report of the Risk Oversight Committee

The Board of Directors appointed the Risk Management Committee (RMC) by the order no. 57/2019, effective from November 14, 2019 by the Commission. The Risk management committee is consisted of:

- |  |               |                        |
|--|---------------|------------------------|
| 1. Mr. Vichit Kornvityakoon  | Credit Expert | Consultant             |
| 2. Mrs. Jaree Wuthisanti   | Directors     | Chairman               |
| 3. Miss Chunhachit Sungmai   | Directors     | Director               |
| 4. Managing Director   |               |                        |
| 5. Senior Executive Vice President is responsible for target customers, products, work process and risk management       |               | Director               |
| 6. Senior Executive Vice President is responsible for credit target  |               | Director               |
| 7. Senior Executive Vice President is responsible for asset management target and NPLs                                   |               | Director               |
| 8. First Executive Vice President / Executive Vice President<br>Senior Vice President is responsible for Risk Management |               | Director and Secretary |

Later, the Risk Management Committee changed of duties and a name from the Risk Management Committee to be the Risk Oversight Committee. Therefore, the Risk Oversight Committee (ROC) has been appointed in accordance with the Bank's Board of Directors. Order No. 23/2563, effective from September 17, 2020. The Risk Oversight Committee is consisted of:

- |  |               |            |
|--|---------------|------------|
| 1. Mr. Vichit Kornvityakoon                  | Credit Expert | Consultant |
| 2. Mr. Prakit Sheeppakdee                    | Directors     | Chairman   |
| 3. Miss Chunhachit Sungmai                   | Directors     | Director   |
| 4. Mrs. Chanisa Chutipat                     | Directors     | Director   |
| 5. Managing Director                         |               | Director   |
| 6. The responsible person of risk management |               | Secretary  |

The Risk Oversight Committee performs duties within the scope, responsibilities have stipulated in the Risk Oversight Committee Charter, approved by the Bank's Board of Directors. The revision of the Risk Oversight Committee Charter (By the Board of Directors Order No. 51/2563), effective from December 2, 2020. The effective date is from November 25, 2020. In the year 2020, the Risk Management Committee and the Risk Oversight Committee set up the meetings for 12 meetings. Reporting of the Risk Oversight Committee performance to the Board of Directors on the quarter basis with the material as follows:

1. Define and review the composition of the Risk Oversight Committee charter. In order to adhere to the principles of good governance as well as the check and the balance, provided Risk Governance Framework advice, monitoring and reporting Bank's risk status to the Board of Directors. Therefore, the Bank's risk management and internal controls are implemented efficiently and effectively.
2. Determine the overall risk management policy and strategy to cover significant risks, namely strategic risk, credit risk, marketing risk, liquidity risk, operation risk, IT risk, and reputation risk by covering the assessment and review of risk appetite, risk tolerance, and determine risk limit in the line with the Bank's acceptable risk level.



3. Maintain strategies for fund and fluidity management to mitigate all the Bank's risks which can support current and future business operations.
4. Screen the Bank's loan products to enhance competitiveness, create opportunities for greater earnings and expand the customer base by concerning the appropriate risks and rewards in line with the Bank's strategies.
5. Determine the Business Continuity Management, ensure that the bank can operate and offer services with continuity in dealing with the crisis occurred.
6. Cultivate the corporate culture in terms of Risk Culture to executives and employees at all levels. Therefore, they can aware and understand of risks and internal controls in accordance with the policies and strategies of Bank's Risk Management



(Mr. Prakrit Sheeppakdee)  
Chairman of Risk Oversight Committee

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been appointed by the Board of Directors by performing duties under the scope of duties and responsibilities assigned by the Board of Directors. Accordingly, with the laws, regulations and criteria relating to the nomination and remuneration of state enterprises.

Year 2020, the Board of Directors has appointed the Nomination and Remuneration Committee as followed:

1. The Board of Director's Order No. 04/2563 Re: The Nomination and Remuneration Committee, date February 12, 2020 with is effective from January 23, 2020 until March 25, 2020 which is consisted of:

Mr. Kriengkrai Rukkulchon	Director	Chairman
Mr. Seree Nonthasoot	Director	Director
Miss Chunhachit Sungmai	Director	Director
Mr. Wanchai Phanomchai	Director	Director

2. The Board of Director's Order No. 10/2563 Re: The Nomination and Remuneration Committee, date April 10, 2020 with is effective from March 26, 2020 which is consisted of:

Mr. Kriengkrai Rukkulchon	Director	Chairman
Mr. Seree Nonthasoot	Director	Director
Miss Chunhachit Sungmai	Director	Director
Mr. Wanchai Phanomchai	Director	Director
Mrs. Chanisa Chutipat	Director	Director

Senior Vice President who is responsible for Resources Management Department worked as the secretary.

Year 2020, the Nomination and Remuneration Committee set up a meeting for 16 meetings by the Board of Directors consider, screen and give opinion related to Human Resources Management, Recruitment, and Remuneration which has the following key operations:

- 1) Nominate and recruit the persons in the position of Senior Executive Vice President, First Executive Vice President, and Senior Vice President who are responsible works for 6 positions.
- 2) Review the core competencies and skill matrix of the Board of directors.
- 3) Consider the qualifications of directors according to the skill matrix in appointing sub-committees.
- 4) Consider the criteria for performance assessment and the salary increase of the Management for the year 2020.
- 5) Determine recruiting guidelines and appoint the employees at level 11 to level 13.
- 6) Consider the results, the improvement of the Bank's payroll structure, and approve the increase of the initial wage to the employee at level 3 to level 6.
- 7) Consider the results of the study of the Bank's 5-year Strategic Planning Project on Human Resource Management.
- 8) Consider and give recommendations on the Bank's human resource management guidelines including the organizational structure, branch structure, workforce management, project for the collaboration from the organization for the year 2020, and the project to enhance the efficiency and effectiveness of employees.



(Mr. Kriengkrai Rukkulchon)

Chairman of the Nomination and Remuneration Committee

## Report of the Corporate Governance Committee (CG&CSR)

The Bank adheres to its mission of SMEs development with sustainability along with the management under the principles of good corporate governance and social responsibility. The Board of Directors has appointed the Corporate Governance Committee (CG&CSR) to upgrade the Bank's good corporate governance. As well as to promote and support the awareness building on ethics and codes of conduct of personnel throughout the organization at all levels, including raising awareness in participation to create useful social and environmental activities. Create an organizational culture to be an ethical organization and social responsibility with the same goals under the vision, mission, and values of the organization for stable and sustainable growth.

From the commitment in the practice of good corporate governance, the Bank obtains assessment score from the Integrity servers and Transparency Assessment (ITA) year 2020, at 93.51 points, classified as level A from the Office of the National Anti-Corruption Commission (NACC). This is proud of the Banks that have committed to operating work with integrity, transparency, reflecting the bank is developing its integrity and transparency in a good direction. The SME D Bank is the specific state financial Institute with transparent and fair management as well as stress in the concrete prevention and anti-corruption.

Moreover, the Bank has good corporate governance, the bank has operated businesses with social and environmental responsibility under the international standards ISO 26000, social and environmental responsibility in the operation process (CSR in Process), promote the participation with social and environmental responsibility, and cultivate the volunteer values among personnel for participation in social, community and environmental development.

The operation is in accordance with good corporate governance principles, social and environmental responsibility which reflects that the Bank has established the practical guidelines that led to actual practice while resulted in concrete effectiveness. This builds confidence among all groups of stakeholders, has developed at the good direction, the management under internal good governance. The good governance principle leads the management until became an organization with ongoing stability and sustainability.



(Mr. Prakrit Sheeppakdee)

Chairman of Corporate Governance Committee (CG&CSR)

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

The Board of Directors realizes and prioritizes its responsibilities for the financial statements and financial information disclosed in the annual report. Hence, the Board supervised the preparation of the financial statements in conformity with the accounting standards, and Specialised Financial Institutions financial report issued by the Bank of Thailand under appropriate accounting policies. Those standards, principles, and policies are consistently adopted with prudence, integrity, completeness, and creditability to truly reflect the operating results of the Small and Medium Enterprise Development Bank of Thailand. In addition, the operating results and significant information are disclosed in the notes to the financial statements in a transparent, sufficient, and reliable manner.

The Board of Directors has established the management which adheres to good corporate governance to maintain adequate and effective risk management and internal control systems, internal audit, and governance. This is to ensure that the Bank's financial information is accurate, complete, and sufficient to safeguard assets and prevent fraudulent activities or significant unusual transactions.

The Board of Directors has appointed the Audit Committee, which consists of independent directors, to oversee the reliability and integrity of financial reporting. The Board has appointed the Risk Management Committee, which consists of knowledgeable and competent directors, to maintain the adequate and appropriate internal control system and ensure the creditability of the financial statements. The Audit Committee has provided an opinion in the Audit Committee's report included in this annual report.

The Board of Directors is of the opinion that the Bank's overall internal control system is adequate and appropriate, which reasonably assures that the Bank's financial statements for the year ended December 31, 2020, are reliable in accordance with generally accepted accounting principles, Specialised Financial Institutions financial report issued by the Bank of Thailand and relevant laws and regulations.



(Mr. Kobchai Sungsitthisawad)  
Chairman



(Miss Nartnaree Rattapat)  
Managing Director

# SMEs

New Normal





(TRANSLATION)

## AUDITOR'S REPORT

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

### Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Small and Medium Enterprise Development Bank of Thailand, which comprise the statement of financial position as at December 31, 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement 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 accompanying financial statements present fairly, in all material respects, the financial position of Small and Medium Enterprise Development Bank of Thailand as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand.

### Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with the State Audit Standards and Thai Standards on Auditing. 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to the State Audit Office of the Kingdom of Thailand's audit of the financial statements, and the State Audit Office of the Kingdom of Thailand 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.

*State Audit Office of the Kingdom of Thailand*





### Emphasis of Matter

The State Audit Office of the Kingdom of Thailand draws attention to Notes 2.1 to the Bank's financial statement for the year ended December 31, 2020, was prepared in compliance with regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand before 2020, The bank prepared financial statements in compliance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions. Regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions were not significantly different from Thai Financial Reporting Standards. Therefore, in presenting financial statements for the year ended December 31, 2020, the Bank was unnecessary to restate the comparison information of the year 2019.

The State Audit Office of the Kingdom of Thailand's opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included 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 regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand, and for such internal control as

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management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as 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 the State Audit Standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the State Audit Standards and Thai Standards on Auditing, 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 controls.
- 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

*State Audit Office of the Kingdom of Thailand*



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 audit.

(Signed)

Kanitha Siriwithnatakul  
(Kanitha Siriwithnatakul)

Director of Financial and Procurement Audit Office No. 3

(Signed)

Apiradee Ninvanit  
(Apiradee Ninvanit)  
Auditor, Senior Professional Level

*State Audit Office of the Kingdom of Thailand*  
*April 30, 2021*

## Small and Medium Enterprise Development Bank of Thailand

## Statement of financial position

As at December 31, 2020

		Unit : Thousand Baht	
	Notes	December 31, 2020	December 31, 2019
<b>Assets</b>			
Cash		181	217
Interbank and money market items, net	5.2	3,304,838	9,801,946
Derivative assets	5.15	-	-
Investments, net	5.3	8,835,626	8,542,804
Loans to customers and accrued interest receivables, net	5.4		
Loans to customers		48,427,725	47,172,750
Accrued interest receivables		367,420	96,959
Total loans to customers and accrued interest receivables		48,795,145	47,269,709
<u>Less</u> Deferred revenue		33,165	30,922
<u>Less</u> Allowance for doubtful accounts	5.5	8,734,881	6,745,483
Total loans to customers and accrued interest receivables, net		40,027,099	40,493,304
Loans to customers from public service account and accrued interest receivables, net	5.35		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		49,922,319	46,142,079
Portion that is subject to government compensation for damages		3,170,177	3,268,100
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		273,352	1,009,444
Portion that is subject to government compensation for damages		4,908	1,599
Total loans to customers from public service account and accrued interest receivables		53,370,756	50,421,222
<u>Less</u> Deferred revenue from public service account		228	326
<u>Less</u> Allowance for doubtful accounts from public service account	5.35.3	1,307,638	1,452,831
Total loans to customers from public service account and accrued interest receivables, net		52,062,890	48,968,065
Properties for sale, net	5.6	749,709	975,684
Premises and equipment, net	5.7	1,629,592	1,671,117
Right-of-use assets	5.8	181,564	-
Assets in progress	5.9	290,886	207,164
Advance for legal costs, net	5.10	0	0
Other intangible assets, net	5.11	48,831	51,771
Other accounts receivables from sale of debt		372,997	658,104
Other assets, net	5.12	260,324	341,165
Total assets		107,764,537	111,711,341

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

(TRANSLATION)

6

Small and Medium Enterprise Development Bank of Thailand

Statement of financial position (Continued)

As at December 31, 2020

		Unit : Thousand Baht	
	Notes	December 31, 2020	December 31, 2019
<b>Liabilities and equity</b>			
Deposits	5.13	53,603,228	58,220,973
Interbank and money market items, net	5.14	10,881,121	6,779,820
Liabilities payable on demand		14,169	36,730
Derivatives liabilities	5.15	44	1
Debt issued and borrowings	5.16	30,378,852	30,464,121
Lease liabilities	5.17	187,108	-
Provisions	5.18	682,104	7,642,448
Accrued interest payables	5.19	349,918	549,785
Grant fund from the Bureau of the Budget	5.20	-	23,053
Other liabilities	5.21	1,243,217	898,404
Total liabilities		<u>97,339,761</u>	<u>104,615,335</u>

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

## Small and Medium Enterprise Development Bank of Thailand

## Statement of financial position (Continued)

As at December 31, 2020

Unit : Thousand Baht

	Notes	December 31, 2020	December 31, 2019
<b>Liabilities and equity (Continued)</b>			
Equity			
Share capital	5.22		
Authorized share capital			
456,000,000 Ordinary shares of Baht 100 each		45,600,000	45,600,000
Issued and paid-up share capital			
362,318,073 Ordinary shares of Baht 100 each		36,231,807	
273,005,778 Ordinary shares of Baht 100 each			27,300,578
Premium or discount on share capital		(15,476,807)	(9,545,578)
Other components of equity	5.23	1,037,601	995,392
Retained earnings (deficit)			
Appropriated			
Legal reserve		48,192	48,192
Others		216,457	216,457
Unappropriated		(11,632,474)	(11,919,035)
Total retained deficit		(11,367,825)	(11,654,386)
Total equity		10,424,776	7,096,006
Total liabilities and equity		107,764,537	111,711,341

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

(Signed) Kobchai Sungsitthisawad  
( Mr. Kobchai Sungsitthisawad)  
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat  
(Ms. Nartnaree Rattapat)  
President



## Small and Medium Enterprise Development Bank of Thailand

## Statement of profit or loss and other comprehensive income

For the year ended December 31, 2020

		Unit : Thousand Baht	
	Notes	2020	2019
Interest income	5.24	2,041,175	2,767,373
Interest expenses	5.25	624,506	815,896
Interest income, net		1,416,669	1,951,477
Fees and service income		266,195	291,036
Fees and service expenses		48,027	68,802
Fees and service income, net	5.26	218,168	222,234
Gains on trading and foreign exchange transactions	5.27	1,430	1,655
Gains (losses) on financial instrument designate at fair value through profit or loss (Fair value option)	5.28	(43)	13
Gains (losses) on investments, net	5.29	43,928	(9,950)
Other operating income			
Dividend income		13,421	11,994
Gains on sale of debt		142,523	185,368
Other income		96,906	168,216
Total other operating income		252,850	365,578
Income from public service account	5.35.4	2,802,542	2,784,001
Total operating income		4,735,544	5,315,008
Other operating expenses			
Employee expenses		717,158	743,436
Directors' remuneration		4,073	3,178
Premises and equipment expenses		173,007	199,927
Taxes and duties		53	37
(Reversal) Derivative expenses		(575,543)	1,981,488
Other expenses		203,224	189,410
Total other operating expenses		521,972	3,117,476
Expenses from public service account	5.35.5	1,476,507	5,238,472
Impairment losses of loans and debt securities	5.30	2,468,972	2,817,376
Net profit (loss)		268,093	(5,858,316)
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gains on remeasuring available-for-sale investments		56,594	60,198
Actuarial gains (losses) on defined benefit plans		4,244	(56,168)
Total other comprehensive income		60,838	4,030
Total comprehensive income (loss)		328,931	(5,854,286)

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

(Signed) Kobchai Sungsitthisawad  
(Mr. Kobchai Sungsitthisawad)  
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat  
(Ms. Nartnaree Rattapat)  
President



## Small and Medium Enterprise Development Bank of Thailand

## Statement of changes in equity

For the year ended December 31, 2020

Unit : Thousand Baht

	Issued and paid-up share capital	Premium or discount on share capital	Other components of equity			Retained earnings (deficit)			Total
			Revaluation surplus (deficit) on investments	Appraisal surplus (deficit) on assets	Total other components of equity	Appropriated legal reserve	Appropriated others	Unappropriated	
<b>Balance as at January 1, 2019</b>	20,006,632	(5,251,632)	(6,098)	955,535	949,437	48,192	216,457	(6,018,775)	9,950,311
Issue of share capital	7,293,946	(4,293,946)	-	-	-	-	-	-	3,000,000
Revaluation surplus (deficit) on investments	-	-	(19)	-	(19)	-	-	-	(19)
Total comprehensive income (loss)	-	-	60,198	-	60,198	-	-	(5,914,484)	(5,854,286)
Transfer to retained earnings	-	-	-	(14,224)	(14,224)	-	-	14,224	-
<b>Balance as at December 31, 2019</b>	27,300,578	(9,545,578)	54,081	941,311	995,392	48,192	216,457	(11,919,035)	7,096,006
<b>Balance as at January 1, 2020</b>	27,300,578	(9,545,578)	54,081	941,311	995,392	48,192	216,457	(11,919,035)	7,096,006
Issue of share capital	8,931,229	(5,931,229)	-	-	-	-	-	-	3,000,000
Revaluation surplus (deficit) on investments	-	-	(161)	-	(161)	-	-	-	(161)
Total comprehensive income	-	-	56,594	-	56,594	-	-	272,337	328,931
Transfer to retained earnings	-	-	-	(14,224)	(14,224)	-	-	14,224	-
<b>Balance as at December 31, 2020</b>	36,231,807	(15,476,807)	110,514	927,087	1,037,601	48,192	216,457	(11,632,474)	10,424,776

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

(Signed) Kobchai Sungsitthisawad  
(Mr. Kobchai Sungsitthisawad)

Chairman Of The Board Of Directors

(Signed) Nartmarce Rattapatt  
(Ms. Nartmarce Rattapatt)

President

## (TRANSLATION)

10

## Small and Medium Enterprise Development Bank of Thailand

## Statement of cash flows

For the year ended December 31, 2020

	Unit : Thousand Baht	
	2020	2019
<b>Cash flows from operating activities</b>		
Net profit (loss)	268,093	(5,858,316)
Adjustments to reconcile net profit (loss) to cash received (paid) from operating activities		
Depreciation and amortization expenses	121,205	134,157
Depreciation of right-of-use assets	116,135	-
Bad debt and doubtful accounts	2,474,587	2,816,861
Bad debt and doubtful accounts - claims	88,195	75,986
(Gains) losses on disposal of assets	(73)	80
Gains on amortization of right-of-use assets	(155)	-
Losses on impairment of properties for sale	130,178	4,562
Reversal on impairment of properties for sale	(502)	(4,925)
(Reversal) Losses on impairment of investment	(9,990)	11,013
Premium on investment	54,477	8,346
(Gains) losses on revaluation of foreign currencies	43	(13)
Increase in accrued expenses	10,145	20,601
Increase (decrease) in provisions	(6,956,100)	4,924,403
	(3,703,762)	2,132,755
Interest income, net	(3,211,363)	(3,526,192)
Dividends income	(13,421)	(11,994)
Proceeds from interest income	4,991,849	4,631,835
Cash paid on interest expenses	(1,518,031)	(1,592,076)
Proceeds from dividend income	13,421	11,994
Profit (loss) from operating activities before changes in operating assets and liabilities	(3,441,307)	1,646,322
(Increase) decrease in operating assets		
Interbank and money market items	6,497,108	(688,746)
Loans to customers	(5,565,528)	(2,404,853)
Properties for sale	96,299	197,307
Accounts receivable from the sale of debt	285,107	(128,147)
Other assets	(9,825)	(1,265)
Increase (decrease) in operating liabilities		
Deposits	(4,617,745)	(21,258,923)
Interbank and money markets items	4,101,300	(366,023)
Liabilities payable on demand	(22,561)	693
Debt issued and borrowing	(85,270)	(3,374)
Grant fund from the Bureau of the Budget	(23,053)	-
Other liabilities	232,419	(37,986)
Net cash used in operating activities	(2,553,056)	(23,044,995)

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

(TRANSLATION)

11

Small and Medium Enterprise Development Bank of Thailand

Statement of cash flows (Continued)

For the year ended December 31, 2020

	Unit : Thousand Baht	
	2020	2019
<b>Cash flows from investing activities</b>		
Decrease in time deposits	-	13,729
Purchases of securities investment	(8,727,580)	(5,808,716)
Purchases of premises and equipment	(5,553)	(24,038)
Purchases of intangible assets	(6,861)	(3,506)
Purchases of assets in progress	(45,869)	(1,520)
Proceeds from disposal of premises and equipment	132	81
Proceeds from securities investment	8,446,705	4,685,706
Net cash used in investing activities	<u>(339,026)</u>	<u>(1,138,264)</u>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings and long term debt issued	-	21,183,202
Proceeds from issuance for capital increase	3,000,000	3,000,000
Repayments of lease liabilities	(107,954)	-
Net cash provided by financing activities	<u>2,892,046</u>	<u>24,183,202</u>
Net decrease in cash and cash equivalents	(36)	(57)
Beginning balance of cash and cash equivalents	217	274
Ending balance of cash and cash equivalents	<u>181</u>	<u>217</u>

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

(Signed) Kobchai Sungsitthisawad  
(Mr. Kobchai Sungsitthisawad)  
Chairman Of The Board Of Directors

(Signed) Nartnaree Rattapat  
(Ms. Nartnaree Rattapat)  
President

**Small and Medium Enterprise Development Bank of Thailand****Note to the financial statements****For the year ended December 31, 2020****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 the financial statements**

2.1.1 The Bank prepared financial statements according to the Bank of Thailand's regulations and pursuant to Bank of Thailand's Notification No. SorKorSor2. 7/2564 dated April 9, 2021 regarding the Preparation of Accounts and Financial Reports for Specialized Financial Institutions applied to financial statements with fiscal years beginning on or after January 1, 2020 as follows:

- Transactions or items that are not related to financial instruments shall be complied with the Conceptual Framework for Financial Reporting, Thai Accounting Standards and Thai Financial Reporting Standards issued by the Federation of Accounting Professions, including the preparation of other relevant accounting and reporting in accordance with BOT's Notification.

- Transactions or items that are related to financial instruments, including transactions or other items that Thai Accounting Standards and Thai Financial Reporting Standards issued by the Federation of Accounting Professions with reference to TFRS 9 shall comply with the preparation of financial statement, including the relevant BOT's regulations and any further BOT's notification with the following regulations being related to the Bank:

1. Regulations on doubtful debts and bad debts as specified by the BOT
2. Regulations for troubled debt restructuring as specified by the BOT
3. Regulations on accounting for investments in debt and equity securities as specified by the BOT
4. Regulations for writing off financial assets and financial liabilities as specified by the BOT
5. Regulations on assets transferred to the debtor for the payment of debts as specified by the BOT
6. Regulations on disclosure of information in the Bank's financial statements and similar financial institutions as specified by the BOT
7. Regulations on presentation and disclosure for financial instruments as specified by the BOT

## 2. Basis of presentation and significant accounting policies (Continued)

### 2.1 Basis of presentation of the financial statements (Continued)

Before 2020, the Bank prepared financial statements in compliance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions. The Bank assessed and found regulations in Preparing Accounts and Financial Reporting for Specialized Financial Institutions issued by the Bank of Thailand in regards to transactions or items connected to financial instruments to have no significant differences from specifications in Thai Financial Reporting Standards for the same topic enforced before 2020. Thus, was unnecessary to restate the comparison information of the year 2019.

2.1.2 The Bank's financial statements are presented and disclose item in accordance with the notification of The Bank of Thailand (BOT) No. SorKorSor. 27/2562 dated September 2, 2019 regarding Preparation and Announcement of the Financial Statements of Specialized Financial Institutions.

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

### 2.2 Thai Accounting Standards and Thai Financial Reporting Standards effective in current fiscal period

Relevant new and revised Thai Financial Reporting Standards. Used for the fiscal period beginning on or after January 1, 2020 with impacts on the Bank

#### Financial instruments

The Federation of Accounting Professions announced the use of the following new Thai Financial Reporting Standards concerning financial instruments for adherence in practice in the fiscal period beginning on or after January 1, 2020:

1. TAS 32	Financial Instruments: Presentation
2. TFRS 7	Financial Instruments: Disclosures
3. TFRS 9	Financial Instruments
4. TFRIC 16	Hedges of a Net Investment in a Foreign Operation
5. TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

When Specialized Financial Institutions did not comply with the five aforementioned Thai Financial Reporting Standards concerning financial instruments, the Bank of Thailand issued a notification to specify regulations concerning the preparation of accounts and financial reports (Note 2.1.1) to allow Specialized Financial Instruments to use the aforementioned regulations related to the preparation of accounts and financial reports in place of compliance with Thai Financial Reporting Standards concerned with financial instruments.

About the abovementioned Thai Financial Reporting Standards, the Bank has no transactions or items connected to items 4-5 whatsoever.

Currently, the Bank is in the process of preparing to implement the Thai Accounting Standards and Thai Financial Reporting Standards in practice for consistency with designated plans and goals of the Bank.

As at January 1, 2020, the Bank applied Thai Financial Reporting Standard 16 on leases in practice by recognized accumulated impacts from the first use of this Thai Financial Reporting Standard without making retrospective adjustment to financial statements from the previous year which were shown as a comparison.

## 2. Basis of presentation and significant accounting policies (Continued)

### 2.2 Thai Accounting Standards and Thai Financial Reporting Standards effective in current fiscal period (Continued)

The amount of classification to impacts on items in the statement of financial position as at January 1, 2020 from the first-time adoption of new accounting standards as follows:

	Unit : Million Baht	
<u>As at December 31, 2019</u>	<u>Thai Financial Reporting</u> <u>Standard 16</u>	<u>As at January 1, 2020</u>
<b>Statement of financial status</b>		
<b>Assets</b>		
Right-of-use assets	-	313.22
		313.22
<b>Liabilities</b>		
Lease liabilities	-	313.22
		313.22

The Bank recognized lease liabilities in relation to leases, which had previously been classified as operating leases were the present value of the remaining lease payments, discounted using the Bank's incremental borrowing rates as at January 1, 2020 as follows:

	Unit : Million Baht
Operating lease commitments disclosed as at December 31, 2019	168.85
<u>Less</u> Short-term lease and lease of low-value assets	(4.32)
<u>Add</u> Option to extend lease term	51.07
<u>Add</u> Lease agreements that are additionally determined	107.87
<u>Less</u> Deferred interest expense	(10.25)
Increase in lease liabilities due to TFRS 16 adoption as at January 1, 2020	<u>313.22</u>

The Bank's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was 1.65 - 2.26 percent.

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarized below:

	Unit : Million baht
Premises	99.88
Office equipment	0.22
Vehicles	<u>213.12</u>
Total right-of-use assets	<u>313.22</u>

The Federation of Accounting Professions announced TFRS16 Lease is published in the Royal Thai Government Gazette on January 27, 2021 which are effective for fiscal years beginning on or after June 1, 2020. It is adjustment Covid-19 Related Rent Concessions. The adoption of these adjustment mostly does not have any significant impact on the Bank's financial statements.



## 2. Basis of presentation and significant accounting policies (Continued)

### 2.3 Bank of Thailand's regulations in offering assistance for debtors affected by situations with impacts on the Thai Economy

The Bank complied with Bank of Thailand circular No. TorPorTor. ForKorChor.(72) Vor.277/2563 dated February 28, 2020, regarding Guidelines on Providing Assistance for Debtors Affected by Situations with Impacts on the Thai Economy, Bank of Thailand circular No. TorPorTor. ForNorSor.(01) Vor. 380/2563 dated March 26, 2020, regarding Measures to Provide Additional Relief for Debtors during the COVID-19 Pandemic and Notification of Temporary Relief Measures for Specialized Financial Institutions Providing Assistance for Affected Debtors by Complying with Conditions Specified by the Bank of Thailand and Bank of Thailand circular TorPorTor. ForNorSor.(23) Vor.1135/2563 dated October 16, 2020, regarding Operating Guidelines Related to Debt Restructuring to Assist Business Debtors After the End of Debt Repayment Delay Measures in Royal Decrees from January 1, 2020 to December 31, 2021. The Bank complied with the following:

#### Loan staging

1) In provision of assistance for loans that are not yet non-performing (Non-NPL), the aforementioned debtors can be classified as a normal level immediately if analysis of debtors' statuses and businesses found debtors to be able to comply with debt restructuring agreements without waiting for results on compliance with debt restructuring conditions and the aforementioned debt restructuring is to be considered pre-emptive debt restructuring without being considered as troubled debt restructuring (TDR).

If it is a provision of assistance to debtors according to guidelines in Bank of Thailand circular No. TorPorTor. ForNorSor.(01) Vor. 380/2563, The debtors remains at the stage as before participation in measures.

2) In provision of assistance for non-performing loans (NPL), the aforementioned debtors can be classified as a normal level if debtors is able to make repayment in accordance with the debt restructuring agreements for a consecutive period of 3 months or 3 installments, whichever is longer.

3) In providing more working capital loans for debtors to increase liquidity for debtors to continue business operations during debt restructuring, the aforementioned loans can be classified by account level if debtors have the cash flows to support repayment or consideration of other factors showed debtors to be able to repay debts.

#### Provisioning

Specialized financial institutions are to follow the Bank of Thailand's notification regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

#### Debt restructuring

1) Financial institutions are to consider restructuring debts of all of the aforementioned debtors unable to return to repay debts in old agreements. While financial institutions have not completed debt restructuring for debtors, financial institutions can maintain the debtor's loan classification before participation in measures until December 31, 2021

## 2. Basis of presentation and significant accounting policies (Continued)

### 2.3 Bank of Thailand's regulations in offering assistance for debtors affected by situations with impacts on the Thai Economy (Continued)

2) If some debtors cannot be clearly assessed by a financial institutions for cash flows, preventing debt restructuring to be completed by December 31, 2020, financial institutions may provide assistance the aforementioned debtor by deferment of principal and/or interest repayments at appropriate times according to debtors' ability to repay debt. However, this period should not exceed 6 months after the end of 2020. Financial institutions can maintain loan classification can remain at the stage as before participation in measures and financial institutions must take care of debtors to seek guidelines to quickly restructure debts for debtors.

During consideration of debt restructuring and loan payment holiday, the financial institutions cannot charge interest at the default rate or service fees, penalties or any other additional expenses from debtors including collecting principal sums and interest calculated during debt restructuring or loan payment holiday, financial institutions are to use methods which do not overburden debtors and financial institutions are not to collect single lump sum payments at the end of the payment holiday period.

### 2.4 Thai Accounting Standards and Thai Financial Reporting Standards effective for the financial statements of the period beginning on or after January 1, 2021

The Federation of Accounting Professions issued notifications concerning Thai Financial Reporting Standards (TFRS), which revised from the 2020 version and have been announced in the Royal Thai Government Gazette but are effective for the financial statements beginning on or after January 1, 2021 as follows:

#### Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations

##### Thai Accounting Standards (TAS)

TAS 1	Presentation of Financial Statements
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 34	Interim Financial Reporting
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets

##### Thai Financial Reporting Standards (TFRS)

TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

##### Thai Standing Interpretations Committee Interpretations (TSIC)

TSIC 32	Intangible Assets -Web Site Costs
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## 2. Basis of presentation and significant accounting policies (Continued)

### 2.4 Thai Accounting Standards and Thai Financial Reporting Standards effective for the financial statements of the period beginning on or after January 1, 2021 (Continued)

#### Thai Financial Reporting Interpretations Committee Interpretations (TFRIC)

TFRIC 12	Service Concession Arrangements
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 22	Foreign Currency Transactions and Advance Consideration

The Bank is in the process of assessing impacts from complying with the aforementioned financial reporting standards. The Bank did not adhere to financial reporting standards before the effective date.

### 2.5 Significant accounting policies

#### 2.5.1 Cash and cash equivalents

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

#### 2.5.2 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 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, management fees from the SME Development Fund, the SME Rehabilitation Fund and SME Recovery Fund, and the Project to Support minor SMEs via the Small and Medium Enterprise Promotion Fund, which are recognized on a right basis.

#### 2.5.3 Recognition of interest expenses

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

#### 2.5.4 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.

#### 2.5.5 Allowance for doubtful accounts

The Bank sets aside the allowance for doubtful account compliance with the Bank of Thailand's under the Notifications No. SorKorSor.23/2562 dated September 2, 2019 regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions, the Bank of Thailand's under notifications No. SorKorSor. 28/2562 dated September 2, 2019 regarding 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 Specialized Financial Institutions, summarized as follows:

## 2. Basis of presentation and significant accounting policies (Continued)

### 2.5 Significant accounting policies (Continued)

1) The Bank has sets aside the provision for non-performing-loans at 100 percent of the difference between the carrying value of the outstanding loans and the present value of expected cash flows from the disposal of collateral which is determined in accordance with by the BOT.

2) Collaterals using for calculating the present value of expected cash flows from the disposal of collaterals are immovable properties, movable properties, and leasehold (The present value of the expected cash flows from disposal of collateral equals 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 based on the quantitative and qualitative basis by assessing each 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 the set aside provision in allowance for doubtful accounts. Bad debts recovered is recognized as other incomes on the statement of profit or loss and other comprehensive income. The Bank has sets criteria and guidelines for bad debts written off and bad debts recovered by written-off debts that debtors classified as doubtful of loss and set full amount of provision to compensate such debts.

#### 2.5.6 Troubled 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 asset to pay the debt, change of repayment conditions, and debt restructuring various forms according to the BOT's announcement No. SorKorSor.23/2562 dated September 2, 2019 regarding regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

#### 2.5.7 Investments

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

Investments in marketable securities classified as available-for-sale securities are stated at fair value. Gains or losses from the fair value are presented in the other comprehensive income (losses) in the statement of profit or loss and other comprehensive income. The accumulation is presented in the other components of equity and realized gains or losses after the disposal. The debt securities that the Bank intends and is able to hold to maturity classified as held-to-maturity securities are stated at the amortized cost. Premiums or discounts on held-to-maturity securities are adjusted to interest income at the end of each month. The interest income from held-to-maturity debt securities are recorded on accrual basis using the effective interest rate method.

Investments in non-marketable equity securities are stated at cost net of allowance for impairment (if any). Losses in impairment of investment are recognized to expenses in the statement of profit or loss and other comprehensive income.



## 2. Basis of presentation and significant accounting policies (Continued)

### 2.5 Significant accounting policies (Continued)

#### 2.5.8 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 rate of the BOT. Gains or losses on foreign exchange and foreign currency conversion are presented as gains (losses) in the period.

#### 2.5.9 Premises and equipment, net

Land is presented at revaluing price, premises are presented at revaluing price less accumulated depreciation and allowance for impairment (if any). Premises improvement is stated at cost less accumulated depreciation and allowance for impairment (if any), equipment with an acquisition cost not exceeding Baht 2,000 is charged directly to expenses in the period of acquisition.

The Bank has recorded revalued land and premises every 3-5 years by independent appraisers in accordance with the BOT's regulations. The Bank under the capital of asset valuation the surplus of asset valuation is presented in the components of equity. The Bank recognized depreciation of surplus in the other operating expenses. Reserved revaluation surplus is directly transferred to the retained earnings at the same amount of the depreciation mentioned. The decreased revaluation that is higher than original cost is recorded after less the surplus. The decreased revaluation that is less than original cost is recorded as expenses in the statement of profit or loss and other comprehensive income. For the case of disposal, the revaluation surplus of land and premises will be directly transferred to the retained earnings and excluded in the disposal profit or loss.

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

Premises	10-50 years
Premises improvement	5-20 years
Equipment	3-10 years

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

#### 2.5.10 Right-of-use assets

The Bank recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date. Unless the Bank is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

**2. Basis of presentation and significant accounting policies (Continued)****2.5 Significant accounting policies (Continued)****2.5.11 Other intangible assets, net**

Computer software and computer system development expenses are stated at cost less accumulated amortization is calculated on a straight-line method over their useful lives 3 - 10 years and recognized as expenses in the statement of profit or loss and other comprehensive income.

Leasehold are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the lease period and recognized as expenses in the statement of profit or loss and other comprehensive income.

**2.5.12 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 in the statement of profit or loss and other comprehensive income. The Bank will not deduct depreciation from buildings but recognize gains (losses) when the disposals and after remaining debt is repaid.

According to the BOT's Policy dated September 2, 2019, regarding Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Specialized Financial Institutions, the properties for sale in the amount of exceeding Baht 50 million are appraised by 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.

**2.5.13 Derivatives**

In the case of hedged assets or liabilities are recognized gains or losses according to the fair value. Hedging instrument of assets or liabilities will be recognized as losses or gains arising from changes in fair value under the appropriation of time periods.

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

**2.5.14 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. Basis of presentation and significant accounting policies (Continued)

### 2.5 Significant accounting policies (Continued)

#### 2.5.15 Lease liabilities

At the commencement date of the lease, the Bank recognized lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Bank's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

#### 2.5.16 Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

#### 2.5.17 Defined benefit plan

The Bank provides estimate of employee benefits obligations from statutory compensation under the Labor Protection Act Employee benefit obligations calculated by using the actuarial techniques called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of the cash 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's benefits expenses in respect employees expenses in of employee's in the statement of profit or loss and other comprehensive income.

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

#### 2.5.18 Legal reserve

The Bank shall allocate not less than 5% of its annual net profit to a legal reserve account until it reaches an amount not less than 10% of the registered authorized share capital.

#### 2.5.19 Reserve for investment

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

## 3. Risk management

### 3.1 The Bank's risk information

#### Credit risk

**Credit risk** mean risks of debtors or contract parties being unable to repay debts or comply with conditions due to financial problems from impacts of economic fluctuations on the business including debtors' management mistakes with potential impacts on the Bank's earnings and capital funds. The aforementioned risks may occur from normal financial transactions such as loan offers, obligations or guarantees, or other transactions connected to credit offers.

### 3. Risk management (Continued)

#### 3.1 The Bank's risk information (Continued)

##### Credit risk (Continued)

In 2020, the Bank continued to emphasize building continual growth for Thai SME entrepreneurs for consistency with obligations to promote and develop capacity among SME entrepreneurs to access capital sources with loan financial services with a balance of no more than Baht 15 million. In 2020, the Bank had credit risk management for consistency with the aforementioned obligations that can be summarized as follows:

**1. Manage loan portfolios to be at acceptable risk levels** by specifying industry ratings as guidelines to determine risk levels for analysts and specify industry limits by using current NPL data and macroeconomic factors as factors in weighing and determining industry growth plans to be consistent with annual business plans to control portfolio risks and prevent excessive clustering in any industry including supporting management to separate debtor groups according to Bank of Thailand guidelines under measures to support debtors affected by the COVID-19 pandemic to be able to provide proactive support for debtors to suit needs and repayment ability of each debtor.

**2. Policies and loan management guidelines are reviewed annually to be consistent with changing situations** to help the Bank consider screening and offering loans to customers with capacity for business operations and good ability to repay debts. In 2020, the Bank specified loan policies specifically for debtors impacted by the COVID-19 pandemic to support the aforementioned impacted SME entrepreneurs to be more effective. The Bank's factoring loans had more risk considerations to specify trade accounts receivable purchase limits based on risk levels by focusing on trade accounts receivable that are government agencies, state enterprises, government universities, local governments, public organizations, and companies listed in the Stock Exchange of Thailand to reduce risks in paying the cost of goods or services.

**3. The Credit Scoring Model was used as guidelines in considering loans with standards** by processing data from applications (A-Score) and NCB scores in assessing customer risk levels to accompany consideration and specify approval authority, which increased credit risk management capacity and make loan facilitation processes more effective. Furthermore, the Bank began developing work systems to make risk-based pricing, create business cost-efficiency and create long-term profit for the Bank.

**4. The Bank made preparations to appropriately comply with specifications of governing agencies** by conducting stress testing to enable the Bank to estimate the sufficiency of capital funds for potential impacts from crisis situations and promote confidence among stakeholders.

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

### 3. Risk management (Continued)

#### 3.1 The Bank's risk information (Continued)

##### Market risk

1) Interest rate risk refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of changes in interest rates on assets, liabilities, and all off-balance sheet items that could affect the Bank's net interest income, economic value, market value of trading account items, and other income and expense items associated with interest rates.

2) Foreign exchange rate risk refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of fluctuations in foreign exchange rates relating to foreign currency transactions or holding of foreign currency assets and/or liabilities.

3) Equity price risk refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of changes in equity instrument prices, causing the Bank's value of the investment securities to decrease. At present, the Bank has no policy to invest in equity securities.

4) Commodity price risk refers to the risk of an adverse impact on the Bank's earnings or capital funds as a result of changes in commodity prices. However, the Bank has no policy to invest in commodities.

To management market risk, the Bank has established policies regarding market risk management through the Board of Directors, the Risk Management Committee, and the Asset and Liability Management Committee, who supervise, monitor, and assess management the market risk at an acceptable risk level. They also oversee the Bank's operations to align with the Bank's risk management policy and guidelines as well as the BOT's guidelines. The Bank deploys assessment, monitoring, and management approaches that correspond to transaction quantity and complexity to keep market risk at an acceptable level.

##### Liquidity risk

**Liquidity risk mean** risks arising from the Bank's inability to pay debts or obligations as they become due. The Bank might be unable to convert assets into cash at a time of need or unable to acquire sufficient funding. The risk may also arise when the Bank is able to raise funds to settle the obligations, but the costs are unacceptably high, which may affect the Bank's earnings and capital funds.

To management liquidity risk, the Bank has established policies regarding liquidity risk management through the Board of Directors and the Risk Management Committee, who are responsible for approving the systems for measuring, monitoring, and controlling the liquidity risk. There is the Asset and Liability Management Committee who sets guidelines for asset and liability management, supervises operations in accordance with the risk management framework to control the liquidity risk at an acceptable level.

The Bank measures, assesses, and control liquidity risk using financial ratios. The Bank prepares a liquidity risk report to be used in assessing, monitoring, and controlling liquidity risk at an acceptable level.

The Bank has established risk limits and risk triggers, such as liquidity coverage ratios, etc.

**3. Risk management (Continued)****3.1 The Bank's risk information (Continued)****Liquidity risk (Continued)**

The Bank regularly prepares Liquidity Gap Report, using both residual contractual maturity and behavioral adjustment, and performs liquidity stress tests under three simulated scenarios, namely:

- 1) Institution-specific crisis
- 2) Market-wide crisis
- 3) Combination of both

The Bank has developed a Contingency Liquidity Plan, which identifies early warning signs for the situation of abnormal liquidity, assigns duties and responsibilities of the management, related agencies, and processes and management methods during a liquidity crisis event. The Bank also tested the Contingency Liquidity Plan in preparation for the liquidity crisis. Apart from that, there is an allocation of liquidity cushion (good quality, highly liquid assets) to ensure sufficient liquidity for the Bank's business operations during normal and crisis situations.

As at December 31, 2020 and 2019, SME Development Bank had major assets and liabilities based on remaining time to maturity as follows:

	Unit : Million Baht					
	<u>2020</u>			<u>2019</u>		
	Not over <u>1 year</u>	Over <u>1 year</u>	<u>Total</u>	Not over <u>1 year</u>	Over <u>1 year</u>	<u>Total</u>
<b>Assets</b>						
Interbank and money market items, net	3,304.84	-	3,304.84	9,801.94	-	9,801.94
Investments, net	2,060.56	6,775.07	8,835.63	1,299.91	7,242.89	8,542.80
Loans to customers	<u>20,106.19</u>	<u>81,414.03</u>	<u>101,520.22</u>	<u>17,491.71</u>	<u>79,091.22</u>	<u>96,582.93</u>
Total	<u>25,471.59</u>	<u>88,189.10</u>	<u>113,660.69</u>	<u>28,593.56</u>	<u>86,334.11</u>	<u>114,927.67</u>
<b>Liabilities</b>						
Deposits	49,910.19	3,693.04	53,603.23	57,307.02	913.95	58,220.97
Interbank and money market items, net	376.13	10,504.99	10,881.12	356.23	6,423.59	6,779.82
Debt issued and borrowings	<u>9,061.93</u>	<u>21,316.92</u>	<u>30,378.85</u>	<u>105.47</u>	<u>30,358.65</u>	<u>30,464.12</u>
Total	<u>59,348.25</u>	<u>35,514.95</u>	<u>94,863.20</u>	<u>57,768.72</u>	<u>37,696.19</u>	<u>95,464.91</u>

**3.2 Fair value of financial instruments**

Unit : Million Baht

Type of financial instruments	2020		2019	
	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>				
Cash	0.18	0.18	0.22	0.22
Interbank and money market items, net	3,304.84	3,304.84	9,801.94	9,801.94
Investments, net	8,835.63	8,835.63	8,542.80	8,542.80
Loans to customers, net	<u>92,089.99</u>	<u>92,089.99</u>	<u>89,461.37</u>	<u>89,461.37</u>
Total	<u>104,230.64</u>	<u>104,230.64</u>	<u>107,806.33</u>	<u>107,806.33</u>
<b>Financial liabilities</b>				
Deposits	53,603.23	53,603.23	58,220.97	58,220.97
Interbank and money market items, net	10,881.12	10,881.12	6,779.82	6,779.82
Liabilities payable on demand	14.17	14.17	36.73	36.73
Derivatives liabilities	0.04	0.04	0.00	0.00
Debt issued and borrowings	<u>30,378.85</u>	<u>30,378.85</u>	<u>30,464.12</u>	<u>30,464.12</u>
Total	<u>94,877.41</u>	<u>94,877.41</u>	<u>95,501.64</u>	<u>95,501.64</u>

**3.3 Maintenance of capital fund**

Unit : Million Baht

	2020	2019
<b>Tier 1 capital</b>		
Paid-up share capital	36,231.81	27,300.58
Discount on share capital	(15,476.81)	(9,545.58)
Legal reserves	48.19	48.19
Investments reserves	216.46	216.46
Unappropriated retained earnings (deficit)	<u>(11,919.04)</u>	<u>(11,919.04)</u>
Total Tier 1 capital	<u>9,100.61</u>	<u>6,100.61</u>
<b>Tier 2 capital</b>		
Incremental value of land appraisal	289.66	289.66
Incremental value of premises appraisal	238.33	244.92
Reserve for normal assets*	<u>549.48</u>	<u>520.34</u>
Total Tier 2 capital	<u>1,077.47</u>	<u>1,054.92</u>
Total capital fund in accordance with the BOT's regulation	<u>10,178.08</u>	<u>7,155.53</u>

\*The Bank counted reserves for normal assets as components of Tier 2 capital since December 31, 2019.

**3.3 Maintenance of capital fund (Continued)**

The Bank's capital fund was calculated based on the Bank of Thailand's notification No. SorKorSor.16/2562 regarding Capital Components of Specialized Financial Institutions.

In the aforementioned notification, the capital adequacy ratio must be not less than 8.5% provided that the Tier 1 capital must be not less than 4.25% of total risk asset. As at December 31, 2020, and 2019, the Bank maintained a ratio of capital fund as follows:

	<u>Percentage</u>	
	<u>2020</u>	<u>2019</u>
Capital fund	13.88	9.57
Tier 1 capital	12.41	8.16

**4. Estimates and assumptions**

The preparation of financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected. Information about significant areas estimation uncertainty and assumptions in applying accounting policies that have a significant effect on the amounts recognized in the financial statements.

**5. Supplementary information****5.1 Supplementary information of cash flows**

Significant non-cash items for the year ended December 31, 2020, and 2019 were as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Increase in revaluation surplus (deficit) on investments in equity	56.44	60.17



## (TRANSLATION)

27

## 5.2 Interbank and money market items, net (Assets)

	2020			2019		
	Demand	Time	Total	Demand	Time	Total
<b>Domestic items</b>						
Bank of Thailand	42.30	-	42.30	25.80	9,180.00	9,205.80
Commercial banks	3,189.70	-	3,189.70	518.87	-	518.87
Specialized financial institutions	<u>5.07</u>	<u>50.17</u>	<u>55.24</u>	<u>10.30</u>	<u>64.09</u>	<u>74.39</u>
Total	3,237.07	50.17	3,287.24	554.97	9,244.09	9,799.06
Add Accrued interest receivables	<u>-</u>	<u>0.07</u>	<u>0.07</u>	<u>-</u>	<u>0.46</u>	<u>0.46</u>
Total domestic items	<u>3,237.07</u>	<u>50.24</u>	<u>3,287.31</u>	<u>554.97</u>	<u>9,244.55</u>	<u>9,799.52</u>
<b>Foreign items</b>						
Us Dollar	<u>17.53</u>	<u>-</u>	<u>17.53</u>	<u>2.42</u>	<u>-</u>	<u>2.42</u>
Total foreign items	<u>17.53</u>	<u>-</u>	<u>17.53</u>	<u>2.42</u>	<u>-</u>	<u>2.42</u>
Total domestic and foreign items	<u>3,254.60</u>	<u>50.24</u>	<u>3,304.84</u>	<u>557.39</u>	<u>9,244.55</u>	<u>9,801.94</u>

As at December 31, 2020, and 2019, the domestic deposits of specialized financial institutions in the amount of Baht 50.17 million and Baht 64.09 million respectively, to guarantee against credit for the housing loans of the Bank's employees.

## 5.3 Investments, net

## 5.3.1 Available-for-sale securities

	Unit : Million Baht	
	2020	2019
	Fair value	Fair value
Government and state enterprise securities	5,408.97	4,710.85
Add Allowance for revaluation	<u>110.36</u>	<u>53.76</u>
Total	<u>5,519.33</u>	<u>4,764.61</u>

## 5.3.2 Held-to-maturity debt securities

	Unit : Million Baht	
	2020	2019
	Cost/	Cost/
	Amortized cost	Amortized cost
Government and state enterprise securities	2,336.01	2,907.73
Add Allowance for revaluation	<u>0.16</u>	<u>0.32</u>
Total	<u>2,336.17</u>	<u>2,908.05</u>

**5.3 Investments, net (Continued)****5.3.3 General investments**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	1,157.02	1,057.02
<u>Less</u> Allowance for Impairment	<u>(176.89)</u>	<u>(186.88)</u>
Total	<u>980.13</u>	<u>870.14</u>
Total investments, net	<u>8,835.63</u>	<u>8,542.80</u>

As at December 31, 2020 and 2019 the allowance for revaluation of investments (other components of equity: Revaluation surplus (deficit) on investments) amounted of Baht 110.52 million and Baht 54.08 million respectively (Note 5.23).

**5.4 Loans to customers and accrued interest receivables, net****5.4.1 Classified by type of loans**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Loans to customers	48,276.54	46,986.41
Hire purchase receivables (Note 5.4.7)	44.02	50.67
Welfare receivables	<u>107.16</u>	<u>135.67</u>
Total	48,427.72	47,172.75
<u>Less</u> Deferred revenue	<u>(33.16)</u>	<u>(30.92)</u>
Total loans to customers, net of deferred revenue	48,394.56	47,141.83
<u>Add</u> Accrued interest receivables	<u>367.42</u>	<u>96.96</u>
Total loans to customers, net of deferred revenue, plus accrued interest receivables	48,761.98	47,238.79
<u>Less</u> Allowance for doubtful accounts		
1. Minimum reserve under BOT's regulations	(5,256.50)	(6,226.62)
2. Excess allowance	<u>(3,478.38)</u>	<u>(518.86)</u>
Total loans to customers, net	<u>40,027.10</u>	<u>40,493.31</u>

As at December 31, 2020, the Bank's total loans to customers in the amount of Baht 101,520.22 million which consist of Baht 53,092.50 million classified as the projects of public service account and Baht 48,427.72 million for the projects of public sector cooperation and for commercial purpose.

As at December 31, 2019, the Bank's total loans to customers in the amount of Baht 96,582.93 million which consist of Baht 49,410.18 million classified as the projects of public service account and Baht 47,172.75 million for the projects of public sector cooperation and for commercial purpose.

**5.4 Loans to customers and accrued interest receivables, net (Continued)****5.4.2 Classified by currencies and customer's residence**

	Unit : Million Baht	
	2020	2019
Thai Baht	48,427.72	47,172.75
US Dollar	-	-
Total	<u>48,427.72</u>	<u>47,172.75</u>

**5.4.3 Classified by business types and loan classification**

	Unit : Million Baht					
	2020					
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	630.53	62.98	12.82	4.58	665.08	1,375.99
Manufacturing and commercial	3,988.67	308.22	15.34	129.31	5,141.64	9,583.18
Real estate and construction	996.35	30.57	34.66	13.15	377.66	1,452.39
Public utilities and services	26,481.51	2,610.79	304.86	191.44	6,305.15	35,893.75
Housing loans	106.37	-	-	0.79	-	107.16
Others	<u>13.90</u>	<u>1.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15.25</u>
Total	<u>32,217.33</u>	<u>3,013.91</u>	<u>367.68</u>	<u>339.27</u>	<u>12,489.53</u>	48,427.72
Less Deferred revenue						<u>(33.16)</u>
Total loans to customers-net of deferred revenue						<u>48,394.56</u>

	Unit : Million Baht					
	2019					
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	570.18	100.43	28.60	39.73	715.13	1,454.07
Manufacturing and commercial	2,939.18	493.66	107.01	509.91	6,243.31	10,293.07
Real estate and construction	494.71	48.68	3.40	46.97	403.90	997.66
Public utilities and services	23,969.73	1,625.74	914.84	1,559.45	6,208.88	34,278.64
Housing loans	135.67	-	-	-	-	135.67
Others	<u>9.69</u>	<u>-</u>	<u>-</u>	<u>3.95</u>	<u>-</u>	<u>13.64</u>
Total	<u>28,119.16</u>	<u>2,268.51</u>	<u>1,053.85</u>	<u>2,160.01</u>	<u>13,571.22</u>	47,172.75
Less Deferred revenue						<u>(30.92)</u>
Total loans to customers-net of deferred revenue						<u>47,141.83</u>

## (TRANSLATION)

30

## 5.4 Loans to customers and accrued interest receivables, net (Continued)

## 5.4.4 Classified by loan classification

Unit : Million Baht

	2020			
	Loans and accrued interest receivables	Net amount used for setting the allowance for doubtful accounts	% Used for setting the allowance for doubtful accounts	Allowance for doubtful accounts
1. Minimum reserve under BOT's regulations				
Normal	32,532.82	22,252.92	1	222.53
Normal - surplus				36.47
Special mention	3,065.84	1,422.74	2	28.45
Substandard	367.68	110.73	100	110.73
Doubtful	339.27	86.63	100	86.63
Doubtful of loss	<u>12,489.53</u>	<u>4,771.69</u>	100	<u>4,771.69</u>
Total	48,795.14	<u>28,644.71</u>		5,256.50
Less Deferred revenue	<u>(33.16)</u>			
Loans to customers and accrued interest receivables	48,761.98			
Less Allowance for doubtful accounts (Note 5.5)	<u>(8,734.88)</u>			
Loans to customers and accrued interest receivables, net	<u>40,027.10</u>			
2. Excess allowance				<u>3,478.38</u>
Total				<u>8,734.88</u>

Unit: Million Baht

	2019			
	Loans and accrued interest receivables	Net amount used for setting the allowance for doubtful accounts	% Used for setting the allowance for doubtful accounts	Allowance for doubtful accounts
1. Minimum reserve under BOT's regulations				
Normal	28,195.87	32,147.84	1	321.48
Normal - surplus				7.92
Special mention	2,287.71	980.37	2	19.61
Substandard	1,053.85	351.59	100	351.59
Doubtful	2,160.93	668.65	100	668.65
Doubtful of loss	<u>13,571.35</u>	<u>4,857.37</u>	100	<u>4,857.37</u>
Total	47,269.71	<u>39,005.82</u>		6,226.62
Less Deferred revenue	<u>(30.92)</u>			
Loans to customers and accrued interest receivables	47,238.79			
Less Allowance for doubtful accounts (Note 5.5)	<u>(6,745.48)</u>			
Loans to customers and accrued interest receivables, net	<u>40,493.31</u>			
2. Excess allowance				<u>518.86</u>
Total				<u>6,745.48</u>

**5.4 Loans to customers and accrued interest receivables, net (Continued)****5.4.4 Classified by loan classification (Continued)**

As at December 31, 2020, the Bank set aside the allowance for doubtful accounts compliance with the Bank of Thailand's notification No.SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

The Bank has set aside loans to customers based on the overdue of the interest or principal payables according to conditions or time periods as stated in contract or as requested by the Bank or make claims to pay back, whichever comes first, including with restructuring debts has followed the No.SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions the addition accordance to the Bank of Thailand's notification No. SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of public service account.

As at December 31, 2020, and 2019, the Bank has the loans with allowance and the loan without allowance as follows:

	Unit : Million Baht			
	<u>2020</u>		<u>2019</u>	
	Loans and accrued interest receivables, net of deferred revenue	% of Loans and accrued interest receivables, net of deferred revenue	Loans and accrued interest receivables, net of deferred revenue	% of Loans and accrued interest receivables, net of deferred revenue
Loans with allowance	99,515.69	97.44	94,896.97	97.17
Loans without allowance	<u>2,616.82</u>	2.56	<u>2,762.71</u>	2.83
Total	<u>102,132.51</u>		<u>97,659.68</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 damages that loans classified as pass and without allowance since the government provided the compensation for damage based on the Bank of Thailand's notification No.SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of public service account.

During the period, the Bank has the loans with allowance under the public service accounts according to resolution the cabinet of the compensation damage and the expected compensation that estimates to receive in the amount of Baht 562.06 million.

As at December 31, 2020, and 2019, the Bank has loans that being stopped recognizing income in the amount of Baht 15,241.16 million and Baht 19,559.44 million are 14.92% and 20.02% of loans to customers and accrued interest receivables,net from deferred revenue respectively.

**5.4 Loans to customers and accrued interest receivables, net (Continued)****5.4.5 Classified by non-performing loans**

As at December, 31, 2020 and 2019, the Bank had non-performing loans as follows:

Unit : Million Baht

	<u>2020</u>		<u>2019</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 account project	2,044.68	13.42	2,774.36	14.18
Public sector cooperation and commercial project	<u>13,196.48</u>	86.58	<u>16,785.08</u>	85.82
Total	<u>15,241.16</u>		<u>19,559.44</u>	

**5.4.6 Troubled debt restructuring**

Troubled debt restructuring for the year ended December 31, 2020, and 2019, were as follows:

Unit : Million Baht

	<u>No. of cases</u>	<u>2020</u>	
		<u>Outstanding debt</u> Before restructuring	<u>Outstanding debt</u> After restructuring
<b>Troubled debt restructuring methods</b>			
Changes of repayment conditions	<u>11,215</u>	<u>15,915.21</u>	<u>15,915.21</u>
Total	<u>11,215</u>	<u>15,915.21</u>	<u>15,915.21</u>

Unit : Million Baht

	<u>No. of cases</u>	<u>2019</u>	
		<u>Outstanding debt</u> Before restructuring	<u>Outstanding debt</u> After restructuring
<b>Troubled debt restructuring methods</b>			
Changes of repayment conditions	<u>6,820</u>	<u>11,078.61</u>	<u>11,078.61</u>
Total	<u>6,820</u>	<u>11,078.61</u>	<u>11,078.61</u>



**5.4 Loans to customers and accrued interest receivables, net (Continued)****5.4.7 Finance lease receivables hire purchase receivables (Note 5.4.1)**

Unit : Million Baht

	<u>2020</u>			
	<u>Amounts due of the contract</u>			
	<u>Not over 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment of leases payment	20.62	23.40	-	44.02
<u>Less</u> Unearned financial income				<u>(5.86)</u>
Present value of minimum leases payment				38.16
Allowance for doubtful accounts				<u>(17.23)</u>
Finance lease receivables, net				<u>20.93</u>

Unit : Million Baht

	<u>2019</u>			
	<u>Amounts due of the contract</u>			
	<u>Not over 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment of leases payment	16.52	33.23	0.92	50.67
<u>Less</u> Unearned financial income				<u>(6.17)</u>
Present value of minimum leases payment				44.50
Allowance for doubtful accounts				<u>(32.68)</u>
Finance lease receivables, net				<u>11.82</u>

**5.5 Allowance for doubtful accounts**

As at December 31, 2020, the Bank's allowance for doubtful accounts were comprised allowance for doubtful accounts for project of public service accounts in the amount of Baht 1,307.64 million and allowance for doubtful accounts for public sector cooperation project and commercial project in the amount of Baht 8,734.88 million that total of allowance of doubtful accounts as at December 31, 2020 in the amount of Baht 10,042.52 million.

As at December 31, 2020, the allowance for doubtful accounts for public sector cooperation project and commercial project in the amount of Baht 8,734.88 million as follows:

Unit : Million Baht

	<u>2020</u>						
	<u>Normal</u>	<u>Special mention</u>	<u>sub - standard</u>	<u>Doubtful</u>	<u>Doubtful of loss</u>	<u>Allowance in excess</u>	<u>Total</u>
Beginning balance	329.40	19.61	351.59	668.65	4,857.37	518.86	6,745.48
Doubtful accounts	(70.40)	8.84	(240.86)	(581.93)	411.17	2,959.52	2,486.34
Write-off and bad debts	-	-	-	(0.09)	(501.50)	-	(501.59)
Cancellation of debt sale	-	-	-	-	4.65	-	4.65
Ending balance	<u>259.00</u>	<u>28.45</u>	<u>110.73</u>	<u>86.63</u>	<u>4,771.69</u>	<u>3,478.38</u>	<u>8,734.88</u>

**5.5 Allowance for doubtful accounts (Continued)**

As at December 31, 2019, the allowance for doubtful accounts for public sector cooperation project and commercial project in the amount of Baht 6,745.48 million as follows:

Unit : Million Baht

	2019						Total
	Normal	Special mention	sub - standard	Doubtful Doubtful	Doubtful of loss	Allowance in excess	
Beginning balance	265.01	15.28	537.35	723.84	4,230.27	17.02	5,788.77
Doubtful accounts	64.39	4.33	(185.75)	82.78	1,667.87	501.84	2,135.46
Write-off and bad debts	-	-	(0.01)	(137.97)	(1,055.49)	-	(1,193.47)
Cancellation of debt sale	-	-	-	-	14.72	-	14.72
Ending balance	<u>329.40</u>	<u>19.61</u>	<u>351.59</u>	<u>668.65</u>	<u>4,857.37</u>	<u>518.86</u>	<u>6,745.48</u>

The calculation of allowances for doubtful accounts in Note 5.4.4

The Bank has allowances for doubtful accounts compliance with the Bank of Thailand's notification No.SorKorSor. 23/2562 dated September 2, 2019, regarding Regulation on Asset Classification and Provisioning of Specialized Financial Institutions and No.SorKorSor. 22/2562 dated September 2, 2019, regarding Regulations on Loan Guaranteed by the Thai Credit Guarantee Corporation under the Portfolio Guarantee Scheme for Specialized Financial Institutions.

During the year 2020, the Bank set aside the provision in the amount of Baht 2,486.34 million which has decrease by Baht 473.18 million, comprising decrease provision for outstanding payments in the amount of Baht 509.65 million, and increasing provision from debt restructuring and accounts classified as normal and reversal of allowance for doubtful accounts amounting to Baht 39.49 million (of which in the amount of Baht 36.47 million was for commercial transactions, and Baht 3.02 million was for public service account (Note 5.35.3)). The written-off allowance for doubtful debts from bad debts and debts sale amount to Baht 501.59 million. Including, that was reserve excess allowance increase by Baht 2,959.52 million which has reserve excess allowance for Possible Impaired Loan (PIL) increase by Baht 215.66 million remaining in the amount of Baht 734.52 million. And the Bank has reserve additional excess allowance for specific provisions in the amount of Baht 2,819.47 million (of which in the amount of Baht 2,743.86 million was for commercial transactions, and Baht 75.61 million was for public service account (Note 5.35.3)) according to the Resolutions of the Bank's Board of Director Meeting No. 2 on January 27, 2021, Agenda 5.2 - request for approval to modify regulation in holding excess reserves and using excess reserves approved by the meeting that are effective for the financial statement of 2020.

## 5.6 Properties for sale, net

Unit : Million Baht

	<u>2020</u>			<u>Ending balance</u>
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	
Assets acquired from debt repayment				
Immovable properties	963.75	31.15	(105.42)	889.48
Movable properties	<u>24.36</u>	<u>0.19</u>	<u>(0.50)</u>	<u>24.05</u>
Total	988.11	31.34	(105.92)	913.53
Properties for sale in transit	<u>33.61</u>	<u>-</u>	<u>(21.72)</u>	<u>11.89</u>
Total	1,021.72	31.34	(127.64)	925.42
Less Allowance for impairment	<u>(46.03)</u>	<u>(130.18)</u>	<u>0.50</u>	<u>(175.71)</u>
Total properties for sale, net	<u>975.69</u>	<u>(98.84)</u>	<u>(127.14)</u>	<u>749.71</u>

Unit : Million Baht

	<u>2019</u>			<u>Ending balance</u>
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	
Assets acquired from debt repayment				
Immovable properties	987.68	137.67	(161.60)	963.75
Movable properties	<u>24.00</u>	<u>0.37</u>	<u>(0.01)</u>	<u>24.36</u>
Total	1,011.68	138.04	(161.61)	988.11
Properties for sale in transit	<u>207.33</u>	<u>-</u>	<u>(173.72)</u>	<u>33.61</u>
Total	1,219.01	138.04	(335.33)	1,021.72
Less Allowance for impairment	<u>(46.39)</u>	<u>(4.56)</u>	<u>4.92</u>	<u>(46.03)</u>
Total properties for sale, net	<u>1,172.62</u>	<u>133.48</u>	<u>(330.41)</u>	<u>975.69</u>

As at December 31, 2020, the Bank had immovable properties acquired from debt repayment in the amount of Baht 889.48 million, which were appraised by an internal appraiser amounting to Baht 694.12 million and by an external appraiser amounting to Baht 195.36 million.

As at December 31, 2019, the Bank had immovable properties acquired from debt repayment in the amount of Baht 963.75 million, which were appraised by an internal appraiser amounting to Baht 804.65 million and by an external appraiser amounting to Baht 159.10 million.

As at December 31, 2020, and 2019, the Bank's allowance for impairment of properties for sale incurred from loss on impairment in the amount of Baht 175.71 million and Baht 46.03 million, respectively.

For the year ended at December 31, 2020, and 2019, the Bank had profit from disposals of properties for sale in the amount of Baht 25.60 million and Baht 36.84 million, respectively.

## 5.7 Premises and equipment, net

Unit : Million Baht

	2020				2020				Premises and equipment, net
	Cost				Accumulated depreciation				
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Depreciation	Disposals	Ending balance	
Land	274.20	-	-	274.20	-	-	-	-	274.20
Land-Appraisal increase*	414.32	-	-	414.32	-	-	-	-	414.32
Premises	514.97	-	-	514.97	244.10	7.25	-	251.35	263.62
Premises improvement	1.01	22.12	-	23.13	1.01	1.40	-	2.41	20.72
Premises-Appraisal increase *	569.67	-	-	569.67	42.67	14.23	-	56.90	512.77
<b>Equipment</b>									
- Office equipment	461.13	21.72	(18.61)	464.24	319.39	53.96	(18.55)	354.80	109.44
- Furniture	467.48	19.22	(10.52)	476.18	424.49	27.68	(10.51)	441.66	34.52
- Vehicles	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>2,702.83</b>	<b>63.06</b>	<b>(29.13)</b>	<b>2,736.76</b>	<b>1,031.71</b>	<b>104.52</b>	<b>(29.06)</b>	<b>1,107.17</b>	<b>1,629.59</b>

Unit : Million Baht

	2019				2019				Premises and equipment, net
	Cost				Accumulated depreciation				
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Depreciation	Disposals	Ending balance	
Land	274.20	-	-	274.20	-	-	-	-	274.20
Land-Appraisal increase*	414.32	-	-	414.32	-	-	-	-	414.32
Premises	514.97	-	-	514.97	236.85	7.25	-	244.10	270.87
Premises improvement	1.01	-	-	1.01	1.01	-	-	1.01	-
Premises-Appraisal increase *	569.67	-	-	569.67	28.45	14.22	-	42.67	527.00
<b>Equipment</b>									
- Office equipment	408.92	58.25	(6.04)	461.13	272.96	52.40	(5.97)	319.39	141.74
- Furniture	444.17	32.81	(9.50)	467.48	388.43	45.47	(9.41)	424.49	42.99
- Vehicles	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>2,627.31</b>	<b>91.06</b>	<b>(15.54)</b>	<b>2,702.83</b>	<b>927.75</b>	<b>119.34</b>	<b>(15.38)</b>	<b>1,031.71</b>	<b>1,671.12</b>

\*The Bank revalues it in 2017

As at December 31, 2020, and 2019, the Bank had 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.

## 5.8 Right-of-use assets

Unit : Million Baht

	2020				2020				
	Cost				Accumulated depreciation				Right-of-use assets, net
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Additions	Disposals	Ending balance	
Premises	99.88	0.10	(0.19)	99.79	-	39.97	-	39.97	59.82
Office equipment	0.22	-	-	0.22	-	0.10	-	0.10	0.12
Vehicles	<u>213.12</u>	<u>3.96</u>	<u>(32.61)</u>	<u>184.47</u>	<u>-</u>	<u>76.06</u>	<u>(13.22)</u>	<u>62.84</u>	<u>121.63</u>
Total	<u>313.22</u>	<u>4.06</u>	<u>(32.80)</u>	<u>284.48</u>	<u>-</u>	<u>116.13</u>	<u>(13.22)</u>	<u>102.91</u>	<u>181.57</u>

## 5.9 Assets in progress

Unit : Million Baht

	2020			
	Beginning balance	Additions	Transfer	Ending balance
Premises improvement	19.15	19.00	(19.15)	19.00
Office equipment	-	1.90	(1.90)	-
Computer system	173.76	108.79	(11.22)	271.33
Computers	-	0.48	(0.48)	-
Furniture	<u>14.25</u>	<u>15.55</u>	<u>(29.25)</u>	<u>0.55</u>
Total	<u>207.16</u>	<u>145.72</u>	<u>(62.00)</u>	<u>290.88</u>

Unit : Million Baht

	2019			
	Beginning balance	Additions	Transfer	Ending balance
Premises improvement	5.75	13.40	-	19.15
Office equipment	6.30	0.43	(6.73)	-
Computer system	9.83	181.14	(17.21)	173.76
Computers	18.29	-	(18.29)	-
Furniture	<u>36.39</u>	<u>28.98</u>	<u>(51.12)</u>	<u>14.25</u>
Total	<u>76.56</u>	<u>223.95</u>	<u>(93.35)</u>	<u>207.16</u>

## 5.10 Advances for legal costs, net

Unit : Million Baht

	2020	2019
Advances for legal costs	311.94	319.92
<u>Less Allowance for doubtful accounts</u>	<u>(311.94)</u>	<u>(319.92)</u>
Advances for legal costs, net	<u>0.00</u>	<u>0.00</u>

## 5.11 Other intangible assets, net

Unit : Million Baht

	2020				2020				
	Cost				Accumulated amortization				
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Additions	Disposals	Ending balance	Net
Leasehold	5.00	-	-	5.00	1.90	0.17	-	2.07	2.93
Computer System	225.06	13.74	(2.01)	236.79	176.39	16.51	(2.01)	190.89	45.90
<b>Total</b>	<b>230.06</b>	<b>13.74</b>	<b>(2.01)</b>	<b>241.79</b>	<b>178.29</b>	<b>16.68</b>	<b>(2.01)</b>	<b>192.96</b>	<b>48.83</b>

Unit : Million Baht

	2019				2019				
	Cost				Accumulated amortization				
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Additions	Disposals	Ending balance	Net
Leasehold	5.00	-	-	5.00	1.72	0.18	-	1.90	3.10
Computer System	204.23	20.83	-	225.06	161.75	14.64	-	176.39	48.67
<b>Total</b>	<b>209.23</b>	<b>20.83</b>	<b>-</b>	<b>230.06</b>	<b>163.47</b>	<b>14.82</b>	<b>-</b>	<b>178.29</b>	<b>51.77</b>

## 5.12 Other assets, net

Unit : Million Baht

	2020	2019
Accrued interest receivables	50.36	41.78
Prepaid expenses	9.86	24.26
Insurance expenses and loan guarantee fees refundable	564.90	470.76
Accounts receivables due to receive refund from TCG	15.40	1.08
Accounts receivables from properties for sale purchase	57.09	125.67
Other account receivables and miscellaneous assets	99.06	134.19
	796.67	797.74
<b>Less</b> Allowance for doubtful accounts	<b>(529.32)</b>	<b>(449.54)</b>
Allowance for Impairment	<b>(7.03)</b>	<b>(7.03)</b>
<b>Total</b>	<b>260.32</b>	<b>341.17</b>

The Bank set aside the allowances for doubtful accounts, insurance expenses, and loan guarantee fees refundable according to outstanding payments, and advances for other operations. (Only for litigation)

## 5.13 Deposits

## 5.13.1 Classified by type of deposits

Unit : Million Baht

	2020	2019
<u>Type of deposits</u>		
Saving deposits	641.09	866.74
Time deposits	52,825.45	57,249.92
Negotiable certificates of deposits	136.69	104.31
<b>Total</b>	<b>53,603.23</b>	<b>58,220.97</b>

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



**5.13 Deposits (Continued)****5.13.2 Classified by currencies and residency of depositors**

Unit : Million Baht

	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	<u>53,603.23</u>	<u>-</u>	<u>53,603.23</u>	<u>58,220.97</u>	<u>-</u>	<u>58,220.97</u>
Total	<u>53,603.23</u>	<u>-</u>	<u>53,603.23</u>	<u>58,220.97</u>	<u>-</u>	<u>58,220.97</u>

**5.14 Interbank and money market items, net (Liabilities)**

These are promissory notes and bills of exchange issued to the financial institutions as at December 31, 2020, and 2019, amount of Baht 10,881.12 million and Baht 6,779.82 million respectively, interest rate of 0.01 - 0.10% per year.

Unit : Million Baht

	2020			2019		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
- Bank of Thailand	-	3,622.27	3,622.27	-	-	-
- Specialized financial Institutions	<u>-</u>	<u>7,258.85</u>	<u>7,258.85</u>	<u>-</u>	<u>6,779.82</u>	<u>6,779.82</u>
Total domestic items	<u>-</u>	<u>10,881.12</u>	<u>10,881.12</u>	<u>-</u>	<u>6,779.82</u>	<u>6,779.82</u>

**5.15 Hedging derivatives**

Fair Value and contract amounts, classified by risk types:

Unit : Million Baht

Risk types	2020			2019		
	Fair value		Contract	Fair value		Contract
	Assets	Liabilities	price	Assets	Liabilities	price
Exchange rates	<u>-</u>	<u>0.04</u>	<u>15.69</u>	<u>-</u>	<u>0.00</u>	<u>0.29</u>
Total	<u>-</u>	<u>0.04</u>	<u>15.69</u>	<u>-</u>	<u>0.00</u>	<u>0.29</u>

Derivative assets are the difference of the fair value adjustment as at December 31, 2020, and the price as at 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, 2020, and the price as at the date of buying or selling of derivations and losses from foreign currency value-derivatives adjustment.

## (TRANSLATION)

40

## 5.16 Debt issued and borrowings

Unit : Million Baht

	<u>2020</u>					
	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
		<u>(%)</u>	<u>date</u>			
Promissory notes	THB	0.25-2.00	At Call	61.93	-	61.93
Loans	THB	-	-	175.45	-	175.45
<b>Bonds</b>						
No.1/2018	THB	2.33	2021	3,000.00	-	3,000.00
No.2/2018	THB	2.62	2021	6,000.00	-	6,000.00
No.1/2019	THB	2.125	2023	3,000.00	-	3,000.00
No.1/2019 (Re - open)	THB	2.125	2023	3,000.00	-	3,000.00
<u>Add Premium of bond</u>				26.89	-	26.89
No.2/2019	THB	2.15	2025	5,000.00	-	5,000.00
No.2/2019 (Re - open)	THB	2.15	2025	4,000.00	-	4,000.00
<u>Add Premium of bond</u>				128.62	-	128.62
No.1/2020	THB	1.55	2026	6,000.00	-	6,000.00
<u>Less Discount on bond</u>				<u>(14.04)</u>	<u>-</u>	<u>(14.04)</u>
<b>Total</b>				<b><u>30,141.47</u></b>	<b><u>-</u></b>	<b><u>30,141.47</u></b>
<b>Total debt issued and borrowings</b>				<b><u>30,378.85</u></b>	<b><u>-</u></b>	<b><u>30,378.85</u></b>

Unit : Million Baht

	<u>2019</u>					
	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
		<u>(%)</u>	<u>date</u>			
Promissory notes	THB	0.25-2.00	At Call	105.47	-	105.47
Loans	THB	-	-	175.45	-	175.45
<b>Bonds</b>						
No.1/2018	THB	2.33	2021	3,000.00	-	3,000.00
No.2/2018	THB	2.62	2021	6,000.00	-	6,000.00
No.1/2019	THB	2.125	2023	3,000.00	-	3,000.00
No.1/2019 (Re - open)	THB	2.125	2023	3,000.00	-	3,000.00
<u>Add Premium of bond</u>				39.88	-	39.88
No.2/2019	THB	2.15	2025	5,000.00	-	5,000.00
No.2/2019 (Re - open)	THB	2.15	2025	4,000.00	-	4,000.00
<u>Add Premium of bond</u>				159.80	-	159.80
No.1/2020	THB	1.55	2026	6,000.00	-	6,000.00
<u>Less Discount on bond</u>				<u>(16.48)</u>	<u>-</u>	<u>(16.48)</u>
<b>Total</b>				<b><u>30,183.20</u></b>	<b><u>-</u></b>	<b><u>30,183.20</u></b>
<b>Total debt issued and borrowings</b>				<b><u>30,464.12</u></b>	<b><u>-</u></b>	<b><u>30,464.12</u></b>

**5.16 Debt issued and borrowings (Continued)**

Promissory notes, as at December 31, 2020, and 2019, amount of Baht 61.93 million and Baht 105.47 million, respectively were the borrowings from individuals and juristic persons, issued as multiple promissory notes with interest rates of 0.25-2.00% per annum, and interest payment at call.

Loans, as at December 31, 2020, and 2019, 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 at a par value of 100 Baht totaling of Baht 75 million. The remaining amount for the Bank borrowing of Baht 175.45 million.

Bonds, as at December 31, 2020, and 2019, amount of Baht 30,141.47 million and Baht 30,183.20 million, respectively, comprising.

No. 1/2018: On August 14, 2018, the Bank has sold bearer bonds amount of Baht 3,000.00 million (3,000,000 units of Baht 1,000 each), in maturity of 3 years on August 14, 2021. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.33% per annum, payable semi-annually on 14<sup>th</sup> of February and August of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2018: On November 8, 2018, the Bank has sold bearer bonds amount of Baht 6,000.00 million (6,000,000 units of Baht 1,000 each), in maturity of 3 years on November 8, 2021. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.62% per annum, payable semi-annually on 8<sup>th</sup> of November and May of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

Bonds guaranteed by the Ministry of Finance, amount of Baht 21,000.00 million.

No. 1/2019: On May 29, 2019, the Bank has sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3 years 8 months on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on 29<sup>th</sup> of May and November of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2019: On June 19, 2019, the Bank has sold bearer bonds amount of Baht 5,000.00 million (units of Baht 1,000 each), in maturity of 5 years 8 months on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on 19<sup>th</sup> of June and December of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

**5.16 Debt issued and borrowings (Continued)**

No. 1/2019 (Re-open): On July 24, 2019, the Bank has sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3.52 years on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on 29<sup>th</sup> of May and November of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2019 (Re-open): On September 4, 2019, the Bank has sold bearer bonds amount of Baht 4,000.00 million (units of Baht 1,000 each) in maturity of 5.47 years on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on 19<sup>th</sup> of June and December of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 1/2020: On October 16, 2019, the Bank has sold bearer bonds amount of Baht 6,000.00 million (units of Baht 1,000 each), in maturity of 7 years on October 16, 2026. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.55% per annum, payable semi-annually on 16<sup>th</sup> of April and October of each year. The Bank will pay the final interest payment on principal of the bonds on the maturity date.

**5.17 Lease liabilities**

As at December 31, 2020, the details on lease liabilities were as follows:

	Unit : Million Baht
Up to 1 years	84.67
Over 1 - 5 years	107.42
Over 5 years	<u>0.39</u>
Total Lease liabilities	192.48
<u>Less</u> Deferred interest expenses	<u>(5.37)</u>
Present value of lease liabilities	<u>187.11</u>

The present value of lease liabilities as at December 31, 2020 was as follows:

Up to 1 years	82.20
Over 1 - 5 years	104.56
Over 5 years	<u>0.35</u>
Total	<u>187.11</u>

As at December 31, 2020, paid interest from lease liabilities was amount of Baht 4.81 million and shown as part of financial cost (interest expense) in the statement of profit or loss and other comprehensive income.

**5.18 Provisions**

As at December 31, 2020, and 2019, provisions in the amount of Baht 682.11 million and Baht 7,642.45 million respectively, consisting of:

**5.18.1 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 employee, the turnover rate, the rate of increases salaries, the discount rate, and other.

As at December 31, 2020 and 2019, 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 634.36 million and Baht 665.28 million respectively, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Beginning balance	665.28	435.85
Past service costs*	-	129.19
Current service costs*	64.01	66.33
Interest costs*	7.76	9.14
Benefits paid during the years	(207.41)	(31.40)
Losses on settlement	108.96	-
Actuarial (gains) losses arising from :		
- Experience adjustments	(12.63)	(13.39)
- Demographic assumption changes	(3.56)	-
- Financial assumption changes	<u>11.95</u>	<u>69.56</u>
Ending balance	<u>634.36</u>	<u>665.28</u>

\* These items are presented as employee expense in the statement of profit or loss and other comprehensive income

In 2020, the Bank had an early retirement project. Therefore, the Bank assessed the present value of obligations for employee benefits projects, causing interim benefit payments to amount of Baht 207.41 million. In addition, the Bank incurred losses from benefit payouts amount of Baht 108.96 million recognized in profit (loss) and actuarial gains on defined benefit plans amount of Baht 4.24 million recognized in comprehensive income (loss) through retained earnings

The Principal actuarial assumptions.

	<u>2020</u>	<u>2019</u>
Salary growth rate	5.00%	5.00%
Turnover rate	0% - 6.00%	0% - 4.00%
Discount rate	1.38%	1.55%

**5.18 Provisions (Continued)****5.18.1 Employee benefits (Continued)**

The Bank's defined benefit plans were sensitive to changes in each significant actuarial assumption as follows:

	Unit : Million Baht	
	<u>Increase (decrease) in the provisions</u>	
	<u>2020</u>	<u>2019</u>
Discount rate		
- Increase of 1%	(69.07)	(69.23)
- Decrease of 1%	81.26	81.27
Salary growth rate		
- Increase of 1%	79.14	79.37
- Decrease of 1%	(68.83)	(69.17)
Turnover rate		
- Increase of 1%	(71.67)	(72.00)
- Decrease of 1%	52.77	52.52

**5.18.2 Provision for derivatives**

A commercial bank filed a lawsuit against the Bank on contractual breach of Cross Currency Swap (CCS contract) and Interest Rate Swap (IRS contract). The Bank's provision for derivative in the amount of Baht 6,945.18 million. On June 16, 2020, the Bank has already completed payment of the compensation for the case. The Bank has reversed the remaining balance to derivative expenses in the amount of Baht 1,366.08 million (Note 5.33.2). As at December 31, 2020, no outstanding balance.

As at December 31, 2019, the Bank's provision for derivatives in the amount of Baht 6,945.18 million.

**5.18.3 Provision for letter of guarantee**

As at December 31, 2020, and 2019, the Bank's provision for letter of guarantee in the amount of Baht 47.75 million and Baht 31.99 million, respectively. (Note 5.33.2)

**5.19 Accrued interest payables**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Deposits	256.26	450.03
Interbank and money market items	0.63	0.44
Debt issued - promissory note	6.77	11.20
Debt issued - bonds	<u>86.26</u>	<u>88.11</u>
Total	<u>349.92</u>	<u>549.78</u>



**5.20 Grant fund from the Bureau of the Budget**

As at December 31, 2020, the Bank has no remaining financial support from the Bureau of the Budget because the Bank returned in the amount of Baht 23.05 million in financial support to the Ministry of Finance on December 29, 2020, which consisted of the following:

**5.20.1 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.

Disbursement 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 Baht 2,500 each. As at December 31, 2020, no outstanding balance.

**5.20.2 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 November 21, 2013, and October 14, 2014, the Bank was allocated the project budget in the amount of Baht 10.00 million and Baht 92.50 million, 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 Entrepreneurs (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, The beginning balance of 2020 amounting to Baht 21.48 million. As at December 31, 2020, no outstanding balance.

- Loan for work process development in the amount of Baht 40,000.00 each, As at December 31, 2020, no outstanding balance.

**5.21 Other liabilities**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Accrued expenses	238.26	228.12
Payables - revenue department	0.11	0.07
Other payables	620.22	426.48
Marginal deposits	195.91	94.81
Others	<u>188.72</u>	<u>148.92</u>
Total	<u>1,243.22</u>	<u>898.40</u>

## 5.22 Share capital

The Bank was established under the Small and Medium Enterprise Development Bank of Thailand Act B.E.2545 (2002), which came into effect on December 20, 2002. The Bank received 28 million shares transferred from the Small Industry Finance Corporation at a par value of Baht 100 per share, totaling Baht 2,800 million.

### Authorized share capital

As at December 31, 2020, and 2019, the Bank's authorized share capital are 456 million share at a par value of Baht 100 per share, totaling Baht 45,600 million.

### Issued and paid-up share capital

As at December 31, 2020, and 2019, the Bank had paid-up capital of 362.32 million shares and 273.01 million shares, respectively, at a par value of Baht 100 per share, totaling Baht 36,231.81 million and Baht 27,300.58 million, respectively, with discounts on shares capital of Baht 15,476.81 million and Baht 9,545.58 million, respectively. The Ministry of Finance held 99.38% and 99.18% of the shares, respectively.

According to the Resolution of Extraordinary General Shareholders' Meeting No. 2/2019, dated October 25, 2019, the Bank was approved to increase in the registered capital of Baht 15,600 million or 156 million share through the call and allocation of additional shares not exceeding of Baht 6,000 million. The Ministry of Finance received an allocation of the entire amount of capital increase stocks and payments are divided into installments according to the decision of the Specialized Financial Institution Development Fund Committee. On December 23, 2019, the Bank was allocated the first installment of capital increase from the Ministry of Finance with a book value of Baht 3,000 million and a par value of Baht 41.13 for 72.94 million common shares as at June 30, 2019. On November 30, 2020, the Bank was allocated the second installment (final installment) of capital increase from the Ministry of Finance with a book value of Baht 3,000 million and a par value of Baht 33.59 for 89.31 million common shares as at June 30, 2020.

## 5.23 Other components of equity

	Unit : Million Baht					
	2020			2019		
	Beginning	Change during	Ending	Beginning	Change during	Ending
	balance	period	balance	balance	period	balance
Revaluation surplus (deficit) on investments	54.08	56.44	110.52	(6.09)	60.17	54.08
Recalculation surplus(deficit) on assets	941.31	(14.23)	927.08	955.53	(14.22)	941.31
Total	995.39	42.21	1,037.60	949.44	45.95	995.39

## 5.24 Interest income

Interest income for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million baht	
	2020	2019
Interbank and money market items	48.95	88.93
Investments	123.77	163.30
Loans	1,867.56	2,514.02
Hire purchase lease	0.90	1.12
Total interest income	2,041.18	2,767.37

**5.25 Interest expenses**

Interest expenses for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Deposits	338.48	598.86
Interbank and money market items	3.21	6.71
Bonds issuance fee	(3.72)	15.35
Debt issued - promissory note	0.34	0.60
Debt issued - bonds	283.92	194.37
Others	<u>2.28</u>	<u>-</u>
Total interest expenses	<u>624.51</u>	<u>815.89</u>

**5.26 Fees and service income, net**

Fees and service income for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Fee and service income		
- Acceptance, avals and guarantee	3.76	3.29
- Others	<u>262.43</u>	<u>287.75</u>
Total fees and service income	266.19	291.04
Fees and service expenses	<u>(48.03)</u>	<u>(68.80)</u>
Fees and service income, net	<u>218.16</u>	<u>222.24</u>

**5.27 Gains on trading and foreign exchange transactions**

Gains on trading and foreign exchange transaction for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Gains on trading and foreign exchange transactions		
- Gains on foreign exchange transactions	<u>1.43</u>	<u>1.66</u>
Total	<u>1.43</u>	<u>1.66</u>

**5.28 Gains (losses) on financial instrument designated at fair value through profit or loss (Fair value option)**

Gains (losses) on financial instrument designated at fair value through profit or loss (Fair value option) for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Changes in fair value, net		
- Other liabilities	<u>(0.04)</u>	<u>0.01</u>
Total	<u>(0.04)</u>	<u>0.01</u>

**5.29 Gains (losses) on investments, net**

Gains (losses) on investment, net for the year ended December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Gains on disposal of		
- Available-for-sale securities	33.94	1.06
Reversal (losses) on impairment		
- General investment	<u>9.99</u>	<u>(11.01)</u>
Total	<u>43.93</u>	<u>(9.95)</u>

**5.30 Impairment losses of loans and debt securities**

Bad debts, doubtful accounts, and losses on impairment, included losses from debt restructuring which were included in the gains or losses for the year ended of December 31, 2020, and 2019, as follows:

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
<b>Nonpublic service account</b>		
Loans to customers	2,486.34	2,135.46
Loans from debt restructuring	<u>0.85</u>	<u>0.51</u>
Total	<u>2,487.19</u>	<u>2,135.97</u>
<b>Public service account</b>		
Loans to customers from public service account	<u>(18.22)</u>	<u>681.40</u>
Total	<u>(18.22)</u>	<u>681.40</u>
Total bad debt, doubtful accounts, and losses impairment	<u>2,468.97</u>	<u>2,817.37</u>

**5.31 Key management personnel compensation**

Key management personnel compensation are the paid benefits to directors and executives of the Bank, which consisting of management personnel compensation in for money such as salaries and related benefits, which include benefits binding in the retirement project and compensation for directors.

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Short-term benefits		
Executive compensation	27.98	21.47
Directors' compensation	9.67	7.62
Post-employment benefits	<u>11.68</u>	<u>10.16</u>
Total	<u>49.33</u>	<u>39.25</u>

**5.32 Long-term leasing agreements**

The Bank has the following obligations in lease agreements requiring payments in the future:

Unit : Million Baht

<u>Types</u>	<u>2020</u>		<u>Total</u>
	<u>Within 1 year</u>	<u>Over 1-5 years</u>	
Office equipment agreements	0.44	-	0.44
Services agreements	<u>28.27</u>	<u>14.14</u>	<u>42.41</u>
Total	<u>28.71</u>	<u>14.14</u>	<u>42.85</u>

Unit : Million Baht

<u>Types</u>	<u>2019</u>		<u>Total</u>
	<u>Within 1 year</u>	<u>Over 1-5 years</u>	
Land/Premises agreements	32.34	20.05	52.39
Vehicles agreements	70.87	45.47	116.34
Office equipment agreements	0.12	-	0.12
Services agreements	<u>66.84</u>	<u>0.52</u>	<u>67.36</u>
Total	<u>170.17</u>	<u>66.04</u>	<u>236.21</u>

**5.33 Contingent liabilities and commitments****5.33.1 Contingencies**

Unit : Million Baht

	<u>2020</u>	<u>2019</u>
Letter of credit	1.94	1.52
Other contingencies		
Other guarantees	77.04	98.66
Foreign contracts		
- Sell	1.75	-
Spot sell contracts	<u>13.94</u>	<u>0.29</u>
Total other commitments	<u>92.73</u>	<u>98.95</u>
Total	<u>94.67</u>	<u>100.47</u>

**5.33 Contingent liabilities and commitments (Continued)****5.33.2 Litigation**

As at December 31, 2020, the Bank has contingent liabilities owing to prosecution which the exact amount of compensation could not be set. The Bank had 19 lawsuits with the total claim in the amount of Baht 422.92 million

1) There are 4 cases that the Bank has proceeded under a guarantee (LG) contract in the amounting of Baht 80.15 million. The cases are under consideration by the Central Administrative Court and the Supreme Administrative Court. The Bank set aside provision for contingent liability from 2 legal cases (Note 5.18.3).

2) The commercial bank filed a lawsuit against the Bank on contractual breach of Cross Currency Swap (CCS Contract) and Interest Rate Swap (IRS Contract) 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 in the amount of the principal with interest. On March 24, 2020, the Supreme Court upheld the Court of Appeals Judgment that the Bank have to compensate for the case in total amount of US\$ 165.14 million or approximately Baht 5,502.71 million with interest until the payments are complete. On June 16, 2020, the Bank has already completed payment of the compensation for the case. (Note 5.18.2).

**5.34 The fair value of financial instruments**

As at December 31, 2020, the fair value hierarchy, the Bank's financial assets and financial liabilities as follows:

Unit: Million Baht

	<u>2020</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial assets</b>			
Available-for-sale securities	<u>5,519.33</u>	-	<u>5,519.33</u>
Total financial Assets	<u>5,519.33</u>	-	<u>5,519.33</u>
<b>Financial liabilities</b>			
Liabilities derivatives - currency	-	<u>0.01</u>	<u>0.01</u>
Total financial liabilities	-	<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 techniques 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 techniques 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 price, 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.



**5.35 Public service account (PSA)****5.35.1 Summary of public service account**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
<b>Assets and liabilities</b>		
<b><u>Assets</u></b>		
Loans to customers from public service account and accrued interest receivables, net	<u>52,062.89</u>	<u>48,968.07</u>
Total assets	<u>52,062.89</u>	<u>48,968.07</u>
<b>Income and expenses</b>		
Income from public service account	2,802.54	2,784.00
<b>Less</b> Expenses from public service account	1,476.51	5,238.47
<b>Less</b> Impairment loss of loans and debt securities of public service account	<u>(18.22)</u>	<u>681.40</u>
Gains (losses), net	<u>1,344.25</u>	<u>(3,135.87)</u>

**5.35.2 Loan to customers from public service account and accrued interest receivables, net**

			Unit : Million Unit	
			<u>2020</u>	<u>2019</u>
Project	Brief project description	Time		
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 Airports, (Resolution cabinet, dated February 17, 2009, April 28, 2009, July 21, 2009, October 13, 2009, March 2, 2010, and June 8, 2010)	May 4, 2009 - December 31, 2010	159.58	168.17
2. Financial assistance to entrepreneurs, business logistics Thailand	Liquidity support to entrepreneurs' logistics (Resolution cabinet, dated December 8, 2009)	January 19, 2010 - December 31, 2010	60.83	66.37
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	1,295.78	1,324.65

## 5.35 Public Service Account ( PSA) (Continued)

## 5.35.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

Project	Brief project description	Time	Unit : Million Baht	
			2020	2019
4. SME POWER project for a new day Phase 2	Improvement loans are aligned with the need of the operators and the Ratchaprasong neighborhood. (Resolution cabinet dated June 8, 2010, and September 28, 2010)	June 8, 2010 - December 31, 2010	711.89	724.67
5. SMEs project that export who have been affected by the appreciation of the baht	Liquidity assistance to entrepreneurs to export. (Resolution cabinet, dated October 12, 2010)	November 15, 2010 - Unknow	0.00	0.00
6. SME Power project the flood victims in 2010	Assistance and rehabilitation of those affected. Flood in 2010 (Resolution cabinet, dated November 2, 2010)	November 10, 2010 - April 30, 2011	141.05	134.97
7. Taxi strong project (Under the Pracha wiat Project)	Strengthening the taxi operators to have Opportunity to own a taxi and replacement. Taxi expired (Resolution cabinet, dated January 11, 2011)	February 10, 2011- Unknow	0.13	2.79
8. SME POWER project to help SMEs to get the impact on flooding and a windstorm in 2011	Help entrepreneurs who have been affected. Flood and windstorm in 2011 (Resolutions cabinet, dated April 4, 2011 and May 3, 2011)	May 19, 2011 - October 31, 2011	702.76	703.58
9. To help SMEs to get impact on flooding , windstorm and a landslide project in 2011	Assistance to victims of natural disasters 2010 and 2011 (more) (Resolution cabinet, dated May 3, 2011)	May 19, 2011 - October 31, 2011	42.90	39.47
10. 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	5.49	5.49

**5.35 Public service account (PSA) (Continued)****5.35.2 Loan to customers from public service account and accrued interest receivables, net (Continued)**

			Unit: Million Baht	
			<u>2020</u>	<u>2019</u>
Project	Brief project description	Time		
11. Financial assistance program for entrepreneurs in business logistics Thailand-more	To extend the period of assistance Logistics entrepreneurs. (Resolution cabinet, dated April 12, 2011)	June 6, 2011- December 31, 2011	80.67	60.26
12. Financial assistance program for entrepreneurs franchise and direct sales	Target to expand the coverage business franchise and direct selling. (Resolution cabinet, dated April 12, 2011)	June 6, 2011 - December 31, 2011	0.93	0.50
13. Restoration project SMEs after a catastrophic in 2011	Help entrepreneurs' disaster in 2011 (Resolution cabinet, dated September 20, 2011, and December 13, 2011)	September 30, 2011 - December 31, 2011	407.40	424.21
14. Measures stay debt small farmers and people with a low income. Debt outstanding under 500,000 baht. (Debtor NPL)	To alleviate the debt burden of the NPL. Small farmers and people with low income. A debt consolidation loan All contracts over Low 500,000 baht. (Resolutions cabinet, dated November 15, 2011, and February 7, 2012)	November 15, 2011 - April 15, 2012 (The debt moratorium period was from October 1, 2011 to September 30, 2014)	0.64	0.80
15. Loan for work process development project under productivity improvement program	To empower SMEs leverage. Productivity and supports access financing of industrial enterprises. As well as reducing the burden of higher labor costs. (Resolution cabinet dated April 24, 2012 and January 8, 2013)	June 28, 2012 - December 31, 2015	962.95	1,011.10

## 5.35 Public service account (PSA) (Continued)

## 5.35.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			<u>2020</u>	<u>2019</u>
Project	Brief project description	Time		
16. Loan for machine development under productivity improvement program	To empower SME leverage Productivity And supports access Financing of industrial enterprises. As well as reducing the burden of Higher labor costs. (Resolution cabinet dated April 24, 2012 and January 8, 2013)	June 28, 2012 - December 31, 2015	27.89	42.26
17. Loan program the low-interest loan (Policy loan)	Help SMEs small. Experiencing problems with liquidity. Encourage small SMEs to have liquid for improvement businesses empowerment. (Resolution cabinet dated March 17, 2015, June 16, 2015, February 9, 2016 and June 28, 2016)	June 16, 2015 - December 31, 2016	1,964.86	3,871.85
18. Loan for SMEs rehabilitation affected flooding at southern in 2017 (Revised regulations for rehabilitation loan for SMEs Affected by Southern Flood in 2017)	Assistance for SMEs suffered from flooding at southern in 2017, to development, recover, and receive Sufficiency of working capital in order to run business. (Resolution cabinet, dated February 7, 2017 and August 1, 2017)	February 7, 2017 - January 31, 2018	2,461.79	3,301.49
19. Loan project to SMEs transformation loan	Help SME affected to the economy caused liquidity problems. And SMEs according of the government's policy of transforming the business into an industrial 4.0 and SMEs to access low-interest-loan (Resolution cabinet dated March 21, 2017)	March 21, 2017 - March 20, 2018	7,468.99	9,818.06

## 5.35 Public Service Account (PSA) (Continued)

## 5.35.2 Loan to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			<u>2020</u>	<u>2019</u>
Project	Brief project description	Time		
20. Loan for upgrading local economy	To help, promote and develop to entrepreneur micro SMEs for income generating to community including supporting and community tourism, then accordance with tourism and agricultural processing (food and non-food) which to upgrading local economies according to government policy. (Resolution cabinet dated December 19, 2017, December 18, 2018, January 7, 2020 and January 19, 2021)	December 19, 2017- December 18, 2019 extended period 1 <sup>st</sup> , to December 18, 2020 2 <sup>nd</sup> , to December 18, 2021	32,064.06	27,267.38
21. Loan for SMEs impacted by COVID-19 situation.	Support liquidity and ease expense burdens in the business operations of SMEs impacted by COVID-19 situation). (Resolution cabinet, dated March 24, 2020, August 18, 2020 and November 3, 2020)	March 24, 2020- December 30, 2020 extended period to June 30, 2021	<u>3,502.30</u>	<u>-</u>
<b>Total</b>			<u>52,062.89</u>	<u>48,968.07</u>

As at December 31, 2020, and 2019, loans to customers from public service account and accrued interest receivable included outstanding and accrued interest receivables net deferred revenue, and allowance for doubtful accounts.

The Bank uses the criteria of allocation of the public service account cost according to the memorandum Ref: No.GorKor. 1006/3327 from Fiscal Policy Office on the subject of approval to allocate public service account cost of Small and Medium Enterprise Development Bank of Thailand dated August 25, 2016

## Interest Expense/capital cost compensation

Deposits/compensation for financial cost = Weighted average financial cost through the accounting period  
x average loans to customer on accounting period

## Non - interest expenses

Employees' expenses	Allocated using account number
Premises and equipment expenses	Allocated using account number
Directors' compensation	Allocated using account number
Fees and services	Allocated using account number
Other expenses	Allocated using account number

**5.35 Public service account (PSA) (Continued)****5.35.3 Asset classification and allowance from public service account**

	No. of cases	Outstanding	Collateral value*	Unit : Million Baht	
				% Use for set aside allowance for doubtful account	Allowance for doubtful accounts
1. Minimum reserve under BOT's regulation					
Normal	42,664	48,493.94	8,982.86	1	376.73
Normal-surplus					3.02
Special mention	2,473	2,553.88	2,180.86	2	7.46
Substandard	240	219.73	193.60	100	26.16
Doubtful	208	195.30	169.29	100	26.01
Doubtful of loss	<u>1,665</u>	<u>1,629.65</u>	<u>837.00</u>	100	<u>792.65</u>
Total					1,232.03
2. Excess allowance					<u>75.61</u>
Total	<u>47,250</u>	<u>53,092.50</u>	<u>12,363.61</u>		<u>1,307.64</u>

As at December 31, 2020, the Bank classified the assets and provided provision according to the Bank of Thailand's notification No. SorKorSor. 28/2562, dated September 2, 2019, regarding Regulations on Governance of public service accounts.

As at December 31, 2020, the Bank had 21 public service projects, which 6 projects has got compensation for damage by the cabinet resolutions. For these projects, the Bank set aside provisions for the amount exceeding the projected government compensation (Note 5.4.4) and the loan receivables whose credit limits do not exceed the projected government compensation, in accordance with the above-mentioned BOT's Notification.

\*As at December 31, 2020, the total collateral amounted to Baht 12,363.61 million, part of the collateral was from the public service project account got compensation for damage by the cabinet resolutions in the amount to Baht 31.28 million, including those requiring provisions and not requiring provisions.

**5.35.4 Income from public service account**

	Unit : Million Baht	
	2020	2019
Income from loans to customers from public service account		
Interest income from loans to customers from public service account	1,694.67	1,581.71
Fees and service income from loans to customers from public service account	314.19	424.42
Public service account compensated income		
Interest compensated income from public service account from the Government	<u>793.68</u>	<u>777.87</u>
Total	<u>2,802.54</u>	<u>2,784.00</u>



**5.35 Public service accounts ( PSA) (Continued)****5.35.5 Expenses from public service account**

	Unit : Million Baht	
	<u>2020</u>	<u>2019</u>
Interest expenses from public service account	693.66	784.86
Fees and services from public service account	65.97	96.17
Operational expenses from public service account	437.74	4,092.69
Other expenses from public service account	<u>279.14</u>	<u>264.75</u>
Total	<u>1,476.51</u>	<u>5,238.47</u>

**5.36 Approval of the financial statements**

These financial statements have been authorized to issue by the Bank's authorized president on April 30, 2021.

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# SMEs

New Normal



## Board of Directors Directory

### Board of Directors 2002

1	Mr. Manu Leopairote	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	Managing Director Director and Secretary

### Board of Directors 2003

1	Mr. Manu Leopairote	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	Managing Director Director and Secretary

## Board of Directors 2004

1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mr. Sakthip Kraierk	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	Managing Director Director and Secretary

## Board of Directors 2005

1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mr. Sakthip Kraierk	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	Managing Director 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 Soontornkes	Director
7	Mr. Pongsak Chewcharat	Managing Director 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. Wilaiporn Liwagasemsan	Director
8	Mr. Kongkrit Hiranyakit	Director
9	Ms. Ladawan Thanathanit	Director
10	Mrs. Sukanya Chantrapannik	Director
11	Mr. Pongsak Chewcharat	Managing Director 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	Dr. Ekniti Nitithanprapas	Director
8	Mr. Vichaya Vitheethum	Director
9	Mr. Poonnis Sakuntanaga	Director
10	Mr. Pongsak Chajiamjan	Senior Executive Vice President Acting Managing Director Acting Director and Secretary

## Board of Directors 2009

1	Mr. Pongpanu Svetarundra	Chairman
2	Mr. Poonnis Sakuntanaga	Director
3	Dr. Ekniti Nitithanprapas	Director
4	Mr. Pramode Vidtayasuk	Director
5	Dr. Sakarindr Bhumiratana	Director
6	Mr. Vichaya Vitheethum	Director
7	Mr. Vudhibhongse Vibulyawongse	Director
8	Dr. Tanit Sorat	Director
9	Mr. Adul Laohapol	Director
10	Mr. Boonsak Chiempricha	Director
11	Mr. Soros Sakornvisava	Managing Director Director and Secretary



## Board of Directors 2010

1	Mr. Pongpanu Svetarundra	Chairman
2	Mr. Poonnis Sakuntanaga	Director
3	Mr. Pramode Vidtayasuk	Director
4	Dr. Sakarindr Bhumiratana	Director
5	Mr. Vudhibhongse Vibulyawongse	Director
6	Dr. Tanit Sorat	Director
7	Mr. Abdul Laohapol	Director
8	Mr. Boonsak Chiempricha	Director
9	Mr. Soros Sakornvisava	Managing Director Director and Secretary

## Board of Directors 2011

1	Dr. Naris Chaiyasoot	Chairman
2	Mr. Pichai Chunhavajira	Director
3	Dr. Witoon Simachokedee	Director
4	Mr. Anusorn Muttaraid	Director
5	Mr. Udom Wongviwatchai	Director
6	Mr. Vudhibhongse Vibulyawongse	Director
7	Mr. Sommai Khowkachaporn	Director
8	Mrs. Wanee Thasanamontien	Director
9	Mr. Abdul Laohapol	Director
10	Mr. Jirayut Rungsrithong	Director
11	Mr. Soros Sakornvisava	Managing Director Director and Secretary

## Board of Directors 2012

1	Dr. Naris Chaiyasoot	Chairman
2	Mr. Pichai Chunhavajira	Director
3	Dr. 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. Sommai Khowkachaporn	Director
9	Mr. Adul Laohapol	Director
10	Mr. Jirayut Rungsrithong	Director
11	Mr. Pongsak Chajiamjan	Senior Executive Vice President Acting Managing Director Acting Director and Secretary

## Board of Directors 2013

1	Dr. Naris Chaiyasoot	Chairman
2	Dr. Witoon Simachokedee	Director
3	Mr. Pichai Chunhavajira	Director
4	Mr. Kritsda Udyanin	Director
5	Dr. Somchai Harnhirun	Director
6	Dr. Patima Jeerapaet	Director
7	Mr. Vitaya Suriyawong	Director
8	Mr. Anusorn Muttaraid	Director
9	Mr. Jirayut Rungsrithong	Director
10	Miss Parichatara L. Sirivong	Senior Executive Vice President Acting Managing Director Acting 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	Dr. Somchai Harnhirun	Director
9	Mr. Vichit Kornvityakoon	Director
10	Miss Parichatara L. Sirivong	Senior Executive Vice President Acting Managing Director Acting 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	Dr. Somchai Harnhirun	Director
8	Mr. Vitaya Suriyawong	Director
9	Mr. Vichit Kornvityakoon	Director
10	Dr. Seree Nonhasoot	Director
11	Mr. Praphaisith Tankeyura	Director
12	Mr. Supot Arevart	Managing Director Director and Secretary
13	Mrs. Intira Phokpoonyarak	Senior Executive Vice President Acting Managing Director Acting Director and Secretary
14	Mr. Woramit Krutto	Senior Executive Vice President Acting Managing Director Acting Director and Secretary

## Board of Directors 2016

1	Mrs. Salinee Wangtal	Chairman
2	Dr. Somchai Harnhirun	Chairman
3	Mrs. Saowanee Kamolbutr	Director
4	Mrs. Pankanitta Boonkrong	Director
5	Mr. Lavaron Sangsnit	Director
6	Mr. Anusorn Muttaraid	Director
7	Dr. Seree Nonthasoot	Director
8	Mr. Praphaisith Tankeyura	Director
9	Mr. Taveesak Foongkiatcharoen	Director
10	Mrs. Poonsook Musiklad	Director
11	Mr. Chanvit Nakkburee	Director
12	Mr. Pornlert Lattanan	Director
13	Mr. Mongkon Leelatham	Managing Director Director and Secretary

## Board of Directors 2017 (January 1, 2017 – November 8, 2017)

1	Dr. Somchai Harnhirun	Chairman
2	Mrs. Saowanee Kamolbutr	Director
3	Mr. Lavaron Sangsnit	Director
4	Mr. Anusorn Muttaraid	Director
5	Dr. Seree Nonthasoot	Director
6	Mr. Praphaisith Tankeyura	Director
7	Mr. Taveesak Foongkiatcharoen	Director
8	Mrs. Poonsook Musiklad	Director
9	Mr. Chanvit Nakkburee	Director
10	Mr. Pornlert Lattanan	Director
11	Mr. Mongkon Leelatham	Managing Director Director and Secretary

### Board of Directors 2017 (November 9, 2017 - December 2017)

1	Mr. Pasu Loharjun	Chairman
2	Mr. Lavaron Sangsnit	Director
3	Mr. Chanvit Nakhburee	Director
4	Mr. Praphaisith Tankeyura	Director
5	Dr. Seree Nonthasoot	Director
6	Mrs. Poonsook Musiklad	Director
7	Mr. Pornlert Lattanan	Director
8	Mr. Prakit Sheeppakdee	Director
9	Mrs. Jaree Wuthisanti	Director
10	Mr. Mongkon Leelatham	Managing Director Director and Secretary

### Board of Directors 2018

1	Mr. Pasu Loharjun	Chairman
2	Mr. Lavaron Sangsnit	Director
3	Mr. Chanvit Nakhburee	Director
4	Mr. Praphaisith Tankeyura	Director
5	Dr. Seree Nonthasoot	Director
6	Mrs. Poonsook Musiklad	Director
7	Mr. Pornlert Lattanan	Director
8	Mr. Prakit Sheeppakdee	Director
9	Mrs. Jaree Wuthisanti	Director
10	Dr. Tippawan Pinwanichkul	Director
11	Mr. Veerapong Malai	Director
12	Mr. Mongkon Leelatham	Managing Director Director and Secretary

## Board of Directors 2019

1	Mr. Kobchai Sungsitthisawad	Chairman
2	Mr. Pasu Loharjun	Chairman
3	Mr. Chanvit Nakhuree	Director
4	Mrs. Yajai Pattanasukwasun	Director
5	Miss Chunhachit Sungmai	Director
6	Dr. Seree Nonthasoot	Director
7	Mr. Praphaisith Tankeyura	Director
8	Mr. Prakit Sheeppakdee	Director
9	Mrs. Jaree Wuthisanti	Director
10	Mrs. Chanisa Chutipat	Director
11	Mr. Kriengkrai Rukkulchon	Director
12	Mr. Mongkon Leelatham	Director and Secretary
13	Mr. Phongcharn Samphaongern	Senior Executive Vice President Acting Managing Director Acting Director and Secretary
14	Miss Nartnaree Rattapat	Senior Executive Vice President Acting Managing Director Acting Director and Secretary

# SMEs

New Normal





## Branch Directory

### SME Bank Head Office

310 SME Bank Tower, Phahonyothin Rd., Samsen-Nai, Phayathai, Bangkok 10400

Tel. 02-265-3000

Fax. 02-265-4000

### Zone Office 1

450/29-32 Moo 13, Phahonyothin Rd., Tambon Rob Viang, Amphoe Muang, Chiang Rai 57000

Tel. 053-718-504

053-714-096

053-714-501

Fax. 053-711-915

### Chiang Rai Branch

450/29-32 Moo 13, Phahonyothin Rd., Tambon Rob Viang, Amphoe Muang, Chiang Rai 57000

Tel. 053-718-504

053-714-096

053-714-501

085-980-8075

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### Mae Sai Branch

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085-980-8124

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### Zone Office 2

7/1-4 Chiangmai-Lampang Rd., Tambon Changphueak, Amphoe Muang, Chiang Mai 50300

Tel. 053-413-103-4

053-412-535

Fax. 053-413-112

### Chiang Mai Branch

7/1-4 Chiangmai-Lampang Rd., Tambon Changphueak, Amphoe Muang, Chiang Mai 50300

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053-412-535

085-980-8076

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### Mae Hong Son Branch

6/2-3 Soi 5, Khunlumprapas Rd., Tambon Chong Kham, Amphoe Muang, Maehongson 58000

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085-980-8125

Fax. 053-614-503

E-mail: [Maehongson@smebank.co.th](mailto:Maehongson@smebank.co.th)

### Zone Office 3

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Tel. 054-821-549-51

Fax. 054-821-548

### Lampang Branch

292-294 Highway Lampang-Ngaw Rd., Tambon Pra Baht, Amphoe Muang, Lampang 52000

Tel. 054-821-549-51

085-980-8134

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E-mail: [Lampang@smebank.co.th](mailto:Lampang@smebank.co.th)

### Lamphun Branch

416 Charoenrat Rd., Tambon Nai Muang, Amphoe Muang, Lamphun 51000

Tel. 053-525-801-2

085-980-8135

Fax. 053-525-803

E-mail: [Lamphun@smebank.co.th](mailto:Lamphun@smebank.co.th)

### Phayao Branch

286/22 Phahonyothin Rd., Tambon Maetum, Amphoe Muang, Phayao 56000

Tel. 054-480-222-3

085-980-8107

Fax. 054-485-989

E-mail: [Phayao@smebank.co.th](mailto:Phayao@smebank.co.th)

#### Zone Office 4

410/53-54 Moo 9, Tambon Na Juck,  
Amphoe Muang, Phrae 54000

Tel. 054-628-010-2

Fax. 054-533-996

##### Phrae Branch

410/53-54 Moo 9, Tambon Na Juck,  
Amphoe Muang, Phrae 54000

Tel. 054-628-010-2

085-980-8116

Fax. 054-533-996

E-mail: Phrae@smebank.co.th

##### Nan Branch

226/6 Moo 6, Tambon Dutai, Amphoe  
Muang, Nan 55000

Tel. 054-772-501-2

085-980-8097

Fax. 054-772-503

E-mail: Nan@smebank.co.th

##### Uttaradit Branch

20/22-23 Jessadabodinnua Rd.,  
Tambon Tha It, Amphoe Muang,  
Uttaradit 53000

Tel. 055-411-872-3

085-980-8160

Fax. 055-411-874

E-mail: Uttaradit@smebank.co.th

#### Zone Office 5

642, 644 Charoensuk Rd., Tambon  
Nai Muang, Amphoe Muang,  
Kamphaengphet 62000

Tel. 055-773-205-6

055-773-208

Fax. 055-773-209

##### Kamphaeng Phet Branch

642, 644 Charoensuk Rd., Tambon  
Nai Muang, Amphoe Muang,  
Kamphaengphet 62000

Tel. 055-773-205-6

055-773-208

085-980-7949

Fax. 055-773-209

E-mail: Kamphaengphet

@smebank.co.th

##### Tak Branch

17/26 Asia Rd., Tambon Mae sod,  
Amphoe Mae sod, Tak 63110

Tel. 055-506-971-2

085-980-7850

Fax. 055-506-970

E-mail: Tak@smebank.co.th

##### Sukhothai Branch

1/2-3 Jarod Withee Thong Rd.,  
Tambon Thani, Amphoe Muang,  
Sukhothai 64000

Tel. 055-616-166-7

085-980-8148

Fax. 055-616-168

E-mail: Sukhothai@smebank.co.th

#### Zone Office 6

838 Mittraphap Rd., Tambon Nai  
Muang, Amphoe Muang, Phitsanulok  
65000

Tel. 055-221-575-6

055-304-553

Fax. 055-304-554

##### Phitsanulok Branch

838 Mittraphap Rd., Tambon Nai  
Muang, Amphoe Muang, Phitsanulok  
65000

Tel. 055-221-575-6

055-304-553

085-980-8113

Fax. 055-304-554

E-mail: Phitsanulok

@smebank.co.th

##### Phichit Branch

42/1-2 Ratkasemautid Rd., Tambon  
Nai Muang, Amphoe Muang, Phichit  
66000

Tel. 056-616-550-1

085-980-8112

Fax. 056-616-553

E-mail: Phichit@smebank.co.th

##### Phetchabun Branch

4/1-2 Samakkeechai Rd., Tambon  
Nai Muang, Amphoe Muang,  
Phetchabun 67000

Tel. 056-720-821-2

085-980-8115

Fax. 056-713-187

E-mail: Phetchabun

@smebank.co.th

### Zone Office 7

919/28, 919/111 Moo 10,  
Phahonyothin Rd., Tambon  
Nakhon Sawan Tok, Amphoe Muang,  
Nakhon Sawan 60000  
Tel. 056-220-877-8  
056-231-336  
Fax. 056-220-879

#### Nakhon Sawan Branch

919/28, 919/111 Moo 10,  
Phahonyothin Rd., Tambon  
Nakhon Sawan Tok, Amphoe Muang,  
Nakhon Sawan 60000  
Tel. 056-220-877-8  
056-231-336  
085-980-8095  
Fax. 056-220-879  
E-mail: Nakhonsawan  
@smebank.co.th

#### Uthai Thani Branch

137 Terbsiri Rd., Tambon Uthaimai,  
Amphoe Muang, Uthaitхани 61000  
Tel. 056-571-402-3  
085-980-8161  
Fax. 056-571-404  
E-mail: Uthaitхани@smebank.co.th

#### Chai Nat Branch

68/3-4 Phormprasert Rd., Tambon  
Nai Muang, Amphoe Muang,  
Chainat 17000  
Tel. 056-416-741-2  
085-980-8071  
Fax. 056-416-743  
E-mail: Chainat@smebank.co.th

### Zone Office 8

289 Moo 4, Malai Man Rd., Tambon  
Sanamchai, Amphoe Muang,  
Suphanburi 72000  
Tel. 035-501-584-5  
Fax. 035-501-575

#### Suphan Buri Branch

289 Moo 4, Malai Man Rd., Tambon  
Sanamchai, Amphoe Muang,  
Suphanburi 72000  
Tel. 035-501-584-5  
085-980-8149  
Fax. 035-501-575  
E-mail: Suphanburi  
@smebank.co.th

#### Lop Buri Branch

228/4-6, Phahonyothin Rd., Tambon  
Ta-Sala, Amphoe Muang, Lopburi  
15000  
Tel. 036-784-446-7  
085-980-8132  
Fax. 036-784-448  
E-mail: Lopburi@smebank.co.th

#### Sing Buri Branch

155/59-60 Moo 7, Tambon Bang  
Mon (Bang Putsa), Amphoe Muang,  
Singburi 16000  
Tel. 036-524-679  
085-980-8147  
Fax. 036-523-166  
E-mail: Singburi@smebank.co.th

### Zone Office 9

58/9-10 Moo 1, Rodjana Rd., Tambon  
Thanu, Amphoe Uthai, Phra Nakhon  
Si Ayutthaya 13000  
Tel. 035-345-334  
035-336-324-5  
Fax. 035-336-284

#### Phra Nakhon Si Ayutthaya Branch

58/9-10 Moo 1, Rodjana Rd.,  
Tambon Thanu, Amphoe Uthai,  
Phra Nakhon Si Ayutthaya 13000  
Tel. 035-345-334  
035-336-324-5  
085-980-8156  
Fax. 035-336-284  
E-mail: Phranakhonsiyutthaya  
@smebank.co.th

#### Saraburi Branch

88/24 Soodbuntud Rd., Tambon  
Pak Priaw, Amphoe Muang,  
Saraburi 18000  
Tel. 036-231-122  
036-221-142  
085-980-8145  
Fax. 036-221-254  
E-mail: Saraburi@smebank.co.th

#### Ang Thong Branch

14/5-6 Angthong-Singburi Rd., Tambon  
Talad-Luang, Amphoe Muang,  
Angthong 14000  
Tel. 035-625-116  
035-625-106  
085-980-8157  
Fax. 035-625-207  
E-mail: Angthong@smebank.co.th

### Zone Office 10

499/3-5 Moo 7, Robmuang Rd.,  
Soi Bannopibon, Tambon Makkang,  
Amphoe Muang, Udon Thani 41000  
Tel. 042-211-844-6  
Fax. 042-211-847

#### Udon Thani Branch

499/3-5 Moo 7, Robmuang Rd., Soi  
Bannopibon, Tambon Makkang,  
Amphoe Muang, Udon Thani 41000  
Tel. 042-211-844-6  
085-980-8159  
Fax. 042-211-847  
E-mail: Udonthani  
@smebank.co.th

#### Nong Khai Branch

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Rd., Tambon Pochai, Amphoe Muang,  
Nong Khai 43000  
Tel. 042-414-111-2  
085-980-8152  
Fax. 042-414-114  
E-mail: Nongkhai@smebank.co.th

#### Nong Bua Lam Phu Branch

99/1-2 Moo 3, Tambon Lampu, Amphoe  
Muang, Nongbualamphu 39000  
Tel. 042-312-400  
042-312-700  
085-980-8153  
Fax. 042-312-875  
E-mail: Nongbualamphu  
@smebank.co.th

#### Loei Branch

87/13 Maliwan Rd., Tambon Kudpong,  
Amphoe Muang, Loei 42000  
Tel. 042-833-786-7  
085-980-8136  
Fax. 042-833-788  
E-mail: Loei@smebank.co.th

### Zone Office 11

228/8 Charoenmuang Rd., Tambon  
Thatchoengchum, Amphoe Muang,  
Sakon Nakhon 47000  
Tel. 042-730-960-2  
Fax. 042-716-764

#### Sakon Nakhon Branch

228/8 Charoenmuang Rd., Tambon  
Thatchoengchum, Amphoe Muang,  
Sakon Nakhon 47000  
Tel. 042-730-960-2  
085-980-8138  
Fax. 042-716-764  
E-mail: Sakonnakhon  
@smebank.co.th

#### Sawang Daen Din Branch

909 Moo 11, Nittayo Rd., Tambon  
Sawangdaengin, Amphoe  
Sawangdaengin, Sakon Nakhon  
47110  
Tel. 042-722-515-6  
085-980-8146  
Fax. 042-722-518  
E-mail: Sawangdaengin  
@smebank.co.th

#### Nakhon Phanom Branch

764/1 Suntornvichit Rd., Tambon  
Nai Muang, Amphoe Muang,  
Nakhonphanom 48000  
Tel. 042-516-340-1  
085-980-8092  
Fax. 042-516-343  
E-mail: Nakhonphanom  
@smebank.co.th

### Zone Office 12

497/1-3 Moo 2, Mittraphap Rd.,  
Tambon Sila, Amphoe Muang,  
Khon Kaen 40000  
Tel. 043-343-580  
043-343-582-3  
Fax. 043-393-888

#### Khon Kaen Branch

497/1-3 Moo 2, Mittraphap Rd.,  
Tambon Sila, Amphoe Muang,  
Khon Kaen 40000  
Tel. 043-343-580  
043-343-582-3  
085-980-8067  
Fax. 043-393-888  
E-mail: Khonkaen@smebank.co.th

#### Chumpae Branch

1207, 1208 Moo 15, Maliwan Rd.,  
Tambon Chumpae, Amphoe  
Chumpae, Khon Kaen 40130  
Tel. 043-313-091-2  
085-980-8074  
Fax. 043-311-323  
E-mail: Chumpae@smebank.co.th

### Zone Office 13

49, 49/1-3 Tewa Phiban Rd., Tambon  
Nai Muang, Amphoe Muang,  
Roi Et 45000  
Tel. 043-519-520  
043-511-100  
043-514-666  
Fax. 043-514-535

#### Roi Et Branch

49, 49/1-3 Tewa Phiban Rd.,  
Tambon Nai Muang, Amphoe Muang,  
Roi Et 45000  
Tel. 043-519-520  
043-511-100  
043-514-666  
085-980-8128  
Fax. 043-514-535  
E-mail: RoiEt@smebank.co.th

#### Maha Sarakham Branch

453, 453/1 Nakhon Sawan Rd.,  
Tambon Talad, Amphoe Muang,  
Maha Sarakham 44000  
Tel. 043-725-711-2  
085-980-8120  
Fax. 043-725-713  
E-mail: Mahasarakham  
@smebank.co.th

#### Kalasin Branch

1/8 Kudyangsamakkee Rd., Tambon  
Kalasin, Amphoe Muang, Kalasin 46000  
Tel. 043-812-446-7  
085-980-8064  
Fax. 043-812-424  
E-mail: Kalasin@smebank.co.th

### Zone Office 14

199/1 Pitak Phanom Khet Rd.,  
Tambon Mukdahan, Amphoe Muang,  
Mukdahan 49000  
Tel. 042-630-928-30  
Fax. 042-612-889

#### Mukdahan Branch

199/1 Pitak Phanom Khet Rd., Tambon  
Mukdahan, Amphoe Muang,  
Mukdahan 49000  
Tel. 042-630-928-30  
085-980-8121  
Fax. 042-612-889  
E-mail: Mukdahan  
@smebank.co.th

#### Yasothon Branch

61/7 Rattana Khet Rd., Tambon  
Nai Muang, Amphoe Muang,  
Yasothon 35000  
Tel. 045-715-552-3  
085-980-8126  
Fax. 045-715-554  
E-mail: Yasothon@smebank.co.th

#### Amnat Charoen Branch

76 Moo 12 Arunprasert Rd., Tambon  
Bung, Amphoe Muang, Amnat Charoen  
37000  
Tel. 045-452-527-8  
085-980-8056  
Fax. 045-452-529  
E-mail: Amnat Charoen  
@smebank.co.th

### Zone Office 15

751/10-11 Mittraphap Rd., Tambon  
Nai Muang, Amphoe Muang,  
Nakhon Ratchasima 30000  
Tel. 044-262-418-20  
Fax. 044-353-506

#### Nakhon Ratchasima Branch

751/10-11 Mittraphap Rd., Tambon  
Nai Muang, Amphoe Muang,  
Nakhon Ratchasima 30000  
Tel. 044-262-418-20  
085-980-8093  
Fax. 044-353-506  
E-mail: Nakhonratchasima  
@smebank.co.th

#### Pak Chong Branch

88/7-8 Mittraphap Rd., Tambon  
Pakchong, Amphoe Pakchong,  
Nakhon Ratchasima 30130  
Tel. 044-313-142  
044-313-555  
085-980-8106  
Fax. 044-313-546  
E-mail: Pakchong@smebank.co.th

### Zone Office 16

37/41-42 Thani Rd., Tambon Nai Muang, Amphoe Muang, Buriram 31000

Tel. 044-625-536-8

Fax. 044-625-535

#### Buri Ram Branch

37/41-42 Thani Rd., Tambon Nai Muang, Amphoe Muang, Buriram 31000

Tel. 044-625-536-8

085-980-8102

Fax. 044-625-535

E-mail: [Buriram@smebank.co.th](mailto:Buriram@smebank.co.th)

#### Surin Branch

297/4 Tessaban 3 Rd., Tambon Nai Muang, Amphoe Muang, Surin 32000

Tel. 044-713-141-2

085-980-8151

Fax. 044-713-143

E-mail: [Surin@smebank.co.th](mailto:Surin@smebank.co.th)

#### Chaiyaphum Branch

69/23-24 Niwedrut (Chaiyaphum-Boayai) Rd., Tambon Nai Muang, Amphoe Muang, Chaiyaphum 36000

Tel. 044-813-335-6

085-980-8072

Fax. 044-813-337

E-mail: [Chaiyaphum@smebank.co.th](mailto:Chaiyaphum@smebank.co.th)

### Zone Office 17

756/4-5 Chayangkul Rd., Tambon Nai Muang, Amphoe Muang, Ubon Ratchathani 34000

Tel. 045-314-716

045-317-125

045-284-403

Fax. 045-284-404

#### Ubon Ratchathani Branch

756/4-5 Chayangkul Rd., Tambon Nai Muang, Amphoe Muang, Ubon Ratchathani 34000

Tel. 045-314-716

045-317-125

045-284-403

085-980-8162

Fax. 045-284-404

E-mail: [Ubonratchathani@smebank.co.th](mailto:Ubonratchathani@smebank.co.th)

#### Det Udom Branch

439 Moo 5, Pracha Rd., Tambon Muangdet, Amphoe Detudom, Ubon Ratchathani 34160

Tel. 045-361-870

045-362-460

085-980-8078

Fax. 045-361-240

E-mail: [Detudom@smebank.co.th](mailto:Detudom@smebank.co.th)

#### Si Sa Ket Branch

26/13 Moo 8, Sisaket - Ubon Ratchathani Rd., Tambon Pho, Amphoe Muang, Si Sa Ket 33000

Tel. 045-617-881-2

085-980-8137

Fax. 045-617-883

E-mail: [Sisaket@smebank.co.th](mailto:Sisaket@smebank.co.th)

### Zone Office 18

40/40,42 Bangkok-Pathumthani Rd., Tambon Bang Prok, Amphoe Muang, Pathumthani 12000

Tel. 02-581-7100-2

Fax. 02-581-7103

#### Pathum Thani Branch

40/40, 42 Bangkok-Pathumthani Rd., Tambon Bang Prok, Amphoe Muang, Pathumthani 12000

Tel. 02-581-7100-2

Fax. 02-581-7103

E-mail: [Pathumthani@smebank.co.th](mailto:Pathumthani@smebank.co.th)

#### Rang Sit Branch

40/40, 42 Bangkok-Pathumthani Rd., Tambon Bang Prok, Amphoe Muang, Pathumthani 12000

Tel. 02-581-2718-9

Fax. 02-581-7103

E-mail: [Rangsit@smebank.co.th](mailto:Rangsit@smebank.co.th)

### Zone Office 19

5/74-75 Piboonsongkram Rd.,  
Tambon Suanyai, Amphoe Muang,  
Nonthaburi 11000  
Tel. 02-525-1991-2  
Fax. 02-525-1949

#### Nonthaburi Branch

5/74-75 Piboonsongkram Rd.,  
Tambon Suanyai, Amphoe Muang,  
Nonthaburi 11000  
Tel. 02-525-1991-2  
Fax. 02-525-1949  
E-mail: Nonthaburi  
@smebank.co.th

#### Bang Bua Thong Branch

88/11-13 Moo 4, Bangkruay-Sainoi  
Rd., Tambon Sanoloy, Amphoe  
Bangbuathong, Nonthaburi 11110  
Tel. 02-571-2335-6  
Fax. 02-571-2343  
E-mail: Bangbuathong  
@smebank.co.th

### Zone Office 20

1/79 Boromratchonanee Rd.,  
Arun Amarin, Bangkok Noi,  
Bangkok 10700  
Tel. 02-434-9211  
02-434-9178-9  
E-mail: 02-434-9177

#### Pin Klao Branch

1/79 Boromratchonanee Rd.,  
Arun Amarin, Bangkok Noi,  
Bangkok 10700  
Tel. 02-434-9211  
02-434-9178-9  
Fax. 02-434-9177  
E-mail: Pinklao@smebank.co.th

#### Chatuchak Branch

1694, 1696 Phahonyothin Rd.,  
Chankasem, Chatuchak, Bangkok  
10900  
Tel. 02-513-8226-7  
Fax. 02-513-8215  
E-mail: Chatuchak  
@smebank.co.th

#### Sukhumvit 62 Branch

2150/9 Sukhumvit Rd., Bangchak,  
Prakanong, Bangkok 10260  
Tel. 02-311-1819-20  
Fax. 02-311-1821  
E-mail: Sukhumvit62  
@smebank.co.th

### Zone Office 21

497, 499 Luangpaeng Rd., Tubyao,  
Latkrabang, Bangkok 10520  
Tel. 02-172-9680-2  
Fax. 02-172-9683

#### Lat Krabang Branch

497, 499 Luangpaeng Rd., Tubyao,  
Latkrabang, Bangkok 10520  
Tel. 02-172-9680-2  
Fax. 02-172-9683  
E-mail: Latkrabang  
@smebank.co.th

#### Chachoengsao Branch

182-184 Chachoengsao-Bangpakong  
Rd., Tambon Na-muang, Amphoe  
Muang, Chachoengsao 24000  
Tel. 038-513-363  
038-535-915  
085-980-8069  
Fax. 038-535-082  
E-mail: Chachoengsao  
@smebank.co.th

#### Nakhon Nayok Branch

Khor 2-251/27-28 Nakhonnayok-Rangsit  
Rd., Tambon Nakhonnayok, Amphoe  
Muang, Nakhonnayok 26000  
Tel. 037-316-161-2  
085-980-8087  
Fax. 037-316-164  
E-mail: Nakhonnayok  
@smebank.co.th



### Zone Office 22

51/15-16 Moo 2, Sukhumvit Rd.,  
Tambon Sa-med, Amphoe Muang,  
Chonburi 20000

Tel. 038-144-051-3

Fax. 038-144-053

#### Chon Buri Branch

51/15-16 Moo 2, Sukhumvit Rd.,  
Tambon Sa-med, Amphoe Muang,  
Chonburi 20000

Tel. 038-144-051-3

085-980-8070

Fax. 038-144-053

E-mail: Chonburi@smebank.co.th

#### Phrachin Buri Branch

173/7-8 Prachin-Ta-kam Rd.,  
Tambon Na-muang, Amphoe Muang,  
Phrachinburi 25000

Tel. 037-216-818

037-216-838

085-980-8104

Fax. 037-216-820

E-mail: Phrachinburi@smebank.co.th

### Zone Office 23

51/31-32 Moo 3, Sai Sam-Sib-Hok  
Rd., Tambon Tupma, Amphoe  
Muang, Rayong 21000

Tel. 038-622-221

038-622-258

038-622-367

Fax. 038-621-191

#### Rayong Branch

51/31-32 Moo 3, Sai Sam-Sib-Hok  
Rd., Tambon Tupma, Amphoe  
Muang, Rayong 21000

Tel. 038-622-221

038-622-258

038-622-367

085-980-8130

Fax. 038-621-191

E-mail: Rayong@smebank.co.th

#### Pattaya Branch

245/155-156 Moo 9, Pattaya Sai Sam  
Rd., Tambon Nongprue, Amphoe  
Banglamung, Chonburi 20150

Tel. 038-416-805-6

085-980-8109

Fax. 038-416-808

E-mail: Pattaya@smebank.co.th

### Zone Office 24

35/119 Moo 7, Trirat Rd., Tambon  
Chanthanimit, Amphoe Muang,  
Chanthaburi 22000

Tel. 039-324-562-3

Fax. 039-313-216

#### Chanthaburi Branch

35/119 Moo 7, Trirat Rd., Tambon  
Chanthanimit, Amphoe Muang  
Chanthaburi, Chanthaburi 22000

Tel. 039-324-562-3

085-980-8068

Fax. 039-313-216

E-mail: Chanthaburi@smebank.co.th

#### Sa Kaeo Branch

318, 320 Suwansorn Rd., Tambon  
Sa kaeo, Amphoe Muang, Sa kaeo  
27000

Tel. 037-421-975-6

085-980-8143

Fax. 037-421-977

E-mail: Sakaeo@smebank.co.th

#### Trat Branch

28/4-5 Moo 2, Sukhumvit Rd.,  
Tambon Wangkrajae, Amphoe  
Muang, Trat 23000

Tel. 039-523-244

039-523-162

085-980-8081

Fax. 039-523-656

E-mail: Trat@smebank.co.th

### Zone Office 25

458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10270  
Tel. 02-702-5830-2  
Fax. 02-702-5833

#### Samut Prakan Branch

458/14-15 Sukhumvit Rd., Tambon Paknum, Amphoe Muang, Samutprakan 10270  
Tel. 02-702-5830-2  
Fax. 02-702-5833  
E-mail: Samutprakan@smebank.co.th

#### Phra Pradaeng Branch

105/11 Moo 10, Suksawat Rd., Tambon Bang Kru, Amphoe Phrapradaeng, Samutprakan 10130  
Tel. 02-462-8433-4  
Fax. 02-462-8436  
E-mail: Phrapradaeng@smebank.co.th

#### Phahonyothin Branch

310 SME Bank Tower, Phahonyothin Rd., Samsen-Nai, Phayathai, Bangkok 10400  
Tel. 02-265-4949-50  
02-265-4956-57  
Fax. 02-270-0488  
E-mail: Phahonyothin@smebank.co.th

### Zone Office 26

1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Muang, Samutsakhon 74000  
Tel. 034-811-478-80  
Fax. 034-811-481

#### Samut Sakhon Branch

1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Muang, Samutsakhon 74000  
Tel. 034-811-478-80  
085-980-8142  
Fax. 034-811-481  
E-mail: Samutsakhon@smebank.co.th

#### Aom Noi Branch

219/1277-1278 Moo 12, Phetkasem Rd., Tambon Aom Noi, Amphoe Kratumban, Samutsakhon 74130  
Tel. 02-408-2467-8  
Fax. 02-408-2469  
E-mail: Aomnoi@smebank.co.th

#### Samut Songkhram Branch

129/11-12 Tang Khao Muang Rd., Tambon Mae Klong, Amphoe Muang, Samut Songkhram 75000  
Tel. 034-723-661-2  
085-980-8141  
Fax. 034-723-663  
E-mail: Samut Songkhram@smebank.co.th

### Zone Office 27

1044 Phetkasem Rd., Tambon Sanam Jun, Amphoe Muang, Nakhonpathom 73000  
Tel. 034-244-415  
034-218-661-2  
Fax. 034-218-663

#### Nakhon Pathom Branch

1044 Phetkasem Rd., Tambon Sanam Jun, Amphoe Muang, Nakhonpathom 73000  
Tel. 034-244-415  
034-218-661-2  
085-980-8091  
Fax. 034-218-663  
E-mail: Nakhonpathom@smebank.co.th

#### Kanchanaburi Branch

130, 132 Sangchuto Rd., Tambon Ban Tai, Amphoe Muang, Kanchanaburi 71000  
Tel. 034-514-092-3  
085-980-8063  
Fax. 034-514-102  
E-mail: Kanchanaburi@smebank.co.th

#### Ratchaburi Branch

260 Si Suriyawong Rd., Tambon Na Muang, Amphoe Muang, Ratchaburi 70000  
Tel. 032-311-142-3  
085-980-8131  
Fax. 032-311-090  
E-mail: Ratchaburi@smebank.co.th

#### Ban Pong Branch

178-180 Songpol Rd., Tambon Banpong, Amphoe Banpong, Ratchaburi 70110  
Tel. 032-222-820-1  
085-980-8101  
Fax. 032-210-789  
E-mail: Banpong@smebank.co.th

### Zone Office 28

22/52-53 Phetkasem Rd., Tambon HuaHin, Amphoe HuaHin, Prachuapkhirikhan 77110

Tel. 032-516-690-2

Fax. 032-516-693

#### Hua Hin Branch

22/52-53 Phetkasem Rd., Tambon HuaHin, Amphoe HuaHin, Prachuapkhirikhan 77110

Tel. 032-516-690-2

085-980-8154

Fax. 032-516-693

E-mail: Huahin@smebank.co.th

#### Phetchaburi Branch

45, 47 She-Sa-In Rd., Tambon Klogkacheng, Amphoe Muang, Phetchaburi 76000

Tel. 032-410-301-2

085-980-8114

Fax. 032-410-303

E-mail: Phetchaburi@smebank.co.th

#### Prachuap Khiri Khan Branch

197 Prachuapkhirikhan Rd., Tambon PrachuapKhiriKhan, Amphoe Muang, Prachuapkhirikhan 77000

Tel. 032-604-431-2

085-980-8103

Fax. 032-604-434

E-mail: Prachuapkhirikhan@smebank.co.th

### Zone Office 29

238/116-117 Moo 1, Chonkasem Rd., Tambon Makhamtia, Amphoe Muang, Suratthani 84000

Tel. 077-600-327

077-600-329-30

Fax. 077-600-391

#### Surat Thani Branch

238/116-117 Moo 1, Chonkasem Rd., Tambon Makhamtia, Amphoe Muang, Suratthani 84000

Tel. 077-600-327

077-600-329-30

085-980-8150

Fax. 077-600-391

E-mail: Suratthani@smebank.co.th

#### Ko Samui Branch

115/25-26 Moo 6, Thawirat Phakdi Rd., Tambon Boput, Amphoe Koh Samui, Suratthani 84320

Tel. 077-427-286-7

085-980-8066

Fax. 077-427-446

E-mail: Kohsamui@smebank.co.th

#### Chumphon Branch

25/46-47 Krommaluang Chumphon Rd., Tambon Tatapao, Amphoe Muang, Chumphon 86000

Tel. 077-501-646

077-506-879

085-980-8073

Fax. 077-506-880

E-mail: Chumphon@smebank.co.th

### Ranong Branch

999/1-2 Chalermprakiet Hok Rob Prachonmapansa Rd., Tambon Kaoniwed, Amphoe Muang, Ranong 85000

Tel. 077-826-500-1

085-980-8129

Fax. 077-826-502

E-mail: Ranong@smebank.co.th

### Zone Office 30

32/175-176 Poonpol Rd., Tambon Taladnuea, Amphoe Muang, Phuket 83000

Tel. 076-215-757

076-217-009

076-218-268

Fax. 076-355-929

#### Phuket Branch

32/175-176 Poonpol Rd., Tambon Taladnuea, Amphoe Muang, Phuket 83000

Tel. 076-215-757

076-217-009

076-218-268

085-980-8117

Fax. 076-355-929

E-mail: Phuket@smebank.co.th

#### Phang-nga Branch

68/9-10 Moo 3, Phangnga-Tubpud Rd., Tambon Thamnampud, Amphoe Muang, Phangnga 82000

Tel. 076-460-778-9

085-980-8108

Fax. 076-460-780

E-mail: Phangnga@smebank.co.th

### Zone Office 31

3/9 Wisadekul Rd., Tambon Thap  
Thiang, Amphoe Muang, Trang  
92000

Tel. 075-217-911-2

Fax. 075-217-913

#### Trang Branch

3/9 Wisadekul Rd., Tambon Thap  
Thiang, Amphoe Muang, Trang 92000

Tel. 075-217-911-2

085-980-8079

Fax. 075-217-913

E-mail: Trang@smebank.co.th

#### Krabi Branch

50/6-7 Krabi-Khao Thong Rd.,  
Tambon Paknam, Amphoe Muang,  
Krabi 81000

Tel. 075-621-076

075-656-274

085-980-8062

Fax. 075-621-102

E-mail: Krabi@smebank.co.th

#### Satun Branch

483/1-2 Moo 7, Yontakarnkamtorn  
Rd., Tambon Khongkut, Amphoe  
Muang, Satun 91000

Tel. 074-725-190-1

085-980-8140

Fax. 074-725-192

E-mail: Satun@smebank.co.th

### Zone Office 32

2/1-2 Wandee Kositkumporn Rd.,  
Tambon Nai Muang, Amphoe Muang,  
Nakhon Si Thammarat 80000

Tel. 075-357-301-3

Fax. 075-357-304

#### Nakhon Si Thammarat Branch

2/1-2 WandeeKositkumporn Rd.,  
Tambon Nai Muang, Amphoe Muang,  
Nakhon Si Thammarat 80000

Tel. 075-357-301-3

085-980-8094

Fax. 075-357-304

E-mail: Nakhonsithammarat  
@smebank.co.th

#### Thung Song Branch

70 Thungsong-Huaiyod Rd., Tambon  
Pakprak, Amphoe Thungsong,  
Nakhon Si Thammarat 80110

Tel. 075-424-301-2

085-980-8083

Fax. 075-424-303

E-mail: Thungsong  
@smebank.co.th

#### Patthalung Branch

284/7-8 Ramate Rd., Tambon  
Kuhasawan, Amphoe Muang,  
Patthalung 93000

Tel. 074-616-215

074-616-253

085-980-8110

Fax. 074-616-254

E-mail: Patthalung  
@smebank.co.th

### Zone Office 33

434 Supasarnrungsun Rd., Tambon  
Hatyai, Amphoe Hatyai,  
Songkhla 90110

Tel. 074-247-451-3

Fax. 074-247-454

#### Hatyai Branch

434 Supasarnrungsun Rd., Tambon  
Hatyai, Amphoe Hatyai, Songkhla  
90110

Tel. 074-247-451-3

085-980-8139

Fax. 074-247-454

E-mail: Hatyai@smebank.co.th

#### Songkhla Branch

20/60-61 Moo 2, Kanchanawanich  
Rd., Tambon Kaoroubchang, Amphoe  
Muang, Songkhla 90000

Tel. 074-380-033

074-380-333

085-980-8122

Fax. 074-380-071

E-mail: Songkhla@smebank.co.th

## Zone Office 34

400/47-48 Moo 4, Phetkasem Rd.,  
Tambon Rusamilae, Amphoe Muang,  
Pattani 94000

Tel. 073-450-801  
073-330-731-2  
Fax. 073-450-803

### Pattani Branch

400/47-48 Moo 4, Phetkasem Rd.,  
Tambon Rusamilae, Amphoe Muang,  
Pattani 94000

Tel. 073-450-801  
073-330-731-2  
085-980-8105  
Fax. 073-450-803  
E-mail: [Pattani@smebank.co.th](mailto:Pattani@smebank.co.th)

### Yala Branch

277-279 Premjit-Suraphan Rd.,  
Tambon Sateng, Amphoe Muang,  
Yala 95000

Tel. 073-224-458-9  
085-980-8127  
Fax. 073-224-460  
E-mail: [Yala@smebank.co.th](mailto:Yala@smebank.co.th)

### Narathiwat Branch

153/8-9 Suriyapradit Rd., Tambon  
Bangnak, Amphoe Muang,  
Narathiwat 96000

Tel. 073-532-752  
085-980-8096  
Fax. 073-532-751  
E-mail: [Narathiwat@smebank.co.th](mailto:Narathiwat@smebank.co.th)



# แอปพลิเคชัน SME D Bank

วัคซีนเสริมแกร่งธุรกิจ เพียงปลายนิ้วสัมผัส



แจ้งความประสงค์ขอสินเชื่อทันที

คลังข้อมูลความรู้เพื่อ SMEs

ติดตามข่าวสารรวดเร็ว

เรียกดูและดาวน์โหลดใบเสร็จรับเงิน

สิทธิประโยชน์มากมาย

สมัครเลย...





# SME D Bank

สถาบันการเงินของรัฐเพื่อเอสเอ็มอีไทย

เติมทุน เติมความรู้  
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