



Annual Report 2021



# SME **D** Bank

## The Bank for Thai SMEs





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## The Bank for Thai SMEs

# SMEs' Best Friend

## Sincere Service, Growing Together

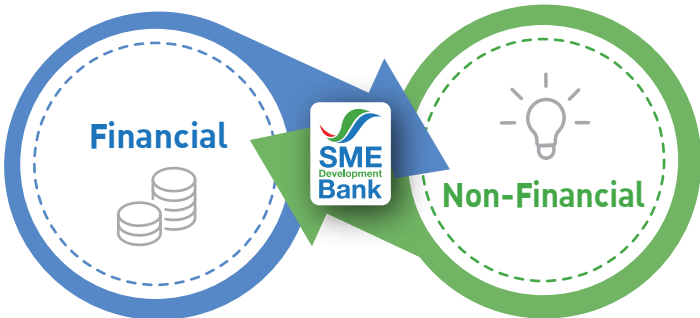
The Small and Medium Enterprise Development Bank, or SME D Bank, is a specialized government financial institution jointly supervised by the Ministry of Finance and the Ministry of Industry with a commitment to being “The Bank for Thai SMEs.” Guided by the vision “To be a state-owned financial institution that offers comprehensive financial solutions and development of Thai SMEs’ business capacity toward sustainable success,” SME D Bank is the key state mechanism and instrument to elevate and strengthen SMEs’ potential. The Bank provides “financial support” through funding together with “non-financial” support through capacity building and empowerment and collaborates with partners in the government, private, and academic sectors. Empowering Thai SMEs covers all dimensions of the business acumen, e.g., marketing, accounting management, standardization, technology, and manufacturing. These activities can foster business growth, benefit all sectors, create employment opportunities, and generate income, leading to strong and sustainable Thai economy and society.

**SME D Bank: The Bank for Thai SMEs**  
 Providing Both Financial and Non-financial Support throughout the Business Journey



**FINANCE**

- Foreign Loans
- Foreign Loans and Services
- Savings Accounts
- Joint Ventures
- Letter of Guarantee
- Mobile Banking
- Business Cash Management (BCM)



**customer**



**NON – FINANCE**

- E – Learning
- Seminar / Consult
- Scale up
- Business Matching
- Marketing
- Accounting and Finance Management
- Standardization
- Promotion of Technology / Innovation
- Manufacturing
- Funding



Additional credit measures to boost liquidity:  
Extending the credit limit to **50 million Baht per account** to help Thai SMEs survive the COVID-19 pandemic

### **SMEs D Plus Loan**

Refinance, reduce financial burden, and create opportunities for business growth

### **SMEs D Loan for Liquidity Enhancement**

Inject capital to drive business growth and keep up with the world

### **SMEs D Loan for Investment**

Focus on investment, expansion, improvement, and modification of businesses to sustain the Thai economy



## **A model organization for transparency and integrity**

SME D Bank received 99.49 points, level AA, in the Integrity and Transparency Assessment (ITA) of government organizations, ranked 3<sup>rd</sup> among 51 state enterprises.

SMEs' Best Friend

# Sincere Service, Growing Together



## SMEs Re-Start Loan

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

## Rehabilitation Loan

Boost liquidity, rehabilitate business, and maintain employment

### Stable Outlook

Earning “AAA(thai)” rating, the highest rating in Thailand, affirmed by Fitch Ratings (Thailand) Limited

### E-learning SME D Academy

Build capacity for Thai SMEs to be ready for the New Normal and achieve sustainable success

# BANK'S ACTIVITIES



## Social and Environmental Responsibilities

The Bank places importance on engagement regarding social and environmental responsibilities as well as adherence to corporate governance principles. It has engaged in four areas of activities: 1. Educational development, 2. Social and environmental development, 3. Religious preservation, and 4. Public facility improvement.

Amid the COVID-19 pandemic situation, the Bank has carried out activities to relieve the impacts on the people and support medical personnel. It delivered food to destitute people in the Klong Toei area. The “Mee Laew Bang Pun” charitable activity donated PPE suits to the Neurological Institute of Thailand and medical equipment and bottled water to the Bangkok Metropolitan Office to be distributed at 69 delivery points.

There were social and environmental awareness-raising campaigns, such as handing cloth bags with medicine and glass to the Veteran Hospital on World Environment Day. The staff also participated in packing “Survival Bags” for flood victims in several areas.





The Minister of Industry, the Minister of Finance, and the Managing Directors jointly made customer visits.



## Loan Services

In response to government policies, the Bank has assisted SMEs in gaining financial access to increase fluidity and cash flow, expand, improve, elevate their businesses, and mitigate the impact of the COVID-19 pandemic so they can preserve jobs while sustaining and developing their businesses. Loan packages offered are, for example, “SME Rehabilitation Fund,” “Extra Cash,” and “Community Economic Development Fund.”

The Bank also expanded the credit limit from 15 million to 50 million Baht and the amount of the matching fund up to 50 million Baht per one account, or the total credit limit of 100 million Baht per account. The package will help transform small enterprises (SEs) into medium enterprises (MEs), which can later grow into large companies.



Managing Directors made customer visits.



## Entrepreneur Development

The Bank has supported Thai SMEs based on the “Adding Capital” and “Knowledge Development” approach, which enables SMEs to adapt to a fast-changing environment, successfully ride over the COVID-19 crisis, and grow sustainably. Non-financial support for knowledge development includes the 24-hour e-learning site at [wdev.smebank.co.th](http://wdev.smebank.co.th), training on bookkeeping and seeking capital resources, and “launching an e-commerce marketplace.” The Bank also created a Facebook Group, “Fak Ran Free SME D Bank,” and collaborated with top online shopping platforms to facilitate online sales for customers.

The Bank helped customers “expand opportunities” by introducing government procurement and facilitating business matching with national-levelled wholesale and retail companies, such as CP ALL Public Company Limited and Lotus’s. Besides, the Bank provides PR support for customers through modern media.

# VOICES FROM OUR CUSTOMERS

## Nara Social Enterprise Company Limited

Narathiwat Province



Ms. Nuraini Laeni, (Managing Director)



หลอด รัชชโตน

“I am impressed that SME D Bank takes the environment seriously. It is a deciding factor behind the successful project to add value to sedges, turning natural forest fuels into raw materials that generate income for the community.”

To respond to environmental concerns and concretely drive the project, Nara Social Enterprise Company Limited saw an opportunity to process local plants, such as sedge, to benefit more from natural resources. After various processes, the company’s product has been accepted by several institutions, including the Community Product Standard from the Office of Industrial Standard, the Ministry of Industry, and Halal certification of the Central Islamic Council of Thailand. Such a process would not have been possible without the financial veins bringing in cash flows by SME D Bank, the government financial institution which has always provided support even during the COVID-19 crisis. The local plant that is natural forest fuel has been turned into “sedge straws,” packaged in premium-looking kraft paper boxes. They are safe for hot and cold beverages, and each of them can last up to three days.

“I am impressed with SME D Bank’s constant consulting during our collaboration, helping me analyze what is good for business and plan for future expansion. The Bank continues to recommend different loan products to achieve the goal.”

The Summer Coffee Company is an ever-growing business, starting from a restaurant to a coffee bean roaster and producer of coffee beans sold under its own brand. It works closely and persistently with coffee planters to secure suitable raw materials and seeks expanded market opportunities, especially through online channels, which has received an impressive response. The brand has become popular among customers very quickly despite the ongoing COVID-19 pandemic. However, cash flow is crucial for business expansion during a crisis. It is fortunate that SME D Bank, the Bank for Thai SMEs, came in to finance more extensive inventories to accommodate increased sales.

## The Summer Company Limited

Phra Nakhon Si Ayutthaya Province



Ms. Chutima Ananraya, (Owner)



The Summer Coffee Company



## Thammachart Design

Bangkok



Ms. Konwipa Atjanakitti, (Owner)



“Every business needs a true companion. SME D Bank is one such companion, supporting customers’ businesses with capital and knowledge, helping them maintain cash flow in the face of the COVID-19 pandemic.”

As the shop of quality handmade clothes under the brand “Thammachart Design” has a large clientele of foreigners who visit Chatuchak Weekend Market, the crisis of the Covid-19 pandemic inevitably impacted the brand because of the country’s lockdown or even intermittent shop closure. It was a dead-end that the business must accept, but it was also difficult for business owners to manage. We were lucky to have SME D Bank as a true business partner. The Bank encouraged us to educate ourselves online and learn about a specific type of marketing that involves fewer production risks. As the company has better adapted to the situation, our marketing strategy has targeted customers who handmade products. We re-launched some products that used to be popular and produced newly designed products to meet the needs of both old and new customers.

“SME D Bank’s debt relief measures, particularly the reduction of installment payment, has greatly helped the riverfront Grand Chao Phraya restaurant overcome obstacles.”

Originating from a private business that only catered to family members and close friends, the “Riverfront Restaurant Grand Chao Phraya” features a natural atmosphere fronting the Chao Phraya River. Its diverse menu is filled with specially selected ingredients and unique tastes, some dishes rare finds from old recipes. Our restaurant received such a great response from our customers that we received the Wongnai award, making it famous in the online and offline markets. However, the restaurant had to brace itself against several crises, including the severe COVID-19 lockdown in a red zone followed by a flood 4 to 5 days after re-opening. We clenched our fists and fought to keep everyone on the job. It was fortunate that SME D Bank advised us to apply for an emergency loan and other debt-relief measures. These include a temporary moratorium and an initial cut in installed payments. It was a turning point that helped our business survive.

## The Ayutthaya Group (2009) Company Limited

Phra Nakhon Si Ayutthaya Province



Mr. Thatthiraj Hongupathamchai, (Owner)



## Mr. Kris' Garden Shop

Nakhon Ratchasima Province



### Mr. Kris Riangthaisong, (Owner)



ร้านสวนมิสเตอร์กฤต

“SME D Bank, an upstream financial institution, offers credit services and advice with sincerity and goodwill, following up on clients with great attention like friends. It has positive impacts, especially on downstream agricultural businesses.”

SME D Bank is a government financial institution whose service goes beyond financing business operations. It also offers detailed advice from the first step of a loan application, document preparation, to business registration and legal entity registration, always catching up with clients like close friends and relatives. Such service helped “Mr. Kris' Garden Shop” gain customers' trust with a higher product standard, attracting regular customers to its organic produce. Word of mouth marketing expands the customer base in the local area and the neighboring provinces. Eventually, the shop turned into a learning center that inspires people to choose a gardening career or become DIY gardeners at home. It is as if the goodwill passed down from upstream to downstream.

“SME D Bank is open to all kinds of businesses and fully supports all SMEs, even a software system provider like “HumanSoft,” whose business goal is to provide No. 1 HR solution in Thailand.”

It is rare for financial institutions to trust software systems companies. But for SME D Bank, as soon as I sought advice, the Bank was willing to understand, open up, and support me until I could successfully access public funding. It provided the company with working capital to develop the software system. In particular, the Human Resource Management System under the HumanSoft brand, a Payroll & HRM solution that is flexible and easy to use, fully meets the needs of SME customers. It is perfect for the work of modern entrepreneurs. HumanSoft features a come/go system, work shifts and time-off management, document submission for days off and OT approvals, attendance allowance, bonuses, and automatic salary calculation. It can also issue tax statements, social security statements, and payslips. The system is entirely cloud-based and guarantees that the data is available in real-time. All records are kept systematically and are easily retrievable.

## HumanSoft Company Limited

Phitsanulok Province



### Mr. Asada Jittasathian (Managing Director)



[www.humansoft.co.th](http://www.humansoft.co.th)

## Baan Na Kang Tong

Nan Province



**Mr. Rawee Tengtrairat and  
Ms. Ploypatcha Hanyut, (Owners)**



บ้านนาทุ่งไต้ง Baan Na Kang Tong

“Without financing support from SME D Bank, the improvement and development of local products or services to be effective and widely acceptable would be an impossible dream.”

SME D Bank funded our dream of turning paddy fields into a profitable business to generate income for our home community. We highlight the natural beauty and convenient traveling as selling points when opening a resort & cafe named “Ban Na Kang Tong,” meaning “a cottage in the rice field.” We built modern still wooden houses in a paddy field, connected by a circular walking bridge. The central space is the resort area, while the peripheries are linked with the lobby and cafe. Food and beverage are from local produce, thus, generating income for the community and creating while adding value to community tourism.

SME D Bank is not only sincere but also values fitness entrepreneurs. During the COVID-19 pandemic, Yoga Fly Thai received a great response from health-conscious customers. The Bank’s support has strengthened our business and driven success nationally.

More than just a workout space, Fit2Fly provides space, trainers, and seven-plus years of experience. Seven disciplines have been integrated at Yoga Fly Thai, namely, basic yoga, pilates, dance, cheerleading, gymnastics, and physical therapy to treat back, neck, shoulder, and lower back pains. Each customer receives a carefully customized training plan based on a physical analysis with help from physiotherapists, leading to precise and effective results. Personalized motivations inspire customers to love exercise. Fit2Fly offers yoga classes for practitioners ages 3 to 75, for individuals and families starting from beginners with no experience. So far, the business prospects are good, as the health-conscious market segment is growing gradually, as expected. The Covid-19 crisis proves how vital exercise is for the immune system. Given Fit2Fly’s business commitment, SME D Bank recommended and suggested that the company systematically push forward to reach the national market.

## Fit2Fly Studio Co., Ltd.

Bangkok



**Ms. Pattarapat Pattarasilpvirakul,  
(Managing Director)**



YogaFlyThai

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# MESSAGE FROM THE CHAIRMAN

The Small and Medium Enterprise Development Bank of Thailand (SME D Bank) has operated under the vision, mission, mandate, and government policy for developing, promoting, and supporting small and medium-sized entrepreneurs in business operations and financing. In 2021, the Bank's total loan disbursements for 12,484 entrepreneurs amounted to 49,331 million baht, the highest amount since the Bank's establishment. The Bank could help some entrepreneurs and support them in keeping their businesses running during the COVID-19 pandemic crisis, which has been raging since 2020, by providing liquidity to SME companies through several government policy loans. Such loans include the Local Economy Loan scheme for entrepreneurs under the "Emergency Decree on the provision of assistance and rehabilitation of business operators impacted by the COVID-19 pandemic, B.E. 2564 (2021), Extra Cash for Small Enterprises affected by the COVID-19 pandemic. SME D Bank has also been a key partner in the operations of the SMEs Development Fund Project according to the Pracharat Approach, a loan project of the Office of Small and Medium Enterprise Promotion (OSMEP). Apart from that, SME D Bank also reduced the debt burden of its clients by easing and adjusting the terms of installed payments as well as facilitating debt restructuring following the Bank of Thailand's debt relief measures. They emphasize and prioritize pre-emptive implementation to help entrepreneurs keep their businesses running during the COVID-19 pandemic.

SME D Bank has developed the capacity of SME entrepreneurs following the Bank's guidelines, providing capital plus knowledge to enable them to run the business effectively and raise standards in different areas. The "Empowerment of Small and Medium Entrepreneurs" project aims to strengthen SMEs through three master plans: (1) Development of Approach for Digital Business Promotion Master Plan: To enable businesses to participate in E-Commerce by supporting, promoting, and developing the capacity of entrepreneurs to access various platforms, (2) SME D Scale-up Business Plan: To develop the Bank's one-stop consulting services, enhancing entrepreneurs' capacity in technology and innovation, enabling them to strengthen, grow, and compete in the international market, and (3) Partnership Operating Model Master Plan: To network various partner agencies, integrating their efforts

in the promotion, support, and development of entrepreneurs. The integration equips entrepreneurs with business acumen that thoroughly covers the business cycle, then supports them in applying for loans or help from SME D Bank's venture capital.

SME D Bank received the Outstanding State-Owned Enterprise (SOE) Awards 2021 in the "Outstanding Organizational Development" category for its performance in improving and streamlining work processes through appropriate technological applications. Recent recognition was "Thailand Top Company Awards 2022" in the "Top Business Partnership Promotion and Development Award" category, reaffirming the Bank's prioritization of its customers and business partners, which is crucial for the business process. The Bank has helped many entrepreneurs keep their businesses going during the COVID-19 pandemic, responding well to the government policy and staying true to its creed of being "The Bank for Thai SMEs ." The Bank also earned AAA(thai) credit rating with a Stable Outlook from Fitch Ratings, the highest level in Thailand, for nine consecutive years from 2013 to 2021, and a National Short-Term Rating of "F1+(thai)," reflecting the Bank's stability, credibility, and security. Regarding governance and transparency, the Bank received an average score of 99.49, or AA-Level, on the 2021 Integrity and Transparency Assessment (ITA) and was ranked 3rd among 53 state enterprises. It received a plaque of honor for joining the Mor Phrom Call Center, which provided information to people in scheduling COVID-19 vaccination date through Mor Phrom Line Official Account, enabling fast and accurate government-funded vaccination.

On behalf of the SME D Bank's Board of Directors, the management, and all employees, I would like to thank General Prayuth Chan-o-cha, the Prime Minister, the government, the Ministry of Finance, the Ministry of Industry, and the Bank of Thailand. I also appreciate our customers, trading partners, collaborators, and partnering agencies' continued support over the past years and in years to come.



**(Mr. Kobchai Sungsitthisawad)**

Chairman

# SIGNIFICANT DEVELOPMENTS



## “Outstanding State-Owned Enterprise (SOE) Awards 2021” in the “Outstanding Organizational Development” Category

The COVID-19 pandemic, which persisted throughout 2020, spread even more in 2021, severely impacting the Thai economy, affecting people’s lives, and prompting them to spend prudently. In particular, it also hit the private sector, disrupting some companies or even driving others out of business. SMEs, in particular, are affected by direct and indirect impacts of the pandemic, e.g., reduced sales volume, delayed purchase orders, and dwindling customer base, resulting in a continual drain of liquidity while costs and expenses mount ceaselessly.

Thus, the government, represented by the Ministry of Finance and the Ministry of Industry, has mandated the Small and Medium Enterprise Development Bank, or SME D Bank, as a state-owned specialized financial institution to provide continuous support to SMEs since the first wave of the COVID-19 outbreak in early 2020 until 2021. Based on the “Capital plus Knowledge” approach, the Bank provides liquidity that Thai SMEs need to sustain business and employment while empowering them business-wise by organizing several offline and online courses as well as encouraging them to go e-commerce. It has helped them adjust to the New Normal era and survive the COVID-19 crisis until the situation returns to normal.

SME D Bank adjusted new credit criteria to improve SMEs’ access to finance by relaxing constraints, factoring in the current economic situation, and assessing loan applicants’ eligibility based on 2019 income before the COVID-19 outbreak. It softened the applicant’s eligibility criteria to

increase flexibility and omitted associated documents, emphasizing the applicant’s intent to repay the debt. In addition, the Bank also provides streamlined services via online channels, 24 hours a day, such as the “SME D Bank” application that facilitates QR Code scanning of the Bank’s public relation materials, or LINE Official Account: SME Development Bank and the website [www.smebank.co.th](http://www.smebank.co.th), including the personalized services via 95 country-wide branches of the Bank.

On the other hand, the Bank has upheld its ‘vision’ to be the leading state-owned Bank for Thai SMEs’ development toward growth and sustainability and has been firmly committed to Corporate Governance (CG) to ensure sound management, integrity, accountability, and well-protected benefits of related parties and stakeholders. Such commitments have made SME D Bank a major state-owned financial institution with transparency and trustworthiness, which helps Thai SMEs strive toward sustainable growth.

Success in the support and promotion of Thai SMEs also contributed to the Bank’s better scoring in the 2021 Integrity and Transparency Assessment (ITA) for state agencies administered by the Office of the National Anti-Corruption Commission, with an average score of 99.49 points, or Level AA and was ranked 3<sup>rd</sup> among 51 state enterprises. The increased score marks the Bank’s better achievement in integrity and transparency, reinforcing a good public image and earning trust from stakeholders.



## ITA AWARDS 99.49 AA GRADE 3 FROM 51 OF THE STATE AGENCY

The Bank has also earned AAA(thai) credit rating with a Stable Outlook from Fitch Ratings, the highest level in Thailand, and secured the F1+(tha) short-term credit rating for nine consecutive years from 2013 to 2021. It reflects the Bank's stability as a significant tool of the state sector in supporting the economy by financing Thai SMEs, enhancing their liquidity through several loan programs, and helping them bracing the impacts of the severe COVID-19 pandemic.

Apart from that, the Bank also participated in social responsibility efforts, such as joining the Mor Phrom Call Center, which provided information to the people in scheduling COVID-19 vaccination date through the Mor Phrom Line official account, enabling people to get fast and accurate government-funded vaccination to lessen the severity of the COVID-19 pandemic. The Bank received a commendation plaque from Mr. Anutin Charnverakul, Deputy Prime Minister and Health Minister.

Resulting from the determination and dedication of directors, executives, and all bank employees to improve and develop work processes, deploying modern technologies,

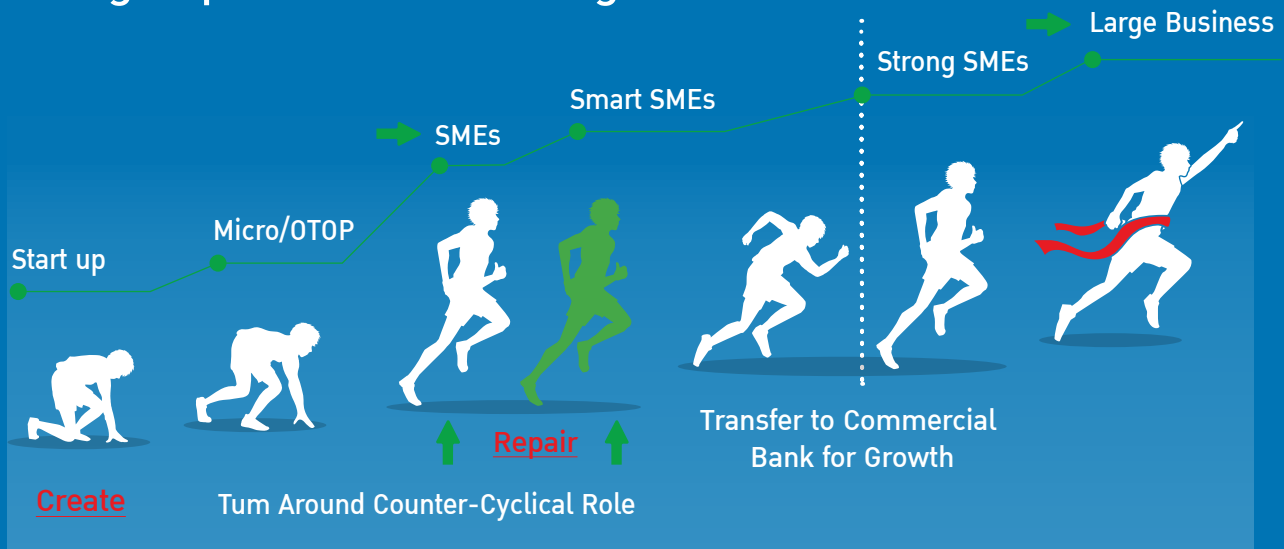
the Bank has been successful in executing the government policy in distributing help to SMEs both in terms of speed and coverage, especially those severely affected by the COVID-19 pandemic. In 2021, the Bank provided financial support of 49,000 million baht to SMEs and helped 20,000 entrepreneurs improve their capabilities. With all these efforts and contributions, the Bank received the "Outstanding State-Owned Enterprise (SOE) Awards" 2021 in the "Outstanding Organizational Development" category from the State Enterprise Policy Office (SEPO) of the Ministry of Finance. The Bank and its people were very proud to receive the award from Mr. Arkhom Termpittayapaisith, Minister of Finance, who presided over the ceremony on January 31, 2022.

Driven by an efficient and sustainable management process, SME D Bank is ready to drive, promote, and empower entrepreneurs toward growth beyond the crisis with strong business immunity. The Bank is striving forward as a crucial mechanism of the state sector to mobilize Thailand's SMEs and economy toward a brighter future.



# VISION / MISSION / CORE VALUES

## Develop SMEs Ready for Commercial Bank Financing Filling Gap in SMEs Financing



## VISION

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

## MISSION

### (Total Solution)

**T** Total Solution - To be a key mechanism of the ecosystem for the development of Thai SMEs by providing access to sources of finance and comprehensive business support.

### (Human Capital)

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

### (Agility and Innovation)

**A** **I** Agility and Innovation - To elevate administration based on knowledge, technology, and innovation to ensure fast and convenient delivery of value to customers and stakeholders.

## SME-D CULTURE



### SYNERGY

“Determination to uphold and follow the code of conduct, be accountable for one’s word and act and prioritize public and organization interest to ensure transparency and corporate governance of the Bank’s management.”



### MORALITY

“Determination to establish collaboration and teamwork for integrated planning and implementation based on effective communication to obtain greater results and allow the Bank to achieve its goals.”



### EFFICIENCY

“Determination to exercise the best effort in all operations to timely meet the goal and expectations with desirable quality through effective use of the Bank’s resources, understanding of one’s role and responsibility, proper response to the needs of employees, customers, and stakeholders.”



### DEVELOPMENT

“Determination to fully develop one’s capacity and work procedures by creating innovation from tools or information technology and digital technology with agility to promptly drive the Bank toward positive change and goal achievement.”



### SERVICE EXCELLENCE

“Understand customer’s needs and have a service mind (for both in-house and external customers), prudently performing operations and prioritizing the quality of service in all respects, including the meticulous audit of procedures.”



# GOVERNMENT POLICIES AND SMES PROMOTIONS

Determining its direction and operational approaches, SME D Bank has taken into consideration the 20-Year National Strategy (2018-2037), Master Plans under National Strategy, the National Reform Plans, the 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 according to the Sufficiency Economic Philosophy." Such achievement will elevate Thailand's potential in various dimensions and the potential and quality of Thais across all age groups. It will create opportunities, social equity, and eco-friendly growth, and the public sector will be representative of its people for the benefit of the general public.

### Strategy 2 Enhancing Competitiveness

**Issue 4.5 Developing a modern, entrepreneur-based economy**

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

### Strategy 4 Creating Opportunities and Social Equity

**Issue 4.1 Mitigating inequality and creating multidimensional justice**

- Adjusting local economic structures

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

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

### Strategy 6 Rebalancing and Developing Public Sector Administration

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

- Having integrated corruption prevention and suppression management

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

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

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

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

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

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

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

- Balancing public administration

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

- Prevention of corruption and malfeasance
- Suppression of corruption

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

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

## COVID-19 Contingency Plan under the National Strategy (2021-2022)

Issue 1 Strengthening Local Economy, with the following development approach:

Item 1.2 Supporting and developing the capacity of SMEs

Issue 2 Elevating the Country's Competitiveness to Facilitate Sustainable Future Growth, with the following development approach:

Item 2.2 Creative and quality-focused tourism

Issue 4 Improving and Developing Enabling Factors to Promote Country Recovery and Development, with the following development approach:

Item 4.3 Knowledge-base and innovation development

## National Reform Plans

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

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

## The 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 the country's economic competitiveness, the emphasis on managing macro-economic stability, enhancement of financial efficiency and fiscal discipline, and (2) strengthening particular sectors of the economy, stabilizing the agricultural, industrial, and service sectors that are the current income base, and expanding the manufacturing and newer service sectors for the future, as well as promoting SMEs to contribute more to the economy through the following development approaches:

- (1) Creating new entrepreneurs who have an entrepreneurial spirit and business skills and are knowledgeable in manufacturing technology and innovation to build smart SMEs and develop community strength for self-reliance
- (2) Building a community of entrepreneurs by creating a friendly business environment in terms of access to business information and opportunities, financial resources, and innovation for SMEs to foster growth and improve competitiveness, and
- (3) Promoting SME clusters along the value chains and connections with large enterprises and supports SMEs to enter international markets and the global value chain

## Government Policies

### Core Policies

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

- 5.1 Macroeconomic, monetary, and financial policies
- 5.2 Developing the industrial sector
- 5.9 Advancing the new economy

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

- 7.2 Promoting community enterprises and products

## 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 growth and strengthens SMEs

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

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

The coronavirus disease 2019 (COVID-19) pandemic has caused a huge impact on society and the economy while creating the “Next Normal” economic trend. To prepare SMEs for the Next Normal, OSMEP has extended the SME promotion plan by another year, resulting in the ***SME Promotion Master Plan 2021-2022***. This plan focuses on enabling SMEs to survive the crisis by generating income and reducing expenses, which will improve their short-term liquidity and prepare them to develop and adapt to the Next Normal with three development approaches as follows:

- 1) **Survive** : Relieving and recovering businesses affected by the COVID-19 pandemic
- 2) **Revive** : Reviving and empowering them to get ready for competition in the new economic context and competition in the post-pandemic era
- 3) **Thrive** : Adapting the business environment to facilitate business operations

In addition, the Cabinet resolved to approve the Bank as a major co-operator of the loan projects under the SMEs Development Fund.

## Ministry of Finance (FPO)

The Fiscal Policy Office (FPO), Ministry of Finance, approved the 5-year policy of specialized financial institutions (SFIs) for 2021-2025 as an operational guideline. For SME D Bank, in particular, FPO has assigned the policy areas that align with the Bank's mission as follows:

- 1) **Finance for all**: Be a financial resource for SME capacity build
- 2) **Literacy for all**: Elevate the potential of SMEs
- 3) **Responsibility for all**: Be a Bank with a solid foundation, be responsible for all sectors, and create equitable and sustainable benefits

## 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 potential and competitive advantage in the global market.

### Strategy 1 Potential Enhancement for the Industrial Sector to Foster Growth and Strength

- Promoting and developing industries that align with the country's fundamental strengths
- Prioritizing research, technology, and innovation to increase productivity and improve standards to enhance the industrial sector's competitiveness

### Strategy 3 Promotion and Development of Industries to Become Socially and Environmentally Friendly

- Creating a positive image of the industrial sector by emphasizing socially and environmentally friendly enterprises and promoting sustainable development

In addition, the Cabinet's resolved to approve the Bank as a major co-operator of the SME Development Fund under the Pracharat Scheme.

# STATE SHAREHOLDER POLICY

## Strategies on State Enterprises by Sector 2017-2021 (SEPO) (Extension ending in 2022)

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

SME D Bank has a role in developing small and medium-sized entrepreneurs that lack opportunities to access services from commercial banks or general financial institutions by offering SMEs financial resources and non-financial support to help them achieve better business operations. The Bank also collaborates with partners in the public and private sectors to implement projects to support small and medium-sized enterprises (SMEs).

### Strategy 2 Manage investment plan in line with the National Strategy

State-owned financial institutions have worked together to pool resources to increase efficiency and reduce management costs. Such collaborations include joint planning for staff training and development and knowledge-sharing among member institutions. In addition, SME D Bank has continuously invested in developing information technology systems to improve operational efficiency.

### Strategy 3 Enhance financial strength for long term sustainability

SME D Bank is able to maintain the BIS capital adequacy ratio at a higher level than the Bank of Thailand's regulatory guideline and focuses on sound risk management in tandem with the Bank's loan and business expansions.

### Strategy 4 Encourage innovation and technology deployment to align with Thailand 4.0

SME D Bank stands ready to submit plans/projects in line with Thailand 4.0's project on big data analytics with partner organizations.

### Strategy 5 Promote good governance to ensure transparency and integrity

SME Bank has evolved into a moral organization, cultivating and motivating employees to adhere to corporate governance principles through the Bank's policies and staff capacity development. This balances the benefits and risks associated with changing business models and operations to accommodate disruptive technologies. The Bank also has risk management and corporate governance plans in place to ensure sustainability and prevent the recurrence of problems.

The State Enterprise Policy Office (SEPO) meeting No. 2/2021 on April 16, 2021, approved the continuation of the implementation of the five strategies in the State Enterprise Strategic Plan, adding Strategy 6 Develop the Bio-Circular-Green (BCG) Economic Model, to align with the 20-Year National Strategic Plan, as follows:

### Strategic 6 Develop the BCG Economic Model:

Bio-Economy, Circular Economy, and Green Economy

### Objective and Goals

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

# BUSINESS DIRECTION 2022

In 2022, the SME D Bank set the business direction to fulfill the mission in alignment with the government policies, focusing on developing small and medium-sized enterprises (SMEs) to increase their competitiveness and strengthen their businesses to achieve sustainable growth. With its commitment to developing SMEs, the Bank provides full-range solutions for SME business operations.

## Policies of Related Agencies

### Policies of Related Agencies

#### ● Government Policies

##### Core Policies

- Policy 5 Enhancing Thailand's economic development and competitiveness
- Policy 7 Enhancing the country's strength through a bottom-up approach

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

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

1. Creating stable and sustainable economic growth
2. Strengthening particular sectors of the economy

#### ● The 4<sup>th</sup> SME Promotion Plan (2017- 2021)

- Strategy 1 Issue-based SME promotion and development
- Strategy 2 Capability development of specifically-targeted SMEs
- Strategy 3 Development of a systematic SME promotion mechanism

#### ● Ministry of Finance (MOF) by Fiscal Policy Office (FPO)

1. Finance for All – Be a financial resource for SME capacity building
2. Literacy for All – Elevate the potential of SMEs
3. Responsibility for All – Be a Bank with a solid foundation, be responsible for all sectors, and create equitable and sustainable benefits

### Regulatory Authority Policy

#### ● SME Promotion Plan (2021-2022)

##### Development Approaches

- Survive** Relieve and recover businesses affected by the COVID-19 pandemic
- Revive** Revive and empower SMEs to get ready for competition in the new economic context and competition in the post-pandemic era
- Thrive** Facilitate SMEs' adaptation to the new business environment to help them thrive

#### ● The 20-Year National Strategy

- Strategy 2 Enhancing Competitiveness
- Strategy 4 Creating Opportunities and Social Equity
- Strategy 6 Rebalancing and Developing Public Sector Administration

#### ● Ministry of Industry

- Strategy 1 Potential Enhancement for the Industrial Sector to Foster Growth and Strength
  - Promoting and developing industries that align with the country's fundamental strengths
  - Prioritizing research, technology, and innovation to increase productivity and improve standards to enhance the industrial sector's competitiveness
- Strategy 3 Promotion and Development of Industries to Become Socially and Environmentally Friendly
  - Creating a positive image of the industrial sector by emphasizing socially and environmentally friendly enterprises and promoting sustainable development.



## ● Master Plans under the National Strategy

- Issue 8 Smart Entrepreneurs and SMEs
- Issue 16 Local Economy Development
- Issue 20 Public sector's services and competency
- Issue 23 Research and Innovation Development

## ● COVID-19 Contingency Plan under the National Strategy (2021-2022)

- Issue 1 Strengthening Local Economy
- Issue 2 Elevating the Country's Competitiveness to Facilitate Sustainable Future
- Issue 4 Improving and Developing Enabling Factors to Promote Country Recovery and Development

## ● Strategies on State Enterprises by Sector 2017-2021 (SEPO) (Extension ending in 2022)

1. Set clear roles of each state-owned enterprise in driving the National Strategy
2. Manage investment plan in line with the National Strategy
3. Enhance financial strength for long term sustainability
4. Encourage innovation and technology deployment to align with Thailand 4.0 and DE plan
5. Promote good governance to ensure transparency and integrity
6. Develop the BCG Economic Model

## ● National Reform Plan

### Public Administration Reform

Government agencies combine information to work for the people, focusing on area-based management, digitize administrative and service systems, develop common performance standards and ethical standards for the workforce, and create an anti-corruption culture.

### Economic Reform

Empower local communities and develop community enterprises



### Objective

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

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

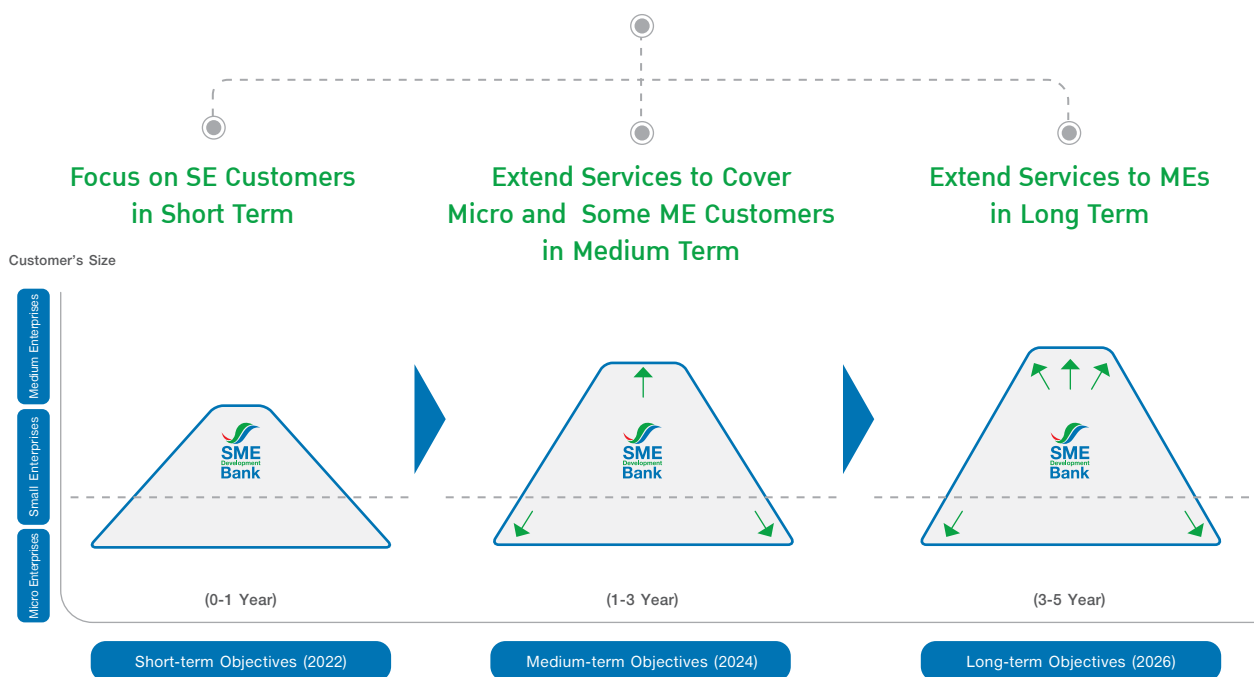
Developing SMEs and enhancing their business capabilities to be strong and sustainable through integrated support solutions for business operations to drive the Bank toward being

"SME Development Bank"

Built upon its strategic plan, SME D Bank's operational plan to support SMEs consists of three phases with distinct emphases on three primary target groups as follows:

- (1) **Short-term Phase:** The Bank strengthens and enhances the business capacity of small-sized enterprises that are not strong enough to help them grow by providing solutions to their liquidity or debt problems together with partner organizations. At the same time, the Bank focuses on businesses that are ready for expansion through systematic management with financial and non-financial management tools to balance income generation and financial sustainability.
- (2) **Medium-term Phase:** The Bank systematically mobilizes digital business operations and e-commerce capabilities of micro and small-sized enterprises in an integrated manner while nurturing viable companies for continued growth. The enhancement focuses on extending SME support to cover micro-enterprises with knowledge-sharing and capacity building on digital business operations and encouraging them to use e-commerce and delivery platforms. The Bank encourages food shop customers to sell through GRAB, LINE MAN, or Foodpanda and recommends other businesses undergo digital transformation. Furthermore, the Bank started to focus on medium-sized enterprises (MEs), extending its supportive role for micro enterprises to maximize customer lifetime value throughout their growth journey.
- (3) **Long-term phase:** Upgrading services to maximize customer lifetime value, starting from short and medium-term strategic positions and extending to cover micro and medium-sized enterprises. This will make SME D Bank a truly one-stop bank that can cater to all needs of every level of SME customers.

## SME D Bank's Strategic Positions: Short Term, Medium Term, and Long Term



- Focus on SEs on a short-term basis to attain income equilibrium to become financially sustainable enterprises.
- Support the SEs Turnaround by providing financial assistance and debt settling together with OSMEP.
- Support SEs Regular/Strong group with business cash management tools (BCM) and business expansion counseling.
- Extend support to cover some micro enterprises for entering e-commerce and delivery platforms.
- Use such products as Transaction-based lending from POS usage data and sales data from online platforms as they have no collateral.
- Strengthen some of the micro enterprises with strong MEs
- Focus on supporting all groups, especially micro and SEs, by expanding the customer base to the ME group as they are ready for access to capital.
- SME D Bank can use pull financing to grant ME loans to trade or purchase raw materials from SEs and micro enterprises who are the Bank's customers.

# 5-Year Strategic Plans (2022 - 2026)

The SME Bank has set its major operational guidelines in 6 strategies as follows:

Customers	<b>Micro - Strong</b>	<b>SE - Turnaround</b>	<b>SE - Regular &amp; Strong</b>	<b>ME - Regular &amp; Strong</b>
	Focus on pushing micro enterprises to grow into systematic SEs	Focus on fundamental recovery and strengthen SEs to promote and foster their financial readiness	Focus on improving SEs' standard and business operation system to make them grow into strong MEs	Focus on backing high-potential MEs that can support micro/SEs to enhance the Bank's Commercial portfolio
Financial Support	<b>Strategy 1</b> Digital and Innovation Driver	<b>Strategy 2</b> Fundamental Revitalization	<b>Strategy 3</b> Growth for Excellence	<b>Strategy 4</b> Business Accelerator
	1.1 Drive digital market penetration 1.2 Support with digital credit through mobile banking and internet banking	2.1 Promote and support unhealthy businesses to create financial readiness	3.1 Drive business expansion with comprehensive packaged solutions. 3.2 Promote standards and operational excellence with non-financial products 3.3 Drive global expansion by connecting to international markets 3.4 Support start-ups and businesses that align with government policies, such as BCG Model	4.1 Expand commercial businesses and promote micro/SEs with pull financing
Non-Financial Support	<b>Strategy 5 : Integrated Development</b>			
	5.1 Develop network and business capacity development ecosystem 5.2 Develop tools to support SMEs in business management through collaboration with partners 5.3 Create opportunities for business matching to promote customer groups			
Non-Financial Support	<b>Strategy 6 : Channel and Capability Uplift</b>			
	6.1 Expand customer outreach to SMEs groups with banking agents 6.2 Expand services via digital banking channels (M-banking and I-banking) 6.3 Efficient and fast operations 6.4 Develop a CRM system to deliver a positive experience at every customer touchpoint 6.5 Ensure efficient risk management and internal control according to corporate governance principles to ensure sustainable development 6.6 Enhance staff's capacity to stay abreast of changes to achieve service excellence			

Phase 1 (0-1 Year)    Phase 2 (1-3 Years)

Note: Phase 3 (3-5 Years) will feature extended operations of every strategy with more sophisticated transactions.

## Strategy 1 Digital and Innovation Driver

To focus on micro and small enterprises that lack credit profiles and collaterals and operate in retail-wholesale and service sectors. The Bank will increase customers' competitiveness by developing their integrated digital capabilities and creating credit profiles from commercial transactions, encouraging them to enter online platforms and expand their network through collaboration with partners.

### Implementation:

1. Expand the network with partners in terms of knowledge to get ready for online business.
2. Expand the network with partners operating digital platforms to assist SMEs in selling on platforms.
3. Expand the network with partners specializing in store management to assist SMEs in managing trading transactions through the management system.
4. Store the actual trading data to assess credit scoring.
5. Approve loans to potential entrepreneurs.

## Strategy 2: Fundamental Revitalization

To focus on small enterprises with low growth rates, accumulated debts, and lacking liquidity, which need business recovery to achieve a more robust financial foundation and get ready to apply for credit from financial institutions. The Bank also reaches out to partners specializing in the business management system to build capacity for SMEs in financial planning analysis and repayment planning.

### Implementation:

1. Screen customer profiles according to their problem, identify the right help programs, and refer to appropriate specialists.
2. Cooperate with TCG to revive SMEs with accumulated debts or NPLs.
3. Collaborate with partners in terms of the business management systems to enable SMEs in revenue data storage and in terms of the financial accounting knowledge base to build capacity in financial planning analysis, including repayment planning.
4. Log in to the commercial loan system.

## Strategy 3 Growth for Excellence

To focus on small enterprises with less potential, growth rate, bargaining power, and competitiveness than medium-sized enterprises. To improve their operational standards and promote their growth into medium-sized enterprises. SME D Bank has developed total packages of loans plus solutions befitting different industries to help customers keep management costs low and develop their management to be on par with medium-sized businesses. The Bank has an appraisal and potential screening system for start-ups that can recommend suitable capital investments.

### Implementation:

1. Screen customers according to business type and industry to support them with appropriate funding.
2. Develop credit products and solutions according to business industry to support low business management costs 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 improve business management efficiency.

## Strategy 4: Business Accelerator

To focus on medium-sized enterprises (MEs) who are partners of micro and small-sized enterprises (SEs) to drive the growth for micro and SEs through funding for MEs based on value-to-foundation terms in order to develop pull financing for trading with micro and SEs.

### Implementation:

1. Screen the MEs whose partners are micro, SEs, and SME D Bank customers or industrial groups that are target groups supported by the National Strategy.
2. Develop pull financing, and determine credit conditions to enhance transactions with micro and SE partners.
3. Make trade transactions with MEs under terms of legal transactions and contracts.
4. Check trading status with MEs to ensure their compliance with contracts.

## Strategy 5 Integrated Development

To integrate networks of SME supports with partner agencies to enhance SME potentials and growth opportunities by connecting business networks through the industrial chain.

### Implementation:

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 added value throughout the supply chain.
3. Work with partners to extend business network connections rather than internal connections within the SME D 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 customer outreach by extending the partner network and banking agents to achieve better coverage of service areas as well as developing service channels through online digital systems. The Bank will improve its services through efficient and fast operations, cost-to-income management, development of a credit scoring system, development of automatic loan transfer to loan applicants' operating accounts, development of a customer relations management system, staff capacity building, risk management, and sound internal control corresponding to corporate governance principles for sustainable development.

### Implementation:

1. Work with partners to develop a workflow system in order to identify and store input 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 the partner network of banking agents and partner banks to provide settlement services in all service areas.



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

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

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



# THE BANK'S HISTORY

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

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

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

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

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

In 2001, the government agreed to extend the role and scope of the Small Industry Finance Corporation by upgrading its status to "Small and Medium Enterprise Development Bank of Thailand." Formulated by the Ministry of Industry and the Ministry of Finance, Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 (2002) became effective on December 20, 2002. The date was thus regarded as the establishment day of SME D Bank. The Ministry of Finance had increased its share capital by 17,955 million Baht during 2004-2020. The share capital stock of the

SME D Bank has grown to 36,231.81 million Baht, with an excess of par value in paid in capital account of 15,476.81 million Baht.

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

# BOARD OF DIRECTORS 2021



01. Mr. Kobchai Sungsitthisawad	Chairman	Perform on Duty 1 <sup>st</sup> Period October 10, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 15, 2021
02. Mr. Vichak Apirugnunchai	Director	Perform on Duty 1 <sup>st</sup> Period February 15, 2021
03. Ms. Sapatporn Tharmmaphornphilas	Director	Perform on Duty 1 <sup>st</sup> Period February 15, 2021
04. Mr. Wanchai Phanomchai	Director	Perform on Duty 1 <sup>st</sup> Period December 18, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 15, 2021
05. Mrs. Chanisa Chutipat	Director	Perform on Duty 1 <sup>st</sup> Period April 17, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 15, 2021
06. Mr. Preecha Ua-Anantathanakul	Director	Perform on Duty 1 <sup>st</sup> Period December 18, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 15, 2021
07. Dr. Chatchai Thnarudee	Director	Perform on Duty 1 <sup>st</sup> Period February 15, 2021



**Remarks :** 1. The following SME D Bank's Board members were appointed at the Extraordinary General Meeting of Shareholders No. 2/2017 on November 9, 2017 and their terms expired on February 14, 2021. 1.1 Mr. Chanvit Nakhuree 1.2 Ms. Chunhachit Sungmai 1.3 Dr. Seree Nonthasoot 1.4 Mr. Kriengkrai Rukkulchon  
2. The following SME D Bank's Board members whose terms had expired were appointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024. 2.1 Mr. Kobchai Sungsitthisawad 2.2 Mr. Wanchai Phanomchai  
2.3 Mrs. Chanisa Chutipat 2.4 Mr. Preecha Ua-Anantathanakul





08. Dr. Nattapol Praditphonlert	Director	Perform on Duty 1 <sup>st</sup> Period February 15, 2021
09. Asst. Prof. Dr. Tippawan Pinvanichkul	Director	Perform on Duty 1 <sup>st</sup> Period February 15, 2021
*10. Mr. Pinit Puapan	Director	Perform on Duty 1 <sup>st</sup> February 15, 2021 - May 20, 2021
*11. Mr. Chanvit Nakburee	Director	Perform on Duty 1 <sup>st</sup> Period January 2, 2017 - November 8, 2017 Perform on Duty 2 <sup>nd</sup> Period November 9, 2017 - February 14, 2021
*12. Ms. Chunchachit Sungmai	Director	Perform on Duty 1 <sup>st</sup> Period October 16, 2019 - February 14, 2021
*13. Dr. Seree Nonthasoot	Director	Perform on Duty 1 <sup>st</sup> Period November 9, 2015 - November 8, 2017 Perform on Duty 2 <sup>nd</sup> Period November 9, 2017 - February 14, 2021
*14. Mr. Kriengkrai Rukkulchon	Director	Perform on Duty 1 <sup>st</sup> Period April 17, 2019 - February 14, 2021
15. Ms. Nartnaree Rattapat	Director and Secretary	Perform on Duty 1 <sup>st</sup> Period October 1, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 15, 2021



3. The following SME D Bank's Board members were reappointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024. 3.1 Mr. Vichak Apirugnuchai 3.2 Ms. Sapatporn Tharmmaphornphilas 3.3 Dr. Chatchai Thnarudee 3.4 Dr. Nattapol Praditphonlert 3.5 Asst. Prof. Dr. Tippawan Pinvanichkul 3.6 Mr. Pinit Puapan
4. Mr. Pinit Puapan resigned from SME D Bank's Board of Directors, effective from May 20, 2021.

# PROFILES OF THE BOARD OF DIRECTORS

## Mr. Kobchai Sungsitthisawad

### • Chairman

Age 59 Years

\*The Ministry of Industry delegation

Date of Appointment as

Chairman of the Board: 15 February 2021



### Education

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

### Training

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

### Working Experiences

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

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

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

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-

## Mr. Vichak Apirugnunchai

- Member, Board of Directors
- Chairman, Board of Executive Directors
- Chairman, the Employee Relations Committee

Age 59 Years

\*The Ministry of Finance delegation

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Training

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

### Working Experiences

- Inspector General, Ministry of Finance (2019 – Present)
- Principal Advisor on Duty Collection Management and Development, The Customs Department (2016 – 2019)

- Deputy Director General, The Customs Department (2016)
- Director of Investigation and Suppression Bureau, The Customs Department (2014 – 2016)

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

- Inspector General, Ministry of Finance
- Director of EGAT International

### 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 Sapatporn Tharmmaphornphila

- Member, Board of Directors
- Member, the Risk Oversight Committee
- Member, the Nomination and Remuneration Committee
- Chairman, The Investment Committee
- Chairman, the Performance Appraisal and Remuneration Committee

Age 50 Years

\*The Ministry of Finance delegation

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Training

- Director Certification Program, IOD (DCP311)
- The Civil Service Executive Development Program Visionary and Morally Leader 11<sup>th</sup> Generation, Office of the Civil Service Commission
- CLMVT Bankers' Leadership Program 2018 2<sup>nd</sup> Generation, Bank of Thailand
- Executive Development Program Ministry of Education, Thailand
- "IAS 32, IAS39/IFA 9, IFS7 Accounting Standards and Their Future Impacts on Financial Institutions" course, hosted by the Thai Professional Finance Academy (ThaiPFA) at Pathumwan Princess Hotel

### Working Experiences

- Deputy Director-General, Fiscal Policy Office, Ministry of Finance (2020 - Present)
- Director of Financial System and Financial Institutions Policy Bureau, Fiscal Policy Office, Ministry of Finance (2016 - 2020)
- Senior Expert on Finance, Fiscal Policy Office, Ministry of Finance (2014 - 2016)

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

- Deputy Director-General Fiscal Policy Office Ministry of Finance

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-

## Mr. Wanchai Phanomchai

- Member, Board of Directors
- Member, Board of Executive Directors
- Chairman, the Nomination and Remuneration Committee
- Chairman, the NPL Supervision and Following Committee

Age 57 Years

\*The Ministry of Finance delegation

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Training

- Ministry of Industry, Performance Management Program for CEOs of Model Government Agencies, Batch 10
- The Civil Service Executive Development Program Visionary and Moral Leadership Batch 76, Office of the Civil Service Commission (OCSC)
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers, SMCPS#7, The Office of the National Anti-Corruption Commission
- ANTI-Corruption Training for ONACC, IACA (Vienna/Luxemburg/Czech) 2016, August 15 - 17
- Diploma, National Defense College, The National Defense Course (NDC) Class 60
- Director Certificate Program (DCP) Class 294
- National Academy Justice (Batch 25), Judicial Training Institute

### Working Experiences

- Director-General, Department of Industrial Works (2021 - Present)
- Secretary-General, Thai Industrial Standards Institute (2018 - 2021)
- 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-

## Mrs. Chanisa Chutipat

- Member, Board of Directors
- Member, Board of Executive Directors
- Member, the Nomination and Remuneration Committee
- Chairman, The Information Technology Management Committee

Age 60 Years

\*Independent Director

Date of Appointment as  
Directors: 15 February 2021



### Education

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

### Training

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

### Working Experiences

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

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

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

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-

## Mr. Preecha Ua-Anantathanakul

- Member, Board of Directors
- Chairman, the Audit Committee

Age 58 Years

\*Independent Director

Date of Appointment as

Directors : 15 February 2021



### Education

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

### Training

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

### Working Experiences

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

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

- Special Advisor, the Election commissioner of Thailand
- Director, 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-

## Dr. Chatchai Thnarudee

- Member, Board of Directors
- Member, the Audit Committee
- Chairman, the Corporate Governance and Corporate Social Responsibility Committee

Age 46 Years

\*Independent Director

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Training

- Directors Certification Program (DCP) 312/2021  
Thai Institute of Directors (IOD)
- INSEAD Leadership Development Program
- CIO Executive Council Pathways Leadership  
Development Program in Strategic Leader
- Massachusetts Institute of Technology (MIT) – Sloan  
School of Management Executive Education Program  
Leadership Development Program

### Working Experiences

- Chief executive officer, JP Insurance Public  
Company Limited
- Managing Director, Accenture
- Country CIO, Chevron Thailand Exploration and  
Production Limited
- Global Manager, Global Production Operation &  
Accounting, GIS and Data Analytics, Chevron Energy  
Technology Company based in Houston, TX, USA  
(managing globally and geographically  
dispersed teams)

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

- Chairman, Thanager & Co Company Limited (Business  
Model Innovation, Management & Strategy Consulting  
and Digital Advisory)
- Adjunct Executive Advisor, IDC Financial Insights,  
IDC and Business Transformation Advisor, Fusion  
Solution Group
- Board Member, Jaymart Insurance Public  
Company Limited
- Business Advisor, Bangpakok-Piyavate Hospital  
Group of Companies

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-



## Dr. Nattapol Praditphonlert

- Member, Board of Directors
- Member, Board of Executive Directors
- Chairman, the Knowledge Innovation Management Committee
- Chairman, the Investment Committee SMEs Private Equity Fund 1

Age 51 Years

\*Independent Director

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Training

- Directors Certification Program (DCP) 312/2021 Thai Institute of Directors (IOD)
- Director of Accreditation Program (DAP), No.25/2004 Thai Institute of Directors (IOD)
- Security Management and Leadership for Executives Program #2 - The Association of National Defence College of Thailand.
- Advance Certificate Course in Public Economics Management for Executives, No.18 King Prajadhipok's Institute
- Future Economy & Internet Governance Executive Program, Electronic Transactions Development Agency (ETDA)

### Working Experiences

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

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

- Honorary Director, Board of Civil State Committee, Welfare for Foundation Economy and Society
- Honorary Director, Rajamangala University of Technology Phra Nakhon Council
- Honorary Director, Bureau of Academic Service Silpakorn University
- Audit Director, Rajamangala University of Technology Phra Nakhon
- Chairman, Water Net Public Company Limited
- Director, Kenber Property Company Limited
- Director, Baan Suay Quality House Company Limited
- Director, Porn Na Pa 48 Company Limited

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-

## Asst. Prof. Dr. Tippawan Pinvanichkul

- Member, Board of Directors
- Member, Performance Appraisal and Remuneration Committee
- Chairman, the Risk Oversight Committee
- Chairman, Investment Committee of SMEs Private Equity Fund 2

Age 55 Years

\*Independent Director

Date of Appointment as

Directors: 15 February 2021



### Education

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

### Certificate

- Certified Public Accountant (CPA), Thailand

### Training

- Executive Leadership Program, Capital Market Academy (CMA 25)
- Price-Babson Symposium for Entrepreneurship Educators (SEE 40)
- Advanced Audit Committee Program (AACP 23/2016), Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP), Thai Institute of Directors Association (IOD)
- University Governance Program (UGP7), Knowledge Network Institute of Thailand (KNIT), Foundation for the Promotion of Ministry of University Affair

### Working Experiences

- Consultant, PA Associate Consulting Company Limited
- Senior Analyst, Thai Rating and Information Service Company Limited
- Management Accountant, Rhône Poulenc Rorer (Thailand) Company Limited
- Senior Auditor, SGV Arthur Andersen & Co. (Thailand)

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

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

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

### Shares in SME D Bank

-None-

### Status as SME D Bank's Stakeholders

-None-

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

-None-

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

-None-

### Family Relationship with Other Director

-None-

### Criminal Record Dating Back Ten Years

-None-

## Mr. Pinit Puapan

- Member, Board of Directors
- Member, the Audit Committee
- Member, the Corporate Governance and Social Responsibility Committee

Age 54 Years

\*Independent Director

Duration: 15 February 2021 - 20 May 2021



### Education

- Advance Management Program, Harvard Business School (2006)
- Master's Degree in Economics, The London School of Economic and Political Science (1990)
- BA, Economics & Political Science, Tufts University (1989)

### Training

- Corporate Governance in Digital Era (2018), Fiscal Policy Research Institute Foundation
- Public Director Certification Program (PDI 15), King Prajadhipok's Institute (2016)
- Advanced Security Management Program (ASMP 5), The Association National Defense College of Thailand (2014)
- Leader Program, Capital Market Academy (CMA11) (2011)
- Corporate Governance for Capital Market Intermediaries (CGI 2/2015), Thai Institute of Directors (IOD),
- Director Accreditation Program (DAP) (2004) and Audit Committee Program (ACP) (2004), Thai Institute of Directors (IOD)

### Working Experiences

- Director, KrungThai Zmico Securities Company Limited
- Director, State Railway of Thailand
- Director, S.R.T. Electrified Train Company Limited
- Director, Srisawad Finance Public Company Limited
- Director, Thai Airways International Public Company Limited
- Director, CAT Telecom Public Company Limited

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

- Director, XSpring Capital Public Company Limited
- Director, Srisawad Corporation Public Company Limited
- Independent Director, Charn Issara Development Public Company Limited
- Vice Chairman, Mali Group 1962 Company Limited
- Director, Thai Dairy Industry Company Limited
- Director, S.R.T. Electrified Train Company Limited
- Director, MG1962 Logistic Company Limited
- Managing Director, Talon Holding Company Limited
- Director, Veyla Natai Residences (Villa) Company Limited
- Director, Veyla Cha Am Residences Company Limited
- Director, IDEAS 1606 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

- Member, Board of Directors
- Chairman, Board of Executive Directors
- Chairman, the Employee Relations Committee
- Chairman, Performance Appraisal and Remuneration Committee

Age 56 Years

\*The Ministry of Finance delegation

Duration : 9 November 2017 - 14 February 2021



### Education

- Master of Business Administration, Ramkhamheang University
- BA (Accounting) Ramkhamheang University

### Training

- The National Defense Course Class 61
- Executive Development Program II, Class 8
- Corporate Governance for Board of Director and Executives of State Enterprise and Public Organization, Public Development Institutes, Class 9
- Executive Development Program I, Class 77

### Working Experiences

- Advisor, State Enterprise Performance Appraisal (1 October 2020 – Present)
- Deputy Director - General, State Enterprise Policy Office, Ministry of Finance (September 2016 - September 2019)
- Director of Policy and Planning Bureau, State Enterprise Policy Office, Ministry of Finance (2011 - September 2016)

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

- Director, National Credit Bureau
- Director, 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

- Member, Board of Directors
- Member, the Risk Oversight Committee
- Member, the Nomination and Remuneration Committee

Age 59 Years

\*The Ministry of Finance delegation

Duration: 16 October 2019 - 14 February 2021



### 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 Defense 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, the Office of Public Procurement Management
- Deputy Director-General, The Comptroller General's Department
- Advisor of Fiscal and Financial System Development
- Inspector General, Ministry of Finance

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

- Director, Expressway Authority of Thailand
- Director, 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-

## Dr. Seree Nonhasoot

- Member, Board of Directors
- Member, the Nomination and Remuneration Committee
- Chairman, the Audit Committee

Age 47 Years

\*Independent Director

Duration: 9 November 2017 - 14 February 2021



### Education

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

### 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)
- Foundations in Responsible Investment, UN PRI Institute
- GRI Professional Certification Reporting Initiative / GRI Academy
- Director Leadership Certification Program (DLCP) 1/2021, Institute of Directors

### Working Experience

- Representative of Thailand to the ASEAN Intergovernmental Commission on Human Rights (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

- Governor, Stock Exchange of Thailand
- Director & Chairman of Audit Committee, Thailand Post Company Limited
- Director, Neighboring Country Economic Development Agency (Public Organization)
- Senior Executive Vice President, Institute of Research and Development for Public Enterprises ([www.IRDP.org](http://www.IRDP.org))

### 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

- Member, Board of Directors
- Member, Board of Executive Directors
- Member, the Legal Committee
- Advisory, the Non-Performing Asset Management Committee
- Professional, the NPL Supervision and Following Committee

Age 64 Years

\*Independent Director

Duration: 17 April 2019 - 14 February 2021



### Education

- The Thai Barrister Law, Ramkamheang University, No.33
- Bachelor of Law, Ramkamheang University

### Training

- Director Accreditation Program (DAP), No.66/2007, Thai Institute of Directors (IOD)
- Ethical Leadership Program (ELP), No.23/2021, Thai Institute of Directors (IOD)
- Role of Chairman Program No.47/2021, Thai Institute of Directors (IOD)
- Corporate Governance for Directors and Senior Executives of the Regulator State Enterprises and Public Organizations, No.21 - King Prajadhipok's Institute

### Working Experiences

- Advisory, Board of Directors, Small and Medium Enterprise Development Bank of Thailand (SME D BANK)
- 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

- Chairman, Board of Directors, Pacific Pipe Public 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-

## Miss Nartnaree Rattapat

- **Managing Director**
- **Director and Secretary, Board of Directors**
- **Director and Secretary, Board of Executive Directors**
- **Member, the Risk Oversight Committee**
- **Member, the Nomination and Remuneration Committee**
- **Member, the Information Technology Committee**
- **Member, the NPL Supervision and Following Committee**

Age 51 Years

\*Managing Director

Date of Appointment as

Directors and Secretary: 1 October 2019



### Education

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

### Training

- Risk Management Program for Corporate Leaders (RCL) 25/2021 Thai Institute of Directors (IOD)
- 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 (Finex21) year 2012 from The Thai Institute of Banking and Finance Association

### Working Experiences

- Acting President, Small and Medium Enterprise Development Bank of Thailand (SME D BANK)

- 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

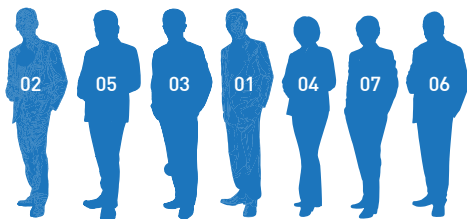
-None-



# BOARD OF EXECUTIVE DIRECTORS 2021



01. Mr. Vichak Apirugnunchai	Chairman	Perform on Duty 1 <sup>st</sup> Period February 24, 2021
*02. Mr. Chanvit Nakburee	Chairman	Perform on Duty 1 <sup>st</sup> Period September 27, 2018 - April 24, 2019 Perform on Duty 2 <sup>nd</sup> Period April 25, 2019 - February 14, 2021
03. Mr. Wanchai Phanomchai	Director	Perform on Duty 1 <sup>st</sup> Period February 24, 2021
04. Mrs. Chanisa Chutipat	Director	Perform on Duty 1 <sup>st</sup> Period February 24, 2021
05. Dr. Nattapol Praditphonlert	Director	Perform on Duty 1 <sup>st</sup> Period February 24, 2021
*06. Mr. Kriengkrai Rukkulchon	Director	Perform on Duty 1 <sup>st</sup> Period April 25, 2019 - February 14, 2021
07. Ms. Nartnaree Rattapat	Director and Secretary	Perform on Duty 1 <sup>st</sup> Period April 25, 2019 - February 14, 2021 Perform on Duty 2 <sup>nd</sup> Period February 24, 2021



Remarks : 1. The following Executive Directors were appointed at SME D Bank's Board of Directors' Meeting No. 19/2018 on September 27, 2018 and No. 8/2019 on April 25, 2019 and their terms expired on February 14, 2021: 1.1 Mr. Chanvit Nakburee 1.2 Mr. Kriengkrai Rukkulchon  
2. Executive Directors who were reappointed following the meeting resolution of SME D Bank's Board of Directors No. 5/2021 on February 24, 2021 are:  
2.1 Mr. Vichak Apirugnunchai 2.2 Mr. Wanchai Phanomchai 2.3 Mrs. Chanisa Chutipat 2.4 Dr. Nattapol Praditphonlert

# THE MANAGEMENT



- |                                     |                                 |                           |
|-------------------------------------|---------------------------------|---------------------------|
| 01. Ms. Nartnaree Rattapat          | Managing Director               |                           |
| 02. Mr. Jessada Chor. Charoenying   | Senior Executive Vice President |                           |
| 03. Mrs. Wimolrat Piyasathapornpong | Senior Executive Vice President |                           |
| 04. Mr. Pichit Mitrawong            | Senior Executive Vice President |                           |
| 05. Mr. Mogul Posayapisith          | Senior Executive Vice President |                           |
| 06. Mr. Chatri Wetsoranasutee       | Senior Executive Vice President |                           |
| 07. Mr. Samanpong Klienglumyong     | Senior Executive Vice President | (Retired in October 2021) |
| 08. Mr. Saree Musigerst             | Executive Vice President        |                           |
| 09. Mr. Arnat Wiboonkanarak         | Executive Vice President        |                           |
| 10. Mr. Amnat Hialong               | Executive Vice President        |                           |
| 11. Mr. Khemmachat Apiratchatanont  | Executive Vice President        |                           |





- |                                 |                          |                           |
|---------------------------------|--------------------------|---------------------------|
| 12. Mrs. Ubolrat Karpang        | Executive Vice President |                           |
| 13. Mr. Cherdchai Ouanmin       | Executive Vice President |                           |
| 14. Mr. Damrong Tangtanakan     | Executive Vice President |                           |
| 15. Mr. Prasij Virasilpa        | Executive Vice President |                           |
| 16. Ms. Kunlaya Chalermchokchai | Executive Vice President |                           |
| 17. Ms. Wiyada Manoprasertkul   | Executive Vice President |                           |
| 18. Mr. Kantaphon Kaewmanee     | Executive Vice President | (Retired in October 2021) |
| 19. Ms. Wipha Luengmanee        | Executive Vice President | (Retired in April 2021)   |
| 20. Ms. Sumavasee Salasuk       | Senior Vice President    |                           |
| 21. Mr. Sirichai Loyprasert     | Senior Vice President    |                           |
| 22. Mrs. Chuthamas Nualpring    | Senior Vice President    |                           |



# PROFILES OF THE MANAGEMENT

**Mr. Jessada Chor. Charoenying**  
**Senior Executive**  
**Vice President, Operations**  
**and Risk Management**

Age 56 Years



**Ms. Wimolrat Piyasathapornpong**  
**Senior Executive**  
**Vice President,**  
**Corporate Support Group**

Age 51 Years



## Education

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

## Training

- Securities Business Operations (2019)
- IIA International Conference (2019)
- Transforming iA for The Digital Age (2018)
- The Institute of Internal Auditor (2018)
- Asian Institute of Internal Auditor (2017)
- AC Hot Update for Modern CG (2017)
- Diploma, Corporate Governance for Middle Manager (2016)
- Company secretary Program (2016)
- Board Reporting Program (BRP) (2016)
- Improvement of State Sector Internal Audit Program (2015)
- Internal Audit Best Practices Program (2014)
- The Institute of Internal Auditors Program (2013)
- Audit Change from Internal Auditor to Consult Program (2013)

## Work Experiences

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

## Family Relationship with Other Executives

-None-

## Education

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

## Training

- IT Governance and Cyber Resilience Program (ITG Online) (2021)
- Basic Technique in the Developing Accounting Information Systems Program #1 (2021)

## Work Experiences

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

## Family Relationship with Other Executives

-None-

## Mr. Pichit Mitrawong

Senior Executive  
Vice President, Credit Analysis  
and Operation Group

Age 54 Years



## Mr. Mogul Posayapisith

Senior Executive  
Vice President, Strategy and  
Business & Entrepreneur  
Development Group

Age 45 Years



### Education

- Master of Public Administration (MPA), National Institute of Development Administration (2000 - 2003)
- Bachelor of Business Administration (BBA), Ramkhamhaeng University (1986 - 1989)

### Training

- Financial Executive Development Program (FINEX) #30 (2021)
- Trainer for Management Science for Top Executive (2018)
- 7 Young Ladies Market Approach (2016)
- Smart Branding Program (2016)
- Smart Balancing & Marketing for Digital (2016)
- Corporate Governance Program (2008)
- Economic and Treasury Administration for Executive (2005)

### Work Experiences

- Small and Medium Enterprise Development Bank of Thailand
  - Senior Executive Vice President (2021 - Present)
  - Executive Vice President (2020 - 2021)
  - Senior Vice President (2018 - 2020)
  - Vice President, (2015 - 2018)
  - Deputy Vice President (2008 - 2015)
- Assistant Manager, Siam Commercial Bank PCL

### Family Relationship with Other Executives

-None-

### Education

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

### Training

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

### Work Experiences

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

### Family Relationship with Other Executives

-None-



**Mr. Chatri Wetsoranasutee**  
**Senior Executive Vice President,**  
**Branch and Credit Quality**  
**Management Group**

Age 53 Years

**Education**

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

**Training**

- Leadership Succession Program #10 (2019)
- E-commerce Program (2016)
- Performance Report (OPR Coaching) (2013)
- New Perspectives and Opportunities for Trade and Investment Program (2009)
- A Study Visit - Policy to Promote Entrepreneurs and Local Industrial Cluster in Japan (2005)
- Training Small Business Counsellors (APEC - IBIZ), Co-hosted by Department of Industrial Promotion and Thailand Productivity Institute (2004)
- SME Counselor Program - Commercial Sector, SME Diagnostics and Counseling System Development Project, Co-hosted by Department of Industrial Promotion and Technology Promotion Association (Thailand-Japan) (2002)

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-



**Mr. Samanpong Klienglumyong**  
**Senior Executive Vice President,**  
**Branch and Credit Quality**  
**Management Group**

Age 60 Years

(Retired on October 1, 2021)

**Education**

- Master of Business Administration (MBA), University of the Thai Chamber of Commerce (1995-1998)
- Bachelor of Business Administration (BBA), Sukhothai Thammathirat Open University (1985 - 1989)

**Training**

- Digital Agriculture Business Promotion Program (2019)
- Leadership Succession Program (LSP) (2017)
- Director Certification Program (2014)
- Justice Governance for Top Executives Program (2013)
- Public Economic Management for Top Executives (2012)
- Executive Finance Management Program #2 (2011)
- Credit for Executives Program - OMEGA (2010)
- Small Enterprise Counsellors Program - APEC-IBIZ (2004)

**Work Experiences**

- Small and Medium Enterprise Development Bank of Thailand
  - Senior Executive Vice President (2019 - October 1, 2021)
  - Executive Vice President (2009 - 2019)
  - Senior Vice President (2006 - 2009)
  - Vice President (2005 - 2006)
  - Regional Manager (2002 - 2005)
- Head of Regional Credit Division, Bank of Ayutthaya Public Company Limited
- Deputy Head - Credit Section, Siam Commercial Bank Public Company Limited
- Intelligence Officer, National Intelligence Agency

**Family Relationship with Other Executives**

-None-

**Mr. Saree Musigerst**  
**Executive Vice President,**  
**Legal Division**

Age 56 Years



**Mr. Cherdchai Ouanmin**  
**Executive Vice President,**  
**Compliance Division**

Age 54 Years



**Education**

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

**Training**

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

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-

**Education**

- Bachelor of Business Administration (BBA), Siam University

**Training**

- Essential PDPA Compliance for Executives (2021)
- Modern Banking Executive Development Program (MOBEX) (2017)
- New Perspective of Neighboring Countries for AEC (2015)
- Real Property Appraisal Program (2007)

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-



## Mr. Arnat Wiboonkanarak

Executive Vice President,  
Operation Divisions

Age 52 Years

### Education

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

### Training

- Good Governance (2018)
- Middle Management Development #22 (2011)
- Intensive Marketing Communication (IMC) #11 (2006)
- Economic and Fiscal Administration for Executives (2005)

### Work Experiences

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

### Family Relationship with Other Executives

-None-



## Mr. Amnat Hialong

Executive Vice President,  
Branch Division 1

Age 55 Years

### Education

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

### Training

- Financial Risk and Crisis Management Program #2 (2021)
- Modern Banking Executive Development Program (2019)
- Bank and Financial Institution Management Development Program (2012)

### Work Experiences

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

### Family Relationship with Other Executives

-None-



**Ms. Ubolrat Karpang**  
**Executive Vice President,**  
**Entrepreneur Development and**  
**Customer Relations Division**

Age 54 Years



**Education**

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

**Training**

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

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-

**Mr. Damrong Tangtanakan**  
**Executive Vice President,**  
**Credit Quality Control**  
**Management Division**

Age 55 Years



**Education**

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

**Training**


- Thammasat Leadership Program (TLP) #18 (15 November 2021 - 21 February 2022)
- Synergy for Management Program
- New Perspective, Blue Ocean Strategy
- Strategic Planning Course
- Objective and Key Results (OKR)
- Meritocratic Organization
- Future Leaders Program
- Young Bankers' Executive Development Program (YOBEX)

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-



**Mr. Prasij Virasilpa**  
**Executive Vice President,**  
**Credit Analysis Division**

Age 57 Years

**Education**

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

**Training**


-None-

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-



**Mr. Khemmachat Apiratchatanont**  
**Executive Vice President,**  
**Resource Management Division**

Age 56 Years

**Education**

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

**Training**

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

**Work Experiences**

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

**Family Relationship with Other Executives**

-None-

## Kunlaya Chalermchokchai

Executive Vice President,  
Financial Management and  
Accounting

Age 44 Years



## Ms. Wiyada Manoprasertkul

Executive Vice President,  
Risk Management Division

Age 55 Years



### Education

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

### Training

-None-

### Work Experiences

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

### Family Relationship with Other Executives

-None-

### Education

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

### Training

-None-

### Work Experiences

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

### Family Relationship with Other Executives

-None-

**Mr. Kantaphon Kaewmanee**  
**Executive Vice President,**  
**Directly Report to Branch and**  
**Credit Quality Management Group**

Age 60 Years

(Retired on October 1, 2021)



**Ms. Wipha Luengmanee**  
**Executive Vice President,**  
**Responsible for the President's**  
**Direct Assignment**

Age 60 Years

(Retired on April 1, 2021)



**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 (2018)
- Leadership Succession Program (2018)
- SMEs Advance (2013)
- Performance Report (OPR Coaching) (2013)
- State Enterprise Appraisal System, SEPA (2012)
- State Enterprise Appraisal System, SEPA (2011)
- Assessment Criteria, SEPA (2011)
- Workshop on Approaches and Tools (2010)
- HR for Non-HR (2010)
- Challenges and Survival of Thai Exports (2007)
- Economic and Treasury Management for Executives (2015)
- Small Business Counselors Program (APEC-IBIZ) (2004)

**Work Experiences**

- Small and Medium Enterprise Development Bank of Thailand
  - Executive Vice President (2020 - October 1, 2021)
  - Senior Vice President (2006 - 2020)
  - Vice President (2002 - 2006)
- Chief Operation Officer, Media of Medias Public Company Limited
- Senior Vice President, Wall Street Finance and Securities Company Limited
- Assistant Managing Director, Siam General Factoring Public Company Limited
- Project Development Department Manager, Premier Group of Companies
- Credit Division Manager, SITCA Finance and Securities Company Limited
- Project Manager, Industrial Finance Corporation of Thailand (IFCT)

**Family Relationship with Other Executives**

-None-

**Education**

- Master of Law (LL.M.), Chulalongkorn University
- Master of Economic Development (M.Econ.), National Institute of Development Administration
- Bachelor of Law (LL.B.), Sukhothai Thammathirat Open University
- Bachelor of Education (B.Ed.), Prince of Songkhla University

**Training**

- Getting Prepared for Thailand 4.0 (2019)
- Good Governance for Sustainable Development #6 (2019)
- Thailand KM Network Forum (2019)
- TALENT Recruitment for Organization (2018)
- Laws and Regulations for Fiscal Affairs (2018)
- Gaining Insight into Personal Data Protection Act (2018)
- Gaining Insight into Tortious Liability of Officials Act (2018)
- The Role of Financial Technology for SMEs (2018)
- Gaining Insight into Public Procurement and Supplies Administration Act, B.E.2560 (2018)
- HR Challenges: Agile Human Capital Towards Business Transformation (2018)

**Work Experiences**

- Small and Medium Enterprise Development Bank of Thailand
  - Executive Vice President (2016 - 2021)
- HR Director, Thai PBS
- Executive Vice President, Thai Credit Retail Bank Public Company Limited
- Assets Management Director, SME D Bank
- Special Manager, Bangkok Capital Finance Company Limited
- Director, Metropolis Trust Finance and Securities Public Company Limited
- Manager, HSBC (Thailand) Finance and Securities Company Limited
- Assistant Manager, SICCO Finance and Securities Public Company Limited
- Junior Staff, Siam Commercial Bank Public Company Limited
- Planning Officer, Hitachi Bangkok Cable Company Limited

**Family Relationship with Other Executives**

-None-

### Ms. Sumavasee Salasuk

Senior Vice President,  
Digital Business and  
Information Technology Division

Age 42 Years



#### Education

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

#### Training

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

#### Work Experiences

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

#### Family Relationship with Other Executives

-None-

### Mr. Sirichai Loyprasert

Senior Vice President,  
Branch Division 2

Age 57 Years



#### Education

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

#### Training

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

#### Work Experiences

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

#### Family Relationship with Other Executives

-None-

## Ms. Chuthamas Nualpring

Senior Vice President,  
Audit Division

Age 54 Years



### Education

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

### Training

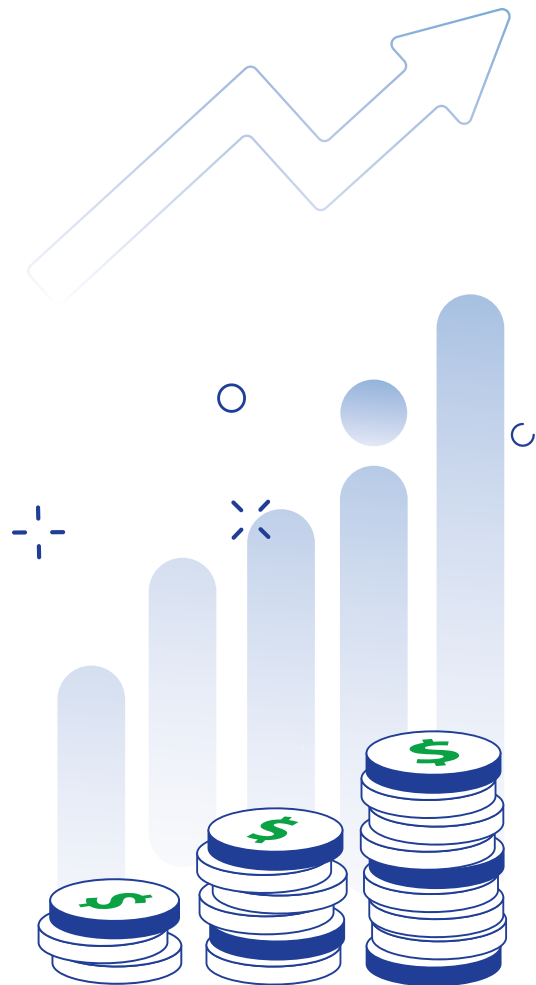
- Manage Secure Data on Cloud System (2021)
- Enterprise Risk Management (2020)
- Data privacy (2020)
- IT Security Awareness (2020)
- Roles and Responsibilities of 2nd Line and 3rd Line in PDPA Preparation (2020)
- Cyber Risks and Change in the 4.0 Era (2019)
- Single-Entry Bookkeeping for SME's Sustainable Growth (2018)
- Good Governance for Middle Management (2017)
- Board Reporting Program (BRP) (2016)
- Guidelines for Credit Transaction Review (2015)
- Audit Change from Internal Auditor to Consult (2013)
- Successful GRC Integrated Into Business (2010)
- Certified Professional Internal Audit of Thailand (2009)
- Impacts of IAS19 Accounting Standard on Financial Statements (2007)
- Update Financial Risk Management (2006)

### Work Experiences

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

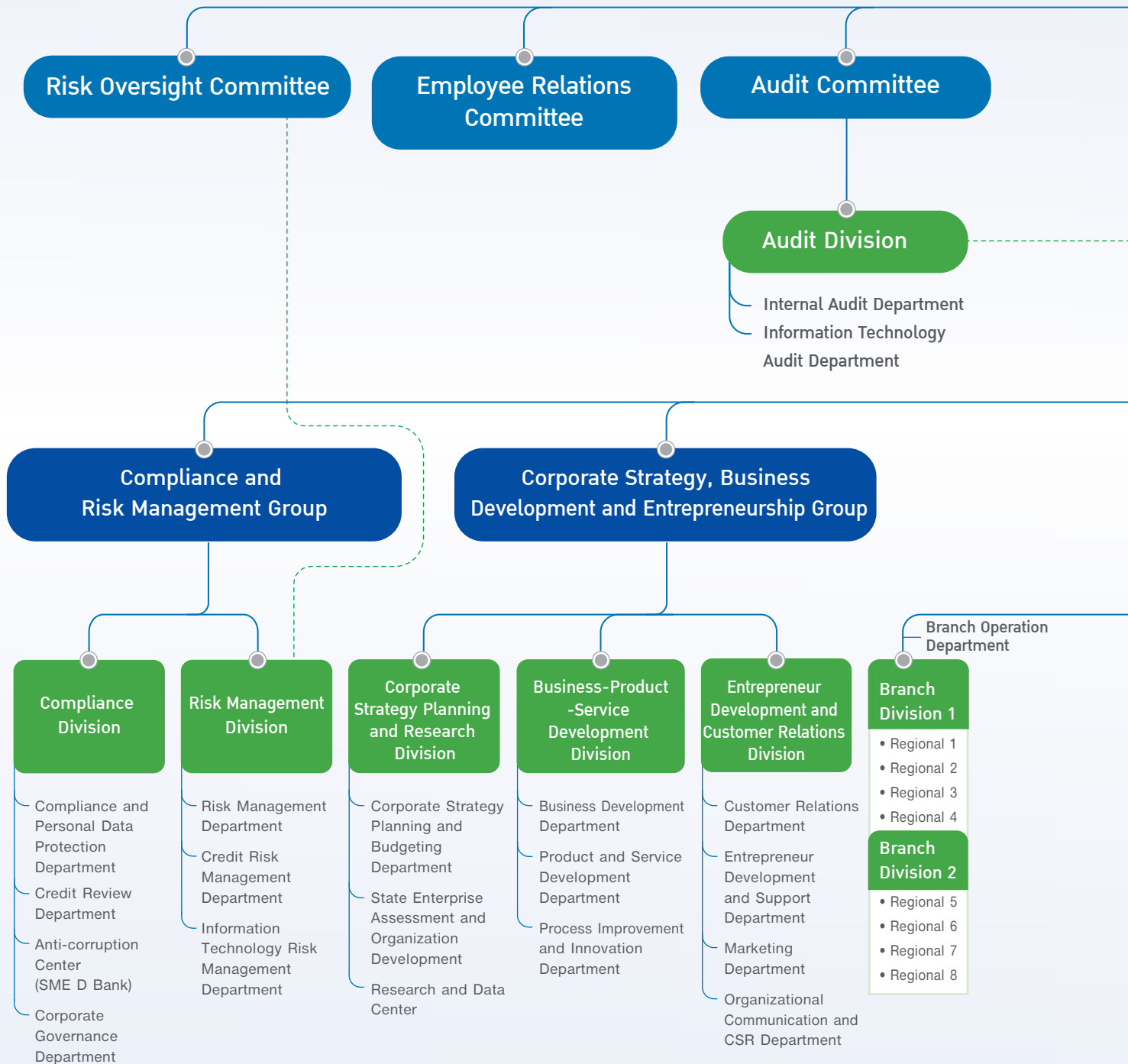
### Family Relationship with Other Executives

-None-





# ORGANIZATION CHART





## Board of Directors of SME Development Bank

Board of Executive Directors

Nomination and Remuneration Committee

Corporate Governance Committee (CG&CSR)

Managing Director

Office of Managing Director

Branch and Credit Quality Management Group

Credit Analysis and Operation Group

Organization Support Group

Credit Quality Management

- Credit Quality Management Department 1
- Credit Quality Management Department 2
- Credit Quality Management Department 3
- Credit Quality Management Department 4

Credit Analysis Division

- Credit Analysis Department 1
- Credit Analysis Department 2
- Credit Analysis Department 3
- Credit Analysis Department 4
- Medium-sized Credit Analysis Department

Operation Division

- Credit Processing Department
- Credit Operation Department
- Collateral Appraisal Department

Legal Division

- Legal Affairs Department
- Litigation Department
- Legal Execution Department
- Debt Compromise Department 1
- Debt Compromise Department 2

Digital and Information Technology Division

- Information Technology Security Department
- Digital Business Development Department
- Information System Development Department
- Information Technology Engineering Department

Treasury and Accounting Division

- Treasury Department
- Accounting Department
- Banking Department
- Trustee Department
- Credit Accounting Department

Resource Management Division

- Human Resources Management Department
- Human Resources and Organization Development Department
- General Administration Department
- Inventory Management Department

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

# DIRECTORY OF EXECUTIVES

## Audit Division

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

## Compliance Division

Miss Juntarapun Jotidilok	Senior Vice President	Compliance and Personal Data Protection Department
Mr. Sahachat Waenthong	Vice President	Credit Review Department
Mr. Nuttapol Napapornchana	Vice President	Corporate Governance Department
Mrs. Thanapohn Sangchan	Deputy Vice President (Acting CoC)	Anti-corruption Center (SME D Bank)

## Risk Management Division

Miss Wiyada Manoprasertkul	Executive Vice President (Acting VP)	Risk Management Department
Miss Busaba Khaiboot	Deputy Vice President (Acting VP)	Credit Risk Management Department
Mr. Ataporn Tragulmalee	Senior Vice President	Information Technology Risk Management Department

## Corporate Strategy Planning and Research Division

Mr. Sahatchai Lertporngulrat	Vice President	Corporate Strategy Planning and Budgeting Department
Mrs. Laongdao Dhirarattana	Vice President	State Enterprise Assessment and Organization Development
Mr. Sahatchai Lertporngulrat	Vice President (Acting CoC)	Research and Data Center

## Business-Product-Service Development Division

Mr. Suthipong Jarungjitapinan	Vice President	Business Development Department
Mr. Mogul Posayapisith	Senior Executive Vice President (Acting VP)	Product and Service Development Department
Mr. Soonthorn Suksomnate	Vice President	Process Improvement and Innovation Department

## Entrepreneur Development and Customer Relations Division

Miss Lucksanavadee Lertsaravuth	Senior Vice President	Customer Relations Department
Miss Yupin Thanativakul	Senior Vice President	Entrepreneur Development and Support Department
Mrs. Lalana Chainaronk	Vice President	Marketing Department
Mr. Uthai Supachokpanit	Vice President	Organizational Communication and CSR Department

## Branch Division

Mr. Piwat Chaiyanukij	Senior Vice President	Branch Management Department
Mr. Anupong Saengarunthong	Vice President	Regional 1
Mrs. Jidapa Nimnoi	Deputy Vice President (Acting VP)	Regional 2
Mr. Manachai Chomchuen	Vice President	Regional 3
Mr. Weerasak Kwankijarun	Vice President	Regional 4
Mr. Sirichai Loyprasert	Senior Vice President (Acting VP)	Regional 5
Mr. Prakob Umlod	Senior Vice President	Regional 6
Mr. Watthana Kaewpraju	Vice President	Regional 7
Mr. Ramet Rattana-Arun	Vice President	Regional 8

## Office of Managing Director

Mr. Somchanok Palakawong Na Ayudhaya	Vice President	Office of Managing Director
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### Credit Quality Management Division

Mr. Chavalit Tangyooopuwadol	Vice President	Credit Quality Management Department 1
Mr. Namyod Laksanangam	Deputy Vice President (Acting VP)	Credit Quality Management Department 2
Mrs. Hathairat Nilkamhaeng	Vice President	Credit Quality Management Department 3
Mr. Pissanu Nagasara	Senior Vice President	Credit Quality Management Department 4

### Credit Analysis Division

Miss Sopitrawee Sriwaratpaphat	Vice President	Credit Analysis Department 1
Mrs. Mena Geerajasadaporn	Vice President	Credit Analysis Department 2
Miss Niramol Techathanasub	Vice President	Credit Analysis Department 3
Mr. Yongyut Suwannarit	Vice President	Credit Analysis Department 4
Mr. Jitraporn Unsuan	Vice President	Medium-sized Credit Analysis Department

### Operation Division

Mr. Praves Masawat	Senior Vice President	Credit Processing Department
Mr. Thakoon Pattamagovit	Vice President	Collateral Appraisal Department
Mr. Surachet Phounggetkaw	Vice President	Credit Operation Department

### Legal Division

Mr. Saree Musigerst	Executive Vice President (Acting VP)	Legal Affairs Department
Miss Pornphen Teumpornlerd	Vice President	Litigation Department
Mr. Natthan Swingthong	Vice President	Legal Execution Department
Mr. Pramaun Rattanalertlop	Senior Vice President	Debt Compromise Department 1
Mrs. Chamaiporn Vannaratha	Vice President	Debt Compromise Department 2

### Digital Business and Information Technology Division

Miss Sumavasee Salasuk	Senior Vice President (Acting VP)	Information Technology Security Department
Mr. Chainarong Chatrattanawaree	Vice President	Digital Business Development Department
Miss Benjamas Amornchaichan	Senior Vice President	Information Technology Development Department
Mr. Jakkrid Karoonsit	Senior Vice President	Information Technology Engineering Department

### Treasury and Accounting Division

Miss Jintana Suchonchart	Vice President	Treasury Department
Miss Papataree Glangjai	Vice President	Accounting Department
Miss Pensri Suanarunsawat	Vice President	Banking Department
Miss Kunlaya Chalermchokchai	Executive Vice President (Acting VP)	Trustee Department
Miss Nongluck Nilwongsawat	Senior Vice President	Credit Accounting Department

### Resources Management Division

Mrs. Neeranart Chutiwong	Vice President	Human Resources Management Department
Mr. Suksun Rata vessanun	Senior Vice President	Human Resources and Organization Development Department
Mr. Boonchorb Krutbua	Vice President	General Administration Department
Mr. Vicha Jindaskulyont	Deputy Vice President (Acting VP)	Inventory Management Department

# WORKFORCE CAPACITY

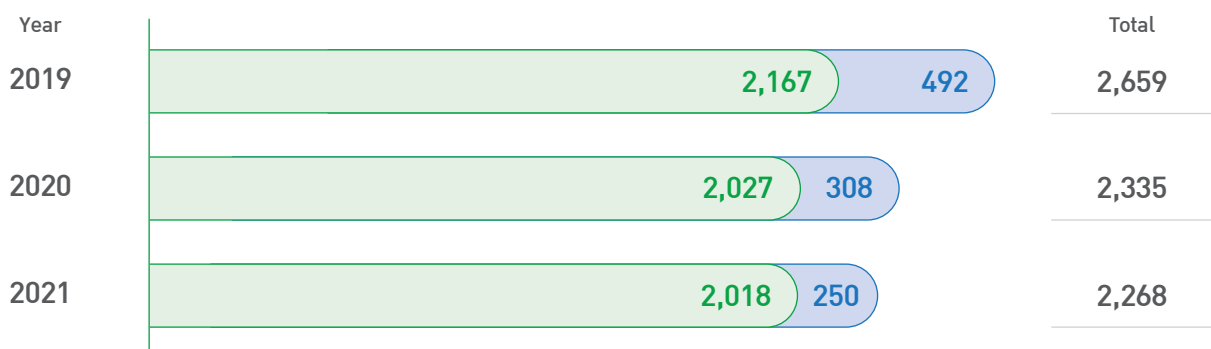
## Workforce Capacity by Group

Division / Group	Full-Time Employees	Contract Employees	Total	Percentage
Senior Executives	17	0	17	1%
Audit Division	36	1	37	2%
Units Reporting Directly to the Managing Director	23	4	27	1%
Compliance Division	54	1	55	2%
Risk Management Division	36	0	36	2%
Corporate Strategy Planning and Research Division	23	1	24	1%
Business-Product-Service Development Division	35	5	40	2%
Entrepreneur Development and Customer Relations Division	71	5	76	3%
Branch Division 1	366	93	459	20%
Branch Division 2	394	93	487	21%
Credit Quality Management Division	164	6	170	7%
Units Reporting Directly to Branch Divisions and Credit Quality Management Division	43	3	46	2%
Credit Analysis Division	235	3	238	10%
Operation Division	134	6	140	6%
Legal Division	128	3	131	6%
Digital Business and Information Tehnology Division	85	7	92	4%
Treasury and Accounting Division	95	8	103	5%
Resources Management Division	79	11	90	4%
<b>Total</b>	<b>2,018</b>	<b>250</b>	<b>2,268</b>	<b>100%</b>

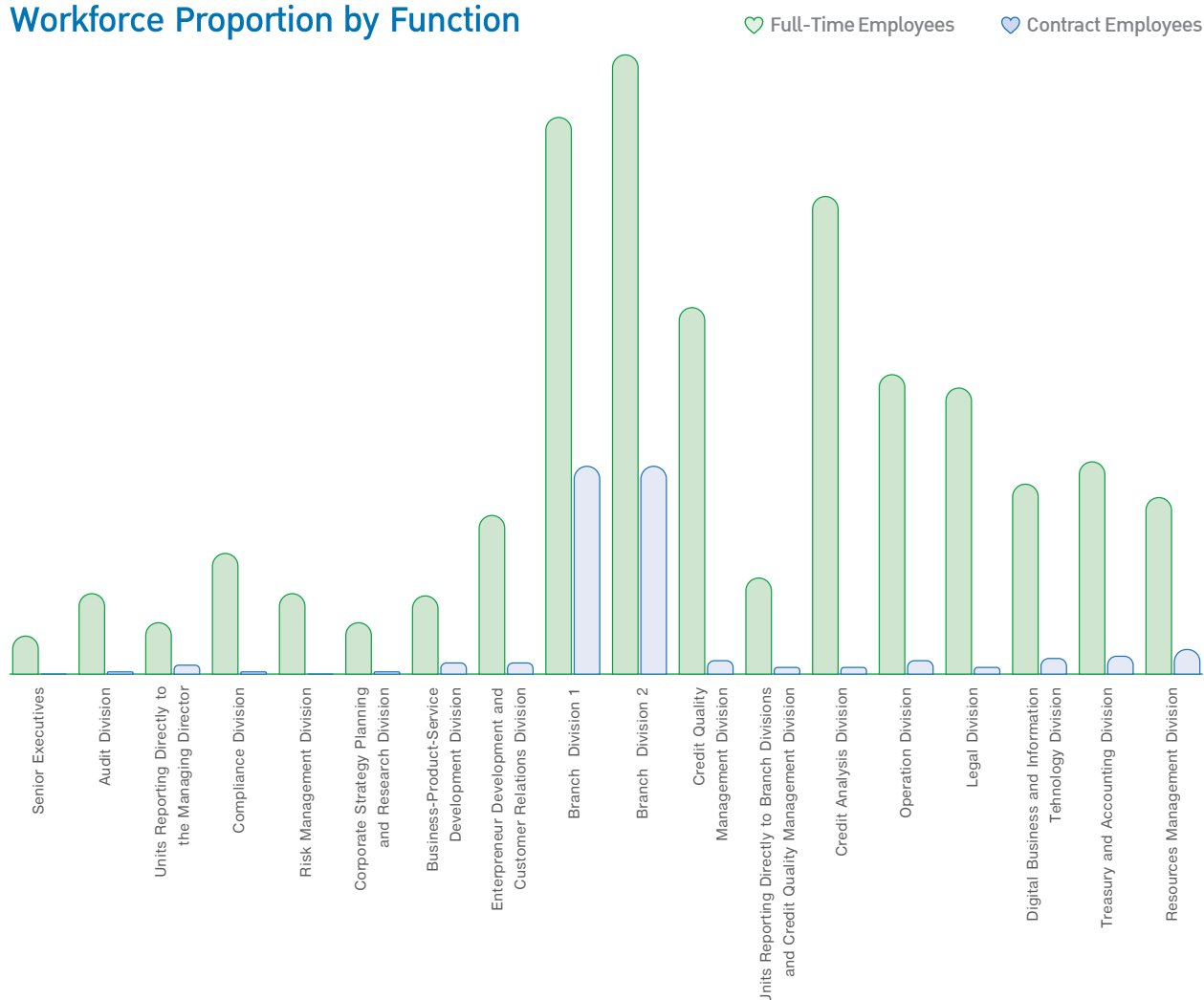
## Workforce Data

♥ Full-Time Employees

♥ Contract Employees



## Workforce Proportion by Function



## Employee Compensation / Personnel Expenses

The Bank has personnel expenses (including top management), which include salary, bonus, and welfare, such as contributions to the provident fund, medical expense, support for offspring, offspring's educational expense in the amount of 1,435,376,648.49 Baht.

## Total Expense on Employees and Contract Workers

Unit : Million Baht

Items	2019	2020	2021
Salary	1,154.78	1,338.39	1,099.98
Bonus	0.00	0.00	129.68
Welfare	144.68	127.78	183.14
<b>Total</b>	<b>1,299.46</b>	<b>1,466.16</b>	<b>1,412.80</b>

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

## Remuneration of Executives

Unit : Million Baht

Items	2019	2020	2021
Salary	10.97	12.11	19.44
Bonus	0.00	0.00	2.14
Welfare	1.01	0.75	0.99
<b>Total</b>	<b>11.98</b>	<b>12.86</b>	<b>22.58</b>

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

## Risk Management Program for Corporate Leaders

No.	Name	Title	Affiliation	2021 Program
1	Mr. Jessada Chor. Charoenying	Senior Executive Vice President	Group of Compliance and Risk Management	Building Compliance Culture Program #1/2021
2	Mrs. Wimolrat Piyasathapornpong	Senior Executive Vice President	Organization Support Group	1. IT Governance and Cyber Resilience Program (ITG Online) #17 2. Basic Techniques Developing Accounting Information Systems #1
3	Mr. Pichit Mitrawong	Senior Executive Vice President	Credit Analysis and Operation Group / Office of Managing Director Department	1. Bank and Financial Executives Seminar (FINEX) #30 2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021 3. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021
4	Mr. Mogul Posayapisith	Senior Executive Vice President	Group of Corporate Strategy, Business Development and Entrepreneurship	1. Risk Management Program for Corporate Leaders (RCL) Program 2. Leadership Succession Program (LSP) #12 3. Building Compliance Culture Program #1/2021
5	Mr. Chatri Wetsoranasutee	Senior Executive Vice President	Branch and Credit Quality Management Group	1. Digital CEO Program #4 2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021 3. Building Compliance Culture Program #1/2021
6	Mr. Saree Musigerst	Executive Vice President	Legal Division	1. Keeping Pace with Digital Banking Regulations #6 2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021 3. Building Compliance Culture Program #1/2021 4. Development Program for Occupational Safety, Health and Environment (OSHE) Committee #1/2021
7	Mr. Cherdchai Ouanmin	Executive Vice President	Compliance Division	1. Essential PDPA Compliance for Executives 2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021 3. Building Compliance Culture Program #1/2021
8	Mr. Arnat Wiboonkanarak	Executive Vice President	Operation Division	Public Procurement and Supplies Administration Act, B.E.2560 #1/2021
9	Mr. Amnat Hialong	Executive Vice President	Branch Division 1	1. Financial Risk and Crisis Management Program #2 2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021 3. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021

No.	Name	Title	Affiliation	2021 Program
10	Mrs. Ubolrat Karpang	Executive Vice President	Entrepreneur Development and Customer Relations Division	<ol style="list-style-type: none"> <li>1. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>2. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021</li> <li>3. Enhancing Knowledge on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTPF) #1/2021</li> <li>4. Strategic Marketing Planning #1/2021</li> </ol>
11	Mr. Damrong Tangtanakan	Executive Vice President	Credit Quality Management Division	<ol style="list-style-type: none"> <li>1. Thammasat World Leadership Program (TWLP) #18</li> <li>2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>3. Building Compliance Culture Program #1/2021</li> </ol>
12	Mr. Prasij Virasilpa	Executive Vice President	Credit Analysis Division	<ol style="list-style-type: none"> <li>1. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>2. Building Compliance Culture Program #1/2021</li> </ol>
13	Mr. Khemmachat Apiratchatanont	Executive Vice President	Resources Management Division	<ol style="list-style-type: none"> <li>1. Digital Transformation for Human Capital Management (HCM) Online</li> <li>2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>3. Building Compliance Culture Program #1/2021</li> <li>4. Development Program for Occupational Safety, Health and Environment (OSHE) Committee #1/2021</li> </ol>
14	Miss Kunlaya Chalermchokchai	Executive Vice President	Treasury and Accounting Division	<ol style="list-style-type: none"> <li>1. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>2. Building Compliance Culture Program #1/2021</li> <li>3. Knowledge and Skills for Knowledge Management to Enable Innovation #1/2021</li> <li>4. Enhancing Knowledge on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTPF) #1/2021</li> </ol>
15	Miss Wiyada Manoprasertkul	Executive Vice President	Risk Management Division	New Executive
16	Miss Sumavasee Salasuk	Senior Vice President	Digital Business Information Technology Division/department	<ol style="list-style-type: none"> <li>1. CompTIA Security+ Program</li> <li>2. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>3. Building Compliance Culture Program #1/2021</li> <li>4. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021</li> </ol>
17	Mr. Sirichai Loyprasert	Senior Vice President	Branch Division 2	<ol style="list-style-type: none"> <li>1. Building Compliance Culture Program #1/2021</li> <li>2. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021</li> <li>3. Enhancing Knowledge on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTPF) #1/2021</li> </ol>
18	Mrs. Chuthamas Nualpring	Senior Vice President	Audit Division	<ol style="list-style-type: none"> <li>1. Public Procurement and Supplies Administration Act, B.E.2560 #1/2021</li> <li>2. Building Compliance Culture Program #1/2021</li> <li>3. Personal Data Protection Act BE 2562 (PDPA) Workshop #1/2021</li> <li>4. Knowledge and Skills for Knowledge Management to Enable Innovation #1/2021</li> </ol>

## Succession Plan for Senior Executives

SME D Bank places importance on succession planning to prepare candidates for key positions to ensure the continuity of its operations. The recruitment, development, and selection processes for various positions are as follows:

1. Identify key positions that require successors, which comprises five key positions, including Senior Executive Vice President, Executive Vice President, Region Director, Area Manager, and Branch Manager.
2. Screen the candidates who are eligible to be successors based on criteria, qualifications, and conditions of job position succession.
3. Develop the capacity of 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 submit the result to the authorized person for approval and appointment for the job position.



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

SME D Bank pays remuneration to directors based on criteria and guidelines according to the Cabinet's Resolution dated April 24, 2019, acknowledged by the Board of Directors Session 11/2019, dated May 30, 2019, and Session 18/2019, dated September 4, 2019. The summary of remuneration rate and criteria for monthly allowance and meeting allowance for state enterprise directors and members of committees, sub-committees, and steering committees are provided below:

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



# REMUNERATION POLICY FOR SENIOR EXECUTIVES

## Remuneration of Senior Executives

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

### Remuneration of Managing Director

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

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

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

# SHAREHOLDERS STRUCTURE SMALL AND MEDIUM ENTERPRISE DEVELOPMENT BANK OF THAILAND

As of December 31, 2021

Shareholders	Number of Shares	Amount (Baht)	%
<b>Public Sector</b>			
1. Ministry of Finance	360,068,073	20,529,999,978.85	99.3790
2. Government Savings Bank	550,000	55,000,000	0.1518
3. Krungthai Bank (Public) Co., Ltd.	222,000	22,200,000	0.0613
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 (Public Sector and Private Sector)</b>	<b>362,318,073</b>	<b>20,754,999,978.85</b>	<b>100.0000</b>

# CURRENT SITUATION AND TRENDS

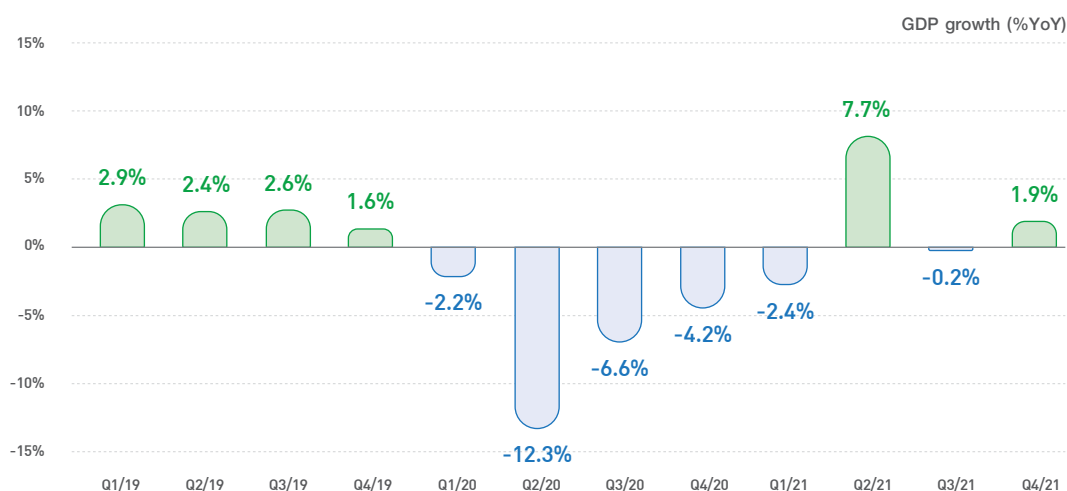


# THAILAND'S ECONOMIC SITUATION IN 2021 AND ECONOMIC OUTLOOK 2022

## Overview of the Thai Economy in 2021

In 2021, the global economy, including the Thai economy, recovered from 2020, mainly driven by better management of the COVID-19 pandemic as more than 50% of the world population was vaccinated, resulting in the expansion of economic activities over the past year, which led to higher inflation. Global goods demand surged in 2021, while Thailand's economy grew 1.6%, a gradual improvement from a 6.2% contraction in 2020.

## Quarterly Gross Domestic Product (QGDP) 2019–2021



Source: Office of the National Economic and Social Development Council

Export, which was the main driver of Thailand's economy in 2021, grew by 18.8% on the back of the surge in global demand. The expansion of exports posed a positive impact on private investment, especially in the supply chain of export goods of the manufacturing sector, where there was more investment in machinery and raw materials. In addition, public spending and investment were other economic drivers in 2021, supported by continuous measures to stimulate government spending and investment.

## Thai Economy from 2019-2021 and Projections for 2022

(%YoY)	2019	2020	2021	2022 (F)
GDP Growth Rate	2.4	-6.2	1.6	3.5 - 4.5
Private Consumption	4.5	-1.0	0.3	4.5
Public Consumption	1.4	1.4	3.2	-0.2
Private Investment	2.8	-8.2	3.2	3.8
Public Investment	0.2	5.1	3.8	4.6
Export Value	-3.2	-6.5	18.8	4.9
Inflation Rate (%)	0.7	-0.8	1.2	1.5 - 2.5
Current Account Balance per GDP (%)	7.0	4.2	-2.2	1.5

Source: Office of the National Economic and Social Development Council

## Thailand Economic Outlook in 2022

The Thai economy is expected to grow between 3.5 and 4.5 percent in 2022 with such supporting factors as (1) the recovery in domestic demand and manufacturing sector following the decreased severity of the COVID-19 pandemic, (2) the gradual recovery of the international tourism sector under the government's country reopening policy, (3) the favorable expansion of exports, and (4) the momentum of government budget disbursement.

- 1) The increase in domestic demand** The pandemic situation in Thailand has eased as reflected in the falling number of new infections and deaths and the acceleration of the distribution of more comprehensive vaccines, allowing the government to steadily relax measures to control the pandemic. As a result, economic activity and spending have been returning to normal from the last quarter of 2021. Other supportive factors are the expansion of household and business income bases following the recovery in exports and industrial production, as well as an improvement in the labor market reflected in the unemployment rate of 1.6% in the fourth quarter, from 2.3% in the previous quarter, the lowest since the first quarter of 2020. They were coupled with support from the implementation of government measures to promote and stimulate domestic consumption. Also, private investment is expected to continue expanding favorably in line with the expansion of the manufacturing and export sectors, along with the momentum of the progress of infrastructure investment projects, especially the joint investment projects between the public and private sectors, as well as the upward trend in applications and approvals of investment subsidies from 2019 – 2021.
- 2) The recovery of the tourism sector** Supporting factors from the implementation of the open country measures, which allowed fully vaccinated visitors from all countries to enter Thailand without being quarantined through the Test and Go measure. Since it began on November 1, 2021, the country received a total of 321,752 tourists in November and December 2021. After the resumption of the measure since February 1, 2022, the number of foreign tourists entering Thailand between January 1 and February 9,

2022, has accumulated to 151,774, a huge increase from 20,172 in the first quarter of 2021. Concurrently, the international travel control measures were relaxed in the countries of origin of important tourist groups. As a result, the number of foreign tourists entering Thailand is expected to increase significantly, especially in the second half of 2022, in line with the United Nations World Tourism Organization (UNWTO) forecast that the number of international tourists will increase from 30% to 78% in 2022.

- 3) The continued expansion of exports following the global economic recovery and trade volume** Major supporting factors are the continued expansion of the major industrialized countries due to progress in vaccine distribution and the easing of disease control measures, which help support the economies of emerging and ASEAN countries, including Thailand, which mainly rely on export-driven growth. Export products likely to grow well include electrical appliances and electronic equipment, which will benefit from the work-from-home trends, automotive and parts as demand increases, and petroleum products that will grow with oil prices, such as plastics, chemicals, etc. In addition, Thai exports are also being supported by Thailand's participation in the ratification of the Regional Comprehensive Economic Partnership (RCEP), which began on January 1, 2022, and is likely to create opportunities for exporting major Thai products.
- 4) Momentum from public spending comprising of the government budget, state enterprise budget, and emergency decree loan** Disbursement of the public budget contributed to the expansion of public expenditure and investment, despite a slower rate following the high expansion base in the previous year. The disbursements are as follows. (1) Disbursement under the budget framework for FY2022 – the baseline investment budget disbursement is expected at year-end at 75% of the total budget. As a result, the entire investment budget is expected to be disbursed at 4.538 hundred billion Baht, growing 6% from FY2021. (2) Disbursement of state enterprises' investment budget in FY2022, especially investment in major infrastructure projects – the rate of disbursement is

expected to be 70% of the total investment budget of 4.688 hundred billion Baht, up 8.3% compared to FY2021. (3) Disbursement under the Emergency Decree Loan of 1 trillion Baht is expected to be made in FY2022 for 1.307 hundred billion Baht (13.07% of the loan), resulting in full disbursement of the loan amount by the end of FY2022. (4) The use of funds under the Additional Emergency Decree Loans, B.E.2564 with a balance of 5 hundred billion Baht, its cumulative disbursement as of February 1, 2022, totaling 2.7697 hundred billion Baht. It is expected that the fund will be disbursed into the economic system during the fiscal year 2022 for 3.902 hundred billion Baht (78.0% of the loan amount), and the rest will be disbursed within the first quarter of FY2023.

The global economic outlook for 2022 is favorable for the recovery of the Thai economy. Notably, exports are expected to increase further from the second half of 2021 following the steady recovery of major economies such as the US, the Eurozone, the UK, Australia, and the New Industrialized Economies (NIEs), which have eased disease control measures. As a result, domestic demand and the economic level are normalized. However, the country's economy tends to slow down on the back of the high expansion base of the previous year. It has been accompanied by a fall in support from fiscal measures

following the expiry of several actions in 2021 and a tightening of monetary policy by the leading central banks amid persistently rising inflationary pressures, including expanding global supply chain disruption. Similarly, the Chinese economy tends to slow down following the policy of structural reforms and economic stability. While emerging and developing economies, particularly in ASEAN, are expected to continue recovering and expanding faster in 2022, exports and industrial production. Domestic demand also tends to accelerate after easing disease control measures and international travel measures, which are expected to increase as vaccine distribution progresses.

As the Omicron variant has spread rapidly and has become the dominant variant worldwide since late 2021, COVID infections reached a record high in many countries between January and February 2022. However, the symptoms are likely to be less severe, as shown in low morbidity and mortality in line with progress in vaccine distribution and the adaptation of people and the business sector to cope with the outbreak. As a result, countries are not implementing the same stringent outbreak control measures as in the previous waves of the outbreak. It is projected that each country's economic activity will be able to continue throughout the remainder of the year.

## Global Economic Outlook 2022

(%YoY)	2019	2020	2021	2022 (F)
Global Economic Expansion (%)	2.8	-3.1	5.6	4.5
USA	2.3	-3.4	5.7	4.0
Eurozone	1.6	-6.4	5.2	3.9
Japan	-0.2	-4.5	1.7	2.8
China	6.0	2.3	8.5	5.0
Thailand	2.4	-6.2	1.6	3.5 - 4.5
Global Trade Volume (%)	0.9	-8.2	8.0	6.0
Exchange rate (Baht/USD)	31.0	31.3	32.0	32.2 - 33.2
Dubai Crude Oil (USD/Barrel)	63.3	42.1	69.5	72.0 - 82.0

Source: Office of the National Economic and Social Development Council

The world economy and world trade volume in 2022 is expected to grow by 4.5% and 6.0%, respectively, at a slower pace following the slowdown in major economies, compared to 2021. The average Baht in 2022 is likely to move in a range of 32.2 - 33.2 Baht/USD, depreciating from 32.0 Baht/USD in 2021, given the upward trend in the US government bond yields and adjusting the monetary policy stance of the US Federal Reserve.

The average Dubai crude oil prices in 2022 are expected to range between 72.0 - 82.0 USD/barrel, slightly higher than the 69.5 USD/barrel in 2021. The factors pushing crude oil prices higher in 2022 are the increase in global oil demand, in line with the continued recovery trend in the global economy. However, there are still factors that influence oil price fluctuation, namely (1) risk related to the uncertainty of the COVID-19 outbreak, (2) increase in production volume due to the increase in capacity of OPEC+ members and North American oil producers, including the United States and Canada, (3) China's economic slowdown which will affect oil demand, and (4) geopolitical conflicts in oil-producing countries.

There are still risk factors that could lead to weaker economic growth and global trade volumes in 2022 than the baseline forecast, which must be closely monitored and assessed, including 1) the highly uncertain situations of the COVID-19 pandemic, 2) the risk of rapid acceleration of inflation pressures, 3) chronic supply disruption, (4) the risk of economic slowdown in China

greater than expected, and 5) geopolitical conflicts in various countries.

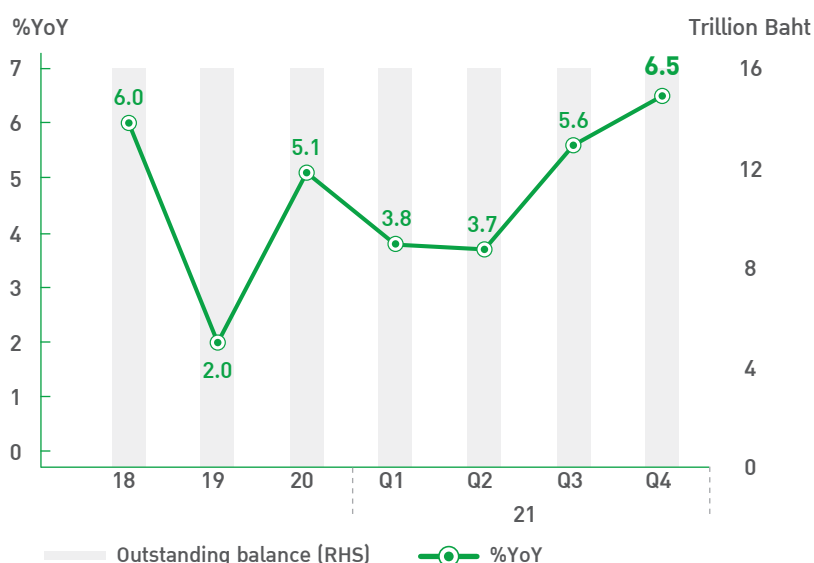
## Credit Overview

The banking system is robust, with high capital reserves and liquidity, providing a vital support mechanism for economic recovery. The overall loan quality remained relatively stable compared to the previous year. The performance improved compared to last year but was still lower than the pre-COVID-19 pandemic, as detailed below.

Overall, bank loan growth in 2021 increased by 6.5%, up from 5.1% in the previous year. The details are as follows:

- Business loans increased by 7.9% year-on-year, with the expansion of large business loans across almost all business types reflecting the demand for capital from the corporate sector in line with the economic recovery. At the same time, credit to the public service accounts continued to grow, and loans to SMEs continued to expand mainly due to rehabilitation loan measures.
- Consumer loans grew at a similar rate to the previous year at 4%, with increased credit card loans in line with the gradual recovery in economic activity. Personal loans continued to expand in line with the household liquidity demand. Auto hire purchase loans stabilized in line with domestic car sales that have yet to recover. Meanwhile, home loans grew slower, in line with the housing demand, which decreased from the previous year.

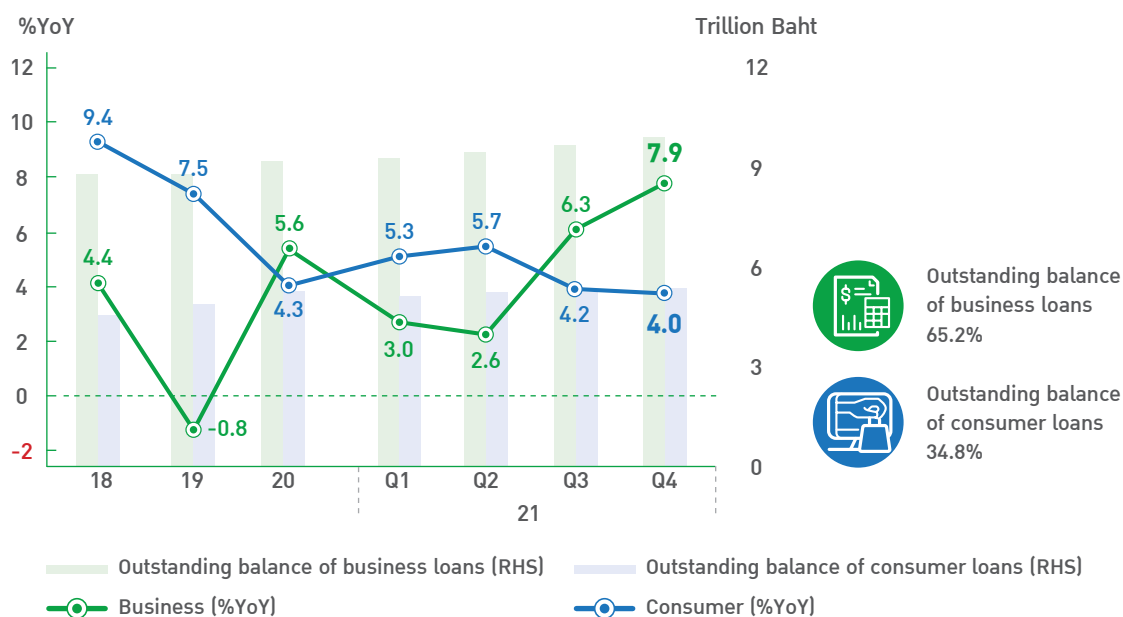
## Growth Rate of Total Loans



Source: Bank of Thailand

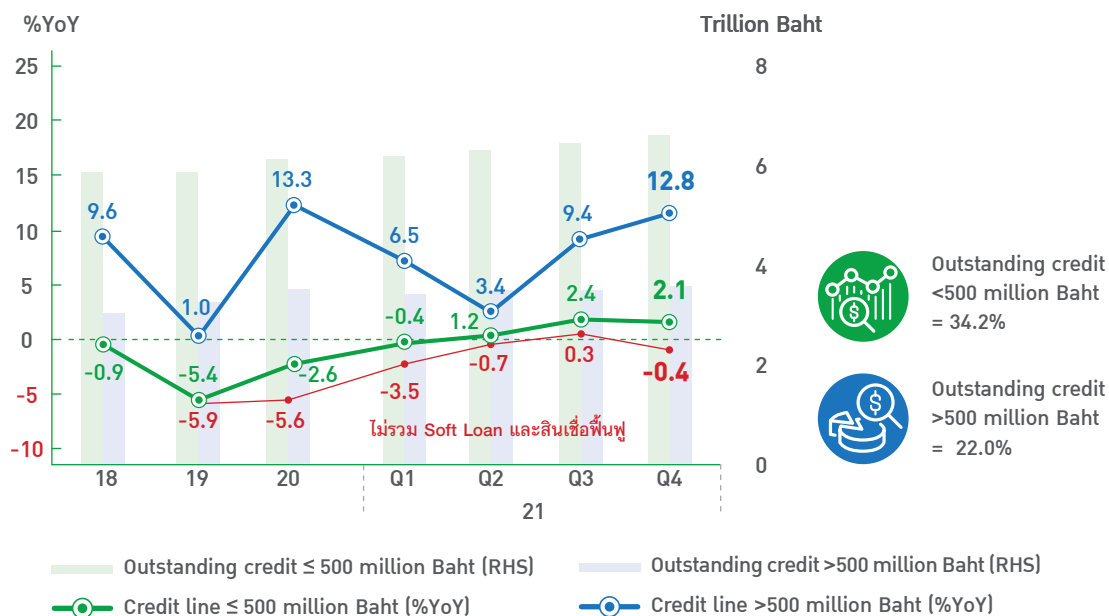


## Growth Rate of Loans Classified by Loan Portfolio



Source: Bank of Thailand

## Growth Rate of Business Loans Classified by Business Size

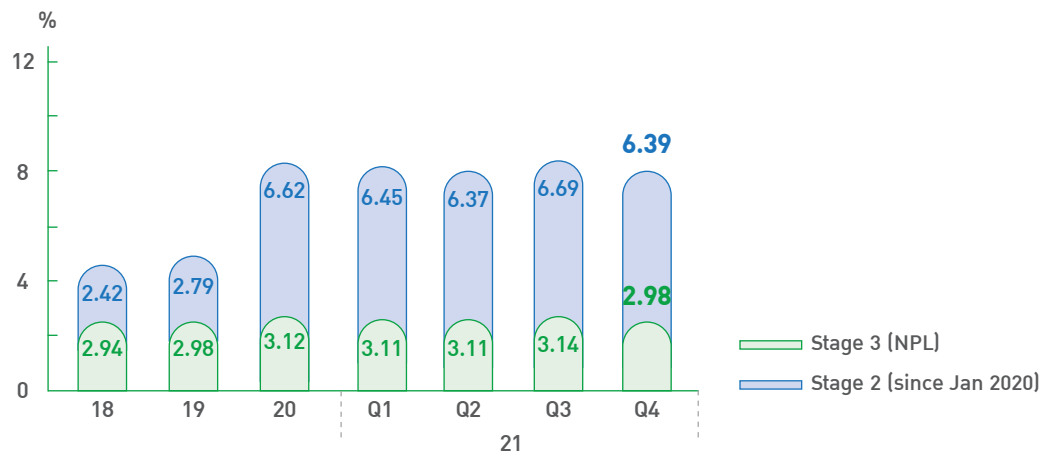


Source: Bank of Thailand

The overall loan quality of the commercial banking system in 2021 was relatively stable compared to the previous year, mainly due to the restructuring and debt relief measures. The outstanding balance of stage 3 loans

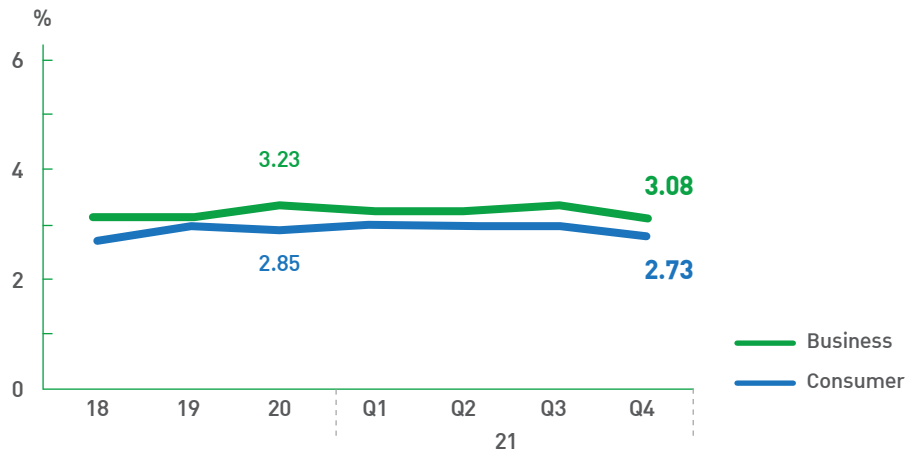
(NPL) increased slightly to 530.7 billion Baht, representing NPLs to total loans at 2.98%. The significant increase in credit risk (SICR or stage 2) was at 6.39%, falling slightly from 6.62% last year.

### Stage 3 (NPL) and Stage 2 loans of total loans



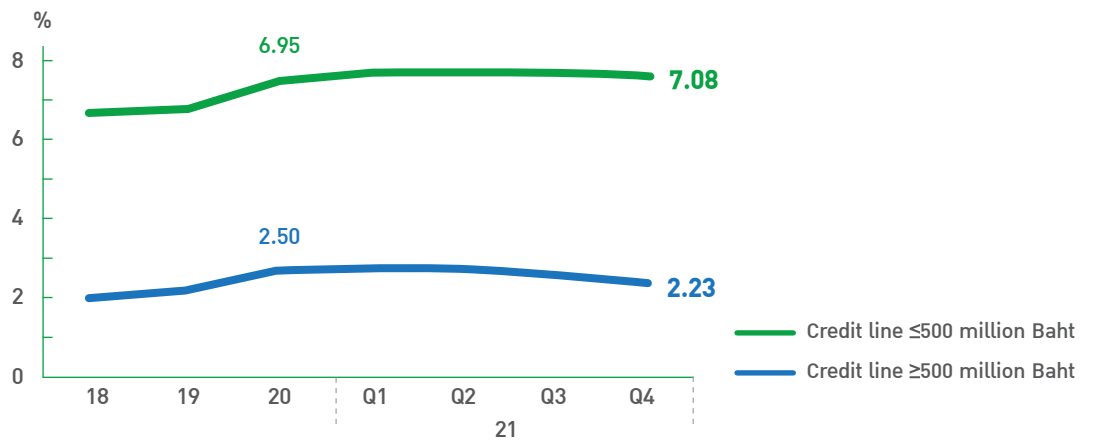
Source: Bank of Thailand

### Stage 3 Business Loans and Consumer Loans



Source: Bank of Thailand

### Stage 3 Business Loans Classified by Size



Source: Bank of Thailand

## Credit Outlook 2022

Credits in 2022 will likely grow at a slower pace than in 2021 due to the accumulated liquidity of business activity and the outcome of financial assistance measures. NPL has the potential to increase slightly over the previous year as there is still merit from the relaxation of the BOT's debt classification criteria.

## Micro, Small, and Medium Enterprises (MSME)

The gross domestic product of micro, small, and medium Enterprises (GDP MSME) expanded very slightly by 0.2% in the third quarter of 2021, compared to 12.5% in the previous quarter, totaling 1,356,720 million Baht, or equivalent to 34.5% of Thailand GDP, increasing from 34.3% in the previous quarter.

When examining GDP by enterprise size, the GDP of micro and medium-sized enterprises grew by 8% and 2.2%, respectively, slowing down from 10.2% and 4.9% growth year-on-year, while the GDP of small enterprises fell by 3.8%.

Most of the MSME enterprise types with a decrease in GDP were in the tourism-related service sector, such as

accommodation and food services; transportation and warehousing; and arts, entertainment, and recreation, whose GDP fell by 18.8%, 2%, and 4.5%, respectively, compared to the previous quarter. Manufacturing and construction dropped by 5.1% and 4.5%, respectively. However, wholesale and retail, and healthcare continued to expand by 8.7% and 38.9%, respectively.

For the 2022 outlook, the MSME is expected to expand in the 3.2% - 5.4% range. The continued expansion of the economy and the volume of world trade, from which the manufacturing sector benefits, will contribute to consistent private investment growth. The tourism sector will recover in line with the reopening measures. As public spending and investment will go as planned, domestic demand will improve because the pandemic has entered a more manageable stage.

However, there remain significant risks to the economic expansion of MSMEs in 2022, which are the uncertainty of the COVID-19 pandemic situation, unresolved problems of household debts, the incomplete recovery of the labor market, and the disruption of production chains and logistics.

(%YoY)	2022 (F)
MSME Economic Expansion	3.2 - 5.4
Agricultural Sector	3.0 - 5.0
Manufacturing Sector	3.1 - 5.1
Construction Sector	3.9 - 6.0
Retail and Wholesale Sector	3.0 - 5.1
Service Sector	3.3 - 5.8

Source: The Office of SMEs Promotion



# SME D Bank's Role

SME D Bank has operated according to the mission to support public sector policies. Apart from funding support, the Bank provides support for SME development to create funding opportunities as well as support in marketing, accounting, and areas where SMEs have limitations. The Bank also has connected support for comprehensive business management in collaboration with its allied agencies in both public and private sectors to assist SME entrepreneurs through the expansion of knowledge and capital. Moreover, the Bank acts as a key mechanism driving the Thai economy and the government's economic measures. The Bank has carried out projects according to public policies to support SME entrepreneurs in accessing financial resources and has boosted liquidity during the economic recession through major projects. In 2021, the Bank modified and issued new loan products to respond to the needs of target groups. The Bank used the target groups' needs from branches and allied agencies' SME support guidelines to develop loan products to suit the target groups' needs and support SMEs affected by the COVID-19 pandemic. The Bank's loan products consist of the following 4 programs:

- 1) Local Economy Loan
- 2) Extra Cash for Small Enterprises Affected by the COVID-19 Pandemic
- 3) Bank of Thailand's Soft Loan to Assist Debtors Affected by the COVID-19 Pandemic
- 4) Loan for Entrepreneurs According to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E. 2564.

SME D Bank has also been a key partner in the operations of the SMEs Development Fund Project according to the Pracharat Approach (the Ministry of Industry) and The Office of Small and Medium Enterprises Promotion (OSMEP) as follows:

- 1) Loan Project of the SMEs Development Fund According to the Pracharat Approach
- 2) Empowering and Future Building for Thai SMEs Project

## 3) Micro SMEs Support Project

In addition to financial support for SMEs through a wide range of loan programs, SME D Bank also provides capital in the form of co-investment in venture capital to support early-stage businesses, existing businesses, Smart SMEs, startups, and community enterprises.

In 2021, the Bank provided capital for SMEs with total outstanding loans of 104,984.17 million Baht, divided into 8.21% ordinary loans and 91.79% public service accounts loans. The Bank was able to create added economic value worth 60,548.58 million Baht and sustained employment for 181,536 people in the economy.

Furthermore, SME D Bank continued to fulfill its pivotal mission as a bank that supports Thai SMEs with capital and knowledge and assists Thai SMEs to grow strongly and sustainably, moving forward to being the Bank for Thai SME development.

## Entrepreneur Development

SME D Bank is a major economic engine in Thailand with a mechanism that helps Thai SMEs by providing support and promotion to improve their financial and non-financial competitiveness amid changes in the new economic era. Its capital plus knowledge approach is aligned with the policies of the government sector, the Ministry of Finance, the Ministry of Industry, and the 20-year National Strategy to improve competitiveness and empower enterprises to grow with stability and sustainability.

To achieve substantial results in entrepreneur development, SME D Bank has carried out development activities itself and in collaboration with partner agencies in the public, private, and academic sectors whose goals and approaches converge on the promotion and support of Thai SMEs. Such efforts have led to business value creation, investment, and employment, continually maximizing benefits for the society, community economy, and the environment. The Bank formulated an entrepreneur development plan under the Bank's strategy for the

comprehensive integration of the SME capacity and competency development and implemented the plan through the following processes:

- **Training, Seminars, and Consultation** The Bank organized development programs itself and in collaboration with partner agencies to improve entrepreneurial skills for SMEs in marketing, production, and business management, as well as the preparation for funding. It also encouraged harnessing technology and innovation to add value to the business, enabling entrepreneurs to grow and compete in both domestic and international markets.
- **Efficiency** The Bank supported and encouraged entrepreneurs who attended training and seminars,

and received consultation to apply what they learned to improve efficiency of their business operations, such as developing systematic accounting systems in compliance with accounting standards, having clear business plans, and information technology systems that support business operations and expansion of marketing channels both online and offline markets, modifying products to meet acceptable standards as well as preparing businesses for funding sources.

- **Effectiveness** The Bank's customers and entrepreneurs achieved better performance, such as increased sales and profit, reduced cost, obtaining national or international accreditation, greater business expansion, and successful business recovery.

Unit: Person

Entrepreneur Development	2015	2016	2017	2018	2019	2020	2021
1. Training, Seminars and Consultation	3,750	4,536	6,548	8,776	8,930	8,159	20,806
2. Efficiency	1,155	1,068	1,354	1,894	2,166	2,552	8,283
3. Effectiveness	550	554	662	933	1,062	1,170	4,990

## Venture Capitals

The Bank's venture capitals focus on startups, SMEs in the S-curve industries, and future cluster industries according to the government sector policies. There are three venture capital funds with a total credit limit of 1,291 million Baht.

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



## NATURE OF BUSINESS

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

Company	Shareholding
Bangkok Marine Engineering Co., Ltd.	Shareholding ratio 40%
Bitec 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 2021



# OPERATING RESULTS FOR 2021

SME Bank has operated according to its mission to support government policies, providing access to finance and capacity development for SMEs to create opportunities for them to access financial resources. The Bank also supports SMEs through marketing, accounting, and other aspects to help them overcome their limitations. This includes comprehensive networking, linking partner agencies together to strengthen SMEs with knowledge of capital. Thus, the Bank plays a vital role in the Thai economy as a key mechanism for executing the government's economic policies. In 2021, SME D Bank had total loan disbursements of 49,330.60 million Baht for 12,484 entrepreneurs, comprising 1) 45,280.66 million Baht of SME D Bank's loans for 9,742 entrepreneurs, (2) 4,049.94 million Baht of partners' loans for 2,742 entrepreneurs. The Bank had total outstanding loans of 104,984.17 million Baht for 84,617 entrepreneurs, which created economic value added of 60,548.58 million Baht and retained 181,536 jobs in the economy. At the end of 2021, NPLs amounted to 14,270.88 million Baht while the ratio of NPLs to outstanding loans was 13.59%. The SME D Bank's gross operating profit was 529.12 million Baht.

## 1 Financial Performance

In 2021, the Bank had total revenues of 4,980.16 million Baht, decreasing by 427.91 million Baht or 7.91% from 2020. The total expenses were 3,417.00 million Baht, increasing by 745.99 million Baht or 27.93% over 2020. The Bank had bad debts, doubtful debts, and losses from debt restructuring of 1,034.04 million Baht in total and a net profit of 529.12 million Baht.

- **Interest income** was 4,234.60 million Baht, decreasing by 294.93 million Baht or 6.51% from 2020.
- **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) was 745.56 million Baht, decreasing 132.98 million Baht or 15.14% from 2020.

- **Interest expenses** were 981.49 million Baht, decreasing by 336.67 million baht or 25.54% from 2020.
- **Non-interest expenses** (consisting of fees and service charges and other operating expenses) were 2,435.51 million Baht, increasing by 1,082.66 million Baht or 80.03% over 2020.
- **Doubtful accounts** The Bank had bad debts, doubtful debts, and losses from debt restructuring of 1,034.04 million Baht, decreasing by 1,434.93 million Baht or 58.12%, compared to the end of 2020.
- **Net profit (loss)** The Bank's net profit amounted to 529.12 million Baht.

## 2 Financial Position

- **Assets** The Bank's assets amounted to 108,266.44 million Baht, increasing by 501.90 million Baht or 0.47% over 2020.
- **Liabilities** The Bank's liabilities amounted to 97,404.54 million Baht, increasing by 64.48 million Baht or 0.07% over 2020.
- **Shareholder's Equity** The Bank's shareholder's equity amounted to 10,861.90 million Baht, increasing by 437.12 million Baht or 4.19% over 2020.
- **Capital Adequacy Ratio** As of December 31, 2021, the Bank had total funds of 10,307.79 million Baht and risk-weighted assets of 76,008.61 million Baht. Thus, the Bank's Capital Adequacy Ratio was 13.56%.

## 3 Key Current and Future Investments

The Bank attaches importance to the deployment of technology and innovation to enhance the efficiency of organizational management and thus included a strategy on digital technology in the 5-year Strategic Plan (Enterprise Plan) of SME D Bank (2022 – 2026) and the 2022 Business Plan (Action Plan), aiming to drive the Bank's digital transformation in all aspects. This is to ensure effectiveness in SME D Bank's digital development and its alignment with the implementation of the Bank's business plan while comprehensively supporting all items



in the strategic plan. SME D Bank reviewed the 5-year Action Plan for Digital Technology (2020 - 2024) and revised the plan for the year 2022 to ensure substantial implementation of the Bank's digital transformation.

In 2021, SME D Bank implemented activities according to its digital action due to the ongoing COVID-19 pandemic, which affects digital transformation, to support government measures, the behavioral change of SMEs, and the modification of processes and procedures within the Bank amid changing situation. Despite the difficulties, the Bank was able to run business operations and customer services without interruption. Highlights of the overall operations include such projects as Call Report on Mobile, Two-Factor-Authentication Mail Server, the procurement of Patch Management and Pen Test Box, and the development of Credit Risk Dashboard – a 360-degree dashboard for credit risk management.

The Bank has also laid out its digital technology foundation by improving the existing information system to support operations while establishing digital management and guideline to develop the digital system, enhance competitiveness, and strive for digital banking transformation to be ready for expansion of business

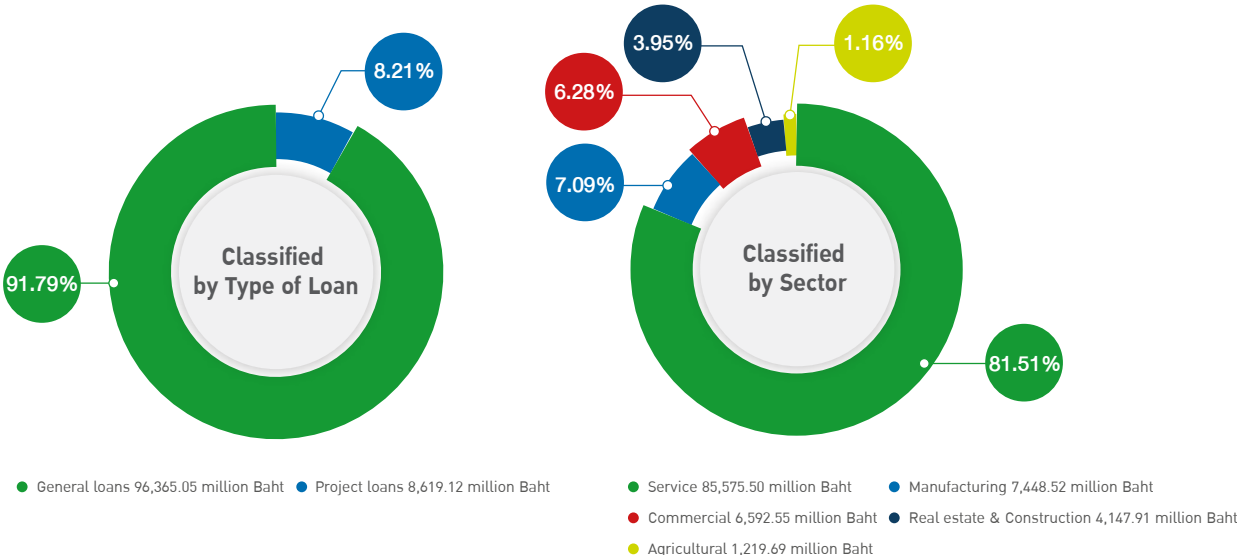
and growth. SME D Bank has developed the Data Warehouse phase 1 (Data Marking & Encryption) and the Big Data development project to link and analyze internal and external data sources to improve the Bank's capacity and create a foundation for further innovation.

## 4 Credit

### 1) Outstanding Loans

- The Bank's outstanding loans amounted to 104,984.17 million Baht for 84,617 accounts, increasing by 3,463.95 million, or 3.41%, over last year, comprising outstanding general loans of 8,619.12 million Baht for 2,286 accounts and outstanding project loans of 96,365.05 million Baht for 82,331 accounts.
- The total amount and proportion of outstanding loans by sector were: 85,575.50 million Baht, or 81.39%, in the service sector; 7,448.52 million Baht, or 7.09%, in the manufacturing sector; 6,592.55 million Baht, or 6.28%, in the commercial sector; 4,147.91 million Baht, or 3.12%, in real estate and construction sector; and 1,219.69 million Baht, or 1.16%, in the agricultural sector.

Outstanding loans of 104,984.17 million Baht



## 2) Loan Disbursement

SME D Bank disbursed total loans of 49,330.60 million Baht to 12,484 entrepreneurs, increasing by 6,913.50 million Baht, or 16.30%, from last year. They can be classified into (1) the regular Bank's loans in the total amount of 45,280.66 million Baht disbursed to 9,742 entrepreneurs, and (2) loans granted through partner's funds in the total amount of 4,049.94 million Baht to 2,742 entrepreneurs.

The majority of loan disbursements were loans in support of government policy measures as well as loans through partner agencies' funds, which have low-interest rates and returns, aiming to help SMEs survive the economic crisis caused by the COVID-19 pandemic, namely:

- Local Economy Loan
- Extra Cash for Small Enterprises affected by the COVID-19 pandemic
- Loan project for entrepreneurs according to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564.

SME D Bank has also been a key partner in the operations of the SMEs Development Fund Project according to the Pracharat Approach (Ministry of Industry) and the Office of Small and Medium Enterprises Promotion (OSMEP):

- 1) Loan project of the SMEs Development Fund according to the Pracharat Approach
- 2) Empowering and Future Building for Thai SMEs Project
- 3) Micro Enterprise Support Project

## 3) Project Loans

### 3.1) Loans According to Cabinet Resolutions

**3.1.1) Local Economy Loan** The project aims to support, promote, and develop small enterprises while comprehensively generating and distributing income to entrepreneurs in the community, thereby strengthening Thailand's national and local economy. It also aims to support tourism, community tourism, and other businesses related to tourism and processed agricultural products (food or non-food). It helps improve the community economy in

line with the government's Local Economy Policy, approved by the Cabinet Resolution, along with special measures to drive SMEs to Industry 4.0 (financial measures) and increase capital for SMEs for a stronger Thailand. The loan project is also to help debtors who suffer adverse situations affecting the Thai economy, such as trade wars, droughts, and the COVID-19 pandemic, in a comprehensive and timely manner, according to the Bank of Thailand's notification. It provides financial assistance and liquidity to potential customers who have suffered direct and indirect impacts. The project's credit limit is 50,000 million Baht.

**3.1.2) Extra Cash for Small Enterprises affected by the COVID-19 pandemic** The project responds to the Cabinet Resolution, dated March 24, 2020, to support SMEs affected by the COVID-19 pandemic and help debtors affected by the situation impacting the Thai economy in a comprehensive and timely manner according to the Bank of Thailand's Notification. It provides financial assistance and liquidity to affected customers. The project's credit limit is 10,000 million Baht.

**3.1.3) Loan project for entrepreneurs under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564** The project helps business owners sustain their businesses and retain employment rate amid uncertainty due to the COVID-19 pandemic and eventually recovers without affecting the potential for long-term economic recovery. This loan program is under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564. As the COVID-19 pandemic had become more severe with the impact wider and longer than expected, the loan project assisted SMEs in maintaining liquidity and injected fresh funds to SME debtors who have never had credit lines with financial institutions or have had ones but with not high credit limits, so that they can have to rehabilitation loans. The project also adjusted the credit guarantee requirements in order to reduce financial burdens and costs for operators with sufficient guarantees. The project's target credit limit is 25,000 million Baht.

## 3.2) SME D Bank Loans to Support Government Policies

**3.2.1) SMEs D Capital Refill Loan** This project aims to support SMEs by providing loans for the repayment and refinancing of collateral from financial institutions and providing additional credit lines for investment, expansion, business improvement, and corporate restructuring, increasing flexibility and ease in adapting to the current economic situation. The project's credit limit is 5,000 million Baht.

**3.2.2) SMEs Happy Loan** This project aims to help SME entrepreneurs who want to invest, expand, and improve their enterprises, including business transformation for further growth and development. The project is flexible and relaxing with regard to the current economic situation and the classification of SMEs according to SME D Bank's strategic plan. The project's credit limit is 5,000 million Baht.

**3.2.3) SMEs Smile Loan** This project aims to help SME entrepreneurs who want to invest, expand, and improve their enterprises, including business transformation for further growth and development. The project is flexible and relaxing with regard to the current economic situation and credit expansion according to SME D Bank's strategic plan. The project's credit limit is 5,000 million Baht.

**3.2.4) SME D HAPPY Loan Phase 2** The project aims to enhance SMEs' liquidity in the manufacturing, service, wholesale, and retail sectors to operate their businesses efficiently and strive for sustainable strength. The project's credit limit is 5,000 million Baht.

**3.2.5) Smart Factoring, Single Account Loan (Phase 3)** This project is to stimulate the economy in line with the government's policy to disburse budgets of state agencies and enterprises in the fiscal year 2021-2022, which aligns with SME D Bank's credit expansion policy. The project's credit limit is 10,000 million Baht.

**3.2.6) Factoring Measures to Enhance SMEs Liquidity (Phase 3)** This project is to stimulate the economy in line with the government's policy to disburse budgets of state agencies and enterprises in the fiscal year 2021-2022, as well as publicize SME D

Bank's factoring loan and creating a good image for the Bank in terms of convenient, quick, and easy access to financial resources. The project's credit limit is 18,000 million Baht.

## 3.3) Relief Measures for Debtors Affected by the Situations Impacting the Thai economy

**3.3.1) Relief measures for debtors affected by the situations impacting the Thai economy** These measures comprehensively and promptly assist debtors affected by situations that impacted the Thai economy, such as trade wars, droughts, the COVID-19 pandemic, and other situations following the Bank of Thailand's Notification No. TorPorTor.ForKorChor.(72) Wor.277/2563 LorWor. dated February 28, 2020. The financial assistance helps add liquidity for potential debtors who are directly and indirectly affected when the sign of issue of debt settlement arises or on a pre-emptive basis to allow enough working capital for debtors to continue their businesses during the time of economic crisis. There are provision of additional working capital, expedited debt restructuring by extending the repayment term of all types of loans, renewal or maintenance of credit limit, change of short-term to long-term loans, temporary exemption of principal and/or interest payments, reduction of interest, penalties or fees, reduction of interest below market rate, permission to deduct principal before interest, and relaxation of repayment conditions. The deadline for application to these assistance measures was December 31, 2021.

**3.3.2) Debt Restructuring (DR) or Troubled Debt Restructuring (TDR) during the 2563 - 2564 crisis** This measure helped relieve the repayment burden of the Bank's debtors in addition to the Bank of Thailand's measures to help debtors affected by the situations impacting the Thai economy, such as trade wars, droughts, the COVID-19 pandemic, and other situations in a comprehensive and timely manner. It focused on Debt Restructuring (DR) or Troubled Debt Restructuring (TDR) during the 2020 - 2021 crisis.

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

**3.4.1) Loan to empower and build the future for Thai SMEs by the SME Development Fund under the Pracharat Scheme** This project supports high-potential SME entrepreneurs who have adapted to sustain their business through the COVID-19 pandemic, which continues to impact the economy both at home and abroad, as well as to stimulate the national economy to speed up the recovery. The credit limit of this project is 1,000 million Baht.

**3.4.2) Project to support micro enterprises through the Small and Medium Enterprises Promotion Fund** This project helps SMEs access financial resources according to the action plan and budget spending plan for 2019 - 2020 following the economic stimulus measures (ad hoc) of the Small and Medium Enterprise Promotion Commission. The credit limit of this project is 4,890 million Baht.

**3.4.3) Project to support micro enterprises (Phase 2)** This project helps increase the liquidity and working capital for SMEs operating in hotel, lodging, guesthouse, and tourism-related businesses, as well as restaurants and food shops, who are affected by government's COVID-19 lockdown measures, so they can invest, develop the business, renovate, repair, improve service and operate the business efficiently. On one hand, the government has extended the extension of the Emergency Decree in many areas to delay and seal off the spread of the COVID-19 pandemic and to slow down the increase of COVID-19 cases. On the other hand, the government has a policy to revitalize the tourism business by welcoming fully vaccinated foreign tourists in 10 pilot provinces. Both measures directly impact restaurants, food shops, hotels, lodgings, guesthouses, and tourism-related businesses, causing SMEs to have less income, lack liquidity, have more expense than earning, or even have to stop the business. So, the Office of Small and Medium Enterprise Promotion (OSMEP) established regulations and guidelines to help SMEs by relaxing

the regulations on the consideration and approval of loans. It diverted some of the fund that supports micro enterprises to help SMEs survive this crisis by granting loans they urgently need. The credit limit of this project is 1,200 million Baht out of 4,890 million Baht of the project to support micro enterprises.

**3.4.4) Support measure for SMEs that are debtors of the SME Development Fund under the Pracharat Scheme and are affected by droughts or COVID-19 pandemic, Round 3, 2021** This project continuously assisted and relieved the repayment burden of debt of the SME Development Fund loans under the Pracharat Scheme so that they have adequate liquidity to continue their businesses through crises of drought or the COVID-19 pandemic, Round 3 (2021).

## 5 Non-performing Loan (NPL) Management and Debtors Assistance

As of December 31, 2021, another year of the COVID-19 pandemic, SME D Bank's net NPLs stood at 14,270.88 million Baht, representing 13.59% of total outstanding loans, most of which were loans granted before 2015 in the amount of 9,805.06 million Baht, or 68.71% of the net outstanding NPLs. SME D Bank has implemented measures to improve the management of NPLs granted before 2015 in accordance with the Bank of Thailand's relaxation measures that focus and place importance on the pre-emptive debt restructuring with relaxing conditions to keep business running until the economy starts recovering.

For new loans granted from 2016 onward, the Bank has applied preventive and corrective measures covering all loan classes and closely monitored loan accounts to prevent new loans from becoming NPLs more than 5% of total loans as prescribed by the State Enterprise Policy Office (SEPO). In 2021, SME D Bank had 3,576 new debtors turning NPLs in the amount of 4,465.83 million Baht, or 1.83% of the total loan disbursement. For loans approved in 2021, there was one case of NPL in the amount of 0.94 million Baht or 0.002% of the total loan disbursement.

Even though the COVID-19 pandemic still severely affected SMEs in 2021, SME D Bank's implementation of the support measures from the public sector, namely

the 6-month debt moratorium under the Emergency Decree from April-October 2020, helped lessen the burden of SMEs, reducing and postponing them from being classified as NPLs. After the end of the debt moratorium period, SME D Bank provided additional assistance in continuity, focusing on reducing the burden on SMEs, which indirectly increased liquidity for their businesses. The Bank classified customers based on business status as follows:

- 1) For slightly affected customers who could continue business operations with lower income, the Bank provided assistance via the Bank's platform, which is an expedited channel for requesting assistance. Customers can request a debt moratorium for additional six months until the end of 2021.
- 2) For severely affected customers, SME D Bank assessed impacts on a case-by-case basis and provided assistance according to the enterprise's situation and cash flow. There are guidelines for help, namely lowering interest rates, relaxing installment payments, and extending the repayment period in line with the enterprise's issues.

In addition, in 2021, SME D Bank organized a "Caring for Thai SMEs" activity, collaborating with customers to survive the crisis by visiting customers' businesses, listening to problems and assessing the situation, and setting guidelines for further assistance under the 2021 Debt Management Action Plan. The plan focuses on reducing the burden and speeding up support for SMEs. Since 2020, given the situation of the COVID-19 pandemic that has impacted SMEs, SME D Bank has established relief measures for its customers as follows:

- **Debt moratorium**, with consideration of business' status and level of impacts
- **Reduction of repayment burden**, increasing liquidity for business
- **Extension of the repayment period**, relaxing repayment in line with the business's cash flow
- **Capital injection**, enhancing liquidity to business through policy loans, SME D Bank's loans, and partner agencies' loans, to help sustain SMEs businesses
- **Increasing opportunities**, adding more marketing channels, and providing knowledge in response to the current trends.

The 2021 Debt Management Action Plan's strategy focused on providing entrepreneurs easier access to the Bank's platform and closely and continuously working together with all groups of debtors to help customers continue their businesses. The Bank has a plan to prevent and resolve debts in all stages according to risk levels from being relegated to NPLs. Tools/guidelines and process for debt management are as follows:

### Preventive measures against relegated debt

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

### Tools/guidelines for implementation are as follows:

- Platform that allows debtors to scan QR codes to request a principal moratorium for a period of 6 months, valid until the end of 2021 (continuation of the project from 2020).
- The DR Onweb system is an internal system of SME D Bank improved to expedite assistance, speeding up the approval and contract-signing processes as the system can promptly draft contracts for signing. In addition, the Bank has a database to provide assistance befitting debtor's problems.
- Call Report Onweb system assists the site visit to debtor's business to listen to customers' problems and feedback. The system collects all aspects of the debtor's data, namely finance, marketing and knowledge bases, to increase business potential, for which the entrepreneur development division will take responsibility.
- **Debts default for 1 to 3 months**, classified as A1-M3. This group needs urgent assistance. The Bank focuses on meeting debtors to assess the problem and the status of the debtor to establish and adjust assistance guidelines for each situation:

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

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

### Tools/guidelines for implementation are as follows:

- DR Onweb and TDR Onweb systems. The TDR Onweb system has been operational since September 2021.
- Call Report Onweb system. The Bank's staff will visit debtors whose debts have been restructured and "special mention" debtors whose debts have been rescheduled or restructured to maintain a normal status. The Bank also organized activities to communicate SME D Bank's support measures and motivated these debtors to restructure their debts in the same way as normal debtors, which will help reduce processing time and the likelihood of debts turning NPLs.

### Guidelines for Resolving NPLs

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

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

### Debtors Management Process

During the COVID-19 pandemic, the SME D Bank's assistance model requires a debtor's risk assessment to prioritize the delivery of debtor assistance. There are modifications of repayment conditions or debt restructuring in line with the actual repayment ability according to rapidly changing situations, as well as close monitoring of risk levels based on monthly debt classification. In this regard, account handlers will oversee debtors who have already restructured debts. If the debtors fail to meet the conditions within a short period of time, there will be a follow-up with the debtors for fact-checking to find the causes and use them for process improvement in order to reduce re-entry. In addition, assistance guidelines will be re-formulated to reflect repayment ability in a timely manner.

#### • Overview of 2021 NPLs Management Plan and Results as of December 2021

As of December 2021, NPL management results showed that the total amount of the Bank's NPLs was 14,270.88 million Baht, decreasing 967.92 million Baht from 2020, despite debtors being affected by the new wave of the COVID-19 pandemic, which has weakened the position of debtors. This is the result of urgent assistance to debtors and the continued implementation of additional financial measures to support the rehabilitation of entrepreneurs affected by the COVID-19 pandemic (rehabilitation measures). There are 3 new measures as follows:

- 1) Measures to support the credit granting to entrepreneurs (Rehabilitation Loan), which focus on improving liquidity for the affected SMEs but still have the potential to sustain the business to allow for future recovery, which will take some time.
- 2) Measures to support asset transfer to repay debt and to give debtors the repurchase right (Asset and Liability Rest). It focuses on helping badly-affected debtors who need time to recover and gives them a chance to reduce pressure to sell the property so they can return to create jobs and make money again when the situation improves.
- 3) Urgent assistance measures following the impact of the new wave of COVID-19 pandemic (2-month moratorium) in July-August 2021 or August-

September 2021 to thoroughly and timely relax the debt repayment conditions for the Bank's debtors.

The three measures are major additional tools for monitoring and assisting debtors in preventing them from being relegated to NPLs.

Regarding NPL settlement, the changing situation may affect the plan for the sales of impaired assets. The Bank decided to allow debtors who are not part of rehabilitation measures to transfer assets to repay debts, increasing the chance of meeting the target of debt settlement.

- **Number of debtors who received assistance in 2021**

Due to the increasing trend of weak debtors with some cases of default, SME D Bank has sped up assistance provision and arranged for pre-emptive change of repayment conditions before the debtors are classified as NPLs. From January to December 2021, SME D Bank amended repayment conditions and restructured debts (DR/TDR), amounting to 37,953 cases with a total principal of 66 billion baht. When comparing average debt settlement performance in 2020 and 2021, there was an increase in debt settlements – the number of cases rising 147%, and the number of debts rising 142%.

## 6 Entrepreneurship Development

The Bank strengthens SMEs through the support of “Knowledge and Capital.” The spread of coronavirus (COVID-19) has widely caused economic turbulence and particularly affected the vulnerable SMEs lacking liquidity to sustain their businesses. These SMEs have limited access to funding sources as the credit risk is higher. The Bank has received requests for support in other areas, such as SME development which focuses on marketing to generate income so that they can sustain businesses and preserve jobs.

SME D Bank, a state-owned financial institution governed by the Ministry of Finance and the Ministry of Industry, has the mission to support Thai SMEs under the “Knowledge and Capital” approach. In 2021, the Bank adjusted the approach to support SMEs in various dimensions in response to changing economic situations to enable SMEs to sustain their businesses in line with the government policy for each situation, for instance, the preparation for reopening to rebuild the tourism

sector and support for SMEs in the businesses affected by COVID-19 control measures. The Bank has implemented measures to support and increase liquidity for the SMEs affected by the government notifications and relevant policies. This has been carried out through the Scale-up SME Sandbox project to improve the credit granting process in order to support and increase liquidity for such businesses as hotels, lodgings, spas, and restaurants. Both existing and future customers of the Bank are eligible to apply for financial support to be used as business expenses and working capital for business operations. Apart from financial support, the Bank also supports SME development and marketing promotion for these target customers. It joined hands with the Ministry of Tourism and Sports and Tourism Authority of Thailand to organize training on the Amazing Thailand Safety & Health Administration or SHA and SHA+. The Bank organized training on safety and health standards under the Thai Stop Covid Plus project with the Department of Health, the Ministry of Public Health to build confidence and ensure safety for tourists. Other implementations include strengthening SMEs through market expansion, product and service promotion by influencers on Facebook and IG, as well as Flash Sale activity to increase sales and create identity and presence on online platforms.

The Bank continues its mission to support and empower SMEs to sustain their businesses, survive, and thrive strongly and sustainably, as well as enable them to keep up with trends in technology, innovation, and the social sector amid the changing economic conditions. It also helps SMEs get ready for funding access for business expansion through the Strengthen SMEs project aiming to build capacity and potential in business management throughout the whole business cycle ranging from accounting/finance, marketing, manufacturing, management, technology and innovation. The Bank joined forces with partner agencies in the public and private sectors and education institutes, associations, federations, and organizations to support SMEs as a mechanism for mobilizing the economy through the intensive organization of activities in response to needs in a time of COVID-19 pandemic. The Bank collaborates with involved agencies to integrate knowledge base and build capacity for SMEs under 3 action plans as follows:

- 1) Digital Business Capacity Enhancement for E-commerce is a plan to promote and support SME development and access to online platforms during the transformation from offline sales channels to e-commerce platforms in the New Normal.
  - 2) SME D Scale up, a service improvement plan providing business consultation throughout the business cycle, enhances technology and innovation capacity while empowering SMEs to grow strongly and sustainably. Experts from partner educational institutions will provide consultation through a site visit to help SMEs transform manufacturing and service processes to reduce costs, increase income, and deploy innovative technology to add value and gain competitiveness in the market.
  - 3) Partnership Operating Model connects partner agencies and integrates collaboration in order to promote, support, and develop SMEs by providing knowledge in business management throughout the business cycle and funding sources in the form of loans or getting support from the Bank through venture capital.
- 1) **The Bank has organized training and seminars** and provided consultation through various courses both by the Bank itself and with its network partners to enhance SMEs' competitiveness in terms of marketing, manufacturing, business management, and preparation for funding sources. The Bank also supported the deployment of technology and innovation in creating added value and strengthening SMEs to thrive and compete in national and international markets.
  - 2) **The Bank promoted e-commerce marketing and business matching**, enhancing knowledge about popular international online shopping platforms such as Shopee, LineOA, Facebook, Youtube, TikTok, Alibaba, and JD Central. The Bank worked with CP All in organizing business matching between its customers and SMEs to help them sell their products at 7-Eleven and other online and offline channels. It also arranged matching with Lotus's to pave the way to modern trade, allowing SMEs to sell their products online and offline. The Bank collaborated with the Office of Small and Medium Enterprise Promotion (OSMEP) to support access to government procurement under the project "Supporting SMEs to Access Government Procurement" to help SMEs gain benefits by registering via [www.thaismegp.com](http://www.thaismegp.com) or THAI SME-GP system so that they can accurately access government procurement, enabling them to reach new marketing channels. In addition, the Bank hosted the activity, "Fak Ran Free SME D Bank," via Facebook Group as a way to advertise products to target groups. As of December 31, 2021, 10,404 members of the Facebook Group were the Bank's customers and SMEs. The Bank hosted Facebook Live to help promote and sell products to increase sales and create income and online market opportunities. Moreover, famous influencers and speakers were invited to give advice on online sales techniques and how to succeed in business through workshops and hands-on training.
  - 3) **The Bank established** [wdev.smebank.co.th](http://wdev.smebank.co.th) as the website for SME development of the SME D Academy, a learning center providing knowledge for business operations throughout business cycle. SMEs and the Bank's customers can choose any courses to build their business knowledge and

## SME D Bank Provided Relief for SMEs Affected by the Coronavirus (COVID-19) Pandemic

Due to the ongoing COVID-19 pandemic in 2021, SME D Bank and its partner agencies in public and private sectors, including the educational institutions, adapted teaching and learning by moving offline training courses online for the convenience of participants in compliance with the government measures. In 2021, the Bank focused on the development of SMEs who have become a vulnerable group, particularly during the time of economic volatility, and tend to suffer a wider impact. It supported all groups of SMEs, from micro enterprises to SEs and MEs, to access activities anywhere, anytime. This allows the Bank's customers and SMEs to gain useful knowledge and skills in business management to help them generate more income, create jobs and mobilize the economy. The activities to upskill and reskill SMEs were organized in various forms and attended by 20,806 SMEs. Details are as follows:



potential. On the website, there are courses on entrepreneur incubation and preparation for funding as well as useful articles that are up-to-date and suitable for changing situations. Besides, to get inspired, entrepreneurs can study success cases of the Bank's customers on the website by themselves anytime, free of charge.

- 4) **The Bank organized an activity to support SMEs** who wanted to apply for the Bank's loans whose qualifications did not meet the specific criteria for each type of loan as well as the businesses that were not ready to get funding. The Bank's "No One Left Behind" program provides consultation and advice on preparation for the loan application process, for example, preparation of application documents, closing balance sheets and filing a revenue report to the Revenue Department, recording accounting fees, financial analysis, and recommending trend of products and services for each target group. These preparations enabled SMEs to get loan approval from the Bank, and the Bank has monitored the credit disbursement of each account to set out the success model and publicize it through internal and external channels.

In addition, after the Bank's customers and SMEs attended the SME development program, they could apply what they learned to expand and strengthen their businesses to achieve better efficiency and effectiveness in both financial and non-financial aspects as follows:

- **Efficiency enhancement** – 8,283 of the Bank's customers and SMEs, comprising 6,293 Bank's customers and 1,990 SMEs, have improved business efficiency in both financial and non-financial aspects. 7,227 of them have increased efficiency in non-financial aspects, namely increasing marketing channels, financial and accounting management, support to get standards certification, promotion of innovation and/or technology and manufacturing. 1,056 of them were ready to get funded with a total credit limit of 722.89 million Baht.
- **Effectiveness enhancement** – 4,990 of the Bank's customers and SMEs, comprising 3,717 the Bank's customers and 1,273 SMEs, have improved business effectiveness in both financial and non-financial

aspects. 4,085 of them have increased effectiveness in non-financial aspects, namely marketing that increased sales, systematic accounting and financial management, certification for standards on manufacturing and services, e.g., FDA, SHA, TISs, and have manufacturing that improved productivity while reducing cost. 905 of them got credit approved for the total credit line of 525.53 million Baht with total disbursement of 491.55 million Baht.

## 7 Venture Capital

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

The Bank has established 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) SMEs Private Equity Trust Fund II, worth 501 million Baht, was established on April 19, 2017.
- 3) The venture capital project under the Bank's mission to invest in agro-business and agriculture-related SMEs was established on July 15, 2016, with a total fund of 290 million Baht. The progress since the project started until 2021 is as follows:
  - The Bank approved investment in 19 venture capitals worth up to 453.27 million Baht.
  - 2 venture capitals were listed on MAI and SET.
  - 1 venture capital which was a former shareholder bought back shares.

## SME D Bank approved the investment in the following venture capitals:

No.	Company	Business	Million Baht	Year of Approval
<b>1. SMEs Private Equity Trust Fund I</b>			<b>199.45</b>	
1	Fruita Natural Co., Ltd. <sup>(1)</sup>	Producer and distributor of healthy grain beverages	7.50	2016
2	Three N Cassava Products Co., Ltd.	Producer and distributor of animal feed from processed cassava	26.95	2016
3	Insurtech Solutions Co., Ltd.	Company deploying survey innovation to support and expand businesses in the insurance industry or financial and banking industry	5.00	2016
4	Company B Co., Ltd.	Restaurant (Real beef)	50.00	2021
5	Cloud Eatery Co., Ltd. <sup>(2)</sup>	Rental service for commercial kitchen space for delivery restaurants	50.00	2021
6	Jones Salad Co., Ltd. <sup>(2)</sup>	Seller of salad and healthy food	50.00	2021
7	TTG Food Co., Ltd. <sup>(2)</sup>	Dessert shops selling black sesame dumplings in ginger tea, bingsu, and shaved ice, etc.	10.00	2021
<b>2. SMEs Private Equity Trust Fund II</b>			<b>205.93</b>	
8	Pet Club Co., Ltd.	Convenient store and one-stop pet shop	7.92	2018 2019
9	Sri Trang Logistics Co., Ltd	Sea and land logistics services	30.00	2018
10	Big Paisan Project Co., Ltd.	Distribution and installation of completed electrical equipment	30.00	2018
11	General Outsourcing Co., Ltd.	Human Resources Management and payroll data preparation	15.02	2019
12	Delta Color Co., Ltd. <sup>(3)</sup>	Producer and distributor of building paints	29.93	2019
13	Nova Organic Co., Ltd. <sup>(4)</sup>	Producer and distributor of cosmetics and food supplements	33.08	2019 2020
14	Storage Asia Co., Ltd.	Storage rental service in urban areas	29.98	2021
15	KT Medical Service Co., Ltd.	Provider of hemodialysis service	30.00	2021
<b>3. Venture capital project in agro-business and agriculture-related SMEs</b>			<b>42.00</b>	
16	Khao Yai Panorama Farm Co., Ltd.	Producer and distributor of mushroom products and accommodation business	12.00	2017
17	Virgin F&B Co., Ltd.	Producer and exporter of wafer rolls	30.00	2017
<b>4. Venture capitals under the government policy</b>			<b>5.89</b>	
18	Innospace (Thailand) Co., Ltd. <sup>(5)</sup>	Support and invest in Thai startups under the government policies	5.00	2019
19	National Digital ID Co., Ltd.	Developer of digital ID verification system and trusted ecosystem for data-sharing across sectors	0.89	2021
<b>The Bank has invested in 19 venture capitals <sup>(6)</sup></b>			<b>453.27</b>	

Notes : <sup>(1)</sup> Former shareholder bought back shares on October 1, 2021, and it is in the process of changing the shareholder's name.

<sup>(2)</sup> The Bank approved the investment and is investing in 3 venture capitals worth 110 million Baht in total.

<sup>(3)</sup> Listed on MAI on October 28, 2021, under the ticker symbol "DPAINT"

<sup>(4)</sup> Listed on SET on December 24, 2021, under the ticker symbol "NV"

<sup>(5)</sup> The Bank has already invested 1.25 million Baht in Innospace (Thailand) Co., Ltd. and is investing another 3.75 million Baht.

<sup>(6)</sup> The Bank has invested in 16 venture capitals worth up to 339.52 million Baht.

## 8 Corporate Social Responsibility (CSR)

SME D Bank is committed to corporate social responsibility (CSR) in the operational process. It has the policy to promote and align CSR activities with the ISO26000 standard, which is widely accepted for social and environmental responsibility. The standard is adopted as a guideline for managing impact and stakeholders' concerns, focusing and prioritizing society, community, and the environment, to become a learning organization and achieve sustainability.

In 2021, SME D Bank continued its commitment to providing services for Thai SMEs while improving its operational process in line with the corporate strategy to respond to stakeholders' needs and expectations. The Bank not only aims to achieve the outcome but also creates benefits and value for communities and society, which are the foundation of the country.

The Bank's implementation of projects under the Corporate Social Responsibility (CSR) plan in 2021 can be summarized as follows:

### 1) CSR in Process

**1.1) Get real with CSR in Process :** To achieve practical results and demonstrate mutual engagement to benefit all involved parties in the organization on the CSR in Process, it is essential to learn and understand the context of CSR in Process relating to the operation. The CSR in Process is important to the corporate operation and stakeholders since it directly impacts the Bank's growth, especially creditability and image. Therefore, the Bank improves staff skills for CSR in Process according to ISO26000 guidance on social responsibility. The Bank provides a learning channel for staff to learn 7 guidelines and take part in activities to raise awareness and create clear understanding, which will lead to the organization-wide practice of the CSR in Process and drive "the learning organization and sustainable development." In 2021, 95.2% of

the staff had an understanding of the environment in the CSR in Process according to the ISO26000 standard.

**1.2) SME D Partner by CSR :** The Bank has carried out CSR activities under the participation process to develop community, society, and the environment according to ISO26000 guidance on social responsibility. It selected communities that meet the Bank's criteria, and the selected community was the Women Community and Leaders in Tha Muang Subdistrict, Kanchanaburi Province. The Bank prepared a plan to strengthen communities that match the Bank's special capacities and implemented the plan under the concept "Create Jobs and Create Income" in line with the SME D Bank's policy to strengthen "Knowledge and Capital." It joined hands with community leaders to transform vocational skills into products. The Bank has employed its special capacities in providing knowledge and skills development for the community members, for instance, finance, accounting, marketing management, online marketing, and sharing of success cases as role models. In addition, the Bank cares for the environment in the community by providing trash sorting bins and knowledge about the pros and cons of waste sorting and value addition to waste.

In the first quarter of 2021, the Bank monthly organized onsite skills training for the women community and leaders in Tha Muang Subdistrict, Kanchanaburi Province. In addition, the Bank prepared online skills training courses for the convenience of locals and to prevent the spread of coronavirus (COVID-19). Online learning using Google Form and TikTok application as well as audiovisual materials enables systematic and easy-to-follow learning. The training, developed under the collaboration between 3 alliances, have created jobs, career, and income for 15 local people (who are upgrading themselves as an entrepreneur)

**1.3) SME D LOVER :** The Bank has always placed importance on the project to create environmental sustainability to move forward to becoming a green organization. In doing so, the Bank launched campaigns on energy saving, water saving, reducing paper consumption, and other activities. Every month, the Bank would introduce the “Reuse & Recycled” concept to reduce energy consumption to save the environment through several channels. In addition, there was a comparison of current electricity and water bills to their previous bills to share with employees from all divisions and branches across the country.

In 2021, the Bank was concerned about potential environmental impacts, thus continued campaigns on energy saving, water conservation, and reducing paper consumption, aiming to become a greener and socially responsible organization. According to the legal requirement, the BOD of effluent discharged into natural waterways must not exceed 20 mg/liter, and the Bank’s effluent BOD was 19 mg/liter. The Bank also used a composter to convert food waste into organic fertilizer in 24 hours to sustainably reduce waste. The fertilizer is used for plants in the Bank, and employees can take the rest fertilizer back for home use. In 2021, 99.4% of the staff realized and engaged in energy-saving practices.

## 2) CSR after Process

SME D Bank not only aims for good performance and high competitive advantage but also prioritizes social and environmental responsibility according to widely accepted international standards. The Bank has promoted and supported communities and local people in 3 areas as follows:

- 2.1) Religious preservation: The Bank participated in the Buddhism event “Royal Kathin Robe Offering Ceremony” in 2021 at Wat Soi Thong, Pracharat Sai 1 Road, Bang Sue Sub-district, Bang Sue District, Bangkok.
- 2.2) Education development: The Bank supports education development for Ban Kong Mong Tha School, Lai Wo Sub-district, Sangkla Buri District, Kanchanaburi Province as it was informed by

Kanchanaburi Branch that the school is located in hard to reach rural area. The Bank then contacted Mr. Sunai Pleephuachart, the school director, to visit the school in order to collect information and analyze needs. Due to travel barriers, the school is cut from outsiders’ support. The Bank has a strong intention to help the school, so it traveled with customers and staff to deliver teaching and learning materials, sports equipment, medicine, batteries, clothes, and necessary supplies to Ban Kong Mong Tha School, Lai Wo Sub-district, Sangkla Buri District, Kanchanaburi Province.

The Bank also granted scholarships and school supplies to Ban Doi Sang Border Patrol Police School, Pang Mu Sub-district, Mueang District, Mae Hong Son Province.

2.3) Society and environment development: CSR after Process includes those CSR activities involving entities who are not directly related to the Bank.

- SME D Bank cares for society and has the “Knowledge and Capital” policy to promote the development of Thai SMEs. The Bank has supported the vulnerable groups by leveraging the Bank’s special capacities in building their skills, such as financial and accounting management, marketing, and adding value to products and goods by the vulnerable groups under the collaboration between the SME D Bank and the Association to Empower the Potential of Women with Disabilities (AEPWWDs)
- SME D Bank returns benefits to society, presenting money donated online by its alliances – both the government and private sectors – customers, and the general public in the celebration of the 20th anniversary of SME D Bank to the Neurological Institute of Thailand, Department of Medical Sciences, Ministry of Public Health, for the procurement of medical supplies.
- SME D Bank cares for society, providing survival kits for flood victims in Bang Ban District, Ayutthaya Province. The Bank’s staff had visited the affected areas and witnessed the hardship of customers and people in the areas. The Bank



thus took part in helping society by delivering survival kits to the affected people.

- During the spread of the coronavirus (COVID-19), SME D Bank cares for society, delivering medical supplies to four field hospitals in Bangkok, Neurological Institute of Thailand, Bangkok Youth Center (Thai - Japan). The Bank also provided lunch for vulnerable people (the destitute disabled) at Klong Toei Community and delivered COVID Home Care kits to the Health and Elderly Establishment Confederation (HEC).

## 9 Collaboration with Other Organizations and Agencies

### 1) Collaboration with local agencies

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

- (1) The Memorandum of Agreement on the Development of Export Readiness Assessment System for Thai Exporters between SME D Bank and Department of International Trade Promotion, Ministry of Commerce; the Office of Small and Medium Enterprises Promotion (OSMEP); the Stock Exchange of Thailand; Thai National Shippers' Council; the Federation of Thai Industries; the Thai Chamber of Commerce and Export-Import Bank of Thailand has a purpose of supporting capacity building for Thai entrepreneurs via TERAX Platform. The platform will be used to assess the readiness of entrepreneurs of

all sizes and be a learning tool to understand export management standards, connecting partnering agencies in creating opportunities and developing entrepreneurs to support and facilitate data service on trading and investment.

- (2) Portfolio Guarantee Scheme for Micro Entrepreneurs Phase 4 is the collaboration between Thai Credit Guarantee Corporation (TCG) and SME D Bank to support SMEs facing economic impact and liquidity problems, particularly from the economic recession due to the COVID-19 pandemic. The scheme helps micro entrepreneurs access bank finance through credit guarantee mechanisms.
- (3) Portfolio Guarantee Scheme Phase 9 is the collaboration between Thai Credit Guarantee Corporation (TCG) and SME D Bank to improve SMEs' access to finance from financial institutions and support them through TCG's credit guarantee. The continued support will improve financial institutions' confidence in approving loans for SMEs, particularly during the economic slowdown due to the COVID-19 pandemic. TCG will provide a credit guarantee for SMEs in the form of Package Guarantee Scheme to all financial institutions.
- (4) The Memorandum of Agreement between Export-Import Bank of Thailand (EXIM Bank) and SME D Bank on the collaboration to provide export credit insurance service for current or future customers. EXIM Bank's export credit insurance covers the risk arising from nonpayment by a foreign buyer or the buyer's bank.

- (5) Portfolio Guarantee Scheme according to the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021), the collaboration between Thai Credit Guarantee Corporation (TCG) and SME D Bank, supports the rehabilitation of entrepreneurs impacted by the COVID-19 pandemic. TCG was entrusted with the duty and authority to guarantee loans as set forth in the Soft Loan Emergency Decree.
- (6) The Memorandum of Agreement between Eke-Chai Distribution System Co., Ltd. and SME D Bank on the promotion of Thai SMEs' potential to achieve sustainable growth assists SMEs in accessing funding sources for their businesses, both in the forms of loans or venture capital to enable access to modern trade. This agreement also creates and shares knowledge among Thai SMEs and provides advice on product development, product preparation for modern trade, and other essential advice, for advertising and marketing purposes. This will benefit Thai SMEs' businesses and allow relevant agencies to share useful information for developing support measures for Thai SMEs.
- (7) Collaborative Project to Support Micro Enterprises between the Office of Small and Medium Enterprises Promotion (OSMEP) and SME D Bank aims to ease loan approval conditions for a minimum of 4,000 micro enterprises that have an annual income of no more than 1.80 million Baht. SME D Bank has canceled provision for micro enterprises to provide for small enterprises.
- (8) The Memorandum of Agreement between the Office of Small and Medium Enterprises Promotion (OSMEP) and SME D Bank on the organization of activities to share knowledge and experience for SME development, support the implementation of capacity-building programs, expand entrepreneurs' businesses, and strengthen SMEs for the sustainability of the Thai economy.
- (9) Collaborative Project to Support Micro Enterprises between the Office of Small and Medium Enterprises Promotion (OSMEP) and SME D Bank helps micro enterprises affected by the COVID-19 control measures in 10 strictly controlled provinces access funding, increase liquidity or expand their businesses.

## 2) Collaboration with international agencies

SME D Bank has collaborated with international agencies in the public and private sectors on various projects, for instance, the Memorandum of Agreement between Hong Kong Trade Development Council and SME D Bank on the promotion of SME development to boost the economic growth of Thailand and Hong Kong Special Administrative Region.

# KEY FACTORS AFFECTING BUSINESS OPERATIONS



## Key Risk Factors

1. Risk from the uncertainty of economic recovery may cause wide-ranging and long-term impacts due to several factors, for example, the prolonged outbreak and mutations of the viruses and phasing out of government support measures. The geopolitical conflicts and trade wars have been affecting energy prices. If gas and oil prices remain high longer than expected, economic recovery will be under threat. Another risk is the risk arising from volatile exchange rates. The highly volatile global financial situation will accelerate the volatility of financial accounts, making exchange rate risk management more significant.
2. Competition in service fees, digital loans, new forms of financial services in the digital era, and better connections in terms of international financial services will highlight the importance of data as the core foundation of the digital economy. There will be increasing democratization from the freedom of expression on social media platforms. Financial institutions should prepare for these challenges and keep abreast of changing financial landscape.
3. Cyber threats and technology risks are the key risks to the financial system. Although the Thai financial system benefits from technological advancement, the opportunity comes with various forms of technology risks and cyber threats. Those risks are unpredictable and becoming more dangerous; data breaches and operational disruption are for example. The Bank has thus strengthened the resilience of the key financial infrastructure, prepared for different forms of technology risks and cyber threats, and upgraded its data governance and personal data protection to comply with the Personal Data Protection Act (PDPA), which will come into effect on June 1, 2022.
4. Credit quality risk: In 2022, commercial bank credit growth is projected to be slightly slower because of decreasing income and rising household debts. Therefore, credit quality risk should be monitored closely. NPLs to total gross loans ratio in 2022 is expected to reach 3.2 - 3.5% of total gross loans although the BOT has relaxed the regulations regarding the asset classification, which means that the Bank has to set aside additional provisions to cover NPLs.
5. Adjustment in the fee calculation system of financial institutions will cause a negative impact on the Bank's revenue. Moreover, the Bank's implementation of the support measures for SMEs to overcome the crisis and the Bank of Thailand's policy regulating financial institutions to adopt Thai Financial Reporting Standards (TFRS 9) affect the Bank's operating results and financial status.

# GOOD CORPORATE GOVERNANCE





# Good Corporate Governance

## 1. Good Corporate Governance Policy

The Board of Directors is intent on driving SME D Bank to become efficient in business operations, good corporate governance, and management excellence. The Bank focuses on creating benefits for all stakeholders with integrity, transparency, and accountability in business operations. It also emphasizes business operations with quality, efficiency, and stakeholder participation through opinion expressions, decision-making, and cooperation in operations, to ensure uninterrupted good corporate governance development on par with international practices of the principles of good corporate governance. The Bank places importance on applying good corporate governance principles to the management to achieve the mission in line with the country's strategy. The Bank believes that business practices on the basis of integrity, fairness, and transparency, compliance with rules and laws, will enable the Bank to grow with sustainability and stability. The Bank has promoted a culture of good governance by the Board of Directors and management at all levels. They are good role models for employees to create awareness of compliance with good corporate governance principles, ethics, code of conduct, and anti-corruption through various activities and communication channels. In addition, the Bank focuses on the organizational structure and internal management mechanisms that connect the Board of Directors, executives, and employees with key objectives in leading the organization to have good governance and credibility. This will help boost economic value and maximize benefits for the Bank's stakeholders and bring about sustainable development of the organization.

### Principles of Good Corporate Governance

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

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

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

### Targets of Good Corporate Governance

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

## 2. Implementation of Good Corporate Governance

### 2.1 Performance of Good Corporate Governance in 2021

The Bank places importance on corporate governance (CG) and has clearly communicated the policy and significance of corporate governance to executives and employees. The Board of Directors, executives, and employees also participated in the declaration of intent to create a culture of integrity and transparency in the Bank's operations. In the past year, the Bank obtained an average score of 99.49, being ranked at the A level from the Integrity and Transparency Assessment (ITA), the fiscal year 2021. The Bank was ranked 3rd among 51 state enterprises undertaking the assessment, demonstrating its improvement in integrity and transparency performance and at the same time creating a good image and stakeholder trust in terms of integrity and transparency.

### 2.2 Formulation of the Strategic Plan on Good Corporate Governance

#### 2.2.1 The Action Plan on Good Corporate Governance

In 2021, SME D Bank took into account its vision, mission, core values, and strategies, the Principles and Guidelines on Good Governance of State-Owned Enterprises BE 2562 of the State Enterprise Policy Office (SEPO), new evaluation criteria for state enterprises (SE-AM) Section 1 on governance and leadership, criteria for evaluating Integrity and Transparency in Government Agencies (ITA), in formulating an action plan for good corporate governance. The action plan is implemented under the project entitled "Fostering Governance and Combating Corruption for Sustainable Development under the STRONG Concept: Sufficiency Mind for Anti-corruption," with the following objectives:

1. To integrate collaboration in fostering integrity and transparency according to corporate governance principles.
2. To encourage the management and staff to uphold and perform their duties with honesty, integrity, equality, and fairness.

3. To strengthen participation mechanisms both inside and outside the organization to elevate fraud prevention.
4. To ensure that the Bank's operations comply with the principles of good corporate governance.
5. To develop operational capacity and efficiency to maintain quality and sustainably strengthen the organization.
6. To drive proactive corruption prevention by encouraging the management and employees at all levels to adopt "the STRONG Concept: Sufficiency Mind for Anti-corruption" as corporate culture.
7. To promote the National Strategic Plan 2018-2037 (20 years) regarding the improvement of morality and ethics under the principles of corporate governance and prevention of corruption and misconduct.

#### 2.2.2 Deployment of Principles of Good Corporate Governance

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



1) SME D Bank's 2021 Declaration of Intent to foster corporate culture, morality, and transparency. This annual event is participated by the SME D Bank's Chairman of the Board of Directors, Directors, the Managing Director, executives, and employees to declare intent to foster the Bank's corporate culture, morality, and transparency and to pledge against corruption. It shows the power of the campaign to strengthen the culture of integrity, corporate governance, and transparency of government organizations, which joined forces to form the anti-corruption network under the collaboration to mobilize the national strategy on the national anti-corruption phase 3 (2017 - 2021) in compliance with the 2021 criteria for integrity and transparency assessment (ITA) in government organizations. All participants pledged that they "will perform duties with honesty and integrity without abuse, adhere to moral and ethical principles, and fight all forms of corruption and selflessly comply with the principles of good governance for the common good and create stability and sustainability for Thailand under a democratic regime with the king as the head of state."



2) Anti-Corruption Day 2021 under the concept "Collab with Kids, Flourish the Nation" SME D Bank attended Anti-Corruption Day 2021 under the concept "Collab with Kids, Flourish the Nation" to find ideas for anti-corruption tools. Participants were partners from the public and civil sectors, from all fields of work, who attended the activity through the Facebook page: Anti-Corruption Organization (Thailand) led by Mr. Wichian Phongsathorn and Dr. Mana Nimitmongkol, President and Secretary-General of the Anti-Corruption Organization of Thailand.

Despite the COVID-19 pandemic, SME D Bank's people did not keep away from fighting against all forms of corruption.

3) **CG WE TEAM: Sharing and learning activity** The activity focused on the participation of executives and employees, an important factor in improving governance and transparency in operations, building trust among all stakeholders, and creating a good image for SME D Bank. It was honored by Ms. Sarinee Archavanantakul, Managing Director of knowledge development, Sal Forest Co., Ltd., who was responsible for evaluating financial institutions for 2021. She gave a lecture to executives and employees via an online system as part of the Race to the Top in the framework of good governance, human rights, society, and the environment.



4) **“Stand Together Against Corruption” Activity on December 9, 2021** To celebrate the International Anti-Corruption Day in Thailand, executives and employees of SME D Bank attended the activity organized under the concept of “Thai people’s zero tolerance of corruption” via a Zoom meeting. Participants also sent pictures with anti-corruption symbols to declare intent on enhancing morality, ethics, and anti-corruption.

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

6) Development of knowledge base on SME D Bank’s good corporate governance, ethics, and code of conduct via the Bank’s e-learning system





### 3. Integrity and Transparency Assessment

In the implementation of the Integrity & Transparency Assessment (ITA), the Bank realized the importance of Corporate Governance (CG), a key factor driving its achievement as a leading financial institution with good corporate governance; management excellence; ethical, transparent and accountable operation; and long-term business value creation. Corporate governance is also a vital factor propelling the mission toward the achievement of the Bank's vision. Therefore, the Bank participated in the assessment of integrity and transparency of government agencies with the National Anti-Corruption Commission (NACC), the Office of the State Enterprise Policy (SEPO), and other 53 state enterprises. The Bank has taken part in the program since 2015. According to the assessment results in 2021, the Bank was ranked 3rd among 51 state enterprises that undertook the assessment, at the AA level, with an average score of 99.49 points. The Bank has received higher average scores consecutively over the years. The positive trend of integrity and transparency improvement indicated that SME D Bank is the key state-owned financial institution with transparency, reliability, and capability to add economic value for the sustainable development of Thai SMEs.

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

For the transparency of the Bank's good corporate governance process and fairness to all related parties without focusing on individual benefits, the Bank 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 established guidelines for its operations according to the principles of good corporate governance as follows:

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

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

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

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

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

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

**Risk Management and Internal Control** The Bank has established a risk management policy to ensure that the Bank's operations fulfill its mission and align with its strategies. There has been monitoring to assure continuous risk management. The Risk Oversight Committee takes responsibility for driving the Bank's risk management system.

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

**Performance Monitoring** The Bank delegated 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), the 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 and make a decision.



**Whistleblowing Policy, Complaint Filing, and Measures to Protect Whistleblowers and Complaint Filers** The Bank has formulated policies on whistleblowing, complaint filing, and measures to protect whistleblowers. It provides a channel for all stakeholders and outsiders who are affected or at risk of being affected by the Bank's operations. The Bank has addressed all complaints from all parties in an equitable, attentive, and fair manner while maintaining confidentiality and protecting whistleblowers, complaint filers, and related parties to ensure justice for all of them.

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

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

## 6. Policy Against the Use of Insider Information

The Bank aims to ensure that information operation strictly complies with relevant laws and regulations, and there is regular control of information quality and cultivation of good culture in using the Bank's information to maintain quality and create added value for data. These actions have contributed sustainable benefits to the Bank. To obtain accurate, complete, and up-to-date insider information for secure use, the Bank has established a policy to prevent the use of insider information by not disclosing the Bank's internal information to the public for personal benefit or to related persons, either directly or indirectly. The Bank shall maintain confidential information of customers, partners, or stakeholders and assign the right of access to information for operators at each level according to their responsibilities.

## 7. Policy on Related-Party Transactions

To prevent transactions that may cause conflicts of interest from transactions between the Bank and related parties, also known as "related transactions," and to ensure that transactions are transparent and there is a tracking system and verification of the transaction for the best interest of the Bank and all shareholders, the Bank has established policies and guidelines to prevent the related parties' transactions. Those transactions shall pass the transparent approval process by the authorized person who performs the duty with prudence and honesty. There must be an audit tracking system to ensure that the transactions are executed following correct procedures.

## 8. Policy on Conflict of Interest

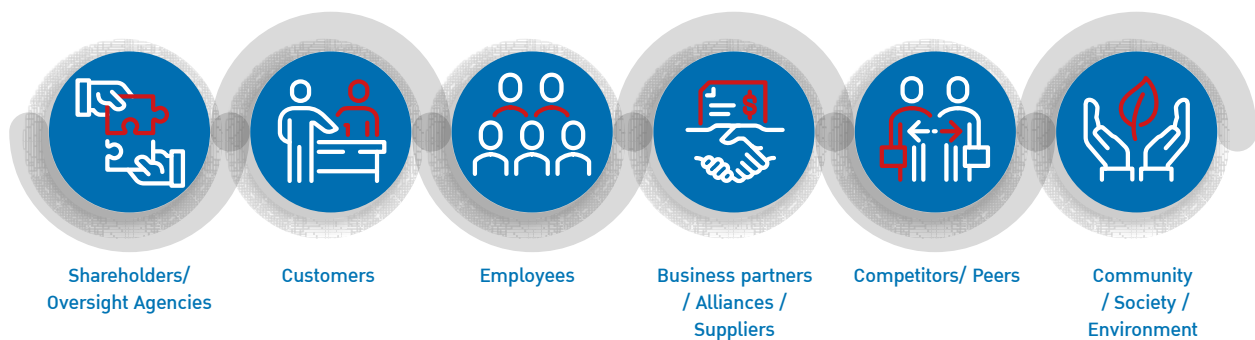
To effectively avoid conflicts of interest, the Bank has put in place the following actions:

1. Prioritize the Bank's benefits over personal interests and avoid 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 perform any action that may cause conflicts of interest.
3. Do not demand, accept or agree to fraudulently accept assets or benefits for oneself or others.
4. Immediately report the cases where conflicts of interest occur and the cases where 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 Managing Director 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 ON TREATMENT OF STAKEHOLDERS

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

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



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



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

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

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

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

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

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

To satisfy the needs and expectations of stakeholders, SME D Bank has formulated the Stakeholders Master Plan as a framework for organizing stakeholder activities. Based on analyses of the changing framework, the stakeholder strategy and action plan have been reviewed to be up-to-date and consistent with new guiding frameworks inside and outside the organization. It would be a guideline for formulating a development plan and improving the process to bridge the gap between stakeholders' expectations and satisfaction, leading to effective development and improvement of the organization and increased stakeholder satisfaction. The Bank thus set its vision on stakeholders that "Stakeholders are partners for Thai SME development," with the key mission of enhancing management efficiency to satisfy stakeholders and build relationships with stakeholders across the organization. This will efficiently drive the performance in line with the two strategic goals: 1. To promote stakeholder participation by establishing a strategic plan, engaging stakeholders, and measuring their satisfaction; and 2. To enhance stakeholder relationships by developing a stakeholder profile database, communicating the strategic plan for stakeholders, and devising the Bank's action plans for stakeholders 2022 to enable substantial implementation by relevant parties. There are 4 action plans as follows:

1. Developing a stakeholder profile
2. Developing relationships with key stakeholders.
3. Communicating stakeholder strategies
4. Conducting stakeholder satisfaction survey

# SME D Bank' s Stakeholders Master Plan (2022-2026)

## Vision on Stakeholders

“Stakeholders are partners for Thai SME development.”

### Mission on stakeholders

1. Enhance management efficiency to satisfy stakeholders.
2. Build relationships with stakeholders across the organization to drive effective performance.

#### Strategic goals for stakeholders

1. To promote stakeholder participation.
2. To enhance stakeholder relationships.

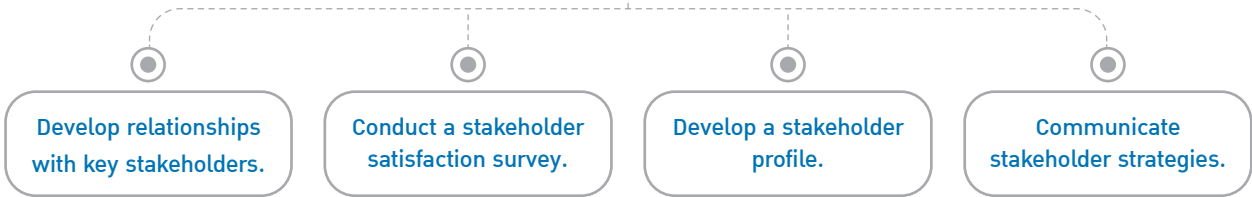
#### Strategic plan for stakeholders

- 1.1 Develop stakeholder participation.
- 1.2 Build stakeholder participation and measure satisfaction.
- 1.3 Develop a stakeholder profile.
- 1.4 Communicate stakeholder strategies.

#### Long-term action plans for stakeholders 2022 - 2026

1. Develop relationships with key stakeholders.
2. Conduct stakeholder satisfaction survey.
3. Develop a stakeholder profile.
4. Communicate stakeholder strategies.

## Stakeholder Action Plan 2022



### Objectives

- To identify and prioritize stakeholder relationships.
- To survey customers' and stakeholders' perceptions of the Bank's image.
- To create a systematic stakeholder profile.
- To maximize performance efficiency by surveying perception of the action plans.

### Indicators / Targets

- Building relationships with stakeholders at least 1 or 2 times a year.
- Satisfaction level on listening to the voices of customers and stakeholders of at least 75%
- 1. There is a management system for a stakeholder profile.
- 2. There is a reporting system.
- 3. Analyze and improve the stakeholder profile.
- 1. Monitor the stakeholder prioritization and relevant stakeholder issues at least once a year.
- 2. Report performance on stakeholder participation.

### Operational Approach

- Organize activities to build relationships with key stakeholders.
- Conduct a survey to listen to the voice of stakeholders.
- Manage the stakeholder profile to facilitate the strategic plan and action plans.
- Communicate stakeholder strategies to create understanding both inside and outside the organization.

## Service Improvement and Voice of Customers

SME D Bank values the voices of customers and stakeholders as the key to learning more about their satisfaction, dissatisfaction, needs, expectations for products and services, transactions, and processes. Such information can be used to develop, improve, innovate, and meet needs and expectations, which helps build engagement and loyalty.

In 2021, SME Bank took the following measures to improve service quality:

- 1) Set up the Voice of Customers System (VoCS), which streamlined the work process by unifying the customer's feedback center and complaint management into a one-stop mechanism to collect data, manage, track, and summarize reports on the voice of customers.
- 2) Review the channels and approaches for systematically listening to VoC, whether it covers all communication channels, customer groups, and market segments. Create an operation manual to align operations in the same direction.
- 3) Senior executives are aware of the need to be accessible and prompt response in problem-solving.
- 4) Create a one-stop VoC channel linking with the SME D Bank's CEO, or the "One-stop Clearing House," through a telephone number and LINE account, changing the new SME D Bank Call Center 1357 to become a call center and social media in one go. It collects service-related data and forwards them for further extraction, alert, and analysis, which helps improve and develop products and services to meet customer needs. The Bank also uses social listening tools to analyze information and the needs of customers and stakeholders of public media. The Bank hired a consulting firm to design a marketing survey and establish the method and mechanism for overseeing, controlling, monitoring, and evaluating customers' satisfaction with the Bank's products and services. The survey studied needs and expectations that affect satisfaction, dissatisfaction, and engagement of each customer group and market segment, as well as stakeholders. It conducted needs analysis for products and services, customer support and engagement, and corporate image in comparison with competitors and peers in similar contexts, as well as gathered results reflecting the effectiveness of the response to the Bank and used them as inputs for long-term and short-term strategic planning at the corporate, work group, division, and department levels.
- 5) The Bank focuses on building a culture of service excellence among the Bank's employees, regularly creating PR media in various formats to raise awareness of the service mind in order to create a good public image for the organization.

# CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Small and Medium Enterprise Development Bank of Thailand is committed to corporate social responsibility (CSR) in the operational process. It has the policy to promote and align CSR activities with the ISO26000 standard, which is widely accepted for social and environmental responsibility. The standard is adopted as a guideline for managing impact and stakeholders' concerns, focusing and prioritizing society, community, and the environment, to become a learning organization and achieve sustainability.

In 2021, SME D Bank continued its commitment to providing services for Thai SMEs while improving its operational process in line with the corporate strategy to respond to stakeholders' needs and expectations. The Bank not only aims to achieve the outcome but also creates benefits and value for communities and society, which are the foundation of the country.

## Corporate Social Responsibility (CSR) Policy



# CORPORATE SOCIAL RESPONSIBILITY (CSR) PERFORMANCE

In 2021, the implementation of projects under the Corporate Social Responsibility (CSR) plan can be summarized as follows:

## CSR in Process

**Get real with CSR in Process :** To achieve practical results and demonstrate mutual engagement to benefit all involved parties in the organization on the CSR in Process, it is essential to learn and understand the context of CSR in Process relating to the operation. The CSR in Process is important to the corporate operation and stakeholders since it directly impacts the Bank's growth, especially creditability and image. Therefore, the Bank improves staff skills for CSR in Process according to ISO26000 guidance on social responsibility. The Bank provides a learning channel for staff to learn 7 guidelines and take part in activities to raise awareness and create clear understanding, which will lead to the organization-wide practice of the CSR in Process and drive "the learning organization and sustainable development." In 2021, 95.2% of the staff had an understanding of the environment in the CSR in Process according to the ISO26000 standard.

**SME D Partner by CSR :** The Bank has carried out CSR activities under the participation process to develop community, society, and the environment according to ISO26000 guidance on social responsibility. It selected communities that meet the Bank's criteria, and the selected community was the Women Community and Leaders in Tha Muang Sub-district, Kanchanaburi Province. The Bank prepared a plan to strengthen communities that match the Bank's special capacities and implemented the plan under the concept "Create Jobs and Create Income" in line with the SME D Bank's policy to strengthen "Knowledge and Capital." It joined hands with community leaders to transform vocational skills into products. The Bank has employed its special capacities in providing knowledge and skills development for the community members, for instance, finance, accounting, marketing management, online marketing, and sharing of success cases as role models. In addition, the Bank cares for the environment in the community by

providing trash sorting bins and knowledge about the pros and cons of waste sorting and value addition to waste.

In the first quarter of 2021, the Bank monthly organized onsite skills training for the women community and leaders in Tha Muang Sub-district, Kanchanaburi Province. In addition, the Bank prepared online skills training courses for the convenience of locals and to prevent the spread of coronavirus (COVID-19). Online learning using Google Form and TikTok application as well as audiovisual materials enables systematic and easy-to-follow learning. The training, developed under the collaboration between 3 partners, have created jobs, career, and income for 15 local people (who are upgrading themselves as an entrepreneur)

**SME D LOVER :** The Bank has always placed importance on the project to create environmental sustainability to move forward to becoming a green organization. In doing so, the Bank launched campaigns on energy saving, water saving, reducing paper consumption, and other activities. Every month, the Bank would introduce the "Reuse & Recycled" concept to reduce energy consumption to save the environment through several channels. In addition, there was a comparison of current electricity and water bills to their previous bills to share with employees from all divisions and branches across the country.

In 2021, the Bank was concerned about potential environmental impacts, thus continued campaigns on energy saving, water conservation, and reducing paper consumption, aiming to become a greener and socially responsible organization. According to the legal requirement, the BOD of effluent discharged into natural waterways must not exceed 20 mg/liter, and the Bank's effluent BOD was 19 mg/liter. The Bank also used a composter to convert food waste into organic fertilizer in 24 hours to sustainably reduce waste. The fertilizer is used for plants in the Bank, and employees can take the rest fertilizer back for home use. In 2021, 99.4% of the staff realized and engaged in energy-saving practices.



## CSR after Process

SME D Bank not only aims for good performance and high competitive advantage but also prioritizes social and environmental responsibility according to widely accepted international standards. The Bank has promoted and supported communities and local people in 3 areas as follows:

### 1. Religious preservation :

The Bank participated in the Buddhism event “Royal Kathin Robe Offering Ceremony” in 2021 at Wat Soi Thong, Pracharat Sai 1 Road, Bang Sue Sub-district, Bang Sue District, Bangkok.

### 2. Education development :

- The Bank supports education development for Ban Kong Mong Tha School, Lai Wo Sub-district, Sangkla Buri District, Kanchanaburi Province, which is located in hard to reach rural area. It contacted the school director to visit the school in order to collect information and analyze needs. Due to travel barriers, the school is cut from outsiders’ support. The Bank has a strong intention to help the school, so it traveled with customers and staff to deliver teaching and learning materials, sports equipment, medicine, batteries, clothes, and necessary supplies to Ban Kong Mong Tha School, Lai Wo Sub-district, Sangkla Buri District, Kanchanaburi Province.
- The Bank granted scholarships and school supplies to Ban Doi Sang Border Patrol Police School, Pang Mu Sub-district, Mueang District, Mae Hong Son Province.

## 3. Social and environmental development :

CSR after Process includes those CSR activities involving entities who are not directly related to the Bank.

- SME D Bank cares for society and has the “Knowledge and Capital” policy to promote the development of Thai SMEs. The Bank has supported the vulnerable groups by leveraging the Bank’s special capacities in building their skills, such as financial management, finance, accounting, and marketing, including adding value to products and goods by the vulnerable groups under the collaboration between the SME D Bank and the Association to Empower the Potential of Women with Disabilities (AEPWWDs)
- SME D Bank supports society, presenting money donated online by its partners – both the government and private sectors – customers, and the general public in the celebration of the 20th anniversary of SME D Bank to the Neurological Institute of Thailand, Department of Medical Sciences, Ministry of Public Health for the procurement of medical supplies.
- SME D Bank cares for society, providing survival kits for flood victims in Bang Ban District, Ayutthaya Province. The branch in Ayutthaya had visited the affected areas and witnessed the hardship of customers and people in the areas; the Bank thus took part in helping society by providing the survival kits to relieve the hardship of the affected people.
- During the spread of the coronavirus (COVID-19, SME D Bank cares for society, delivering medical supplies to four field hospitals in Bangkok, Neurological Institute of Thailand, Bangkok Youth Center (Thai - Japan). The Bank also provided lunch for vulnerable people (the destitute disabled) at Klong Toei Community and delivered COVID Home Care kits to the Health and Elderly Establishment Confederation (HEC).

# CSR Projects



# SUSTAINABLE DEVELOPMENT POLICY

Small and Medium Enterprise Development Bank of Thailand is committed to being responsible for the economic system, society, and the environment; therefore, it adopted Sustainable Development Goals (SDGs) to guide its operation to become a sustainable bank. It operates in accordance with (ESG) Framework, applying good corporate governance to mobilize balanced and sustainable benefits for the country's economy, society, and environment. Its main goal is to promote sustainable corporate culture in order to create economic, social, and environmental values based on the principles of good governance.

## Good corporate governance

Good Corporate Governance is one of the three pillars of the ESG Framework and a development approach to drive the Bank toward sustainability at the global level. The Bank has deployed good corporate governance in creating sustainability and improving the Bank's efficiency.

## Economy

The Bank has developed various products and services to meet the diverse needs of customers and enhance the competitiveness of SME businesses to drive sustainable achievement. It acts as a key mechanism of the business ecosystem to develop SME capacity and enhance their access to funding sources as well as provide comprehensive support for businesses.

## Society and environment

The Bank focuses on fair human rights management and equitable customer treatment with non-discrimination as well as fair and consistent treatment of employees.

**Environment** The Bank pays attention to the workplace environment to ensure workplace safety and raise awareness of energy-saving and participate with communities in community development to improve the economy, society, and environment.

Additionally, to achieve the implementation of policy, the Board of Directors places importance on building corporate culture on sustainable development. The Corporate Governance and Corporate Social Responsibility (CG&CSR) Committee takes charge of promoting integrated the Environmental, Social and Governance (ESG) operations to encourage ESG-based practice among executives and employees in alignment with the Bank's vision, mission, and objective. There is also a system to monitor, evaluate, and report ESG performance. The performance is reviewed annually to ensure that the Bank's sustainable development policy is up-to-date and stays abreast of changes in international standards.





# COMPLAINT RECEPTION AND HANDLING

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

## 1. Complaint Channels

The Bank has channels to receive complaints and the voices of customers and stakeholders 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 Managing Director, survey, and suggestion box.
- 2) External channels are the Complaint Handling System of the Prime Minister's Office, Government Hotline 1111, BOT's Complaint Handling System, official letters to external agencies, and press agencies.

## 2. Whistleblowing Channels

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

- The Bank's website: [www.smebank.co.th](http://www.smebank.co.th)
- Email: SME D Bank's Anti-corruption Operation Center, [ACsme@smebank.co.th](mailto:ACsme@smebank.co.th), [vocs@smebank.co.th](mailto:vocs@smebank.co.th)
- By post or in person: the Chairman of the Board of Directors, the Chairman of the Audit Committee, the President of the Bank, and/or the Bank's Anti-corruption Operation Center, Head of the Internal Audit Department, Head of Employee Discipline Department, Head of Complaint Handling Department
- **Other Channels Provided by the Bank** Whistleblowers can provide their name, address, and contact phone number as well as the name of the wrongdoer and the wrongdoing with reliable evidence (if any) so that the Bank can quickly and conveniently report progress, describe facts or relieve damage. Nevertheless, the whistleblowers can choose not to reveal their identity if they consider that their reporting may harm them or cause damage.





# COMPLIANCE WITH THE OFFICIAL INFORMATION ACT B.E. 2540

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 the “Information Center,” which the public can access in order to ensure transparency, encourage public engagement, and allow public inspection.

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

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

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

1. The Bank appointed the Official Information Committee, which is empowered to develop guidelines and determine the implementation of operation and service procedures of the official information center to comply with the Official Information Act B.E. 2540.
2. The Bank shall disclose official information according to Section 7 and Section 9 of the Official Information Act B.E. 2540 on the Bank’s website: [www.smebank.co.th](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.

# GUIDELINES FOR RECRUITMENT OF DIRECTORS

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: Qualifications and Prohibited Characteristics of Non Ex-officio Directors, Managers, Persons with Power of Management and Advisors of Specialized Financial Institutions. Moreover, the recruitment and appointment of the Board of Directors shall proceed under the appointment guidelines of State Enterprise directors set by the State Enterprise Policy Office (SEPO).

The Board of Directors consists of 1 chairman, other directors for not more than 9 directors, and the Managing Director as ex-officio director, and the total number of the Board of directors must not exceed 11. The Board of Directors must have the following qualifications:

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

# DEVELOPMENT AND ASSESSMENT OF THE BOARD OF DIRECTORS

## Board Orientation for New Directors

Small and Medium Enterprise Development Bank of Thailand (SME D Bank) held the Extraordinary General Meeting of Shareholders No. 1/2564 on Monday, February 15, 2021, and the meeting resolved to appoint new directors as listed by the Ministry of Finance. The Bank organized Board Orientation for the new directors to inform them of the Bank's significant information, business operations, and operational efficiency enhancement for the Board members, as well as to create a thorough understanding of the Bank's mission and responsibilities through the following activities.

1. Organizing Board Orientation and delivering "Board of Directors Handbook," which contains essential information for the Board's responsibilities, for instance, vision, mission, objective, organizational structure, the Charter of the Board of Directors, the Code of Ethics and Conduct of the Board of Directors, authority and duties of the Board of Directors and sub-committees, Small and Medium Enterprise Development Bank of Thailand Act and Qualifications of State Enterprise Directors and Employees Act and the Bank of Thailand's Notification regarding role and responsibilities and qualifications and prohibited characteristics of directors, disclosure of assets and liabilities to National Anti-Corruption Commission, Board performance assessment, remuneration and benefits of directors and useful data for governing, regulating, and facilitating operations.
2. Presentation of significant information by the Bank's senior executives in such areas as human resources, SME D Bank's operating results, SME D Bank's 5-year strategic plan (enterprise plan) (2021-2025) and 2021 business plan (action plan), a draft of indicators according to the agreement on performance assessment 2021, key results of project implementation, relevant laws to the Bank as well as other essential information.
3. Site visits to other agencies at their head offices, meeting rooms, customer lounges, and the venue for the Core Business Process System & ERP, etc.

## Development of the Board of Directors

The Bank promotes knowledge expansion for the Board of Directors every year. It has prepared the Governance Optimization plan for the Board of Directors, which covers training, seminars, lectures, study trips, and site visits to enhance the Board's knowledge, capability, and competencies. The Bank also aims to expand the horizon in various aspects of corporate governance, such as HR management and risk management, to ensure the achievement of the Bank's mission with efficiency and effectiveness. Thus, it encourages the Board of Directors to attend training programs that benefit their role and responsibilities in sub-committees as well as interesting courses organized by well-known and established institutes such as the Thai Institute of Directors (IOD), the Bank of Thailand, and the Government Financial Institutions Association. The programs can also be those which are significant and essential for current corporate governance. In 2021, the Bank supported the Board of Directors to attend training programs, seminars, and study tours as follows:

1. RCP = Role of The Chairman Program, Thai Institute of Directors (IOD)
2. DCP = Director Certificate Program, Thai Institute of Directors (IOD)
3. DAP = Director Accreditation Program, Thai Institute of Directors (IOD)
4. BNCP = Board Nomination and Compensation Program, Thai Institute of Directors (IOD)
5. RCL= Risk Management Program for Corporate Leaders, Thai Institute of Directors (IOD)
6. Role of the Board of SFIs in Driving Core Business Enablers, The Government Financial Institutions Association
7. Cyber Resilience Leadership: Herd Immunity 2021, The Bank of Thailand

## Self-Assessment of the Board of Directors

The Board of Directors assesses their performance once a year in 3 different forms as follows:

1. Whole Board assessment
2. Individual assessment
3. Cross assessment

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

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

# SUB-COMMITTEE



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



## Board Structure

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

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

# BOARD OF EXECUTIVE DIRECTORS

## Board of Executive Directors' Structure

1. Mr. Vichak Apirugnunchai	SME D Bank's Director	Chairman
2. Mr. Wanchai Phanomchai	SME D Bank's Director	Director
3. Mrs. Chanisa Chutipat	SME D Bank's Director	Director
4. Dr. Nattapol Praditphonlert	SME D Bank's Director	Director
5. Managing Director	Director and Secretary	

## Duties and Responsibilities

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



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

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

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

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

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

12. Consider and screen loans and debt restructuring with a credit line of over 200 million Baht per case before submitting to the Board of Directors for approval.
13. Perform other tasks as assigned by the Board of Directors.



# AUDIT COMMITTEE

## Committee Structure

- |                                                                                                                                        |           |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Mr. Preecha Ua-Anantathanakul                                                                                                       | Chairman  |
| 2. Dr. Chatchai Thnarudee                                                                                                              | Member    |
| 3. Mr. Pinit Puapan                                                                                                                    | Member    |
| 4. Senior Vice President, Audit Division<br>or Vice President, Internal Audit Department (according to the Charter of Audit Committee) | Secretary |

## Duties and Responsibilities

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

# RISK OVERSIGHT COMMITTEE



(Effective from September 22, 2021 - Present)

Mr. Vichit Kornvityakoon

Expert

Advisor

## Committee Structure

1. Asst. Prof. Dr. Tippawan Pinvanichkul	SME D Bank's Director	Chairman
2. Miss Sapatporn Tharmmaphornphilas	SME D Bank's Director	Member
3. Managing Director		Member
4. Senior Executive Vice President, Compliance and Risk Management Group		Secretary
5. Executive Vice President, Risk Management Division		Assistant Secretary

## Committee Structure

(Effective from February 24, 2021 - September 21, 2021)

1. Asst. Prof. Dr. Tippawan Pinvanichkul	SME D Bank's Director	Chairman
2. Miss Sapatporn Tharmmaphornphilas	SME D Bank's Director	Member
3. Managing Director		Member
4. Executive Vice President, Risk Management Division		Secretary

## Duties and Responsibilities

The Risk Oversight Committee performs duties and responsibilities according to the policy, its charter, rules and regulations, and relevant orders.

# NOMINATION AND REMUNERATION COMMITTEE

## Committee Structure

(Effective from September 22, 2021 - Present)

1. Mr. Wanchai Phanomchai	SME D Bank's Director	Chairman
2. Mrs. Chanisa Chutipat	SME D Bank's Director	Member
3. Miss Sapatporn Tharmmaphornphilas	SME D Bank's Director	Member
4. Managing Director		Member
5. Senior Executive Vice President, Organization Support Group		Secretary
6. Executive Vice President, Resources Management Division		Assistant Secretary

## Committee Structure

(Effective from February 18, 2021 - September 22, 2021)

1. Mr. Wanchai Phanomchai	SME D Bank's Director	Chairman
2. Mrs. Chanisa Chutipat	SME D Bank's Director	Member
3. Miss Sapatporn Tharmmaphornphilas	SME D Bank's Director	Member
4. Executive Vice President, Resources Management Division		Secretary

## Duties and Responsibilities

1. Devise policy, criteria, and procedure for recruiting Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President and First Executive Vice President and nominate them to the Board of Directors for approval.
2. Screen and nominate qualified candidates for the Director position under the law, rules, and regulations, and the Bank's good governance principles. Analyze skills and necessary knowledge based on the Bank's Skill Matrix and consider the candidates listed in the Director's Pool of the Ministry of Finance. Check the background and work performance from the past to the present to avoid conflicts of interest. Nominate the candidates to the Board of Directors and/or shareholders for approval before seeking approval from the Bank of Thailand.
3. Review and approve the succession plan and management process of executives, namely Senior Executive Vice President and First Executive Vice President, Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President or Executive Vice President to maintain business continuity, which benefits the operations, and ensure efficient management of the Bank.
4. Specify the guidelines for evaluating sub-committees' performance according to the good corporate governance principles.
5. Approve the criteria for annual performance evaluation, criteria for salary increases or criteria for bonus payment when the Bank has gained profit and received approval from the State Enterprise Policy Office (SEPO), to the Senior Executive Vice President and First Executive Vice President and Executive Vice President and the person who performs duties equivalent to Senior Executive Vice President, or Executive Vice President. Duties and responsibilities as well as relevant risks must be taken into account. Then the Committee proposes the criteria to the Board of Directors for approval.

6. Disclose the policy on human resources management, recruitment, and remuneration in various forms and include the information in the Bank's annual report.
7. Approve the criteria and process for employment, appointment, and promotion of employees levels 11-13 as nominated by the Managing Director.
8. Propose guidelines and recommendations for improving the efficiency of the Bank's human resources management, such as the organizational structure, the Bank's employee compensation structure, employee development and empowerment, guidelines for efficient employee management, and guidelines for improvement of employee disciplinary procedures, etc.
9. Perform other duties related to human resources management, nomination, and remuneration as assigned by the Board of Directors.



# EMPLOYEE RELATIONS COMMITTEE

## Committee Structure

(Effective from September 10, 2021 onward)

1. Mr. Vichak Apirugnunchai	SME D Bank's Director	Chairman
2. Mr. Jessada Chor. Charoenying	Employer Representative	Member
3. Mr. Pichit Mitrawong	Employer Representative	Member
4. Mr. Chatri Wetsoranasutee	Employer Representative	Member
5. Mr. Saree Musigerst	Employer Representative	Member
6. Miss Kunlaya Chalermchokchai	Employer Representative	Member
7. Mr. Khemmachat Apiratchatanont	Employer Representative	Member
8. Mr. Piwat Chaiyanukij	Employer Representative	Member
9. Mr. Phornwisit Reungdit	Employee Representative	Member
10. Mr. Viroj Pornlertpong	Employee Representative	Member
11. Mr. Apisak Silapasit	Employee Representative	Member
12. Mr. Prakit Kopolrat	Employee Representative	Member
13. Mr. Thatsana Phandej	Employee Representative	Member
14. Mrs. Jiraporn Uttarit	Employee Representative	Member
15. Mr. Phairat Runpho	Employee Representative	Member

## Committee Structure

(Effective from February 24, 2021 - September 9, 2021)

### Chairman

Mr. Vichak Apirugnunchai

Director, SME D Bank

### Employer representatives

1. Mr. Samanpong Klienglumyong

Senior Executive Vice President,  
Branch and Entrepreneur Development Group

2. Mr. Jessada Chor. Charoenying

Senior Executive Vice President  
Credit Analysis and Operation Group

3. Mr. Saree Musigerst

Executive Vice President, Legal Division

4. Mr. Pichit Mitrawong

Executive Vice President,

Strategy and Public Policy Division

5. Miss Kunlaya Chalermchokchai

Executive Vice President,

Treasury and Accounting Division

6. Mr. Khemmachat Apiratchatanont

Executive Vice President,

Resources Management Division

7. Mr. Praves Masawat

Vice President, Process Improvement Department

### Employee representatives

1. Mr. Cherngchai Pornwattana

Chairman, SME D Bank Labor Union

2. Miss Khampin Pimporn

Vice Chairman, SME D Bank Labor Union

3. Mr. Putthinan Suyanan

Vice Chairman, SME D Bank Labor Union

4. Mr. Pongsatorn Mantawong

Director, SME D Bank Labor Union

5. Mr. Pasakorn Suriyo

Director, SME D Bank Labor Union

6. Mrs. Jiraphakchaya Nipawan

Director, SME D Bank Labor Union

7. Mrs. Siriporn Sangchan

Secretary, SME D Bank Labor Union

## Committee Structure

(Effective from June 8, 2020 - February 23, 2021)

### Chairman

Mr. Chanvit Nakburee

SME D Bank's Director

### Employer Representatives

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

### Employee representatives

1. Mr. Cherngchai Pornwattana  
Chairman, SME D Bank Labor Union
2. Miss Khampin Pimporn  
Vice Chairman, SME D Bank Labor Union
3. Mr. Putthinan Suyanan  
Vice Chairman, SME D Bank Labor Union
4. Mr. Pongsatorn Mantawong  
Member, SME D Bank Labor Union
5. Mr. Pasakorn Suriyo  
Member, SME D Bank Labor Union
6. Mrs. Jiraphakchaya Nipawan  
Member, SME D Bank Labor Union
7. Mrs. Siriporn Sangchan  
Secretary, SME D Bank Labor Union

The Vice President of the Human Resources Management Department shall act as a secretary of the Employee Relations Committee. The Committee shall be responsible for duties and responsibilities set forth in Section 23 of the State Enterprise Labor Relations Act B.E. 2543. The Committee members shall hold office for a term of two 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 means to reconcile or settle labor disputes.
3. Revise work rules and regulations to benefit the employer, employees, and the Bank.
4. Discuss and resolve complaints of SME D Bank's employees or labor union, including complaints regarding disciplinary action.
5. Provide consultation on the improvement of employment conditions.



# CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY (CG&CSR) COMMITTEE

## Committee Structure

(Effective from September 22, 2021 - Present)

1. Dr. Chatchai Thnarudee	Chairman
2. Mr. Chatri Wetsoranasutee	Member
3. Mr. Jessada Chor. Charoenying	Member
4. Mr. Saree Musigerst	Member
5. Mrs. Ubolrat Karpang	Member
6. Mr. Cherdchai Ouanmin	Secretary

## Committee Structure

(Effective from February 24, 2021 - September 21, 2021)

1. Dr. Chatchai Thnarudee	Chairman
2. Mr. Pinit Puapan	Member
3. Mr. Samanpong Klienglumyong	Member
4. Mr. Jessada Chor. Charoenying	Member
5. Mrs. Ubolrat Karpang	Member
6. Mr. Cherdchai Ouanmin	Secretary

## Duties and Responsibilities

1. Screen the policy on Corporate Governance and Corporate Social Responsibility (CG&CSR) as well as the charter and propose them to the Board of Directors for consideration.
2. Approve review of the policy on Corporate Governance and Corporate Social Responsibility (CG&CSR) and the charter and propose them to the Board of Directors for acknowledgment, except for the case of significant change, which shall be proposed to the Board of Directors for consideration.
3. Approve the handbook and action plan of Corporate Governance and Corporate Social Responsibility (CG&CSR)
4. In case any laws, regulations, or standards require approval of the Board of Directors, the CG&CSR Committee has the responsibility to review and approve before proposing them to the Board of Directors for approval.
5. Monitor the Bank's operations to ensure that they align with the good governance policy and approach as well as achieve the targets of the Corporate Governance and Corporate Social Responsibility (CG&CSR) action plan.
6. Promote continuous engagement of the Board of Directors, executives, and employees in corporate governance and social and environmental responsibility activities.
7. Provide recommendations to the Board of Directors and supervise the operation of the Committee and the management to ensure compliance with the Bank's regulations and relevant laws.
8. Appoint the steering committee to facilitate corporate governance and social and environmental responsibility activities.
9. Perform other duties related to corporate governance and corporate social responsibility as assigned by the Board of Directors.



# MANAGING DIRECTOR'S PERFORMANCE APPRAISAL COMMITTEE

## Committee Structure

1. Miss Sapatporn Thammaphornphilas	SME D Bank's Director	Chairman
2. Asst. Prof. Dr. Tippawan Pinvanichkul	SME D Bank's Director	Member
3. Mr. Vichit Kornvityakoon	Expert	Member
4. Executive Vice President, Strategy and Public Policy Division		Secretary

## Duties and Responsibilities

1. Determine the criteria for performance appraisal of the Managing Director.
2. Consider and specify the guideline for performance appraisal and increase of fixed compensation and special compensation for the Managing Director.
3. Appraise the Managing Director's performance and report the results to the Board of Directors for consideration.
4. Perform other duties related to the determination of compensation as assigned by the Board of Directors.

# INFORMATION TECHNOLOGY (IT) MANAGEMENT COMMITTEE

## Committee Structure

(Effective from September 22, 2021 - Present)

1. Mrs. Chanisa Chutipat	SME D Bank's Director	Chairman
2. Mr. Maythapolnun Athimethphat		Member
3. Mrs. Amara Klabprathum		Member
4. Mr. Verawat Srisom		Member
5. Managing Director		Member
6. Senior Executive Vice President, Organization Support Group		Secretary
7. Senior Vice President Digital Business and Information Technology Division		Assistant Secretary

## Committee Structure

(Effective from February 24, 2021 - September 21, 2021)

1. Mrs. Chanisa Chutipat	SME D Bank's Director	Chairman
2. Asst. Prof. Dr. Tippawan Pinvanichkul	SME D Bank's Director	Member
3. Mr. Maythapolnun Athimethphat	External Expert	Member
4. Mrs. Amara Klabprathum	External Expert	Member
5. Mr. Verawat Srisom	External Expert	Member
6. Managing Director		Member
7. Senior Vice President Digital Business and Information Technology Division		Secretary

## Duties and Responsibilities

Oversee the formulation of the IT policy, strategies, and IT Road Map for SME D Bank that align with the Bank's strategies.

1. Oversee the development and improvement of the Bank's overall IT infrastructure to ensure alignment, stability, and sufficient potential to provide continuous services.
2. Oversee and monitor IT operations and IT risk management.
3. Approve policies relevant to IT operations as assigned by the SME D Bank's Board of Directors.
4. Report the IT performance to the Board of Directors for acknowledgment on a quarterly basis.



# WORKING COMMITTEE FOR REVIEWING 5-YEAR DIGITAL STRATEGY MASTER PLAN AND DIGITAL ACTION PLAN (2020-2024)

## Committee Structure

1. Mrs. Chanisa Chutipat	SME D Bank's Director	Chairman
2. Mr. Wanchai Phanomchai	SME D Bank's Director	Member
3. Mr. Maythapolnun Athimethphat	External Expert	Member
4. Mr. Ataporn Tragulmalee	Senior Vice President Digital Business and Information Technology Division	Member
5. Miss Sumavasee Salasuk	Senior Vice President, Digital Business Development Department	Member 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. Have authority to invite internal or external experts/advisors to join discussion and provide opinions or to invite involved persons to attend the meeting to provide opinions.
4. Perform other duties as assigned by the Board of Directors.

# KNOWLEDGE AND INNOVATION MANAGEMENT (KM) COMMITTEE

## Committee Structure

1. Dr. Nattapol Praditphonlert	SME D Bank's Director	Chairman
2. Dr. Pakorn Prechaporn	Expert	Member
3. Professor Dr. Supachai Patomnakul		Member
4. Senior Executive Vice President, Organization Support Group		Member
5. Senior Executive Vice President, Corporate Strategy, Business Development and Entrepreneurship Group		Secretary
6. Senior Executive Vice President, Business-Product-Service Development Division		Assistant Secretary
7. Senior Vice President Digital Business and Information Technology Division		Assistant Secretary

## Duties and Responsibilities

1. Determine and review policy and strategy for the development of knowledge management, promote creative ideas and innovation management and present them to the Board of Directors for consideration.
2. Approve both long-term and annual master plan for knowledge and innovation management.
3. Determine and review the promotion and support of activities for the development of knowledge and innovation management, engaging the executives and employees in contributing creative ideas and innovation management.
4. Oversee and monitor implementation results of the knowledge and innovation management master plan on a quarterly basis to ensure that the annual operation plan achieves its targets.
5. Appoint steering committees or invite related persons or agencies who can support and stimulate departments to contribute their creative ideas and manage innovation.
6. Refrain from disclosing the Banks' internal information to the public to obtain benefits, directly or indirectly, for one's own or for relevant parties.
7. Perform other duties related to knowledge and innovation management as assigned by the Board of Directors.

# INVESTMENT COMMITTEE SMES PRIVATE EQUITY FUND 1

## Committee Structure

(Effective from October 27, 2021 - Present)

1. Dr. Nattapol Praditphonlert	Chairman
2. Mr. Weidt Nuchjalearn	Member
3. Mr. Boonrat Winyukanon	Member
4. Mr. Chatri Wetsoranasuttee	Member

## Committee Structure

(Effective from April 9, 2021 - October 26, 2021)

1. Dr. Nattapol Praditphonlert	Chairman
2. Mr. Weidt Nuchjalearn	Member
3. Mr. Chatri Wetsoranasuttee	Member

## Committee Structure

(Effective from March 10, 2021 - April 8, 2021)

1. Dr. Nattapol Praditphonlert	Chairman
2. Mr. Kriengkrai Rukkulchon	Member
3. Mr. Weidt Nuchjalearn	Member
4. Mr. Chatri Wetsoranasuttee	Member

## Committee Structure

(Effective from January 2020 - March 9, 2021)

1. Mr. Samanpong Klienglumyong	Chairman
2. Mr. Surapol Opassathien	Member
3. Mr. Weidt Nuchjalearn	Member

## Duties and Responsibilities

1. Determine the trust fund investment policy.
2. Approve venture capital transactions and determine practice guidelines for venture capital, risk prevention, and venture capital exit strategies, as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies in relation to joint investment in the trust.
3. Supervise the operation of the trust manager.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Approve the trust's investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other duties as assigned by the meeting of the Board of Directors or the unitholders.

# INVESTMENT COMMITTEE SMES PRIVATE EQUITY FUND 2

## Committee Structure

(Effective from March 10, 2021 - Present)

1. Asst. Prof. Dr. Tippawan Pinvanichkul	Chairperson
2. Mr. Bunsak Siprasertying	Member
3. Miss Phensri Suthirasan	Member
4. Mr. Chatri Wetsoranasutee	Member

## Committee Structure

(Effective from January 2020 - March 10, 2021)

1. Mr. Samanpong Klienglumyong	Chairman
2. Mr. Boonsak Chiempricha	Member
3. Miss Phensri Suthirasan	Member

## Duties and Responsibilities

1. Determine the trust fund investment policy.
2. Approve venture capital transactions and determine practice guidelines for venture capital, risk prevention, and venture capital exit strategies, as well as debt restructuring and litigation and other procedures to ensure compliance with the requirements and policies of joint investment in the trust.
3. Supervise the operation of the trust manager.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Approve the trust's investment plan and estimates of annual expenditure as proposed by the trust manager.
6. Perform other duties as assigned by the meeting of the Board of Directors or the unitholders.



# INVESTMENT COMMITTEE FOR VENTURE CAPITAL FUND FOR SMES IN AGRIBUSINESS AND RELATED BUSINESSES

## Committee Structure

(Effective from March 10, 2021 - Present)

- |                                      |          |
|--------------------------------------|----------|
| 1. Miss Sapatporn Tharmmaphornphilas | Chairman |
| 2. Mr. Chatri Wetsoranasutee         | Member   |
| 3. Mrs. Ubolrat Karpang              | Member   |

## Committee Structure

Effective from January 2020 - March 9, 2021)

- |                                |          |
|--------------------------------|----------|
| 1. Mr. Samanpong Klienglumyong | Chairman |
| 2. Mr. Chatri Wetsoranasutee   | Member   |
| 3. Mrs. Ubolrat Karpang        | Member   |

## Duties and Responsibilities

1. Determine the investment policy and practice guidelines for venture capital and investment risk prevention.
2. Approve venture capital transactions and venture capital exit strategies, as well as debt restructuring and litigation, and other procedures to ensure compliance with the requirements and policies of venture capital.
3. Supervise the operation of the fund.
4. Appoint the sub-committee or other steering committee as deemed appropriate.
5. Perform other duties as assigned by the Board of Directors.



# LEGAL COMMITTEE



## Committee Structure

1. Mr. Adisai Euin	Chairman
2. Mr. Kriengkrai Rukkulchon	Member
3. Mr. Warit Somsong	Member
4. Executive Vice President, Legal Division	Secretary

## Duties and Responsibilities

1. Review laws and examine legal matters, including legal transactions and contracts, as assigned by the Board of Directors and the Board of Executive Directors to ensure compliance with relevant laws, rules, regulations, and orders.
2. Provide consultation, advice, and recommendations on legal matters and report to the Board of Directors to comply with relevant laws, rules, regulations, and orders.
3. Attend meetings of the Board of Directors and the Board of Executive Directors when invited by the management.
4. Have authority to request information, documents, and explanation from any units and involved staff.
5. Appoint the sub-committee or other steering committee as deemed appropriate.
6. Perform other duties as assigned by the Committee.

# DISCLOSURE OF INFORMATION OF THE BOARD OF DIRECTORS, THE BOARD OF EXECUTIVE DIRECTORS, AND SENIOR EXECUTIVE VICE PRESIDENTS

As of December 31, 2021

	Mr. Kobchai Sungsitthisawad	Mr. Vichak Apirugnunchai	Ms. Sapatporn Thammaphorphilas	Mr. Wanchai Phanomchai	Mrs. Chanisa Chutipat	Mr. Preecha UaAnantathanakul	Dr. Chatchai Thnarudee	Dr. Nattapol Praditphonlert
	Chairman	Director	Director	Director	Director	Director	Director	Director
<b>Remarks</b> Date taking office / and Date office expired	Date office expired: Feb 14, 2021 Reappointment date: Feb 15, 2021	Date taking office: Feb 15, 2021	Date taking office: Feb 15, 2021	Date office expired: Feb 14, 2021 Reappointment date: Feb 15, 2021	Date office expired: Feb 14, 2021 Reappointment date: Feb 15, 2021	Date office expired: Feb 14, 2021 Reappointment date: Feb 15, 2021	Date taking office: Feb 14, 2021	Date taking office: Feb 15, 2021
1. Directors retiring by rotation on Feb 14, 2021								
2. Directors retiring by rotation on Feb 14, 2021 and reappointed on Feb 15, 2021								
1. Holding a position as a Director in a state enterprise and/or a juristic person where the state enterprise is a shareholder of no more than 3 places	All Directors hold positions in no more than 3 state enterprises.							
2. Reporting on the connected transactions between Directors and their close relatives and the Small and Medium Enterprise Development Bank of Thailand	Director, spouse, and minor children of each Director neither have credit transactions nor are a partner with the bank personally, or a legal entity in which the Director is a shareholder, or authorized signatory, or executive, or guarantor.							
3. Director's Pool	✓	✓	✗	✗	✓	✓	✓	✓
4. Holding a position or shares of the companies where Small and Medium Enterprise Development Bank of Thailand is a shareholder	Related Not Related	Related Not Related	Related Not Related	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 Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
3. Innospace (Thailand) Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
4. National Digital ID Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
5. Chao Praya Insurance Public Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
6. Electrical Engineering and Energy-Saving Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
7. Wattasarn Media Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
8. Pettec Inter Group Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
9. Thai Fashion Center Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
10. Techno Asia Tire Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
11. Bangkok Marine Engineering Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
12. Thai Umaporn Textile Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
13. Manita Ming Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
14. Arto Wood (Thailand) Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
15. BITEC Cool Block Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
16. Khao Yai Panorama Farm Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
17. Virgin F&B Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
18. Tree N Cassava By Products Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
19. Insurtech Solutions Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
20. Company B Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
21. Pet Club Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
22. Srirang Logistics Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
23. Neutron Service Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
24. General Outsourcing Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
25. Nova Organic Public Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
26. Delta Paint Public Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
27. Storage Asia Company Limited	✗	✗	✗	✗	✗	✗	✗	✗
28. KT Medical Service Company Limited	✗	✗	✗	✗	✗	✗	✗	✗

(As of December 31, 2021)

**Remarks :** Mr. Chanwit Nakburee, Director, was assigned by State Enterprise Policy Office (SEPO) to take the position of Director of National Credit Bureau Company Limited. The Bank agreed and assigned Mr. Chanwit to take the position of Director of National Credit Bureau Company Limited.  
Ms. Nartnaree Rathaphat, President, was assigned as the Bank's representative to be Director of National Credit Bureau Company Limited.



# MEETING ATTENDANCE, REMUNERATION AND MEETING ALLOWANCE OF THE BOARD OF DIRECTORS, THE BOARD OF EXECUTIVE DIRECTORS, AND SENIOR EXECUTIVE VICE PRESIDENTS IN 2021

As of December 31, 2021

No.	Name	Monthly remuneration (12 months)	Board of Directors' monthly meeting allowance (total)	Board of Executive Directors' monthly meeting allowance (total)	Audit Committee's monthly meeting allowance (total)	Meeting Attendance		
						Board of Directors (Meetings attended/ Total meetings)	Board of Executive Directors (Meetings attended/ Total meetings)	Audit Committee (Meetings attended/ Total meetings)
1.	Mr. Kobchai Sungsitthisawad	240,000.00	350,000.00			Chairman (20/20)		
2.	Mr. Vichak Apirugnunchai	104,666.62	260,000.00	125,000.00		Director (17/17)	Chairman (15/15)	
3.	Ms. Sapatporn Tharmmaphornphilas	104,666.62	260,000.00			Director (16/17)		
4.	Mr. Wanchai Phanomchai	120,000.00	280,000.00	70,000.00		Director (20/20)	Director (13/15)	
5.	Mrs. Chanisa Chutipat	120,000.00	280,000.00	80,000.00		Director (20/20)	Director (14/15)	
6.	Mr. Preecha Ua-Anantathanakul	120,000.00	260,000.00		290,000.00	Director (18/20)		Chairman (15/15)
7.	Dr. Chatchai Thnarudee	104,666.62	260,000.00		200,000.00	Director (17/17)		Member (13/13)
8.	Dr. Nattapol Praditphonlert	104,666.62	260,000.00	100,000.00		Director (17/17)	Director (15/15)	
9.	Assist. Prof. Dr. Tippawan Pinwanichkul	104,666.62	260,000.00			Director (17/17)		
10.	Mr. Pinit Puapan	30,999.89	100,000.00		52,666.73	Director (7/7)		Member (3/3)
11.	Mr. Chanvit Nakburee	14,666.62	40,000.00	12,500.00		Director (3/3)	Chairman (1/1)	
12.	Ms. Chunhachit Sungmai	14,666.62				Director (0/3)		
13.	Dr. Seree Nonthasoot	14,666.62	40,000.00		50,000.00	Director (3/3)		Chairman (2/2)
14.	Mr. Kriengkrai Rukkulchon	14,666.62	20,000.00	10,000.00		Director (1/3)	Director (1/1)	
15.	Ms. Nartnaree Rattapat	120,000.00	280,000.00	110,000.00		Director and Secretary (20/20)	Director and Secretary (16/16)	
16.	Mr. Jessada Chor. Charoenying							
17.	Mrs. Wimolrat Piyasathapornpong							
18.	Mr. Pichit Mitrawong							
19.	Mr. Mogul Posayapisith							
20.	Mr. Chatri Wetsoranasutee							
21.	Mr. Samanpong Klienglumyong							
<b>Remuneration and Meeting Allowance</b>		<b>1,332,999.47</b>	<b>2,950,000.00</b>	<b>507,500.00</b>	<b>592,666.73</b>	<b>2,950,000.00</b>	<b>507,500.00</b>	<b>712,666.73</b>

#### Remarks :

- The following SME D Bank's Board members were appointed at the Extraordinary General Meeting of Shareholders No. 2/2017 on November 9, 2017 and their terms expired on February 14, 2021.
  - Mr. Chanvit Nakburee
  - Ms. Chunhachit Sungmai
  - Dr. Seree Nonthasoot
  - Mr. Kriengkrai Rukkulchon
- The following SME D Bank's Board members whose terms had expired were appointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.
  - Mr. Kobchai Sungsitthisawad
  - Mr. Wanchai Phanomchai
  - Mrs. Chanisa Chutipat
  - Mr. Preecha Ua-Anantathanakul
- The following SME D Bank's Board members were reappointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.
  - Mr. Vichak Apirugnunchai
  - Ms. Sapatporn Tharmmaphornphilas
  - Dr. Chatchai Thnarudee
  - Dr. Nattapol Praditphonlert
  - Assist. Prof. Dr. Tippawan Pinwanichkul
  - Mr. Pinit Puapan
- Mr. Pinit Puapan resigned from SME D Bank's Board of Directors, effective from May 20, 2021.
- The following Executive Directors was appointed at SME D Bank's Board of Directors' Meeting No. 19/2018 on September 27, 2018 and No. 8/2019 on April 25, 2019. Their terms expired on February 15, 2021.
  - Mr. Chanvit Nakburee
  - Mr. Kriengkrai Rukkulchon

Meeting Attendance and Meeting Allowance										
Risk Oversight Committee  (Meetings attended/ Total meetings)	Nomination and Remuneration Committee  (Meetings attended/ Total meetings)	Employee Relations Committee  (Meetings attended/ Total meetings)	Corporate Governance Committee (CG&CSR)  (Meetings attended/ Total meetings)	Performance Appraisal & Remuneration Committee  (Meetings attended/ Total meetings)	Information Technology Management Committee  (Meetings attended/ Total meetings)	Legal Committee  (Meetings attended/ Total meetings)	Knowledge and Innovation Management Committee  (Meetings attended/ Total meetings)	Investment Committee SMEs Private Equity Fund 1  (Meetings attended/ Total meetings)	Investment Committee SMEs Private Equity Fund 2  (Meetings attended/ Total meetings)	Venture Capital Fund for SMEs in Agribusiness and Related Businesses  (Meetings attended/ Total meetings)
		Chairman <sup>5</sup> (4/4) Chairman <sup>4</sup> (6/6)								
Member (10/10)	Member <sup>1</sup> (15/17) Member <sup>2</sup> (2/17)			Chairman (6/6)						Chairman (2/3)
	Chairman <sup>1</sup> (15/17) Chairman <sup>2</sup> (2/17)									
	Member <sup>1</sup> (15/17) Member <sup>2</sup> (2/17)									
			Chairman (9/9)							
Chairman (10/10)				Member (6/6)	Member (3/15)		Chairman (4/4)	Chairman (12/12)		Chairman (4/6)
			Member (3/9)							
						Member (10/10)		Member (0/12)		
Member (10/10)	Member <sup>2</sup> (2/17)									
Secretary (4/4)		Member <sup>3</sup> (4/4) Member <sup>4</sup> (5/6)	Member (6/9)							
	Secretary <sup>2</sup> (2/17)									
		Member <sup>3</sup> (4/4)								
Secretary (6/6)					Member (1/15)					
		Member <sup>3</sup> (4/4)								
		Member <sup>4</sup> (5/6)	Member (7/9)		Member (1/15)			Chairman (1/1)	Chairman (2/6)	Chairman (1/3)
215,000.00	237,500.00	357,800.00	155,000.00	80,000.00	425,000.00	70,000.00	67,500.00			25,000.00

6. The following Executive Directors were reappointed following the meeting resolution of SME D Bank's Board of Directors No. 5/2021 on February 24, 2021.

6.1 Mr. Vichak Apirugnuchai 6.2 Mr. Wanchai Phanomchai 6.3 Mrs. Chanisa Chutipat 6.4 Dr. Nattapol Praditphonier

7. SME D Bank's Board of Directors No. 05/2021 Re: Appointment of the Audit Committee, effective from February 24, 2021

- Order No. 07/2021 Re: Appointment of the Risk Oversight Committee, effective from February 24, 2021

- Order No. BorKor.304/2021 Re: Appointment of Executives, effective from September 8, 2021. Mr. Mogul Posayapith was appointed Senior Executive Vice President, Group of Corporate Strategy, Business Development and Entrepreneurship. Mr. Jessada Chor. Charoenying was appointed Senior Executive Vice President, Group of Compliance and Risk Management, serving as Secretary and Acting Head of Risk Management Division

8. <sup>1</sup>SME D Bank's Board of Directors No. 05/2021 Re: Nomination and Remuneration Committee, effective from February 18, 2021 - September 21, 2021

9. <sup>2</sup>SME D Bank's Board of Directors No. 37/2021 Re: Nomination and Remuneration Committee, effective from September 22, 2021 - Present

10. <sup>3</sup>SME D Bank's Board of Directors No. 32/2021 Re: Employee Relations Committee, effective from September 10, 2021 - Present

11. <sup>4</sup>SME D Bank's Board of Directors No. 09/2021 Re: Employee Relations Committee, effective from February 24, 2021 - September 9, 2021

# RISK MANAGEMENT



## Risk Management Overview

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

In the fiscal year 2021, the Bank established direction and strategies for risk management to support the overall operation to achieve predefined goals and objectives as follows:

1. The Bank has adopted the approaches of widely accepted risk management standards that are aligned with the Bank's mission and activities, as well as integrating with the corporate strategies. Risk management plans and measures were established to ensure aligned operations. There have been regular reviews of risk management approaches or special reviews when there are incidents or significant changes to ensure the efficiency and effectiveness of risk management policy and implementation.
2. The Bank has put in place the management system of major risks, such as the development of an operational risk management system and data collection system of losses and incidents to provide a database for calculating capital adequacy in compliance with international standards. An early warning system has been developed for monitoring and signaling warning alerts based on key risk factors related to the organization's objectives.
3. The Bank holds all work units accountable for risk management, namely the Board of Directors, the management, and staff. The Bank assigned particular executives, such as a vice president, to take charge of risk management through a risk agency to raise awareness and internalize risk management as part of the corporate risk culture.

The Bank places great importance on communication and creating understanding among the Bank's stakeholders on issues relating to good corporate governance, risk management, and internal control via various channels such as the Bank's website, printed materials, and reports. 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 corporate governance and internal control.

4. The Bank has continually and timely developed workforce and tools for risk management to achieve professionalism in managing risk appetite and to ensure that the Bank's goals are achieved with efficiency and effectiveness.
5. The Bank ensures that the Bank's risk management complies with the Enterprise Risk Management principles by cultivating risk management as corporate culture and actively engaging 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 and the managing director as committee members while the operations and risk management division functions as the secretariat. The Risk Oversight Committee (ROC) is responsible for devising risk management 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 senior executives in charge of different groups oversee risk management of the units under their supervision and also take part in risk management as committee members.

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

## Risk Factors and Risk Management

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

In 2021, 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 implementation that are inappropriate or inconsistent with external factors and the external environment. It affects earnings, capital fund, or viability of the business, or consideration of how the Bank's current or future activities affect its viability or sustainable growth.

The Bank has managed the strategic risk as follows:

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

2. Determine 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. Adopt the COSO framework in developing a risk management plan in accordance with the State Enterprise Performance Appraisal, which links risk management to the Bank's goals and strategic plans. Internal and external risk factors that may affect the goals of the Bank's business plan were also taken into account, including risk appetite and risk tolerance. The Bank has developed the risk map and management plans to manage risks at acceptable levels and drive toward achieving the Bank's goals. Furthermore, the Bank has monitored and reported the results of risk management to the related committees on a quarterly basis.
4. Monitor the strategic risk status and regularly report to relevant committees and monthly to the Risk Oversight Committee for improvement or determining operational guidelines to achieve the set targets.

## Credit Risk

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

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

1. Ensure that there is a credit policy review so that SME D Bank has a good credit approval standard in line with BOT's regulations and guidelines and determines



specific industry ratings for quality credit expansion. Set up a collective approach to credit assessment using data from the National Credit Bureau as criteria. This will contribute to an appropriate customer risk assessment after credit approval and improve risk management efficiency in different customer groups classified by risk level.

2. Establish a scoring matrix system that uses the National Credit Bureau score (NCB Score) as data input for assessing customer risk levels to aid in credit review and approval. Set up the credit scoring/credit rating system by considering both qualitative and quantitative factors based on internal and external data sources to increase credit risk management efficiency and credit service provision.
3. Determine an acceptable risk limit for each industry. Monitor and control credit provision to prevent concentration of lending in a certain industry and to manage credit portfolio in line with the Bank's risk appetite.
4. Monitor the quality of the credit portfolio by rating customer risk based on certain risk factors, e.g., repayment history, to determine the appropriate credit package for creating liquidity and improving debt structure in a comprehensive and timely manner.
5. Create a credit risk dashboard that features indicators for credit quality monitoring and control. The dashboard shall signal alerts in accordance with customers' risk levels and allow customer account handlers to follow up on at-risk customers and prepare preventive measures before they become NPLs. For instance, the dashboard will signal alerts when customers' accounts fall into the yellow risk level, then those responsible for the accounts will come up with measures to prevent them from reaching the red risk level.
6. Create a support system to facilitate the Bank's asset classification and provisioning according to TFRS 9 on financial instruments to get ready for the adoption of TFRS 9 for SME D Bank's financial statement preparation.
7. Arrange stress tests by taking into account past events and macroeconomic forecasts to estimate the probable losses to the SME D Bank's funds. The results will be prepared according to the regulatory agencies'

prescribed format and reported to the Risk Oversight Committee and the Board of Directors at least twice a year and to the Bank of Thailand once a year.

## Market Risk

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

The Bank has managed the market risk as follows:

1. Determine relevant market risk management policies, for example, policy on market risk management, policy on interest rate risk management in banking accounts, and policy on trading and banking book management, to be the framework and guidelines for management and control of market risk. The Bank also reviews the policies annually.
2. Prepare tools for measuring and assessing market risks, such as:
  - Analysis of repricing gap, or remaining maturity by comparing assets, liabilities, and off-balance-sheet positions; assessment of the impact of interest rate changes on the Bank's earnings and economic value, and
  - Measurement of the impact of changes in risk factors, such as the measurement impact of the dollar change in a bond's value to a change in the market interest rate (DV01), the fair value measurement of debt instruments, and foreign currency transactions.
3. Monitor and control market risk by implementing the following measures:
  - Setting market risk limits and reviewing them annually to maintain appropriate risk limits
  - Preparing a report on investment status and a report on market risk situation to be submitted to the Board of Directors and involved executives on a regular basis
  - Controlling market risk by the management and relevant committees, such as the Asset and Liability Management Committee and the Risk Oversight Sub-committee

## Liquidity Risk

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

SME D Bank has employed the following measures to manage liquidity risk:

1. Determine liquidity risk management policy as a framework and guidelines for management and control of the Bank's liquidity risk and review the policy annually.
2. Set up liquidity risk assessment and measurement tools, such as:
  - Preparing a status report of the liquidity gap
  - Measuring and assessing liquidity risk using financial ratios, such as large deposit concentration ratio, maintenance of liquid assets, and liquidity mismatches
  - Testing liquidity crisis regularly using simulated scenarios
  - Identifying early warning signs of abnormal liquidity situations
3. Monitor and control liquidity risk through the following actions:
  - Determining liquidity risk limits and reviewing them annually to maintain appropriate risk limits
  - Preparing a report on liquidity risk status to be submitted to the Board of Directors and relevant executives on a regular basis
  - Devising the Contingency Liquidity Plan by delegating duties and responsibilities to involved committees and executives, prescribing operational procedures and management approaches to the liquidity crisis, and testing the Contingency Liquidity Plan to ensure that the Bank is well-prepared for the liquidity crisis
  - Determining the sufficient level or quantity of liquidity cushion to guard against liquidity risk under normal and stress scenarios

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

## 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.

SME D Bank has employed the following measures to manage operational risk:

1. Determine relevant operational risk management policies, comprising of operational risk management policy, business facilitator policy, and business continuity management policy, to be the framework and guidelines for management and control of the market risk of SME D Bank. The Bank also reviews the policies annually.
2. Establish measurement or assessment of operational risks by a systematic risk analysis to assess the likelihood and impact of each risk factor and to prioritize risks according to their likelihood of preventing the departments/the Bank from achieving their objectives. Risk control self-assessment enables the departments/the Bank to determine appropriate management measures for those risks. The assessment is performed once a year to ensure that all departments have adequate and continuous risk management.
3. Monitor and report on the following items:
  - 3.1 Monitoring the implementation according to the risk prevention and control plan (of the previous accounting period) of all work units and reporting to the Risk Oversight Committee (ROC) and the Audit Committee on a quarterly basis.
  - 3.2 Monitoring the risk control self-assessment annually and submitting 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. Establish risk control by supervising self-risk assessment to ensure that it reflects actual risks to enhance the effectiveness of risk management.

## Information Technology Risk

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

SME D Bank has managed information technology risk as follows:

1. Determine the information technology risk management framework and policy that comply with COBIT 2019, ISO27001/ISO27002, and NIST standards, as well as determine the IT key risk indicators to monitor and review the Bank's risks to control them within acceptable risk appetite. IT risk status is regularly reported to the Board of Directors, and the policies are annually reviewed.
2. Determine policies related to information security and supplier relationships policies.
3. Conduct the IT Risk Control Self Assessment (ITRCSA) of the Bank's key working systems and report on the assessment results to the Risk Management Sub-committee, Technology Committee, and Risk Oversight Committee.

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

## Compliance Risk

The Bank is aware of and emphasizes the importance of complying with the laws and regulations of regulatory agencies. It has the policy to adopt all regulations as a framework for oversight of compliance risks. Major laws and regulations in 2021 that affected the Bank's operations can be summarized as follows:

### 1. Personal Data Protection

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

### 2. Regulations of the Bank of Thailand (BOT)

The impact of the COVID-19 pandemic, which began in early 2020, is still ongoing and widely affecting the global economy as well as the Thai economy. The situation is also very uncertain. Up till now, the Bank has issued various measures to assist affected debtors in compliance with the measures and regulations established by the BOT to provide debtors assistance and sustainable debt restructuring. The Bank, therefore, places importance on promoting and supporting sustainable debt restructuring guidelines for its debtors in line with the Bank of Thailand's recommendations in late 2021, which will come into effect in 2022.

In addition, the Bank attaches importance to IT compliance to ensure that the development of a service system for customers is secure and complies with relevant legal standards on information technology.

### 3. The Management Approach to Fair Lending

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

In addition to the aforementioned rules and laws, the Bank as a specialized financial Institution has performed duties in compliance with the laws, rules, and regulations of various authorized agencies such as the Ministry of Finance, the State Enterprise Policy Office (SEPO), Bank of Thailand (BOT), Anti-MoneyLaundering 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 SME D Bank foster the corporate culture and promote adopting the principles of corporate governance, integrity, and code of ethics in administration and operation. This is to ensure that the Bank's personnel perform their responsibilities with a conscience to achieve the objectives, which will strengthen other control elements. The Bank stresses transparency in corporate governance and compliance with relevant laws, rules, and regulations to establish an effective control environment as follows:

- The Bank developed the handbook of corporate governance, 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.

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 corporate-wide, 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 of the customers. A suitable organizational structure and environment for business operations ensure the alignment of the internal control system with the Bank's policies and an adequate internal control system.

## 2. Risk Assessment

The Bank systematically assesses the risk of internal control by 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 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 of both internal and external compliance, as well as reporting on the overall results to the managing director, the Audit Committee, and the Board of Directors.

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

## 4. Information and Communication

The Bank has put in place an IT system that is appropriate for operations and responds to the needs of the 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 the continuity of the Bank's services.

The Bank adopted an accounting policy in compliance with accounting standards appropriate for its business. It has developed IT and database systems to ensure that important information can be sufficiently and timely retrieved. The Bank established appropriate communication systems for internal and external parties, including stakeholders, as follows:

- To communicate important issues relating to the meeting on the Bank's performance, the Bank sends meeting documents to the Board of Directors, all committees, and involved parties in advance of the meeting. This provides attendees ample time to analyze the data before making decisions, 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, online social media, Internet, Line, official Twitter account, etc., to ensure inclusive and consistent communications of the Bank's information.

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

## 5. Monitoring

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

- The Bank requires the assessment of each internal control component in all aspects to be conducted yearly, both at the organizational level and process level, through risk control self-assessment (RCSA), which is a tool for management, monitoring, and self-assessment of internal controls. The Risk Management Department reviews the adequacy and appropriateness of the assessment and provides advice on the improvement of any deficiencies in internal control. The Bank submits the summary report and the internal control sufficiency assessment form to the State Audit Office of the Kingdom of Thailand within the specified period and reports to the Risk Oversight 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 an independent and fair process of assurance and consulting services. It is a critical factor contributing to effective and efficient operations according to the SME D Bank's mission. Internal audit 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 is 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 B.E.2555 of the State Enterprise Policy Office, the Minister of Finance, notifications and policy guidelines of the Bank of Thailand, and the Code of Ethics of Internal Auditors, as guidelines for internal audit 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 the 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 organization of training and seminars.

In 2021, the Audit Division performed its duties in accordance with the internal audit guidelines of the State Enterprise Policy Office (SEPO) as follows:

### Structure of the Internal Audit Unit

The Audit Division consists of the Internal Audit Department and the Information Technology Systems Audit Department. It works independently and reports to the Audit Committee and the managing director. There is an audit division charter that clearly defines its roles and responsibilities, which has been publicized to all employees of SME D Bank via the internal communication system. Internal auditors who are assigned to administer an internal audit must disclose conflicts of interest before carrying out the work.

### Qualifications of Internal Auditors

All SME D Bank's internal auditors hold Bachelor's degree as a minimum requirement and are well-trained in knowledge, skills, and competencies appropriate to assigned tasks, so they can perform duties with expertise and professional care in accordance with the

standards and ethics of the professional practice of internal auditing. The Bank requires all internal auditors to undergo professional training of at least 40 hours per year and continuously supports them in taking professional certification examinations.

### Operation and Reporting

Internal Audit adopted the internal control system in accordance with COSO's guidelines and the Ministry of Finance's criteria for internal control standards and regulations for government agencies (2018) as references for auditing and reviewing to ensure that SME D Bank has an adequate internal control system, enhancing efficiency and effectiveness for the organization. On reporting the audit results, suggestions for improvement of internal control are provided. There are follow-ups on corrective actions as recommended by the internal auditors on a monthly basis. The performance results are reported to the Audit Committee and the Board of Directors on a quarterly basis.

### Quality Assurance of Internal Auditors

The Audit Division has established a quality assessment of the organization's internal operations. The unit assesses the performance of the internal auditors and also has external agencies administer quality assessments, using the results of the assessments to improve the performance of the internal auditors.

# FINANCIAL HIGHLIGHTS

As of December 31, 2021, 2020 and 2019

Items	2021		2020		2019	
	Amount	% Increase (Decrease)	Amount	% Increase (Decrease)	Amount	% Increase (Decrease)
Financial position (million Baht)						
Interbank and money market items, net	921.40	(72.12)	3,304.83	(66.28)	9,801.94	7.40
Investment, net	9,013.10	2.01	8,835.63	3.43	8,542.80	15.77
Loans and accrued interest receivable, net	95,166.55	3.34	92,089.99	2.94	89,461.37	0.09
Total assets	108,266.44	0.47	107,764.54	(3.53)	111,711.34	1.72
Deposits	54,799.09	2.23	53,603.23	(7.93)	58,220.97	(26.75)
Interbank and money market items, net (liabilities)	14,054.04	29.16	10,881.12	60.49	6,779.82	(5.12)
Issued bonds and borrowings	26,309.25	(13.40)	30,378.85	(0.28)	30,464.12	228.13
Total liabilities	97,404.54	0.07	97,339.76	(6.95)	104,615.33	4.75
Issued and paid up to share capital	36,231.81	0.00	36,231.81	0.00	27,300.58	0.00
Premium (discount) on share capital	(15,476.81)	0.00	(15,476.81)	0.00	(9,545.58)	0.00
Shareholders' equity	10,861.90	4.19	10,424.78	46.91	7,096.01	(28.69)
Operating results (million Baht)						
Interest income	4,234.60	(6.51)	4,529.53	(11.65)	5,126.95	(3.98)
Non-interest income	745.56	(15.14)	878.54	(18.10)	1,072.76	(13.86)
Total income	4,980.16	(7.91)	5,408.07	(12.77)	6,199.71	(5.85)
Interest expenses	981.49	(25.54)	1,318.16	(17.65)	1,600.76	15.95
Non-interest expenses	2,435.51	80.03	1,352.85	(82.29)	7,639.88	119.98
Total expenses	3,417.00	27.93	2,671.01	(71.09)	9,240.64	90.39
Profit (loss) from operations, net	1,563.16	(42.89)	2,737.06	190.01	(3,040.93)	(275.65)
Impairment loss of loans and losses from debt restructuring	1,034.04	(58.12)	2,468.97	(12.37)	2,817.38	64.61
Net profit (loss)	529.12	97.37	268.09	104.58	(5,858.31)	0.00
Capital adequacy ratio	13.56%		13.88%		9.57%	



# CHARTER OF THE BOARD OF DIRECTORS

## Small and Medium Enterprise Development Bank of Thailand

To determine clear roles, duties, and responsibilities that the SME D Bank's Board of Directors must adhere to as a key policy in order to achieve accurate and efficient operations according to the principles of good governance of the Bank and the regulatory agencies, the Board of Directors' meeting No. 18/2564 dated October 27, 2021, approved the revision of the Charter of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand as follows:

### 1. Objectives

The Board of Directors has a pivotal role in overseeing and governing the Bank to maximize the benefits of the organization. The Board of Directors shall act as the policymaker, defining the Bank's policies, direction, strategies, and operations as well as supervising and monitoring the performance to ensure appropriateness, efficiency, effectiveness, and transparency.

### 2. Board Composition and Qualifications

The Board of Directors consists of the Chairman, no more than 9 directors, and the Managing Director, who is an ex-officio director. The total number of directors must not exceed 11 directors. Directors are required to possess the following qualifications:

- 2.1 Directors must possess a wide range of competencies that meet the core competencies and necessities on the skill matrix in line with the Bank's mission and strategies. The number of skills on the skill matrix must not exceed the number of directors.
- 2.2 Not fewer than one-third of directors must be from the director pool (DP) prepared by the Ministry of Finance
- 2.3 At least one-third of the total number of directors must be independent directors.
- 2.4 At least one-third of the total number of directors who are not ex-officio directors must have experience in the business sector.
- 2.5 At least one director must have knowledge or experience in information technology.
- 2.6 At least one director must have knowledge, expertise, and understanding of risks related to financial institutions' business.

The Board of Directors must not have the prohibited characteristics specified in 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's Notification No. SorKorSor.13/2562 dated September 2, 2019, Re: Qualifications and Prohibited Characteristics of Non Ex-officio Directors, Managers, Persons with Power of Management and Advisors of Specialized Financial Institutions.

### 3. Term of office and retirement

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

- 3.1 The term of office for a director is three years.
- 3.2 In the event that new directors are elected while their predecessors' term has not yet expired, the newly elected directors shall hold office for the unexpired term of their predecessors.

3.3 Upon the expiration of the office term, as stated in Clause 2), if there are no elected directors, the directors who vacate from office upon the expiration shall remain in office to continue their works until new directors are elected.

3.4 A director who is retired by rotation is eligible for re-election and shall hold office for no more than two consecutive terms.

In addition to the expiration of term under Clause 16, the directors may vacate the office of director under Clause 17 of the Small and Medium Enterprise Development Bank of Thailand Act, B.E.2545 in the following cases:

- 1) Death
- 2) Resignation
- 3) Being a person who has prohibited characteristics under Clause 15 under the SME D Bank Act
- 4) The shareholders' meeting passed a resolution to remove any director from office with a vote of not less than half of the total shareholders attending the meeting.
- 5) Violation of Clause 20 of SME D Bank Act

In addition, directors shall vacate the office for having the prohibited characteristics specified in Clause 5 of the Standard Qualifications for Directors and Employees of State Enterprises Act, B.E.2518 and amendment, the BOT Notification No. SorKorSor.13/2562 dated September 2, 2019, Re: Qualifications and prohibited characteristics of directors by the position with management authorities and advisors of the specialized financial institutions.

## 4. Roles, Duties, and Responsibilities of Directors

The Board of Directors has the authority to determine policies and strategic direction, formulate a strategic plan and action plan in corporate management, and oversee the Bank's general operation within the scope of its objectives under Clause 11 and Clause 21 of Small and Medium Enterprise Development Bank of Thailand Act, B.E.2545. In addition, the Board of Directors is responsible for monitoring and ensuring that the Bank operates in alignment with its mission, objectives, and policies with stability, effectiveness, efficiency, transparency, and responsibility to stakeholders under good governance principles.

## 5. Guidelines for Prevention of Conflicts of Interest

5.1 The Board of Directors prioritizes the common interests of the organization without seeking personal benefit. Directors do not engage in the decision-making of transactions or any businesses that they gain personal benefit to prevent conflicts of interest. If any director has interest or involvement in any meeting agenda, whether directly or indirectly, the director must notify the Board of Directors and not attend the meeting or participate or be involved in decision-making or voting of the aforementioned agenda.

5.2 The Board of Directors must maintain confidentiality and must not disclose the Bank's internal information, directly or indirectly, for personal benefit or for the benefit of a third party.

## 6. Meetings and Agenda

6.1 The Board of Directors shall schedule a meeting at least once a month with an annual meeting schedule set in advance. An additional meeting can be arranged as necessary.

6.2 The Chairman of the Board of Directors or the secretary of the Board, or the designated person, calls the Board of Directors meeting by sending a notice to the Board members at least five business days prior to the meeting. In the event of an emergency, the Bank may notify the Board of Directors meeting by other means and arrange an earlier meeting date to prevent damage or protect benefits.

6.3 Each director attends the meeting regularly for at least 90% of the total meetings, and at least 80% of the directors should attend the meetings.

- 6.4 For the Board of Directors Meeting, at least half of the total number of directors is required to constitute a quorum. In the event that the Chairman cannot preside at the meeting or is unable to perform his duty, the director who attends the meeting shall be elected as the Chairman of that meeting.
- 6.5 The final judgment of the meeting is from the majority vote, whereby one director has one vote. If the votes are equal, the Chairman of the meeting shall have an additional casting vote.
- 6.6 The management or related persons may be invited to attend the meeting to provide relevant information for consideration as necessary and appropriate.
- 6.7 The Board of Directors meeting via electronic platforms shall comply with the Emergency Decree on Electronic Media Conferences B.E. 2563 and relevant regulations. The electronic media conference requires the approval of the Chairman of the Board of Directors.

## 7. Board Self-assessment

The SME D Bank's Board of Directors is required to conduct self-assessments at least once a year. There are three types of assessment: 1) individual assessment, 2) cross assessment, and 3) whole board assessment is based on the assessment forms revised annually. The management will use the assessment results and the Board of Directors' recommendations to develop the governance optimization plan for the Board of Directors.

## 8. Remuneration

Remuneration and meeting allowance for the Bank's Directors shall be paid according to the regulations and guidelines prescribed by the Cabinet Resolution and the State Enterprise Policy Office (SEPO).

## 9. Reporting

The Board of Directors will present the SME D Bank's annual report and financial and non-financial performance report to the general meeting of shareholders every year.

## 10. Review and Revision of the Charter

The Charter of the Board of Directors is to be reviewed every year. The revised Charter must be approved by the Corporate Governance and Corporate Social Responsibility (CG&CSR) Committee and submitted to the SME D Bank's Board of Directors for consideration. In the event that there is no revision, the Charter shall be submitted to the Board of Directors for acknowledgment.

## 11. Other Regulations

For any other cases not specified in this Charter, the SME D Bank's Board of Directors shall exercise discretion in applying the guidelines which are in accordance with general standards.

In addition, the Board of Directors has canceled Order No. 43/2563 dated November 24, 2020, Re: the Charter of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand (SME D Bank).



(Mr. Kobchai Sungsitthisawad)

Chairman

Small and Medium Enterprise Development Bank of Thailand

# COMMITTEE'S REPORTS

## REPORT OF THE BOARD OF DIRECTORS

According to the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, Section 22 the Board of Directors, the Board of Directors of SME D Bank consists of a Chairperson and not more than nine other directors who are elected by the shareholders' meeting. The Managing Director shall be ex officio director. Directors shall hold an office for a term of three years, and a director who vacates the office at the end of the term may be reelected but shall not serve more than two consecutive terms. Directors have authority and duties to establish policies and oversee operations within the scope of objectives prescribed in Section 11: The objective of the Bank is to engage in the business of developing, promoting, assisting, and supporting the establishment, management, expansion, or improvement of small and medium enterprises by granting of credits, guaranteeing, participating in an investment, giving recommendations, suggestions, or providing other necessary services thereto under the provisions of the Act. The composition of the SME D Bank's Board of Directors (as of December 31, 2021) was as follows:

1. Mr. Kobchai Sungsitthisawad	SME D Bank's Directors	Chairman
2. Mr. Vichak Apirugnunchai	SME D Bank's Directors	Director
3. Ms. Sapatporn Tharmmaphornphilas	SME D Bank's Directors	Director
4. Mr. Wanchai Phanomchai	SME D Bank's Directors	Director
5. Mrs. Chanisa Chutipat	SME D Bank's Directors	Director
6. Mr. Preecha Ua-Anantathanakul	SME D Bank's Directors	Director
7. Dr. Chatchai Thnarudee	SME D Bank's Directors	Director
8. Dr. Nattapol Praditphonlert	SME D Bank's Directors	Director
9. Asst. Prof. Dr. Tippawan Pinvanichkul	SME D Bank's Directors	Director
10. Managing Director		Director and Secretary

The Board of Directors has performed its duties according to the authority and duties stipulated in the order of the SME D Bank's Board of Directors No. 2/2564 Re: Appointment of the Board of Directors of Small and Medium Enterprise Development Bank of Thailand, effective from February 15, 2021. The Board shall perform its duties and responsibilities according to the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545 and the Notification of the Bank of Thailand as well as applicable laws.

In 2021, the Board of Directors convened 20 meetings with 269 agenda items in total, namely 120 items for consideration and 149 items for acknowledgment. The Board of Executive Directors provided policies and useful recommendations, opinions, and observations to the management for improving the efficiency of the Bank's operations, rules, and practices to help the Bank achieve its predefined goals as follows:

- **Review the memorandum of agreement on performance evaluation of SME D Bank** and follow up reports on the implementation of the memorandum of agreement, e.g., the draft of the memorandum of agreement on performance evaluation of state enterprises, the fiscal year 2021, monthly performance according to the memorandum of agreement on performance evaluation, progress reports on the Bank's Action Plans 2021, the draft of the Bank's 5-year Strategic Plan (Enterprise Plan) (2022-2026) and the annual plan/ business plan, the draft of the Bank's strategic performance and key performance indicators, including budgets for the year 2022.
- **Review the Bank's rules, regulations, and charters** and revise the criteria for provisioning and using surplus provisions. Revise the regulations on human resource management, compensation, and other bank expenses B.E. 2562 (Newly issued). Amend the regulations on the provision of loans, guarantees, pledges, mortgages, and other business operations B.E. 2551 (No. 5), B.E. 2563 (No. 6), and B.E. 2564. Amend the regulations on

commercial procurement B.E. 2561 and the regulations on transferring assets for debt settlement B.E. 2552. Review the Compliance Charter, the Charter of the Board of Directors, the Charter of the Corporate Governance and Corporate Social Responsibility (CG & CSR) Committee, the Charter of the Audit Committee, the Charter of the Risk Oversight Committee, the Charter of the Bank's Service Provision, the Charter of the Knowledge Management Committee, and the Code of Ethics and Code of Conduct for Directors.

- **Review and monitor the revision of the Bank's policies** such as the credit policy, risk management policy, IT risk management policy, credit review policy, compliance policy, good corporate governance, and governing the organization policies (Enablers Aspect 1) 2021, e.g., shareholders' right management policy, policy on compliance reporting according to good corporate governance principles to shareholders in the public sector, fair competition policy, good corporate governance policy, policy on the valuation of collaterals and foreclosed properties obtained from debt settlement, provision of security for credits granted or purchased from a public auction, policy and handbook on corporate social responsibility (CSR), internal audit policy, personal data protection policy, market conduct policy, and anti-money laundering and combating the financing of terrorism policy.
- **Review and monitor the revision of the Bank's roadmaps**, such as the Human Capital Management Roadmap 2022-2026, Internal Audit Roadmap 2022-2026, Corporate Governance Roadmap 2022-2026, Stakeholder Focus Roadmap 2022-2026, Customer and Marketing Focus Roadmap 2022-2026, Knowledge Management Roadmap 2022-2026, Innovation Management Roadmap 2022-2026, Action Plans 2022, as well as Corporate Risk Management Plan 2022, and Audit Plan 2022.
- **Review the credit works and NPL restructuring**, such as credit process and risk management of the loans with the maximum credit line between 15-50 million Baht, and review the NPL management plan and NPA management.
- **Review and follow up the implementation of policies to assist SMEs**, for example, the Soft Loan Project to assist SMEs affected by the spread of COVID -19 pandemic and the soft loan scheme for entrepreneurs under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564, support measures for SMEs who are debtors of the SME Development Fund according to the Pracharat Approach, loan project to boost liquidity for contractors, SMART Factoring Loan, factoring measures to increase liquidity for SMEs and follow up reporting progress of the implementation of financial rehabilitation measures to support the business sector.
- **Regularly monitor the Bank's operating results**, such as monthly operating reports and interim financial statements for the three-month, six-month, and nine-month periods and monitor the progress of credit disbursement, the resolution of NPLs, and review the classification of debtors undergoing debt restructuring. Report the performance on entrepreneur development, venture capital, social and environmental responsibility, information technology on a quarterly basis and, report the results of Voice of Customers (VOCs) and complaints management on a quarterly basis, and follow up on the progress of vaccine procurement and vaccination of the Bank's employees to prevent the spread of Coronavirus disease (COVID-19) in Thailand

The Board of Directors stresses follow up with the management on reporting progress and results of execution of the Board's opinions or recommendations as ordered on a regular and consistent basis.



**(Mr. Kobchai Sungsitthisawad)**

Chairman of the Board of Directors

# REPORT OF THE BOARD OF EXECUTIVE DIRECTORS

Pursuant to the Small and Medium Enterprise Development Bank of Thailand Act, B.E. 2545, Section 22, the SME D Bank's Board of Directors has the authority to appoint the Board of Executive Directors, which constitutes one chairman and no more than three executive directors. The Managing Director is ex officio executive director. The Board of Directors elects one executive director to be the chairman of the Board of Executive Directors. An executive director's term lasts two years and may be reappointed, but not more than two consecutive terms. Pursuant to Section 24, the Board of Executive Directors has the authority and responsibility to determine the guidelines and procedures for the Bank's operations in alignment with the policy and goals set by the Board without infringing upon the authority and duties of the Managing Director. The Board of Executive Directors (as of December 31, 2021) consisted of the following members:

1. Mr. Vichak Apirugnunchai	Director	Chairman
2. Mr. Wanchai Phanomchai	Director	Executive Director
3. Mrs. Chanisa Chutipat	Director	Executive Director
4. Dr. Nattapol Praditphonlert	Director	Executive Director
5. Managing Director		Executive Director and Secretary

The Board of Executive Directors has performed its duties stipulated in the notification from the SME D Bank's Board of Directors No. 4/2564 Re: Appointment of Executive Directors dated March 3, 2021, which became effective from February 24, 2021. The Board of Executive Directors has responsibilities to screen and provide opinions and observations on various matters before proposing to the Board of Directors.

In 2021, the Board of Executive Directors convened 16 times, with agendas covering 182 items: 79 items for consideration and 103 items for acknowledgment. The Board of Executive Directors has proposed policies, suggestions, and observations that are useful to the management to develop and improve the efficiency of the Bank's operations, rules, and practices, which will contribute to the achievement of the Bank's goals. Significant matters can be summarized as follows:

- Review and screen the draft memorandum of state enterprises performance assessment (Performance Agreement) for the fiscal year 2021 of SME D Bank and the results of annual performance assessment according to the Performance Agreement. Assess the annual performance and the improvement of the Bank's operations according to the observations or issues raised in the enterprise's performance assessment. Improve and change performance assessment indicators based on the 2021 memorandum of state enterprises performance assessment.
- Review and screen the draft of SME D Bank's 5-year strategic plan (Enterprise Plan: 2022-2026) and annual plans/business plans, draft indicators for strategic implementation and key operations, as well as the budget for the year 2022, and review the Human Capital Management Master Plan for 2022-2026.
- Review and screen the Bank's regulations, rules, and orders, as well as improve the rules for provisioning and using surplus provisions. Revise the order of debt restructuring for debtors receiving court judgment and undergoing enforcement procedures, the regulation on the transfer of assets for repayment B.E. 2552, SME D Bank's regulations on direct commercial purchases, B.E. 2561, and the regulations on providing loans and loan guarantees, mortgages, and other businesses B.E. 2551.

- Review and screen credit and debt restructuring operations by providing policies and recommendations, such as approval of bad debt write-offs and credit service and risk management processes for loans with a credit limit between 15-50 million Baht.
- Review and screen the proposal for the long-term fundraising plan in 2021 and joint investment according to state sector policies.
- Monitor the Bank's monthly performance reports, review interim financial information reports for the three-month, six-month, and nine-month periods, as well as regularly monitor the progress of loan disbursement, NPLs settlement, and quarterly venture capital performance reports.
- Follow up on the policy to assist SME entrepreneurs and approve measures to assist SMEs that have been affected by drought or the COVID-19 pandemic under the SME Development Fund in accordance with the Pracharat Approach. Expand the credit limit of the Thai SME Empowerment Project (Phase 2), which is a loan under the SME Development Fund in accordance with the Pracharat Approach. Consider a quarterly summary of the voice of customers (VOCs) and complaints management as per the recommendations of the Bank of Thailand and the Board of Executive Directors. Prioritize following up with management to regularly and consistently submit progress reports and results of the Bank's operations based on opinions or recommendations of the Board of Executive Directors and the Board of Directors.



**(Mr. Vichak Apirugnunchai)**

Chairman of the Board of Executive Directors

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Small and Medium Enterprise Development Bank of Thailand (SME D Bank), which has been appointed according to the Board of Directors' Order No. 02/2563, effective from January 9, 2020, comprises of the following members:

- |                                                                                                                            |           |
|----------------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Dr. Seree Nonthasoot                                                                                                    | Chairman  |
| 2. Mr. Prakrit Sheeppakdee                                                                                                 | Director  |
| 3. Mr. Preecha Ua-Anantathanakul                                                                                           | Director  |
| 4. Senior Executive Vice President,<br>Executive Vice President or Senior Vice President<br>responsible for Audit Division | Secretary |

As Mr. Prakrit Sheeppakdee reached the retirement age of 65 years on November 4, 2020, and Dr. Seree Nonthasoot's office term as director of SME D Bank expired on February 14, 2021, the new Audit Committee was appointed by the Board of Directors' Order No. 05/2564, effective from February 24, 2021. The Committee consists of the following members:

- |                                                                                                                                   |           |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Mr. Preecha Ua-Anantathanakul                                                                                                  | Chairman  |
| 2. Dr. Chatchai Thnarudee                                                                                                         | Director  |
| 3. Mr. Pinit Puapan                                                                                                               | Director  |
| 4. Senior Vice President responsible for Audit Division,<br>or Senior Vice President responsible for<br>Internal Audit Department | Secretary |

Mr. Pinit Puapan resigned from the SME D Bank's Board of Directors, effective from May 20, 2021.

In 2021, The Audit Committee convened 15 meetings with full attendance to consider, acknowledge, and monitor relevant subjects. There were joint meetings with executives, internal auditors, and specific meetings with the Bank's auditors (Office of the Auditor General of Thailand) and the Bank of Thailand's (BOT) auditors without the participation of executive officers on relevant agendas. The meetings have been held with agendas related to the scope responsibility assigned by the Board of Directors and the Ministry of Finance's Regulations on Standards and Guidelines of Internal Audit for Government Agencies B.E. 2561, including the 2nd Amendment, B.E.2561, 3rd Amendment B.E.2564, which was issued by the power of the State Fiscal and Financial Disciplines Act B.E. 2561. The Committee adheres to the principle that the Bank's operations shall be conducted in good faith with correct procedures, standards, and good corporate governance. The operating results are reported to the Board of Directors on a quarterly and annual basis, which can be summarized as follows:

## Review of the effectiveness and efficiency of the internal control system

The Audit Committee reviewed the adequacy of the internal control system, taking into account the results of the internal audit, and provided comments and suggestions for improving the internal control issues indicating weaknesses. The Committee asked the management to improve the internal control system to be sufficient, as well as to track the improvement of problems from the audit results to be reasonable and timely and monitor the internal control self-assessment. In addition, the Committee recommended the inclusion of various risk factors covering all dimensions of internal control, such as financial risk, accounting and provisioning risk, compliance risk, reputation risk, fraud risk, repeated operational errors, and emerging risks. That is to ensure that the Bank's internal control system is adequate, comprehensive, and effective.



## Review of the risk management process

The Audit Committee reviewed the results of the audit of the internal control, compliance to regulations and related orders, and SME D Bank's operations following the criteria according to the enablers of the state enterprise assessment model to evaluate key risk management processes and ensure that there is an adequately effective risk management system and work plan to control or mitigate impacts on the Bank's ability to achieve objectives to an acceptable level. The Board of Directors has proposed the optimization of risk management processes with weaknesses such as plans or projects being delayed or not proceeding as planned due to the impact of the COVID-19 pandemic and financial risks that may affect the liquidity of the SME D Bank. In addition, the Committee recommended reviewing risk levels in the light of the current situation, such as emerging risks and newly issued criteria of regulatory authorities, as well as the submission of risk information from the audit results to the risk management agencies to determine the Bank's risk prevention measures.

## Review of the good corporate governance process

The Audit Committee reviewed its operations to ensure that there was consistently good corporate governance, with a focus on compliance with the code of conduct, fraud prevention, consideration of the related transactions that might involve conflicts of interest or corruption risks affecting the operations of the SME D Bank in accordance with the principles of good corporate governance and complaints management. The Committee recommended formulating rules and guidelines to prevent corruption and monitored the progress of the investigation to ensure transparency and accountability, including meetings with the Risk Oversight Committee to discuss the framework for integrating governance risk and compliance, as well as making other recommendations. In addition, the Committee attaches great importance to the appropriate and timely follow-up and resolution of issues raised by the internal and external auditors and to the continuous monitoring of the implementation of the Audit Committee's resolutions. The results led to the formulation of regulations, improvements and amendments to various regulations, and the monitoring of the development of key systems of the SME D Bank through regular reports on the progress of operations, as well as increasing the confidence of users, including bank stakeholders, in the protection of personal data.

## Review of the Bank's operations to ensure compliance with laws, rules, and regulations of the Bank and regulatory agencies

The Audit Committee attaches importance to management, compliance with laws, regulations, the Bank's regulations, and regulatory agencies. It monitored the operation improvements according to the recommendations of internal auditors SME D Bank and auditors of the State Audit Office of the Kingdom of Thailand, including reviewing and monitoring compliance with rules and regulations, operations procedures, and notifications and orders related to operations. The Committee provided suggestions, such as preparation for compliance with Personal Data Protection Act B.E. 2562., implementation of urgent measures to address the impact of COVID-19, and compliance with the financial reporting standard regarding financial instruments (TFRS9), to ensure that all work units comply with the laws, rules, and regulations of SME D Bank and regulatory agencies, to ensure that the Bank's operations achieve its objectives.

## Fraud Risk Management and Whistleblower System

The Audit Committee reviewed the Bank of Thailand's fraud risk management system and whistleblower system to ensure that the SME D Bank's complaint management is transparent, fair, accountable, and compliant with state laws and regulations and SME D Bank's codes of conduct, rules, regulations, notifications, and practices, as well as other related regulations. In case of suspicious transactions that could pose a risk of corruption and lack transparency, investigations would be carried out in accordance with the guidelines of SME D Bank, and follow-up reports would be carried out on a monthly and quarterly basis.

## Review of Financial Statements

The Audit Committee has reviewed the quarterly and annual financial reports by reviewing accounting information, considering the analysis of the Bank's performance and financial position on crucial issues. The Committee also reviewed the compliance with the financial reporting standard and official requirements, potential fraudulent items or transactions that may involve conflicts of interest affecting the Bank's position and operations. These ensure that financial statements are prepared accurately, reliably, and in accordance with SME D Bank's accounting principles and policies, laws, regulations, and generally accepted accounting standards. The Committee also pays attention to preparing SME D Bank to comply with the financial reporting standard for financial instruments (TFRS 9) and the provision plan to mitigate impacts.

## Auditor's Remuneration

The Audit Committee appointed the accounting auditors and set aside audit fees for the State Audit Office of the Kingdom of Thailand in the amount of 1,860,000.00 Baht.

## Meeting with auditors and the management

The Audit Committee had meetings and discussions with the auditors (the State Audit Office of the Kingdom of Thailand) to consider the issues found and acknowledge the problem, obstacles to the review, review of financial statements, and submission of financial reports to the auditors. The Committee convened with the management to acknowledge the problems and obstacles in management and operations and suggested major changes in the financial report following the auditors' observations. It followed up with the management on the selection of auditors for 2022 and met the Chairman of the Inspection Committee for the Core Business Process System (CBPS) development project to follow up on its progress. The Committee also convened with the management and work unit responsible for the Bank's performance management and discussed a risk assessment report using the Eight Enablers criteria of the State Enterprise Assessment Model, monitored performance, and provided policy observations.

## Maintainance of 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's Regulations on Standards and Guidelines of Internal Audit for Government Agencies B.E. 2561, including the 2nd Amendment, B.E.2561, and the 3rd Amendment B.E.2564. There are plans to develop skills and knowledge for the Audit Committee according to the Skill Matrix, which ensures the effectiveness of the Audit Committee. Committee members are trained in accordance with the Audit Committee skills and competency development plan to ensure that the Audit Committee's performance is effective, and the objectives set out in the Audit Committee Charter are met. In addition, performance results are reported quarterly and annually to the Board of Directors. And the Audit Committee is evaluated annually in accordance with the good practice guidelines of the State Enterprise Policy Office (SEPO) of the Ministry of Finance. Evaluation results are reported to the Board of Directors of the SME D Bank for acknowledgment.

The Audit Committee has adopted the best practice guidelines with prudence, independence, and fairness to ensure that the Bank's corporate governance, risk management, and internal control are adequate to ensure that the Bank's management achieves its objectives for the equal benefit of stakeholders.



(Mr. Preecha Ua-Anantathanakul)

Chairman of the Audit Committee

# REPORT OF THE RISK OVERSIGHT COMMITTEE

The Risk Oversight Committee (ROC) was appointed by the SME D Bank's Board of Directors by Order No. 07/2021, effective from February 24, 2021. The Risk Oversight Committee comprises:

- |                                                              |          |           |
|--------------------------------------------------------------|----------|-----------|
| 1. Assist. Prof. Dr. Tippawan Pinwanichkul                   | Director | Chairman  |
| 2. Miss Sapatporn Tharmmapjornphilas                         | Director | Member    |
| 3. Managing Director                                         |          | Member    |
| 4. Senior Executive Responsible for Risk Management Division |          | Secretary |

The Board of Directors also approved the revised structure of the Risk Oversight Committee by the Order No. 38/2021, effective September 22, 2021, to ensure continued and efficient risk oversight, as follows:

- |                                                                         |          |                     |
|-------------------------------------------------------------------------|----------|---------------------|
| 1. Wichit Kornwitthayakhun                                              | Expert   | Consultant          |
| 2. Assist. Prof. Dr. Tippawan Pinwanichkul                              | Director | Chairman            |
| 3. Ms. Sapatporn Tharmmapjornphilas                                     | Director | Member              |
| 4. Managing Director                                                    |          | Member              |
| 5. Senior Executive Responsible for Operation and Risk Management Group |          | Secretary           |
| 6. Senior Executive Responsible for Risk Management Division            |          | Assistant Secretary |

The Risk Oversight Committee performs duties within the scope and responsibilities stipulated in the Risk Oversight Committee Charter approved by the Bank's Board of Directors. The Committee reviews the charter annually. In 2021, the Risk Oversight Committee convened 10 meetings and reported its performance to the Board of Directors on a quarterly basis.

The Committee prioritizes the oversight and monitoring of the risk management and internal control process to maintain the risk appetite, with major operations as follows:

1. Provide recommendations for the Board of Directors on the Risk Governance Framework.
2. Ensure that the Bank has fund and liquidity management strategies to mitigate risks per approved risk appetite. Monitor the status of funds and liquidity regularly to ensure stable and sufficient funds and liquidity to facilitate current and future business operations.
3. Consider and approve the formulation, review, verification, and efficiency of risk management policy and strategies, as well as risk appetite and risk tolerance, on an annual basis or when there are significant changes in risk factors.

The Risk Oversight Committee exchanges view with the Audit Committee on the evaluation of SME D Bank's risk management policy and strategies, whether they cover all kinds of risks, including emerging risks, and whether there is an effective and efficient implementation of such policy and strategies. There are also joint committee meetings to integrate a concerted process to oversee the Bank's Governance, Risk, and Compliance (GRC) issues.

4. Report to the SME D Bank's Board of Directors on risk status, risk management efficiency, compliance with the risk culture, and significant factors and issues and areas of improvement to ensure alignment with SME D Bank's risk management policy and strategies.
5. Consider and approve the formulation of overall risk management policy and strategies to cover such major risks as strategic risk, credit risk, marketing risk, liquidity risk, operation risk, IT risk, and reputation risk. Ensure that there is assessment, monitoring, and maintenance of the Bank's risk appetite at an acceptable risk level and report the performance to the SME D Bank's Board of Directors for consideration.
6. Oversee and monitor senior executives' identification of risk limit to ensure that it aligns with the risk appetite and control risks to be within the range of risk tolerance and risk limit.
7. Approve the Business Continuity Management and Business Continuity Plan to ensure the continuity of the Bank's operation and service provision in a time of crisis.
8. Cultivate the corporate culture in terms of risk culture and monitor risk status and compliance to risk culture to ensure that executives and employees at all levels are fully aware of and understand risks.



**(Assist. Prof. Dr. Tippawan Pinwanichkul)**

Chairman of the Risk Oversight Committee

# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE



The Nomination and Remuneration Committee was appointed by the Board of Directors to take responsibility of nominating candidates for the position of directors and senior executives as well as determining the remuneration for the Bank's directors and senior executives. The Committee performs those duties in compliance with laws, regulations, and criteria relating to the nomination and remuneration of state enterprises. The Commission's policy is to operate in line with good corporate governance principles and due processes under the rules set forth by the Bank of Thailand and regulatory agencies, with carefulness, prudence, fairness, transparency, and independence, taking into account the interests of all stakeholders. The structure of the Committee consists of three directors and the managing director.

In 2021, the Nomination and Remuneration Committee convened 17 meetings. The Committee considered, screened, and provided suggestions on human resources management, recruitment, and remuneration. Key operations according to the Nomination and Remuneration Committee's policy are as follows:

## Recruit and nominate candidates for the position of directors and senior executives

The Nomination and Remuneration Committee deliberated on the appointment of members of 14 SME D Bank's sub-committees by reviewing, screening, and considering the candidates' qualifications according to the rules and regulations along with the skill matrix as well as the roles and duties prescribed by the SME D Bank's Board of Directors. The Committee also recruited and nominated candidates for the 17 positions of Senior Executive Vice Presidents, Executive Vice Presidents, and Senior Vice Presidents responsible for each division. The application was open for candidates from both inside and outside of the Bank. There were qualification assessments and knowledge and competency tests to evaluate the potential and appropriateness of candidates before submitting the list of candidates to the Board of Directors for approval.

## Consider the capacity development plan for SME D Bank's directors

The Committee considered the capacity development plan to enhance directors' capacity according to the skill matrix, for example, the Role of Chairman Program, Board Nomination and Compensation Program, and Director Accreditation Program. These programs promote and empower SME D Bank's directors' to perform their duties efficiently and facilitate collaboration between SME D Bank and other agencies.

## Consider conflict of interest reports

The Committee considered the conflict of interest reports of any persons assuming the position of SME D Bank's directors or external experts who work as the Bank's consultants to ensure that they perform duties in line with the principles of good corporate governance.

## Evaluate the performance of the Board of Directors

The Committee reviewed the performance evaluation forms for the SME D Bank's Board of Directors and sub-committees, considered the performance evaluation results of the sub-committees, and provided suggestions for improving operational efficiency.

## Set the performance evaluation criteria and salary increase for the management

The Committee considered the criteria for performance evaluation and salary increase for the management in 2021 to ensure appropriateness and fairness and to motivate those who have performed duties in line with SME D Bank's and individual performance targets before submission to the Board for approval.

## Propose guidelines and suggestions for human resources management

The Committee reviewed the performance of the Bank's human resources management and provided suggestions for the improvement of organizational structure, branch structure, workforce capacity, and management that align with the Bank's strategic plan and workforce development and capacity-building to enhance workforce competency and essential skills for the competition in the digital era.

## Perform the Nomination and Remuneration Committee's self-evaluation

The Committee performed self-evaluation using the overall and individual evaluation forms, consisting of five topics: (1) structure and qualifications, (2) meeting, (3) roles, duties, and responsibilities, (4) relationship with the management, and (5) reporting. The overall evaluation result was 3.67 points out of 4. The Committee will be using the result as a guideline for performance improvement to maximize the benefit of SME D Bank.



**(Mr. Wanchai Panomchai)**

Chairman of the Nomination  
and Remuneration Committee

# REPORT OF THE CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The SME D Bank is committed to the mission to develop SMEs toward sustainable growth while adhering to the principles of good corporate governance and social responsibility. The Board of Directors has entrusted the Corporate Governance and Corporate Social Responsibility (CG&CSR) Committee with the responsibility to set direction according to the corporate governance strategy to elevate the Bank's good corporate governance. The Committee also has a duty to promote and foster ethics and the code of conduct among employees at all levels organization-wide to raise the engagement in social and environmental contribution activities in order to create an ethical organizational culture and social responsibility toward the same goal under the vision, mission, and values of the organization to achieve stable and sustainable growth.

With our commitment to good corporate governance, the Bank obtained an assessment score of 99.49 points on the 2021 Integrity and Transparency Assessment (ITA), or level AA, from the Office of the National Anti-Corruption Commission (NACC). This is a great honor reflecting the Bank's improvement in integrity and transparency performance as a state-owned specialized financial institution that operates with fairness and transparency while emphasizing concrete prevention and combating of corruption.

In addition to corporate governance operation, the Bank has conducted businesses with social and environmental responsibility in alignment with the international standards ISO 26000 and corporate social responsibility in the operation process (CSR in Process). We have also promoted social and environmental responsibility and cultivated volunteer spirit among employees to encourage engagement in social, community, and environmental development.

Our performance in accordance with good corporate governance principles and social and environmental responsibility demonstrates that we have established practical guidelines that could lead to actual practice and concrete outcomes, which helps build trust among all groups of stakeholders. Moreover, it reflects SME D Bank's improvement and adherence to the international framework of good governance in management in order to bring about stable and sustainable development for the organization.



(Dr. Chatchai Thnarudee)

Chairman of The Corporate Governance  
and Corporate Social Responsibility Committee

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors of the Small and Medium Enterprise Development Bank of Thailand (SME D Bank) places great importance on the duties and responsibilities of overseeing the business under good corporate governance principles. The Board is responsible for the financial statements disclosed in this annual report. The financial statements were prepared in compliance with financial reporting standards, with appropriate accounting policies applied on a consistent basis, exercising due discretion and estimate as may be necessary and justifiable. Key information on accounting policies and financial statements and the basis for preparing financial statements are adequately disclosed in the notes to the financial statements for ease of understanding and use that will benefit shareholders. These financial statements were audited by auditors from the State Audit Office of the Kingdom of Thailand, who have given their unqualified opinions.

The Board of Directors holds the management responsible for establishing and maintaining adequate and effective internal control and risk management to ensure that the Bank's financial information is accurate, complete, and sufficient to safeguard assets and prevent fraudulent activities or unusual transactions that will significantly affect the accuracy and reliability of the Bank financial statements.

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, 2021, are reliable in accordance with generally accepted accounting standards and financial reporting standards for specialised financial institutions issued by the Bank of Thailand and relevant laws and regulations.



**(Mr. Kobchai Sungsitthisawad)**

Chairman



**(Miss Nartnaree Rattapat)**

Managing Director



# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS





(TRANSLATION)

## AUDITOR'S REPORT

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

### Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of the Small and Medium Enterprise Development Bank of Thailand (the Bank), which comprise the statement of financial position as at December 31, 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the State Audit Office of the Kingdom of Thailand's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with the regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand.

### Basis for Opinion

The State Audit Office of the Kingdom of Thailand conducted the audit in accordance with 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 state Audit Standards issued by the State Audit Commission and the Code of Ethics for Professional Accountants determined 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 standards and 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 financial statement Note 3.1 Basis of presentation of the Financial Statements. The Bank has prepared financial statements for the year ended December 31, 2021, in accordance with regulations on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand which become effective to financial statements for the periods beginning on or after January 1, 2020. 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 include in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to the State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

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

In connection with the audit of the financial statements, the State Audit Office of the Kingdom of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the State Audit Office of the Kingdom of Thailand's knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with regulation on the Preparation of Accounts and Financial Reports for Specialized Financial Institutions issued by the Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

State Audit Office of the Kingdom of Thailand

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 control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

State Audit Office of the Kingdom of Thailand

- Concludes on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand is required to draw attention in the auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the State Audit Office of the Kingdom of Thailand’s opinion. The State Audit Office of the Kingdom of Thailand’s conclusions are based on the audit evidence obtained up to the date of the auditor’s report of the State Audit Office of the Kingdom of Thailand. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The State Audit Office of the Kingdom of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the State Audit Office of the Kingdom of Thailand identifies during the State Audit Office of the Kingdom of Thailand’s audit.

(Signed)

Ladawan Chotimanont

(Mrs. Ladawan Chotimanont)

Director of Financial and Procurement

Audit Office No. 3

(Signed)

Chalurysri Vipusaporn

(Ms. Chalurysri Vipusaporn)

Auditor, Expert Level

State Audit Office of the Kingdom of Thailand

April 19, 2022

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

**Statement of Financial Position**

As at December 31, 2021

Unit : Thousand Baht

	Notes	December 31, 2021	December 31, 2020
<b>Assets</b>			
Cash		250	181
Interbank and money market items, net	6.2	921,399	3,304,838
Derivatives assets	6.15	-	-
Investments, net	6.3	9,013,099	8,835,626
Loans to customers and accrued interest receivables, net	6.4		
Loans to customers		46,951,345	48,427,725
Accrued interest receivables		444,001	367,420
Total loans to customers and accrued interest receivables		<u>47,395,346</u>	<u>48,795,145</u>
Less Deferred revenue		36,458	33,165
Less Allowance for doubtful accounts	6.5	9,274,935	8,734,881
Total loans to customers and accrued interests receivables, net		<u>38,083,953</u>	<u>40,027,099</u>
Loans to customers from public service account and accrued interest receivables, net	6.33		
Loans to customers from public service account			
Portion that is not subject to government compensation for damages		54,937,537	49,922,319
Portion that is subject to government compensation for damages		3,095,285	3,170,177
Accrued interest receivables from public service account			
Portion that is not subject to government compensation for damages		336,321	273,352
Portion that is subject to government compensation for damages		62,406	4,908
Total loans to customers from public service account and accrued interest receivables		<u>58,431,549</u>	<u>53,370,756</u>
Less Deferred revenue from public service account		165	228
Less Allowance for doubtful accounts from public service account	6.33.3	1,348,790	1,307,638
Total loans to customers from public service account and accrued interest receivables, net		<u>57,082,594</u>	<u>52,062,890</u>
Properties for sale, net	6.6	849,683	749,709
Premises and equipment, net	6.7	1,555,976	1,629,592
Right-of-use assets, net	6.8	164,274	181,564
Assets in progress	6.9	183,593	290,886
Advance for legal costs, net	6.10	0	0
Other intangible assets, net	6.11	99,341	48,831
Other accounts receivables from sale of debt		-	372,997
Other assets, net	6.12	312,277	260,324
Total assets		<u>108,266,439</u>	<u>107,764,537</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, 2021

Unit : Thousand Baht

	Notes	December 31, 2021	December 31, 2020
<b>Liabilities and Equity</b>			
Deposits	6.13	54,799,092	53,603,228
Interbank and money market items, net	6.14	14,054,036	10,881,121
Liabilities payable on demand		25,636	14,169
Derivative liabilities	6.15	-	44
Debt issued and borrowings	6.16	26,309,246	30,378,852
Lease Liabilities	6.17	166,858	187,108
Provisions	6.18	677,742	682,104
Accrued interest payables	6.19	286,887	349,918
Other liabilities	6.20	1,085,045	1,243,217
Total liabilities		<u>97,404,542</u>	<u>97,339,761</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, 2021

Unit : Thousand Baht

	Notes	December 31, 2021	December 31, 2020
<b>Liabilities and Equity (Continued)</b>			
Equity			
Share capital	6.21		
Authorized share capital			
456,000,000 Ordinary shares of Baht 100 each		<u>45,600,000</u>	<u>45,600,000</u>
Issued and paid-up share capital			
362,318,073 Ordinary shares of Baht 100 each		36,231,807	36,231,807
Discount on share capital		(15,476,807)	(15,476,807)
Other components of equity	6.22	875,869	1,037,601
Retained earnings (deficit)			
Appropriated			
Legal reserve		48,192	48,192
Others		216,457	216,457
Unappropriated		(11,033,621)	(11,632,474)
Total retained earnings (deficit)		<u>(10,768,972)</u>	<u>(11,367,825)</u>
Total equity		<u>10,861,897</u>	<u>10,424,776</u>
Total liabilities and equity		<u>108,266,439</u>	<u>107,764,537</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**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended December 31, 2021**

	Notes	2021	2020
Unit: Thousand Baht			
Interest income	6.23	1,743,045	2,041,175
Interest expenses	6.24	413,242	624,506
Interest income, net		1,329,803	1,416,669
Fees and service income		266,439	266,195
Fees and service expenses		43,615	48,027
Fees and service income, net	6.25	222,824	218,168
Gain on trading and foreign exchange transactions, net	6.26	1,612	1,430
Gain (loss) on financial instrument designate at fair value through profit or loss, net	6.27	44	(43)
Gains on investments, net	6.28	9,085	43,928
Other operating income			
Dividend income		13,894	13,421
Gain on sale of debt		-	142,523
Other income		73,671	96,906
Total other operating income		87,565	252,850
Income from public service account	6.33.4	2,872,369	2,802,542
Total operating income		4,523,302	4,735,544
Other operating expenses			
Employee's expenses		666,556	717,158
Directors' remuneration		3,673	4,073
Premises and equipment expenses		143,821	173,007
Taxes and duties		79	53
(Reversal) Derivative expenses		-	(575,543)
Other expenses		81,087	203,224
Total other operating expenses		895,216	521,972
Expenses from public service account	6.33.5	2,064,923	1,476,507
Impairment loss of loans and debt securities	6.29	1,034,041	2,468,972
Net profit		529,122	268,093
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) remeasuring of available-for-sale investments		(147,608)	56,594
Actuarial gain (loss) on defined benefit plans		55,507	4,244
Total other comprehensive income (loss), net		(92,101)	60,838
Total comprehensive income		437,021	328,931

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

(Signed) Kobchai Sungsinthisawad  
(Mr. Kobchai Sungsinthisawad)  
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, 2021

Unit : Thousand Baht

	Issued and Paid-up Share Capital	Discount on Share Capital	Other Components of Equity			Retained Earnings (Deficit)			Total
			Revaluation Surplus (Deficit) of Investments	Appraisal Surplus (Deficit) on Assets	Total Other Components of Equity	Appropriated	Appropriated Others	Unappropriated	
<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	-	-	272,137	128,931
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
<b>Balance as at January 1, 2021</b>	36,231,807	(15,476,807)	110,514	927,087	1,037,601	48,192	216,457	(11,632,474)	10,424,776
Revaluation surplus (deficit) on investments	-	-	100	-	100	-	-	-	100
Total comprehensive income (loss)	-	-	(147,608)	-	(147,608)	-	-	584,629	437,021
Transfer to retained earnings	-	-	-	(14,224)	(14,224)	-	-	14,224	-
<b>Balance as at December 31, 2021</b>	36,231,807	(15,476,807)	(36,994)	912,863	875,869	48,192	216,457	(11,033,621)	10,861,897

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

(Signed) Korbchai Sungsitthisawad  
( Mr. Korbchai Sungsitthisawad )  
Chairman Of The Board Of Directors

(Signed) Narmanee Rattapatt  
(Ms. Narmanee Rattapatt)  
President

Small and Medium Enterprise Development Bank of Thailand

Statement of cash flows

For the Year Ended December 31, 2021

	Unit : Thousand Baht	
	2021	2020
<b>Cash flows from operating activities</b>		
Net profit	529,122	268,093
Adjustments to reconcile net profit to cash received (paid) from operating activities		
Depreciation and amortization	119,604	121,205
Depreciation of right-of-use assets	92,584	116,135
Bad debt and doubtful accounts	1,034,163	2,474,587
Bad debt and doubtful accounts-claims	42,799	88,195
(Gain) Loss on disposal of premises and equipment	2,547	(73)
Gain on amortization of right-of-use assets	(75)	(155)
Loss on impairment of properties for sale	2,507	130,178
Reversal on impairment of properties for sale	(10,471)	(502)
Reversal of impairment loss on investment	(9,085)	(9,990)
Premium on investment	92,541	54,477
Discount on long term borrowings and long term debt issued	(41,616)	(41,730)
(Gain) Loss on revaluation of foreign currencies	(44)	43
Increase in accrued expenses	135,223	10,145
Increase (decrease) in provisions	51,145	(6,956,100)
	<u>2,040,944</u>	<u>(3,745,492)</u>
Interest income, net	(3,253,110)	(3,211,363)
Dividend income	(13,894)	(13,421)
Proceeds from interest income	4,037,555	4,991,849
Interest paid	(1,041,200)	(1,513,372)
Proceeds from dividend income	13,894	13,421
Profit (loss) from operating activities before changes in operating assets and liabilities	<u>1,784,189</u>	<u>(3,478,378)</u>
(Increase) decrease in operating Assets		
Interbank and money market items	2,383,439	6,497,108
Loans to customers	(3,913,674)	(5,565,528)
Properties for sale	(92,010)	96,299
Accounts receivable from the sale of debt	372,997	285,107
Other assets	(94,751)	(9,825)
Increase (decrease) in operating liabilities		
Deposits	1,195,865	(4,617,745)
Interbank and money market items	3,172,915	4,101,300
Liabilities payable on demand	11,467	(22,561)
Debt issued and borrowings	(27,990)	(43,540)
Budgeted Bureau grants	-	(23,053)
Other liabilities	(234,818)	232,419
Net cash used in operating activities	<u>4,557,629</u>	<u>(2,548,397)</u>

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

**Small and Medium Enterprise Development Bank of Thailand**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended December 31, 2021**

	Unit : Thousand Baht	
	2021	2020
<b>Cash flows from investing activities</b>		
Purchases of securities investment	(2,851,438)	(8,727,580)
Purchase of premises and equipment	(5,008)	(5,553)
Purchase of intangible assets	(342)	(6,861)
Purchase of assets in progress	(45,557)	(45,869)
Proceeds from disposal of premises and equipment	578	132
Proceeds from securities investment	2,443,000	8,446,705
Net cash used in investing activities	<u>(458,767)</u>	<u>(339,026)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance for capital increase	-	3,000,000
Proceeds from long term borrowings and long term debt issued	5,000,000	-
Repayment of long term borrowing and long term debt issued	(9,000,000)	-
Repayment of lease liabilities	(98,793)	(112,613)
Net cash provided by financing activities	<u>(4,098,793)</u>	<u>2,887,387</u>
Net increase (decrease) in cash and cash equivalents	69	(36)
Cash and cash equivalents at the beginning of the year	181	217
Cash and cash equivalents at the end of the year	<u>250</u>	<u>181</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, 2021

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#### 1. General Information

Small and Medium Enterprise Development Bank of Thailand (the Bank) was established as a juristic person under the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545, which effectively came into force since December 20, 2002. The Bank's main business is development, promotion, and supports the establishment operation, expansion, or improvement small and medium enterprises with the provision of loans, guarantees, joint venture, consulting, and recommended or other necessary services by the Act.

The Bank has been transferred all the entire business, assets, liabilities, capital, retained earnings, reserves, rights and liability of the Small Industry Finance Corporate as provided on the day which Act are expected to be effective were transferred to SME Bank.

The Bank's head office is located at 310 SME Bank Tower, Phahonyothin Road, SamSen Nai Phayathai, Bangkok. The Bank has branches covering all regions of Thailand.

#### 2. The Bank of Thailand's Regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy

The Bank of Thailand (BOT) issued Circular No. ForNorSor2.Wor. 279/2564 dated April 20, 2021, Re: Delivery of the notification of the Bank of Thailand under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021), asking banks to inject additional liquidity to entrepreneurs in alignment with global economic recovery cycle, as well as to provide debt relief measures to entrepreneurs. Thus, the BOT issued two notifications that became effective from April 20, 2021, onward, as follows:

1. The BOT Notification No. SorKorSor1. 1/2564 dated April 19, 2021, Re: Soft loan facility for businesses under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021).

2. The BOT Notification No. SorNorSor. 4/2564 dated April 19, 2021, Re: Measures on acceptance of a transfer of assets as collateral for debt repayment under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic B.E.2564 (2021), to support the implementation under the emergency decree.

The Bank has issued financial aid measures to create liquidity in business operations, reduce the impact on employment, and recover businesses regarding expense reservation as working capital, investment in business rehabilitation, and waiving all fees the Bank used to collect.

The Bank of Thailand, the Thai Bankers' Association, and the Association of International Banks have been aware of debtors' trouble and understood the urgency of providing additional financial assistance to employees and entrepreneurs that have suffered economic impacts in a precise and timely manner. They agreed to issue an urgent measure for a moratorium on principal and interest for debtors who are micro, small and medium-sized enterprises for two months. Those eligible for the assistance package are debtors that suffer direct impacts, namely debtors who are employers and employees

## **2. The Bank of Thailand's Regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Continued)**

in business premises located inside and outside of controlled areas that went out of business because of lockdown measures. This measure has been in effect since July 2021. However, when the debt moratorium term ends, financial institutions will not immediately collect due principal and interest to avoid placing a heavy burden on debtors. For debtors indirectly affected by the government's lockdown measures, namely, those whose businesses could go on but suffered decreased income, financial institutions would consider necessary and appropriate packages for debtor's situations.

Therefore, The Bank issued urgent assistance measures to relieve the COVID-19 pandemic impact, both direct and indirect, on debtors according to the Bank's order no. 87/2564. The assistance measures (not considered as debtors' breach of settlement conditions) include 1) Debt moratorium on principal and interest payments, 2) Suspension of the principal payment plus 50% of normal interest or other rates agreed by debtors, 3) Suspension of principal payment 4) Use of suspended principal and interest payment for settling the final installment in the contract or other conditions agreed by debtors, and 5) Assistance measures have begun since the monthly payment periods of July 2021 or August 2021.

The Bank complied with the BOT Circular No. TorPorTor.ForKorChor.(72) Wor.277/2563 dated February 28, 2020, Re: Guidelines on the provision of assistance for debtors affected by the situations impacting the Thai Economy from January 1, 2020, to December 31, 2021. The Bank announced temporary relief measures for specialized financial institutions providing assistance for affected debtors in compliance with the BOT's specified conditions and the BOT Circular No. TorPorTor.ForNorSor.(23)Wor.1135/2563 dated October 16, 2020, Re: Operating guidelines related to debt restructuring to assist business debtors after the end of debt moratorium term set forth in the Emergency Decree. In addition, the Bank of Thailand issued Circular No. TorPorTor.ForNorSor.2Wor.594/2564 dated June 18, 2021, Re: Guideline for debt restructuring to provide assistance for business debtors affected by the COVID-2019 pandemic, to include state enterprise debtors that were severely affected and whose cash flow could not be evaluated. The Bank complied with the following:

### **Debt Classification**

1) In providing assistance for loans that are not yet classified as Non-Performing Loans (NPLs), these debts can be immediately classified as "Pass". In case of there is evidence from the reasonable analysis of debtors' statuses and businesses that the debtors are able to fulfill the debt restructuring agreement without waiting for results on compliance with debt restructuring conditions, this kind of debt restructuring will be deemed preemptive and will not be deemed as troubled debt restructuring (TDR).

2) In providing assistance for non-performing loans (NPL), the debts can be reclassified as "Pass" if the debtors are able to fulfill the debt restructuring agreement for a consecutive period of 3 months or 3 installments whichever is longer.

3) In providing additional working capital for debtors to increase liquidity so they can continue business operations during debt restructuring, the aforementioned loans can be classified by account if debtors have sufficient cash flow for repayment or have repayment capability when taking other factors into consideration.

### **Provisioning**

Specialized financial institutions are to follow the BOT Notification Re: Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

## **2. The Bank of Thailand's Regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Continued)**

### **Debt Restructuring**

1) Financial institutions are to consider debt restructuring for all the aforementioned debtors who are unable to repay debts in old agreements. While financial institutions have not completed debt restructuring for debtors, financial institutions can maintain the debtor's asset classification before joining the relief program until December 31, 2020.

2) If financial institutions cannot clearly assess the cash flow of some debtors, which prevents debt restructuring from being completed by December 31, 2020, the financial institutions may provide assistance for the aforementioned debtors by means of a debt moratorium for an appropriate period according to debtors' ability to repay debts. However, the debt moratorium period should not exceed 6 months after the end of 2020. The financial institutions can maintain the debtor's asset classification before joining the relief program and must actively assist debtors in restructuring their debts.

Financial institutions may provide assistance to enterprise debtors that fall within the scope of the measure by providing a debt moratorium period appropriate to debtors' ability to repay debts. In doing so, financial institutions may consider maintaining the debtors' same account classification before joining the relief program until December 31, 2021.

However, during the consideration of debt restructuring and debt moratorium, financial institutions may not charge interest at the predetermined rate or charge service charges, penalties, or any other additional expenses from debtors. That includes principal and interest collection calculated during the period of restructuring or delay in the payment of such debts. Financial institutions shall use methods that do not overburden debtors and shall not charge a lump sum at the end of the deferment period.

## **3. Basis of Presentation and Significant Accounting Policies**

### **3.1 Basis of Presentation of the Financial Statements**

3.1.1 The Bank has prepared financial statements in accordance with the Bank of Thailand's regulations and the Notification of the Bank of Thailand (BOT) No.SorKorSor2. 7/2564 dated April 9, 2021 regarding the Preparation of Accounts and Financial Reports for Specialized Financial Institutions adopted to financial statements with fiscal years beginning on or after January 1, 2020, as follows:

- Transactions or items that are not related to financial instruments transactions are complied with the Conceptual Framework for the Financial Reporting, Thai Accounting Standards, and Thai Financial Reporting Standards issued by the Federation of Accounting Professions, including the preparation of other relevant accounting and reporting in accordance with the Bank of Thailand.

- Transactions or items that are related to financial instruments, transactions and other transactions referred to Thai Financial Reporting Standards issued by the Federation of Accounting Professions with reference to TFRS9 shall comply with this accounting regulation in appendix of the announcement and other additional regulation announced by the Bank of Thailand. The Bank has related to regulations as follow :

1. Regulations on doubtful debts and bad debts as specified by the BOT
2. Regulations for troubled debt restructuring as specified by the BOT
3. Regulations on accounting for investments in debt and equity securities as specified by the BOT
4. Regulations for writing off financial assets and financial liabilities as specified by the BOT

### 3. Basis of Presentation and Significant Accounting Policies (Continued)

#### 3.1 Basis of Presentation of the Financial Statements (Continued)

5. Regulations on assets transferred to the debtor for the payment of debts as specified by the BOT

6. Regulations on disclosure of information in the Bank's financial statements and similar financial institutions specified by the BOT

7. Regulations on presentation and disclosure for financial instruments as specified by the BOT

3.1.2 The Bank had presented and disclosed the financial Statements in accordance with the Notification of the Bank of Thailand (BOT) No.SorKorSor 27/2562 dated September 2, 2019 regarding the Preparation and Announcement of Financial Statements for Specialized Financial Institutions.

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

#### 3.2 Thai Accounting Standards and Thai Financial Reporting Standards effective in current period

The Federation of Accounting Professions announced the adoption of the Revised Thai Financial Reporting Standards and Thai Financial Reporting Interpretations Committee that are effective for accounting periods beginning on or after January 1, 2021. These financial reporting standard were amended to the Conceptual Framework for Financial Reporting, the definition of business, the definition of materiality, and benchmark interest rate reform.

The Bank prepared the financial statements according to the Bank of Thailand's notification No. SorKorSor2. 7/2564 dated April 9, 2021, regarding the Preparation of Accounts and Financial Report for Specialized Financial Institutions. Any translations or related financial instrument transactions, including any transactions referring to TFRS 9 shall apply the Bank of Thailand's Accounting Standards (Note 3.1.1); therefore, the Bank has not yet adopted TFRS 9.

#### 3.3 Thai Accounting Standards and Financial Reporting Standards effective for the financial statements of the period beginning on or after January 1, 2022

The Federation of Accounting Professions has announced Thai Financial Reporting Standards Revised 2021 and announced in the Royal Gazette, these are effective for the financial statements periods beginning on or after January 1, 2022, as follow :

##### Thai Financial Reporting Standards (TFRS)

TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 4	Insurance Contracts
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases (Covid-19-Related Rent Concessions)
Thai Accounting Guidances	The provision of financial assistance to debtors affected by COVID-19

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.



### **3. Basis of Presentation and Significant Accounting Policies (Continued)**

#### **3.3 Thai Accounting Standards and Financial Reporting Standards effective for the financial statements of the accounting periods beginning on or after January 1, 2022 (Continued)**

The Federation of Accounting Professions announced the adoption of TFRS 16 Leases (revised 2021) to temporarily ease lessees affected by the benchmark interest reform as per conditions specified by the Thai Financial Reporting Standards.

The Bank's management believes that the amendment will not have a significant impact on its financial statements.

#### **3.4 Significant Accounting Policies**

##### **3.4.1 Cash and cash equivalents**

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

##### **3.4.2 Recognition of income**

###### **- Interest revenue**

The Bank recognizes interest revenue from loans, i.e., interest on delinquent loans, past due or missing interest payments not exceeding three months starting from the due date, are recognized monthly on the right basis from the due date, and interests on any loan defaults are recognized on a cash basis.

The Bank ceases the recognition of revenue from interest on loans. Any loans past due or missing interest payments exceeding three months starting from the due date are suspended on revenue recognition, and the previously recorded accrued interest must be reversed from all related accounts after the debtors are suspended on revenue recognition.

The Bank recognizes revenue again after debtors who have been suspended from recognition of revenue on all types of loans pay off the principal and interest or overdue installments that have already been recognized as revenues and have not been recorded as revenues. The revenue shall be recognized monthly on accrual basis.

The Bank recognizes revenue for debtors undertaking debt restructuring in compliance with the Bank of Thailand's guidelines and additional regulations.

###### **- Fee and service income**

The Bank recognizes fees and service income from loan approval on a cash basis, except for fee income from issuance of guaranteed letter, management fees from the SME Development Fund, the SME Rehabilitation Fund and SME Recovery Fund, and the project to support minor SMEs via the Small and Medium Enterprise Promotion Fund, which are recognized on right basis.

##### **3.4.3 Recognition of Interest Expenses**

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

##### **3.4.4 Loans**

Loans are presented in terms of outstanding principal amount, and accrued interest receivables on loans are recorded separately. Deferred revenue is presented as a deduction from the loans.

### 3. Basis of Presentation and Significant Accounting Policies (Continued)

#### 3.4 Significant Accounting Policies (Continued)

##### 3.4.5 Allowance For Doubtful Accounts

The Bank sets aside the allowance for doubtful accounts compliance with the Bank of Thailand's under the Notifications No. SorKorSor.23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions, Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Measures to facilitate long-term sustainable debt restructuring) and the Bank of Thailand's notification No. SorKorSor. 28/2562 Re: Regulations on Public Service Account (PSA), including additional regulations prescribed by the Bank of Thailand.

1) Loans to customers – The Bank sets aside provisions for doubtful accounts at the Bank of Thailand's minimum provisioning rate, calculated from the outstanding book value of the loans less collateral or the outstanding book value less the present value of expected future cash flows from the sale of collateral. The collateral value depends on the type of collateral and the latest appraisal date.

In addition, the Bank set aside extra provisions over the Bank of Thailand's minimum requirement, taking into account the loss from economic and legal changes as well as other factors affecting debtors' capacity and loans to comply with the contract.

2) Hire purchase loans - The Bank set aside provisions for doubtful accounts according to the Bank of Thailand's requirement, calculated from the outstanding balance of hire purchase loans after netting of deferred hire purchase income.

3) Other debtors - The Bank will set aside provisions at the full amount for accounts that are estimated to be uncollectible or may become doubtful. Doubtful accounts are considered expenses for the accounting period; they are recorded and will be reversed when they are paid.

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

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

##### 3.4.6 Troubled Debt Restructuring

Debt Restructuring (DR) means the restructuring of debt arising from a debtor's increased credit risks, which can be divided into the following categories:

1) Debt restructuring for loans that are not yet classified as Non-Performing Loans (NPLs) or preemptive debt restructuring.

2) Debt restructuring for NPLs, which is regarded as troubled debt restructuring (TDR).

### **3. Basis of Presentation and Significant Accounting Policies (Continued)**

#### **3.4 Significant Accounting Policies (Continued)**

##### **3.4.6 Troubled Debt Restructuring (Continued)**

The Bank carried out debt restructuring according to the regulations and relevant rules under the Bank's policy on sustainable debt restructuring, the Bank of Thailand's notification Re: Guidelines for sustainable debt restructuring for debtors of specialized financial institutions, and the Bank of Thailand's regulations on the Relief Measures for Debtors Affected by the Situations Impacting the Thai Economy (Measures to facilitate long-term sustainable debt restructuring).

##### **3.4.7 Investments**

The Bank's investments consisting of debt securities and equity securities are classified as available-for-sale securities, held-to-maturity debt securities, and general investments.

Investments in marketable securities classified as available-for-sale securities are stated at fair value. Gains or losses from the fair value are presented in the other comprehensive income (losses) in the statement of profit or loss and other comprehensive income. The accumulation is presented in the other components of equity and realized gains or losses after the disposal. The debt securities that the Bank intends and is able to hold to maturity classified as held-to-maturity securities are stated at the amortized cost. Premiums or discounts on held-to-maturity securities are adjusted to interest income at the end of each month. The interest income from held-to-maturity debt securities are recorded on accrual basis using the effective interest rate method.

Investments in non-marketable equity securities are stated at cost net of allowance for impairment (if any). Losses in impairment of investment are recognized to expenses in the statement of profit or loss and other comprehensive income.

##### **3.4.8 Foreign Currency Translation**

Assets and liabilities in foreign currencies including forward foreign exchange contracts are recorded in Thai Baht at the exchange rate of each currency prevailing at the transaction dates. And at the date in the statement of financial position, the rate will be converted to Thai Baht using the reference exchange rates of the BOT. Gains or losses on foreign exchange and foreign currency conversion are presented as gain (loss) in the period.

##### **3.4.9 Premises and Equipment, Net**

Land is presented at revaluing price, premises are presented at revaluing price less accumulated depreciation and allowance for impairment (if any). Premises improvement is stated at cost less accumulated depreciation and allowance for impairment (if any), equipment with an acquisition cost not exceeding Baht 2,000 is charged directly to expense in the period of acquisition.

### 3. Basis of Presentation and Significant Accounting Policies (Continued)

#### 3.4 Significant Accounting Policies (Continued)

##### 3.4.9 Premises and Equipment, Net (Continued)

The Bank has recorded revalued land and premises every 3-5 years by independent appraisers in accordance with the Bank of Thailand's regulations. The Bank under the capital of asset valuation the surplus of asset valuation is presented in the components of equity. The Bank recognized depreciation of surplus in the other operating expenses. Reserved revaluation surplus is directly transferred to the retained earnings at the same amount of the depreciation mentioned. The decreased revaluation that is higher than original cost is recorded after less surplus. The decrease revaluation that is less than original cost is recorded as expenses in the statement of profit or loss and other comprehensive income. For the case of disposal, the revaluation surplus of land and premises will be directly transferred to the retained earnings and excluded in the disposal profit or loss.

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

Premises	10-50 years
Premises improvement	5-20 years
Equipment	3-10 years

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

##### 3.4.10 Right-of-use Assets, Net

The Bank recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment loss (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date. Unless the Bank is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on the straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

##### 3.4.11 Other Intangible Assets, Net

Computer software and computer system development expenses are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the estimated useful life of the assets, which is between 3-10 years. The amortization is recognized as expenses in the statement of profit or loss and other comprehensive income.

Leasehold are stated at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on the lease period and recognized as expenses in the statement of profit or loss and other comprehensive income.

##### 3.4.12 Properties for Sale, Net

Properties for sale are the Bank's assets. The Bank has purchased those assets that mortgaged to the Bank from the public auction ordered by the court. Or the Bank has accepted the transfer of the properties as collateral for loan payment under the scheme of asset warehousing with buy-back options.

### **3. Basis of Presentation and Significant Accounting Policies (Continued)**

#### **3.4 Significant Accounting Policies (Continued)**

##### **3.4.12 Properties for Sale, Net (Continued)**

Properties for sale stated at the value of the transfer payment or sale value from the sale by public auction and recorded to same debt repayment less allowance for impairment (if any). The property has been assessed against the transfer market price by the Bank. Losses in impairment are recognized as other operation expenses in the statement of profit or loss and other comprehensive income. The Bank will not deduct depreciation from buildings but recognize gain (loss) when the disposals and after remaining debts is repaid.

According to the Bank of Thailand's policy dated September 2, 2019 regarding Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan collateral or Public Auction of Specialized Financial Institutions, the Properties for sale in the amount of exceeding Baht 50 million are appraised by external appraisers and the amount of not exceeding Baht 50 million are considered appraised by the internal or external appraisers depending on the Bank.

For foreclosed immovable properties for sale under the asset warehousing scheme, the Bank of Thailand's allows financial institutions to value foreclosed immovable properties for sale every 5 years and classifies foreclosed immovable properties for sale only for the portion that the book value is greater than the value from the aforementioned valuation as doubtful accounts according to the Bank of Thailand's notification Re: Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

##### **3.4.13 Derivatives**

In the case of hedged assets or liabilities are recognized gains or losses according to the fair value. Hedging instrument assets or liabilities will be recognized as losses or gains arising from changes in fair value under the appropriation of time periods.

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

##### **3.4.14 Employees Provident Fund**

The Bank established a provident fund under the Provident Fund Act B.E. 2530, which became a registered fund being approved by the Ministry of Finance on November 29, 1996. The provident fund is managed by the Krung Thai Assets Management Public Company Limited as a Fund manager.

Employees of the Bank are entitled to apply for membership according to Provident Fund regulation. Employees contribute to the provident fund at 3-9% according to the years of employment, and the Bank's supplemental contribution is at 5-10% according to the years of employment. Upon termination of employees, employees are entitled to receive this benefit.

The Bank contribution to the Provident Fund for employees as to expenses for employees in the statement of profit or loss and comprehensive income.

### **3. Basis of Presentation and Significant Accounting Policies (Continued)**

#### **3.4 Significant Accounting Policies (Continued)**

##### **3.4.15 Lease Liabilities**

At the commencement date of the lease, the Bank recognized lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Bank's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

##### **3.4.16 Short-term Leases and Leases of low-value Assets**

Payments under the leases that, have a lease term of 12 months or less at the commencement date, or leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

##### **3.4.17 Defined Benefit Plans**

###### **3.4.17.1 Short-term Employee Benefits**

Short-term employee benefits consisting of salaries, absences, and other short-term benefits based on accounting estimates according to the Bank's program to improve employees operational effectiveness and efficiency.

###### **3.4.17.2 Post-employment Benefits**

The Bank provides estimate of employee benefits obligations from statutory compensation under the Labor Protection Act Employee benefit obligations calculated by using the actuarial techniques called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of the cash flow of the benefits expected future payment including forecasts salaries of employee's turnover rate, and rate of increase salaries, discount rate and other.

The Bank recognizes employee's benefits expenses in respect employees expenses in of employee's in the statement of profit or loss and other comprehensive income.

Gains (losses) on actuarial projections recognize, in retained earnings through profit (loss) in comprehensive period in which the entire amount arises.

##### **3.4.18 Legal Reserve**

The Bank shall allocate not less than 5% of its annual net profit to a legal reserve account until it reaches an amount not less than 10% of the registered authorized share capital.

##### **3.4.19 Reserve for Investment**

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

## 4. Risk Management

### 4.1 The Bank's Risk Information

#### Credit Risk

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

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

1. Ensure that there is a credit policy review so that the Bank has a good credit approval standard in line with the Bank of Thailand's regulations and guidelines and determine specific industry ratings for quality credit expansion. Set up a collective approach to credit assessment using data from the National Credit Bureau as criteria. This will contribute to an appropriate customer risk assessment after credit approval and improve risk management efficiency in different customer groups classified by risk level.

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

3. Determine an acceptable risk limit for each industry. Monitor and control credit provision to prevent concentration of lending in certain industry and to manage credit portfolio in line with the Bank's risk appetite.

4. Monitor the quality of the credit portfolio by rating customer risk based on certain risk factors, e.g., repayment history, to determine the appropriate credit package for creating liquidity and improving debt structure in a comprehensive and timely manner.

5. Create a credit risk dashboard that features indicators for credit quality monitoring and control. The dashboard shall signal alerts in accordance with customers' risk levels and allow customer account handlers to follow up on at-risk customers and prepare preventive measures before they become NPLs. For instance, the dashboard will signal alerts when customers' accounts fall into the yellow risk level, then those responsible for the accounts will come up with measures to prevent them from reaching the red risk level.

6. Create a support system to facilitate the Bank's asset classification and provisioning according to TFRS 9 on financial instruments to get ready for the adoption of TFRS 9 for the Bank's financial statement preparation.

7. Arrange stress tests by taking into account past events and macroeconomic forecasts to estimate the probable losses to the Bank's funds. The results will be prepared according to the regulatory agencies' prescribed format and reported to the Risk Oversight Committee and the Board of Directors at least twice a year and to the Bank of Thailand once a year.

#### **4. Risk Management (Continued)**

##### **4.1 The Bank's Risk Information (Continued)**

###### **Market Risk**

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

The Bank has managed the market risk as follows:

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

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

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

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

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

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

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

- Controlling market risk by the management and relevant committees, such as the Asset and Liability Management Committee and the Risk Oversight Sub-committee

###### **Liquidity Risk**

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

The Bank has employed the following measures to manage liquidity risk:

1. Determine liquidity risk management policy as a framework and guidelines for management and control of the Bank's liquidity risk and review the policy annually.



#### 4. Risk Management (Continued)

##### 4.1 The Bank's Risk Information (Continued)

###### Liquidity Risk (Continued)

2. Set up liquidity risk assessment and measurement tools, such as:
  - Preparing a status report of the liquidity gap
  - Measuring and assessing liquidity risk using financial ratios, such as large deposit concentration ratio, maintenance of liquid assets, and liquidity mismatches
  - Testing liquidity crisis regularly using simulated scenarios
  - Identifying early warning signs of abnormal liquidity situations
3. Monitor and control liquidity risk through the following actions:
  - Determining liquidity risk limits and reviewing them annually to maintain appropriate risk limits
  - Preparing a report on liquidity risk status to be submitted to the Board of Directors and relevant executives on a regular basis
  - Devising the Contingency Liquidity Plan by delegating duties and responsibilities to involved committees and executives, prescribing operational procedures and management approaches to the liquidity crisis, and testing the Contingency Liquidity Plan to ensure that the Bank is well-prepared for the liquidity crisis
  - Determining the sufficient level or quantity of liquidity cushion to guard against liquidity risk under normal and stress scenarios
  - Controlling liquidity risk by the management and related committees, such as the Asset and Liability Management Committee, the Risk Management Sub-committee and the Risk Management Committee

As at December 31, 2021 and 2020, the Bank had significant asset and liability items classified by maturity as follows:

	Unit : Million Baht					
	2021			2020		
	Not over 1 Year	Over 1 Year	Total	Not over 1 Year	Over 1 Year	Total
<b>Assets</b>						
Interbank and money market items, net	921.40	-	921.40	3,304.84	-	3,304.84
Investments, net	2,542.40	6,470.70	9,013.10	2,060.56	6,775.07	8,835.63
Loans to customers	<u>27,199.78</u>	<u>77,784.39</u>	<u>104,984.17</u>	<u>20,106.19</u>	<u>81,414.03</u>	<u>101,520.22</u>
Total	<u>30,663.58</u>	<u>84,255.09</u>	<u>114,918.67</u>	<u>25,471.59</u>	<u>88,189.10</u>	<u>113,660.69</u>
<b>Liabilities</b>						
Deposits	47,704.30	7,094.79	54,799.09	49,910.19	3,693.04	53,603.23
Interbank and money market items, net	5,118.74	8,935.30	14,054.04	376.13	10,504.99	10,881.12
Debt issued and borrowings	<u>33.94</u>	<u>26,275.30</u>	<u>26,309.24</u>	<u>9,061.93</u>	<u>21,316.92</u>	<u>30,378.85</u>
Total	<u>52,856.98</u>	<u>42,305.39</u>	<u>95,162.37</u>	<u>59,348.25</u>	<u>35,514.95</u>	<u>94,863.20</u>

#### 4.2 Fair Value of Financial Instruments

Type of financial instruments	Unit : Million Baht			
	2021		2020	
	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>				
Cash	0.25	0.25	0.18	0.18
Interbank and money market items, net	921.40	921.40	3,304.84	3,304.84
Investments, net	9,013.10	9,013.10	8,835.63	8,835.63
Loans to customers, net	<u>95,166.55</u>	<u>95,166.55</u>	<u>92,089.99</u>	<u>92,089.99</u>
Total	<u>105,101.30</u>	<u>105,101.30</u>	<u>104,230.64</u>	<u>104,230.64</u>
<b>Financial liabilities</b>				
Deposits	54,799.09	54,799.09	53,603.23	53,603.23
Interbank and money market items, net	14,054.04	14,054.04	10,881.12	10,881.12
Liabilities payable on demand	25.64	25.64	14.17	14.17
Derivatives liabilities	-	-	0.04	0.04
Debt issued and borrowings	<u>26,309.24</u>	<u>26,309.24</u>	<u>30,378.85</u>	<u>30,378.85</u>
Total	<u>95,188.01</u>	<u>95,188.01</u>	<u>94,877.41</u>	<u>94,877.41</u>

#### 4.3 Maintenance of Capital Fund

	Unit : Million Baht	
	2021	2020
<b>Tier 1 capital</b>		
Paid-up share capital	36,231.81	36,231.81
Discount on share capital	(15,476.81)	(15,476.81)
Legal reserves	48.19	48.19
Investments reserves	216.46	216.46
Unappropriated retained earnings (deficit)	<u>(11,632.47)</u>	<u>(11,919.04)</u>
Total	9,387.18	9,100.61
Deficit, net	<u>(177.19)</u>	<u>-</u>
Total Tier 1 capital	<u>9,209.99</u>	<u>9,100.61</u>
<b>Tier 2 capital</b>		
Incremental value of land appraisal	289.66	289.66
Incremental value of premises appraisal	231.74	238.33
Reserve for normal assets	<u>576.40</u>	<u>549.48</u>
Total Tier 2 capital	<u>1,097.80</u>	<u>1,077.47</u>
Total capital fund in accordance with the Bank of Thailand's regulation	<u>10,307.79</u>	<u>10,178.08</u>

#### 4.3 Maintenance of Capital Fund (Continued)

The Bank's capital fund was calculated based on the Bank of Thailand's notification No. SorKorSor.16/2562 Re: Capital Components of Specialized Financial Institutions.

In the aforementioned regulation, the capital adequacy ratio must be not less than 8.5%, provided that the Tier 1 capital must be no less than 4.25% of total risk asset. As of December 31, 2021 and 2020, the Bank maintained a ratio of capital fund as follows:

	Percentage	
	2021	2020
Total Capital fund	13.56	13.88
Tier 1 Capital	12.12	12.41

#### 5. Estimates and Assumptions

The preparation of financial statements in conformity with the Thai Financial Reporting Standards requires the management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected. Information about the areas estimation uncertainty and assumptions in applying of accounting policies that have a significant effect on the amounts recognized in the financial statements.

#### 6. Supplementary Information

##### 6.1 Supplementary Information of Cash Flows

Significant non-cash items for the year ended December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	2021	2020
Increase in revaluation surplus (deficit) on investments		
in equity	(147.51)	56.44
Increase in properties for sale from loan payment	148.04	-

## 6. Supplementary Information (Continued)

### 6.2 Interbank and Money Market Items, Net (Assets)

	Unit : Million Baht					
	2021			2020		
	Demand	Time	Total	Demand	Time	Total
<b>Domestic items</b>						
Bank of Thailand	275.81	-	275.81	42.30	-	42.30
Commercial banks	608.51	-	608.51	3,189.70	-	3,189.70
Specialized financial institutions	<u>1.07</u>	<u>34.04</u>	<u>35.11</u>	<u>5.07</u>	<u>50.17</u>	<u>55.24</u>
Total	885.39	34.04	919.43	3,237.07	50.17	3,287.24
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.05</u>	<u>0.05</u>	<u>-</u>	<u>0.07</u>	<u>0.07</u>
Total domestic items	<u>885.39</u>	<u>34.09</u>	<u>919.48</u>	<u>3,237.07</u>	<u>50.24</u>	<u>3,287.31</u>
<b>Foreign items</b>						
US Dollar	<u>1.92</u>	<u>-</u>	<u>1.92</u>	<u>17.53</u>	<u>-</u>	<u>17.53</u>
Total foreign items	<u>1.92</u>	<u>-</u>	<u>1.92</u>	<u>17.53</u>	<u>-</u>	<u>17.53</u>
Total domestic and foreign items	<u>887.31</u>	<u>34.09</u>	<u>921.40</u>	<u>3,254.60</u>	<u>50.24</u>	<u>3,304.84</u>

As at December 31, 2021 and 2020, the domestic deposits of specialized financial institutions in the amount of Baht 34.04 million and Baht 50.17 million respectively, to guarantee against credit for the housing loans of the Bank's employees.

### 6.3 Investments, Net

#### 6.3.1 Available-for-sale Securities

	Unit : Million Baht	
	2021	2020
	Fair value	Fair value
Government and state enterprise securities	4,734.81	5,408.97
<u>Add/(Less)</u> Allowance for revaluation	<u>(37.25)</u>	<u>110.36</u>
Total	<u>4,697.56</u>	<u>5,519.33</u>

#### 6.3.2 Held-to-maturity Debt Securities

	Unit : Million Baht	
	2021	2020
	Cost/ Amortized cost	Cost/ Amortized cost
Government and state enterprise securities	3,325.18	2,336.01
<u>Add</u> Allowance for revaluation	<u>0.26</u>	<u>0.16</u>
Total	<u>3,325.44</u>	<u>2,336.17</u>

## 6. Supplementary Information (Continued)

### 6.3 Investments, Net (Continued)

#### 6.3.3 General Investments

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	1,157.91	1,157.02
<u>Less</u> Allowance for Impairment	<u>(167.81)</u>	<u>(176.89)</u>
Total	<u>990.10</u>	<u>980.13</u>
Total investments, net	<u>9,013.10</u>	<u>8,835.63</u>

As at December 31, 2021 and 2020 the allowance for revaluation of investments (other components of equity: Revaluation surplus (deficit) on investments) amounted of Baht (36.99) million and Baht 110.52 million respectively (Note 6.22).

### 6.4 Loans to Customers and Accrued Interest Receivables, Net

#### 6.4.1 Classified by Type of Loans

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Loans to customers	46,813.90	48,276.54
Hire purchase receivables (Note 6.4.7)	42.63	44.02
Welfare receivables	<u>94.82</u>	<u>107.16</u>
Total	46,951.35	48,427.72
<u>Less</u> Deferred revenue	<u>(36.46)</u>	<u>(33.16)</u>
Total loans to customers, net of deferred revenue	46,914.89	48,394.56
<u>Add</u> Accrued interest receivables	<u>444.00</u>	<u>367.42</u>
Total loans to customers, net of deferred revenue, plus accrued interest receivables	47,358.89	48,761.98
<u>Less</u> Allowance for doubtful accounts		
1. Minimum reserve under BOT's regulations	(5,382.24)	(5,256.50)
2. Excess allowance	<u>(3,892.69)</u>	<u>(3,478.38)</u>
Total loans to customers, net	<u>38,083.96</u>	<u>40,027.10</u>

As at December 31, 2021, the Bank's total loans to customers in the amount of Baht 104,984.17 million which consisting of Baht 58,032.82 million classified as the projects of in public service account and Baht 46,951.35 million for the projects of public sector cooperation and for commercial purpose.

As at December 31, 2020, the Bank's total loans to customers in the amount of Baht 101,520.22 million which consisting of Baht 53,092.50 million classified as the projects of public service accounts and Baht 48,427.72 million for the projects of public sector cooperation and for commercial purpose.

## 6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

### 6.4.2 Classified by Currencies and Customer's Residence

	Unit : Million Baht	
	2021	2020
Thai Baht	46,951.35	48,427.72
US Dollar	-	-
<b>Total</b>	<b><u>46,951.35</u></b>	<b><u>48,427.72</u></b>

### 6.4.3 Classified by Business Types and Loan Classification

	Unit : Million Baht					
	2021					
	Normal	Special mention	Sub- standard	Doubtful	Doubtful of loss	Total
Agriculture and mining	641.14	18.24	8.76	2.29	604.18	1,274.61
Manufacturing and commercial	3,772.91	136.81	8.97	169.30	4,629.41	8,717.40
Real estate and construction	1,394.33	18.79	3.93	65.81	380.94	1,863.80
Public utilities and services	27,240.38	1,422.95	179.54	282.18	5,854.57	34,979.62
Housing loans	94.03	-	-	-	0.79	94.82
Others	<u>19.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.34</u>	<u>21.10</u>
<b>Total</b>	<b><u>33,162.55</u></b>	<b><u>1,596.79</u></b>	<b><u>201.20</u></b>	<b><u>519.58</u></b>	<b><u>11,471.23</u></b>	<b>46,951.35</b>
Less: Deferred revenue						<u>(36.46)</u>
<b>Total loans to customers-net of deferred revenue</b>						<b><u>46,914.89</u></b>

	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>
<b>Total</b>	<b><u>32,217.33</u></b>	<b><u>3,013.91</u></b>	<b><u>367.68</u></b>	<b><u>339.27</u></b>	<b><u>12,489.53</u></b>	<b>48,427.72</b>
Less: Deferred revenue						<u>(33.16)</u>
<b>Total loans to customers-net of deferred revenue</b>						<b><u>48,394.56</u></b>

## 6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

### 6.4.4 Classified by Loan Classification

Unit : Million Baht

	Loans and accrued interest receivables	2021		Allowance for doubtful accounts
		Net amount used for setting the allowance for doubtful accounts	% used for setting the allowance for doubtful accounts	
1. Minimum reserve under BOT's regulations				
Normal	33,565.64	18,257.60	1	182.57
Normal - surplus				16.51
Special mention	1,637.56	815.35	2	16.31
Substandard	201.23	86.32	100	86.32
Doubtful	519.69	371.04	100	371.04
Doubtful of loss	<u>11,471.23</u>	<u>4,709.49</u>	100	<u>4,709.49</u>
Total	47,395.35	<u>24,239.80</u>		5,382.24
Less: Deferred revenue	<u>(36.46)</u>			
Loans to customers and accrued interest receivables	47,358.89			
Less: Allowance for doubtful accounts (Note6.5)	<u>(9,274.93)</u>			
Loans to customers and accrued interest receivables, net	<u>38,083.96</u>			
2. Excess allowance				<u>3,892.69</u>
Total				<u>9,274.93</u>

Unit : Million Baht

	Loans and accrued interest receivables	2020		Allowance for doubtful accounts
		Net amount used for setting the allowance for doubtful accounts	% used for setting the 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 (Note6.5)	<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>

## 6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

### 6.4.4 Classified by Loan Classification (Continued)

As at December 31, 2021, the Bank set aside the allowance for doubtful accounts in compliance with the Bank of Thailand's notification No.SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions.

The Bank has set aside loans to customers based on the overdue of interest or principal payables according to conditions or time periods as stated in the contract or as requested by the Bank or make claims to pay back, whichever comes first, including with restructuring debts has followed the No. SorKorSor. 23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions the addition accordance to the Bank of Thailand's notification No. SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of the Public Service Account.

As at December 31, 2021 and 2020, the Bank has the loans with allowance and the loan without allowance as follows:

	2021		2020	
	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	103,202.87	97.55	99,515.69	97.44
Loans without allowance	2,587.40	2.45	2,616.82	2.56
<b>Total</b>	<b>105,790.27</b>		<b>102,132.51</b>	

Unit : Million Baht

Loans without allowance are debtors or persons or corporate who are the debtors of the Bank according to cabin resolution of the compensation for damages that loans classified as pass and without allowance since the government provided the compensation for damage based on the Bank of Thailand's notification No. SorKorSor. 28/2562 dated September 2, 2019, regarding Regulations on Governance of the Public Service Account.

During the period, the Bank has the loans with allowance under the public service accounts according to resolution the cabinet of the compensation damage and the expected compensation that estimated to receive in the amount of Baht 518.67 million.

As at December 31, 2021 and 2020, the Bank has loans that being stopped recognizing income in the amount of Baht 14,270.88 million and Baht 15,241.16 million are 13.49% and 14.92% of loans to customers and accrued interest receivables, net from deferred revenue, respectively.



#### 6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

##### 6.4.5 Classified by non-performing loans

As at December 31, 2021 and 2020, the Bank had non-performing loans as follows:

	Unit : Million Baht			
	<u>2021</u>		<u>2020</u>	
	Non-performing loans	% of Non-performing loans	Non-performing loans	% of Non-performing loans
Public service account projects	2,078.88	14.57	2,044.68	13.42
Public sector cooperation and commercial projects	<u>12,192.00</u>	85.43	<u>13,196.48</u>	86.58
<b>Total</b>	<b><u>14,270.88</u></b>		<b><u>15,241.16</u></b>	

##### 6.4.6 Troubled debt Restructuring

As at December 31, 2021 and 2020, details about troubled debt restructuring were as follows:

		Unit : Million Baht	
		<u>2021</u>	
		Outstanding debt Before restructuring	After restructuring
<u>Troubled debt restructuring methods</u>	<u>No. of cases</u>		
Change of repayment conditions	<u>11,281</u>	<u>14,163.10</u>	<u>14,163.10</u>
<b>Total</b>	<b><u>11,281</u></b>	<b><u>14,163.10</u></b>	<b><u>14,163.10</u></b>

		Unit : Million Baht	
		<u>2020</u>	
		Outstanding debt Before restructuring	After restructuring
<u>Troubled debt restructuring methods</u>	<u>No. of cases</u>		
Change of repayment conditions	<u>11,215</u>	<u>15,915.21</u>	<u>15,915.21</u>
<b>Total</b>	<b><u>11,215</u></b>	<b><u>15,915.21</u></b>	<b><u>15,915.21</u></b>

#### 6.4 Loans to Customers and Accrued Interest Receivables, Net (Continued)

##### 6.4.7 Finance Lease Receivables Hire Purchase Receivables (Note 6.4.1)

Unit : Million Baht

	<u>2021</u>			
	<u>Amount due of the contract</u>			
	<u>Not over 1 year</u>	<u>Over 1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Gross investment of leases payment	21.18	21.45	-	42.63
<b>Less</b> Unearned financial income				<b>(5.59)</b>
Present value of minimum leases payment				37.04
Allowance for doubtful accounts				<b>(32.55)</b>
Finance lease receivables, net				<u>4.49</u>

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
<b>Less</b> Unearned financial income				<b>(5.86)</b>
Present value of minimum leases payment				38.16
Allowance for doubtful accounts				<b>(17.23)</b>
Finance lease receivables, net				<u>20.93</u>

#### 6.5 Allowance for Doubtful Accounts

As at December 31, 2021, the Bank's allowance for doubtful accounts consisted of allowance for doubtful accounts for public sector cooperation project and commercial projects in the amount of Baht 9,274.93 million and allowance for doubtful accounts for project of public service accounts in the amount of Baht 1,348.79 million (Note 6.333) that total of allowance of doubtful account as at December 31, 2021 in the amount of Baht 10,623.72 million.

As at December 31, 2021, the allowance for doubtful accounts for public sector cooperation and commercial projects in the amount to Baht 9,274.93 million as follows:

Unit : Million Baht

	<u>2021</u>						
	<u>Normal</u>	<u>Special mention</u>	<u>Sub - standard</u>	<u>Doubtful</u>	<u>Doubtful of loss</u>	<u>Allowance in excess</u>	<u>Total</u>
Beginning balance	259.00	28.45	110.73	86.63	4,771.69	3,478.38	8,734.88
Doubtful accounts	(59.92)	(12.14)	(24.41)	284.41	358.98	414.31	961.23
Write-off and bad debts	-	-	-	-	(421.18)	-	(421.18)
Ending balance	<u>199.08</u>	<u>16.31</u>	<u>86.32</u>	<u>371.04</u>	<u>4,709.49</u>	<u>3,892.69</u>	<u>9,274.93</u>

## 6.5 Allowance for Doubtful Accounts (Continued)

As at December 31, 2020, the allowance for doubtful accounts for public sector cooperation project and commercial projects in the amount of Baht 8,734.88 million consisting of :

Unit : Million Baht

	2020						Total
	Normal	Special mention	Sub - standard	Doubtful	Doubtful of loss	Allowance in excess	
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>

The calculation of allowances for doubtful accounts in Note 6.4.4

The Bank has set allowances for doubtful accounts in compliance with the Bank of Thailand's notification No.SorKorSor.23/2562 dated September 2, 2019, regarding Regulations on Asset Classification and Provisioning of Specialized Financial Institutions and No.SorKorSor. 22/2562 dated September 2, 2019, regarding Regulations on Loan Guaranteed by the Thai Credit Guarantee Corporation under the Portfolio Guarantee Scheme for Specialized Financial Institutions.

During the year 2021, the Bank increased the provision by the amount of Baht 546.92 million, comprising the increase in provision for outstanding payments in the amount of Baht 530.41 million and the increase in provision from debt restructuring and accounts classified as normal and reversal of allowance for doubtful accounts in the amount of Baht 19.77 million (which consisted of Baht 16.51 million for commercial transactions and Baht 3.26 million for the public service account (Note 6.33.3)). The written-off allowance for doubtful debts from bad debts amounted to Baht 421.18 million.

As at December 31, 2021, the Bank reviewed its excess allowance and increased the excess allowance by Baht 419.01 million (according to the Resolution of the Bank's Board of Director Meeting No. 2 on January 26, 2022, Agenda 5.2: operating report, review of excess allowance criteria, and performance report under the performance agreement for December 2021, which was acknowledged by the meeting that are effective for the financial statement of 2020). That results in the Bank having an excess allowance reserve in the amount of Baht 3,158.17 million with the excess allowance for Possible Impaired Loan (PIL) of Baht 734.52 million. Thus, the Bank's current excess allowance reserve of Baht 3,892.69 million. During the installment period, the Bank used the excess allowance as additional excess allowance for provisioning for change in collaterals in the amount of Baht 80.30 million according to the Resolution of the Bank's Board of Director Meeting No. 2/2564 on January 27, 2021, Agenda 5.2: request for approval to modify regulation in holding excess reserve and the use of excess reserve, which was approved by the meeting.

## 6.6 Properties for Sale, Net

Unit : Million Baht

	<u>2021</u>			
	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
	<u>balance</u>			<u>balance</u>
Assets acquired from debt repayment				
Immovable properties	889.48	206.56	(102.52)	993.52
Movable properties	<u>24.05</u>	<u>0.05</u>	<u>(0.20)</u>	<u>23.90</u>
Total	913.53	206.61	(102.72)	1,017.42
Properties for sale in transit	<u>11.89</u>	-	<u>(11.89)</u>	-
Total	925.42	206.61	(114.61)	1,017.42
Less Allowance for impairment	<u>(175.71)</u>	<u>(2.50)</u>	<u>10.47</u>	<u>(167.74)</u>
Total properties for sale, net	<u>749.71</u>	<u>204.11</u>	<u>(104.14)</u>	<u>849.68</u>

Unit : Million Baht

	<u>2020</u>			
	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
	<u>balance</u>			<u>balance</u>
Assets acquired from debt repayment				
Immovable properties	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>(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>

As at December 31, 2021, the Bank had immovable properties acquired from debt repayment in the amount of Baht 993.52 million, which were appraised by an internal appraiser at amounting to Baht 688.26 million and by an external appraiser amounting to Baht 305.26 million.

As at December 31, 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, 2020 and 2019, the Bank's allowances for impairment of properties for sale incurred from loss on impairment in the amount of Baht 167.74 million and Baht 175.71 million, respectively.

For the year ended at December 31, 2021 and 2020, the Bank had profited from disposals of properties for sale in the amount of Baht 32.15 million and Baht 25.60 million, respectively.

## 6.7 Premises and Equipment, Net

Unit : Million Baht

	2021								
	Cost				Accumulated depreciation				Premise and Equipment, Net
	Beginning		Ending		Beginning		Ending		
	Balance	Additions	Disposals	Balance	Balance	Depreciation	Disposals	Balance	
Land	274.20	-	-	274.20	-	-	-	-	274.20
Land-Appraisal increase*	414.32	-	-	414.32	-	-	-	-	414.32
Premises	514.97	-	(6.13)	508.84	251.35	7.25	(3.04)	255.56	253.28
Premises improvement	23.13	19.00	(0.92)	41.21	2.41	2.40	(0.92)	3.89	37.32
Premises-Appraisal increase	569.67	-	-	569.67	56.90	14.23	-	71.13	498.54
<b>Equipment</b>									
- Office equipment	464.24	4.99	(6.47)	462.76	354.80	49.41	(6.43)	397.78	64.98
- Furniture	476.18	1.54	(2.92)	474.80	441.66	22.73	(2.92)	461.47	13.33
- Vehicles	0.05	-	-	0.05	0.05	-	-	0.05	-
<b>Total</b>	<b>2,736.76</b>	<b>25.53</b>	<b>(16.44)</b>	<b>2,745.85</b>	<b>1,107.17</b>	<b>96.02</b>	<b>(13.31)</b>	<b>1,189.88</b>	<b>1,555.97</b>

Unit : Million Baht

	2020								
	Cost				Accumulated depreciation				Premise and Equipment, Net
	Beginning		Ending		Beginning		Ending		
	Balance	Additions	Disposals	Balance	Balance	Depreciation	Disposals	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>

\*The Bank revalued these items in 2017.

As at December 31, 2021 and 2020, the Bank had premises in the amount of Baht 508.84 million and Baht 514.97 million, respectively, comprising of head office in the amount of Baht 491.35 million and Baht 497.48 million, respectively, and branch offices in the amount of Baht 17.49 million.

## 6.8 Right-of-use Assets, Net

Unit : Million Baht

	2021									
	Cost				Accumulated depreciation				Right-of-use Assets, Net	
	Beginning		Ending		Beginning		Ending			
	Balance	Additions	Disposals	Balance	Balance	Additions	Disposals	Balance		
Premises	99.79	46.12	(28.08)	117.83	39.97	39.95	(26.88)	53.04	64.79	
Office equipment	0.22	-	(0.22)	-	0.10	0.02	(0.12)	-	-	
Vehicles	184.47	34.42	(77.42)	141.47	62.84	52.61	(73.46)	41.99	99.48	
<b>Total</b>	<b>284.48</b>	<b>80.54</b>	<b>(105.72)</b>	<b>259.30</b>	<b>102.91</b>	<b>92.58</b>	<b>(100.46)</b>	<b>95.03</b>	<b>164.27</b>	

Unit : Million Baht

	2020									
	Cost				Accumulated depreciation				Right-of-use Assets, Net	
	Beginning		Ending		Beginning		Ending			
	Balance	Additions	Disposals	Balance	Balance	Additions	Disposals	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	213.12	3.96	(32.61)	184.47	-	76.06	(13.22)	62.84	121.63	
<b>Total</b>	<b>313.22</b>	<b>4.06</b>	<b>(32.80)</b>	<b>284.48</b>	<b>-</b>	<b>116.13</b>	<b>(13.22)</b>	<b>102.91</b>	<b>181.57</b>	

## 6.9 Assets in Progress

Unit : Million Baht

	2021			
	Beginning		Ending	
	Balance	Additions	Transfer	Balance
Premises improvement	19.00	-	(19.00)	-
Office equipment	-	3.88	-	3.88
Computer system	271.33	54.05	(168.06)	157.32
Computer	-	20.88	-	20.88
Furniture	0.55	1.06	(0.10)	1.51
<b>Total</b>	<b>290.88</b>	<b>79.87</b>	<b>(187.16)</b>	<b>183.59</b>

Unit : Million Baht

	2020			
	Beginning		Ending	
	Balance	Additions	Transfer	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
Computer	-	0.48	(0.48)	-
Furniture	14.25	15.55	(29.25)	0.55
<b>Total</b>	<b>207.16</b>	<b>145.72</b>	<b>(62.00)</b>	<b>290.88</b>

### 6.10 Advances for Legal costs, Net

Unit : Million Baht

	<u>2021</u>	<u>2020</u>
Advances in legal costs	270.64	311.94
<u>Less</u> Allowance for doubtful accounts	<u>(270.64)</u>	<u>(311.94)</u>
Advances for legal costs, net	<u>0.00</u>	<u>0.00</u>

### 6.11 Other Intangible Assets, Net

Unit : Million Baht

	<u>2021</u>									
	Cost				Ending Balance	Accumulated depreciation				Net
	Beginning Balance	Additions	Disposals	Ending Balance		Beginning balance	Additions	Disposals	Ending Balance	
Leasehold	5.00	-	-	5.00	2.07	0.17	-	2.24	2.76	
Computer system	<u>236.79</u>	<u>74.09</u>	<u>-</u>	<u>310.88</u>	<u>190.89</u>	<u>23.41</u>	<u>-</u>	<u>214.30</u>	<u>96.58</u>	
<b>Total</b>	<u>241.79</u>	<u>74.09</u>	<u>-</u>	<u>315.88</u>	<u>192.96</u>	<u>23.58</u>	<u>-</u>	<u>216.54</u>	<u>99.34</u>	

Unit : Million Baht

	<u>2020</u>									
	Cost				Ending Balance	Accumulated depreciation				Net
	Beginning Balance	Additions	Disposals	Ending Balance		Beginning Balance	Additions	Disposals	Ending Balance	
Leasehold	5.00	-	-	5.00	1.90	0.17	-	2.07	2.93	
Computer system	<u>225.06</u>	<u>13.74</u>	<u>(2.01)</u>	<u>236.79</u>	<u>176.39</u>	<u>16.51</u>	<u>(2.01)</u>	<u>190.89</u>	<u>45.90</u>	
<b>Total</b>	<u>230.06</u>	<u>13.74</u>	<u>(2.01)</u>	<u>241.79</u>	<u>178.29</u>	<u>16.68</u>	<u>(2.01)</u>	<u>192.96</u>	<u>48.83</u>	

### 6.12 Other Assets, Net

Unit : Million Baht

	<u>2021</u>	<u>2020</u>
Accrued interest receivables	40.73	50.36
Prepaid expenses	7.80	9.86
Insurance expenses and loan guarantee fees refundable	668.33	564.90
Accounts receivables due to receive refund from TCG	125.66	15.40
Accounts receivables from properties for sale purchase	15.41	57.09
Other Accounts receivables and miscellaneous assets	<u>72.57</u>	<u>99.06</u>
	930.50	796.67
<u>Less</u> Allowance for doubtful accounts	<u>(611.19)</u>	<u>(529.32)</u>
Allowance for impairment	<u>(7.03)</u>	<u>(7.03)</u>
<b>Total</b>	<u>312.28</u>	<u>260.32</u>

The Bank set aside the allowances for doubtful accounts, insurance expenses and loan guarantee fees refundable according to outstanding payments and advances for other operations (only for litigation).

## 6.13 Deposits

### 6.13.1 Classified by Type of Deposits

Type of deposits	Unit : Million Baht	
	2021	2020
Saving deposits	120.41	641.09
Time deposits	54,522.59	52,825.45
Negotiable certificates of deposits	<u>156.09</u>	<u>136.69</u>
Total	<u>54,799.09</u>	<u>53,603.23</u>

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

### 6.13.2 Classified by currencies or Residence of Depositors

	Unit : Million Baht					
	2021			2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	<u>54,799.09</u>	-	<u>54,799.09</u>	<u>53,603.23</u>	-	<u>53,603.23</u>
Total	<u>54,799.09</u>	-	<u>54,799.09</u>	<u>53,603.23</u>	-	<u>53,603.23</u>

## 6.14 Interbank and Money market items, Net (Liabilities)

These are promissory notes and bills of exchange issued to the financial institutions as at December 31, 2021 and 2020, amount to Baht 14,054.04 million and Baht 10,881.12 million, respectively interest rate of 0.01 – 0.10% per year.

	Unit : Million Baht					
	2021			2020		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
- Bank of Thailand	-	8,259.56	8,259.56	-	3,622.27	3,622.27
- Specialized financial institutions	-	<u>5,794.48</u>	<u>5,794.48</u>	-	<u>7,258.85</u>	<u>7,258.85</u>
Total domestic items	-	<u>14,054.04</u>	<u>14,054.04</u>	-	<u>10,881.12</u>	<u>10,881.12</u>



## 6.15 Hedging Derivatives

### Fair value and Contract amounts, Classified by risk types

Unit : Million Baht

Risk types	2021			2020		
	Fair value		Contract	Fair value		Contract
	Assets	Liabilities	Price	Assets	Liabilities	Price
Exchange rates	-	-	-	-	0.04	15.69
Total	-	-	-	-	0.04	15.69

Derivative assets are the difference of the fair value adjustment as at December 31, 2021 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, 2021 and the price as at the date of buying or selling of derivations and losses from foreign currency value-derivatives adjustment.

## 6.16 Debt Issued and Borrowings

Unit : Million Baht

	Currency	2021		Domestic	Foreign	Total
		Interest Rate	Maturity			
		(%)	Date			
Promissory notes	THB	0.75-2.00	At call	33.94	-	33.94
Loans	THB	-	-	175.45	-	175.45
Bonds guaranteed by the Ministry of Finance						
No.1/2019	THB	2.125	2023	3,000.00	-	3,000.00
No.1/2019 (Re-open)	THB	2.125	2023	3,000.00	-	3,000.00
Add Premium on bonds				13.94	-	13.94
No.2/2019	THB	2.15	2025	5,000.00	-	5,000.00
No.2/2019 (Re-open)	THB	2.15	2025	4,000.00	-	4,000.00
Add Premium on bonds				97.53	-	97.53
No.1/2020	THB	1.55	2026	6,000.00	-	6,000.00
Less Discount on bonds				(11.62)	-	(11.62)
Bonds without guarantee						
No.1/2021	THB	1.57	2024	3,000.00	-	3,000.00
No.2/2021	THB	1.99	2026	2,000.00	-	2,000.00
Total				26,099.85	-	26,099.85
Total debts issued and borrowings				26,309.24	-	26,309.24

## 6.16 Debt Issued and Borrowings (Continued)

Unit : Million Baht

	2020					
	Currency	Interest Rate	Maturity	Domestic	Foreign	Total
		(%)	Date			
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
Add Premium on bonds				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
Add Premium on bonds				128.62	-	128.62
No.1/2020	THB	1.55	2026	6,000.00	-	6,000.00
Less Discount on bonds				(14.04)	-	(14.04)
Total				<u>30,141.47</u>	-	<u>30,141.47</u>
Total debts issued and borrowings				<u>30,378.85</u>	-	<u>30,378.85</u>

Promissory notes, as at December 31, 2021 and 2020, amount of Baht 33.94 million and Baht 61.93 million, respectively, were the borrowings from individuals and juristic persons, issued as multiple promissory notes with interest rates of 0.75-2.00% per annum, and interest payment at call.

Loans, as at December 31, 2021 and 2020, amount of Baht 175.45 million borrowings from the Ministry of Finance by transferring the business from the Small Industry Finance Office under the Department of Industrial Promotion in 1992, with the capital in the amount of Baht 250.45 million. On October 21, 1992, the Bank had paid as share Baht 75 million for the 750,000 shares of the Small Industry Finance Corporation at a par value of 100 Baht per share. Thus, the amount of borrowing remains at Baht 175.45 million.

Bonds, as at December 31, 2021 and 2020, amount of Baht 26,099.85 million and Baht 30,141.47 million, respectively, comprise.

Bond, worth Baht 21,000.00 million is guaranteed by the Ministry of Finance and exempted for the guarantee fee by the Public Debt Management Office throughout its outstanding guarantee period.

No. 1/2019: On May 29, 2019, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3 years 8 months on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on May 29 and November 29 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

## 6.16 Debt Issued and Borrowings (Continued)

No. 2/2019: On June 19, 2019, the Bank sold bearer bonds amount of Baht 5,000.00 million (units of Baht 1,000 each), in maturity of 5 years 8 months ending on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on June 19 and December 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 1/2019 (Re-open): On July 24, 2019, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3.52 years on January 29, 2023. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.125% per annum, payable semi-annually on May 29 and November 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2019 (Re-open): On September 4, 2019, the Bank sold bearer bonds amount of Baht 4,000.00 million (units of Baht 1,000 each), in maturity of 5.47 years on February 19, 2025. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 2.15% per annum, payable semi-annually on June 19 and December 19 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 1/2020: On October 16, 2019, the Bank sold bearer bonds amount of Baht 6,000.00 million (units of Baht 1,000 each), in maturity of 7 years ending on October 16, 2026. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.55% per annum, payable semi-annually on April 16 and October 16 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

Bonds with a total value of Baht 5,000.00 million, no guarantee

No. 1/2021: On November 8, 2021, the Bank sold bearer bonds amount of Baht 3,000.00 million (units of Baht 1,000 each), in maturity of 3 years ending on November 8, 2024. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.57% per annum, payable semi-annually on May 8 and November 8 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

No. 2/2021: On November 8, 2021, the Bank sold bearer bonds amount of Baht 2,000.00 million (units of Baht 1,000 each), in maturity of 5 years ending on November 8, 2026. The bonds will be redeemed at the full amount on the maturity date. The fixed interest rate was 1.99% per annum, payable semi-annually on May 8 and November 8 of each year. The Bank will pay the final interest payment and principal of the bonds on the maturity date.

## 6.17 Lease liabilities

As at December 31, 2021 and 2020, the details on lease liabilities were as follows:

	Unit : Million Baht	
	2021	2020
Up to 1 year	63.84	84.67
Over 1-5 years	107.48	107.42
Over 5 years	<u>0.31</u>	<u>0.39</u>
Total lease liabilities	171.63	192.48
Less Deferred interest expenses	<u>(4.77)</u>	<u>(5.37)</u>
Present value of lease liabilities	<u>166.86</u>	<u>187.11</u>

The present values of lease liabilities as at December 31, 2021 and 2020 were as follows:

	Unit : Million Baht	
	2021	2020
Up to 1 year	61.23	82.20
Over 1-5 years	105.34	104.56
Over 5 years	<u>0.29</u>	<u>0.35</u>
Total	<u>166.86</u>	<u>187.11</u>

As at December 31, 2021 and 2020, paid interest from lease liabilities was amount to Baht 3.32 million and Baht 4.81 million, respectively, which were shown as part of "financial cost (interest expense)" in the statement of profit or loss and other comprehensive income.

## 6.18 Provisions

As at December 31, 2021 and 2020, Provisions in the amount of Baht 677.74 million and Baht 682.11 million, respectively, consisting of:

### 6.18.1 Employee benefits

	Unit : Million Baht	
	2021	2020
Short-term benefits for employees	0.99	-
Long-term benefits for employees after retirement	<u>640.98</u>	<u>634.36</u>
Total	<u>641.97</u>	<u>634.36</u>

The short-term benefits for employees were estimated on the basis of the Bank's regulation Regarding the Increase of Efficiency and Productivity of Employees B.E. 2563, which prescribes that not over 5% of eligible employees out of the total workforce shall be entitled to receive short-term benefits.

The Bank estimates employee benefits obligations from statutory compensation under the Labor Protection Act. Employee benefit obligation calculated by the actuarial technique called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of the cash flows of the benefits expected for future payments, including forecasts salaries of employees, the turnover rate, the rate of increases salaries, the discount rate, and other.

## 6.18 Provisions (Continued)

### 6.18.1 Employee Benefits (Continued)

As at December 31, 2021 and 2020, the Bank set aside provisions for the benefits of retired employees as past service costs and current service costs in the amount of Baht 640.98 million and Baht 634.36 million respectively, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Beginning balance	634.36	665.28
Current service costs *	61.09	64.01
Interest costs*	11.43	7.76
Benefits paid during the years	(10.39)	(207.41)
Losses on settlement	-	108.96
Actuarial (gains) losses arising from		
- Experience adjustments	(5.52)	(12.63)
- Demographic assumption changes	(3.68)	(3.56)
- Financial assumption changes	<u>(46.31)</u>	<u>11.95</u>
Ending balance	<u>640.98</u>	<u>634.36</u>

\* These items are presented as employee expense in the statement of profit or loss and other comprehensive income

The principal actuarial assumptions are as follows:

	<u>2021</u>	<u>2020</u>
Salary growth rate	5.00%	5.00%
Turnover rate	0% – 8.00%	0% – 6.00%
Discount rate	2.01%	1.38%

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>2021</u>	<u>2020</u>
Discount rate		
- Increase of 1%	(64.88)	(69.07)
- Decrease of 1%	75.73	81.26
Salary growth rate		
- Increase of 1%	74.37	79.14
- Decrease of 1%	(65.12)	(68.83)
Turnover rate		
- Increase of 1%	(67.70)	(71.67)
- Decrease of 1%	47.84	52.77

## 6.18 Provisions (Continued)

### 6.18.2 Provision for Letter of Guarantee

As at December 31, 2021 and 2020, the Bank's provision for letter of guarantee in the amount of Baht 35.77 million and Baht 47.75 million, respectively. (Note 6.31.2)

## 6.19 Accrued Interest Payables

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Deposits	232.27	256.26
Interbank and money market items	0.98	0.63
Debt issued—promissory note	3.78	6.77
Debt issued—bonds	<u>49.86</u>	<u>86.26</u>
Total	<u>286.89</u>	<u>349.92</u>

## 6.20 Other Liabilities

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Accrued expenses	373.49	238.26
Payables—Revenue Department	0.02	0.11
Other payables	466.94	620.22
Marginal deposits	101.12	195.91
Others	<u>143.48</u>	<u>188.72</u>
Total	<u>1,085.05</u>	<u>1,243.22</u>

## 6.21 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, 2021 and 2020, the Bank's authorized share capital are Baht 456 million shares at a par value of Baht 100 per share, totaling Baht 45,600.00 million.

### Issued and paid-up share capital

As at December 31, 2021 and 2020, the Bank had paid-up capital of 362.32 million shares at a par value of Baht 100 per share, totaling Baht 36,231.81 million, with discounts on shares capital of Baht 15,476.81 million. The Ministry of Finance held 99.38% of the shares, respectively.

## 6.22 Other Components of Equity

Unit : Million Baht

	2021			2020		
	Beginning Balance	Change during Period	Ending Balance	Beginning Balance	Change during Period	Ending Balance
Revaluation surplus (deficit) on investments	110.52	(147.51)	(36.99)	54.08	56.44	110.52
Recalculation surplus (deficit) on assets	<u>927.08</u>	<u>(14.22)</u>	<u>912.86</u>	<u>941.31</u>	<u>(14.23)</u>	<u>927.08</u>
Total	<u>1,037.60</u>	<u>(161.73)</u>	<u>875.87</u>	<u>995.39</u>	<u>42.21</u>	<u>1,037.60</u>

## 6.23 Interest Income

Interest income for the years ended December 31, 2021 and 2020, as follows:

Unit : Million Baht

	2021	2020
Interbank and money market items	14.25	48.95
Investments	124.62	123.77
Loans	1,603.99	1,867.56
Hire purchase lease	<u>0.18</u>	<u>0.90</u>
Total interest income	<u>1,743.04</u>	<u>2,041.18</u>

## 6.24 Interest Expenses

Interest expenses for the years ended December 31, 2021 and 2020, as follows:

Unit : Million Baht

	2021	2020
Deposits	177.50	338.48
Interbank and money market items	2.84	3.21
Bonds issuance fee	(5.77)	(3.72)
Debt issued—promissory note	0.04	0.34
Debt issued—bonds	237.23	283.92
Others	<u>1.40</u>	<u>2.28</u>
Total interest expenses	<u>413.24</u>	<u>624.51</u>

#### 6.25 Fees and Service Income, Net

Fees and service income, net for the year ended December 31, 2021 and 2020, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Fees and service income		
- Acceptance, avals and guarantee	3.34	3.76
- Others	<u>263.10</u>	<u>262.43</u>
Total fees and service income	266.44	266.19
Fees and service expenses	<u>(43.62)</u>	<u>(48.03)</u>
Fees and service income, net	<u>222.82</u>	<u>218.16</u>

#### 6.26 Gains on Trading and Foreign Exchange Transactions, Net

Gains on trading and foreign exchange transactions, net for the year ended December 31, 2021 and 2020, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Gains on trading and foreign exchange transactions		
- Gains on foreign exchange transactions	1.61	1.43
Total	<u>1.61</u>	<u>1.43</u>

#### 6.27 Gains (Losses) on financial instrument designated at fair value through profit or loss, Net (Fair value option)

Gains (losses) on financial instrument designated at fair value through profit or loss, net (fair value option) for the year ended December 31, 2021 and 2020, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Changes in fair value, net		
- Other liabilities	0.04	(0.04)
Total	<u>0.04</u>	<u>(0.04)</u>

#### 6.28 Gains on Investments, Net

Gains on investments, net for the year ended December 31, 2021 and 2020, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Gains on disposal of		
- Available-for-sale securities	-	33.94
Reversal on impairment		
- General investment	<u>9.08</u>	<u>9.99</u>
Total	<u>9.08</u>	<u>43.93</u>



## 6.29 Impairment Loss of Loans and Debt Securities

Bad debts, doubtful accounts, and losses on impairment, including gains or losses from debt restructuring for the year ended December 31, 2021 and 2020, as follows:

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
<b>Nonpublic service account</b>		
Loans to customers	961.23	2,486.34
(Gains) Losses from debt restructuring	<u>(0.12)</u>	<u>0.85</u>
Total	<u>961.11</u>	<u>2,487.19</u>
<b>Public service account</b>		
Loans to customers from public service account	<u>72.93</u>	<u>(18.22)</u>
Total	<u>72.93</u>	<u>(18.22)</u>
Total bad debts, doubtful account, and losses on impairment	<u>1,034.04</u>	<u>2,468.97</u>

## 6.30 Key Management Personnel Compensation

Key management personnel compensation are the benefits paid to directors and executives of the Bank, which consists of management personnel compensation in for money such as salaries and related benefits, which include benefits binding in the retirement project and compensation for directors.

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Short-term benefits		
Executive compensation	43.11	27.98
Directors' compensation	9.53	9.67
Post-employment benefits	<u>19.48</u>	<u>11.68</u>
Total	<u>72.12</u>	<u>49.33</u>

## 6.31 Contingent Liabilities and Commitments

### 6.31.1 Contingencies

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Letter of credit	6.89	1.94
Other contingencies		
Other guarantees	80.05	77.04
Foreign contracts		
- Sell	-	-
Spot sell contracts	<u>-</u>	<u>13.94</u>
Total other contingencies	<u>80.05</u>	<u>92.73</u>
Total	<u>86.94</u>	<u>94.67</u>

### 6.31 Contingent Liabilities and Commitments (Continued)

#### 6.31.2 Litigation

As at December 31, 2021, the Bank has contingent liabilities owing to prosecution which the exact amount of compensation could not be set. The Bank had 17 lawsuits with the total claim in the amount of Baht 1,248.92 million. Among the 17 cases, There are 3 cases that the Bank has proceeded under a guarantee (LG) contract in the amount of Baht 59.64 million. The cases are under consideration by the Central Administrative Court and the Supreme Administrative Court. The Bank set aside provision for contingent liability. (Note 6.18.2)

### 6.32 The Fair Value of Financial Instruments

As at December 31, 2021, the Bank determined level of the fair value hierarchy of financial assets and financial liabilities as follows:

	Unit : Million Baht		
	2021		
	Fair value		
	Level 1	Level 2	Total
<b>Financial Assets</b>			
Derivative assets - Exchange rate	-	-	-
Available-for-sale securities	4,697.56	-	4,697.56
Total financial assets	4,697.56	-	4,697.56
<b>Financial Liabilities</b>			
Derivatives liabilities - Exchange rate	-	-	-
Total financial liabilities	-	-	-

#### Fair Value Hierarchy

- Level 1 – quoted market prices in active market for identical assets or liabilities.
- Level 2 – value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.
- Level 3 – value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

Level 2 fair values of derivatives are the prices based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data adjusted with counterparty credit risk.

### 6.33 Public Service Account (PSA)

#### 6.33.1 Summary of public service account

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
<b>Assets and Liabilities</b>		
<b>Assets</b>		
Loans to customers from public service account and accrued interest receivables, net	57,082.59	52,062.89
Total assets	57,082.59	52,062.89
<b>Income and Expenses</b>		
Income from public service account	2,872.37	2,802.54
Less Expenses from public service account	2,064.93	1,476.51
Less Impairment loss of loans and debt securities of public service account	72.93	(18.22)
Gains, net	734.51	1,344.25

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net

			Unit : Million Baht	
			<u>2021</u>	<u>2020</u>
Project	Brief Project Description	Project Period		
1. Financial assistance program for travel entrepreneurs	Financial assistance to tour operators who have been affected by the economic crisis due to the closure of Suvarnabhumi and Don Mueang International Airports (Cabinet Resolution 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	152.09	159.58
2. Financial assistance to logistics business entrepreneurs in Thailand	Liquidity support to logistics entrepreneurs (Cabinet Resolution dated December 8, 2009)	January 19, 2010 – December 31, 2010	62.63	60.83
3. SME POWER Loan for a new day	Provide liquidity to entrepreneurs in Ratchaprasong and nearby areas affected by the political unrest (Cabinet Resolution dated April 27, 2010 and May 25, 2010)	May 26, 2010 – December 31, 2010	1,270.77	1,295.78

### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			<u>2021</u>	<u>2020</u>
Project	Brief Project Description	Project Period		
4. SME POWERP project for a new day Phase2	Improvement loans to comply with the requirements of the entrepreneurs in Ratchaprasong and nearby areas (Cabinet Resolution dated June 8, 2010 and September 28, 2010)	June 8, 2010 – December 31, 2010	697.53	711.89
5. SMEs project for the exporters affected by the appreciation of the baht	Liquidity assistance to export entrepreneurs (Cabinet Resolution dated October 12, 2010)	November 15, 2010 – Unknown	0.00	0.00
6. SME POWER project for the flood victims in 2010	Assistance and rehabilitation of those affected by the flood in 2010 (Cabinet Resolution dated November 2, 2010)	November 10, 2010 – April 30, 2011	110.64	141.05
7. Taxi strong project (Under Pracha Wiwat project)	Strengthening the taxi operators to have the opportunity to own a taxi and replacement end-of-life taxi (Cabinet Resolution dated January 11, 2011)	February 10, 2011 – Unknown	0.49	0.13
8. SME POWER project to help SMEs affected by the flood and windstorm in 2011	Help entrepreneurs who have been affected by the flood and windstorm in 2011 (Cabinet Resolution dated April 4, 2011 and May 3, 2011)	May 19, 2011 – October 31, 2011	684.87	702.76
9. Financial assistance project to help SMEs affected by the flood, windstorm, and landslide in 2011	Assistance to victims of natural disasters in 2010 and 2011 (more) (Cabinet Resolution dated May 3, 2011)	May 19, 2011 – October 31, 2011	40.25	42.90
10. SME POWER project for a new day Phase3	Help entrepreneurs in Ratchaprasong and nearby areas (for entrepreneurs whose insurance policy has not yet received compensation) (Cabinet Resolution dated May 3, 2011)	May 19, 2011 – June 30, 2011	5.49	5.49

### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			2021	2020
Project	Brief Project Description	Project Period		
11. Financial assistance program for logistics business entrepreneurs in Thailand – more	To extend the period of assistance to logistics entrepreneurs (Cabinet Resolution dated April 12, 2011)	June 6, 2011 – December 31, 2011	68.88	80.67
12. Financial assistance program for franchise and direct sales entrepreneurs	To expand the target audience to cover franchise and direct sales business (Cabinet Resolution dated April 12, 2011)	June 6, 2011 – December 31, 2011	0.93	0.93
13. Rehabilitation Project for SMEs after the disaster in 2011	Help entrepreneurs affected by the disaster in 2011 (Cabinet Resolution dated September 20, 2011 and December 13, 2011)	September 30, 2011 – December 31, 2011	395.00	407.40
14. Measures of debt moratorium for small farmers and people with low income. Debt outstanding under 500,000 baht. (Debtor NPL)	To alleviate the debt burden of the NPL of small farmers and people with low income. Debt consolidation of all contracts does not exceed 500,000 baht. (Cabinet Resolution, 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)	0.60	0.64
15. Loan for working process development under productivity improvement program	To empower SMEs leverage, productivity and supports financing access of industrial enterprises. As well as reducing the burden of increasing labor costs. (Cabinet Resolution dated April 24, 2012 and January 8, 2013)	June 28, 2012 – December 31, 2015	952.38	962.95

### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			<u>2021</u>	<u>2020</u>
Project	Brief Project Description	Project Period		
16. Loan for machinery development under productivity improvement program	To empower SME leverage, productivity and supports financing access of industrial enterprises. As well as reducing the burden of increasing labor costs. (Cabinet Resolution dated April 24, 2012 and January 8, 2013)	June 28, 2012 – December 31, 2015	27.24	27.89
17. Loan program for the low-interest loan (Policy loan)	Help small SMEs experiencing problems with liquidity. Encourage small SMEs to have liquidity for improvement of businesses and competency. (Cabinet Resolution dated March 17, 2015, June 16, 2015, February 9, 2016 and June 28, 2016)	June 16, 2015 – December 31, 2016	1,302.07	1,964.86
18. Loan for rehabilitation of SMEs affected by flooding in Southern Thailand in 2017 (Revised regulations for rehabilitation loan for SMEs affected by the southern flood in 2017)	Assistance for SMEs suffering from flooding in Southern Thailand in 2017 to develop, recover, and receive sufficiently of working capital in order to run business. (Cabinet Resolution dated February 7, 2017 and August 1, 2017)	February 7, 2017 – January 31, 2018	1,778.56	2,461.79
19. Loan project to SMEs Transformation	Help SMEs affected by the economic impacts that caused liquidity problems. Support SMEs, in accordance with the government policy of transforming the business into an industrial 4.0 and help SMEs to access low-interest-loan (Cabinet Resolution dated March 21, 2017)	March 21, 2017 – March 20, 2018	5,488.92	7,468.99

### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net (Continued)

			Unit : Million Baht	
			<u>2021</u>	<u>2020</u>
Project	Brief Project Description	Project Period		
20. Loan for Upgrading Local Economy	To help, promote and develop small SMEs entrepreneurs for income generating and income distribution to the community including supporting tourism, community tourism, tourism business, and agricultural processing (food and non-food) which to upgrade the local economy according to the government policy. (Cabinet Resolution dated December 19, 2017, December 18, 2018, January 7, 2020, January 19, 2021 and September 21, 2021)	December 19, 2017 – December 18, 2019 extended period 1 <sup>st</sup> , until December 18, 2020 2 <sup>nd</sup> , until December 18, 2021	35,468.17	32,064.06
21. Loan for SMEs impacted by COVID-19 situation	Support liquidity and ease the burden of expenses in the business operations of SMEs impacted by COVID-19 situation). (Cabinet Resolution dated March 24, 2020, August 18, 2020, November 3, 2020, June 29, 2021 and September 28, 2021)	March 24, 2020 – December 30, 2020 extended period 1 <sup>st</sup> , until June 30, 2021 2 <sup>nd</sup> , until December 30, 2021	<u>8,575.08</u>	<u>3,502.30</u>
Total			<u>57,082.59</u>	<u>52,062.89</u>

As at December 31, 2021 and 2020, loans to customers from public service account and accrued interest receivables included outstanding and accrued interest receivables net of deferred revenue and allowance for doubtful accounts.

### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.2 Loans to customers from public service account and accrued interest receivables, net (Continued)

The Bank uses the criteria for allocating 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 as follows:

#### Interest expense/capital cost compensation

Deposits/compensation for financial cost = Weighted average financial cost through the accounting period x average loans to customer on accounting period

#### Non-interest expenses

Employees' expenses	Allocated using account number
Premises and equipment expenses	Allocated using account number
Directors' compensation	Allocated using account number
Fees and services	Allocated using account number
Other expenses	Allocated using account number

#### 6.33.3 Asset classification and provision for public service account

Unit : Million Baht					
				%	
	No. of cases	Outstanding	Collateral value*	Use for set aside Allowance for Doubtful Account	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's regulation					
Normal	46,816	53,851.66	10,696.92	1	407.59
Normal-surplus					3.26
Special mention	2,047	2,102.28	1,723.70	2	7.61
Substandard	138	91.46	63.27	100	28.18
Doubtful	358	320.08	250.71	100	69.38
Doubtful of loss	<u>2,010</u>	<u>1,667.34</u>	<u>834.58</u>	100	<u>832.77</u>
Total					1,348.79
2. Excess allowance					
Total	<u>51,369</u>	<u>58,032.82</u>	<u>13,569.18</u>		<u>1,348.79</u>

As at December 31, 2021, the Bank classified the assets and provided provisions 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, 2021, the Bank had 21 public service account projects; 6 projects have received compensation for damage by the cabinet resolutions. For these projects, the Bank set aside provisions for the amount exceeding the projected government compensation (Note 6.4.4) but not for the loan receivables whose credit limits do not exceed the projected government compensation, in accordance with the above-mentioned the Bank of Thailand's notification.



### 6.33 Public Service Account (PSA) (Continued)

#### 6.33.3 Asset classification and provision for public service account (Continued)

\*As at December 31, 2021, the total collateral value amounted to Baht 13,569.18 million, part of the collateral was from the public service project account got compensation for damage by the cabinet resolutions in the amount of Baht 27.34 million, including those requiring provisions and not requiring provisions.

#### 6.33.4 Income from public service account

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Income from loans to customers from public service account		
Interest income from loans to customers from public service account	1,886.02	1,694.67
Fees and service income from loans to customers from public service account	380.81	314.19
Public service account compensated income		
Interest compensation income from public service account from the government	<u>605.54</u>	<u>793.68</u>
Total	<u>2,872.37</u>	<u>2,802.54</u>

#### 6.33.5 Expenses from public service account

	Unit : Million Baht	
	<u>2021</u>	<u>2020</u>
Interest expenses from public service account	568.25	693.66
Fees and service from public service account	69.54	65.97
Operational expenses from public service account	1,297.86	437.74
Other expenses from public service account	<u>129.28</u>	<u>279.14</u>
Total	<u>2,064.93</u>	<u>1,476.51</u>

### 6.34 Reclassification of Accounts

Some items in the statement of cash flows for the year ended December 31, 2020, which had been presented for comparative purpose, were reclassified to be in line with items in the statement of cash flows for the year ended December 31, 2021. They have no impact on the statement of financial position and statement of profit or loss and other comprehensive income.

Unit : Million Baht

	<u>Pre - Reclassification</u>	<u>Reclassifying</u>	<u>Reclassified</u>
<b>Statement of cash flows for the year ended December 31, 2020</b>			
Cash flows from operating activities			
Adjustments to reconcile net profit to cash received (paid) from operating activities			
Discount on long term borrowings			
and long term debt issued	-	(41.73)	(41.73)
Interest paid	(1,518.03)	4.66	(1,513.37)
Operating liabilities			
Debt issued and borrowings	(85.27)	41.73	(43.54)
Cash flows from financing activities			
Repayment of lease liabilities	(107.95)	(4.66)	(112.61)

### 6.35 Events After the Reporting Period

The Bank of Thailand issued a notification and an announcement regarding regulations on sustainable debt restructuring for debtors as follows:

**1. The Bank of Thailand's Notification No. SorKorSor2. 14/2564 Re: Guidance for debt restructuring for debtors of the Specialized Financial Institutions (BOT Notification)** The Bank of Thailand set forth guidance for sustainable debt restructuring, focusing on the role and responsibility of the Board of specialized financial institutions, debt restructuring process, debt restructuring approaches, qualifications of debtors and consideration process for debt restructuring, risk management, internal control, and compliance with the related regulations of the Bank of Thailand. Specialized financial institutions shall follow the guidance, which will enable careful and prudent discretion in debt restructuring to truly fit the potential and capacity to repay debts. The notification came into effect from January 1, 2022, onward.

### **6.35 Events After the Reporting Period (Continued)**

**2. The Bank of Thailand's Announcement No. TorPorTor.For.Kor.Chor.(07) Wor. 1156/2564 Re: Relief Measures for Debtors Affected by the Situations Affecting the Thai Economy (Sustainable Debt Restructuring Measures)** The Bank of Thailand encourages specialized financial institutions to speed up sustainable debt restructuring for existing debtors by taking into account their repayment capacity, cash flow forecast of future debtors and the benefits to debtors. The BOT also established the execution approach according to regulations on asset classification and provisioning to support the Sustainable Debt Restructuring Measures and the specialized financial institutions that provide temporary and emergency assistance to short-term debtors affected by natural disasters or situations causing serious impact. The Announcement is effective from January 1, 2022 to December 31, 2023.

The Bank will accelerate debt restructuring according to the regulations and relevant requirements in compliance with the Bank of Thailand's Sustainable Debt Restructuring Policy.

### **6.36 Approval of the financial statements**

These financial statements have been authorized to issue by Managing Director on April 19, 2022.

# BOARD OF DIRECTORS DIRECTORY



# BOARD OF DIRECTORS DIRECTORY 2016-2020

## Board of Directors 2016

1. Mrs. Salinee Wangtal (Resigned on August 22, 2016)	Chairman
2. Dr. Somchai Harnhirun (Appointed as Chairman on August 24, 2016)	Chairman
3. Mrs. Pankanitta Boonkrong	Director
4. Mrs. Saowanee Kamolbutr	Director
5. Mr. Lavaron Sangsnit	Director
6. Mr. Anusorn Muttaraid	Director
7. Dr. Seree Nonthasoot	Director
8. Mr. Praphaisith Tankeyura	Director
9. Mr. Mongkon Leelatham	Managing Director and Secretary

## Board of Directors 2017 (January 1 - 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 Nakburee	Director
10. Mr. Pornlert Lattanan (Appointed as Director on February 1, 2017)	Director
11. Mr. Mongkon Leelatham	Managing Director and Secretary

### Board of Directors 2017 (November 9 - December 2017)

1. Mr. Pasu Loharjun (Appointed as Chairman on November 9, 2017)	Chairman
2. Mr. Lavaron Sangsnit	Director
3. Mr. Chanvit Nakburee	Director
4. Mr. Praphaisith Tankeyura	Director
5. Dr. Seree Nonthasoot	Director
6. Mrs. Poonsook Musiklad	Director
7. Mr. Pornlert Lattanan	Director
8. Mr. Prakrit Sheeppakdee	Director
9. Mrs. Jaree Wuthisanti	Director
10. Mr. Mongkon Leelatham	Managing Director and Secretary

### Board of Directors 2018

1. Mr. Pasu Loharjun	Chairman
2. Mr. Lavaron Sangsnit	Director
3. Mr. Chanvit Nakburee	Director
4. Mr. Praphaisith Tankeyura	Director
5. Dr. Seree Nonthasoot	Director
6. Mrs. Poonsook Musiklad	Director
7. Mr. Pornlert Lattanan (Resigned on February 8, 2018)	Director
8. Mr. Prakrit Sheeppakdee	Director
9. Mrs. Jaree Wuthisanti	Director
10. Asst. Dr. Tippawan Pinwanichkul (Appointed as Director on February 8, 2018)	Director
11. Mr. Veerapong Malai (Appointed as Director on June 1, 2018)	Director
12. Mr. Mongkon Leelatham	Managing Director and Secretary

## Board of Directors 2019

1.	Mr. Kobchai Sungsitthisawad (Appointed as Director on April 17, 2019 and as Chairman on October 10, 2019 )	Chairman
2.	Mr. Pasu Loharjun (Retired on September 30, 2019)	Chairman
3.	Mr. Chanvit Nakburee	Director
4.	Mrs. Yajai Pattanasukwasun (Retired on September 30, 2019)	Director
5.	Miss Chunchachit Sungmai (Appointed as Director on October 16, 2019)	Director
6.	Dr. Seree Nonthasoot	Director
7.	Mr. Praphaisith Tankeyura (Reached 65 years old on October 20, 2019)	Director
8.	Mr. Prakit Sheeppakdee	Director
9.	Mrs. Jaree Wuthisanti	Director
10.	Mr. Veerapong Malai (Resigned on January 31, 2019)	Director
11.	Mrs. Chanisa Chutipat (Appointed as Director on April 17, 2019)	Director
12.	Mr. Kriengkrai Rukkulchon (Appointed as Director on April 17, 2019)	Director
13.	Mr. Wanchai Phanomchai (Appointed as Director on December 18, 2019)	Director
14.	Mr. Preecha Ua-Anantathanakul (Appointed as Director on December 18, 2019)	Director
15.	Mr. Mongkon Leelatham (Reached 60 years old; Contract term ended on March 8, 2019.)	Director and Secretary
16.	Mr. Phongcham Samphaongern ( March 12 - September 30, 2019)	Senior Executive Vice President, Acting Managing Director, Director and Secretary
17.	Miss Nartnaree Rattapat (Appointed as Acting Managing Director on October 1, 2019)	Senior Executive Vice President, Acting Managing Director, Director and Secretary

## Board of Directors 2020

1.	Mr. Kobchai Sungsitthisawad	Chairman
2.	Mr. Chanvit Nakburee	Director
3.	Miss Chunhachit Sungmai	Director
4.	Dr. Seree Nonthasoot	Director
5.	Mr. Prakit Sheeppakdee (Reached 65 years old on November 4, 2020)	Director
6.	Mrs. Jaree Wuthisanti (Resigned on October 1, 2020)	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	Managing Director and Secretary

**Remarks :** 1. (\*) The following SME D Bank's Board members were appointed at the Extraordinary General Meeting of Shareholders No. 2/2017 on November 9, 2017 and their terms expired on February 14, 2021.

1.1 Mr. Chanvit Nakburee 1.2 Miss Chunhachit Sungmai 1.3 Dr. Seree Nonthasoot 1.4 Mr. Kriengkrai Rukkulchon

2. The following SME D Bank's Board members whose terms had expired were appointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.

2.1 Mr. Kobchai Sungsitthisawad 2.2 Mr. Wanchai Phanomchai 2.3 Mrs. Chanisa Chutipat 2.4 Mr. Preecha Ua-Anantathanakul

3. The following SME D Bank's Board members were reappointed at the Extraordinary General Meeting of Shareholders No. 1/2021 on February 15, 2021. Their new terms will expire on February 14, 2024.

3.1 Mr. Vichak Apirugnunchai 3.2 Miss Sapatporn Tharmmaphornphilas 3.3 Dr. Chatchai Thnarudee 3.4 Dr. Nattapol Praditphonlert

3.5 Asst. Prof. Dr. Tippawan Pinvanichkul 3.6 Mr. Pinit Puapan

4. Mr. Pinit Puapan resigned from SME D Bank's Board of Directors, effective from May 20, 2021.



# BRANCH DIRECTORY

  
SME  
Development  
Bank



# 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

## Phayao Branch

286/22 Phahonyothin Rd.,  
Tambon Maetum, Amphoe Mueang,  
Phayao 56000  
Tel. 054-480-222-3  
085-980-8107  
Fax. 054-485-989  
E-mail Phayao@smebank.co.th

## Mae Hong Son Branch

6/2-3 Soi 5, Khunlumprapas Rd.,  
Tambon Chong Kham, Amphoe Mueang,  
Mae Hong Son 58000  
Tel. 053-614-501-2  
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## Zone Office 1

450/29-32 Moo 13, Phahonyothin Rd.,  
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053-714-096  
053-714-501  
Fax. 053-711-915

## Nan Branch

226/6 Moo 6, Tambon Dutai,  
Amphoe Mueang, Nan 55000  
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E-mail Nan@smebank.co.th

## Lamphun Branch

416 Charoenrat Rd.,  
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Lamphun 51000  
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085-980-8135  
Fax. 053-525-803  
E-mail Lamphun@smebank.co.th

## Chiang Rai Branch

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053-714-096  
053-714-501  
085-980-8075  
Fax. 053-711-915  
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## Zone Office 2

7/1-4 Chiangmai-Lampang Rd.,  
Tambon Changphueak,  
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Tel. 053-413-103-4  
053-412-535  
Fax. 053-413-112

## Lampang Branch

292-294 Highway Lampang-Ngaw Rd.,  
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085-980-8134  
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E-mail Lampang@smebank.co.th

## Mae Sai Branch

825/2 Moo 3, Phahonyothin Rd.,  
Tambon Viang Phang Kam,  
Amphoe Maesai, Chiang Rai 57130  
Tel. 053-734-495-6  
085-980-8124  
Fax. 053-734-497  
E-mail Maesai@smebank.co.th

## Chiang Mai Branch

7/1-4 Chiangmai-Lampang Rd.,  
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## Zone Office 3

838 Mittraphap Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang, Phitsanulok 65000  
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055-304-553  
Fax. 055-304-554

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**Phitsanulok Branch**

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838 Mittraphap Rd.,  
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**Zone Office 4**

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055-773-208  
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**Sukhothai Branch**

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**Uttaradit Branch**

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20/22-23 Jessadabodinnua Rd.,  
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**Kamphaeng Phet Branch**

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**Zone Office 5**

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Tel. 056-220-877-8  
056-231-336  
Fax. 056-220-879

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**Phetchabun Branch**

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**Tak Branch**

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**Nakhon Sawan Branch**

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**Phrae Branch**

---

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**Phichit Branch**

---

42/1-2 Ratkasemautid Rd.,  
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**Uthai Thani Branch**

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137 Terbsiri Rd., Tambon Uthaimai,  
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E-mail Uthaithani@smebank.co.th

### Chai Nat Branch

68/3-4 Phormprasert Rd.,  
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085-980-8071  
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E-mail Chainat@smebank.co.th

### Zone Office 6

289 Moo 4, Malai Man Rd.,  
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Fax. 035-501-575

### Suphan Buri Branch

289 Moo 4, Malai Man Rd.,  
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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 Mueang,  
Lopburi 15000  
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085-980-8132  
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E-mail Lopburi@smebank.co.th

### Sing Buri Branch

155/59-60 Moo 7,  
Tambon Bang Mon (Bang Putsa),  
Amphoe Mueang, Singburi 16000  
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085-980-8147  
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### Zone Office 7

58/9-10 Moo 1, Rodjana Rd.,  
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035-336-324-5  
Fax. 035-336-284

### Phra Nakhon Si Ayutthaya Branch

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### Ang Thong Branch

14/5-6 Angthong-Singburi Rd.,  
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Amphoe Mueang, Angthong 14000  
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035-625-106  
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### Saraburi Branch

88/24 Soodbuntud Rd.,  
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036-221-142  
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Fax. 036-221-254  
E-mail Saraburi@smebank.co.th

### Zone Office 8

499/3-5 Moo 7, RobMueang Rd.,  
Soi Bannonpibon, Tambon Makkang,  
Amphoe Mueang, Udon Thani 41000  
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Fax. 042-211-847

### Udon Thani Branch

499/3-5 Moo 7, RobMueang Rd.,  
Soi Bannonpibon, Tambon Makkang,  
Amphoe Mueang, Udon Thani 41000  
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085-980-8159  
Fax. 042-211-847  
E-mail Udonthani@smebank.co.th

### Nong Bua Lam Phu Branch

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Amphoe Mueang,  
Nong Bua Lam Phu 39000  
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042-312-700  
085-980-8153  
Fax. 042-312-875  
E-mail Nongbualamphu@smebank.co.th

### Loei Branch

87/13 Maliwan Rd., Tambon Kudpong,  
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### Nong Khai Branch

899/1-2 Moo 5, Nong Khai -  
Poanpaisai Rd., Tambon Pochai,  
Amphoe Mueang, Nong Khai 43000  
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085-980-8152  
Fax. 042-414-114  
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### Zone Office 9

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Fax. 042-716-764

### Sakon Nakhon Branch

228/8 CharoenMueang Rd.,  
Tambon Thatchoengchum,  
Amphoe Mueang,  
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E-mail Sakonnakhon  
@smebank.co.th

### Roi Et Branch

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Amphoe Mueang, Roi Et 45000  
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043-511-100  
043-514-666  
085-980-8128  
Fax. 043-514-535  
E-mail RoiEt@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

### Sawang Daen Din Branch

909 Moo 11, Nittayo Rd.,  
Tambon Sawang Daen Din,  
Amphoe Sawang Daen Din,  
Sakon Nakhon 47110  
Tel. 042-722-515-6  
085-980-8146  
Fax. 042-722-518  
E-mail Sawangdaendin  
@smebank.co.th

### Kalasin Branch

1/8 Kudyangsamakkee Rd.,  
Tambon Kalasin, Amphoe Mueang,  
Kalasin 46000  
Tel. 043-812-446-7  
085-980-8064  
Fax. 043-812-424  
E-mail Kalasin@smebank.co.th

### Maha Sarakham Branch

453, 453/1 Nakhon Sawan Rd.,  
Tambon Talad, Amphoe Mueang,  
Maha Sarakham 44000  
Tel. 043-725-711-2  
085-980-8120  
Fax. 043-725-713  
E-mail Mahasarakham  
@smebank.co.th

### Mukdahan Branch

199/1 Pitak Phanom Khet Rd.,  
Tambon Mukdahan,  
Amphoe Mueang, 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 Mueang,  
Amphoe Mueang, Yasothon 35000  
Tel. 045-715-552-3  
085-980-8126  
Fax. 045-715-554  
E-mail Yasothon@smebank.co.th

### Zone Office 12

37/41-42 Thani Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang, Buri Ram 31000  
Tel. 044-625-536-8  
Fax. 044-625-535

### Nakhon Phanom Branch

764/1 Suntornvichit Rd.,  
Tambon Nai Mueang, Amphoe Mueang,  
Nakhon Phanom 48000  
Tel. 042-516-340-1  
085-980-8092  
Fax. 042-516-343  
E-mail Nakhonphanom  
@smebank.co.th

### Zone Office 11

497/1-3 Moo 2, Mittraphap Rd.,  
Tambon Sila, Amphoe Mueang,  
Khon Kaen 40000  
Tel. 043-343-580  
043-343-582-3  
Fax. 043-393-888

### Buri Ram Branch

37/41-42 Thani Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang, Buri Ram 31000  
Tel. 044-625-536-8  
085-980-8102  
Fax. 044-625-535  
E-mail Buriram@smebank.co.th

### Zone Office 10

49, 49/1-3 Tewa Phiban Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang, Roi Et 45000  
Tel. 043-519-520  
043-511-100  
043-514-666  
Fax. 043-514-535

### Khon Kaen Branch

497/1-3 Moo 2, Mittraphap Rd.,  
Tambon Sila, Amphoe Mueang,  
Khon Kaen 40000  
Tel. 043-343-580  
043-343-582-3  
085-980-8067  
Fax. 043-393-888  
E-mail Khonkaen@smebank.co.th

### Surin Branch

297/4 Tessaban 3 Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang, Surin 32000  
Tel. 044-713-141-2  
085-980-8151  
Fax. 044-713-143  
E-mail Surin@smebank.co.th

### Si Sa Ket Branch

26/13 Moo 8, Sisaket -  
Ubon Ratchathani Rd., Tambon Pho,  
Amphoe Mueang, Si Sa Ket 33000  
Tel. 045-617-881-2  
085-980-8137  
Fax. 045-617-883  
E-mail Sisaket@smebank.co.th

### Zone Office 14

756/4-5 Chayangkul Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang,  
Ubon Ratchathani 34000  
Tel. 045-314-716  
045-317-125  
045-284-403  
Fax. 045-284-404

### Nakhon Pathom Branch

1044 Phetkasem Rd.,  
Tambon Sanam Chan, Amphoe Mueang,  
Nakhon Pathom 73000  
Tel. 034-244-415  
034-218-661-2  
085-980-8091  
Fax. 034-218-663  
E-mail Nakhonpathom  
@smebank.co.th

### Zone Office 13

751/10-11 Mittraphap Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang,  
Nakhon Ratchasima 30000  
Tel. 044-262-418-20  
Fax. 044-353-506

### Ubon Ratchathani Branch

756/4-5 Chayangkul Rd.,  
Tambon Nai Mueang, Amphoe Mueang,  
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

### Kanchanaburi Branch

130, 132 Sangchuto Rd.,  
Tambon Ban Tai, Amphoe Mueang,  
Kanchanaburi 71000  
Tel. 034-514-092-3  
085-980-8063  
Fax. 034-514-102  
E-mail Kanchanaburi  
@smebank.co.th

### Nakhon Ratchasima Branch

751/10-11 Mittraphap Rd.,  
Tambon Nai Mueang, Amphoe Mueang,  
Nakhon Ratchasima 30000  
Tel. 044-262-418-20  
085-980-8093  
Fax. 044-353-506  
E-mail Nakhonratchasima  
@smebank.co.th

### Det Udom Branch

439 Moo 5, Pracha Rd.,  
Tambon Mueang Det, Amphoe Det Udom,  
Ubon Ratchathani 34160  
Tel. 045-361-870  
045-362-460  
085-980-8078  
Fax. 045-361-240  
E-mail Detudom@smebank.co.th

### Ratchaburi Branch

260 Si Suriyawong Rd.,  
Tambon Na Mueang,  
Amphoe Mueang, Ratchaburi 70000  
Tel. 032-311-142-3  
085-980-8131  
Fax. 032-311-090  
Ratchaburi@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

### Amnat Charoen Branch

76 Moo 12 Arunprasert Rd.,  
Tambon Bung, Amphoe Mueang,  
Amnatcharoen 37000  
Tel. 045-452-527-8  
085-980-8056  
Fax. 045-452-529  
E-mail Amnatcharoen  
@smebank.co.th

### Ban Pong Branch

178-180 Songpol Rd.,  
Tambon Ban Pong,  
Amphoe Ban Pong, Ratchaburi 70110  
Tel. 032-222-820-1  
085-980-8101  
Fax. 032-210-789  
E-mail Banpong@smebank.co.th

### Chaiyaphum Branch

69/23-24 Niwedrut (Chaiyaphum-  
Boayai) Rd., Tambon Nai Mueang,  
Amphoe Mueang, Chaiyaphum 36000  
Tel. 044-813-335-6  
085-980-8072  
Fax. 044-813-337  
E-mail Chaiyaphum@smebank.co.th

### Zone Office 15

1044 Phetkasem Rd.,  
Tambon Sanam Chan, Amphoe Mueang,  
Nakhon Pathom 73000  
Tel. 034-244-415  
034-218-661-2  
Fax. 034-218-663

### Zone Office 16

5/74-75 Piboonsongkram Rd.,  
Tambon Suanyai, Amphoe Mueang,  
Nonthaburi 11000  
Tel. 02-525-1991-2  
Fax. 02-525-1949

### **Nonthaburi Branch**

5/74-75 Piboonsongkram Rd.,  
Tambon Suanyai, Amphoe Mueang,  
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 Bang Bua Thong,  
Nonthaburi 11110  
Tel. 02-571-2335-6  
Fax. 02-571-2343  
E-mail Bangbuathong  
@smebank.co.th

### **Pathum Thani Branch**

40/40,42 Bangkok- Pathum Thani Rd.,  
Tambon Bang Prok, Amphoe Mueang,  
Pathum Thani 12000  
Tel. 02-581-7100-2  
Fax. 02-581-7103  
E-mail Pathumthani@smebank.co.th

### **Rang Sit Branch**

40/40,42 Bangkok-Pathum Thani Rd.,  
Tambon Bang Prok, Amphoe Mueang,  
Pathum Thani 12000  
Tel. 02-581-2718-9  
Fax. 02-581-7103  
E-mail Rangsit@smebank.co.th

### **Zone Office 17**

1/79 Boromratchonanee Rd.,  
Arun Amarin, Bangkok Noi,  
Bangkok 10700  
Tel. 02-434-9211  
02-434-9178-9  
Fax. 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

### **Phahonyothin Branch**

310 SME Bank Tower,  
Phahonyothin Rd., Samsen-Nai,  
Phayathai, Bangkok 10400  
Tel. 02-265-4951-3  
Fax. 02-270-0488  
E-mail Phahonyothin  
@smebank.co.th

### **Zone Office 18**

458/14-15 Sukhumvit Rd.,  
Tambon Paknum, Amphoe Mueang,  
Samutprakan 10270  
Tel. 02-702-5830-2  
Fax. 02-702-5833

### **Samut Prakan Branch**

458/14-15 Sukhumvit Rd.,  
Tambon Paknum, Amphoe Mueang,  
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

### **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

### **Zone Office 19**

173/7-8 Prachin-Ta-kam Rd.,  
Tambon Na-Mueang,  
Amphoe Mueang, Phrachin Buri 25000  
Tel. 037-216-818  
037-216-838  
085-980-8104  
Fax. 037-216-820

### **Prachin Buri Branch**

173/7-8 Prachin-Ta-kam Rd.,  
Tambon Na-Mueang, Amphoe Mueang,  
Phrachin Buri 25000  
Tel. 037-216-818  
037-216-838  
085-980-8104  
Fax. 037-216-820  
E-mail Phrachinburi@smebank.co.th

### Nakhon Nayok Branch

๗ 2-251/27-28 Nakhonnayok-Rangsit Rd., Tambon Nakhon Nayok, Amphoe Mueang, Nakhon Nayok 26000  
Tel. 037-316-161-2  
085-980-8087  
Fax. 037-316-164  
E-mail Nakhonnayok@smebank.co.th

### Sa Kaeo Branch

318, 320 Suwansorn Rd., Tambon Sa Kaeo, Amphoe Mueang, Sa Kaeo 27000  
Tel. 037-421-975-6  
085-980-8143  
Fax. 037-421-977  
E-mail Sakaeo@smebank.co.th

### Zone Office 20

109/18-19 Moo 2, Prayasajja Rd., Tambon Sa-med, Amphoe Mueang, Chonburi 20000  
Tel. 038-144-051-3  
Fax. 038-144-053

### Chon Buri Branch

109/18-19 Moo 2, Prayasajja Rd., Tambon Sa-med, Amphoe Mueang, Chonburi 20000  
Tel. 038-144-051-3  
085-980-8070  
Fax. 038-144-053  
E-mail Chonburi@smebank.co.th

### Pattaya Branch

245/155-156 Moo 9, Pattaya Sai Sam Rd., Tambon Nongprue, Amphoe Banglamung, Chonburi 20150  
Tel. 038-416-805-6  
085-980-8109  
Fax. 038-416-808  
E-mail Pattaya@smebank.co.th

### Chachoengsao Branch

182-184 Chachoengsao-Bangpakong Rd., Tambon Na-Mueang, Amphoe Mueang, Chachoengsao 24000  
Tel. 038-513-363  
038-535-915  
085-980-8069  
Fax. 038-535-082  
E-mail Chachoengsao@smebank.co.th

### Zone Office 21

51/31-32 Moo 3, Sai Sam-Sib-Hok Rd., Tambon Tupma, Amphoe Mueang, 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 Mueang, 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

### Chanthaburi Branch

35/119 Moo 7, Trirat Rd., Tambon Chanthanimit, Amphoe Mueang Chanthaburi, Chanthaburi 22000  
Tel. 039-324-562-3  
085-980-8068  
Fax. 039-313-216  
E-mail Chanthaburi@smebank.co.th

### Trat Branch

28/4-5 Moo 2, Sukhumvit Rd., Tambon Wangkrajae, Amphoe Mueang, Trat 23000  
Tel. 039-523-244  
039-523-162  
085-980-8081  
Fax. 039-523-656  
E-mail Trat@smebank.co.th

### Zone Office 22

1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Mueang, Samutsakhon 74000  
Tel. 034-811-478-80  
Fax. 034-811-481

### Samut Sakhon Branch

1400/33 Eakchai Rd., Tambon Mahachai, Amphoe Mueang, Samut Sakhon 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 Krathum Baen, Samut Sakhon 74130  
Tel. 02-408-2467-8  
Fax. 02-408-2469  
E-mail Aomnoi@smebank.co.th

### Samut Songkhram Branch

129/11-12 Tang Khao Mueang Rd., Tambon Mae Klong, Amphoe Mueang, Samut Songkhram 75000  
Tel. 034-723-661-2  
085-980-8141  
Fax. 034-723-663  
E-mail Samutsongkhram@smebank.co.th

### Zone Office 23

22/52-53 Phetkasem Rd., Tambon Hua Hin, Amphoe Hua Hin, Prachuap Khiri Khan, 77110  
Tel. 032-516-690-2  
Fax. 032-516-693



### Hua Hin Branch

22/52-53 Phetkasem Rd.,  
Tambon Hua Hin, Amphoe Hua Hin,  
Prachuap Khiri Khan, 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 Mueang, 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 Prachuap Khiri Khan Rd.,  
Tambon Prachuap Khiri Khan,  
Amphoe Mueang,  
Prachuap Khiri Khan 77000  
Tel. 032-604-431-2  
085-980-8103  
Fax. 032-604-434  
E-mail Prachuapkhirikhan@smebank.co.th

### Zone Office 24

238/116-117 Moo 1, Chonkasem Rd.,  
Tambon Makhantia, Amphoe Mueang,  
Surat Thani 84000  
Tel. 077-600-327  
077-600-329-30  
Fax. 077-600-391

### Surat Thani Branch

238/116-117 Moo 1, Chonkasem Rd.,  
Tambon Makhantia, Amphoe Mueang,  
Surat Thani 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 Ko Samui,  
Surat Thani 84320  
Tel. 077-427-286-7  
085-980-8066  
Fax. 077-427-446  
E-mail Kosamui@smebank.co.th

### Ranong Branch

999/1-2 Chalermprakiet Hok Rob  
Prachonmapansa Rd.,  
Tambon Kaoniwed, Amphoe Mueang,  
Ranong 85000  
Tel. 077-826-500-1  
085-980-8129  
Fax. 077-826-502  
E-mail Ranong@smebank.co.th

### Chumphon Branch

25/46-47 Krommaluang Chumphon Rd.,  
Tambon Tatapao, Amphoe Mueang,  
Chumphon 86000  
Tel. 077-501-646  
077-506-879  
085-980-8073  
Fax. 077-506-880  
E-mail Chumphon@smebank.co.th

### Zone Office 25

32/175-176 Poonpol Rd.,  
Tambon Taladnuea, Amphoe Mueang,  
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 Mueang,  
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

### Phangnga Branch

68/9-10 Moo 3, Phangnga-Tubpud Rd.,  
Tambon Thamnampud,  
Amphoe Mueang, Phangnga 82000  
Tel. 076-460-778-9  
085-980-8108  
Fax. 076-460-780  
E-mail Phangnga@smebank.co.th

### Krabi Branch

50/6-7 Krabi-Khao Thong Rd.,  
Tambon Paknam,  
Amphoe Mueang, Krabi 81000  
Tel. 075-621-076  
075-656-274  
085-980-8062  
Fax. 075-621-102  
E-mail Krabi@smebank.co.th

### Zone Office 26

2/1-2 Wandeekositkunporn Rd.,  
Tambon Nai Mueang,  
Amphoe Mueang,  
Nakhon Si Thammarat 80000  
Tel. 075-357-301-3  
Fax. 075-357-304

### Nakhon Si Thammarat Branch

2/1-2 Wandeekositkunporn Rd.,  
Tambon Nai Mueang, Amphoe Mueang,  
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

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**Patthalung Branch**

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284/7-8 Ramate Rd.,  
Tambon Kuhasawan,  
Amphoe Mueang, Patthalung 93000  
Tel. 074-616-215  
074-616-253  
085-980-8110  
Fax. 074-616-254  
E-mail Patthalung@smebank.co.th

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**Trang Branch**

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3/9 Wisadekul Rd.,  
Tambon Thap Thiang,  
Amphoe Mueang, Trang 92000  
Tel. 075-217-911-2  
085-980-8079  
Fax. 075-217-913  
E-mail Trang@smebank.co.th

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**Zone Office 27**

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434 Supasarnrungsun Rd.,  
Tambon Hat Yai, Amphoe Hat Yai,  
Songkhla 90110  
Tel. 074-247-451-3  
Fax. 074-247-454

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**Hat Yai Branch**

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434 Supasarnrungsun Rd.,  
Tambon Hat Yai, Amphoe Hat Yai,  
Songkhla 90110  
Tel. 074-247-451-3  
085-980-8139  
Fax. 074-247-454  
E-mail Hatyai@smebank.co.th

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**Songkhla Branch**

---

20/60-61 Moo 2,  
Kanchanawanich Rd.,  
Tambon Kaoroubchang,  
Amphoe Mueang, Songkhla 90000  
Tel. 074-380-033  
074-380-333  
085-980-8122  
Fax. 074-380-071  
E-mail Songkhla@smebank.co.th

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**Satun Branch**

---

483/1-2 Moo 7,  
Yontakarnkamtorn Rd.,  
Tambon Khongkut, Amphoe  
Mueang, Satun 91000  
Tel. 074-725-190-1  
085-980-8140  
Fax. 074-725-192  
E-mail Satun@smebank.co.th

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**Zone Office 28**

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400/47-48 Moo 4, Phetkasem Rd.,  
Tambon Rusamilae,  
Amphoe Mueang, Pattani 94000  
Tel. 073-450-801  
073-330-731-2  
Fax. 073-450-803

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**Pattani Branch**

---

400/47-48 Moo 4, Phetkasem Rd.,  
Tambon Rusamilae,  
Amphoe Mueang, Pattani 94000  
Tel. 073-450-801  
073-330-731-2  
085-980-8105  
Fax. 073-450-803  
E-mail Pattani@smebank.co.th

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**Yala Branch**

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277-279 Premjit-Suraphan Rd.,  
Tambon Sateng, Amphoe Mueang,  
Yala 95000  
Tel. 073-224-458-9  
085-980-8127  
Fax. 073-224-460  
E-mail Yala@smebank.co.th

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**Narathiwat Branch**

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153/8-9 Suriyapradit Rd.,  
Tambon Bangnak, Amphoe Mueang,  
Narathiwat 96000  
Tel. 073-532-752  
085-980-8096  
Fax. 073-532-751  
E-mail Narathiwat@smebank.co.th



### Small and Medium Enterprise Development Bank of Thailand

310 SME Bank Tower, Phaholyothin Rd., Samsen-Nai, Phayathai, Bangkok 10400 Tel. 0 2265 3000



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