

The best companion
for Thai SMEs



Annual Report 2014

Small and Medium Enterprise Development Bank of Thailand

Vision To be a stable government's financial institution for development that helps and supports Thai SMEs

- Missions**
- Support government policy in helping and promoting SMEs by financial and other services respond to Thai SMEs need as well as encouraging and developing the potential of Thai SMEs.
 - Develop the readiness of human resource in order to support the growth of the bank's customers entering into ASEAN Economic Community.
 - Develop information technology and organizational management system for efficiency and good governance

Organization Values: "FIRST"

F	: Friend	Best friend of Stakeholder
I	: Integrity	Accurate and reliable conduct
R	: Resourcefulness	Being a learning organization
S	: Service	Good and quality services system
T	: Team & Transparency	Create effective, transparent and good governance work team



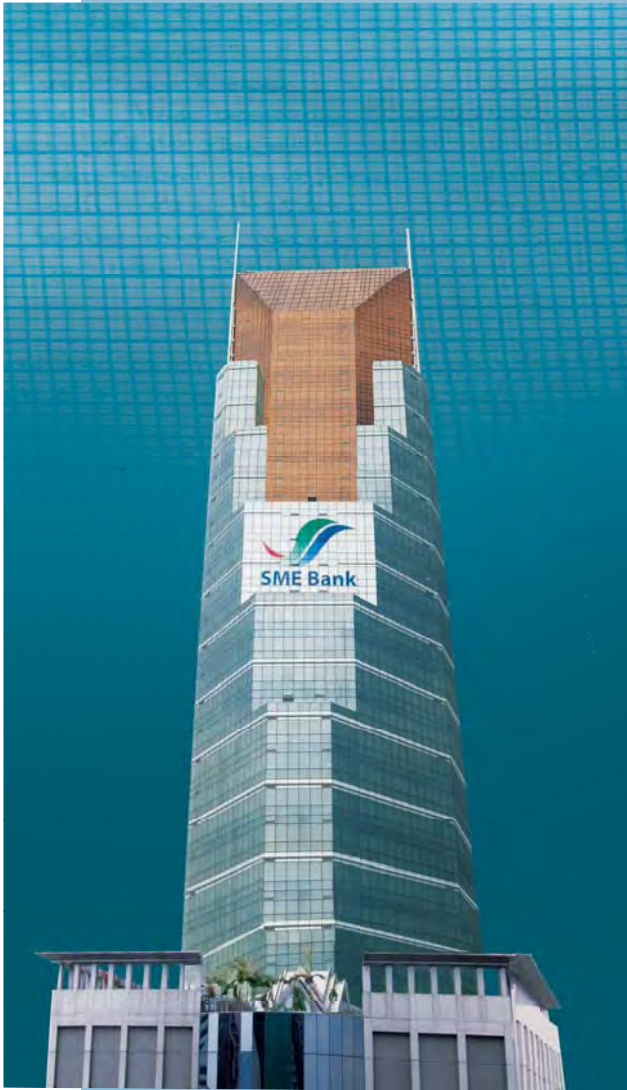


Statement of Directions : SOD

- To be a government financial institution, move forward national socio-economic strategics based on effective operation under good corporate governance.
- To be a government financial institution, provide people the opportunity to access the source of capital and improve the quality of life under standardized and secured organization administration as well as utilize mutual resources effectively.
- Aim to strengthen SMEs through financial services together with knowledge enhancement and dealing with administrative challenges.

Objective, Goal

According to the purpose of the establishment of the Bank as provided in the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 stipulating that “small and medium enterprises are vital to national economic development as they can create job and income and are the production base for sustainable economic growth. It is therefore expedient to set up the Small and Medium Enterprise Development Bank of Thailand” with the objective provided in Article 11 of the said Act that “the Bank’s objective is to carry out businesses aimed at developing, promoting, supporting and facilitating the establishment, operation, expansion or improvement of small and medium enterprises through credit granting, guarantee, joint venture, consultation, advice or other necessary services.”





Determining to develop, fund and support entrepreneurs.





Be prepared to be the best companion for Thai SMEs

on every step through business challenges

SME Bank is always there

to provide complete range of financial
support and development for the entrepreneurs
toward success and sustainable growth.



Background





Small and Medium Enterprise Development Bank of Thailand (SME Bank) has its organizational changes divided into 3 phases as follows:

1. Small Industry Finance Office (SIFO) (1964-1991)

In 1963, the Council of Ministers passed its resolution to approve the loan project for promoting small industries which was included in the National Economic Development Plan No.1. The project was then developed to the establishment of the Loan Processing Office for Small Industries in March 1964 under the supervision of the Department of Industrial Promotion, Ministry of Industry, to provide financial supports to small industrial businesses, which was then renamed as Small Industry Finance Office (SIFO). However, as a government agency, SIFO had certain limitations on sources of capital in its operation, which were depending solely on the state budget allocations while the credit management must be in compliance with the same regulations as those of general government agencies which resulted in the lack of flexibility in its operation.

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

Due to its status as a government agency, SIFO had some limitations on fund raising and provision of financial services. Therefore, the Ministry of Industry and the Ministry of Finance agreed to upgrade SIFO to “Small Industry Finance Corporation (SIFC)” as a juristic person under the Civil and Commercial Code, with its initial registered capital of 300 million baht; and in 2000, the Ministry of Finance increased the capital of SIFC for another 2,500 million baht.

- In 1991, SIFO was upgraded to SIFC, with the registered capital of 300 million baht.

- In 2000, the Ministry of Finance injected the capital of SIFC for another 2,500 million baht; as a result, the share capital of SIFC was increased to 2,800 million baht.

Unfortunately, the financial crisis in 1997 had severe impacts on business sectors, particularly on small and medium enterprises that encountered with the problem of lack of financial liquidity and partly became NPLs. The Ministry of Industry proposed and discussed with the Ministry of Finance about an idea of upgrading SIFC to be the main financial institution for SMEs development.

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

In 2001, the Government agreed to expand SIFC’s roles and scope of operation by promoting it to the “Small and Medium Enterprise Development Bank of Thailand (SME Bank)” whereas, the Ministry of Industry and the Ministry of Finance jointly drafted the Act of Small and Medium Enterprise Development Bank of Thailand B.E. 2545 which was effective on 20th December 2002, the date regarded as the date of establishment of SME Bank. The Ministry of Finance increased its capital from time to time for another 9,955 million baht during 2004-2014. As a result, at present, SME Bank has its total share capital of 12,755 million baht.

- In 2004, the Ministry of Finance increased the capital of SME Bank for another 2,000 million baht resulting in the total share capital of 4,800 million baht.
- In 2005, the Ministry of Finance increased the capital of SME Bank for another 2,500 million baht resulting in the total share capital of 7,300 million baht.
- In 2007, the Ministry of Finance increased the capital of SME Bank for another 1,200 million baht resulting in the total share capital of 8,500 million baht.
- In 2008, the Ministry of Finance increased the capital of SME Bank for another 600 million baht resulting in the total share capital of 9,100 million baht.
- In 2009, the Ministry of Finance increased the capital of SME Bank for another 2,500 million baht resulting in the total share capital of 11,600 million baht.
- In 2012, the Ministry of Finance increased the capital of SME Bank for another 600 million baht resulting in the total share capital of 12,200 million baht.
- In 2013, the Ministry of Finance increased the capital of SME Bank for another 555 million baht resulting in the total share capital of 12,755 million baht.

Report by Board
of Directors



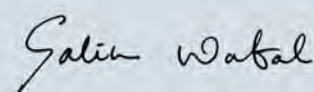
In 2014, the Bank encountered difficult situation to perform business because of accumulated problems on the matter of high rate of NPL and the Bank's management as well as missions incompatibility. Therefore, the present Board of Directors has been appointed by National Council for Peace and Order (NCPO) since August, 2014 with the missions to solve problems of NPL and increase the Bank's revenue so that the Bank will recover and able to operate its business for truly SMEs development and be an effective government mechanism to gear forward SMEs which is the core policy of the government. Certain guidelines are implemented as shown below:

- (1) NPLs Management: Classifying NPLs accounts and determining suitable resolve as well as appointing loan monitoring unit to maintain the quality of debtors and prevent NPL under low economic slowdown.
- (2) Credit Expansion: Improving credit procedure by separating marketing unit and credit analysis unit for check and balance improving.
- (3) Human Resource Management: Transferring officers from back office to front office in order to support the increasing of regional credit expansion without recruitment.
- (4) Internal Audit Improvement: Hiring professional advisor to improve the audit system and provide education to the Bank's officers.

According to the above guidelines, the Bank's status has been better and recovered to gain net profit of 176.53 million baht at the end of the year 2014 though the Bank loss 40.79 million baht in the first half year. It has shown that the Bank has the ability to become an effective government mechanism gearing forward SMEs comply with government policy.

For business direction of the year 2015, we truly believe that the operation system and guidelines, of which the Board of Directors was set up in the second half year of 2014, will be efficiently carried out in full capability. The Bank will be able to solve its problems and become a stable financial institute that not only supports SMEs with the access in source of fund but consistency with development and SMEs competency in regional area.

Finally, on behalf of the Board of Directors and all the executives and officers of SME Bank, we would like to thank National Council for Peace and Order (NCPO), the Government, State Enterprise Policy Office, Ministry of Finance and Ministry of Industry for their kindly support. Also, we would like to extend our gratitude to our customers, business partners and alliances for the previous continuous cooperation support and future operation.



(Mrs. Salinee Wangtal)

Chairman

Report by the Audit Committee

The Audit Committee of SME Bank was appointed by the Board of Directors of SME Bank on 20th August 2014, consisting of:

- | | |
|--|-----------|
| 1. Mr. Atsadang Chiewthada | Chairman |
| 2. Mrs. Saowanee Kamolbutr | Director |
| 3. Mr. Vitaya Suriyawong | Director |
| 4. Senior Vice President / Vice President of Internal Audit Department | Secretary |

to be in conformity with the Regulation of the Ministry of Finance regarding the Audit Committee and Internal Audit Office of the State Enterprise B.E. 2555.

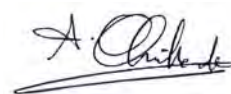
The Audit Committee endeavours to fulfill its functions under the Charter of the Audit Committee approved by the Board of Directors of SME Bank. The Audit Committee exercises its skill, knowledge, carefulness and independence in rendering its function for the benefit of all stakeholders. In 2014, the Audit Committee held the meeting for 3 times with abiding, the Bank's operation must always be done in honest, proper and standardized manner. The key issues that have been considered by the Audit Committee are as follows:

- 1. Revision and Review of the Charter for Internal Audit of the Audit Committee** to be in conformity with the scope of the Bank's operation approval by the Board of Directors.
- 2. Audit Efficiency and Effectiveness of the Internal Control Process** by monitoring the Bank's operation to ensure that it has internal control system, self control assessment, administration and internal audit department control assessment to ensure that the Bank has adequate internal control in accordance with internal control standard.
- 3. Audit Good Governance Procedures** to ensure that good governance system will be improved constantly in accordance with the criteria laid down by regulatory agencies such as the Ministry of Finance and the Bank of Thailand.
- 4. Audit Risk management** to ensure that risk management procedures are in compliance with international standard covering significant risk factors, plan and guideline for effective risk management that capable to control or minimize possible impacts on the achievement of the Bank's objectives at acceptable level. Also, the Committee shall audit performance and proper of risk management on regular basis as well as give advice to relevant departments for better operation results.
- 5. Audit Correctness and Reliability of Financial Report** by considering annual and quarterly financial statements included significant financial ratios and giving opinion and suggestions toward major changes to financial report, to ensure that financial report has been prepared properly in accordance with legal requirements and generally accounting standards acceptance while information in financial report shall be disclosed adequately in time for the benefit of financial statement users.

6. **Audit the Bank's Operation Compliance with Law**, rules and regulations, practices, Council of Ministers' resolution, announcement or order relating to the Bank's and State Enterprise's operation in order to prevent any violation thereof.
7. **Revise Good Internal Audit System and Independence of the Internal Audit Department is maintained** for the benefit of the Bank as the Internal Audit Department can perform its function with integrity. The Committee shall review the audit results and following up results of the implementation of significant issues and recommendations given by the Internal Audit Department in order to establish good governance and adequate internal control of the Bank. The Committee shall also review the results of strategic plan implementation aimed at improving internal audit operation.
8. **Regularly Consider Related Transactions or Possible Conflict of Interest or Corruption** that may adversely affect the Bank's operation.
9. **Coordinate with the auditor respect to the audit results** and provide recommendations on the audit or investigation of any items as deemed necessary based on the principle of transparency and accountability.

The Audit Committee exercises with carefulness and prudence to ensure that the Bank has properly mandated good governance, risk management and internal control with the internal audit department as the important tool for the Audit Committee's operation.

However, internal control and risk management still has certain defects that need some adjustment and improvement such as manpower of the internal audit department and introduction of information technology in its administration.



(Mr. Atsadang Chiewthada)
Chairman of the Audit Committee

Board of Directors

1. Mrs. Salinee Wangtal*
Chairman



2. Mrs. Saowanee Kamolbutr*
Director



3. Mr. Atsadang Chiewthada*
Director

4. Mr. Vitaya Suriyawong*
Director

5. Mrs. Pankanitta Boonkrong
Director



6. Mr. Lavaron Sangsnit
Director

7. Mr. Anusorn Muttaraid*
Director



8. Somchai Harnhirun, Ph.D.
Director

9. Mr. Vichit Kornvityakoon*
Director



10. Miss Parichatara L. Sirivong
Director and Secretary



Remark : * Independent Director refers to the member of SME Bank's Board of Directors who holds required expertise and has no position in any relevant state enterprise or government agency.

As of December 31, 2014

Qualifications of Board of Directors

1. Mrs. Salinee Wangtal*

Chairman

Age 60

Education

- M.B.A. Finance & International Business Columbia University, U.S.A
- BA, Accounting (Hon.) Chulalongkorn University, Bangkok
- Advance Management Program, Harvard University, U.S.A.

Training

- Capital Market Academy Leadership Program, (Class 14), Capital Market Academy
- BOT Supervisory College 2014
- FSI-EMEAP Regional Seminar on the Management and Supervision of Credit Risk 2013
- SEACEN Conference of Directors of Supervision of Economies 2009

Other in Positions

- Independent Director, Siam City Life Assurance Public Company Limited
- Chairman of Audit Committee, Siam City Life Assurance Public Company Limited

Experience

- Assistant Governor, Supervision Group, Bank of Thailand
- Committee of Deposit Protection Agency (DPA)
- Secretary of Committee for the Protection of Credit Information
- Secretary of the Financial Reform Advisory Committee, Ministry of Finance

2. Mrs. Saowanee Kamolbutr*

Director

Age 63

Education

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

Training

- Diploma, National Defence College, the National Defence Course Class 2005
- Senior Executive Program, Kellogg Sasin Graduate Institute
- Director Certification Program (DCP 69), Thai Institute of Directors (IOD)

Other in Positions

- Independent Director and Chairman of Audit Committee, Carabao Group Public Co., Ltd.
- Independent Director and Audit Committee, Interlink Communication Public Co., Ltd.
- Independent Director and Chairman of Audit Committee, T.K.S. Technologies Public Co., Ltd.

Experience

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

3. Mr. Atsadang Chiewthada*

Director

Age 64

Education

- Master of Public Administration, The National Institute of Development Administration (NIDA)
- Master of Laws, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University

Training

- Program for Senior Executive Administration on Justice Administration Batch 4, Ministry of Justice
- The 2nd Training Course on Administrative Justice for Executives, the Administrative Court
- Role of the Chairman (RCP 36), Thai Institute of Directors Association (IOD)

Other in Positions

- Director, Government Pharmaceutical Organization

Experience

- Deputy Director-General, International Affairs Department and Executive Director Department of Criminal Litigation
- Liquidation Director, the Tanning Organization, Ministry of Defence
- Judicial of the Administrative Court

4. Mr. Vitaya Suriyawong*

Director

Age 53

Education

- Master of Criminology, University of Melbourne, Australia
- Bachelor of Social Work, Thammasat University, Thailand

Training

- Certificate, Nation Defence College (Class 52), National Defence College
- Certificate in Director Certification Program (DCP 148), Thai Institute of Directors Association (IOD)
- Senior Executive Program, Class 63rd, London Business School, University of London, UK

Other in Positions

- Individual Expert Member, Board of Directors, Thailand Institute of Justice (Public Organization)

Experience

- Director-General, Office of Justice Affairs, Ministry of Justice
- Director, Thai Oil Company Limited
- Member of the Audit Committee, Small and Medium Enterprise Development Bank of Thailand

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As of December 31, 2014

5. Mrs. Pankanitta Boonkrong

Director

Age 58

Education

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

Training

- Energy Literacy for a Sustainable Future TEA, Class 5
- The State, Private Sector and Political, Class 5, National Defence College
- Audit Committee Program (ACP 24), Director Certification Program (DCP 72), Monitoring the System of Internal Control and Risk Management (MIR 13), Thai Institute of Directors Association (IOD)
- Public Director Certification Program, Class 3, Public Director Institute (PDI), King Prajadhipok's Institute

Other in Positions

- Director and Member of the Board of Executive Directors, CAT Telecom Public Co., Ltd.
- Director and Chairman of the Corporate Governance, Dhipaya Insurance Public Co., Ltd.

Experience

- Deputy Director – General, State Enterprise Policy Office, Ministry of Finance
- Portfolio Management Bureau Director, State Enterprise Policy Office, Ministry of Finance

6. Mr. Lavaron Sangsnit

Director

Age 47

Education

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

Training

- Certificate, Financial Executive Development Program, the Thai Institute of Banking and Finance Association
- Certificate, the Civil Service Executive Development Program: Visionary and Moral Leadership, Office of the Civil Service Commission
- Advance Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute

Other in Positions

- Director, NEP Realty and Industry Public Company Limited.
- Director, Deposit Protection Agency
- Director, Credit Information Protection Committee

Experience

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

7. Mr. Anusorn Muttaraid*

Director

Age 60

Education

- Bachelor of Science (Honors), Kasetsart University

Training

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

Other in Positions

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

Experience

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

8. Somchai Harnhirun, Ph.D.

Director

Age 57

Education

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

Training

- Top Executive Program in Commerce and Trade : TepCot, Ministry of Commerce
- Certificate, Nation Defence College (Class 52), National Defence College
- Office of the Civil Service Commission : Senior Executive Development Program 2005

Other in Positions

- Committee, Wastewater Management Authority, Ministry of Natural Resources and Environment

Experience

- Director General, Office of Industrial Economics, Thailand
- Inspectors General, Ministry of Industry, Thailand
- Deputy Director General, Office of Industrial Economics, Thailand

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As of December 31, 2014

9. Mr. Vichit Kornvityakoon*

Director

Age 64

Education

- Master of Business Administration Program, Thammasat University
- Bachelor of Accountant, Chulalongkorn University
- Bachelor of Laws, Thammasat University

Training

- Director Certification Program (DCP 75), Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP 14), Thai Institute of Directors Association (IOD)
- Anti-Corruption for Executive Program (ACEP 14), Thai Institute of Directors Association (IOD)

Other in Positions

- Committee, Sri Ayudhya Capital PCL
- Committee, Sri Ayudhya General Insurance PCL

Experience

- Director, Planning and Development Department, Bank of Thailand (BOT)
- Director, Financial Institutions Policy Group, Bank of Thailand (BOT)

10. Miss Parichatara L. Sirivong

Director and Secretary

Age 59

Education

- Executive MBA Kasetsart University, Bangkok
- BA, Accounting Thammasat University, Bangkok

Training

- Advanced Certificate Course in Public Economics Management for Executives (Class 12), King Prajadhipok's Institute
- Thammasat Leadership Program (TLP 2), Thammasat University
- Director Certification Program (DCP 75), Thai Institute of Directors Association (IOD)
- Chief Financial Officer Program CFO/2012, Federation of Accounting Professions

Other in Positions

- Director, Board of Director National Credit Bureau Co., Ltd.
- Director, Board of Risk Director National Credit Bureau Co., Ltd.
- Director, Board of Director Private Teacher Aid Fund, Ministry of Education

Experience

- Senior Executive Vice President ACL Securities Co., Ltd.
- Deputy Managing Director (Chief Operation Officer), SIAM City Securities Co., Ltd.
- Associate Director, DBS Vickers Securities (Thailand) Co., Ltd.

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As of December 31, 2014

Board of Executive Directors

1. Mrs. Pankanitta Boonkrong
Chairman



2. Mr. Anusorn Muttaraid*
Director

3. Somchai Harnhirun, Ph.D.
Director



4. Mr. Vichit Kornvityakoon*
Director

5. Miss Parichatara L. Sirivong
Director and Secretary



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As of December 31, 2014



SME Bank Reorganization Committee

1. Mrs. Salinee Wangtal	Chairman
2. Mr. Vichit Kornvityakoon	Director
3. Board of Directors	Director
4. President of SME Bank	Director
5. Senior Vice President / Vice President of Office of the President	Secretary

Audit Committee

1. Mr. Atsadang Chiewthada	Chairman
2. Mrs. Saowanee Kamolbutr	Director
3. Mr. Vitaya Suriyawong	Director
4. Senior Vice President / Vice President of Internal Audit Department	Secretary

Risk Management Committee

1. Mr. Lavaron Sangsnit	Chairman
2. Mr. Pornchai Theeraveth	Director
3. Miss Vorrachaya Latthayaporn	Director
4. Asst. Prof. Dr. Pacharavalai Jayapani	Director
5. President of SME Bank	Director
6. Risk Management Group Responsibility	Secretary
7. Risk Management Division Responsibility	Assistant Secretary

As of December 31, 2014

Employee Relations Committee

1. Mr. Vichit Kornvityakoon	Board of Directors	Chairman
Employer		
1. Mr. Surachai Kampalanonwat	Senior Executive Vice President	Director
2. Mr. Kongdacha Chairatana	Senior Executive Vice President	Director
3. Miss Kethsiree Piroonmethee	Executive Vice President	Director
4. Mr. Samanpong Klienglumyong	Executive Vice President	Director
5. Mr. Phongchan Samphaengern	Executive Vice President	Director
6. Miss Nartnaree Rathapat	Senior Vice President	Director
7. Mr. Saree Musigerst	Vice President	Director
Employee		
1. Mr. Khemmachat Apiratchatanont	Chairman, The State Enterprise Labor Union	Director
2. Mr. Chusak Chowchong	Vice Chairman, The State Enterprise Labor Union	Director
3. Mr. Tassana Phandech	Vice Chairman, The State Enterprise Labor Union	Director
4. Miss Nongluck Nilwongsanuwat	Director, The State Enterprise Labor Union	Director
5. Mr. Pawat Wongmaneewan	Director, The State Enterprise Labor Union	Director
6. Mr. Sornchai Banchongaksorn	Director, The State Enterprise Labor Union	Director
7. Mr. Somporn Atipanan	Director, The State Enterprise Labor Union	Director
8. Senior Vice President / Vice President of Human Resources Department		Secretary

As of December 31, 2014



Nomination and Remuneration Committee

1. Mr. Vichit Kornvityakoon	Chairman
2. Mr. Anusorn Muttaraid	Director
3. Mrs. Povongtip Poramapojn	Director
4. Mr. Metha Suwannasan	Director
5. President of SME Bank	Director and Secretary
6. Senior Vice President / Vice President of Human Resources Department	Assistant Secretary

Information Technology Committee*

1. Dr. Patima Jeerapaet	Chairman
2. Mr. Anusorn Muttaraid	Director
3. Mr. Supachai Jongsiri	Director
4. Mr. Kritsda Udyanin	Director
5. Mr. Somdul Chatunart	Secretary

Corporate Governance and Corporate Social Responsibility Committee [CG & CSR]*

1. Mr. Anusorn Muttaraid	Chairman
2. Somchai Harnhirun, Ph. D.	Director
3. Mr. Pongsak Chajiamjan	Director
4. Vice President of Organization Development and Corporate Governance Department	Secretary

Remark : * Information Technology Committee and Corporate Governance and Corporate Social Responsibility Committee (CG & CSR) ceased to serve in the position on July 2, 2014

As of December 31, 2014



SME Bank Executives

SME Bank Executives



1. Miss Parichatara L. Sirivong
Senior Executive Vice President
Acting President



2. Mr. Pongsak Chajiamjan
Senior Executive Vice President



3. Mr. Surachai Kampalanonwat
Senior Executive Vice President



4. Mrs. Intira Phokpoonyarak
Senior Executive Vice President



5. Mr. Woramit Krutto
Senior Executive Vice President



6. Mr. Kongdacha Chairatana
Senior Executive Vice President



7. Mr. Somdul Chatunart
Executive Vice President



8. Mr. Samanpong Klienglumyong
Executive Vice President



9. Mr. Somboon Ahunai
Executive Vice President



10. Mr. Phongchan Samphaengern
Executive Vice President



11. Mr. Tanarug Issadisai
Executive Vice President



12. Miss Kethsiree Piroonmethee
Specialist

Qualifications of Senior Executive Vice President

1. Miss Parichatara L. Sirivong

Senior Executive Vice President
Acting President
Age 59

Education

- Executive MBA Kasetsart University, Bangkok
- BA, Accounting Thammasat University, Bangkok

Training

- Advanced Certificate Course in Public Economics Management for Executives, 12/2014, King Prajadhipok's Institute
- Thammasat Leadership Program, TLP 2/2012, Thammasat University
- Director Certification Program, DCP 75/2013, Thai Institute of Directors Association
- Chief Financial Officer Program, CFO/2012 Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Other in Positions

- Director, Board of Director National Credit Bureau Co., Ltd.
- Director, Board of Risk Director National Credit Bureau Co., Ltd.
- Director, Board of Director Private Teacher Aid fund, Ministry of Education

Experience

- Senior Executive Vice President, ACL Securities Co., Ltd.
- Deputy Managing Director (Chief Operation Officer) SIAM City Securities Co., Ltd.
- Associate Director, DBS Vickers Securities (Thailand) Co., Ltd.

2. Mr. Pongsak Chajiamjan

Senior Executive Vice President
Operation Group Responsibility
Age 56

Education

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

Training

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

Experience

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

3. Mr. Surachai Kampalanonwat

Senior Executive Vice President
Marketing Group Responsibility
Age 53

Education

- Master of Business Administration, Sripatum University
- Bachelor of Business Administration, Ramkhamhaeng University

Training

- Competitive Marketing Strategies in the Global (Class 1)
- Pocket MBA in Marketing (Class 1)
- Public Administration and Law for Executives (Class 8), King Prajadhipok's Institute
- Politics and Governance in Democratic Systems for Executives (Class 14), King Prajadhipok's Institute
- Investment Opportunities in Myanmar (Class 1), Republic of the Union of Myanmar
- Leadership Succession Program (Class 1), Institute of Research and Development for Public Enterprises (IRDPE)
- Thammasat Leadership Program (TLP 6)

Experience

- Executive Vice President, Thaiday.com Co., Ltd.
- Director of Business Research and Communication Department, Institute of Social and Economic Policy
- Executive Director and Director of Marketing Department, Siamturakij Newspaper
- Sector Head, Collection and Payment Division, Siam Commercial Bank

4. Mrs. Intira Phokpoonyarak

Senior Executive Vice President
Credit Group Responsibility
Age 55

Education

- Master of Public Administration, Chulalongkorn University
- Master of Business Administration, Major in Accounting, University of the Thai Chamber of Commerce
- Bachelor of Business Administration, Major in Accounting, Ramkhamhaeng University

Training

- Finance Executive Development Program (FINEX 13), The Thai Institute of Bank and Finance Association
- Federation of Accounting Professions CFO Certification Program (Class 9)
- King Prajadhipok's Institute Advanced Certificate Course in Public Administration and Law for Executives (Class 9)
- The 2th Training Course on Administrative Justice for Executives, The Administrative court
- The National Defence College, National Defence Course (NDC.2555)

Experience

- Executive Vice President, Small and Medium Enterprise Development Bank of Thailand (SME Bank)
- Financial Accounting Manager, Standard Chartered Nakornthon Bank Public Company Limited
- Financial Controller, the Industrial Bank of Japan Limited.
- Vice President of Accounting Department, The Thai Institute of Bank and Finance Association
- Executive Director, the Thai Institute of Banking and Finance Association.
- Executive Director, Siam City IT Company Limited.

5. Mr. Woramit Krutto

Senior Executive Vice President
Credit Group 1 Responsibility
Age 55

Education

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

Training

- Financial Executive Development Seminar FINEX XI Year 2002, The Thai Institute of Banking and Finance Association
- Executive Management Seminar II Year 2006, Association of Capital Market Academy Alumni

Experience

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

6. Mr. Kongdacha Chairatana

Senior Executive Vice President
Risk Management Group Responsibility
Age 55

Education

- M. Econ. (Project Appraisal) , National Institute of Development Administration (NIDA)
- LL.B., Thammasat University

Training

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

Experience

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



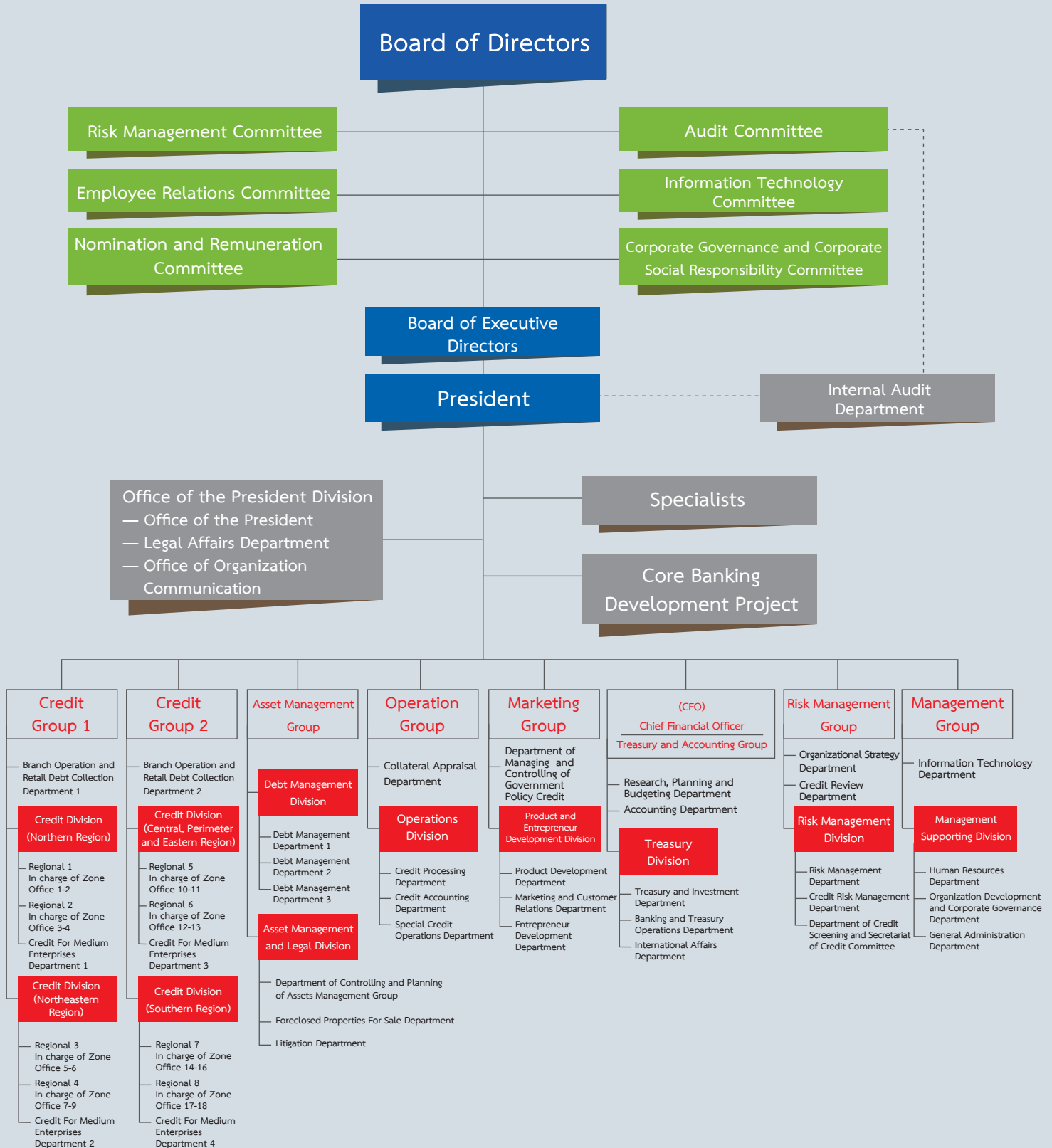
SME Bank Management

SME Bank Management

Mrs. Chongrak Politanont	Senior Vice President	Acting as Risk Management Division Responsibility
Mr. Kantaphon Kaewmanee	Senior Vice President	Acting as Product and Entrepreneur Development Division Responsibility
Mr. Taweesak Narkdee	Senior Vice President	Acting as Credit Division (Northeastern Region) Responsibility
Mr. Tiravutti Jirachaisri	Senior Vice President	Acting as Credit Division (Southern Region) Responsibility
Mr. Jarin Tiasakul	Senior Vice President	Acting as Debt Management Division Responsibility
Mr. Pongprayoon Termtechatipong	Senior Vice President	Core Banking Development Project
Mr. Sumeth Anusithsupakarn	Senior Vice President	Branch Operation and Retail Debt Collection Department 1
Mr. Pichit Mitrawong	Senior Vice President	Special Credit Operations Department
Mr. Kodchagone Ludchasawee	Senior Vice President	Human Resources Department
Miss Nartnaree Rathapat	Senior Vice President	Office of the President
Miss Malin Wuvanich	Senior Vice President	Accounting Department
Mr. Wirin Udomchoke	Senior Vice President	Credit Accounting Department
Mr. Amnart Benjasopit	Senior Vice President	Debt Management Department 3
Mr. Nopadol Sookajit	Specialist	Specialist
Mr. Vitoon Buasakdi	Vice President	Department of Credit Screening and Secretariat of Credit Committee
Mr. Suthat Kanthasaibour	Vice President	Banking and Treasury Department
Mr. Sittisak Sachchedha	Vice President	Risk Management Department

Mr. Jessada Chor. Charoenying	Vice President	Credit Review Department
Mr. Weerawud Rujirakul	Vice President	Product Development Department
Mr. Arnat Wiboonkanarak	Vice President	Credit for Medium Enterprises Department 4
Miss Yupin Thanativakul	Vice President	Office of Organization Communication
Miss Areeya Duanram	Vice President	Department of Managing and Controlling of Government Policy Credit
Mr. Praves Masawat	Vice President	Credit Processing Department
Mrs. Wannipa Vudthivat	Vice President	Branch Operation and Retail Debt Collection Department 2
Mr. Piwat Chaiyanukij	Vice President	Credit for Medium Enterprises Department 3
Mr. Chatri Wetsoranasutee	Vice President	Organizational Strategy Department
Mr. Boonsek Phanudom	Vice President	Entrepreneur Development Department
Mr. Cherdchai Ouanmin	Vice President	Regional 6
Mr. Jakkrid Karoonsit	Vice President	Information Technology Department
Mr. Satien Tantipipop	Vice President	Collateral Appraisal Department
Mr. Kreingkrai Kerdkokeo	Vice President	International Affair Department
Mr. Thitarat Pootrakull	Vice President	Credit Risk Management Department
Mrs. Neeranart Chutiwong	Vice President	Debt Management Department 1
Mr. Charin Hiengkul	Vice President	Regional 1

Organization Chart

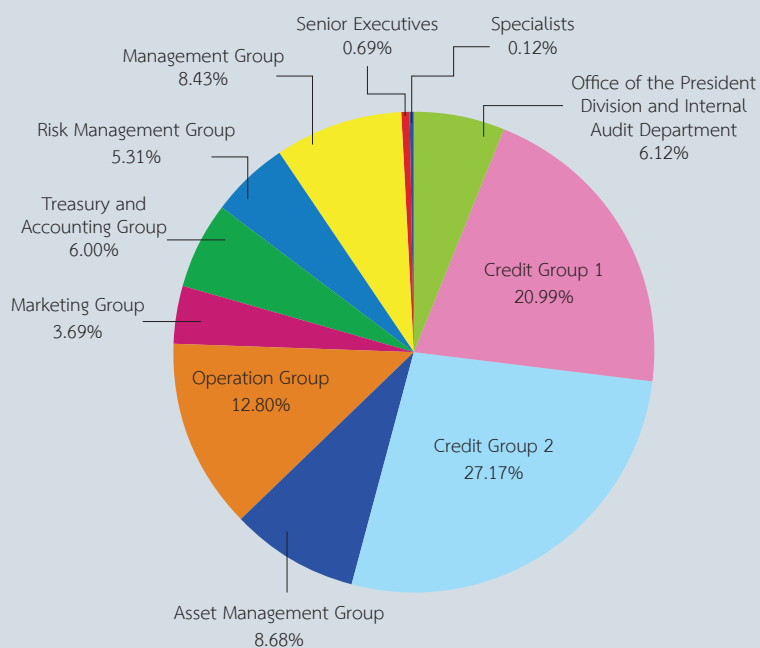


Workforce Structure



Number of Officers by Group/Division	
Group / Division	Amount
Senior Executives	11
Specialists	2
Office of the President Division and Internal Audit Department	98
Credit Group 1	336
Credit Group 2	435
Asset Management Group	139
Operation Group	205
Marketing Group	59
Treasury and Accounting Group	96
Risk Management Group	85
Management Group	135
Total	1,601

Number of Officers by Group/Division



Unit : Million Baht

Executive Remuneration	Year		
	2014	2013	2012
Total	18.36	21.64	26.10

Remark: The Executive's remuneration consist of salaries and pension fund.

Unit : Million Baht

Officer and Employee Expenses	Year		
	2014	2013	2012
Total	911.90	902.21	999.32

Remark: These include salaries, temporary living expenses, extra temporary living expenses, risk expenses, motorcycle depreciation expenses, monthly children subsidies, position expenses, transportation expenses, overtime pays, bonuses, and gratuities, which are before tax reduction.

Shareholder Structure

Small and Medium Enterprise Development Bank of Thailand
As at December 31, 2014

Shareholders	Number of Shares	Value (Baht)	%
Public Sector			
1 Ministry of Finance	125,300,000	12,530,000,000	98.2359
2 Government Savings Bank	550,000	55,000,000	0.4312
3 Krungthai Bank (Public) Co.,Ltd.	222,000	22,200,000	0.1741
4 Financial Institutions Development Fund	18,000	1,800,000	0.0141
Public Sector Total	126,090,000	12,609,000,000	98.8553
Private Sector			
1 Ladawan Investment Co.,Ltd.	400,000	40,000,000	0.3136
2 Members of Thai Banker's Association	697,711	69,771,100	0.5470
3 Members of Association of Finance Companies	359,389	35,938,900	0.2818
4 Others	2,900	290,000	0.0023
Private Sector Total	1,460,000	146,000,000	1.1447
Grand Total	127,550,000	12,755,000,000	100.0000

Report by the Nomination and Remuneration Committee

According to the Board of Directors' meeting 12th/2014 on 3rd September 2014, the Board resolution appointed the Nomination and Remuneration Committee consisting of the Bank's director and independent person as follows:

- | | | |
|--|------------------------------------|------------------------|
| 1. Mr. Vichit Kornvityakoon | Member of SME's Board of Directors | Chairman |
| 2. Mr. Anusorn Muttaraid | Member of SME's Board of Directors | Director |
| 3. Mrs. Povongtip Poramapojn | Independent Expert | Director |
| 4. Mr. Metha Suvanasarn | Independent Expert | Director |
| 5. President of SME Bank | | Director and Secretary |
| 6. Senior Vice President /
Vice President of Human Resources Department | | Assistant Secretary |

The Nomination and Remuneration Committee has carried out functions within the scope of duties and responsibilities by determining policies, criteria and methods for selecting qualified persons to be the executives such as Senior Executive Vice President and Executive Vice President before nominating to the Board of Directors for consideration. The committee is also assigned with the duty to determine guideline for performance assessment, annual wage increasing or other benefit for top executive and also approved criteria and method for selecting middle level executive as proposed by the president or performed other function related to selection and remuneration activities assigning by the Board of Directors of SME Bank.

In 2014, the Nomination and Remuneration Committee held the meeting for 6 times and considered criteria as well as method for selecting middle level executive, criteria for performance assessment, wage increasing to the top executive and also reviewed nomination system for executive levels in order that the Bank's human resource management will be improved continuously as human resource is a key driving force for the Bank to achieve the goals under the government's policy.



(Mr. Vichit Kornvityakoon)

Chairman of the Nomination and Remuneration Committee

Good Corporate Governance



As a state-owned bank, SME Bank has always adhered to the principle of good governance for the state-owned enterprise as directed by the Ministry of Finance as well as relevant international standards. SME Bank considers that it is obliged to support continual growth of the Thai economy along with sustainable social and environmental development. The achievement of these missions depends on well-prepared policy, plan and working procedures especially good corporate governance. Therefore, SME Bank has always been focusing on the establishment of organizational culture based on good governance. It therefore set up the Corporate Governance and Corporate Social Responsibility Committee (CG&CSR Committee) to be specifically responsible for good corporate governance matters and put it into action while improving fundamental of good corporate governance organizational - wide. The Bank has continually organized activities under the campaign for raising awareness of the importance of good corporate governance among officers and executives of different levels such as PR for campaigns and activities, good corporate governance motto and logo contest in which the winning motto is “**Quality conforms Service, Good Governance conforms with SME Bank**” etc.

Since 2010, SME Bank has established management connection based on good corporate governance to ensure good and transparent management system under which

data and information is accessible and verifiable. This will help SME Bank to grow sustainably and steadily with competitiveness and to eliminate possible conflict of interest and to successfully establish confidence among its shareholders, investors and stakeholders.

Principle of Good Corporate Governance

SME Bank has set up its organizational structure and internal management system in order to link between board of directors, executives and employees by taking into account the balance of interest of all stakeholders. Those organizational structure and management system shall reflect the key principles set forth as 7 international standards as follows:

- 1. Accountability**
Responsibility toward one’s decisions and actions
- 2. Responsibility**
Hold understanding and competency to carry out one’s duties and assignments.
- 3. Creation of Long-term Value of all Stakeholders**
Create long-term value for all stakeholders.
- 4. Transparency**
Transparent, explainable and verifiable
- 5. Vision to Create Long-term Value**
Determination of vision, strategy and create sustainable value added

6. Ethics

Conduct one's business with ethic, moral and integrity.

7. Social and Environmental Responsibility

Awareness toward social and environmental responsibility

Practical Guidelines under the Principle of Good Corporate Governance

SME Bank conducts its businesses in accordance with the guidelines under good corporate governance consisting of the rules of law, merit, transparency, participation, responsibility, worthiness and governance. In 2014, SME Bank has treated its stakeholders as follows:

Shareholders: SME Bank treats all shareholders equally in terms of complete, adequate, fair and transparent disclosure of its information; and clearly determines the voting rights in shareholders' meetings; and also effectively manages its business with knowledge and abilities for its business growth and for generation of proper returns of investment to its shareholders. The Bank organizes the processes of shareholders' meetings in the manner which supports equal treatment and opportunities for all shareholders to express their opinions and recommendations.

Customers: SME Bank is committed to satisfy its customers by offering variety of quality products and excellent services to customers and is prepared to meet customers' demands with care and responsibility. SME Bank treats its customers with honesty and fairness and always protects customers' interests with equality, creativity and quality service provision, keeps promises given to customers. The Bank shall not abuse customers' data and at the same time regularly give correct and complete information to them in order to keep them satisfied.

Employees: SME Bank considers its employees as the most valuable resources and is committed to develop all employees to be all-around capable persons, provide equal and fair treatment to all employees with respect to their honors, dignity and right to privacy, give proper compensation to their duties, performances and responsibilities, provide proper welfare, hygienic and safe workplace and work

environment, as well as promote and support employees for their continuous progress in their career path.

Other Financial Institutions and Competitors:

SME Bank operates its businesses on the basis of fair competition and provides cooperation in making available data which can be disclosed as well as promotes actions or activities bringing about good understanding.

Society and Nation: SME Bank has its corporate social responsibility and supports fund raising for national development and adopts strict political neutrality. SME Bank shall not give its cooperation or support to any customers committing illegal businesses or any act considered a threat to the society and the national security. As part of the society, SME Bank realizes its duties and responsibilities of social contribution and support of public service activities to communities, as well as development of environment of communities and the society for better living condition. The Bank also places importance upon and takes into account environmental conservation on continual basis.

Ethics and Code of Conduct

SME Bank, as a state-owned enterprise regulated by the Ministry of Finance and the Ministry of Industry, is established with an aim to carry out businesses involving in development, promotion and giving support to the establishment, operation, expansion or improvement of small and medium enterprises with a view to be a part of driven force for sustainable growth of Thai economy. The Bank's operation is guided by good corporate governance. SME Bank has prepared the **SME Bank's Manual of Ethics and Code of Conduct for Executives and Officers** to be in accordance with the Constitution of the Kingdom of Thailand B.E. 2550 Article 279 providing the basis of ethical standard and code of conduct for respective state official. The manual contains mechanism and system of effective enforcement as well as procedures for disciplinary action and sanctions reflecting the seriousness of the act.

In 2014, the good corporate governance plan as approved by the Corporate Governance and Corporate Social Responsibility Committee (CG&CSR Committee)

required that the Manual of Ethics and Code of Conduct to be reviewed to ensure that it would completely include all details in accordance with the bank's practical guidelines and ethical standard and code of conduct for state official. Therefore, in order to enable the review of the Manual of Ethics and Code of Conduct to be in accordance with the said plan, **SME Bank has set up the committee for the review of SME Bank's Manual of Ethics and Code of Conduct 2014** consisting of 5 members with duties and responsibilities as follows:

1. Review, revise or add to ethical standards and code of conduct for the Bank's officers provided in the SME Bank's Manual of Ethics and Code of Conduct to be in accordance with the Constitution of the Kingdom of Thailand B.E. 2550 Article 279.

2. Coordinate and seek for advice from the Office of Ombudsman Thailand which responsible for ethical manual for the state-owned enterprise as well as consider suggestions and opinions from the Bank's officers for further review.

3. Report the review of the manual to the President and CG&CSR Committee.

4. Carry out other assigned works.

In addition to implementation of good corporate governance, SME Bank also realizes the significance of maintenance of its operation standard in respect of social responsibility. It therefore prescribes that the board of directors, executives and officers shall adhere to and strictly follow **"SME Bank's Manual of Ethics and Code of Conduct"** to ensure that they shall fairly conduct their duties to preserve the benefit of the general public and maintain integrity and dignity in order to obtain credibility from customers and the general public by following 9 core values as follows:

1. Adhere to morality and ethics.
2. Hold good consciousness, honesty and responsibility.
3. Preserve national benefit before personal benefit and has no conflict of interest.
4. Insist on rightfulness, fairness and legitimacy.
5. Provide speedy service for the public with hospitality and without discrimination.

6. Provide correct and adequate information for the public without any distortion of truth.
7. Focus on achievement and maintain standard, quality, transparency and accountability.
8. Adhere to democratic regime with the King as the head of the nation.
9. Adhere to professional code of conduct applicable in the organization.

Operation Results and Activities for Promoting Good Corporate Governance

Whereas the Corporate Governance and Corporate Social Responsibility Committee (CG&CSR Committee) has determined the operation plan for promoting SME Bank's effective good governance and social contribution in order to ensure that the criteria for evaluating the roles of state-owned enterprise committee concerning the promotion of good corporate governance and corporate social responsibility as provided by State Enterprise Performance Appraisal (SEPA) are met. In particular, such criteria require that all state-owned enterprises materially implement the principle of good corporate governance and corporate social responsibility and put in place concrete operation plan that can draw up participation from different parties including the board of directors, executives and officers. The operation results shall be furnished to SME Bank's board of directors as follows:

1. With respect to promotion of morality, code of conduct and compliance with good governance

- 1) Campaign for raising awareness of CG on the Intranet
- 2) Motto/CG logo contest

CG logo



CG motto

"(Quality conforms Service, Good Governance conforms with SME Bank)"

The award winning CG logo and motto have been used in various campaigns for good corporate governance.

- 3) Publishing the interview with SME Bank's board of directors under the project "**Role Model Top Management**" aimed at presenting to its executives and officers the concept of management and operation under the principle of good governance adopted by SME Bank's board of directors as a model or guideline for their operation.
- 4) Organizing the training course "**Dharma and Organization Development**" aimed at encouraging the management level from assistant managers to senior vice presidents, to apply good governance principle provided by Buddhism to self development, human resource development and operation development

2. With respect to promotion of participation

- 1) Organize variety of events promoting Thai cultures, Songkran Festival, Family Day for SME Bank's executives and officers to perform religious activities together.
- 2) Donate necessary things to the Thailand Association of the Blind.

3. With respect to internal public relations and announcements

- 1) Publish His Majesty the King's royal speeches relating to good governance.
- 2) Disseminate updates and information on promotion of good governance and ethics as well as social contributions via intranet announcement channel, SME Bank CG&CSR News
- 3) Prepare posters raising awareness of SME Bank's vision, mission and values (FIRST), its CG motto and logo and post them at various locations for the Bank's officers and customers.
- 4) Distribute online CG pamphlet (Thinking Corner) internally so as to promote knowledge on good governance and corporate social and environmental responsibility as well as quotation cheering up working spirit for the Bank's officers.

Conflict of Interest Prevention Policy

SME Bank's conflict of interest prevention policies/ measures are as follows:

1. Officers are noted and realize that what kind of action should not be done or practiced.
2. Officers are required to prepare the report on conflict of interest and if they have learnt of any possible conflict of interest, they must seek for permission/ approval from their superior who will determine whether such matter should be continued or stopped.
3. For those officers who not qualified as an employee of the state owned enterprise according to the Act of Standard Qualifications for Director and Employee of State Owned Enterprise B.E. 2518 and as amended, who fail to obtain permission from the President, if later discovered thereof by the Bank, may be dismissed.
4. Any officer who has reported of one's conflict of interest but continues to do such act or behave in such a manner considered as conflict of interest as previously reported (in case the Bank has directed that such act be suspended), may be subject to disciplinary action inflicted by the Bank as per the Bank's Regulation regarding Human Resource Management B.E. 2553.

Indicators of Conflict of Interest

- Received as personal benefit of money, gift, present and entertainment, enter into contract or conclude engagement, exploit one's title to influence other's decision.
- Inappropriately exercise one's influence to demand for or receive undue benefit.
- Misuse organization's data and information or property.
- Carry out transaction or business with the third person in conflict of an organization's interest.
- Misappropriate office property and/or working time.

Acts considered as conflict of interest that an officer should refrain from doing them.

- Spouse or close relative, both in legal sense and factual sense, works in the same unit of the same organization.
- Disclose confidential information to the third person e.g. financial information, business plan, marketing plan.
- Agree to assume the position as director or consultant of the third entity causing it to become a business

competitor/leading to conflict of interest without approval/ permission from the organization.

- Use an organization's property for personal benefit.

Board of Directors

According to the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545, it provides that a board shall be set up called "The Board of Directors of the Small and Medium Enterprise Development Bank of Thailand" consisting of 1 chairman and another directors not exceeding 9 persons elected by the shareholders while the president shall be ex officio director.

A director shall have the term in position of 3 years. A director whose term of position has expired may be re-elected but may not hold the position for more than 2 consecutive terms.

Qualifications of Director

The Bank's board of directors shall consist of qualified persons holding skill and experience from various fields which can be of benefit for the organization. In particular, such person must holds qualifications stipulated in the Act for Standard Qualifications of Director and Employee of the State Enterprise B.E. 2518 and as amended as well as the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545.

Duties and Responsibilities:

- 1) Draw up policy and generally supervise the Bank's operation within the scope of its objectives relating to development, promotion and support

the establishment, operation, expansion or improvement of small and medium enterprises through credit, guarantee, joint investment, advice and consultation on financial, technical, production development, marketing, management and administration matters or helping SMEs to access to financial, managerial or technical services or other necessary services.

- 2) Appoint the board of executive directors consisting of the chairman and other executive directors of not exceeding 3 persons while the president of the Bank shall be an ex officio executive director.
- 3) Determine rules and regulations to be applied to the Bank's business as follows:
 - 3.1 Regulations regarding the Bank's stock
 - 3.2 Regulations regarding loan, guarantee, sale or discount of financial institution bill, pledge, mortgage and other banking businesses
 - 3.3 Regulations regarding the Bank's management and administration
 - 3.4 Regulations regarding human resource management, remuneration and other costs and expenses
 - 3.5 Regulations regarding purchasing, finance, asset, accounting and internal audit
 - 3.6 Regulations regarding employee welfares for the Bank's officers, employee and their family members
 - 3.7 Setting up branch or representative office

Disclosure of Data of Directors of SME Bank

	Dr. Naris Chaiyasoot Chairman	Dr. Witoon Simachokdee Director	Mr. Pichai Chunhavajira Director	Mr. Kritsda Udyanin Director	Somchai Hamhirun, Ph. D. Director	Dr. Patima Jeerapaet Director	Mr. Vitaya Suriyawong Director	Mr. Anusorn Muttaraid Director	Mr. Jirayut Rungsrithong Director	Miss Parichatara L. Sirivong Director and Secretary										
1 Assumption of an office of director in state enterprises and/or juristic persons that such state enterprises are shareholders (not exceeding 3 organizations).	The Board of Directors of the SME Bank are allowed to hold the position in up to 3 government enterprises.																			
2 Related reports between directors and close relatives and SME Bank.	The Board of Directors of SME Bank, spouses, and children under the age of 20 do not have personal credits transaction or being a trading partner with SME Bank nor in any juristic person that Board of Directors is a shareholder, authorized director, executives or guarantor.																			
3 Assumption of an office or shareholding in companies of which shares are held by SME Bank	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI
1. Thai Credit Guarantee Corporation (TCG)		X		X		X		X		X		X		X		X		X		X
2. National Credit Bureau Co.,Ltd.		X		X		X		X		X		X		X		X		X		X*
3. Wattasarn Media Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
4. Bi-tech Coolblock Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
5. Power and Saving Intania Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
6. Thai Fashion Center Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
7. Bangkok Marine Engineering Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
8. Manee Taming Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
9. A.P.Z. Corporation Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
10. Autowood (Thailand) Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
11. Pet-tech Inter Group Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
12. Techno Asia Tire Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
13. Thai Umaporn Textile Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
14. We Thai Dot Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
15. Chao Phaya Insurance Plc.		X		X		X		X		X		X		X		X		X		X
16. Siam Safety Technology Co.,Ltd. Now. NPT Engineering Solution Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
17. Trinity Education Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
18. Stang Holding Co.,Ltd.		X		X		X		X		X		X		X		X		X		X

Remark:

1. The Small and Medium Enterprise Development Bank of Thailand (SME Bank) becomes one of the shareholders in 18 companies.

(Data from Venture Capital and Entrepreneurs Development Department)

*2. Miss Parichatara L. Sirivong, the Acting President, has become a member of the Board of Directors and the Board of Risk Management of the National Credit Bureau (NCB). SME Bank holds 20% of the NCB shares.

3. The Board of Directors held the position from October 17th, 2011 to July 2nd, 2014.

Disclosure of Data of Directors of SME Bank

	Mrs. Salinee Wangtal Chairman	Mrs. Saowanee Kamolbutr Director	Mr. Atsadang Chiewthada Director	Mr. Vitaya Suriyawong Director	Mrs. Pankanitta Boonkrong Director	Mr. Lavaron Sangsnit Director	Mr. Anusorn Muttaraid Director	Somchai Hamhirun, Ph.D. Director	Mr. Vichit Kornvityakoon Director	Miss Parichatara L. Sirivong Director and Secretary										
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3 Assumption of an office or shareholding in companies of which shares are held by SME Bank	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI	I	NI
1. Thai Credit Guarantee Corporation (TCG)		X		X		X		X		X		X		X		X		X		X
2. National Credit Bureau Co.,Ltd.		X		X		X		X		X		X		X		X		X		X*
3. Wattasarn Media Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
4. Bi-tech Coolblock Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
5. Power and Saving Intania Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
6. Thai Fashion Center Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
7. Bangkok Marine Engineering Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
8. Manee Taming Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
9. A.P.Z. Corporation Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
10. Autowood (Thailand) Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
11. Pet-tech Inter Group Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
12. Techno Asia Tire Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
13. Thai Umaporn Textile Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
14. We Thai Dot Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
15. Chao Phaya Insurance Plc.		X		X		X		X		X		X		X		X		X		X
16. Siam Safety Technology Co.,Ltd. Now. NPT Engineering Solution Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
17. Trinity Education Co.,Ltd.		X		X		X		X		X		X		X		X		X		X
18. Stang Holding Co.,Ltd.		X		X		X		X		X		X		X		X		X		X

Remark:

1. The Small and Medium Enterprise Development Bank of Thailand (SME Bank) becomes one of the shareholders in 18 companies.

(Data from Venture Capital and Entrepreneurs Development Department)

*2. Miss Parichatara L. Sirivong, the Acting President, has become a member of the Board of Directors and the Board of Risk Management of the National Credit Bureau (NCB). SME Bank holds 20% of the NCB shares.

3. The Board of Directors were appointed on July 30th, 2014.

Board of Executive Directors

The SME Bank Act B.E.2545 provides that the board of directors of SME Bank shall have the power to appoint the board of executive directors consisting of the chairman and other executive directors of not exceeding 3 persons while the president of the Bank shall be an ex officio executive director. The board of executive directors shall have the term in office of 2 years.

Duties and Responsibilities:

- 1) Determine guidelines and methods of operation of SME Bank in accordance with the policies and goals as prescribed by the board of directors of SME Bank which shall not interfere with the authorities and duties of the president of the Bank as per Section 25 of the Act.
- 2) Report the operating results to the board of directors of SME Bank on quarterly basis.
- 3) Approve the request for amendment of budgets within the limit according to the regulations of SME Bank and report to the board of directors of SME Bank for acknowledgment.
- 4) Approve the adjustment of organization structure and scope of responsibilities of departments under supervision of senior executive vice president and report to the board of directors of SME Bank for acknowledgment.
- 5) Set forth the rates of annual bonus payment and extra payments and propose to the board of directors of SME Bank for consideration and approval.
- 6) Set forth the rates of annual increases of wage payment to officers and propose to the board of directors of SME Bank for consideration and approval.
- 7) Provide job placement, appointment and promotion as well as fix the rates of remuneration for senior executive vice president and propose to the board of directors of SME Bank for consideration and approval.

- 8) Appoint subcommittees, working groups for any operation within the scope of authorities and duties assigned.
- 9) Approve the procurement and lease of supplies as from the limit of 20 million baht but not exceeding 50 million baht.
- 10) Approve the travelling for overseas operation of person who is not an officer of SME Bank.
- 11) Appoint or employ independent expert or specialist as deemed appropriate or otherwise seek for professional opinion from relevant person or independent expert at the Bank's expenses.
- 12) Perform other action assigned by the board of directors.

SME Bank Reorganization Committee Duties and Responsibilities:

1. Supervise and monitor the operation to be in accordance with strategic plan on SME Bank reorganization.
2. Supervise and monitor Due Diligence process and improve credit administration.
3. Determine measures and criteria for handling doubtful account.
4. Screen credit granting and debt restructuring before submitting to the board of directors of SME Bank for approval.
5. Set up a working group to support the operation of SME Bank reorganization sub-committee
6. Perform other function as assigned by the board of directors of SME Bank

Audit Committee Duties and Responsibilities:

To supervise operations in accordance with the laws, rules, regulations, including related Council of Ministers' resolutions based on the criteria and practices issued by the Audit Committee in State Enterprises and to enhance the efficiency in value addition of organizations, to create credibility and confidence in operations to the extent that they are conducted with careful supervision, fairness and transparency as per authorities, duties and responsibilities as prescribed in the Charter of the Audit Committee. The audit committee shall report the operating results to the board of directors of SME Bank.

Risk Management Committee

Duties and Responsibilities:

1. Determine the policy framework, strategies and guidelines for preparation of work plans relating to risk management to be in accordance with the overall strategies of SME Bank and propose it to the board of directors of SME Bank for consideration regarding the overall risk management, covering different aspects of significant risks as per the standard indicators and criteria acceptable to the regulatory authority and the related third parties in terms of general management and information technology for effective management.
2. Review the master plan for risk management, policies, strategic plans, action plans on risk management in order to be able to identify sources of risk, measuring tool, criteria for indication, operating results, monitoring and evaluation procedures, reporting and risk control to a proper and practically acceptable level of SME Bank and to always improve them according to the environment of SME Bank.
3. Review the adequacy of policies, strategic plans, action plans and risk management system as well as efficiency and effectiveness of operation system and the compliance with the risk management policy as prescribed by taking into account objectives of risk classification, risk monitoring processes and provision of risk preventive, corrective and control measures and proper reporting.
4. Launch organization-wide risk management projects in conformity with SME Bank's working processes and organizational structure.
5. Supervise and follow up the implementation of the master plan for risk management, policies, strategic plans and action plans and consider the operating results compared to the prescribed work plans or goals for at least on quarterly basis.
6. Approve all kinds of non-derivatives products except non-collateral loan of more than 1 million baht per one account.
7. Screen all kinds of derivative products and non-derivative products with non-collateral loan of more than 1 million baht per account and loan products under the Government's policy.
8. Determine and review guidelines for risk management and approve the tools of risk limits and methods of risk assessment and control as well as review the adequacy of resources for risk management.
9. Approve the business continuity management including the business continuity plan of all departments within SME Bank for use when necessary.
10. Consider and approve the related project implementation to achieve the master plan of risk management, strategic plans and action plans.
11. Submit the report and opinion to the board of directors of SME Bank on matters that must be improved for the benefit of overall risk management in terms of more integrated system under the standards and criteria for indication of Ministry of Finance, including the criteria of the Bank of Thailand, the Office of the Securities and Exchange Commission as well as international standards.
12. Determine levels of risk management of SME Bank under the criteria for performance assessment of the state enterprise which can maintain the credibility to all stakeholders.
13. Perform other duties as assigned by the board of directors of SME Bank.

Employee Relations Committee

Duties and Responsibilities:

1. Consider and give opinions on improvement of operational efficiency of SME Bank as well as improvement and development of labor relations.
2. Seek for agreement and resolution of dispute occurred within SME Bank.
3. Consider and improve working rules and regulations for the benefit of the employer, employees and SME Bank.

4. Manage to have discussion about solution to the complaints raised by employee or SME Bank labor union including complaints relating to disciplinary actions.
5. Discuss on how to improve employment condition.

Nomination and Remuneration Committee

Duties and Responsibilities:

1. Determine policies, criteria and methods of officer recruitment level 14 or above.
2. Select personnel whose qualifications are in accordance with the prescribed criteria and methods to take the position of officer level 14 or above and then propose to the board of directors of SME Bank for consideration.
3. Determine guidelines for performance evaluation and wage increase and other fringe benefits to the officer level 14 or above on yearly basis.
4. Consider and approve the criteria and method of recruitment of officer level 11-13 as proposed by the president of the Bank.
5. Take other actions relating to recruitment and determination of remuneration as assigned by the board of directors of SME Bank.

Information Technology Committee

Duties and Responsibilities:

1. Develop plan for introduction of banking information technology to SME Bank to enhance its competitiveness.
2. Provide guidelines for IT system development by giving advice on developing IT master plan for SME Bank to be in conformity with its business plans and the trend of banking information technology.
3. Develop plan and operation system as well as develop IT infrastructure in accordance with SME Bank's IT master plan and business plan while taking into account the integration of IT systems and IT security in accordance with international standards.

4. Seek for IT specialists to give advice and to act as a consultant for the operation of the board of directors of SME Bank.
5. Follow up the progress and assign the IT Department to report to the board of directors of SME Bank for acknowledgment on quarterly basis.

Corporate Governance and Corporate Social Responsibility Committee (CG & CSR)

Duties and Responsibilities:

1. Consider and determine the criteria for good corporate governance and corporate social and environmental responsibilities for effective and efficient operations of SME Bank by developing and promoting understanding and compliance by SME Bank personnel with the principle of good corporate governance and corporate social and environmental responsibilities.
2. Supervise and promote the operations of SME Bank to be in conformity with the principle of good corporate governance and corporate social and environmental responsibilities.
3. Evaluate and review the policies on good corporate governance and corporate social and environmental responsibilities of SME Bank continuously to ensure that they are in line with international practices and recommendations of the Ministry of Finance.
4. Give advice on the operations of SME Bank to the management team and the related committees about the application of the principle of good corporate governance and corporate social and environmental responsibilities to get effective performance.
5. Set up sub-committee to support the operation relating to good corporate governance and social and environmental responsibilities.
6. Perform other function as assigned.

**Table of Summary : Meeting Attendances and Meeting Allowances for the board of directors in 2014
(Jan - Jul 2nd, 2014)**

No.	Name-Surname	Committees							
		Meeting Attendances Monthly Total	Board of Director	Board of Executive Director	Risk Management	Employee Relations	Nomination and Remuneration	Information Technology	CG & CSR
			(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)
1	Dr. Naris Chaiyasoot	120,000.00	Chairman (8/8)						
2	Dr. Witoon Simachokdee	60,000.00	Director (6/8)	Chairman/Director (7/10)			Chairman (3/3)		
3	Mr. Pichai Chunhavajira	8,666.67	Director (-)	Chairman (2/2)					
4	Mr. Kritsda Udyanin	60,000.00	Director (7/8)	Director (9/10)	Chairman (6/6)			Director (4/5)	
5	Somchai Hamhirun, Ph. D.	60,000.00	Director (8/8)				Director (3/3)		Director (6/6)
6	Dr. Patima Jeerapaet	60,000.00	Director (7/8)	Director (10/10)		Chairman (2/4)	Director (2/3)	Chairman (5/5)	
7	Mr. Vitaya Suriyawong	60,000.00	Director (7/8)						
8	Mr. Anusorn Muttaraid	60,000.00	Director (6/8)					Director (3/5)	Chairman (6/6)
9	Mr. Jirayut Rungsritthong	60,000.00	Director (8/8)						
10	Mr. Manoonrat Lertkomolsuk	20,000.00	Director and Secretary (2/2)	Director and Secretary (2/2)					
11	Miss Parichatara L. Sirivong	47,666.67	Director and Secretary (6/6)	Director and Secretary (8/8)			Director and Secretary (3/3)		
Meeting Allowances for the board of directors in 2014		616,333.34	442,500.00	252,500.00	75,000.00	25,000.00	67,500.00	57,500.00	135,000.00

Remark:

1. Payments of remuneration and meeting allowance for the Board of Directors shall be in accordance with the Ministry of Finance's guideline, KorKhor. 0803.2/ Wor. 85, announced on August 6th, 2013, with the topic of the Payments of Remuneration and Meeting Allowance for the Board of Government Enterprise and the Board of Directors of SME Bank resolution No. 12/2013, September 25th, 2013.
2. Mr. Pichai Chunhavajira resigned from the Board of Directors of SME Bank on January 27th, 2014.
3. Dr. Witoon Simachokdee was appointed as the Chairman of the Board of Executive Directors at the first of 2014 SME Bank's board meeting on February 3rd, 2014.
4. Mr. Manoonrat Lertkomolsuk held the position from July 17th, 2013 to March 10th, 2014 (Miss Parichatara L. Sirivong was appointed as acting president on February 6th, 2014).
5. The Board of Directors of SME Bank held the position from October 17th, 2011 to July 2nd, 2014.

Table of Summary : Meeting Attendances and Meeting Allowances for the board of directors in 2014
(Jul 30th - Dec 2014)

No.	Name-Surname	Committees							
		Meeting Attendances Monthly Total	Board of Director	Board of Executive Director	SME Bank Reorganization	Audit	Risk Management	Employee Relations	Nomination and Remuneration
			(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)	(No. of Meeting Attendances)
1	Mrs. Salinee Wangtal	100,666.67	Chairman (15/15)		Chairman (19/19)				
2	Mrs. Saowanee Kamolbutr	50,333.33	Director (11/15)			Director (3/3)			
3	Mr. Atsadang Chiewthada	50,333.33	Director (12/15)			Chairman (3/3)			
4	Mr. Vitaya Suriyawong	50,333.33	Director (9/15)			Director (1/3)			
5	Mrs. Pankanitta Boonkrong	50,333.33	Director (14/15)	Chairman (8/8)	Director				
6	Mr. Lavaron Sangsnit	50,333.33	Director (11/15)		Director		Chairman (6/6)		
7	Mr. Anusorn Muttaraid	50,333.33	Director (8/15)	Director (5/8)	Director				Director (1/3)
8	Somchai Hamhirun, Ph. D.	50,333.33	Director (9/15)	Director (6/8)	Director				
9	Mr. Vichit Kornvityakoon	50,333.33	Director (14/15)	Director (7/8)	Director (15/19)			Chairman (3/3)	Chairman (3/3)
10	Miss Parichatara L. Sirivong	50,333.33	Director and Secretary (15/15)	Director and Secretary (8/8)	Director (16/19)				Director and Secretary (3/3)
Meeting Allowances for the board of directors in 2014		553,666.64	492,500.00	222,500.00	62,500.00	140,833.33	50,000.00	37,500.00	31,500.00

Remark:

1. Payments of remuneration and meeting allowance for the Board of Directors shall be in accordance with the Ministry of Finance's guideline, KorKhor. 0803.2/ Wor. 85, announced on August 6th, 2013, with the topic of the Payments of Remuneration and Meeting Allowance for the Board of Government Enterprise and the Board of Directors of SME Bank resolution No. 12/2013, September 25th, 2013.
2. The Board of Directors of SME Bank held the position from July 30th, 2014.
3. SME Bank Reorganization Committee consists of Mrs. Salinee Wangtal as a Chairman, Mr. Vichit Kornvityakoon as a director, at least one member of the Board of Directors acting as a director, President of the Bank acting as a director and Senior Vice President/Vice President of Office of President acting as secretary.

Compliance with the Official Information Act B.E.2540

SME Bank has fulfilled the requirements of disclosure of its information to the general public as stipulated in the Official Information Act B.E. 2540 completely and continuously, for the benefits of the general public to access information of SME Bank. The overview of its operations can be summarized as follows:

1. SME Bank has appointed the Information Committee of SME Bank with authorities and duties to determine criteria and guidelines for classifying type of information of SME Bank, in terms of management, organization and provision of information service of SME Bank, including operations under the regulations governing the provision of information of SME Bank to the general public in accordance with the Official Information Act B.E. 2540

2. SME Bank has announced and disseminated its organizational structure, list of the board of directors, list of executives and their authorities and duties under the SME Bank Act B.E. 2545 so that the general public can search them on the website: www.smebank.co.th

3. SME Bank has made public announcement on an invitation to the bid and inquiry for procurement, their cancellation and the list of awarded bidders on the website of SME Bank and at its public relations signboard at SME Bank Tower.

4. SME Bank has provided channels available for the general public to ask for information and services or to give feedback and complaint to SME Bank through its Call Center 1357.

5. SME Bank has submitted compliance report of the Official Information Act B.E. 2540 to Office of the Official Information Commission and the Ministry of Finance on an annual basis.

6. Disclosure of SME Bank data and its customer data to the third party either government agency or individual may be done provided that such third party has officially requested for such information subject to the provisions of law and the Bank's regulations as follows:

- 6.1 Agencies authorized by law to ask for data verification or to demand for documents and evidences or to ask the Bank's officer to present and give statement as a witness include the court of law, Legal Executive Department, the Revenue Department, Department of Special Investigation, Royal Thai Police, Office of the Consume Protection Board, Social Security Office, the Securities and Exchange Commission, Office of the National Anti-Corruption Commission, Anti-Money Laundering Office, Office of the Narcotics Control Board, Office of the Auditor General of Thailand, Inspector General of the Ministry of Finance, the ombudsman and Bank of Thailand etc.

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

Key Factors Affecting Bank's Performance

1. Thai and Global Economic Condition

Thai economy has been significantly affected by political unrest and slow pace recovery of global economy while disbursement of public expenditure has not met the target resulting in limitation of injection of money into the system. Such has brought about decreasing consumer confidence leading to less buying power and slowing down investment in order to wait and see political and economic direction. As a result, the Thai economy has been facing deflation for the whole previous year.

Global economy has struggled to meet its expected growth rate as recovery has been clearly found only in certain part of the world such as USA while in many parts including China, Russia, Eurozone and Japan, staggering condition is still found as well as tension in several geographical areas, oil price, having decreased since the second half of 2014, has caused many countries to face remarkably low or even negative inflation rate. They have to continually adopt expansionary monetary policy together with economic stimulating measures.

Certainly, due to such depression of domestic and global economy, it unavoidably has effects on SMEs and consequently on credit quality of financial institutions.

2. Competition

The overall credit granted by commercial banks expanded in decreasing rate either for business sector or consumer sector in response to economic condition while household debt was still at high level. Although commercial banks have increasingly played significant role in granting more credit to SMEs but more recently, such SME credit has been decreased considerably as they adopt more restrictive measures in granting credit to business sector, especially those in hospitality industry, construction, real estate and textile industry.

Specialized Financial Institutions : SFIs has played an important role in providing more credit to private sector proved by its constant expansion in credit amount. The operation has been carried out to pursue the Bank's mission and to respond to the government's policy under which package of measures have been implemented in order to alleviate impacts from economic downturn and to facilitate the access to capital source for SMEs. However, the customer groups of SFIs have sustained more impacts than those large business groups as they have lesser degree of financial strength and adaptability and thus resulting in poorer credit quality of SFIs.

3. Technology

Commercial banks continue to develop their technology and innovations in order to be on the leading position of digital banking and financial transactions underlining swiftness and convenience that can meet competition among targeted customers of the bank, especially the new generation who admires convenience, modernism and innovation. Such technology will support transnational investment and transaction as a result of free trade area in ASEAN. The above are the main reasons attracting client to seek for products and services from commercial banks.

Digital information technology has made communication and data transmission faster. SME Bank has exploited such advantages for its operation including expansion of contacting channels for its clients, provision of effective operation and services that meet client's satisfaction and cost control.

4. Government's Policy

In order to boost economy, the government's policy has always given priority to allowing SMEs to get more access to capital sources, promoting SMEs to obtain more competitiveness and be prepared for AEC.



Risk Management

1. Overview of risk management

SME Bank has adopted international standards for risk management and internal control (COSO-ERM) guidelines given by the Bank of Thailand and the Ministry of Finance as the framework for its risk management. The goal is to ensure that SME Bank's operation shall achieve target with stability and in conformity with the principle of good governance. With respect to the operation during accounting period 2014, SME Bank drew up its approaches and strategies towards risk management in order to support its overall operation and to achieve its objectives and goals as follows:

- 1) Adopt risk management approaches that meet recognized standards and are suitable for SME Bank's missions and activities.
 - Develop the plans and determine measures for risk management leading to harmonized operations while existing risk management approaches shall be reviewed on continual basis to ensure more effective risk management.

- 2) Utilize benefit from risk management for creating business opportunity, value-added, as well as, distributing risk and minimizing loss in the organization.

- SME Bank underlines certain major systems relating to risk management by putting in place risk management system, developing operational risk management system and loss data storing system in order to make available of database necessary for determining sufficiency of the fund as required by international standard. The Bank has also developed early warning system that can monitor and make a warning by linking with major risk factors encountered by the organization.

- 3) Risk management is the responsibility of SME Bank's board of directors, executives and all officers to take into account in their respective operation as organizational culture.

- Importance is placed upon communication for understanding among SME Bank's

stakeholders on matters relating to risk management and internal control via various channels e.g. SME Bank website, printing media and reports. The aim is to establish awareness to the extent that risk management become a part of organizational culture. In addition, SME Bank has also had risk management integrated into its organization administration under the integrated scheme of Governance, Risk Management and Compliance (GRC).

- 4) Develop personnel and tools necessary for risk management on continual basis to ensure that they can manage risk at acceptable level and respond to the Bank's goal professionally.
- 5) In order to allow SME Bank's risk management to be in accordance with the principle of Enterprise Risk Management (ERM), SME Bank is committed to develop risk management to become its organizational culture where all sectors including SME Bank's board of directors, Risk Management Committee, the management and every departments in the Bank will participate in risk management.

- **At the board of directors level:** SME Bank's board of directors has appointed Risk Management Committee (RMC), the members of which consist of representative from the board of directors, independent expert, the president and senior executives. The Committee is assigned with the duty to determine policy, strategies and framework of risk management, to review risk factors, develop risk management plan, monitor and regulate risk management to be in accordance with the policy and strategies that can maintain risk at acceptable

level and also review and evaluate adequacy of SME Bank's internal control.

- **At the management level:** SME Bank's senior executives in charge of different areas will supervise risk management in each area and of the units under his/her supervision and take part in risk management as a member of various committees.
- **At operation level:** The unit principally involving with risk (Risk Owner) will carry out Control Self-Assessment (CSA) for relevant matters under supervision of the Risk Management Committee and internal control section within the unit to ensure that operation will achieve the objectives.

In addition, SME Bank also has a unit specifically responsible for risk management, that is, risk management department assigned with the duty to prepare and propose the policy on risk management and define the scope of risk management, as well as, to monitor the results of risk management and report risk status encountered by SME Bank to the Risk Management Committee.

2. Risk Factors and Risk Management

To implement risk management, SME Bank refers to the guideline provided by the Bank of Thailand and the Ministry of Finance with respect to categorization of risks into 2 main categories with 6 types of risk including financial risks e.g. credit risk, market risk and liquidity risk; non financial risk e.g. strategic risk, operational risk and compliance risk. For the year 2014, SME Bank has identified risk factors at organizational level based on categories mentioned above. SME Bank has also prepared Risk Map, as a tool

for systematically integrating all risks together (Enterprise Risk Management: ERM).

Strategic Risk

Strategic Risk means the risk resulted from determination of strategic plans, operation plans and their implementation which are not proper or consistent with external factors and external environment which affect incomes, funds or existence of the business.

SME Bank has implemented its strategic risk management, which can be summarized as follows:

1. Strategic risk management policy has been determined and reviewed as a strategic risk management framework of the Bank.

2. SME Bank's strategies and goals have been set using data obtained from SWOT analysis of internal and external environment such as the operating results and current situations of the Bank, economic condition, business situation of SMEs, the government's policies and the Bank's customers' satisfaction etc., as well as, the process of monitoring of the operating results in comparison with its goals and directing the operation to meet those goals.

3. The risk management guidelines provided by COSO has been applied to the process for developing the Bank's risk management plan which is also in line with the quality assessment system for state enterprise by linking the process of risk management, risk factors and risk management with the Bank's goals and strategic plans. SME Bank has analyzed and assessed either internal and external risks that may affect the goal of the Bank's business plan, defined risk appetite and risk tolerance and also developed risk map and risk handling plan to minimize such risks at

acceptable level and to facilitate achievement of the Bank's goals. Moreover, SME Bank shall follow up and report the results of risk management to the related committees for consideration on quarterly basis and shall review the interim risk management plan to ensure proper risk management.

4. SME Bank shall follow up and report the status of strategic risks to the related committees on a regular basis and shall also report the same to Risk Management Committee on monthly basis and to board of directors of SME Bank on quarterly basis so that the operational guidelines can be revised to attain the prescribed goals.

Credit Risk

Credit Risk refers to the risk from debtors' insolvency or potential insolvency resulted in credit rating downgrade, which may affect the status of funds and incomes of SME Bank.

To manage credit risk, SME Bank always adheres to widely recognized standards and the guideline given by the Bank of Thailand as follows:

1. Identify risks.
2. Evaluate risks.
3. Prepare risk management plan.
4. Manage risks.
5. Report/review risk management tool.

SME Bank has appointed various committees to control credit risk by acting as a person considering and permitting credit granting to ensure that operations by each unit are limited to controllable and acceptable risks e.g. credit review committee, supervisory and monitoring committee for NPL, credit granting committee, debt restructuring committee, risk management committee, executive board or SME Bank's board of directors, etc.

Credit risk management plan and its results have to be approved and submitted to the Risk Management Committee or if the matter is beyond the power of Risk Management Committee, it must be presented to SME Bank's board of directors for approval.

In order to allow SME Bank to have clear standard and definite approach, SME Bank has therefore determined the approach for credit risk management as a framework for operation such as credit policy, credit risk management policy, credit risk management manual and risk limits by individual industry, etc. all of which shall be reviewed at least once a year according to the practical guideline given by the Bank of Thailand.

In addition, SME Bank has also carried out operations concerning certain major credit risk management as follows:

1. Personnel development through workshop training on credit analysis.
2. Monitoring and auditing credit quality.
3. Restructuring of loan interest rates to better reflect quality of debtors.
4. Developing tools for financial projection, as well as, guideline for credit granting to respective industry to facilitate and set up the standard for credit facilitation.
5. Verifying and improving tools and their accuracy for credit risk evaluation on continual basis to properly reflect the actual risks of debtors.
6. Placing importance of risk management on portfolio management in order to manage overall debts effectively. SME Bank has reviewed level of risk control in industrial sector by taking into account credit support to SMEs and enhancement of national economy. Therefore, SME Bank has determined expansion of credit portfolio for each

industrial sector to be in accordance with GDP of SMEs to prevent excessive concentration of the Bank's credit expansion to any specific industry and in conformity with the national economic development. Also, the Bank has taken control measures for factoring credit by setting out credit limits for each account to prevent similar credit concentration.

As of 31st December 2014, SME Bank has given loans to different business sectors as follows: commercial sector (30%), production sector (28%), hotel and restaurant sector (15%), logistics sector (7%), agricultural, hunting and forestry sector (5%), construction sector (4%), property for rent and business service sector (4%), community, social service and other service sector (4%), educational sector (2%) and other sectors.

7. In respect of Non-Performing Loans (NPLs) management, SME Bank has improved its management system for NPLs for better clarity by dividing duties and responsibilities for respective group of account separately from the credit approval work groups and has also determined its requirement policy and criteria in accordance with the guidelines given by Bank of Thailand e.g. criteria for credit rating by applying both qualitative and default criteria and criteria for debt restructuring based on the actual solvency of debtors in order to prevent losses to the Bank. As of 31st December 2014, SME Bank's NPLs was amounted to 37.6% of the total outstanding loans. In this regard, the Bank has fixed the allowance for doubtful accounts as per policy given by Ministry of Finance and by referring to the criteria of the Bank of Thailand.

8. Determining credit policy by focusing its credit administration to those SMEs with credit limit not exceeding 15 million baht who are the significant clients based on the Bank's mission and considered as the backbone of the national economy.
9. Improve the procedures for credit administration for the amount not exceeding 15 million baht by setting up specific marketing unit and credit analysis unit to clearly and separately be responsible for each area with the view to facilitate and standardize credit administration with good internal control, definite division of duties which create the act of check and balance.

Market Risk

Market Risk refers to risks originated from fluctuation of interest rates, foreign currency exchange rates and values of financial instrument in money and capital markets which may have adverse effect on the Bank's income and fund.

1) Interest rate risk is the risk that income or fund may be adversely affected by alteration of interest rate of assets, liabilities and all other off balance sheet items which are rate sensitive items that may affect net interest income, marketing value of trading account and other incomes and expenses correlated with interest rate.

SME Bank gives priority to interest rate risk management by taking into account the inconsistent changes of interest rate (Basic Risk) that may adversely affect its net interest income (NII) as the interest rate can vary subject to economic cycle that can be fluctuated all the time. Interest rate also relates to interest rate management of loan and deposit of SME Bank. Therefore, SME Bank carefully takes precaution in its determination of interest rate, as well as, portfolio management of both loan and deposit. Various steps are taken including application of

policies, measures and tools for risk management e.g. Re-pricing Gap Analysis that can control impact from interest rate change to be within acceptable level (Risk Appetite).

2) Foreign exchange rate risk is the risk that income or fund may be adversely affected by fluctuation of foreign exchange rate in connection with transaction or assets and liabilities in foreign currency.

SME Bank has no policy on speculation of exchange rate and only maintains foreign currencies for general transaction with its clients. This has made SME Bank to be able to manage and maintain exchange rate risk at minimum level within the permitted limit.

3) Price risk refers to the risk that the Bank's income or fund may be adversely affected by change in value of debt or equity instruments resulting in the decrease of investment portfolio for trading and available for sale.

SME Bank also has no policy on investment in debt instrument either held for trading or available for sale which is in line with its investment policy and results in low rate of price risk.

From the overall picture of market risk management, SME Bank is able to efficiently maintain market risk within the limit as approved which is in harmony with regulation guideline by the Bank of Thailand (BOT). Furthermore, SME Bank has no investment in any account intended for trading.

Liquidity Risk

Liquidity Risk means the risks resulted from SME Bank's inability to obtain cash or cash equivalents for the amount sufficient for cash demand or any other obligations. This is due to inconsistency of maturity of inflow and outflow cash (Maturity Mismatching) or such risk of loss from securing fund at costs higher than an acceptable level or being forced to sell its assets at price lower than such recommended or planned price.



With respect to liquidity risk management, SME Bank has determined policies, measures and procedures for risk management to be in line with the context of SME Bank, market condition and risk management guideline given by the Bank of Thailand which will cover liquidity risk management policy, risk limit to maintain it at acceptable level, application of financial tools for the purpose of risk management such as Liquidity Gap, Liquidity Ratio and Maturity Gap, as well as, the forecast of future liquidity.

Operational Risk

Operational Risk means the risks causing damage due to the lack of good corporate governance and control which probably associate with internal operating procedures, personnel, work systems or external factors and have negative impacts on incomes and funds of SME Bank.

In 2014, SME Bank placed importance upon the improvement of credit administration by hiring consulting firm specialized in credit administration to carry out entire system audit which will be the basis for improvement aimed at better and efficient service for the client with least error.

SME Bank has adopted Control Self Assessment (CSA) to allow each unit to reconsider its operation under

changed environment on whether the existing control system is still practical and adequate. This will help minimize operation error. In addition, SME Bank has also put in place notification system for loss data to collect operational loss data which will be used as a tool to minimize error and loss from the operation by the Bank's officers.

Compliance Risk

Compliance Risk refers to those risks resulted from failure to observe the law, resolution of the Council of Ministers, rules and regulation, relevant official notification that may affect the operation and damage reputation and image.

SME Bank realizes and gives priority to compliance risk management by drawing a policy on compliance risk management and continually monitoring observance of official rules and regulations, setting a center for providing recommendations, advice and evaluating works of relevant unit to ensure that SME Bank's operation shall not violate and be in line with official rules and regulations, as well as, rules and regulations internally applied by SME Bank.

Internal Control

SME Bank gives priority to its internal control system through continual development as this is seen as a key to support and maximize effectiveness and efficiency of SME Bank's operation along with good corporate governance, transparency and compliance with statutory requirements and related rules and regulations. Internal control has always been included as part of the Bank's normal operation where all departments either in the head office or regional office are assigned with the duty to adopt a tool, Control Self – Assessment (CSA), to their respective risk management and internal control pursuant to the regulation prescribed by the State Audit Commission regarding Determination of Internal Control Standard B.E. 2544 and the framework for risk management and internal control of COSO – ERM. There are 5 major components of internal control as follows:

1. Control Environment

SME Bank has prepared the Code of Ethics and Business Conduct for the Small and Medium Enterprise Development Bank of Thailand B.E. 2553 which underlines integrity, ethics and transparency and free of conflict of interest. In 2014, SME Bank revised the element of the Corporate Governance and Corporate Social Responsibility Committee, in charge of regulating and promoting management under the principle of good corporate governance to ensure that morals and ethics and integrity are established among the Bank's executives and officers in their operation by referring to SME Bank's code of ethics and business conduct and raising the awareness thereof by publishing them on SME Bank's intranet as organization-wide policy.

2. Risk Assessment

SME Bank assesses risk of internal control in a systematic manner by its executives and officers who will participate in identifying and evaluating risks from the operation under one's own responsibility. This will lead

to risk management appropriately coping with problems associated with the operation. To this end, tools for risk assessment have been clearly linked and developed along with determining purpose and goal of each department and each operation in order to achieve the mission with pre-determined budget and resources.

3. Control Activities

SME Bank sets out operational framework by making of written policy, regulation, order and guideline which will be adopted by executives and officers in order to minimize or control risks from operation. SME Bank always reviews compliance with the law, requirements prescribed by the authority, internal and external regulations and reports overall operation results to the president, the Audit Committee and the board of directors of SME Bank.

4. Information and Communication

SME Bank has put in place information technology system appropriate for its operation and responding to executives' requirement in their managerial works including communication to executives, officers and other related parties, internal or external, in appropriate manner. Those having received information and updates can further their duties effectively and successfully achieved the Bank's objectives. Also, information technology emergency plan is prepared for responding to potential emergency or disaster in order to mitigate the consequence and maintain continuity of service.

5. Monitoring

SME Bank has monitoring system for internal control on regular basis. In particular, implementation of the improvement plan of division/department level will be done on quarterly basis while report will be submitted to the Risk Management Committee and certificate of internal control assessment will be delivered to the Office of the Auditor General of Thailand as scheduled.

Internal Audit

The Small and Medium Enterprise Development Bank of Thailand (SME Bank) has caused to have internal audit, a key mechanism under the principle of good governance. The main function is to reliably and independently give advice that will help add value and facilitate the Bank's operation and to assess and revise the effectiveness of risk management procedures, internal control system and good corporate governance as well as compliance with related rules and regulations.

The internal audit department will directly report to the Audit Committee. It applies generally accepted professional standards of internal audit operation, internal audit guideline for the state enterprise and code of professional conducts for internal audit. Strategic plan for

the audit is set out to link with the Bank's strategic plan and goals while feedback from the Audit Committee, top executive, chief auditor and organization risks report are taken into account in preparing the annual audit plan based on significant risk assessment (Risk Based Approach) before being approved by the Audit Committee and the board of directors of SME Bank. The internal audit department gives precedence to capacity building of the internal auditors to ensure that they can provide correct opinion about the cause of risk and other valuable comments.

With respect to the audit, the Bank asked the auditors from the Office of the Auditor General of Thailand to perform audit works and approved the Bank's financial statements as required by law. The audit fee for 2014 was equal to 1,290,000 baht.

Outstanding Activities

Financial Service

9 Credit Menus Return Happiness to SMEs

The 9 Credit Menus Return Happiness to SMEs is one of the campaigns responding to the government policy to stimulate the economy in order to return happiness to SMEs. SME Bank offers several kinds of credits to the new and existing entrepreneurs. They can choose the one that is suitable for their business.



Small SMEs Loan

The bank allows funds for retail entrepreneurs for investment, expanding, improving, or adding working capital to the business, without using collateral just the guarantee from the Thai Credit Guarantee Corporation.



Joint Venture Capital

SME Bank starts Venture Capital for SMEs – OTOP to support retail entrepreneurs whose business involve innovation, technology, or the extension of Thai wisdoms. The Bank also collaborates with its partner to mentor and to consult the customers on knowledge management, in order for them to grow and become successful entrepreneurs.



Entrepreneur Development

Developing Standardized Goods and Services

The Bank promotes production and management standardization in order to add product values. The Bank's expert partners are sent to the business locations to analyze the business and to provide insight recommendations to customers.



Promoting Marketing to Increase Growth

The Bank helps customers expand their selling locations by holding SMEs Fair to stimulate the economy, where the customers' products are sold at special prices. This increases business opportunities. The Bank also holds the seminar on e-commerce for SMEs. In addition, it collaborates with Japan Finance Corporation (JFC) in order to link Thai and Japanese enterprises in automotive and electrical component industry, so they can become joint ventures.



Holding Seminars to Expand Knowledge

The Bank provides several theoretical and practical courses to increase effective management and sales. The examples of the courses are "Creating Logo, Generating Income, Strengthen Brand Recognition", "Simply Cost Accounting" and "Reducing Cost, Fighting Crisis, Achieving Profit".



Outstanding Activities

Social Contribution

Supporting Religious Activities

The Bank joins the 2014 Kathin Ceremony at Khao Pratu Chumpon Temple, Baan Rai Sub-district, Thep Sathit District, Chaiyaphum Province. The funds are raised to build concrete entrance road to the temple. This ceremony is an important way to maintain continuity of the religion. The Bank joins the ceremony every year. The ceremony is supported by the officers, the customers, the Bank's partners and the public.



Improving Education

The bank holds "1 School, 1 Community, 1 Green Area Project." It provides scholarships and donates sport equipment to several schools in Chaiyaphum Province including Baan Nong Yai School, Baan Rai Pattana School, and Baan Non Samran School. It donates blankets as well as renovates restrooms at Baan Plaeng Si School, Klong Lan Phattana Sub-district, Kamphaengphet Province.



Social and Environmental Development

The executives and officers volunteer for "Nice Sky, Clear Sea, and Grow Coral Activity" at the Royal Thai Marine Corps, Sattahip District, Chonburi Province. They also help building the weir in order to contain water and to preserve the forest in Hintang Sub-district, Mueang District, Nakhonnayok Province.



Financial Information

Small and Medium Enterprise Development Bank of Thailand
For the year ended 31st December 2014, 2013 and 2012

Particulars	2014		2013		2012	
	Amount	Increase (Decrease) Rate (%)	Amount	Increase (Decrease) Rate (%)	Amount	Increase (Decrease) Rate (%)
Financial Position (Unit: Million Baht)						
Interbank and Money Market Items	18,078.86	444.35	3,321.20	(35.06)	5,113.94	(65.47)
Investments-Net	4,845.81	52.90	3,169.29	(57.39)	7,437.60	(13.67)
Loans and Accrued Interest Receivable-Net	69,827.05	(11.85)	79,217.15	(5.50)	83,831.88	(6.01)
Total Assets	95,060.24	7.68	88,283.71	(10.72)	98,882.72	(14.34)
Deposits	82,614.74	8.91	75,853.94	(15.82)	90,107.93	(1.99)
Interbank and Money Market Items (liabilities)	4,389.76	(7.07)	4,723.66	160.44	1,813.72	(38.44)
Borrowings	410.17	(14.09)	477.45	(12.72)	547.06	(94.88)
Total Liabilities	91,479.86	7.76	84,888.47	(11.88)	96,329.46	(11.99)
Issued and Paid-up Share Capital	12,755.00	-	12,755.00	4.55	12,200.00	5.17
Shareholders' Equity	3,580.38	5.45	3,395.24	32.98	2,553.26	(57.38)
Operation Results (Unit: Million Baht)						
Interest Income	5,069.07	(7.82)	5,498.87	4.00	5,287.52	9.80
Non-interest Income	384.70	(50.03)	769.89	77.16	434.58	(83.84)
Total Income	5,453.77	(13.00)	6,268.76	9.55	5,722.10	(23.76)
Interest Expenses	2,365.92	(7.26)	2,551.12	(23.48)	3,334.10	30.03
Non-interest Expenses	1,973.80	(4.20)	2,060.37	7.84	1,910.52	9.22
Total Expenses	4,339.72	(5.89)	4,611.49	(12.07)	5,244.62	21.59
Profit (Loss) from Operations - Net	1,114.05	(32.78)	1,657.27	247.09	477.48	(85.04)
Doubtful Accounts	937.52	(25.67)	1,261.23	(72.08)	4,516.78	52.11
Net Profit (Loss)	176.53	(55.43)	396.04	(109.80)	(4,039.30)	(1,916.15)
Profit (Loss) per Share (Baht)	1.38	(56.05)	3.14	(109.21)	(34.08)	(1,875.00)
Capital Adequacy Ratio	7.46%		6.38%		3.28%	

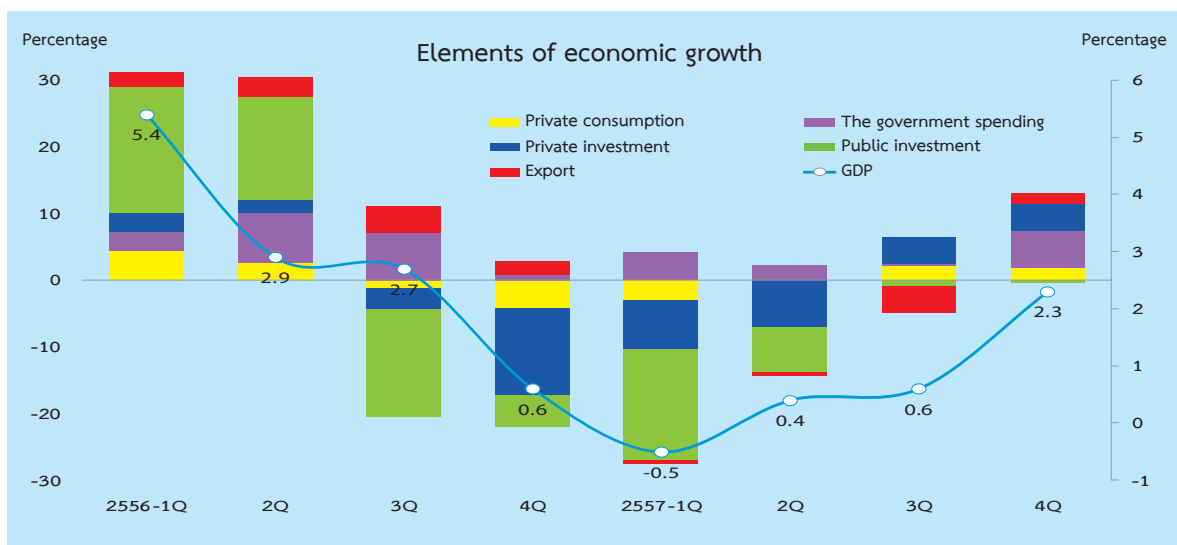
Operating Result Year 2014

1. Economic Condition 2014

Thailand's economic growth in 2014 was limited to only 0.7% due to effects from political unrest lasting from late 2013 while global economy was still instable directly affecting the export sector. All of these were the factors pressing on Thai economy during the first part of the year to witness shrinkage 0.1%YoY. However, political situation has been partly resolved and the government sector has become a major accelerator through its stimulating

measures for either short or long term. For instance, support has been given to farmers while work opportunity/employment has been distributed to provincial area. Budget has been urged for its disbursement to be injected to pending infrastructure projects. SMEs have also been benefited from such measures. As such, economic growth reached its highest rate again in the late period of the year.

Fig. 1: Elements of economic growth



Source by : Office of the National Economic and Social Development Board

Fig. 2 and 3: Outstanding loans of commercial banks and specialized financial institutions (SFIs)



Source by : Bank of Thailand, Fiscal Policy Office

Support for SMEs via Government Bank

In order to stimulate economy and help the entrepreneur at different levels affected from political unrest over years, 8 specialized financial institutions were directed to inject credit to the system as much as 343,600 million baht subject to the context of each SFI. SME Bank has been assigned to facilitate liquidity for SMEs to have adequate working capital. The projects included:

- Productivity Improvement Loan: PIL, 2nd Stage 3,000 million baht
- Loans for entrepreneurs under strategic plans drawn up by the Ministry of Industry or its allied agencies. Total credit amount was 5,000 million baht, etc.

Economic Trend in 2015

Thai economy has continually revealed the sign of recovery. It has been expected by the Office of the National Economic and Social Development Board (NESDB) that economic growth figure will be within the range of 3.5-4.5%. The key driving factors include government expenditure especially for the investment in infrastructure which will induce private investment in various sectors including construction, tourism as well as banking; that will benefit from internal economic recovery. However, certain limitations and risks should be taken into account as follows: 1) agricultural product prices are still weakened. 2) volatility of global economic and financial system 3) tendency of trading partner's and competitor's weakened currencies.

2. Nature of Business

SME Bank is a financial institution specifically established under the Act of B.E. 2545 aimed at providing fund for SMEs, community enterprise, OTOP group to allow them to access to formal capital. It is also assigned with the function of development of the entrepreneur in terms of the capability to manage its own business; the significant basis of national economic system and a driving force for economic development.

This is to follow the government policy on SMEs development in response to the forthcoming AEC.

Also, SME Bank has invested in range of business fields some of which with shareholding ratio of 25% or more are listed below:

- Bangkok Marine Engineering Co.,Ltd., Business Type: shipyard, Principal Office's Address: 21/772 Mu 12, Bangna-Trad Rd., Bangna, Bangkok 10260, Tel. 0 2744 5145-73 Fax 0 2388 2450, Authorized Capital: 40 million baht, SME Bank's Proportion of Share: 40%
- Bi-tech Coolblock Co.,Ltd., Business Type: manufacture and distribute light weight concrete block, Principal Office's Address: 34 Bi-tech Holding, Soi Ladprao 101 Kittichit, Ladprao Rd., Khlongchan, Bangkok, Bangkok 10240, Tel. 0 2513 2324 Fax 0 2513 2314-5, Authorized Capital: 25 million baht, SME Bank's Proportion of Share: 40%
- Trinity Education Co.,Ltd., Business Type: international school, Principal Office's Address: 30 Soi Naphasap Junction 2, Sukhumvit Rd., Khlongtan, Khlongtoei, Bangkok 10110, Tel. 0 2661 3993 Fax 0 2661 3992, Authorized Capital: 16 million baht, SME Bank's Proportion of Share: 40%
- Wattasarn Media Co.,Ltd., Business Type: printing material and magazine, Principal Office's Address: 77/118, Fl.28th, Sinthorn Tower, Krungthonburi Rd., Khlongtongsai, Khlongsan, Bangkok 10600, Tel. 0 2424 3355 Fax 0 2424 3999 Authorized Capital: 60 million baht, SME Bank's Proportion of Share: 33.33%
- Power and Saving Intania Co.,Ltd., Business Type: manufacture and distribute lightning and surge protection system, Principal Office's Address: 700/110 Mu 5, Soi Nikhom Amatanakhon, Klongtamru, Muang, Chon Buri 20000 Tel. 0 3846 8698 Fax 0 3846 8690, Authorized Capital: 37.5 million baht, SME Bank's Proportion of Share: 28.85%
- Thai Umaphon Textile Co.,Ltd., Business Type: manufacture and distribute towel, Principal Office's Address: 194 Mu 2, Soi Suksawat, Suksawat Rd., Bangchak, Phrapradaeng, Samut Prakan Tel. 0 2817 7834-6 Fax 0 2817 7837, Authorized Capital: 10 million baht, SME Bank's Proportion of Share: 25%

Shareholding in those business entities is in accordance with the mission to support financial service to SMEs and it is not a long - term investment.

3. Operation Results in 2014

In 2014, SME Bank released loans amounted to 15,848.03 million baht to 13,409 entrepreneurs. At the end of 2014, SME Bank had total outstanding loans amounted to 84,985.86 million baht for 82,306 entrepreneurs. As a result, SME Bank could create economic value added of 25,513 million baht and maintained the employment in the economic system, totaling 53,971 people. At the same time, SME Bank had NPLs amounted to 31,960.34 million baht. The net profit was equal to 176.53 million baht.

3.1 Financial Aspect

SME Bank has continually retained net profit as a result of its effective control over financial cost and non-interest expenses to be in accordance with the plan. Moreover, the Bank has also adopted definite management plan for NPLs in the second half of the year that could maintain quality of debts and did not cause burden on allowance for doubtful account.

- Income

SME Bank's total income was equal to 5,453.77 million baht divided into interest income 5,069.07 million baht and non-interest income 384.70 million baht. The total income decreased due to the decrease of SME Bank's outstanding loan partly because customers have closed their accounts and turned to regular financial institutions. In 2014, there were 3,774 customers closing their account; increasing from those of 2013 for 576 accounts or 18%

- Expense

SME Bank was able to control its financial cost and non-interest expenses efficiently. The total expenses in 2014 was equal to 4,339.72 million baht; decreasing from that of 2013 for 271.77 million baht. Interest

expense was equal to 2,365.92 million baht; decreasing from that of 2013 for 185.20 million baht or 7.26% and non-interest expense amounted to 1,973.80 million baht; decreasing from that of 2013 for 86.57 million baht or 4.20%

- Doubtful Account

At the same time, SME Bank was able to well control quality of its accounts in 2014 resulting in minimal increase of NPLs. Also, SME Bank always has clear approach to manage NPLs which could significantly decrease number of NPLs during the second half of the year and relieved the burden of allowance for doubtful account for the past year to decrease to 937.52 million baht or lower than that of the preceding year for as much as 323.71 million baht.

3.2 Financial Position

- Assets

As of December 2014, SME Bank had total assets amounted to 95,060.24 million baht; increased from that of 2013 for 6,776.53 million baht or 7.68%. Such increased items included, for instance, inter-bank transaction and money market transaction-net and investment-net etc.

- Liabilities and Shareholders' Equity

SME Bank had liabilities amounted to 91,479.86 million baht; increase from that of 2013 for 6,591.39 million baht or 7.76%. Such increased items included deposits, derivative instrument and support fund from the Bureau of the Budget etc.

SME Bank had shareholder's equity amounted to 3,580.38 million baht; increased from that of 2013 for an amount of 185.14 million baht or 5.45%.

- Capital Adequacy Ratio

As of December 2014, SME Bank had its total funds amounted to 3,644.18 million baht and had risk-weighted assets of 48,876.00 million baht. Capital Adequacy Ratio was equal to 7.46%.

3.3 Key investments in present and future

In 2014, SME Bank made certain significant investment on information technology, that is, the project for procurement of Software License Phase II, operated under the plan for development of information technology system. The total investment amount was equal to 15.48 million baht.

3.4 Loan Aspect

1) Outstanding Loans

The outstanding loans amounted to 84,985.86 million baht for 82,306 entrepreneurs consisting of general outstanding loan 26,879.64 million baht for 6,710 entrepreneurs and project outstanding loan 58,106.22 million baht for 75,596 entrepreneurs; or 68.37% of total outstanding loan.

The proportion of loan granted to

industrial sector was equal to 56.30% and 29.07% for service sector, 10.74% for wholesale/retail sector and 3.89% for agricultural sector.

2) Disbursement of Loan

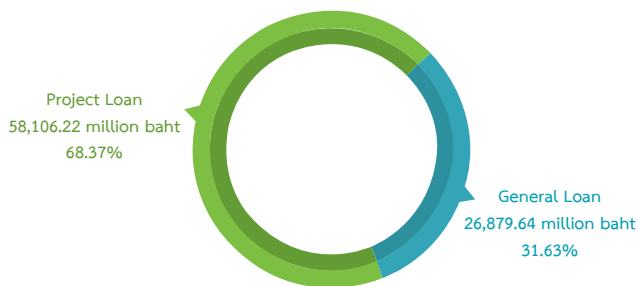
In 2014, SME Bank released loans amounted to 15,848.03 million baht to 13,409 entrepreneurs divided into:

- **General loan** amounted to 4,853.03 million baht to 3,679 entrepreneurs
- **Project loan** amounted to 10,995.00 million baht to 9,730 entrepreneurs

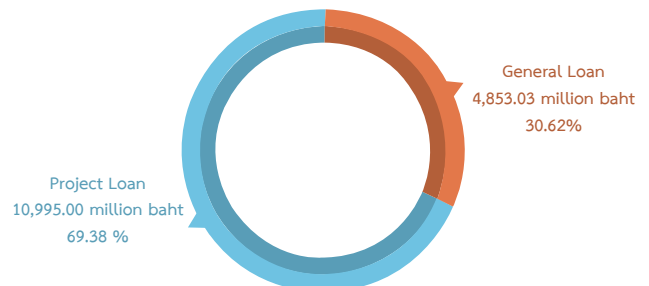
3) Project Loans

SME Bank has launched several products to respond to the Ministry of Finance’s policy under the concept “9 credit menus return happiness to SMEs” which covered range of business sectors as follows:

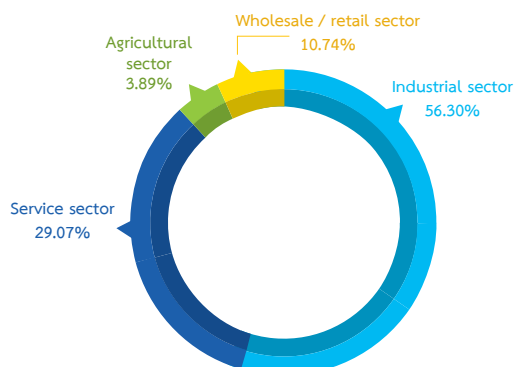
Outstanding Loans 84,985.86 million baht sorted by type of loan



Disbursement of Loans 15,848.03 million baht sorted by type of loan



Loans sorted by business sector



- **Loan for OTOP Entrepreneur or Community Enterprise** is aimed at providing fund for expansion, improvement or working capital for OTOP entrepreneurs or community enterprises.

- **Strong SMEs Loan (for buying asset to be used as a business establishment)** is a project for SMEs who want to invest in asset to be used as their business establishment or to improve or repair their existing establishment.

- **Productivity Improvement Loan: PIL, 2nd Stage** The project aims at providing loan for SMEs who want to improve their business performance or expand their business.

- **Loan for the Entrepreneur under Strategic Plan of the Ministry of Industry or Allied Agencies** is a project initiated to support SMEs included in the strategies drawn up by the Ministry of Industry and allied agencies. This project will help enhance their competitiveness and preparedness for AEC.

- **Happy Loan Project** is the project aimed to allow micro SMEs to access to capital source in the system. The fund shall be used as working capital or for expansion, improvement or development of the business.

- **Private Factoring Loan** is the project supporting fund as working capital to SMEs entrepreneurs who have entered into the contract with or whose account receivables are the private agencies.

- **Special SMEs Loan** is a project offering fund for existing customers of SME Bank aiming at business expansion.

- **Smile Factoring Loan** is the project aimed at supporting fund as working capital to SMEs entrepreneurs who have entered into the contract with or whose account receivables are the government agencies, state enterprises, private companies or listed companies.

- **Extra SMEs Loan** is the project introduced by SME Bank in order to enhance liquidity of existing customers with good credit profiles. The loan will

be guaranteed by Thai Credit Guarantee Corporation and/or by individual and/or juristic person. The fund will be used as working capital for investment, expansion and improvement of the business.

In addition, during the 4th quarter of 2014, the government drew down a policy on stimulating SMEs, especially small individual one, to better access to the capital source, SME Bank has therefore been assigned to offer more loan products, that is, **Small SMEs Loan**. This aims to provide capital to SMEs for their investment and working capital.

Small SMEs Loan which is a product of the credit. Funding for small entrepreneurs SMEs to use. Investment, improve, or using working capital to expand it.

3.5 NPLs Management

Due to economic downturn in 2014, NPLs were found more in financial institute system. Therefore, during the later part of the year, SME Bank has adapted its NPLs administration to reflect the situation by classifying group/category of such NPLs and sought for measures or approaches to help these NPLs or even those showing early sign of NPLs. As such, SME Bank's NPLs increased for small amount only.

3.6 Entrepreneur Development in 2014

As a financial institution, SME Bank has played its role on development of the entrepreneur based on establishment objective by giving support and facilitation to SMEs either Pre or Post-Loan as follows:

1. "Mobile Credit Backup" Project

Pre-loan support is given to the entrepreneur through a mobile unit which will act as a chaperone providing advice and suggestion for preparing documentation required for application for loan which also includes business plan drafting. This mobile unit may provide service at the premises or branch of that establishment or in seminar event held by the Bank or by its allied agencies. This will help screen qualified application for loan which will facilitate loan granting process.

The project was joined by 287 SMEs and as many as 270 SMEs out of them were granted loan from SME Bank and the total loan amount was equal to 243.49 million baht.

2. “SMEs Enhancement” Project aimed to provide support to the entrepreneur at Post-Loan stage focusing on the development of those SMEs being granted loan from SME Bank or existing customer of the Bank in order to develop and maintain sustainable growth. The activities included:

- **Seminar/training on business administration** both in theory and practice for the customer to increase efficiency in their business management and sale volume through recognition of actual cost, competitive pricing, distinguishable packaging, value-added for target group. The training courses ranged from “Creating Logo, Generating Income, Strengthen Brand Recognition”, “Simply Cost Accounting” and “Reducing Cost, Fighting Crisis, Achieving Profit” etc. **As many as 623 SME Bank’s customers joined this development project.**

- **Product and Service Quality Standard for SMEs** The Bank’s customers were encouraged to subscribe to the standard systems covering production and management in order to add value to products and services and to establish confidence among the target groups. Experts from allied agencies were invited to share their experience, analyze and give advice to SMEs to be prepared for product quality standard e.g. Primary GMP, FDA etc. **19 SME Bank’s customers have been developed to acquired international quality standard.**

- **Activities under the cooperation with allied agencies** aimed to strengthen SMEs through the project “**New Entrepreneur Enhancement**”, the budget of which is supported by the Department of Industrial Promotion. The participants (20 SME Bank’s customers) were trained to draft in-depth business plan.

- **Business Rehabilitation and Strengthening Support** was given to those under debt restructuring scheme

where experts were sent to their workplace to carry out diagnosis and give advice on how to facilitate business and strengthen ability to pay debt. As many as 106 customers were interested to join this program.

As a result of entrepreneur development in 2014, it appeared that SME Bank was able to develop total **623 customers and 469 customers could significantly improve their business management.**

3.7 Corporate Social and Environmental Responsibility (CSR)

SME Bank took part and organized several activities involving social and environmental development under corporate governance. In particular, they were classified into 3 aspects as follows:

1) Social Development

- Provide financial support to publication of special magazine in cooperation with Army Medical Field Service School in commemorating the King’s Birthday on 5th of December. Money raised was contributed to charitable activity initiated by the King while the special magazine was distributed nationwide.

- SME Bank joined the auspicious ceremony celebrating **HM the King’s Birthday on 5th of December.**

- SME Bank held social contribution activity under **the Project: 1 School, 1 Community and 1 Green Area**” in which support was given to Plaeng Si School, Khlong Lan Phattana Sub-district, Khlong Lan District, Kamphaengphet as follows:

- 1) Donate 1,000 blankets to villagers and students in Plaeng Si Community.
- 2) Deliver 4 toilets
- 3) Improve and repair toilet after long service, totaling 8 toilets
- 4) Provide 50 young lime trees to support the project for raising money for student lunch

- 5) Organize banquet and fun activities for student and member of Ban Plaeng Si Community.
- 6) Activity “**Happiness Sharing with the Blind**” by donation of blank CD, DVD and other computer accessories to the Thailand Association of the Blind to make sound media for learning and teaching purpose.

2) Religion Maintenance

- Hold “Gathin Ceremony” 2014 at Khao Pratu Chumphon Temple, Thep Sathit District, Chaiyaphum, on Sunday 1st November 2014.

3) Employee Participation

- SME Bank and the Ministry of Finance hosted The Mahachat for Commemorating 84th Anniversary of the King’s Birthday in 3 Buddhist monasteries including the auditorium of Phutthamonthon, Nakhonpathom, Wat Mahathat Yuwaratransarit, Bangkok and Wat Yannawa, Bangkok.
- National Mother’s Day: executives and employees joined the ceremony for celebrating HM the Queen’s Birthday on 12th of August.
- National Father’s Day: executives and employees joined the ceremony for celebrating HM the King’s Birthday on 5th of December.
- SME Bank held the 12th anniversary event on its establishment day in which the Bank’s board of directors, executives and officers joined the ceremony and paid homage to Phraphuttha Phattanamahaphokasapthai (The Bank’s Buddha Image). All participants were given with “**souvenir pin for SME Bank’s 12th anniversary**”.
- National Children Day: the executive and officers took part in social service activity with the community through the support to children such as education equipment and supplies.

- Join friendly sports day with other agencies e.g. state enterprises’ bowling competition.
- Join the Ministry of Finance and the Ministry of Industry in the Annual Red Cross Fair 2014.
- Become a member of the administrative committee of the state enterprise association in which 34 state enterprises have gathered since 2012.

4. Cooperation with other agencies and organizations

4.1 Cooperation with domestic organizations

SME Bank closely works with allied agencies either in public or private sector under the project “**Promotion of Thai SMEs’ Capacity for Sustainable Growth**”. This is intended to help SMEs to access source of capital to enable them to develop their business or innovation and to prepare them for AEC. As of the end of 2014, there have had **113 allied agencies** joining this program; **27 from government sector** e.g. Department of Industrial Promotion, Institute for Small and Medium Enterprises Development (ISMED), Office of Small and Medium Enterprises Promotion (OSMEP), National Science and Technology Development Agency (NSTDA) and Community Development Department etc., **and 86 from private sector** e.g. Provincial Chamber of Commerce, Association for the Promotion of Thai Small and Medium Entrepreneurs and its network, Provincial Business and Tourism Association, Provincial Hotel Association etc. These agencies will primarily screen and forward SME entrepreneur to SME Bank.

4.2 Cooperation with international organizations

1) APEC (Asia-Pacific Economic Cooperation)

SME Bank, as a member under memorandum of “APEC Financial Institutions Dealing with SMEs”, joined the 11th Annual Meeting and Conference of APEC Financial Institutions Dealing with SMEs in Taiwan during 16th-18th July 2014 to discuss how to promote specific financial institutions for SMEs and exchange information among members.

2) ADFIAP (Association of Development Financing Institutions in Asia and the Pacific)

SME Bank attended the 80th meeting of the executive committee of the Association and the 10th International CEO Forum in Kuala Lumpur, Malaysia during 4th-6th November 2014.

3) JFC (Japan Finance Corporation)

SME Bank as a counter party to JFC under APEC Financial Institutions Dealing with SMEs jointly held the 8th activities for Thai-Japanese businesses in automobile industry, electronic parts and agriculture at Grand Hall, BITEC on 11th December 2014.

4) JICA (Japan International Cooperation Agency)

SME Bank took part as a regulating committee of the Project for Strengthening Mechanisms for the Regional SME Promotion and Consultancy Services Quality Development, a cooperation between JICA and the Department of Industrial Promotion. The Project has been continued to develop Shindan system and apply it to SMEs in provincial area.

5) JETRO (Japan External Trade Organization)

SME Bank worked hand in hand with JETRO in Thailand with respect to provision of support and consultation for Thai-Japanese SMEs.

6) Welcoming study groups visiting SME Bank

SME Bank cooperated with international organizations and facilitated their delegations in their visit and sharing of experiences on SMEs entrepreneur promotion and in their visit to workplaces of SMEs entrepreneurs covering range of sectors such as:

- Experts group from JICA, Japan visited SME Bank and discussed on source of loan from JICA.
- Indian Embassy, India, visited SME Bank and exchanged view on how to access source of capital and to promote SMEs.
- Nepal Community Development Bank, Nepal, paid a visit to SME Bank and exchanged view on credit administration and promotion of local SMEs.
- Asian Institute of Technology (AIT), Sri Lanka, visited SME Bank and exchanged view on international SMEs promotion.

Operation Direction for year 2015

In 2015, SME Bank continues to conduct its business in accordance with the Statement of Direction (SOD), a guidance given by the government which mainly focuses on strengthening SMEs by providing financial services, enhancing the body of knowledge, facilitating organization management, coping with NPLs efficiently, improving Bank's performance and financing activities for SMEs and maintaining proper human resource management. In order to effectively implement the above business direction, SME Bank has set forth significant strategies as follows:

Strategy 1: Mission-based business expansion, creation of customer base of quality loan, debt quality improvement/ entrepreneur development and financial service support:

1. NPLs management: by clearly classifying accounts and establishing standards or solutions for each client type. In particular, international standards are adopted to ensure that SME Bank has definite guideline for NPLs management and reduction.

2. Expansion of Good Loan: SME Bank has put in place the guideline for expansion of good loan especially such mission-based financing for the amount not exceeding 15 million baht. This is aimed at creating opportunities for entrepreneurs to access to financial resources through cooperation with business partners either in government or private sector under the project so called "Strengthening Thai SMEs for Sustainable Growth". Apart from ability to access financial resources, lending administration has been facilitated effectively to minimize overlap and create well check and balance system.

Strategy 2: Management of capital structure and cost of operation suitably reflecting its missions through liquidity management plan: SME Bank determines effective

liquidity management plan focusing on maintaining short-term deposit account base as well as provision of long-term capital source that can be in long-term loan guaranteed by the Ministry of Finance, other long-term loan and deposits.

Strategy 3: Personnel's capacity building consisting of human resource and organization management: In order to meet expansion of financing activities in the future, SME Bank is required to adjust its organization structure and to improve human resource management. This will include the increase of officers number in income earning units and human resource development that can support core missions in the future.

Strategy 4: Improvement of business performance consisting of:

1. Plan for enhancing credit facilities performance: SME Bank will adopt the plan for enhancing performance of lending administration to meet client's satisfaction especially on expediting major credit procedures and credit administration.

2. Plan for improving information management: SME Bank will implement the plan and guideline for the review and improvement of existing information system to ensure that it can efficiently cover the Bank's transactions and its information technology system has been developed to facilitate its mission on credit administration.

3. Plan for ethical and good governance activities: SME Bank will endeavor to establish ethical standard in its organization through training, creating a role model and implementing SME Bank's core values, "FIRST", as a guideline for building up code of conduct, good governance and organizational cultures.



Report of the Board of Directors'
Responsibility for Financial Reports

Report of the Board of Directors' Responsibility for Financial Reports

The Board of Directors of SME Bank realized its duties and responsibilities to ensure accuracy and completeness of financial statements and other information disclosed in the Bank's annual report. The financial statements are properly prepared in accordance with generally accepted accounting standards. The careful judgment is made to select and apply appropriate accounting policies. It could truly reflect the Bank's operating performance. Also, the Bank's operating performance and important information have been adequately and transparently disclosed in notes to financial statements.

The Board of Directors of SME Bank set up the risk management, internal control and audit system for correctness, completeness and reliability of the Bank's financial statements. It could prevent corruptions or any unusual circumstance.

The Board of Directors of SME Bank has appointed Audit Committee, which is composed of independent directors, to review accuracy and reliability of financial statements. Also, the Board of Directors has appointed Risk Management Committee, which is composed of eligible directors, to review suitability and adequacy of internal control system. Therefore, the Bank's financial statements are reliable according to the opinion of the Audit Committee as shown in Report by the Audit Committee in the Bank's annual report.

The financial statements of SME Bank have been audited by certified auditor of Office of the Auditor General of Thailand. SME Bank provides information and documents as auditor request. The view of auditor is reported in Auditor's Report in the Bank's annual report.

The Board of Directors of SME Bank agrees that internal control system of SME Bank is sufficient, efficient and able to create reliability toward the Bank's financial statements as at December 31, 2014.

(Signed) Salinee Wangtal
(Mrs. Salinee Wangtal)
Chairman

(Signed) Supoj Arevart
(Mr. Supoj Arevart)
President



Auditor's Report and Financial Statements



AUDITOR'S REPORT

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

The Office of the Auditor General of Thailand has audited the accompany financial statements of the Small and Medium Enterprise Development of Thailand, which comprise the statement of financial position as December 31, 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these financial statements based on the audit. The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. Those standards require that the Office of the Auditor General of Thailand comply with ethical requirements, as well as, planning and performing the audit to obtain reasonable assurance about whether the financial statements are free for material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the overall presentation of the financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence which the Office of The Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's audit opinion.

Opinions

In the opinion of the Office of the Auditor General of Thailand, the above mentioned financial statement present fairly, in all material respects, the financial respects, the Small and Medium Enterprise Development Bank of Thailand as at December 31, 2014 and its financial performance and cash flow for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) Jurairat Thipsatien
(Jurairat Thipsatien)
Director of Financial Audit Office No.1

(Signed) Chaluaysri Vipusaporn
(Chaluaysri Vipusaporn)
Acting for Division Director

Office of the Auditor General
April 16, 2015

Statements of Financial Position

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	Notes	2014	2013
Assets			
Cash		782,407.86	958,094.56
Interbank and Money Market Items - Net	5.2	18,078,863,772.17	3,321,197,340.28
Derivative assets	5.14	11,008.36	68,743,227.98
Investments - Net	5.3	4,845,812,545.18	3,169,289,275.39
Loans to customers and Accrued Interest Receivables - Net	5.4		
Loans to customers		84,985,861,586.04	93,475,464,954.29
Accrued Interest Receivables		300,914,476.74	339,033,815.48
Total Loans to customers and Accrued Interest Receivables		85,286,776,062.78	93,814,498,769.77
<u>Less</u> Deferred revenue		367,133,644.06	442,273,607.30
<u>Less</u> Allowance for Doubtful Accounts	5.5	15,092,588,231.60	14,155,075,697.82
Total Loans to customers and Accrued Interest Receivables - Net		69,827,054,187.12	79,217,149,464.65
Properties for sale - Net	5.6	1,099,617,226.32	1,212,589,894.60
Building and Equipment - Net	5.7	852,152,113.79	920,250,050.44
Assets in Process	5.8	38,319,875.33	59,173,357.66
Advance for Legal Costs - Net	5.9	0.00	0.00
Other Intangible Assets - Net	5.10	47,141,382.83	31,088,527.94
Other Assets - Net	5.11	270,480,679.26	283,269,841.88
Total Assets		95,060,235,198.22	88,283,709,075.38

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

Statements of Financial Position (Continued)

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	Notes	2014	2013
Liabilities and Shareholders' Equity			
Deposits	5.12	82,614,738,898.65	75,853,942,413.74
Interbank and Money Market Items - Net	5.13	4,389,758,825.17	4,723,662,900.00
Liabilities Payable on Demand		19,688,685.29	13,756,246.76
Derivative liabilities	5.14	62,350,865.80	2,988,280.48
Debt issued and Borrowings	5.15	410,169,837.56	477,449,071.56
Provisions	5.16	2,278,230,798.39	2,243,085,569.32
Accrued Interest Payable	5.17	509,780,609.69	392,381,894.82
Support Fund from the Bureau of the Budget	5.18	98,338,400.00	11,573,400.00
Other Liabilities	5.19	1,096,801,910.81	1,169,632,200.99
Total Liabilities		91,479,858,831.36	84,888,471,977.67

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

Statements of Financial Position (Continued)

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

		Unit : Baht	
	Note	2014	2013
Liabilities and Shareholders' Equity			
Shareholders' Equity			
Share Capital	5.20		
Authorized share capital			
200,000,000 Common Shares of Baht 100 each		20,000,000,000.00	20,000,000,000.00
Issued and Paid-up share capital			
127,500,000 Common Shares of Baht 100 each		12,755,000,000.00	12,755,000,000.00
Other Reserves	5.21	7,343,880.62	(1,259,057.86)
Retained Earnings			
Appropriated			
Legal Reserve		48,192,423.63	48,192,423.63
Others		216,457,118.20	216,457,118.20
Unappropriated		(9,446,617,055.59)	(9,623,153,386.26)
Total Retained Earnings		(9,181,967,513.76)	(9,358,503,844.43)
Total Shareholders' Equity		3,580,376,366.86	3,395,237,097.71
Total Liabilities and Shareholders' Equity		95,060,235,198.22	88,283,709,075.38

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

(Signed) Salinee Wangtal
(Mrs. Salinee Wangtal)
Chairman

(Signed) Supoj Arevart
(Mr. Supoj Arevart)
President

Statements of Comprehensive Income

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	Note	2014	2013
Interest Income	5.22	5,069,071,291.25	5,498,867,876.26
Interest Expenses	5.23	2,365,918,713.80	2,551,118,158.04
Interest Income - Net		2,703,152,577.45	2,947,749,718.22
Fees and Service Income		224,161,320.56	380,512,688.54
Fees and Service Expenses		59,214,589.62	70,737,045.63
Fees and Service Income - Net	5.24	164,946,730.94	309,775,642.91
Losses on tradings and foreign exchange transactions	5.25	(1,118,447.09)	(70,412,708.49)
Gains on financial instrument designated at fair value through profit or loss (Fair value option)	5.26	2,680,819.84	68,832,078.91
Gains on Investments - Net	5.27	40,307,323.12	130,239,373.93
Other Operating Incomes			
Dividend Incomes		7,635,525.00	6,975,000.00
Other Incomes		111,028,977.32	253,748,199.22
Total Operating Incomes		3,028,633,506.58	3,646,907,304.70
Other Operating Expenses			
Employee's Expenses		1,190,886,127.27	1,323,061,801.47
Directors' Remuneration		4,617,999.98	3,432,166.58
Building and Equipment Expenses		358,142,097.10	393,365,734.37
Taxes and Duties		29,414.00	37,236.00
Other		360,909,003.78	269,736,388.30
Total Other Operating Expenses		1,914,584,642.13	1,989,633,326.72
Doubtful Accounts	5.5	937,512,533.78	1,261,233,007.23
Net Profit (Losses)		176,536,330.67	396,040,970.75
Other Comprehensive Income			
Gains (Losses) on Remeasuring available-for-sale Investment		8,379,907.45	(6,598,917.85)
Total Comprehensive Income for the year		184,916,238.12	389,442,052.90
Basic Earnings per Share		1.38	3.14

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

(Signed) Salinee Wangtal
(Mrs. Salinee Wangtal)
Chairman

(Signed) Supoj Arevart
(Mr. Supoj Arevart)
President

Statements of Changes in Shareholders' Equity

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	Issued and paid up Share Capital	Other reserves Revaluation surplus (deficit) on Investments	Retained Earnings			Total
			Appropriated Legal Reserve	Appropriated Others	Unappropriated	
Balance as at January 1, 2013	12,200,000,000.00	107,802,468.07	48,192,423.63	216,457,118.20	(10,019,194,357.01)	2,553,257,652.89
Share Capital	555,000,000.00	-	-	-	-	555,000,000.00
Reversal of revaluation surplus on investment matured investment	-	(102,400,000.00)	-	-	-	(102,400,000.00)
Revaluation Deficit on Investment	-	(62,608.08)	-	-	-	(62,608.08)
Total Comprehensive Income	-	(6,598,917.85)	-	-	396,040,970.75	389,442,052.90
Balance as at December 31, 2013	12,755,000,000.00	(1,259,057.86)	48,192,423.63	216,457,118.20	(9,623,153,386.26)	3,395,237,097.71
Revaluation Surplus on Investments	-	223,031.03	-	-	-	223,031.03
Total Comprehensive Income	-	8,379,907.45	-	-	176,536,330.67	184,916,238.12
Balance as at December 31, 2014	12,755,000,000.00	7,343,880.62	48,192,423.63	216,457,118.20	(9,446,617,055.59)	3,580,376,366.86

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

(Signed) Salinee Wangtal
(Mrs. Salinee Wangtal)
Chairman

(Signed) Supoj Arevart
(Mr. Supoj Arevart)
President

Statements of Cash Flows

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	2014	2013
Cash Flows from Operating Activities		
Net Profit from Operations	176,536,330.67	396,040,970.75
Items to Reconcile Net Profit (Loss) from Operating Activities		
Depreciation and Amortization Expenses	100,290,038.83	105,951,687.04
Doubtful Accounts	1,014,773,754.66	1,302,179,083.99
(Gain) from Disposal of Assets	(9,714.00)	-
Increase in Accrued Expenses	81,264,529.83	302,149,867.84
Increase in Provisions	35,145,229.07	24,557,187.02
(Gain) on impairment of investment	(40,307,323.12)	(714,672.70)
Loss on impairment of properties for sale	85,333,110.82	12,741,937.08
Lower than the value of financial investment	1,939,816.81	(3,171,214.84)
(Gain) on transfer of investment from Available-for-sale securities to Held-to-maturity debt securities	-	(14,450,143.08)
	1,454,965,773.57	2,125,284,703.10
Net Interest Income	(2,710,788,102.45)	(2,954,724,718.22)
Proceeds from Interest Income and Dividend Income	5,114,826,154.99	5,678,141,874.94
Cash Paid on Interest Expenses	(2,248,519,998.93)	(2,944,318,871.59)
Operating income before Changes in Operating Assets and Liabilities	1,610,483,827.18	1,904,382,988.23
(Increase) Decrease in Operating Assets		
Interbank and Money Markets Items	(14,781,864,033.79)	1,773,084,687.64
Loans to Customers	8,414,463,405.01	3,181,200,837.16
Properties for Sale	27,639,557.46	(109,932,957.15)
Other Assets	4,260,161.36	(89,973,977.43)
Increase (Decrease) in Operating Liabilities		
Deposits	6,760,796,484.91	(14,253,990,756.39)
Interbank and Money Market Items	(333,904,074.83)	2,909,944,328.08
Liabilities Payable on Demand	5,932,438.53	(139,586,807.26)
Grants from the Bureau of the Budget	86,765,000.00	11,573,400.00
Other Liabilities	(94,732,234.69)	167,176,661.82
Net Cash Provided by (Used in) Operating Activities	1,699,840,531.14	(4,646,121,595.30)

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

Statements of Cash Flows (Continued)

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

Unit : Baht

	2014	2013
Cash Flows from Investment Activities		
Time Deposits	24,197,601.90	19,657,568.47
Purchases of Securities Investment	(2,203,552,825.00)	(1,108,346,083.00)
Purchases of Building and Equipment	(11,081,780.74)	(2,167,528.60)
Purchases of Intangible Assets	(13,450,000.00)	(16,256,718.60)
Cash Paid for Purchase of Assets in Process	(2,859,700.00)	(18,238,298.92)
Proceeds from sales Building and Equipment	9,720.00	-
Proceeds from Securities Investment	574,000,000.00	5,285,934,716.07
Net Cash use in Investing Activities	(1,632,736,983.84)	4,160,583,655.42
Cash Flows from Financing Activities		
Repayment of Borrowings	(67,279,234.00)	(69,615,500.00)
Cash Received from issuance of share and paid up	-	555,000,000.00
Net Cash Provided by (used in) Financing Activities	(67,279,234.00)	485,384,500.00
Net Increase (Decrease) in Cash and Cash Equivalents	(175,686.70)	(153,439.88)
Beginning Balance of Cash and Cash Equivalents	958,094.56	1,111,534.44
Ending Balance of Cash and Cash Equivalents	782,407.86	958,094.56

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

Notes to Financial Statements

Small and Medium Enterprise Development Bank of Thailand

As at December 31, 2014

1. Establishment Objectives and Operations

The Small and Medium Enterprise Development Bank of Thailand was established as a juristic person under the Small and Medium Enterprise Development Bank of Thailand Act B.E. 2545 (2002), which effectively came into force since December 20, 2002. The Bank's main business is development, promotion, and support the establishment operation, expansion or improvement small and medium enterprises with the provision of loans, guarantees, joint venture consulting and recommended or other necessary services by the Act.

The bank has been transferred all the entire business, assets, liabilities, capital, retained earnings, reserves, rights and liability of the Small Industry Finance Corporate as provided on the day which Act are expected to be effective were transferred to SME Bank .

The Bank's head office is situated at 310 SME BANK TOWER, Phahonyothin Road, Sam Sen Nai Sub - district, Phayathai District, Bangkok. The Bank has branches covering all regions of Thailand.

2. Basis of Presentation and Significant Account Policies

2.1 Basis of Presentation of Financial Statement

The Bank's financial statements are prepared and disclose item in accordance with the specified in the announcement of Bank of Thailand No. SOR NOR SOR 11/2553 (2010) dated December 3, 2010 regarding Presentation and Announcement of Financial Statement of Commercial Banks, and Parent Companies of Financial Holding Group, and Financial statement were prepared in accordance with the generally accepted account principle under the Accounting Act B.E. 2543 (2000).

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

2.2 The New and Revised Standard of Accounting, and Financial Reporting Standards

2.2.1 The Bank has adopted Accounting Standards and Financial Reporting Standards that announced and revised, those are effective for the financial statement of the beginning on or after January 1, 2014 as follows:

Accounting Standard

- No. 1 Presentation of Financial Statements (Revised 2012)
- No. 7 Statement of Cash Flows (Revised 2012)
- No. 17 Leases (Revised 2012)
- No. 18 Revenue (Revised 2012)
- No. 19 Employee Benefits (Revised 2012)
- No. 24 Related Party Disclosure (Revised 2012)
- No. 34 Interim Financial Statements (Revised 2012)
- No. 36 Impairment of Assets (Revised 2012)
- No. 38 Intangible Assets (Revised 2012)

The implement of the new and revised accounting standards will not have any material impact to the financial statements presented.

2.2.2 The Federation of Accounting Professions has announced Accounting Standard and Financial Reporting Standards, those are related to the Bank's businesses as follows:

<u>Accounting Standard</u>	<u>Effective Date</u>
No. 1 Presentation of Financial Statement (Revised 2014)	January 1, 2015
No. 7 Statement of Cash Flows (Revised 2014)	January 1, 2015
No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (Revised 2014)	January 1, 2015
No. 10 Events after the Reporting Period (Revised 2014)	January 1, 2015
No. 16 Property, Plant and Equipment (Revised 2014)	January 1, 2015
No. 17 Leases (Revised 2014)	January 1, 2015
No. 18 Revenue (Revised 2014)	January 1, 2015
No. 19 Employee Benefits (Revised 2014)	January 1, 2015
No. 23 Borrowing Costs (Revised 2014)	January 1, 2015
No. 24 Related Party Disclosures (Revised 2014)	January 1, 2015
No. 33 Earnings per Share (Revised 2014)	January 1, 2015
No. 34 Interim Financial Statements (Revised 2014)	January 1, 2015
No. 36 Impairment of Assets (Revised 2014)	January 1, 2015
No. 37 Provisions, Contingent Liabilities and Contingent Assets (Revised 2014)	January 1, 2015
No. 38 Intangible Assets (Revised 2014)	January 1, 2015
<u>Financial Reporting Standard</u>	<u>Effective Date</u>
No. 5 Non-current Assets Held for Sale and Discontinued Operation (Revised 2014)	January 1, 2015

The Bank has been preparing for adopting related Accounting Standard and Financial Reporting Standard as above mentioned, those will not material impact the SME Banks have any on financial statements.

2.3 Significant Accounting Policies

2.3.1 Cash and Cash Equivalents

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

2.3.2 Recognition of Income

- Interest Income

The Bank recognized interest income on proportion of time basis using the effective interest rate method, except for interest on loans classified as delinquent over 3 months which is recognized on a cash basis.

The Bank reverses all accrued interest income on loans classified as delinquent over 3 months since the first date of overdue accordance with the Bank of Thailand regulation.

- Fees and Service Income

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

2.3.3 Recognition of Expense

Interest expense on deposits and borrowing is recognized on proportion of time basis using the effective interest rate method.

2.3.4 Loans

Loans represent the outstanding principle amount, which included interest receivables presented as a separate item, deferred revenue are presented as a deduction from the loans.

2.3.5 Allowance for Doubtful Accounts

The Bank's allowance for doubtful accounts are set up in compliance with the Bank of Thailand's Notification No. SOR NOR SOR 31/2551 dated August 3, 2008, regarding Regulation on Assets Classification and Provision of Financial institutions and with the BOT's Regulation on Evaluation and Appraisal of Collateral and Immovable Properties for Sale acquired through Debt Repayment dated December 9, 2009. The notification and policy regulation are as follows:

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

2) Collateral to be calculated the present values of expected cash flows from the sales are immovable properties, movable properties and leasehold rights. Other types of collateral are calculated by using the valuation rate specified by the BOT.

3) Collateral valuation has been conducted according to the BOT's regulation association with types of collateral, valuation methodology, valuation frequency, and values of collateral that can be deductible before provisioning. The underlying collateral is required to reappraise or revalue on 3-years basis.

The Bank also considers provisioning on quantitative basis by assessing debtor's solvency and collateral value, the additional debt categories accordance to monitoring reports of the bank of Thailand, as Memorandum of the Ministry of Finance, Fiscal Policy office No. GOR KOR 1006/2170 dated March 28, 2013, regarding Regulation on the strategy refresh of SME Bank.

2.3.6 Trouble Debt Restructuring

The Bank also considers debtors is expected to be able to pay the debts if there is a grace condition to pass it must not be caused by the loss of account according to the procedure of the Bank. The Bank uses practices regarding troubled debt restructuring to resolve problem, such as transfer of set debt, change to terms of payments and other troubled debt restructuring according to Bank of Thailand's Announcement No. SOR NOR SOR 31/2551 dated August 3, 2008, regarding Regulation on: Classification and Provision of Financial Institution.

2.3.7 Investments

The Bank's investments consist of the trading securities, available-for sale securities, held-to maturity debt securities and general investment securities which are presented separately as net current investment and long-term investments.

Investment in marketable investment units classified as trading and available-for sale securities are stated at fair value with their net asset value.

The debt securities that the Bank has intention and ability to hold to maturity classified as held-to maturity are stated at the amortized cost. Premiums or discounts on held to maturity are adjusted to interest income at the end of each month by using the straight-line method. The interest income from held-to maturity debt securities are recorded on actual basis using the effective rate method.

Investments in non-marketable equity securities classified as general investment are stated at cost net of allowance for impairment (if any). Losses in impairment are recognized to expense in the statements of comprehensive income.

2.3.8 Foreign Currency Translation

Assets and liabilities denominated in foreign currencies including forward foreign exchange contracts are translated into Thai Baht at the rates if exchange prevailing at the transaction dates. Balances of monetary assets and liabilities denominated in foreign currencies including forward exchange contracts are translated into Thai Baht by using the reference exchange rate of BOT as at the reporting date. Gains or losses on foreign exchange and foreign currency translation are presented to the statement of comprehensive income as gain (loss) in the period.

2.3.9 Premises and Equipment – Net

Premises and equipment are stated at cost less accumulated depreciation and allowance for asset impairment (if any). Depreciation of premises and equipment are calculated on a straight-line method over the useful lives, for building 20 years and for equipment 5-10 years. Equipment with an acquisition cost not over Baht 2,000 is charge directly to expense in the period of acquisition.

2.3.10 Other Intangible Assets – Net consisted of:

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

Leasehold right are stated at cost less accumulated amortization. Amortization is calculated on a straight-line method under the appropriation of time period specified in the agreement and recognized in the statement of comprehensive income.

2.3.11 Properties for Sale – Net

Properties for sale are the properties types of the real estate bank. As the bank has purchased assets to be sold at auction mortgaged to SME Bank from the sale by public auction ordered by the court and the Bank has the intention to sell the property later.

Properties for sale are stated at the value of the transfer payment or value from the sale by public auction and record to some 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 or income in the statement of comprehensive income. The building will not calculate deducted depreciation. The Bank will recognize gain (loss) when sold and after remaining debt is repaid.

According to the BOT's Policy No. THOR PO THOR. PHOR NOR SOR. (21) WOR.2470/2552 dated December 9, 2009, regarding Delivery Policy of Appraisal Guarantee and Properties for Sale Received from Financial Institutions, the properties for sale in the amount exceeding 50 million baht are appraised by the external appraisers, and the amount of not exceeding 50 million baht are considered to appraise by internal or external appraisers depending on the Bank.

2.3.12 Derivatives

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

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

2.3.13 Provident Fund for Staff

The Bank established a Provident Fund under the Provident Fund Act B.E. 2530 (1987) and entered to the registered fund approved by the Ministry of Finance in November 29, 1996. The Provident Fund is managed by the Krung Thai Assets Management Public Company Limited as a Fund Manager

Permanent employees of the Bank are entitled to apply for membership according to Provident Fund regulation. Employees can contribute to the Fund at the rate either 3-9 percent according to the period of employment and the Bank contributed to this Fund with the rate either of 5-10 percent according to the period of employment. And the Bank employees will be reimbursed the benefits when resigned according to the employee's period of employment.

The Bank contributed to the Provident Fund for employees as to expense for employees in the statement of comprehensive income.

2.3.14 Employee Benefits Plan

The Bank have defined benefits plan for the retirement employees. The estimate of employees benefits obligations from payment to retired employees with present value by the forecasting the benefits which employees will receive when they retire. By an actuary using the actuarial techniques of insurance mathematical calculation to calculated remuneration which employees will received when they retired by using information about their salaries, resignation rate, death rate, duration of employment and other factors. To estimate from present value of expected future payment to future cash flows using a discount rate that is similar to the interest rate on government bond.

2.3.15 Rented Assets

Operating lease contract, The Bank has classified to operating leases and recorded as expense is not the interest in the statements of comprehensive income for monthly payment, throughout the term of the contract.

2.3.16 Legal Reserve

The Bank shall allocate not less than 5 percent of its annual net profit to a reserve account (legal reserve) until this account reached an amount not less than 10 percent the registered authorized capital.

2.3.17 Reserve for Investment

The Bank set aside 25 percent of previous year's net profit as reserve for investment in new projects.

2.3.18 Basic Earning (Loss) Per Share

Basic Earning (Loss) Per Share are calculated by dividing the net income with the number of weighted-average ordinary shares.

3. Risk Management

3.1 The Bank's Risk Information

Strategic Risk

Strategic Risk means the risk resulted from determination of strategic plans, operation plans and their implementation which are not proper or consistent with external factors and external environment which affect incomes, funds or existence of the business.

SME Bank has implemented its strategic risk management, which can be summarized as follows:

1. Strategic risk management policy has been determined and reviewed as a strategic risk management framework of the Bank.
2. SME Bank's strategies and goals have been set using data obtained from SWOT analysis of internal and external environment such as the operating results and current situations of the Bank, economic condition, business situation of SMEs, the government's policies and the Bank's customers' satisfaction etc., as well as, the process of monitoring of the operating results in comparison with its goals and directing the operation to meet those goals.
3. The risk management guidelines provided by COSO has been applied to the process for developing the Bank's risk management plan which is also in line with the quality assessment system for state enterprise by linking the process of risk management, risk factors and risk management with the Bank's goals and strategic plans. SME Bank has analyzed and assessed either internal and external risks that may affect the goal of the Bank's business plan, defined risk appetite and risk tolerance and also developed risk map and risk handling plan to minimize such risks at acceptable level and to facilitate achievement of the Bank's goals. Moreover, SME Bank shall follow up and report the results of risk management to the related committees for consideration on quarterly basis and shall review the interim risk management plan to ensure proper risk management.

4. SME Bank shall follow up and report the status of strategic risks to the related committees on a regular basis and shall also report the same to Risk Management Committee on monthly basis and to board of directors of SME Bank on quarterly basis so that the operational guidelines can be revised to attain the prescribed goals.

Market Risk Management

Market Risk refers to risks caused by fluctuation of interest rate, foreign exchange rates and prices of equity securities which may have adverse effect on the Bank's revenue and capital.

SME Bank has managed the market risk in accordance with guidelines provided by the Bank of Thailand as follows:

1. Determination/review of policies relating to market risk management includes policy on market risk management, policy on interest rate risk management in banking accounts and policy on management of trading book and banking book portfolio; to be used as policy framework and guidelines for management and control of market risk of SME Bank.

2. Development of difference of tools for measurement and evaluation of market risk include:

- Analysis of difference of enforcement date of new interest rate or the remaining term of contracts between assets, liabilities and off-balance sheet transactions (Repricing Gap) and consideration of impacts from changes of interest rates on the net incomes of SME Bank (Net Interest Income Sensitivity) in the future.

- Measurement of impacts of changes of risk factors such as impacts from changes in rates of returns in debt instrument markets upon values of debt instruments (DV01), evaluation of fair values of debt instruments and foreign currency transaction.

- Calculation of fund adequacy to support market risks under the standardized approach in conformity with the criteria for regulating market risks and retention of funds to support the market risks prescribed by the Bank of Thailand.

3. Follow-up and control of market risks will be implemented as follows:

- Determine Market Risk Limits and review them on annually basis to ensure its appropriateness i.e. NII Sensitivity Limit, FX Net Open Position for each and all currencies.

- Prepare investment status report and market risk status report and submit them to the Board and relevant executives on regular basis.

- Supervise market risks by the executives and related committees including Asset and Liability Management Committee and Risk Management Committee.

Liquidity Risk Management

Liquidity Risk refers to those risks resulted from SME Bank's insolvency and liability to settle debts or obligations when they become due because of its failure to convert existing assets into cash in time and its failure to provide enough financing or its financing with costs higher than an acceptable level, which may affect its revenues and funds.

SME Bank has managed its liquidity risk in accordance with guidelines provided by the Bank of Thailand which can be summarized as follows:

1. Policies relating to the liquidity risk management shall be determined as the policy framework and guidelines for liquidity risk management and control of SME Bank.

2. Tools for measurement and evaluation of liquidity risks include:

- Preparation of Liquidity Gap Report

- Measurement and evaluation of liquidity risk by applying financial ratios such as of large account concentration, maintenance of liquid assets and Mismatch etc.

3. Follow-up and control of liquidity risks shall be implemented as follows:

- Determine Liquidity Risk Limits and review them on annually basis to ensure its appropriateness i.e. large account concentration and maintenance of liquid assets.

- Prepare liquidity risk gap report to be presented to the Board of Directors and related executives on regular basis.

- Review and test emergency response plan on yearly basis.
- Regulate liquidity risk by the executives and related committees e.g. Assets and Liability

Management Committee and Risk Management Committee.

Operational Risk

Operational Risk refers to damaging risks resulted from lack of good corporate governance and control and may be involved with internal operating procedures, personnel, work systems or external factor; that can adversely affect the Bank's revenue and funds.

Regarding the operational risk management, the board of directors of SME Bank has assigned the Risk Management Committee to determine policies and guideline for operational risk management to be in conformity with the operational guideline of the regulatory authorities such as the Office of the Auditor General of Thailand, The Bank of Thailand, etc. Moreover, SME Bank has determined that duties and responsibilities involving risk management shall be regarded as duties of all departments within SME Bank; whereas, the Risk Management Department shall be obliged to develop tools for risk identification, evaluation, reporting and monitoring in accordance with the risk management policy and the Code of Conduct of SME Bank. Moreover, the Internal Audit Department, which is an independent unit, shall be obliged to review the risk management process and to report to the Risk Management Committee directly.

SME Bank has prescribed that all departments within the Bank will carry out the control self-assessment on yearly basis and shall prepare their plan to mitigate the operational risks and update the operation manuals so that all departments within the Bank shall review their performance of work regularly in order to reduce operational errors; whereby, the related departments shall sign and give their approvals before submitting the same to the authorized committees for approval. In addition, all departments are asked to determine Key Risk Indicator; KRI to be used for considering the trend of risks as an early warning for exploring cause and how to intervene in timely manner. This facilitates quantities risk management and is considered as internal control activity reflecting correlation of risk management in an organization.

SME Bank reviews the policies relating to the operational risk for at least once a year such as the operational risk management policy, business continuity management policy, outsourcing policy etc., so that the Bank's operation and risk management shall keep up with the changing situations and environment.

In 2007, SME Bank had employed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. as a consultant for reviewing the underwriting process and recommend the improvement guidelines for more efficient and concisely services.

Regarding the risks from external factors and inevitable events, SME Bank has prepared itself to deal with such situation by developing and reviewing business continuity management plan every year and from time when new threat occurs. The Bank also performs testing the plans regularly to ensure that it is still capable of providing services to all stakeholders continuously.

Credit Risk

Credit Risk refers to the risk from debtors' insolvency or potential insolvency resulted in credit rating downgrade, which may affect the status of funds and incomes of SME Bank.

To manage credit risk, SME Bank always adheres to widely recognized standards and the guideline given by the Bank of Thailand as follows:

1. Identify risks.
2. Evaluate risks.
3. Prepare risk management plan.
4. Manage risks.
5. Report/review risk management tool.

SME Bank has appointed various committees to control credit risk by acting as a person considering and permitting credit granting to ensure that operations by each unit are limited to controllable and acceptable risks e.g. credit review committee, supervisory and monitoring committee for NPL, credit granting committee, debt restructuring committee, risk management committee, executive board or SME Bank's board of directors, etc.

Credit risk management plan and its results have to be approved and submitted to the Risk Management Committee or if the matter is beyond the power of Risk Management Committee, it must be presented to SME Bank's board of directors for approval.

In order to allow SME Bank to have clear standard and definite approach, SME Bank has therefore determined the approach for credit risk management as a framework for operation such as credit policy, credit risk management policy, credit risk management manual and risk limits by individual industry, etc. all of which shall be reviewed at least once a year according to the practical guideline given by the Bank of Thailand.

In addition, SME Bank has also carried out operations concerning certain major credit risk management as follows:

1. Personnel development through workshop training on credit analysis.
2. Monitoring and auditing credit quality.
3. Restructuring of loan interest rates to better reflect quality of debtors.
4. Developing tools for financial projection, as well as, guideline for credit granting to respective industry to facilitate and set up the standard for credit facilitation.

5. Verifying and improving tools and their accuracy for credit risk evaluation on continual basis to properly reflect the actual risks of debtors.

6. Placing importance of risk management on portfolio management in order to manage overall debts effectively. SME Bank has reviewed level of risk control in industrial sector by taking into account credit support to SMEs and enhancement of national economy. Therefore, SME Bank has determined expansion of credit portfolio for each industrial sector to be in accordance with GDP of SMEs to prevent excessive concentration of the Bank's credit expansion to any specific industry and in conformity with the national economic development. Also, the Bank has taken control measures for factoring credit by setting out credit limits for each account to prevent similar credit concentration.

As of 31st December 2014, SME Bank has given loans to different business sectors as follows: commercial sector (30%), production sector (28%), hotel and restaurant sector (15%), logistics sector (7%), agricultural, hunting and forestry sector (5%), construction sector (4%), property for rent and business service sector (4%), community, social service and other service sector (4%), educational sector (2%) and other sectors.

7. In respect of Non-Performing Loans (NPLs) management, SME Bank has improved its management system for NPLs for better clarity by dividing duties and responsibilities for respective group of account separately from the credit approval work groups and has also determined its requirement policy and criteria in accordance with the guidelines given by Bank of Thailand e.g. criteria for credit rating by applying both qualitative and default criteria and criteria for debt restructuring based on the actual solvency of debtors in order to prevent losses to the Bank. As of 31 December 2014, SME Bank's NPLs was amounted to 37.6% of the total outstanding loans. In this regard, the Bank has fixed the allowance for doubtful accounts as per policy given by Ministry of Finance and by referring to the criteria of the Bank of Thailand.

7. Regarding the distressed debts, SME Bank has improved its management of distressed debts for clear operation; and has assigned the duties and responsibilities for debt collection from different customer groups to the unit separated from credit approval work groups. The Bank has also adopted certain criteria in accordance with the guidelines provided by the Bank of Thailand such as classification criteria for debt restructuring; the Bank considers the actual capability of debtor in concern provided that it shall not cause loss to the Bank. As of December 31, 2014, SME Bank as the distressed debts equal to 37.60 percent of total outstanding loans; and has fixed the allowance for doubtful accounts by referring to the policy of Ministry of Finance and criteria of the Bank of Thailand.

8. Established the credit policy which focuses on credit provision for small entrepreneurs with credit limit in amount of 15 Million Baht whom is important customers according to the Bank's mission and the important foundation for national economy.

9. Enhancement the credit provision process for credit limit in amount of 15 Million Baht by established the separated marketing and credit analysis units, for constructing the standard credit work process, optimization of process duration, good internal control and clear separation of duties which results in establishment of system of Check & Balance.

3.2 Fair Value of Financial Instruments

Unit: Million Baht

Type of Debt Instrument	2014		2013	
	Book Value	Fair Value	Book Value	Fair value
Financial Assets				
Cash	0.78	0.78	0.96	0.96
Interbank and money market items – Net	18,078.86	18,078.86	3,321.20	3,321.20
Derivatives Assets	0.01	0.01	68.74	68.74
Investments – Net	4,845.81	4,845.81	3,169.29	3,169.29
Loans to customers – Net	69,827.05	69,827.05	79,217.15	79,217.15
Total	92,752.51	92,752.51	85,777.34	85,777.34
Financial Liabilities				
Deposits	82,614.74	82,614.74	75,853.94	75,853.94
Interbank and money market items - Net	4,389.76	4,389.76	4,723.66	4,723.66
Liabilities payable on demand	19.69	19.69	13.76	13.76
Derivatives Liabilities	62.35	62.35	2.99	2.99
Debt issued and Borrowing	410.17	410.17	477.45	477.45
Total	87,496.71	87,496.71	81,071.80	81,071.80

3.3 Statutory Capital Fund

Unit: Million Baht

	2014	2013
Tier 1 Capital		
Paid-up share capital	12,755.00	12,755.00
Legal reserves	48.19	48.19
Investments reserves	216.46	216.46
Retained earnings unappropriated	(9,446.62)	(9,623.15)
Total Tier 1 Capital	3,573.03	3,396.50
Tier 2 Capital		
Provision for normal assets (See Note 5.4.4)	71.15	90.52
Total Tier 2 Capital	71.15	90.52
Total Capital Fund	3,644.18	3,487.02

The Bank's Capital Fund has been calculated on the basis of Ministerial Regulation, B.E. 2549 dated January 24, 2006 in regard to the Sustainance of Capital Fund for Small and Medium Enterprise Development Bank of Thailand, as announced in the Royal Decree No.123 Part.10 KOR. Page 4-7 dated January 31, 2006.

According to the above regulation, the Ministry of Finance maintain a ratio of the Capital Fund to assets and contingencies of not less than 8.5 percent and that of Tier 1 Capital must not be less than 4.25 percent as of December 31, 2014 and 2013, the Bank maintains a ratio of Capital Fund to asset and obligations as follows:

	Percentage	
	2014	2013
Capital Fund	7.46	6.38
Tier 1 Total	7.31	6.22

4. Estimated and Hypothesis

The preparation of financial statements in conformity with the financial reporting standards requires managements 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 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 periods affected. Information about significant areas of estimation uncertainty and assumptions in applying accounting policies that have most significant effect on the amount recognized in the financial statements.

5. Supplementary Information

5.1 Supplementary Information about Cash Flows

Significant non-cash items as of year ended December 31, 2014 and 2013 are as follows:

	Unit: Million Baht	
	2014	2013
Increase (decrease) in revaluation surplus on Investment in equity	8.60	(109.06)
Increase in properties for sale loan payment	-	41.00
Total	8.60	(68.06)

5.2 Interbank and Money Market Items - Net (Assets)

	2014			2013		
	Demand	Time	Total	Demand	Time	Total
Domestic Items						
Bank of Thailand	24.59	8,510.00	8,534.59	15.26	2,690.00	2,705.26
Commercial banks	296.77	6,053.70	6,350.47	388.41	-	388.41
Specialized purpose financial institutions	25.58	3,152.52	3,178.10	19.95	183.91	203.86
Total	346.94	17,716.22	18,063.16	423.62	2,873.91	3,297.53
Add Accrued interest receivable	-	0.97	0.97	-	0.88	0.88
Total Domestic Items	346.94	17,717.19	18,064.13	423.62	2,874.79	3,298.41

5.2 Interbank and Money Market Items - Net (Assets) (Continued)

Unit: Million Baht

	2014			2013		
	Demand	Time	Demand	Time	Demand	Time
Foreign Items						
US Dollars	14.50	-	14.50	22.22	-	22.22
Euro	0.21	-	0.21	0.55	-	0.55
Yen	0.02	-	0.02	0.02	-	0.02
Total Foreign Items	14.73	-	14.73	22.79	-	22.79
Total Domestic and Foreign Items	361.67	17,717.19	18,078.86	446.41	2,874.79	3,321.20

As at December 31, 2014 and 2013, the domestic deposits of Specialized Purpose Financial Institution amounted 152.52 million baht and 176.72 million baht respectively, be recognized as the loans guarantee for the Housing Projects of Bank's employees.

5.3 Investment - Net

Unit: Million Baht

	2014	2013
	Fair Value	Fair Value
5.3.1 Available-for-sale securities		
Government and state enterprise securities	700.64	701.18
Add (Less) Allowance for revaluation	7.18	(1.20)
Total	707.82	699.98

Unit: Million Baht

	2014	2013
	Cost/Price Amortization	Cost/Price Amortization
5.3.2 Held-to-maturity debt securities		
Government and state enterprise securities	4,007.43	2,379.28
Add (Less) Allowance for revaluation	0.16	(0.06)
Total	4,007.59	2,379.22

5.3 Investment - Net (Continued)

Unit: Million Baht

	2014	2013
	Cost	Cost
5.3.3 General Investments		
Domestic non-marketable Equity securities	320.78	320.78
<u>Less</u> Allowance for impairment	(190.38)	(230.69)
Total	130.40	90.09
Total Investment – Net	4,845.81	3,169.29

As at December 31, 2014 and 2013 the allowance for revaluation of investments (Other elements of their respective owners: excess (lower) capital from changes in investments value) amounting 7.34 million baht and (1.26) million baht respectively (See Note 5.21)

5.4 Loans to customers and Accrued Interest Receivable - Net

5.4.1 Classified by Type of Loans

Unit: Million Baht

	2014	2013
Loans to customers	82,494.60	90,517.79
Hire purchase receivable (See Note 5.4.7)	2,301.74	2,793.48
Welfare receivables	189.52	164.19
Total	84,985.86	93,475.46
<u>Less</u> Deferred revenue	(367.13)	(442.27)
Total loans to customers net of deferred revenue	84,618.73	93,033.19
<u>Add</u> Accrued Interest receivables	300.91	339.03
Total loans to customer net of deferred revenue, Plus Accrued interest receivable	84,919.64	93,372.22
<u>Less</u> Allowance for doubtful accounts		
1. Minimum reserve under the Bank of Thailand's regulations	(13,601.97)	(12,799.28)
2. Excess allowance	(1,490.62)	(1,355.79)
Total loans to customers-net	69,827.05	79,217.15

As at December 31, 2014, the Bank has total loans amount of 84,985.86 million baht which consist of 28,269.59 million baht for the projects in response to government policy and 56,716.27 million baht for public sector cooperation project and commercial projects

As at December 31, 2013, the Bank has total loans amount of 93,475.46 million baht which consist of 34,596.75 million baht for the projects in response to government policy and 58,878.71 million baht for public sector cooperation project and commercial projects.

5.4 Loans to customers and Accrued Receivable- Net (Continued)

5.4.2 Classify by Currencies and Customer's Residence

Unit: Million Baht

	2014	2013
Thai Baht	84,985.86	93,475.46
US Dollars	-	-
Total	84,985.86	93,475.46

5.4.3 Classify by Business Types and Loan Classification

Unit: Million Baht

	2014					Total
	Pass	Special Mention	Sub Standard	Doubtful	Doubtful of loss	
Agricultural and mining	2,526.73	117.54	99.45	132.76	1,308.77	4,185.25
Manufacturing and commercial	29,232.06	1,385.66	640.51	2,314.07	15,409.85	48,982.15
Real estate and construction	1,455.76	121.21	108.73	59.63	1,419.45	3,164.78
Public utilities and services	16,789.00	1,194.84	440.66	1,923.87	8,095.16	28,443.53
Housing loans	189.52	-	-	-	-	189.52
Others	13.20	-	0.82	2.11	4.50	20.63
Total	50,206.27	2,819.25	1,290.17	4,432.44	26,237.73	84,985.86
Less Deferred revenue						(367.13)
Total loans net from deferred revenue						84,618.73

Unit: Million Baht

	2013					Total
	Pass	Special Mention	Sub Standard	Doubtful	Doubtful of loss	
Agricultural and mining	2,561.25	222.41	201.94	552.09	1,236.06	4,773.75
Manufacturing and commercial	36,378.69	1,077.75	1,195.77	2,364.94	13,888.34	54,905.49
Real estate and construction	1,709.11	59.34	52.54	109.92	1,378.99	3,309.90
Public utilities and services	18,769.66	993.75	1,007.90	2,529.22	7,021.60	30,322.13
Housing loans	164.19	-	-	-	-	164.19
Total	59,582.90	2,353.25	2,458.15	5,556.17	23,524.99	93,475.46
Less Deferred revenue						(442.27)
Total loans net from deferred revenue						93,033.19

5.4 Loan to customers and Accrued Interest Receivable – Net (Continued)

5.4.4 Classified by Loan Classification

Unit: Million Baht

	2014			
	Loans and Accrued Interest Receivable	Net Amount for Allowance for Doubtful Accounts	Allowance for Doubtful Accounts Percent	Allowance For Doubtful Accounts
1. Minimum reserve under Bank of Thailand regulations				
Pass	50,426.97	7,114.45	1	71.15
Special mention	2,853.73	528.91	2	10.58
Substandard	1,293.23	281.79	100	281.79
Doubtful	4,438.84	1,217.37	100	1,217.37
Doubtful of Loss	26,274.00	12,021.08	100	12,021.08
Total	85,286.77	21,163.60		13,601.97
Less Deferred revenue	(367.13)			
Loans to customer and accrued Interest receivable	84,919.64			
Less Allowance for doubtful accounts (See Note 5.5)	(15,092.59)			
Loans to customer and accrued interest Receivable - Net	69,827.05			
2. Excess Allowance				1,490.62
Total				15,092.59

Unit: Million Baht

	2013			
	Loans and Accrued Interest Receivable	Net Amount for Allowance for Doubtful Accounts	Allowance for Doubtful Accounts Percent	Allowance For Doubtful Accounts
1. Minimum reserve under Bank of Thailand regulations				
Pass	59,843.24	9,051.70	1	90.52
Special mention	2,383.21	461.63	2	9.23
Substandard	2,474.55	667.43	100	667.43
Doubtful	5,569.48	1,760.67	100	1,760.67
Doubtful of Loss	23,544.01	10,271.43	100	10,271.43
Total	93,814.49	22,212.86		12,799.28
Less Deferred revenue	(442.27)			
Loans to customer and accrued Interest receivable	93,372.22			
Less Allowance for doubtful accounts (See Note 5.5)	(14,155.07)			
Loans to customer and accrued interest Receivable - Net	79,217.15			
2. Excess Allowance				1,355.79
Total				14,155.07

5.4 Loans to customer and Accrued Interest Receivable – Net (Continued)

5.4.4 Classify by Loan Classification

As at December 31, 2014 and 2013, the Bank has set Allowance for doubtful accounts as set forth by Bank of Thailand's Announcement No. SOR NOR SOR. 31/2551 dated August 3, 2008 on: Classification and Set Provision of Financial Institutions Regulation

The Bank has determined the debtor classification based on the overdue of interest or principal payables according to conditions or time periods as stated in the contracts or as requested by the Bank or make claims to pay back, whichever comes first, including with restructuring debts based on Debts Restructure of Financial Institution as required by the Bank of Thailand's regulation and in according to the Bank of Thailand's (BOT) Notification No. SOR NOR SOR 31/2551 dated August 3, 2008, regarding Regulation on Assets Classification and Provision of Financial Institutions. The Bank also considers provisioning on quantitative basis by assessing debtor's solvency and collateral value, the additional debt categories accordance to monitoring reports of the Bank of Thailand, as Memorandum of the Ministry of Finance, Fiscal Policy office No. GOR KOR 1006/2170 dated March 28, 2013, regarding Regulation on the strategic reorganization of SME Bank.

As of December 31, 2014 and 2013, the Bank has the loans with allowance and without allowance as follows:

Unit: Million Baht

	2014		2013	
	Loan and Accrued Interest Receivable	Percentage of Loan and Accrued Interest Receivable	Loan and Accrued Interest Receivable	Percentage of Loan and Accrued Interest Receivable
Loans with allowance	77,637.92	91.43	84,140.29	90.11
Loans without allowance	7,281.72	8.57	9,231.93	9.89
Total	<u>84,919.64</u>		<u>93,372.22</u>	

Loans without allowance means debtors or individuals or juristic persons that the Council of Ministers passed the resolution to compensate future damage according to the Memorandum of the Ministry of Finance, Fiscal Policy Office No. GOR KOR 1006/2170 dated March 28, 2013. regarding Regulation on the Strategic reorganization of SME Bank.

As of December 31, 2014 and 2013, the Bank has restrained the recognition of loan income in the amount of 31,960.34 million baht and 31,539.31 million baht accounting for 37.47 percent and 33.62 percent respectively of loans and accrued interest receivable.

5.4 Loans to customers and Accrued Interest Receivable – Net (Continued)

5.4.5 Classified by Non-Performing Loans

As of December 31, 2014 and 2013, the Bank has impaired-debtors as follows

Unit: Million Baht

	2014		2013	
	Non-Performing Loans	Percentage of Non-Performing Loans	Non-Performing Loans	Percentage of Non-Performing Loans
Government policy project	6,463.13	20.22	4,986.78	15.81
Public cooperation project and commercial	25,497.21	79.78	26,552.53	84.19
Total	31,960.34		31,539.31	

5.4.6 Troubled Debts Restructuring

Troubled debts restructuring for the year ended December 31, 2014 and 2013 was set out as follows:

Unit: Million Baht

Troubled Debt Restructuring	2014				
	No. of Cases	Outstanding Debt		Type of Transferred Assets	
		Debt Before Restructuring	Debt After Restructuring	Types of Assets	Fair Value
Changes of repayment conditions	12,671	26,984.37	24,045.27	-	-
Transfer of assets	634	3,508.03	2,073.33	Land and Premises	1,434.70
Total	13,305	30,492.40	26,118.60		

Unit: Million Baht

Troubled Debt Restructuring	2013				
	No. of Cases	Outstanding Debt		Type of Transferred Assets	
		Debt Before Restructuring	Debt After Restructuring	Types of Assets	Fair Value
Changes of repayment conditions	9,558	25,169.63	22,331.27	-	-
Transfer of assets	577	3,291.09	1,985.63	Land and Premises	1,305.46
Total	10,135	28,460.72	24,316.90		

5.4 Loans to customers and Accrued Interest Receivable – Net (Continued)

5.4.7 Finance Lease Receivable: means Hire Purchase Receivable (See Note 5.4.1)

Unit: Million Baht

	2014			
	The Amounts Due to Pay of the Contracts			Total
	Not over 1 yr.	Over 1-5 yrs.	Over 5 yrs.	
Gross investment of minimum lease payment	632.48	1,497.03	172.23	2,301.74
Less Unearned finance income				(351.49)
Present value of minimum lease payment				1,950.25
Allowance for doubtful accounts				(1,045.47)
Finance Lease receivable – Net				904.78

Unit: Million Baht

	2013			
	The Amounts Due to Pay of the Contracts			Total
	Not over 1 yr.	Over 1-5 yrs.	Over 5 yrs.	
Gross investment of minimum lease payment	480.93	2,231.49	81.06	2,793.48
Less Unearned finance income				(425.26)
Present value of minimum lease payment				2,368.22
Allowance for doubtful accounts				(995.85)
Finance Lease receivable – Net				1,372.37

5.5 Allowance for Doubtful Accounts

Unit: Million Baht

	2014						Total
	Pass	Special Mention	Sub Standard	Doubtful	Doubtful of Loss	Allowance In Excess	
Beginning balance	90.52	9.23	667.43	1,760.67	10,271.43	1,355.79	14,155.07
Doubtful balance	(19.37)	1.35	(385.64)	(543.30)	1,749.65	134.83	937.52
Ending balance	71.15	10.58	281.79	1,217.37	12,021.08	1,490.62	15,092.59

5.5 Allowance for Doubtful Accounts (Continued)

Unit: Million Baht

	2013						Total
	Pass	Special Mention	Sub Standard	Doubtful	Doubtful of Loss	Allowance In Excess	
Beginning balance	223.68	14.49	1,758.67	3,135.50	7,761.50	-	12,893.84
Doubtful balance	(133.16)	(5.26)	(1,091.24)	(1,374.83)	2,509.93	1,355.79	1,261.23
Ending balance	90.52	9.23	667.43	1,760.67	10,271.43	1,355.79	14,155.07

The calculated table of Allowance for Doubtful Accounts in Note 5.4.4

As at December 31, 2014 and 2013, the Bank recorded allowance for doubtful accounts in accordance with the Bank of Thailand Announcement No. SOR NOR SOR. 31/2557 dated August 3, 2008 on Classification and Allowance of Financial Institutions Regulation amounting 15,092.59 million baht and 14,155.07 million baht respectively.

5.6 Properties for sale - Net

Unit: Million Baht

	2014			
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable properties	1,152.65	220.76	(251.95)	1,121.46
Movable properties	153.58	30.22	(37.15)	146.65
Total	1,306.23	250.98	(289.10)	1,268.11
Less Allowance for impairment properties for sale-net	(93.64)	(85.33)	10.48	(168.49)
Total properties for sale - Net	1,212.59	165.65	(278.62)	1,099.62

Unit: Million Baht

	2013			
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable properties	1,080.29	512.55	(440.19)	1,152.65
Movable properties	131.48	56.49	(34.39)	153.58
Total	1,211.77	569.04	(474.58)	1,306.23
Less Allowance for impairment properties for sale-net	(96.37)	(18.79)	21.52	(93.64)
Total properties for sale - Net	1,115.40	550.25	(453.06)	1,212.59

As of December 31, 2014 and 2013, the Bank's allowance for impairment of properties for sale, incurred from the transactions of losses from impairment of 168.49 million baht and 93.64 million baht respectively and the Bank has generated gains from sale of properties for sale 63.82 million baht and 213.71 million baht respectively, prices estimation was done by internal estimator.

5.7 Building and Equipment – Net

Unit: Million

	2014								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Depreciation	Disposals	Ending Balance	
Land	293.98	-	-	293.98	-	-	-	-	293.98
Building	515.06	-	-	515.06	145.13	25.75	-	170.88	344.18
Office equipment	273.09	14.53	(0.03)	287.59	210.89	15.24	(0.03)	226.10	61.49
Furniture	409.25	3.32	(0.86)	411.71	215.15	44.95	(0.86)	259.24	152.47
Vehicles	2.66	-	-	2.66	2.62	0.01	-	2.63	0.03
Total	1,494.04	17.85	(0.89)	1,511.00	573.79	85.95	(0.89)	658.85	852.15

Building of 515.06 million baht comprising of head office building 497.49 million baht and branch office 17.57 million baht

As at December 31, 2014, the Bank has a number of fully depreciated but still in use. The total number of those assets is 13,692 items, the cost value of 13,577 baht.

Unit: Million

	2013								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Depreciation	Disposals	Ending Balance	
Land	293.98	-	-	293.98	-	-	-	-	293.98
Building	515.06	-	-	515.06	119.38	25.75	-	145.13	369.93
Office equipment	270.21	2.88	-	273.09	191.05	19.84	-	210.89	62.20
Furniture	404.15	5.10	-	409.25	164.48	50.67	-	215.15	194.10
Vehicles	2.66	-	-	2.66	2.61	0.01	-	2.62	0.04
Total	1,486.06	7.98	-	1,494.04	477.52	96.27	-	573.79	920.25

Building of 515.06 million baht comprising of head office building 497.49 million baht and branch office 17.57 million baht

As at December 31, 2013, the Bank has a number of fully depreciated but still in use. The total number of those assets is 10,656 items, the cost value of 10,647 baht.

5.8 Assets in Process

Unit: Million Baht

	2014			
	Beginning Balance	Additions	Disposals	Ending Balance
Office building renovation	14.63	-	-	14.63
Office equipment	1.44	-	(0.35)	1.09
Computer system	25.20	-	(13.62)	11.58
Computers	8.69	-	(8.29)	0.40
Furniture	9.21	2.86	(1.45)	10.62
Total	59.17	2.86	(23.71)	38.32

Unit: Million Baht

	2013			
	Beginning Balance	Additions	Disposals	Ending Balance
Office building renovation	14.63	-	-	14.63
Office equipment	-	1.44	-	1.44
Computer system	10.13	16.14	(1.07)	25.20
Computers	0.40	8.29	-	8.69
Furniture	6.40	8.62	(5.81)	9.21
Total	31.56	34.49	(6.88)	59.17

5.9 Advance for Legal Costs - Net

Unit: Million Baht

	2014	2013
Advance for legal costs	198.31	149.42
<u>Less Allowance for doubtful accounts</u>	<u>(198.31)</u>	<u>(149.42)</u>
Advance for legal costs - net	0.00	0.00

5.10 Other Intangible Assets – Net

Unit: Million Baht

	2014								Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Additions	Disposals	Ending Balance	
Leasehold rights	5.00	-	-	5.00	0.52	0.18	-	0.70	4.30
Computer system	113.55	30.38	-	143.93	86.95	14.14	-	101.09	42.84
Total	118.55	30.38	-	148.93	87.47	14.32	-	101.79	47.14

Unit: Million Baht

	2013								Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Additions	Disposals	Ending Balance	
Leasehold rights	5.00	-	-	5.00	0.33	0.19	-	0.52	4.48
Computer system	112.48	1.07	-	113.55	77.45	9.50	-	86.95	26.60
Total	117.48	1.07	-	118.55	77.78	9.69	-	87.47	31.08

5.11 Other Assets - Net

Unit: Million Baht

	2014	2013
Accrued interest receivables	30.16	24.92
Prepaid expenses	5.66	5.92
Account receivable – Revenue Department	-	27.42
Insurance expenses and Loan guarantee fees refundable	256.01	202.82
Other account receivable and Miscellaneous asset	196.80	212.08
	488.63	473.16
<u>Less</u> Allowance for doubtful accounts	(210.12)	(181.75)
Allowance for impairment properties for sale	(8.03)	(8.14)
Total	270.48	283.27

The Bank set aside Allowance for Doubtful Accounts-Insurance Expenses Loan Guarantee Fees Refundable at the same rate as the debt's classification.

5.12 Deposits

5.12.1 Classified by Type of Deposits

Unit: Million Baht

	2014	2013
Products		
Savings Deposits	2,246.79	2,475.39
Time Deposits	80,306.27	73,356.47
Negotiable certificates of deposits	61.68	22.08
Total	82,614.74	75,853.94

Most of time deposits is own by state enterprise, with interest rate as per Bank's announcement.

5.12.2 Classified by Currencies and Residence of Deposits

Unit: Million Baht

	2014			2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	82,614.74	-	82,614.74	75,853.94	-	75,853.94
Total	82,614.74	-	82,614.74	75,853.94	-	75,853.94

5.13 Interbank and Money Markets Items - Net (Liabilities)

These are promissory notes and bills of exchange issued to financial institutions and Foreign Long-term Borrowing as December 31, 2014 and 2013, amounting to 4,389.76 million baht and 4,723.66 million baht respectively, with interest rate of 0.01 – 3.09 percent per year.

5.13.1 Domestic Items

Short-term

Unit: Million Baht

	2014			2013		
	Demand	Time	Total	Demand	Time	Total
Commercial banks	-	-	-	-	53.10	53.10
Specialized financial institutions	-	3,348.38	3,348.38	-	3,500.00	3,500.00
Total Domestic Items	-	3,348.38	3,348.38	-	3,553.10	3,553.10

5.13.2 Foreign Items

Long-term

Unit: Million Baht

	2014			2013		
	Demand	Time	Total	Demand	Time	Total
Euro	-	1,041.38	1,041.38	-	1,170.56	1,170.56
Total Foreign Items	-	1,041.38	1,041.38	-	1,170.56	1,170.56
Total Domestic and Foreign Items	-	4,389.76	4,389.76	-	4,723.66	4,723.66

5.14 Derivatives Liabilities

Fair value and contract amounts, classified by risk types:

Unit: Million Baht

Risk Types	2014			2013		
	Fair Value		Contract	Fair Value		Contract
	Assets	Liabilities	Price	Assets	Liabilities	Price
Exchange Rates	0.01	62.35	1,122.24	68.74	2.99	1,309.94
Total	0.01	62.35	1,122.24	68.74	2.99	1,309.94

“Derivative Assets” means fair value adjustment as December 31, 2014 and the price as of the date of buying or selling of derivations and profits from foreign currency value-derivatives adjustment.

“Derivative Liabilities” means fair value adjustment as of December 31, 2014 and the price as of the date of buying or selling derivations and losses from foreign currency value-derivatives adjustment.

5.15 Debts Issued and Borrowing

Unit: Million Baht

	2014			2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Short-term borrowings	234.72	-	234.72	302.00	-	302.00
Long-term borrowings	175.45	-	175.45	175.45	-	175.45
Total	410.17	-	410.17	477.45	-	477.45

Short-term Borrowings as of December 31, 2014 and 2013 Amounting to 234.72 million baht and 302.00 million baht respectively, borrowings from individuals, juristic persons, state-enterprise and government affairs as promissory notes with interest rates of 0.25 – 2.00 percent per annum. The maturity due in 1 year. Interest payment dates are as indicated on the notes.

Long-term Borrowings as of December 31, 2014 and 2013, the Bank has 175.45 million baht borrowing from the Ministry of Finance, transfer of business from Small Industry Finance Office, Department of Industrial Promotion, at 1991 which has capital amounting to 250.45 million baht. On October 21, 1992, transfer payment in the Small Industry Finance Corporation total number of shares is 750,000 shares with a per value 100 baht per share in amounting to 75 million baht, the balance of 175.45 million baht.

5.16 Provisions

As at December 31, 2014 and 2013 amounting to 2,278.23 million baht and 2,243.09 million baht respectively, which consist of:

5.16.1 Employee Benefits

The Bank estimated of employee benefits obligations from payment to retired employees with present value by forecasting the benefits which employees will receive when they retire. By on actuary using the actuarial technique of insurance mathematical calculation to calculate remuneration which estimates are revised and in any future periods affected such as reduction rate, employee salaries and other factors including population estimation on death rate, resignation rate. For the year ended December 31, 2010 amounting to 128.23 million baht. The Bank adjustment with the beginning of retained earnings in 2011 according to Urgent Memorandum from Ministry of Finance, State Enterprise Policy Office at GOR KOR 0805.1/WOR.95 dated October 20, 2011: Compliance to Thai Financial Reporting Standard (TFRS)

5.16 Provisions (Continued)

For the year ended December 31, 2014 and 2013, the Bank set aside provisions for employees' benefits when they retire as past service cost and current service cost amount 245.48 million baht and 210.34 million baht respectively, as follows:

	Unit: Million Baht	
	2014	2013
Beginning balance	210.34	185.78
Current service cost *	25.07	20.18
Interest cost *	16.31	13.09
Benefit paid during the year	(6.24)	(8.71)
Ending balance	245.48	210.34

* Presented as personnel expense in the Statement of Comprehensive Income

Main hypothesis to forecast benefits of retired employees are as follows:

Rate of salary raise	6.5%
Average rate of resignation	3.0%
Discount rate	2.38% - 4.27%

5.16.2 Provision for Derivatives

As at December 31, 2014 and 2013, provision for derivatives is 2,032.75 million baht (See Note 5.30.2)

5.17 Accrued Interest Payable

	Unit: Million Baht	
	2014	2013
Deposits	497.45	379.36
Interbank and Money Markets Items	0.11	1.29
Short-term Borrowing	12.22	11.73
Total	509.78	392.38

5.18 Support Fund from the Bureau of the Budget

5.18.1 Project for Debt Moratorium for Minor Agriculturists and Low-income People whose Outstanding Debts are less than 500,000 Baht

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

Disbursements of the support fund for debt suspension scheme for minor agriculturists and low-income people whose outstanding debts are less than 500,000 baht, the Bank gradually recognized the fund as income compensated for training cost 2,500 baht each. In the twelve month period ended December 31, 2014, the Bank has the remaining support fund in the amount of 1.57 million baht.

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

The Bank has been allocated with the budget for strategic development project for entrepreneur (Productivity Improvement Loan: PIL) for the amount of 205.00 million baht. The project has been started since October 2013 by granting loans to different activities as follows:

5.18 Support Fund from the Bureau of the Budget (Continued)

- Loan for machine development	45.00	million baht
- Loan for work process development	160.00	million baht

On November 21, 2013, the Bank was allocated the project budget for 10.00 million baht and on October 14, 2014 for the amount of 92.50 million baht as follows:

- Loan for machine development	22.50	million baht
- Loan for work process development	80.00	million baht

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

- Loan for machine development in amount of 15,000.00 baht each, In the twelve months period ended December 31, 2014, the Bank gradually recognized the fund as income compensated in the amount of 0.14 million baht and the remaining support fund in the amount of 22.7 million baht.

- Loan for work process development in amount of 40,000.00 baht each, In the twelve months period ended December 31, 2014, the Bank gradually recognized the fund as income compensated in the amount of 5.60 million baht and the remaining support fund in the amount of 74.40 million baht.

5.19 Other Liabilities

Unit: Million Baht

	2014	2013
Accrued expenses	477.03	395.76
Payables-Revenue Department	2.89	-
Other payables	388.50	425.97
Insurance	145.51	162.44
Other	82.87	185.46
Total	1,096.80	1,169.63

5.20 Share Capital

The Bank was established in accordance to the Act of Small and Medium Enterprise Development Bank of Thailand 2002 which effective on December 20, 2002. The Bank has received the shares transferred from Small Industry Finance Corporation, total number of the shares is 28 million shares with a per value of 100 baht per share, with the amount of 2,800 million baht.

As at December 31, 2014 and 2013, the Bank has total authorized shares of 200 million shares with a per value of 100 baht per share, amounting of 20,000 million baht, and its paid-up share capital of 127.55 million shares with a per value of 100 baht each, or amounted to 12,755 million baht, held by the Ministry of Finance 98.24 percent (as per the resolution by the Extraordinary General Meeting of Shareholders No. 1/2556 on Thursday, March 28, 2013; whereas, the Ministry of Finance has been allocated with the capital stocks amounted of 555 million baht, common stock amounting to 5.55 million shares with a per value of 100 baht per share).

5.21 Other Components of Equity

Unit: Million Baht

	2014			2013		
	Beginning Balance	Change during Period	Ending Balance	Beginning Balance	Change during Period	Ending Balance
Revaluation surplus (deficit)						
on investments	(1.26)	8.60	7.34	107.80	(109.06)	(1.26)
Total	(1.26)	8.60	7.34	107.80	(109.06)	(1.26)

5.22 Interest Income

Interest income for the year ended December 31, 2014 and 2013 as follows:

Unit: Million Baht

	2014	2013
Interbank and money market items	147.27	73.45
Investments	129.99	161.88
Loans	4,697.70	5,122.70
Hire-purchase lease	94.11	140.84
Total interest income	5,069.07	5,498.87

5.23 Interest Expenses

Interest expense for the year ended December 31, 2014 and 2013 as follows:

Unit: Million Baht

	2014	2013
Deposits	2,219.91	2,465.68
Interbank and money market items	142.32	80.96
Borrowings	3.68	4.47
Borrowings fee	0.01	0.01
Total interest expense	2,365.92	2,551.12

5.24 Fee and Service Income – Net

Fee and service income - net for the year ended December 31, 2014 and 2013 as follows:

Unit: Million Baht

	2014	2013
Fee and Service Income		
- Acceptance, aval and guarantee	11.77	13.89
- Others	212.39	366.62
Total fees and service income	224.16	380.51
Fees and service expenses	(59.21)	(70.74)
Fee and service income - Net	164.95	309.77

5.25 Losses on trading and foreign exchange transactions – Net

Net losses on trading and foreign exchange transaction for the year ended December 31, 2014 and 2014 as follows:

Unit: Million Baht

	2014	2013
Losses on trading and foreign exchange transactions		
- Losses on foreign exchange transactions	(1.12)	(70.41)
Total	(1.12)	(70.41)

5.26 Gains on financial instrument presented to fair value through gains or losses (Fair value option)

Gains on financial instrument presented to fair value through gains or losses (Fair value option) for the year ended December 31, 2014 and 2013.

Unit: Million Baht

	2014	2013
Change in Fair Value – Net		
- Borrowing	1.59	70.21
- Other liabilities	1.09	(1.38)
Total	2.68	68.83

5.27 Gains on Investment - Net

Gain on investment – Net for the year ended December 31, 2014 and 2013 as follows:

Unit: Million Baht

	2014	2013
Gains from sale of		
- Available-for-sale securities	-	21.08
- Held-to-maturity debt securities	-	108.45
Total	-	129.53
Loss on impairment of		
- General investments	40.31	0.71
Total	40.31	0.71
Grand total	40.31	130.24

5.28 Remuneration for Important Management

Remuneration for important management is benefits paid to directors and management of the Bank, which consist of remuneration to management is for money such as salaries and related benefits, which include benefits binding in the retirement project and remuneration to directors.

Unit: Million Baht

	2014	2013
Short-term benefits		
Remuneration to management	31.23	36.85
Remuneration to directors	3.89	3.43
Benefits after resignation	18.62	9.56
Total	53.74	49.84

5.29 Long-term Leased comprising of

5.29.1 Operating Leases: The Bank has the lease on land and building for expanding its branches, including other rental contracts for vehicles and equipment. The Bank has commitment arising from lease agreement to payment as follows:

Unit: Million Baht

Types	2014			
	within 1 year	over 1 - 5 years	over 5 years	Total
Land/Building Lease	28.46	14.58	-	43.04
Vehicles Lease	9.67	4.45	-	14.12
Total	38.13	19.03	-	57.16

Unit: Million Baht

Types	2013			
	within 1 year	over 1 - 5 years	over 5 years	Total
Land/Building Lease	30.34	20.66	-	51.00
Vehicles Lease	48.67	14.11	-	62.78
Total	79.01	34.77	-	113.78

5.29.2 Service Contract: The Bank has made service contract as at December 31, 2014 and 2013 as follows:

Unit: Million Baht

Types	2014			
	within 1 year	over 1 - 5 years	over 5 years	Total
Service contract	23.40	-	-	23.40
Total	23.40	-	-	23.40

Unit: Million Baht

Types	2013			
	within 1 year	over 1 - 5 years	over 5 years	Total
Service contract	76.92	23.40	-	100.32
Total	76.92	23.40	-	100.32

5.30 Contingent Liabilities and Commitments

5.30.1 Contingencies

Unit: Million Baht

	2014	2013
Liabilities under unmatured import bill	15.82	-
Letter of credit	37.68	25.04
Other commitments		
Other guarantee	430.72	769.73
Currency swap contract		
- Bought	1,105.75	1,195.30
- Sold	16.50	114.64
Total other commitments	1,552.97	2,079.67
Grand Total	1,606.47	2,104.71

5.30.2 Litigation

As of December 31, 2014, the Bank had its contingent liabilities from 46 lawsuits against it, of which exact amounts of damages to be indemnified could not be fixed; amount: 2,140.31 million baht and USD 135.74 millions.

Whereas, 3 of 46 lawsuits have been brought against the commercial bank to SME Bank due to breach of derivative contracts; amount Baht 1,074.01 Million and USD 135.74 Million; and now in the witness examination stage; and the Bank has evaluated the damaged and record it in the provision (See Note 5.16.2)

5.31 Approval of Financial Statements

This financial statement has been approved by Managing Director and for issuing the financial statement dated on February April 16, 2015.

Board of Directors Directory

2002

No.	Name	Position
1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mr. Bunphot Hongthong	Director
4	Mr. Chanchai Musikanisakorn	Director
5	Mrs. Sumonman Kalayasiri	Director
6	Mr. Uttama Sawanayon	Director
7	Mr. Santi Wilatsakdanon	Director
8	Mr. Yongyos Palanitisena	Director
9	Mr. Theerawat Thanyaluckphak	Director
10	Mr. Samran Phuanantanon	Director and Secretary

2003

No.	Name	Position
1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mrs. Sumonman Kalayasiri	Director
4	Mr. Chanchai Musikanisakorn	Director
5	Mr. Uttama Sawanayon	Director
6	Mr. Santi Wilatsakdanon	Director
7	Mr. Theerawat Thanyaluckphak	Director
8	Mr. Yongyos Palanitisena	Director
9	Mr. Chotisak Asapaviriya	Director and Secretary

2004

No.	Name	Position
1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mr. Sakthip Kraierk	Director
4	Mr. Chakramon Phasukavanich	Director
5	Mrs. Sumonman Kalayasiri	Director
6	Mr. Uttama Sawanayon	Director
7	Mrs. Anchalee Chawanit	Director
8	Prof. Dr. Phisut Chalakornkun	Director
9	Mr. Kiattipong Noiiaiboon	Director
10	Mr. Theerawat Thanyaluckphak	Director
11	Mr. Chotisak Asapaviriya	Director and Secretary

2005

No.	Name	Position
1	Mr. Manu Leopairote	Chairman
2	Mr. Utid Tamwatin	Vice Chairman
3	Mr. Sakthip Kraierk	Director
4	Mr. Chakramon Phasukavanich	Director
5	Mrs. Sumonman Kalayasiri	Director
6	Mr. Uttama Sawanayon	Director
7	Mrs. Anchalee Chawanit	Director
8	Prof. Dr. Phisut Chalakornkun	Director
9	Mr. Kiattipong Noiiaiboon	Director
10	Mr. Theerawat Thanyaluckphak	Director
11	Mr. Chotisak Asapaviriya	Director and Secretary

2006

No.	Name	Position
1	Mr. Chakramon Phasukavanich	Chairman
2	Mr. Somchai Sujjapongse	Vice Chairman
3	Mr. Damri Sukhotanang	Director
4	Mr. Thevan Vichitakul	Director
5	Mr. Sutisak Laohachewin	Director
6	Mr. Sorasit Soontornkes	Director
7	Mr. Pongsak Chewcharat	Director and Secretary

2007

No.	Name	Position
1	Mr. Chakramon Phasukavanich	Chairman
2	Mr. Somchai Sujjapongse	Vice Chairman
3	Mr. Thevan Vichitakul	Director
4	Mr. Damri Sukhotanang	Director
5	Mr. Sutisak Laohachewin	Director
6	Mr. Somchai Kuvijitsuwan	Director
7	Ms. Wilaiporn Liwagasemsan	Director
8	Mr. Kongkrit Hiranyakit	Director
9	Ms. Ladawan Thanathanit	Director
10	Mrs. Sukanya Chantrapannik	Director
11	Mr. Pongsak Chewcharat	Director and Secretary

2008

No.	Name	Position
1	Mr. Pongpanu Svetarundra	Chairman
2	Mr. Phichit Akrathit	Director
3	Mr. Vudhibhongse Vibulyawongse	Director
4	Mr. Sakarindr Bhumiratana	Director
5	Mr. Tanit Sorat	Director
6	Mr. Pramode Vidtayasuk	Director
7	Dr. Ekniti Nitithanprapas	Director
8	Mr. Vichaya Vitheethum	Director
9	Mr. Poonnis Sakuntanaga	Director
10	Mr. Pongsak Chajiamjan	Director and Secretary

2009

No.	Name	Position
1	Mr. Pongpanu Svetarundra	Chairman
2	Mr. Poonnis Sakuntanaga	Director
3	Dr. Ekniti Nitithanprapas	Director
4	Mr. Pramode Vidtayasuk	Director
5	Dr. Sakarindr Bhumiratana	Director
6	Mr. Vichaya Vitheethum	Director
7	Mr. Vudhibhongse Vibulyawongse	Director
8	Dr. Tanit Sorat	Director
9	Mr. Adul Laohapol	Director
10	Mr. Boonsak Chiempricha	Director
11	Mr. Soros Sakornvisava	Director and Secretary

2010

No.	Name	Position
1	Mr. Pongpanu Svetarundra	Chairman
2	Mr. Poonnis Sakuntanaga	Director
3	Mr. Pramode Vidtayasuk	Director
4	Dr. Sakarindr Bhumiratana	Director
5	Mr. Vudhibhongse Vibulyawongse	Director
6	Dr. Tanit Sorat	Director
7	Mr. Adul Laohapol	Director
8	Mr. Boonsak Chiempricha	Director
9	Mr. Soros Sakornvisava	Director and Secretary

2011

No.	Name	Position
1	Dr. Naris Chaiyasoot	Chairman
2	Mr. Pichai Chunhavajira	Director
3	Mr. Witoon Simachokedee	Director
4	Mr. Anusorn Muttaraid	Director
5	Mr. Udom Wongviwatchai	Director
6	Mr. Vudhibhongse Vibulyawongse	Director
7	Mr. Sommai Khowkachaporn	Director
8	Mrs. Wanee Thasanamontien	Director
9	Mr. Adul Laohapol	Director
10	Mr. Jirayut Rungsritthong	Director
11	Mr. Soros Sakornvisava	Director and Secretary

2012

No.	Name	Position
1	Dr. Naris Chaiyasoot	Chairman
2	Mr. Pichai Chunhavajira	Director
3	Mr. Witoon Simachokedee	Director
4	Mr. Vudhibhongse Vibulyawongse	Director
5	Mr. Udom Wongviwatchai	Director
6	Mrs. Wanee Thasanamontien	Director
7	Mr. Anusorn Muttaraid	Director
8	Mr. Sommai Khowkachaporn	Director
9	Mr. Adul Laohapol	Director
10	Mr. Jirayut Rungsritthong	Director
11	Mr. Pongsak Chajiamjan	Director and Secretary

2013

No.	Name	Position
1	Dr. Naris Chaiyasoot	Chairman
2	Witoon Simachokedee, Ph.D	Director
3	Mr. Pichai Chunhavajira	Director
4	Mr. Kritsda Udyanin	Director
5	Somchai Harnhirun, Ph.D	Director
6	Patima Jeerapaet, Ph.D	Director
7	Mr. Vitaya Suriyawong	Director
8	Mr. Anusorn Muttaraid	Director
9	Mr. Jirayut Rungsritthong	Director
10	Miss Parichatara L. Sirivong	Director and Secretary

Branches Directory

Head Office

310 SME Bank Tower, Phahonyothin Rd.,
Samsen-Nai, Phayathai, Bangkok 10400
Tel. 0 2265 3000
Fax. 0 2265 4000

Phahonyothin Office

310 SME Bank Tower, Phahonyothin Rd.,
Samsen-Nai, Phayathai, Bangkok 10400
Tel. 0 2265 4944-58
Fax. 0 2265 4959
E-mail : Phahonyothin@smebank.co.th

Regional 1

7/1-4 Chiangmai-Lampang Rd., Changphueak,
Mueang, Chiangmai 50300

Zone Office 1

7/1-4 Chiangmai-Lampang Rd., Changphueak,
Mueang, Chiangmai 50300
Tel. 0 5341 2535-6
Fax. 0 5341 2522

Chiangmai Branch

7/1-4 Chiangmai-Lampang Rd., Changphueak,
Mueang, Chiangmai 50300
Tel. 0 5341 3103-5, 0 5341 2975
0 5341 3010, 0 5321 8038-9
Fax. 0 5341 3112
E-mail : Chiangmai@smebank.co.th

Lampang Branch

292-294 Lampang-Ngaw Super-Highway Rd.,
Pra Baht, Mueang, Lampang 52000
Tel. 0 5482 1549-53
Fax. 0 5482 1548
E-mail : Lampang@smebank.co.th

Maehongson Branch

21 Kumlumprapass Rd., Jongkam,
Mueang Maehongson 58000
Tel. 0 5361 4500-2
Fax. 0 5361 4503
E-mail : Maehongson@smebank.co.th

Lamphun Branch

416 Charoenrat Rd., Nai Mueang,
Mueang, Lamphun 51000
Tel. 0 5353 3114, 0 5353 3095
Fax. 0 5353 1470
E-mail : Lamphun@smebank.co.th

Zone Office 2

450/29-32 Mu 13, Phahonyothin Rd.,
Rob Viang, Mueang, Chiangrai 57000
Tel. 0 5377 4103-4, 0 5377 4108
Fax. 0 5377 4110

Phayao Branch

286/22 Phahonyothin Rd., Maetum,
Mueang, Phayao 56000
Tel. 0 5448 0222-3
Fax. 0 5448 5989
E-mail : Phayao@smebank.co.th

Maesai Branch

825/2 Mu 3, Phahonyothin Rd., Viang
Phang Kam, Maesai, Chiangrai 57000
Tel. 0 5373 4494-6
Fax. 0 5373 4497
E-mail : Maesai@smebank.co.th

Chiangrai Branch

450/29-32 Mu 13, Phahonyothin Rd.,
Rob Viang, Mueang, Chiangrai 57000
Tel. 0 5371 8504, 0 5371 4096
Fax. 0 5371 1915
E-mail : Chiangrai@smebank.co.th

Phrae Branch

303/20-21 Mu 7, Na Juck, Mueang,
Phrae 54000
Tel. 0 5462 8010-2
Fax. 0 5453 3996
E-mail : Phrae@smebank.co.th

Nan Branch

226/6 Mu 6, Dutai, Mueang Nan, Nan 55000
Tel. 0 5477 2500-2
Fax. 0 5477 2503
E-mail : Nan@smebank.co.th

Regional 2

919/28, 111 Mu 10, Phahonyothin Rd.,
Nakhonsawan Tok, Mueang Nakhonsawan,
Nakhonsawan 60000

Zone Office 3

838 Mittraphap Rd., Nai Mueang, Mueang,
Phitsanulok 65000
Tel. 0 5530 4872
Fax. 0 5530 4873

Uttaradit Branch

20/22-23 Jessadabodinnoun Rd., Tha It,
Mueang, Uttaradit 53000
Tel. 0 5541 1872-3
Fax. 0 5541 1874
E-mail : Uttaradit@smebank.co.th

Phitsanulok Branch

838 Mittraphap Rd., Nai Mueang, Mueang,
Phitsanulok 65000
Tel. 0 5522 1575-6, 0 5530 4553
Fax. 0 5530 4554
E-mail : Phitsanulok@smebank.co.th

Phetchabun Branch

4/13-14 Samakkeechai Rd., Nai Mueang,
Mueang, Phetchabun 67000
Tel. 0 5672 0821-2, 0 5672 0922
Fax. 0 5671 3187
E-mail : Phetchabun@smebank.co.th

Sukhothai Branch

1,1/2-3 Jarod Withee Thong Rd., Thani,
Mueang, Sukhothai 64000
Tel. 0 5561 6166-7
Fax. 0 5561 6168
E-mail : Sukhothai@smebank.co.th

Phichit Branch

42/1-42/2 Ratkasemautid Rd., Nai Mueang,
Mueang, Phichit 66000
Tel. 0 5661 6550-2
Fax. 0 5661 6553
E-mail : Phichit@smebank.co.th

Zone Office 4

919/28, 111 Mu 10, Phahonyothin Rd.,
Nakhonsawan Tok, Mueang Nakhonsawan,
Nakhonsawan 60000
Tel. 0 5622 0369
Fax. 0 5623 1115

Tak Branch

120, 120/1 Taksin Rd., Nong Luang, Mueang,
Tak 63000
Tel. 0 5551 7502, 0 5551 4002-3
Fax. 0 5551 4004
E-mail : Tak@smebank.co.th

Kamphaengphet Branch

642, 644 Charoensuk Rd., Nai Mueang,
Mueang, Kamphaengphet 62000
Tel. 0 5577 3205-8
Fax. 0 5577 3209
E-mail : Kamphaengphet@smebank.co.th

Nakhonsawan Branch

919/28, 111 Mu 10, Phahonyothin Rd.,
Nakhonsawan Tok, Mueang Nakhonsawan,
Nakhonsawan 60000
Tel. 0 5622 0877-8, 0 5623 1336
Fax. 0 5622 0879
E-mail : Nakhonsawan@smebank.co.th

Uthaithani Branch

137 Terbsiri Rd., Uthaimai, Mueang,
Uthaithani 61000
Tel. 0 5657 1401-3
Fax. 0 5657 1404
E-mail : Uthaithani@smebank.co.th

Chainat Branch

68/3-4 Phormprasert Rd., Nai Mueang,
Mueang, Chainat 17000
Tel. 0 5641 6741-3, 0 5641 4023
Fax. 0 5641 6744
E-mail : Chainat@smebank.co.th

Regional 3

497/1-3 Mu 2, Mittraphap Rd., Sila, Mueang,
Khonkaen 40000

Zone Office 5

497/1-3 Mu 2, Mittraphap Rd., Sila,
Mueang, Khonkaen 40000
Tel. 0 4346 5588-90
Fax. 0 4346 5589

Loei Branch

87/13 Maliwan Rd., Kudpong, Mueang,
Loei 42000
Tel. 0 4283 3785-7
Fax. 0 4283 3788
E-mail : Loei@smebank.co.th

Khonkaen Branch

497/1-3 Mu 2, Mittraphap Rd., Sila,
Mueang, Khonkaen 40000
Tel. 0 4334 3581-3
Fax. 0 4339 3888
E-mail : Khonkaen@smebank.co.th

Maharakham Branch

453, 453/1 Nakhonsawan Rd., Talad,
Mueang, Maharakham 44000
Tel. 0 4374 1211-3
Fax. 0 4374 1214
E-mail : Maharakham@smebank.co.th

Kalasin Branch

18/10-11 Bypass-Songpluey Rd., Kalasin,
Mueang, Kalasin 46000
Tel. 0 4381 2446-7, 0 4381 2442
Fax. 0 4381 2424
E-mail : Kalasin@smebank.co.th

Chumpae Branch

1207, 1208 Mu 15, Maliwan Rd., Chumphae,
Chumphae, Khonkaen 40130
Tel. 0 4331 3091-2
Fax. 0 4331 1323
E-mail : Chumpae@smebank.co.th

Zone Office 6

751/10-11 Mittraphap Rd., Nai Mueang,
Mueang, Nakhonratchasima 30000
Tel. 0 4435 3507-8
Fax. 0 4435 3506

Chaiyaphum Branch

69/23-24 Niwedrut Rd., Nai Mueang,
Mueang, Chaiyaphum 36000
Tel. 0 4481 3334-6
Fax. 0 4481 3337
E-mail : Chaiyaphum@smebank.co.th

Nakhonratchasima Branch

751/10-11 Mittraphap Rd., Nai Mueang,
Mueang, Nakhonratchasima 30000
Tel. 0 4426 2418-20
Fax. 0 4426 2418-20 Ext. 18
E-mail : Nakhonratchasima@smebank.co.th

Buriram Branch

37/41-42 Thani Rd., Nai Mueang, Mueang,
Buriram 31000
Tel. 0 4462 5536-8
Fax. 0 4462 5535
E-mail : Buriram@smebank.co.th

Pakchong Branch

71/4 Mittraphap Rd., Pakchong, Pakchong,
Nakhonratchasima 30130
Tel. 0 4431 3142, 0 4431 3555
Fax. 0 4431 3546
E-mail : Pakchong@smebank.co.th

Regional 4

499/3-4 Mu 7, Robmueang Rd., Makkang,
Mueang, Udonthani 41000

Zone Office 7

499/3-4 Mu 7, Robmueang Rd., Makkang,
Mueang, Udonthani 41000
Tel. 0 4224 2435-6
Fax. 0 4224 2437

Udonthani Branch

499/3-4 Mu 7, Robmueang Rd., Makkang,
Mueang, Udonthani 41000
Tel. 0 4221 1844-6
Fax. 0 4221 1847
E-mail : Udonthani@smebank.co.th

Sawangdaendin Branch

909 Mu 11, Sawangdaendin, Sawangdaendin,
Sakonnakon 47110
Tel. 0 4272 2515-7
Fax. 0 4272 2518
E-mail : Sawangdaendin@smebank.co.th

Sakonnakon Branch

228/8 Charoenmueang Rd., Thatchoengchum,
Mueang, Sakonnakon 47000
Tel. 0 4271 6534, 0 4273 0960-2
Fax. 0 4271 6764
E-mail : Sakonnakon@smebank.co.th

Nongkhai Branch

162 Mu 5, Panang Cholapraton Rd., Meechai,
Mueang, Nongkhai 43000
Tel. 0 4246 4628-30, 0 4241 2341-2
Fax. 0 4246 4645
E-mail : Nongkhai@smebank.co.th

Nongbualamphu Branch

3/1-2 Wiriyothin Rd., Nongbua, Mueang,
Nongbualamphu 39000
Tel. 0 4231 2400, 0 4231 2700, 0 4231 2800
Fax. 0 4231 2875
E-mail : Nongbualamphu@smebank.co.th

Zone Office 8

78 Tewa Phiban Rd., Nai Mueang, Mueang,
Roiet 45000
Tel. 0 4351 9520-2
Fax. 0 4351 9523

Nakhonphanom Branch

764/1 Suntornvichit Rd., Nai Mueang, Mueang,
Nakhonphanom 48000
Tel. 0 4251 6340-2
Fax. 0 4251 6343
E-mail : Nakhonphanom@smebank.co.th

Roiet Branch

78 Tewa Phiban Rd., Nai Mueang, Mueang,
Roiet 45000
Tel. 0 4351 1100, 0 4351 4666
Fax. 0 4351 4535
E-mail : Roiet@smebank.co.th

Yasothon Branch

85/3-4 Rattana Khet Rd., Nai Mueang,
Mueang, Yasothon 35000
Tel. 0 4571 5551-3
Fax. 0 4571 5554
E-mail : Yasothon@smebank.co.th

Mukdahan Branch

199/1 Pitak Phanom Khet Rd., Mukdahan,
Mueang, Mukdahan 49000
Tel. 0 4263 0928-30
Fax. 0 4261 2889
E-mail : Mukdahan@smebank.co.th

Zone Office 9

756/4 Chayangkul Rd., Nai Mueang,
Mueang, Ubonratchathani 34000
Tel. 0 4531 4716-8
Fax. 0 4531 4720

Surin Branch

297/4 Tessaban 3 Rd., Nai Mueang,
Mueang, Surin 32000
Tel. 0 4471 3141-2, 0 4471 3725-6
Fax. 0 4471 3143
E-mail : Surin@smebank.co.th

Detudom Branch

439 Mu 5, Mueangdet, Detudom,
Ubonratchathani 34160
Tel. 0 4536 2460, 0 4536 1870
Fax. 0 4536 1240
E-mail : Detudom@smebank.co.th

Sisaket Branch

1416/16-18 Udon Rd., Mueang Tai,
Mueang, Sisaket 33000
Tel. 0 4561 7880-2
Fax. 0 4561 7883
E-mail : Srisaket@smebank.co.th

Amnatcharoen Branch

76 Mu 12, Aunpraserd Rd., Bung,
Mueang, Amnatcharoen 37000
Tel. 0 4545 2526-8
Fax. 0 4545 2529
E-mail : Amnatcharoen@smebank.co.th

Ubonratchathani Branch

756/4 Chayangkul Rd., Nai Mueang, Mueang,
Ubonratchathani 34000
Tel. 0 4528 4403, 0 4531 7124-5
Fax. 0 4528 4404
E-mail : Ubonratchathani@smebank.co.th

Regional 5

58/9-10 Mu 1, Rodjana Rd., Thanu, Uthai,
Phranakhonsiyayutthaya 13000

Zone Office 10

289 Mu 4, Malai Maen Rd., Sanamchai,
Mueang, Suphanburi 72000
Tel. 0 3550 1584-5
Fax. 0 3550 1575

Suphanburi Branch

289 Mu 4, Malai Maen Rd., Sanamchai,
Mueang, Suphanburi 72000
Tel. 0 3550 1584-5
Fax. 0 3550 1575
E-mail : Suphanburi@smebank.co.th

Kanchanaburi Branch

130, 132 Saengchooto Rd., Ban Tai, Mueang,
Kanchanaburi 71000
Tel. 0 3451 4092-3, 0 3451 4101
Fax. 0 3451 4102
E-mail : Kanchanaburi@smebank.co.th

Lopburi Branch

41/29-30 Mu 1, Phahonyothin Rd., Tasala,
Mueang, Lopburi, 15000
Tel. 0 3678 4445-7
Fax. 0 3678 4448
E-mail : Lopburi@smebank.co.th

Singburi Branch

155/59-60 Mu 7, Bang Man, Mueang,
Singburi 16000
Tel. 0 3652 4678-80
Fax. 0 3652 4166
E-mail : Singburi@smebank.co.th

Angthong Branch

14/5-6 Angthong-Singburi Rd., Thaladluang,
Mueang, Angthong 14000
Tel. 0 3562 5116, 0 3562 5106,
0 3562 5198
Fax. 0 3562 5207
E-mail : Angthong@smebank.co.th

Zone Office 11

58/9-10 Mu 1, Rodjana Rd., Thanu, Uthai,
Phranakhonsiyutthaya 13000
Tel. 0 3534 5334-6
Fax. 0 3534 5337

Phranakhonsiyutthaya Branch

58/9-10 Mu 1, Rodjana Rd., Thanu, Uthai,
Phranakhonsiyutthaya 13000
Tel. 0 3534 5334-6
Fax. 0 3534 5337
E-mail : Ayutthaya@smebank.co.th

Saraburi Branch

88/24 Sudbuntud Rd., Mueang,
Saraburi 18000
Tel. 0 3622 1122, 0 3622 1142, 0 3623 1121-2
Fax. 0 3622 1254
E-mail : Saraburi@smebank.co.th

Nakhonnayok Branch

2-251/27-28 Nakhonnayok-Rangsit Rd.,
Nakhonnayok, Nakhonnayok,
Nakhonnayok 26000
Tel. 0 3731 5659-60, 0 3731 6161-3
Fax. 0 3731 6164
E-mail : Nakhonnayok@smebank.co.th

Prachinburi Branch

173/7-8 Prachin Takam Rd., Nha Mueang,
Mueang, Prachinburi 25000
Tel. 0 3721 6818-9, 0 3721 6838
Fax. 0 3721 6820
E-mail : Prachinburi@smebank.co.th

Pathumthani Branch

40/40-42 Bangkok-Pathumthani Rd.,
Bang Prok, Mueang, Pathumthani 12000
Tel. 0 2581 7100-2, 0 2581 2914
Fax. 0 2581 7103
E-mail : Pathumthani@smebank.co.th

Rangsit Branch

132/15-17 Lamlukka Rd., Kukod, Lamlukka,
Pathumthani 12130
Tel. 0 2900 7244-6
Fax. 0 2900 7247
E-mail : Rangsit@smebank.co.th

Regional 6

5/74-75 Piboonsongkram Rd., Suanyai,
Mueang, Nonthaburi 11000

Zone Office 12

5/74-75 Piboonsongkram Rd., Suanyai,
Mueang, Nonthaburi 11000
Tel. 0 2525 1991-2
Fax. 0 2525 1949

Nonthaburi Branch

5/74-75 Piboonsongkram Rd., Suanyai,
Mueang, Nonthaburi 11000
Tel. 0 2525 1991-2
Fax. 0 2525 1949
E-mail : Nonthaburi@smebank.co.th

Bangbuathong Branch

88/12-13 Mu 4, Bangkruay-Sainoi Rd.,
Sanoloy, Bangbuathong, Nonthaburi 11110
Tel. 0 2571 2335-6, 0 2571 2342
Fax. 0 2571 2343
E-mail : Bangbuathong@smebank.co.th

Samutprakan Branch

458/14-15 Sukhumvit Rd., Paknum, Mueang,
Samutprakan 10280
Tel. 0 2702 5830-2
Fax. 0 2702 5833
E-mail : Samutprakan@smebank.co.th

Phrapradang Branch

105/11 Mu 10, Suk Sawat Rd., Bang Phueng,
Phrapradang, Samutprakan 10130
Tel. 0 2462 8433-5
Fax. 0 2462 8436
E-mail : Prapradang@smebank.co.th

Chatuchak Branch

1694, 1696 Phahonyothin Rd., Chankasem,
Chatuchak, Bangkok 10900
Tel. 0 2513 8226-7, 0 2513 8214
Fax. 0 2513 8215
E-mail : Chatuchak@smebank.co.th

Pinklao Branch

1/79 Boromratchonnee Rd., Arun Amarin,
Bangkok Noi, Bangkok 10700
Tel. 0 2434 9211, 0 2434 9178-9
Fax. 0 2434 9177
E-mail : Pinklao@smebank.co.th

Sukhumvit 62 Branch

2150/9 Sukhumvit Rd., Bangchak, Phakanong,
Bangkok 10260
Tel. 0 2311 1819-22
Fax. 0 2311 1821
E-mail : Sukhumvit@smebank.co.th

Latkrabang Branch

497 Luangphang Rd., Tubyaw, Latkrabang,
Bangkok 10520
Tel. 0 2172 9680-2
Fax. 0 2172 9683
E-mail : Latkrabang@smebank.co.th

Zone Office 13

51/32 Mu 3, Say 36 Rd., Thapma, Mueang,
Rayong 21000
Tel. 0 3862 2221, 0 3862 2258, 0 3862 2367
Fax. 0 3862 1191

Rayong Branch

51/32 Mu 3, Say 36 Rd., Thapma, Mueang,
Rayong 21000
Tel. 0 3862 2221, 0 3862 2258, 0 3862 2367
Fax. 0 3862 1191
E-mail : Rayong@smebank.co.th

Sakaeo Branch

318, 320 Suwansorn Rd., Sakaeo, Mueang,
Sakaeo 27000
Tel. 0 3742 1974-6
Fax. 0 3742 1977
E-mail : Sakaeo@smebank.co.th

Chachoengsao Branch

182-184 Chachoengsao-Bangpakong Rd.,
Namueang, Mueang, Chachoengsao 24000
Tel. 0 3881 2642-3, 0 3851 3363, 0 3853 5915
Fax. 0 3853 5082
E-mail : Chachoengsao@smebank.co.th

Chonburi Branch

51/15-16 Mu 2, Sukhumvit Rd., Samed,
Mueang, Chonburi 20000
Tel. 0 3878 4171, 0 3828 5630-1
Fax. 0 3878 4172
E-mail : Chonburi@smebank.co.th

Pattaya Branch

245/155-156 Mu 9, Pattaya 3 Rd., Nongprue,
Banglamung, Chonburi 20150
Tel. 0 3841 6805-7
Fax. 0 3841 6808
E-mail : Pattaya@smebank.co.th

Chanthaburi Branch

35/119 Mu 7, Tirat Rd., Chanthanimit,
Mueang, Chanthaburi 22000
Tel. 0 3932 4562-3
Fax. 0 3931 3216
E-mail : Chanthaburi@smebank.co.th

Trat Branch

87/1-2 Wiwattana Rd., Wangkrajae, Mueang,
Trat 23000
Tel. 0 3952 3162, 0 3952 3244, 0 3952 3686
Fax. 0 3952 3656
E-mail : Trat@smebank.co.th

Regional 7

60/4-6 Mu 2, Sriwichai Rd., Makhamtia,
Mueang, Suratthani 84000

Zone Office 14

28/29-30 Yingpao Rd., Sanamjan, Mueang,
Nakhonpathom 73000
Tel. 0 3425 8405-6, 0 3421 8661-2, 0 3427 5765
Fax. 0 3421 8663

Nakhonpathom Branch

28/29-30 Yingpao Rd., Sanamjan, Mueang,
Nakhonpathom 73000
Tel. 0 3425 8405-6, 0 3421 8661-2, 0 3427 5765
Fax. 0 3421 8663
E-mail : Nakhonpathom@smebank.co.th

Samutsakhon Branch

927/302-303 Settakit Rd., Mahachai,
Samutsakhon 74000
Tel. 0 3481 1478-80, 0 3481 1386-7
Fax. 0 3481 1481
E-mail : Samutsakhon@smebank.co.th

Aomnoi Branch

219/1277-1278 Mu 12, Phetkasem Rd.,
Aomnoi, Kratumban, Samutsakhon 74130
Tel. 0 2812 8785-6, 0 2812 8800
Fax. 0 2812 8787
E-mail : Aomnoi@smebank.co.th

Samutsongkhram Branch

129/11-12 The Entrance Rd, Mae Klong,
Mueang, Samutsongkhram 75000
Tel. 0 3472 3661-2, 0 3471 3085
Fax. 0 3472 3663
E-mail : Samutsongkhram@smebank.co.th

Ratchaburi Branch

260 Si Suriyawong Rd., Namueang, Mueang,
Ratchaburi 70000
Tel. 0 3231 1142-3, 0 3233 8958
Fax. 0 3231 1090
E-mail : Ratchaburi@smebank.co.th

Banpong Branch

178-180 Songpol Rd., Banpong, Banpong,
Ratchaburi 70110
Tel. 0 3222 2820-2
Fax. 0 3221 0789
E-mail : Banpong@smebank.co.th

Phetchaburi Branch

45, 47 Chee-Sain Rd., Klongkacheng,
Mueang, Phetchaburi 76000
Tel. 0 3241 0301-2
Fax. 0 3241 0303
E-mail : Phetchaburi@smebank.co.th

Zone Office 15

60/4-6 Mu 2, Sriwichai Rd., Makhamtia,
Mueang, Suratthani 84000
Tel. 0 7727 5501
Fax. 0 7727 5500

Suratthani Branch

60/4-6 Mu 2, Sriwichai Rd., Makhamtia,
Mueang, Suratthani 84000
Tel. 0 7727 5501
Fax. 0 7727 5500
E-mail : Suratthani@smebank.co.th

Kosamui Branch

115/25-26 Mu 6, Rob Koh Rd., Bophut,
Kosamui, Suratthani 84320
Tel. 0 7742 7286-7, 0 7742 7282
Fax. 0 7742 7446
E-mail : Kosamui@smebank.co.th

Prachuapkhirikhan Branch

197 Prachuapkhirikhan Rd., Prachuapkhirikhan,
Mueang, Prachuapkhirikhan 77000
Tel. 0 3260 4431-3
Fax. 0 3260 4434
E-mail : Prachuapkhirikhan@smebank.co.th

Huahin Branch

22/52-53 Phet Kasem Rd., Huahin, Huahin,
Prachuapkhirikhan 77110
Tel. 0 3251 6690-2
Fax. 0 3251 6693
E-mail : Huahin@smebank.co.th

Chumphon Branch

25/46-47 Krommaluang Rd., Tatapao,
Mueang, Chumphon 86000
Tel. 0 7750 1645-6, 0 7750 6879
Fax. 0 7750 6880
E-mail : Chumphon@smebank.co.th

Zone Office 16

32/175-176 Poonpol Rd., Talad Nua,
Mueang Phuket, Phuket 83000
Tel. 0 7621 7009, 0 7621 8268,
0 7621 4719
Fax. 0 7635 5929

Phuket Branch

32/175-176 Poonpol Rd., Talad Nua,
Mueang Phuket, Phuket 83000
Tel. 0 7621 7009, 0 7621 8268,
0 7621 4719
Fax. 0 7635 5929
E-mail : Phuket@smebank.co.th

Ranong Branch

999/1-2 Chalermprakiat 6 rob
prachonmapansa Rd., Kaonivet,
Mueang, Ranong 85000
Tel. 0 7782 6500-3
Fax. 0 7782 6504
E-mail : Ranong@smebank.co.th

Phangnga Branch

68/9-10 Mu 3, Phangnga-Tabpud Rd.,
Thamnamphud, Mueang, Phangnga 82000
Tel. 0 7646 0777-9
Fax. 0 7646 0780
E-mail : Phangnga@smebank.co.th

Krabi Branch

50/6-7 Krabi-KhaoThong Rd., Paknam,
Mueang, Krabi 81000
Tel. 0 7562 1076, 0 7563 2450, 0 7563 2470
Fax. 0 7562 1102
E-mail : Krabi@smebank.co.th

Regional 8

434 Supasarnrungsun Rd., Hatyai, Hatyai,
Songkhla 90110

Zone Office 17

70/34-35 Paknakhon Rd., Krang, Mueang,
Nakhonsrithammarat 80000
Tel. 0 7535 7301-3, 0 7531 8900-1
Fax. 0 7535 7304

Nakhonsrithammarat Branch

70/34-35 Paknakhon Rd., Krang, Mueang
Nakhonsrithammarat 80000
Tel. 0 7535 7301-3, 0 7531 8900-1
Fax. 0 7535 7304
E-mail : Nakhonsithammarat@smebank.co.th

Thungsong Branch

47/1 Mu 2, Thungsong-Surat Rd., Chamai,
Thungsong, Nakhonsrithammarat 80110
Tel. 0 7542 4300-2
Fax. 0 7542 4303
E-mail : Thungsong@smebank.co.th

Trang Branch

3/9 Visadekul Rd., Thap Thiang, Mueang
Trang, Trang 92000
Tel. 0 7521 7911-2
Fax. 0 7521 7913
E-mail : Trang@smebank.co.th

Patthalung Branch

284/7-8 Ramate Rd., Kuhasawan, Mueang,
Patthalung 93000
Tel. 0 7461 6214-5, 0 7461 6253
Fax. 0 7461 6254
E-mail : Patthalungbranch@smebank.co.th

Satun Branch

483/1-2 Mu 7, Yontakarnkamtorn Rd.,
Khongkut, Mueang, Satun 91000
Tel. 0 7472 5190-2
Fax. 0 7472 5193
E-mail : Satun@smebank.co.th

Zone Office 18

434 Supasarnrungsun Rd., Hatyai, Hatyai,
Songkhla 90110
Tel. 0 7424 7451-3
Fax. 0 7424 7454

Hatyai Branch

434 Supasarnrungsun Rd., Hatyai, Hatyai,
Songkhla 90110
Tel. 0 7424 7451-3
Fax. 0 7424 7454
E-mail : Hatyai@smebank.co.th

Songkhla Branch

20/60-61 Mu 2, Kanchanawanich Rd.,
Kaoroubchang, Mueang Songkhla,
Songkhla 90000
Tel. 0 7438 0333, 0 7438 0033, 0 7438 0035
Fax. 0 7438 0071
E-mail : Songkhla@smebank.co.th

Pattani Branch

400/22-23 Mu 4, Nongjik Rd., Rusamilae,
Mueang, Pattani 94000
Tel. 0 7345 0801, 0 7345 0803-4
Fax. 0 7345 0802
E-mail : Pattani@smebank.co.th

Yala Branch

277-279 Premjit-Suraphan Rd., Sateng,
Mueang, Yala 95000
Tel. 0 7322 4458-9, 0 7322 4430
Fax. 0 7322 4460
E-mail : Yala@smebank.co.th

Narathiwat Branch

153/8-9 Suriyapradit Rd., Bangnak,
Mueang, Narathiwat 96000
Tel. 0 7353 2752-5
Fax. 0 7353 2751 Ext. 108
E-mail : Narathiwat@smebank.co.th

The background features a series of overlapping, curved bands in various shades of blue, ranging from light to dark. A prominent pattern of small, light-colored dots is arranged in a grid-like fashion, following the curvature of the bands. The overall effect is a sense of depth and movement.

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