SME Development Bank of Thailand (SME Bank)

April 21, 2016
Topics for Discussion

SME Development Bank

SMEs in Thailand

Financial Assistance for Disaster–Affected SMEs
SME Development Bank
SME Development Bank of Thailand

Mission

- Support government policy for helping and promoting SMEs by financial and other services responses to Thai SMEs’ need as well as encourage and develop Thai SMEs for capacity enhancement
Our Network

12 Regions

26 Districts

1 Bureau

94 Branches

1,541 Officers
SMEs in Thailand
The Importance of SMEs to Thailand’s Economy

- Employment Creation
- Development for Various Types of Skills
- Creation of New Entrepreneurs
- Increasing Utilization of Domestic Products
- Generating Foreign Currency Income
- Linked with Businesses of large enterprises
- Creating Competition and a High Quality Service Culture
Overview of SMEs in Thailand

- Production Value 40% of GDP
- Export Value 2%
- Employment 80%

99% of all enterprises are SMEs (2.74 million enterprises)
Financial Assistance for Disaster–Affected SMEs
Public Service Account

- Approved by cabinet.
- Government subsidized for principle and internet or subsidized only interest.
## SME Bank’s Financial Assistance

- Policy Loan were approved for 25,000 SMEs total limit of THD 10 BL. (US$ 280)

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Purpose of Loan</th>
<th>Max. Borrowing per Customer</th>
<th>Duration (Years)</th>
<th>Special Conditions</th>
<th>Interest Rate</th>
<th>Approved</th>
</tr>
</thead>
</table>
| 1  | Oct. 2005 | Tsunami                  | 0.5 MB (approx. US$ 14,250) | 5                | - Grace Period not over 1 Yr.  
- No more collateral for existing customer  
- New customer collateral required | 2% flat rate | 757 638 |
| 2  | Nov. 2010 | SME Power: Flood (PSA)   | Considered by size or business type | 6                | - Clean Loan  
- Grace Period not over 2 yrs.  
- No front end fee, contract preparation fee and pre-repayment penalty fee  
- No Credit Rating | 3% flat rate (Government subsidized 2% Customer paid 1%) | 15,562 5,000 |

SME Bank’s Financial Assistance

- Policy Loan were approved for 25,000 SMEs total limit of THD 10 BL. (US$ 280)
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<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>May 2011</td>
<td>Flood and windstorm (PSA)</td>
<td>Not over 1 MB (approx. US$ 28,570)</td>
<td>6</td>
<td>- Clean Loan&lt;br&gt;- Grace Period not over 2 Yrs.&lt;br&gt;- No Credit Bureau&lt;br&gt;- No Credit Rating</td>
<td>6.5% flat rate (Government subsidized 2% Customer paid 4.5%)</td>
<td>4,779</td>
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<td>2,000</td>
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<td>4</td>
<td>May 2011</td>
<td>Flood / windstorm and landslide (PSA)</td>
<td>Not over 10 MB (approx. US$ 285,700)</td>
<td>5</td>
<td>- Grace Period not over 1 Yr.&lt;br&gt;- No Credit Rating for &lt; 1 MB&lt;br&gt;- Personal guaranteed / Collateral or Guaranteed by Thai Credit Guarantee (TCG)</td>
<td>Year 1-2 MLR-3% (=4%) Upon Year 2 MLR (7%) (Government subsidized 2% Until end of loan period )</td>
<td>678</td>
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<td>789</td>
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<tr>
<td>5</td>
<td>Dec. 2011</td>
<td>Business recovery after disaster (PSA)</td>
<td>Not over 1 MB (approx. US$ 28,570)</td>
<td>6</td>
<td>- Clean loan&lt;br&gt;- Grace Period not over 1 Yr.&lt;br&gt;- No Credit Rating</td>
<td>8% flat rate (Government subsidized 2% Customer paid 6%)</td>
<td>3,655</td>
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<td>1,634</td>
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<tr>
<td>No</td>
<td>Year</td>
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| 6  | Feb 2012 | Business recovery after flood | Not over 0.5 MB (approx. US$ 14,250) | 7 | - Grace Period not over 1.5 Yrs.  
- No Credit Rating for < 0.5 MB  
- Personal guaranteed / Collateral or Guaranteed by TCG | Collateral :  
Year 1-3 MLR minus (=5.75 to 6.50%)  
Upon Year 3 MLR (=7%) | 138 48 |
|   |      |                 | over 0.5 MB (approx. > US$ 14,250) | 15 | Personal or TCG Guaranteed :  
Year 1-3 MLR minus (=6.25 to 6.75%)  
Upon Year 3 MLR (=7%) | | |
| Total |      |                 |                           |      |                      |              | 25,569 10,109 |

**SME Bank’s Financial Assistance**

(Out. approx. US$ 289 Million)
Debt moratorium

In 2006

- Debt moratorium for 3 - 6 months period was provided to existing bank’s customers in 5 provinces which affected from flood, windstorm and landslide.
- Target group: Customers whose business were affected from flood, windstorm and landslide in Phrae, Nan, Uttaradit, Sukhothai and Lampang provinces.

In 2011

- Debt moratorium for 6 months period was provided to existing bank’s SMEs customers.
- Target group: Customers whose business were affected from flood and located in specific province announced by Ministry of Interior.
### SME Bank’s Financial Assistance

**Debt moratorium**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>Number of SMEs</td>
<td>13,161 SMEs</td>
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<tr>
<td>Debt moratorium</td>
<td>30,000 MB (approx. US$ 850 million)</td>
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</table>
Government Support In 2011

- Port Guarantee Scheme 100,000 MB. (approx. US$ 2,857) by Thai Credit Guarantee Corporation (TCG) with Specialized Financial Institutions (SFIs) and Commercial Bank.

- Soft Loan For SMEs 40,000 MB. (approx. US$ 1,143) matching fund scheme by Government Savings Bank (GSB) with Commercial Financial.

- Loan For Farmer and Co-operation 30,000 MB by Bank for Agriculture and Agricultural Co-operatives (BAAC).

Tax Benefit: tax reduction for

- Expenses for home renovation up to maximum 100,000 bath. (approx. US$ 2,857)

- Donation