

GSB SOCIAL BOND

DNV POST-ISSUANCE VERIFICATION

Scope and objectives

Government Savings Bank ("GSB" or "Issuer") has issued Social Bond (henceforth referred to as "Social Bond") with the following details¹:

- Social Bond name: Social Debentures of Government Savings Bank No. 1/2022 Due B.E. 2568
- ISIN (Local): TH1029035603
- Country of issuance: THAILAND
- Amount issued in local currency: THB 10,000 Million

GSB has submitted the Social Bond for assessment against the **Social Bond Principles ("SBP")**.

GSB has used the proceeds of the Social Bond to finance investments falling under the following categories:

- Access to essential services
- Employment generation
- Socioeconomic advancement and empowerment

DNV Business Assurance Australia Pty Ltd (henceforth referred to as "DNV") has been commissioned by GSB to provide assessment of the Social Bond as an independent and approved verifier under the independent and approved verifier under the SBP. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Social Bond, the value of any investments in the Social Bond, or the long-term social benefits of the transaction. Our objective has been to provide an assessment that the Social Bond have met the criteria of the Social Bond Principles on the basis set out below.

Responsibilities of the Management of GSB and DNV

The management of GSB has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform GSB management and other interested stakeholders in the Social Bond as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by GSB. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by GSB's management and used as a basis for this assessment were not correct or complete.

¹ <http://www.thaibma.or.th/EN/BondInfo/BondFeature/Issue.aspx?symbol=b6df6b05-d7f1-ec11-a305-aa81153d12c7>

Basis of DNV's opinion

DNV has conducted the assessment against the SBP. The detail of areas covered in the DNV assessment is summarised in Schedule 2 below.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by GSB in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Assessment of compliance with the Social Bond Principles as described above and in Schedule 3 to this Opinion;
 - Assessment of documentary evidence provided by GSB on the Social Bond and supplemented by a high-level desktop research, onsite visit for documentation review and interviews with key personnel from the issuer GSB. These checks refer to current assessment best practices and standards methodology;
 - Discussions with GSB management, and review of relevant documentation;
 - Inspection of a sample of nominated project sites;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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Findings and DNV's opinion

DNV has performed a Pre- and Post-Issuance Assessment of the GSB Social Bond. It is DNV's responsibility to provide an independent assessment statement on the compliance of the Social Bond with the Social Bond Principles.

DNV conducted the assessment in accordance with the Social Bond Principles, with International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Information. The assessment included i) checking whether the provisions of the Social Bond Principles were consistently and appropriately applied and ii) the collection of evidence supporting the assessment.

DNV's approach draws on an understanding of the risks associated with conforming to the Social Bond Principles and the controls in place to mitigate these. DNV planned and performed the assurance engagement by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the GSB Social Bond meets the requirements of the Social Bond Principles.

Based on the limited assurance procedures conducted and with understanding of GSB's corporate structure at the time of assessment, nothing has come to our attention that causes us to believe that the GSB Social Bond is not, in all material respects, in accordance with the requirements of the Social Bond Principles.

for DNV Business Assurance Australia Pty Ltd

Sydney, 16 December 2022
Bangkok, 16 December 2022



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: PROCEEDS ALLOCATIONS AND SOCIAL IMPACTS

SBP Category	Project Names	Target Group	Allocated Amount								
			Refinance (1) (Jan 22 – Jun 22)			New Loan (2) (Jul 22 – Oct 22)			Total (1) + (2)		
			Amount (THB million)	% of Issue Bond Size	Contracts	Amount (THB million)	% of Issue Bond Size	Contracts	Amount (THB million)	% of Issue Bond Size	Contracts
Strengthening the capacity of retail customers to be self-reliant	Shophouse Loan	Living below the poverty Line, Low-income and vulnerable groups impacted by Covid-19				503.37	5%	2,147	503.37	5%	2,147
Providing credit to enhance liquidity and strengthening of SMEs	Community Organization Development Loan	Minor entrepreneurs, small business owners, community enterprises and saving groups, groups impacted by Covid-19	1,579.89	16%	931	2,020.31	20%	2,248	3,600.20	36%	3,179
Lending to improve liquidity, living conditions, and informal debt issues	People’s Bank Loan	low-income earners, hawkers, street vendors, self-employed, farmers, customers	2,389.01	24%	20,864	1,923.63	19%	23,059	4,312.64	43%	43,923
Lending to improve liquidity, living conditions, and informal debt issues	Informal Debt Loan	Low-income, unemployed and groups impacted by Covid-19 not able to access financial services	677.14	7%	45,879	906.65	9%	60,025	1,583.79	16%	105,904
	Total		4,646.04	47%	67,674	5,353.96	53%	87,479	10,000.00	100%	155,153

SCHEDULE 2: ASSESSMENT CRITERIA

Summary criteria for assertions of compliance with the Social Bond Principles

The criteria against which GSB and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the Social Bond Principles including:

Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loan and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting Prior to Issuance	The Issuer shall prepare a Social Bond Framework and make it publicly available prior to Issuance or at the time of Issuance
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Post-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loan and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting	Reporting on use of proceeds and nominated projects and assets

Part C: Eligible projects and physical assets

Nominated investments include financing of or investments in the following areas.

Area	Eligibility Criteria
Lending to improve liquidity, living conditions, and informal debt issues	<ul style="list-style-type: none"> • Access to essential services • Employment generation • Socioeconomic advancement and empowerment
Strengthening the capacity of retail customers to be self-reliant	<ul style="list-style-type: none"> • Access to essential services • Employment generation • Socioeconomic advancement and empowerment
Providing credit to enhance liquidity and strengthening of SMEs.	<ul style="list-style-type: none"> • Access to essential services • Employment generation • Socioeconomic advancement and empowerment