



BANK OF THAILAND

## SME Financing

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BANK OF THAILAND

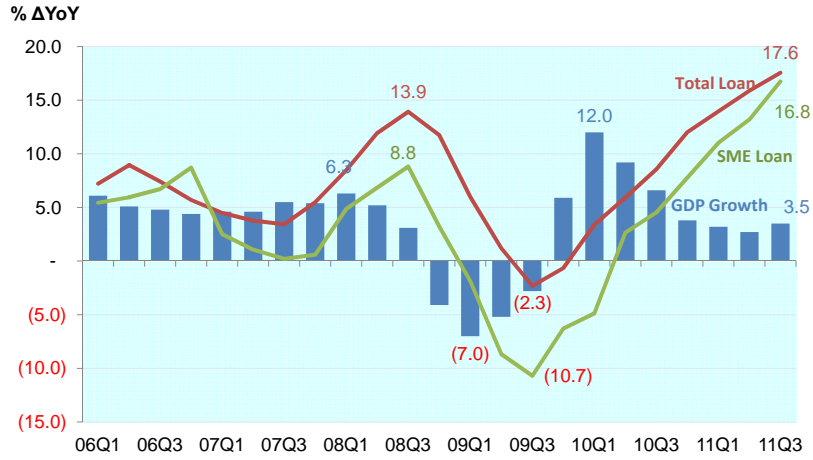
## Agenda

- 1. SME in Thai Economy**
- 2. Bank loans to SME**
- 3. BOT Philosophy regards SME**



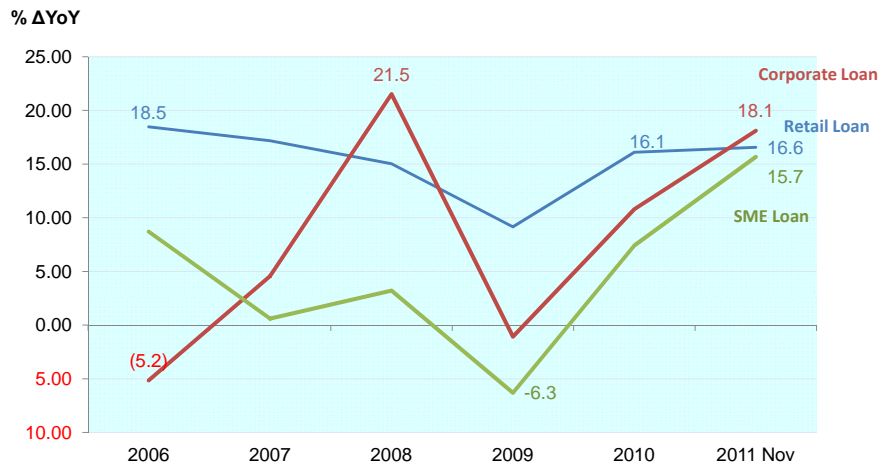
# I. SME in Thai Economy

## Fully recovered from global crisis



# II. Bank Loans to SME

## 1. SME loans vs other loans' type : SME has slowest growth

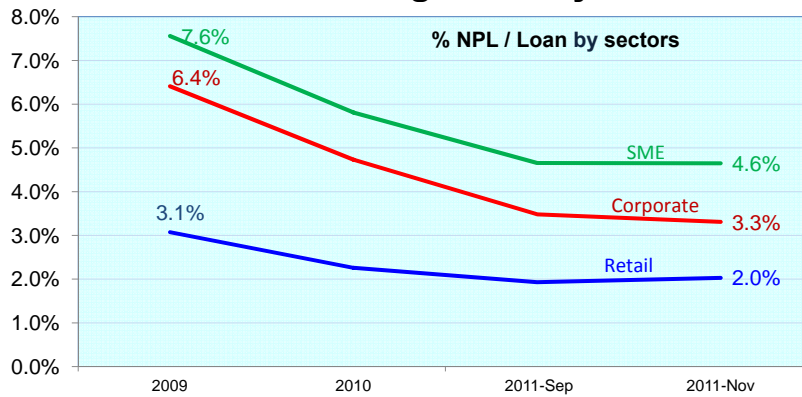




## II. Bank Loans to SME

### 2. Reason SME loans has low growth

#### 2.1 SME Loan has 'high risk' by nature



## II. Bank Loans to SME

### 2. Reason SME loans has low growth

#### 2.2 Lender cannot identify SME credit risk

- unreliable financial statement
- rely on collateral

### 3. High operating cost for banks



### **III. BOT philosophy regards SME**

#### **1 BOT sets Financial Inclusion as one core strategy**

- 1.1 High potential SME can obtain additional credit line while maintaining credit underwriting standard**
- 1.2 Facilitate bank to better manage SME credit risk**



### **III. BOT philosophy regards SME**

#### **2 Measures**

- 2.1 Fundamental : Set up Credit Bureau in Yr 2005**
- 2.2 Propose government to undertake credit guarantee for SME in Yr 2009**
- 2.3 Support Security Interest Acts to enhance legal collateral for SME**
- 2.4 Exploring possibility to set up “SME Information center”**

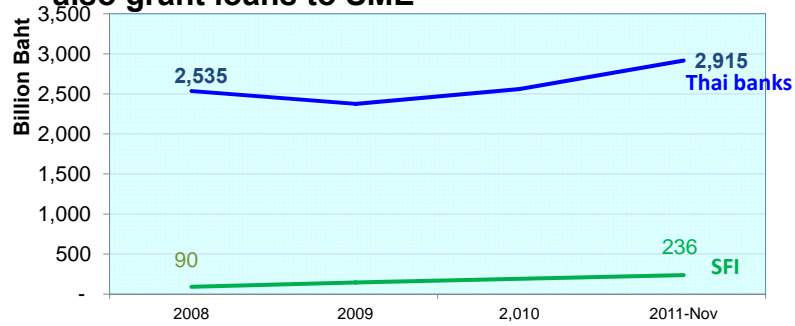


### III. BOT philosophy regards SME

#### 2 Measures

##### 2.5 Encourage government bank to lend more to SME

- Besides commercial banks, government bank (SFI) also grant loans to SME



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