

SMES' LOANS APPROVAL CONSIDERATION AFTER PANDEMICS: CASE OF THE THAI GOVERNMENT SAVINGS BANK

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ARTICLE HISTORY

Received: 1 May 2023

Revised: 15 May 2023

Accepted: 22 May 2023

ABSTRACT

The study was conducted on the comparative opinions between a sample group of 67 business relations and credit analysis employees of the bank and a sample group of 200 SMEs loan customers of the bank during the period after being affected by COVID-19. The study utilized a 5-level Likert scale questionnaire, data analysis with descriptive statistics and independent sample t-test to test the hypothesis of differences. The study's results rejected the hypothesis of differences in opinions regarding the loan approval criteria and loan analysis methods between the two sample groups. The possibility was that in the crisis situation, the macroeconomic impacts and risks associated with providing loans led to an imbalance in the demand and supply of the loans of the bank and the financial institutions. These resulted from the changes in the balance sheet, decreased income and profits of the SMEs as loan applicants. It led to credit management in reducing loan allocation and credit rationing by the bank ultimately resulting in difficulties in SMEs' access to credit. Regarding the possibility of no difference in opinions according to the study, SME entrepreneurs as loan applicants emphasized the importance of aligning various operational processes, loan approval considerations, and loan analysis methods with the aim to obtain the approval based on the desired loan amount, objectives, and disbursement period. The loan applicants have prepared and improved their credit readiness, aware of the benefits of policies and support from various supporting organizations to create opportunities for capital procurement as well as being aware of decision-making by banks and financial institutions that depend on the risk control conditions of the bank and financial institutions themselves. Meanwhile, the bank employees operate according to the bank's policies and government guidelines. The support was provided by the Bank of Thailand through the measures announced via the Emergency Decree on Financial Assistance for SMEs which must be implemented strictly, ensuring the risk burden that the bank must bear when making loan decisions.

Keywords: SMEs' Loans, Loan Approval Consideration, 6C's, Thai Government Savings Bank.

CITATION INFORMATION: Lim-u-sanno, K., WIROONRATCH, B., & MAIPROM, W. (2023). SMEs' Loans Approval Consideration after Pandemics: Case of the Thai Government Savings Bank. *Procedia of Multidisciplinary Research*, 1(5), 4.

Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Conflicts of Interest: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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