

Role of credit guarantee in improving financial access to Micro SMEs



By Thai Credit Guarantee Corporation (TCG)

ACSIC Training Program
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TCG's TEAM



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- 1991 Small Industry Credit Guarantee Corporation Act B.E. 2534 (SICGC)
- 1992 Small Business Credit Guarantee Corporation (SBCG)
- 2011 Thai Credit Guarantee Corporation (TCG)

Paid-up capital 6,702 million baht



Role of Thai Credit Guarantee Corporation





Public Policies, Capital and Loss Compensation





TCG's Branch Network





TCG Performance as of June 2017



Accumulated
Guarantee
Approved

611,378

million baht

Accumulated
Outstanding
Guarantee

334,400

million baht

No. of
Guarantee
SMEs (Accum.)

237,795

No. of Job
Increase

583,862

New Credit
Approval

915,362

million baht

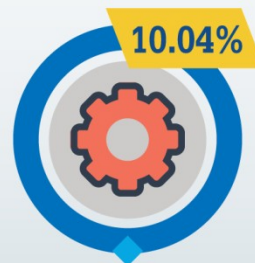
Top five guarantee amount by business cluster



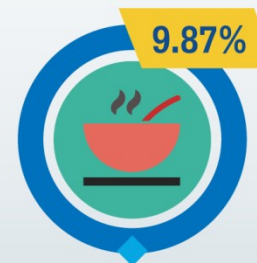
Service



Goods Production
& Other Businesses



Steel product
& Machinery



Food &
Beverage



Agriculture



Package Guarantee Scheme



- For special targeted customer segments which has difficulty access to finance
 - Micro SMEs
- Portfolio concept but use approval guarantee amount instead of average outstanding
- Fixed maximum guarantee tenor
- Variable guarantee fee rate

Micro Entrepreneurs Product

Scheme Limit

13,500 Million Baht

Target

Micro SMEs

Guarantee Limit
per SMEs

10,000 - 200,000 Baht

Tenor

10 years

SMEs Fee/year

1% - 3%

Coverage ratio

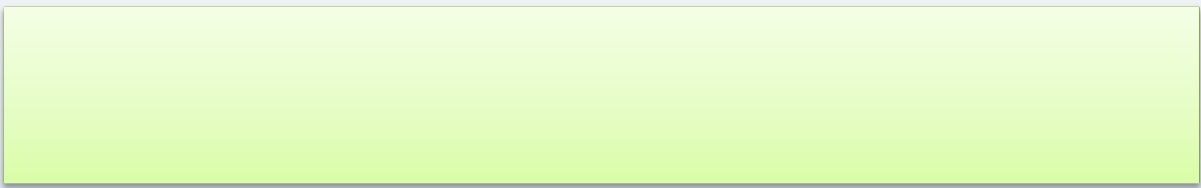
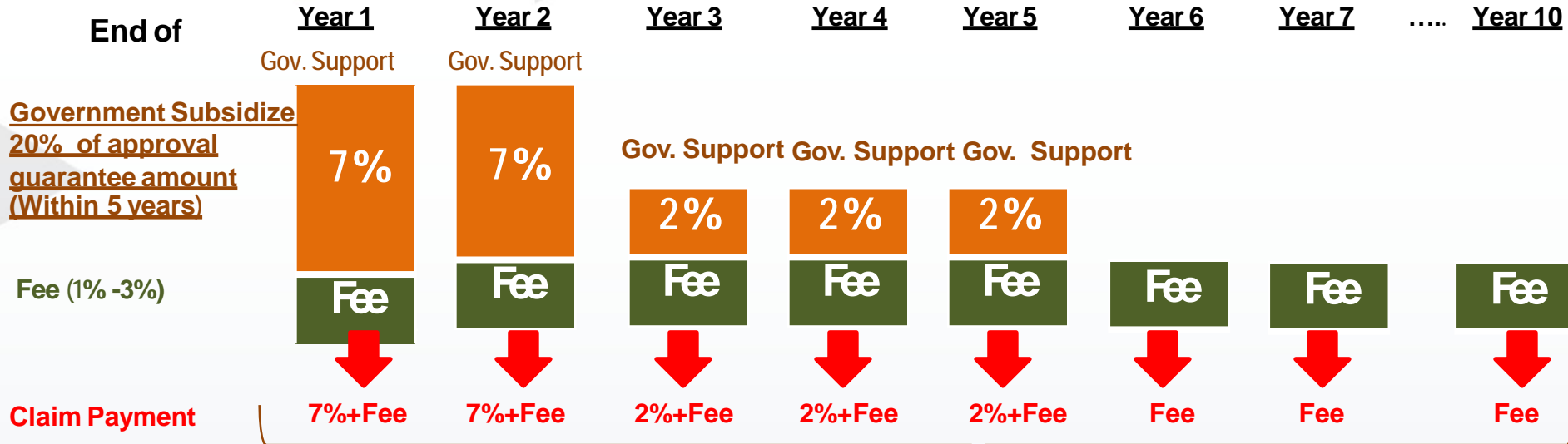
NPL \leq 50%

SMEs Criteria

- Fixed Asset \leq 5 M.THB (not include Land)
- Business & Location Confirm by Bank



Example of Package Guarantee Scheme Model for Micro SMEs



Government Support

Cumulative Fee

Net Claim payment

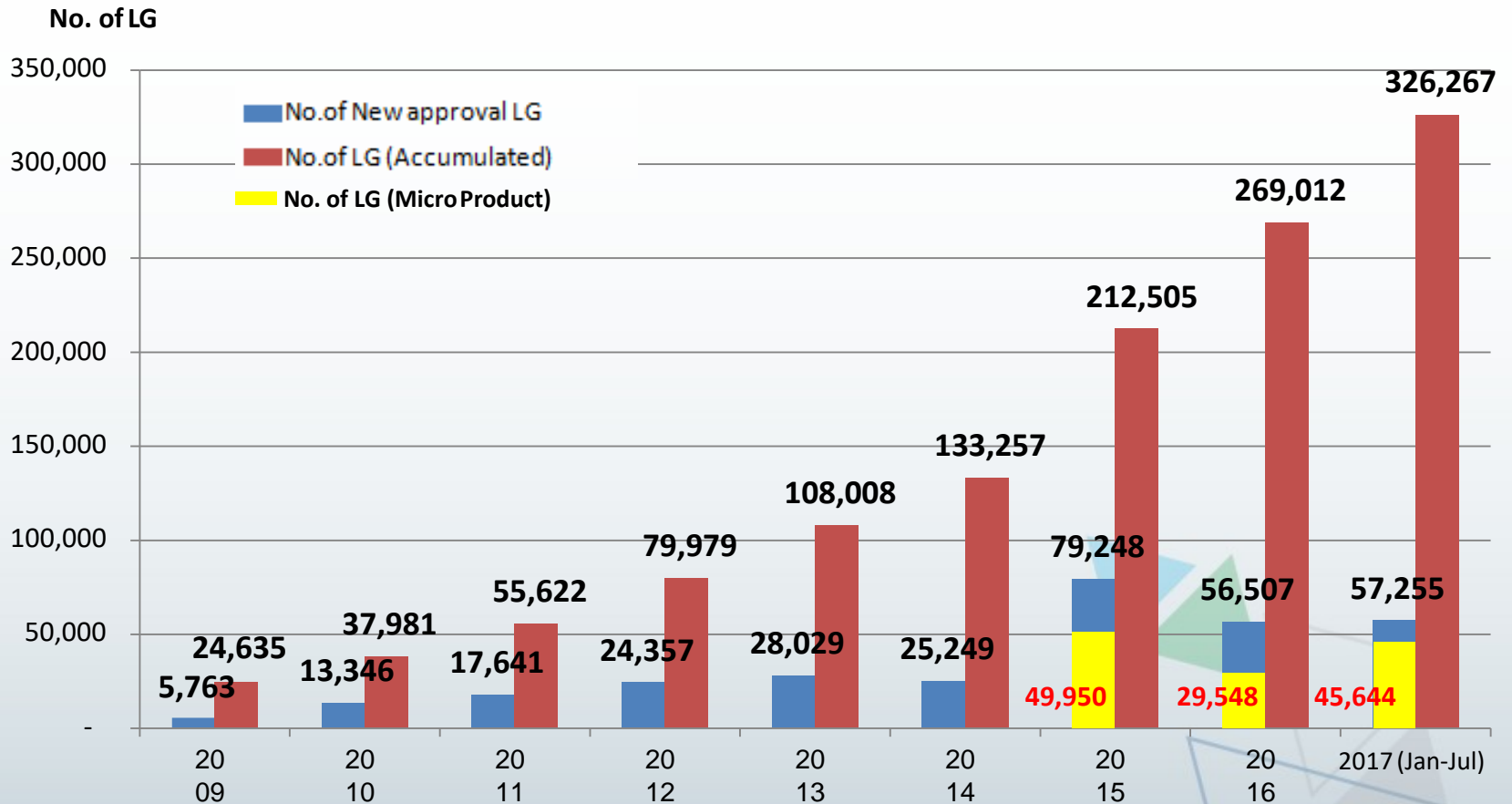
Fee Rate		
1%	2%	3%
20%	20%	20%
10%	20%	30%
30%	40%	50%



TCG's No. of Approval LG



TCG highly increased number of approval LG after launching Package guarantee scheme (Micro Entrepreneurs program) in 2015





Conclusion of Credit Guarantee



- Credit Guarantee is one of the most efficient government tool to support lending of SMEs
- Credit Guarantee is the Bank Risk Management Tool → Increase additional Loan to SMEs
→ **Decrease NPL ratio**

