

# Securitization: An Alternative SME financing

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- 1997 financial crisis and its impacts to the traditional sources of financing for SMEs in Thailand.
  - Pre crisis era - Bank based financing (commercial bank credit -- collateral based lending and cash flow based lending)
- Alternative financing for SMEs
  - Post crisis era - Capital market based financing (Securitization)

## How Securitization Helps SMEs to Get Financing via Capital Market?

- The law of large numbers.
- Credit information and default rates.
- Mean-variance analysis.
- Risk assessment and management model.

# Conclusion

- Securitization can bring about a win-win situation for all participations in the financial market.