



The Effect of the Central Bank's Policies towards Bank Performance during the COVID-19 Pandemic: Evidence from Thailand

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ABSTRACT

This paper examines the effects of the Central Bank's policies on the bank performance in Thailand as one of the emerging countries by exploring the impacts of the COVID-19 pandemic on the banks' returns. Several financial ratios measuring the bank performance and stock price were analyzed. The data were gathered during 2017-2021 from 10 listed banks in Thailand. General linear regression analysis was applied to investigate the relationship between the Central Bank's policies and the bank performance. The result revealed that the Central Bank's policies had a negative relationship with the bank performance; however, each policy showed different impacts on the banks' performance indicators. Banks that embraced more policies had more significant influence on its ratios than others. Credit reduction policy and liquidity improvement policy had a negative effect on the bank performance at different significance levels.

Keyword: bank performance; central bank policy; return; pandemic; COVID-19

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