



Quarterly Survey on “Credit Conditions in 2011Q2 and Trends in 2011Q3”

The Bank of Thailand

July 2011

(Disclaimer: Any opinions expressed herein this particular survey are subject to personal judgment of the designated respondent(s) and are not necessarily endorsed by their financial institution/company. Nonetheless, respondent(s) should be the same person or group of respondents in each round of survey so that the given answers and/or comments will be align with the prior judgment, which will be of utmost benefit for the research and analysis of credit conditions developments and trends.)

First Respondent

Name: _____

Position: _____

Bank/company: _____

Area of responsibility: _____

Telephone: _____ E-mail: _____

Second Respondent (if applicable)

Name: _____

Position: _____

Bank/company: _____

Area of responsibility: _____

Telephone: _____ E-mail: _____

Third Respondent (if applicable)

Name: _____

Position: _____

Bank/company: _____

Area of responsibility: _____

Telephone: _____ E-mail: _____

Confidentiality of data:

The Bank of Thailand will treat the given data as confidential and will not disseminate to anybody except for internal use only. The publication will be mainly for academic purpose only.

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Thank you for your kind cooperation
Monetary Policy Group, BANK OF THAILAND

I. Loans or credit lines to enterprises

- 1) *In the 2011 Q2, as compared to the 2011 Q1*, how has the proportion of enterprises loan applications being approved changed?

	Overall	Loans to small and medium-sized enterprises*	Loans to large enterprises*	Short-term loans**	Long-term loans**
Increased considerably					
Increased somewhat					
Remained unchanged					
Decreased somewhat					
Decreased Considerably					

- 2) *In the 2011 Q2, as compared to the 2011 Q1*, how have your bank's/company's credit standards as applied to the approval of loans or credit lines to enterprises changed?

	Overall	Loans to small and medium-sized enterprises*	Loans to large enterprises*	Short-term loans**	Long-term loans**
Tightened considerably					
Tightened somewhat					
Remained unchanged					
Eased somewhat					
Eased considerably					

* Loans to small medium and large enterprises' definitions are quoted from the 2002 laws and regulations regarding employment and value of fixed assets applied to each particular type of enterprises.

Type classification	Small		Medium		Large	
	Employment (persons)	Fixed asset*** (millions baht)	Employment (persons)	Fixed asset*** (millions baht)	Employment (persons)	Fixed asset*** (millions baht)
Goods	Not exceeding 50	Not exceeding 50	50 - 200	50 - 200	> 200	> 200
Services	Not exceeding 50	Not exceeding 50	50 - 200	50 - 200	> 200	> 200
Wholesales trade	Not exceeding 25	Not exceeding 50	25 - 50	50 - 100	> 50	> 100
Retail trade	Not exceeding 15	Not exceeding 30	15 - 30	30 - 60	> 30	> 60

** Short-term loans are loans with an original maturity of one year or less, while long-term loans have an original maturity of more than one year.

*** Fixed assets mean net value of fixed assets excluding land.

- 3)
- 4) *In the 2011 Q2*, how have the following factors affected your bank's/company's credit standards as applied to the approval of loan or credit lines to enterprises? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- contributed considerably to tightening of credit standards
 - contributed somewhat to tightening of credit standards
 0 contributed to basically unchanged credit standards
 + contributed somewhat to easing of credit standards
 ++ contributed to easing of credit standards
 NA Not applicable

	--	-	0	+	++	NA
A) Cost of funds and balance sheet constraint						
Costs to your bank's capital position						
Your bank's ability to access market financing (e.g. money or bond market financing)						
Your bank's liquidity position						
B) Pressure from competition						
Competition from other banks						
Competition from equity market						
Competition from bond market						
Competition from foreign sources						
C) Perception of risk						
Expectation regarding general economic conditions						
Outlook on Industry or firm- specific risk						
Risk on the collateral demanded						
D) Other factors, please specify						

5) *In the 2011 Q2, as compared to the 2011 Q1*, how have your bank's/company's conditions and terms for approving loans or credit lines to enterprises changed? Please rate each factor using the following scale:

- tightened considerably - tightened somewhat
 0 remained basically unchanged + eased somewhat
 ++ eased considerably NA Not applicable

Loans to large enterprises	--	-	0	+	++	NA
A) Price						
Your bank's margin on average loans ¹ (wider margin = tightened, narrower margin = eased)						
Your bank's margin on riskier loans						
B) Other conditions and terms						
Non-interest rate charges						
Credit lines						
Collateral requirements						
Loan covenants						
Maturity						
C) Other factors, please specify						

Loans to small and medium-sized enterprises	--	-	0	+	++	NA
A) Price						
Your bank's margin on average loans						
Your bank's margin on riskier loans						
B) Other conditions and terms						
Non-interest rate charges						
Credit lines						
Collateral requirements						
Loan covenants						
Maturity						
C) Other factors, please specify						

¹ Average loans are those loans or credit lines granted to customers with normal classification

- 6) *In the 2011 Q2, as compared to the 2011 Q1*, how has the demand for loans or credit line² to enterprises changed at your bank/company, apart from normal seasonal fluctuations³

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Increased considerably					
Increased somewhat					
Remained unchanged					
Decreased somewhat					
Decreased Considerably					

² included loan growth and credit utilization rate.

³ e.g. loans demands in planting or harvesting season, investing in stock during festival period or at year-end.

7) *In the 2011 Q2*, how have the following factors affected the demand for loans or credit lines to enterprises. Please rate each possible factor using the following scale:

- contributed considerably to lower demand
- contributed somewhat to lower demand
- 0 contributed to basically unchanged demand
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- NA Not applicable

Loans to large enterprises	--	-	0	+	++	NA
A) Financing needs						
Investing in fixed asset						
Working capital finance						
Producing and accumulating inventories						
Mergers and Acquisitions (M&A) and/or corporate restructuring						
Refinancing						
B) Use of alternative finance						
Internal financing						
Loans from other banks/financial institutions						
Loans from equity market						
Issuance of debt securities						
Loans from foreign sources						
C) Interest rate						
D) Other factors, please specify						
.....						

Loans to small and medium-sized enterprises	--	-	0	+	++	NA
A) Financing needs						
Investing in fixed asset						
Working capital finance						
Producing and accumulating inventories						
Refinancing						
B) Use of alternative finance						
Internal financing						
Loans from other banks/financial institutions						
C) Interest rate						
D) Other factors, please specify						
.....						

- 8) Please indicate how you **expect your bank's/company's credit standards** as applied to the approval of loans or credit lines to enterprise in the 2011 Q3, as compared to the 2011 Q2.

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably					
Tightened somewhat					
Remained unchanged					
Eased somewhat					
Eased considerably					

- 9) Please indicate how you **expect demand for loans or credit lines to enterprises** to change at your bank/company in the 2011 Q3, as compared to the 2011 Q2 (apart from normal seasonal fluctuations).

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Increased considerably					
Increased somewhat					
Remained unchanged					
Decreased somewhat					
Decreased Considerably					

- 10) In the 2011 Q3, as compared to the 2011 Q2, how will your bank's/company's concerns on **loan quality to enterprises** change?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises
Increased considerably			
Increased somewhat			
Remained unchanged			
Decreased somewhat			
Decreased Considerably			

Please rank the 3 most risky sectors which may have problem of loan quality (by degree of seriousness)

- 1)
- 2)
- 3)

II. Loans to households

11) *In the 2011 Q2, as compared to the 2011 Q1*, how has the proportion of household loan applications being approved changed?

	Housing loans	Credit card loans	Other consumer loans
Increased considerably			
Increased somewhat			
Remained unchanged			
Decreased somewhat			
Decreased Considerably			

12) *In the 2011 Q2, as compared to the 2011 Q1*, how has your bank's/company's credit standards as applied to the approval of loans or credit lines to household changed?

	Housing loans	Credit card loans	Other consumer loans
Tightened considerably			
Tightened somewhat			
Remained unchanged			
Eased somewhat			
Eased considerably			

13) *In the 2011 Q2*, how have the following factors affected your bank's/company's credit standard as applied to the approval of housing loans, credit card loans, and other consumer loans? Please rate contribution of the following factors to the tightening or easing of credit standards using following scale:

- contributed considerably to tightening of credit standards
- contributed somewhat to tightening of credit standards
- 0 contributed to basically unchanged credit standards
- + contributed somewhat to easing of credit standards
- ++ contributed considerably to easing of credit standards
- NA Not applicable

Housing loans	--	-	0	+	++	NA
A) Cost of funds and balance sheet constraints						
B) Pressure from competition						
Competition from other banks						
Competition from non-banks						
Competition from Special Financial Institutions (SFIs)						
C) Perception of risk						
Expectation regarding general economic conditions						
Housing market prospects						
Credibility of borrowers						
D) Other factors, please specify						
.....						

Credit card loans	--	-	0	+	++	NA
A) Cost of funds and balance sheet constraints						
B) Pressure from competition						
Competition from other banks						
Competition from non-banks						
Competition from Special Financial Institutions (SFIs)						
C) Perception of risk						
Expectations regarding general economic conditions						
Credibility of borrowers						
D) Other factors, please specify						
.....						

Other consumer loans	--	-	0	+	++	NA
A) Cost of funds and balance sheet constraints						
B) Pressure from competition						
Competition from other banks						
Competition from non-banks						
Competition from Special Financial Institutions (SFIs)						
C) Perception of risk						
Expectations regarding general economic conditions						
Credibility of borrowers						
Collateral						
D) Other factors, please specify						
.....						

14) *In the 2011 Q2, as compared to the 2011 Q1*, how has your bank's/company's condition and terms for approving loans to households for housing loans, credit card loans, and other consumer loans changed?

Please rate each factor using the following scale:

- **tightened considerably** - **tightened somewhat**
- 0 **remained basically unchanged** + **eased somewhat**
- ++ **eased considerably** NA **Not applicable**

Housing loans	--	-	0	+	++	NA
A) Price						
----- Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)						
----- Your bank's margin on riskier loans						
B) Other conditions and terms						
----- Collateral requirements						
----- Loan-to-value ratio						
----- Loan-to-income ratio						
----- Maturity						
----- Non-interest rate charge or fees						
----- Discount rate						
C) Other factors, please specify						
-----						

Credit card loans	--	-	0	+	++	NA
A) Price or your bank's margin						
B) Other conditions and terms						
----- Loan-to-income ratio						
----- Non-interest rate charge or fees						
----- Grace period						
C) Other factors, please specify						
-----						

Other consumer loans	--	-	0	+	++	NA
A) Price						
----- Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)						
----- Your bank's margin on riskier loans						
B) Other Conditions						
----- Collateral requirements						
----- Loan-to-income ratio						
----- Minimum income						
----- Maturity						
----- Non-interest rate charge or fees						
----- Grace period						
----- Minimum payment						
C) Other factors, please specify 						

15) *In the 2011 Q2, as compared to the 2011 Q1*, how has the demand for loans to households changed at your bank/company, apart from seasonal fluctuations?

	Housing loans	Credit card loans	Other consumer loans
Increased considerably			
Increased somewhat			
Remained unchanged			
Decreased somewhat			
Decreased considerably			

16) *In the 2011 Q2, as compared to the 2011 Q1*, how have the following factors affected the demand for loans to households? Please rate each factor using the following scale:

- contributed considerably to lower demand
- contributed somewhat to lower demand
- 0 contributed to basically unchanged demand
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- NA Not applicable

Housing loans	--	-	0	+	++	NA
A) Financing needs						
Housing market prospects						
Consumer Confidence						
B) Use of alternative finance						
Household savings						
Loans from other banks						
Loans from Non-bank						
Loans from Special Financial Institutions (SFIs)						
Other sources of financing						
C) Interest rates						
D) Loan conditions						
E) Other factors, please specify						
.....						

Credit card loans	--	-	0	+	++	NA
A) <i>Financing needs</i>						
Spending on durable goods						
Spending on general consumption						
Consumer Confidence						
B) <i>Use of alternative finance</i>						
Household savings						
Loans from other banks						
Loans from Non-bank						
Other sources of financing						
C) <i>Interest rates</i>						
D) <i>Loan conditions</i>						
E) <i>Other factors, please specify</i>						

Other consumer loans	--	-	0	+	++	NA
A) <i>Financing needs</i>						
Spending on durable goods						
Spending on general consumption						
Investing in stocks market						
Consumer Confidence						
B) <i>Use of alternative finance</i>						
Household savings						
Loans from other banks						
Loans from Non-bank						
Loans from Special Financial Institutions (SFIs)						
Other sources of financing						
C) <i>Interest rates</i>						
D) <i>Loan conditions</i>						
E) <i>Other factors, please specify</i>						

17) Please indicate how you **expect your bank's/company's credit standards** as applied to the approval of loans or credit lines **to household in the 2011 Q3, as compared to the 2011 Q2.**

	Housing loans	Credit card loans	Other consumer loans
Tightened considerably			
Tightened somewhat			
Remained unchanged			
Eased somewhat			
Eased considerably			

18) Please indicate how you **expect the demand for loans or credit lines to households to change** at your bank/company **in the 2011 Q3, as compared to the 2011 Q2** (apart from normal seasonal fluctuations).

	Housing loans	Credit card loans	Other consumer loans
Increased considerably			
Increased somewhat			
Remained unchanged			
Decreased somewhat			
Decreased Considerably			

19) **In the 2011 Q3, as compared to the 2011 Q2,** how will your bank's/company's concerns on **loan quality to households** change?

	Housing loans	Credit card loans	Other consumer loans
Increased considerably			
Increased somewhat			
Remained unchanged			
Decreased somewhat			
Decreased Considerably			

Please rank the 3 most risky sectors which may have problem of loan quality (by degree of seriousness)

- 1)
- 2)
- 3)

20) *Over the past three months*, have there been any other issues of importance for bank/company lending behavior which are not covered by this survey? (Please specify)

Thank you for your cooperation

Bank of Thailand