



BANK OF THAILAND

Banking Sector Quarterly Brief (Q3 2025)

The Thai banking system remains resilient with robust levels of capital, loan loss provisions, and liquidity. In the third quarter of 2025, overall loan growth in the banking system (licensed banks and their subsidiaries) continued to contract by 1.0% year-on-year, broadly in line with the previous quarter. The contraction reflected continued declines in SMEs and consumer loans, consistent with heightened credit risks. Meanwhile, lending to large corporates recorded a slight expansion amid weaker loan demand and continued debt repayments. Overall loan quality (NPL or Stage 3)¹ remained broadly stable, as new NPL formation moderated notably. As a result, outstanding Stage 3 loans declined to 544.0 billion Baht in the third quarter of 2025. However, the NPL ratio increased to 2.94%, partly due to the contraction in the loan base. Stage 2 loans² increased, reflecting qualitative loan classification based on borrower-specific factors among a few large corporates and, to some extent, improved loan classification from Stage 3. Consequently, the Stage 2 ratio increased to 7.24%. Nevertheless, commercial banks continued to provide assistance to borrowers and manage their loan portfolios. **Bank profitability declined relative to the same period last year**, primarily due to lower net interest income following the contraction in lending and interest rate reductions applied to borrowers, both through bank's own adjustments and under the 'Khun Soo, Rao Chuay' program. **Nonetheless, it is necessary to closely monitor the prevailing tight financial conditions and the debt serviceability of SMEs and households amid a slowing economic environment, partly affected by U.S. tariff measures and subdued income recovery. The "Khun Soo, Rao Chuay" program has helped alleviate the debt burden of SMEs and vulnerable households.** In the second quarter of 2025, the household debt to GDP ratio declined from the previous quarter, reflecting a marked slowdown in household credit expansion. Corporate debt to GDP ratio also decreased, consistent with a reduction in new borrowing. Overall corporate profitability weakened across most business sectors compared to the same period last year, particularly in real estate, in line with subdued housing market conditions.

¹ Gross non-performing loans (NPL or stage 3)

² The ratio of loans with a significant increase in credit risk (SICR or stage 2)

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Banking Sector Quarterly Brief (Q3 2025)

18 November 2025



Thai banking system remains resilient. However, it is necessary to closely monitor the prevailing tight financial conditions and the debt serviceability of SMEs and households amid a slowing economic environment, partly affected by U.S. tariff measures and subdued income recovery.

The “Khun Soo, Rao Chuay” program has helped alleviate the debt burden of SMEs and vulnerable households.

Commercial Banking system

Thai banking system remains resilient with robust level of capital, loan loss provisions and liquidity.

Bank loans continued to contract, primarily due to the continued contraction in SMEs and consumer loans, consistent with heightened credit risks. Meanwhile, lending to large corporates recorded a slight expansion amid weaker loan demand and continued debt repayments.

Overall loan quality remained broadly stable, as new NPL formation moderated notably. However, the NPL ratio increased partly due to the contraction in the loan base. Stage 2 loans increased, reflecting qualitative loan classification based on borrower-specific factors among large corporates and, to some extent, improved loan classification from Stage 3.

Bank profitability declined relative to the same period last year, primarily due to lower net interest income following the contraction in lending and interest rates reduction applied to borrowers, both through bank’s own adjustments and under the ‘Khun Soo, Rao Chuay’ program.

Household

Household debt to GDP ratio declined, reflecting a marked slowdown in household credit expansion. However, it is necessary to closely monitor loan quality amid heightened economic uncertainty.

Corporate

Corporate debt to GDP ratio decreased, consistent with a reduction in new borrowing.

Overall corporate profitability weakened across most business sectors compared to the same period last year, particularly in real estate, in line with subdued housing market conditions.

Relief measures

Financial institutions have continued to support their debtors through the responsible lending measures and “Khun Soo, Rao Chuay” program.

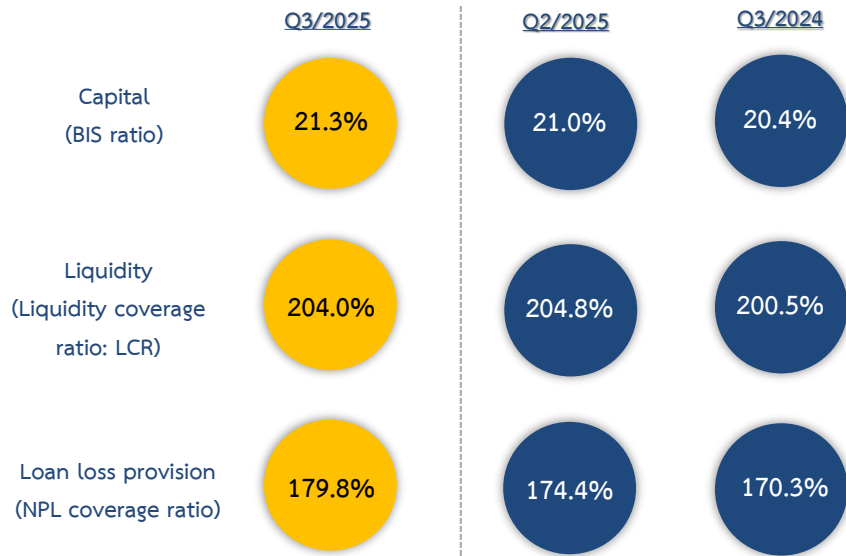


Thai banking system remains resilient with robust level of capital, loan loss provisions and liquidity.

Banks' capital, loan loss provisions, and liquidity remained at high levels.

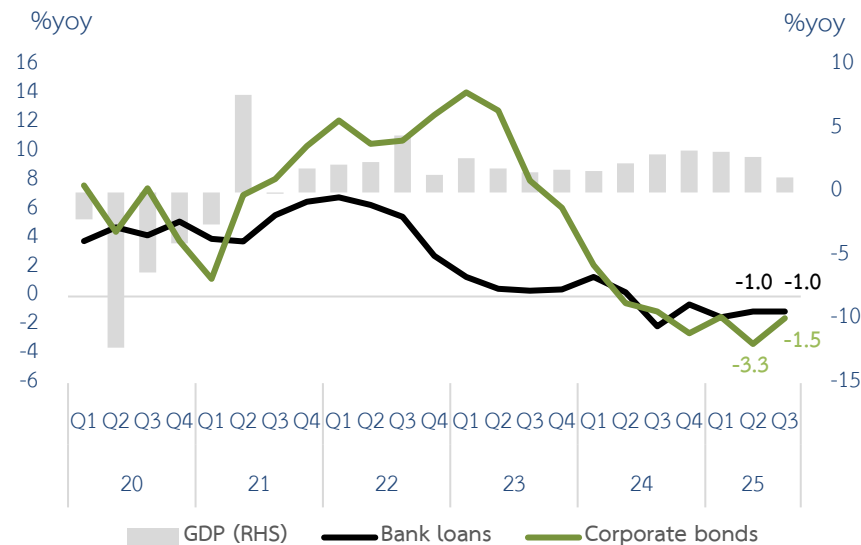
Overall fundraising slightly contracted, both in bank lending and debt issuance, as investors remained cautious toward high-yield segments with elevated risk.

Capital, loan loss provision, and liquidity indicators



Note: the data is on bank-only basis.

Bank loan and corporate bond growth



Note: (1) Bank loans are on full consolidation basis.

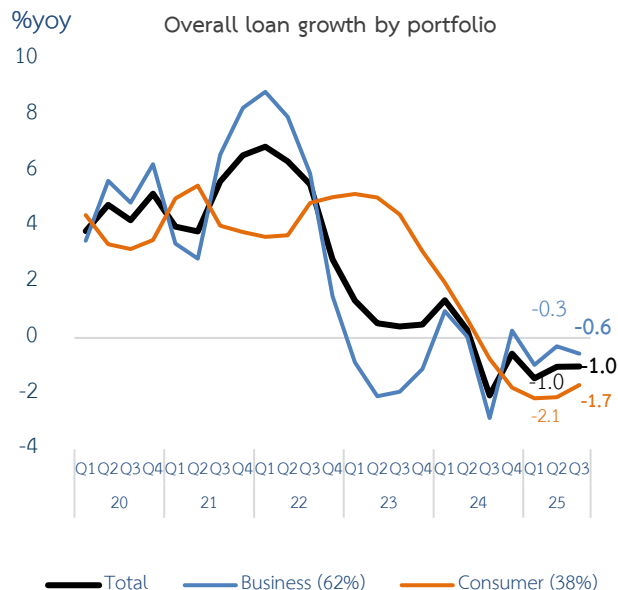
(2) Corporate bonds are excluded banking, financial and securities



Bank loans continued to contract close to previous period,

due to the continued contraction in SMEs and consumer loans, consistent with heightened credit risks.

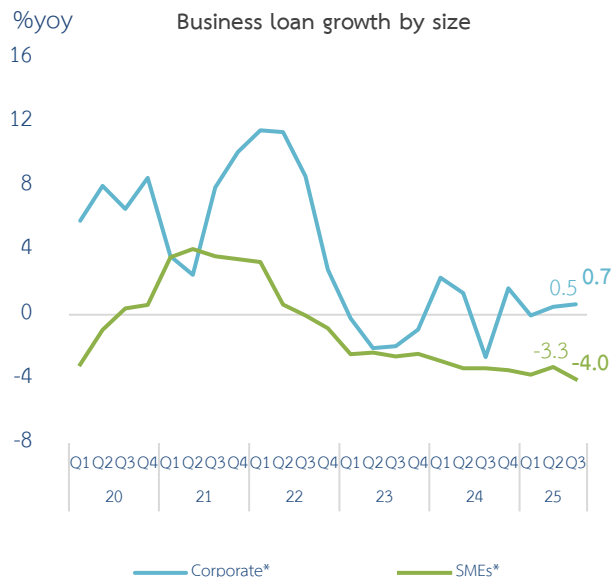
Bank lending continued to contract across both business and consumer loans.



Note: (1) Bank loans are on full consolidation basis.

(2) Numbers in the parentheses show the proportion of total loans

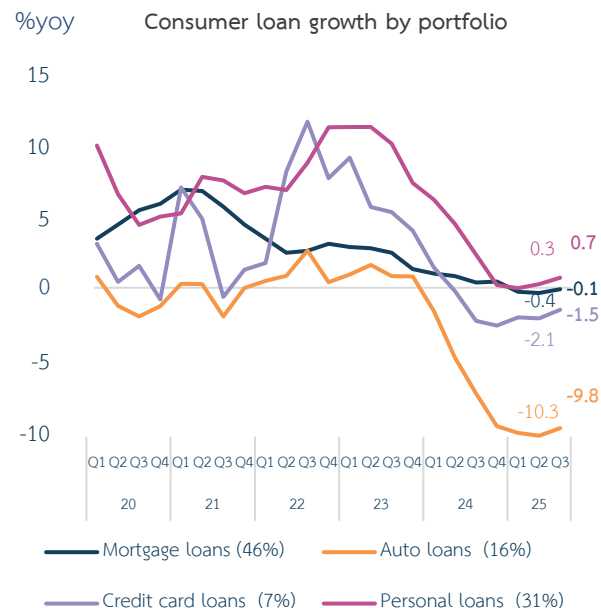
Large corporate loans increased somewhat, while SME loans continued to contract.



Note: (1) Business loans by size are on bank-only basis.

(2) * Definition of business loan size based on OSMEP's criteria with an enhancement (based on income and credit line obtained from commercial banks)

Consumer loans slightly improved, supported by housing loans.



Note: (1) Consumer loans are on full consolidation basis.

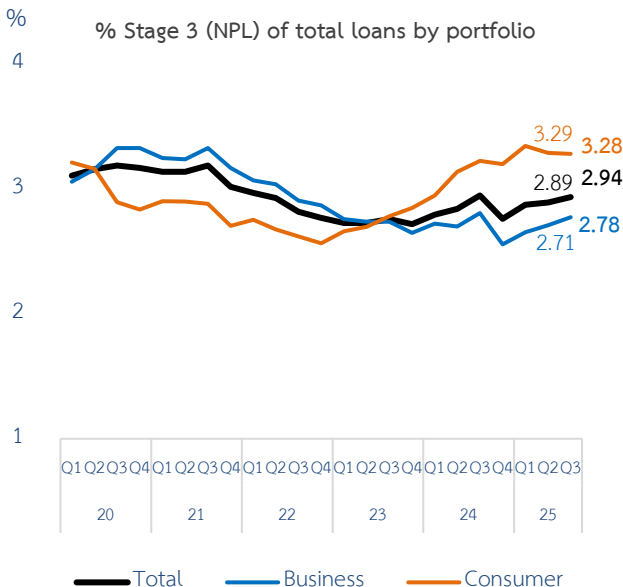
(2) Numbers in the parentheses show the proportion of total retail loans.



Overall loan quality remained broadly stable as new NPL formation moderated notably.

Overall NPL ratio increased partly due to a contraction in the loan base.

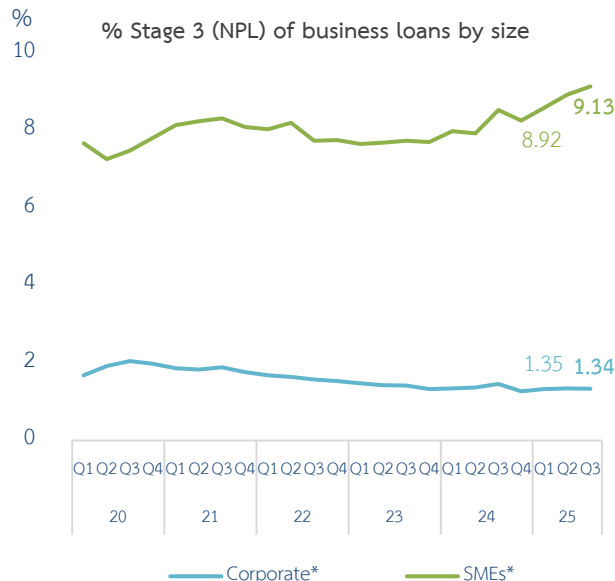
% Stage 3 (NPL) of total loans by portfolio



Note: Bank loans are on full consolidation basis.

Large corporate NPLs declined as some borrowers resumed repayments, while SME NPLs continued to rise but at a slower pace.

% Stage 3 (NPL) of business loans by size

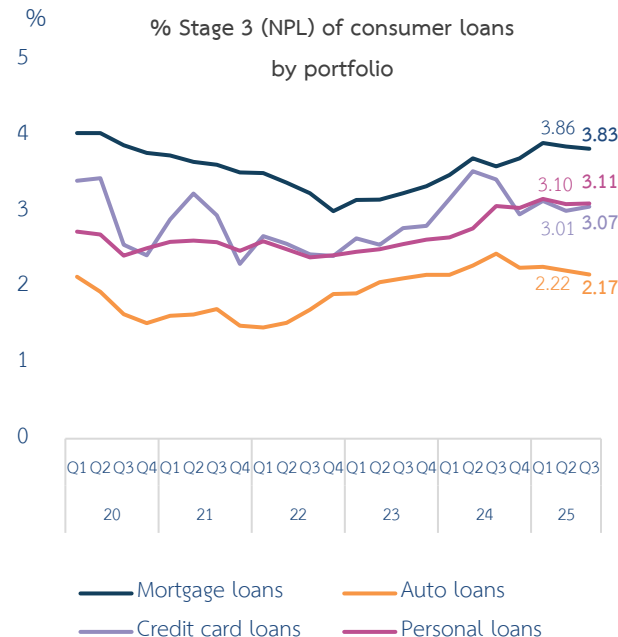


Note: (1) Business loans by size are on bank-only basis.

(2) * Definition of business loan size based on OSMEP's criteria with an enhancement (based on income and credit line obtained from commercial banks)

Overall consumer loan NPLs remained stable.

% Stage 3 (NPL) of consumer loans by portfolio



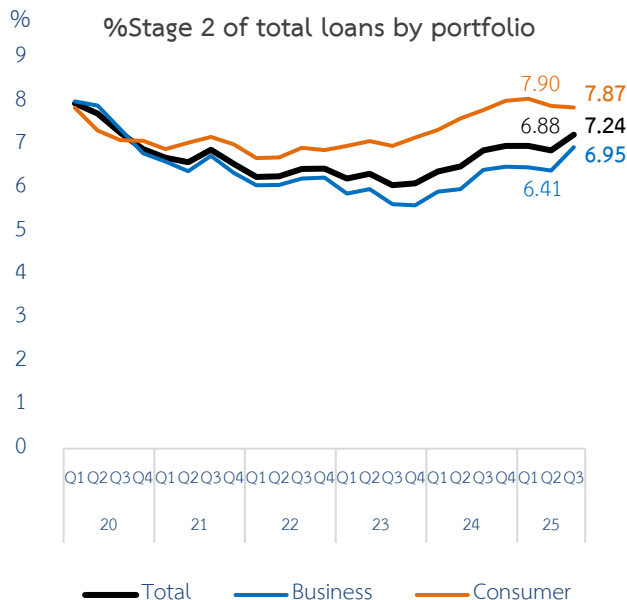
Note: Consumer loans are on full consolidation basis.



Stage 2 (SM) outstanding increased, reflecting qualitative loan classification based on borrower-specific factors among a few large corporates and improved loan classification from Stage 3.

Stage 2 increased mainly from large corporates, while consumer loans remained stable.

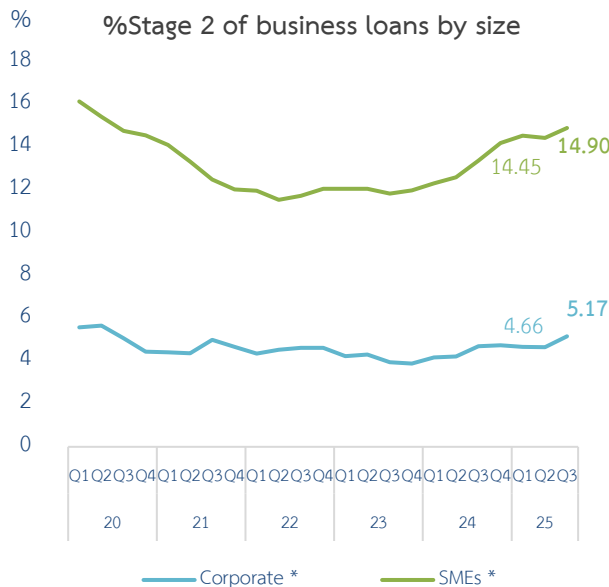
%Stage 2 of total loans by portfolio



Note: Bank loans are on full consolidation basis.

Stage 2 business loans increased both from large corporates and SMEs.

%Stage 2 of business loans by size

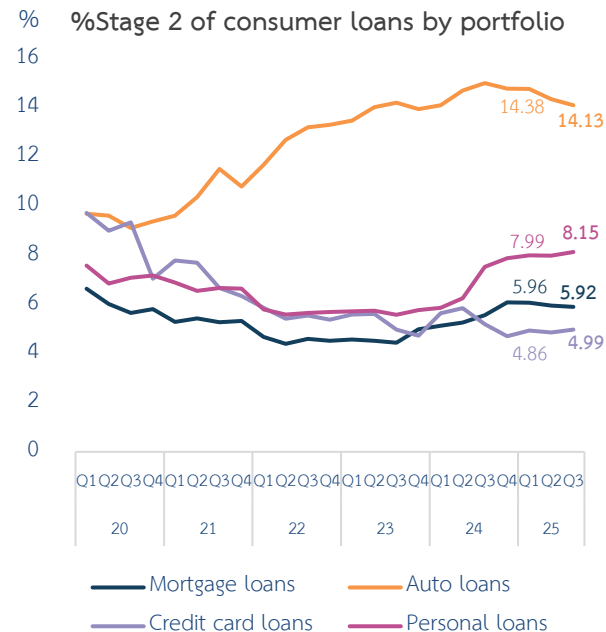


Note: (1) Business loans by size are on bank-only basis.

(2) * Definition of business loan size based on OSMEP's criteria with an enhancement (based on income and credit line obtained from commercial banks)

Stage 2 improved in auto and housing loans, while personal loans and credit cards loans continued to increase.

%Stage 2 of consumer loans by portfolio



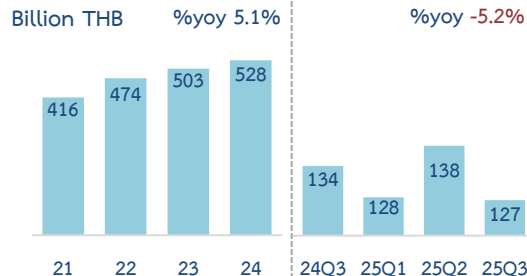
Note: Consumer loans are on full consolidation basis.



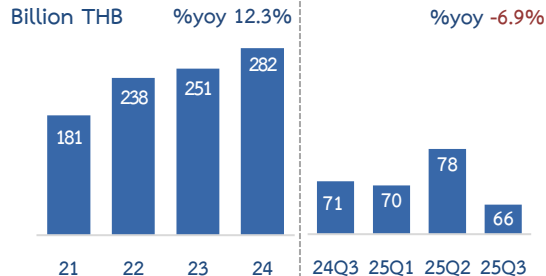
Bank profitability declined relative to the same period last year,

primarily due to lower net interest income following the contraction in lending and interest rate reductions.

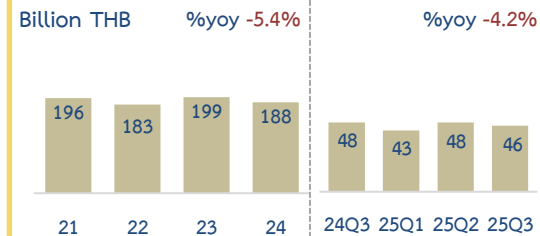
Pre-provision operating profit (PPOP)



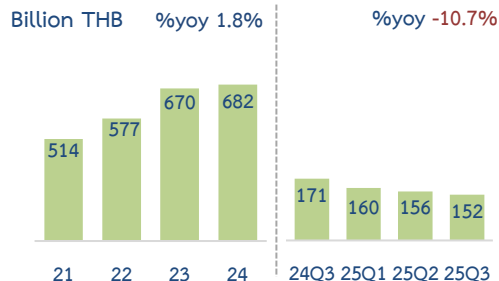
Net profit



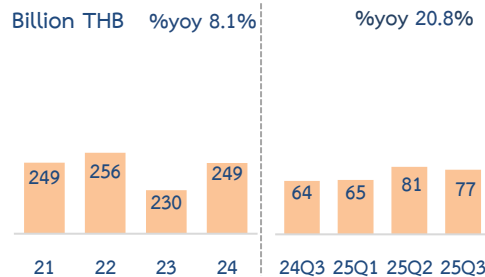
Provisioning expenses



Net interest income [66%]



Non-interest income [34%]



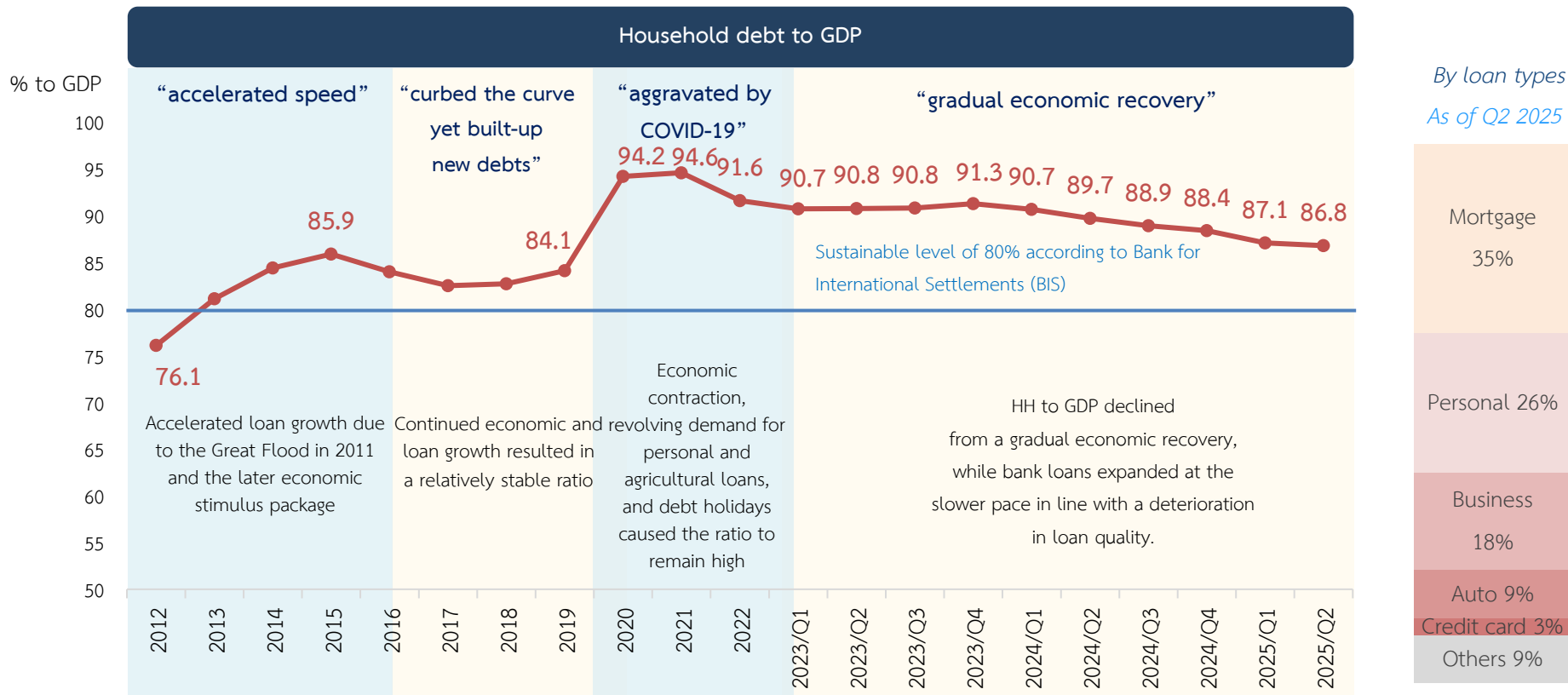
Ratios	21	22	23	24	24Q3	25Q1	25Q2	25Q3
NIM (%)	2.46	2.62	3.00	3.01	3.04	2.80	2.72	2.66
ROA (%)	0.81	1.01	1.06	1.17	1.19	1.16	1.27	1.08
ROE (%)	5.80	7.49	7.92	8.68	8.72	8.36	9.27	7.73

Note: (1) Bank profitability is on bank-only basis.

(2) Numbers in the parentheses show the proportion of net income as of Q3 2025.



Household debt to GDP ratio decreased, reflecting a marked slowdown in household credit expansion.

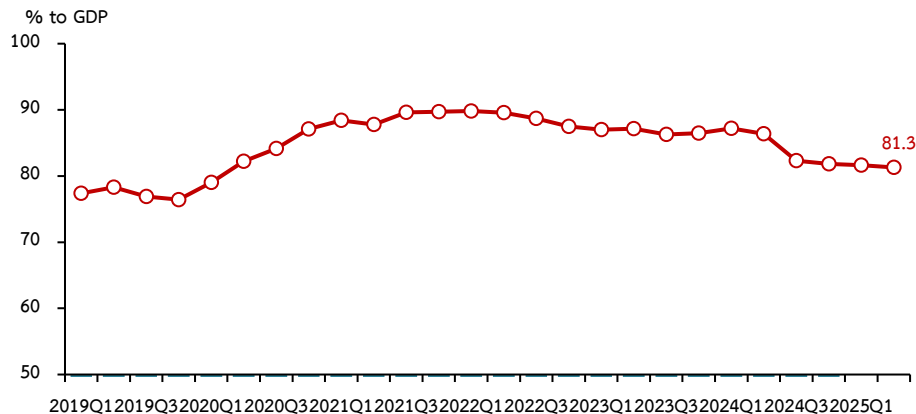




Corporate debt to GDP ratio decreased in Q2/2025, consistent with reduced new borrowing.

Overall profitability declined across most business sectors from the previous year, particularly in real estate, which faced subdued housing market conditions.

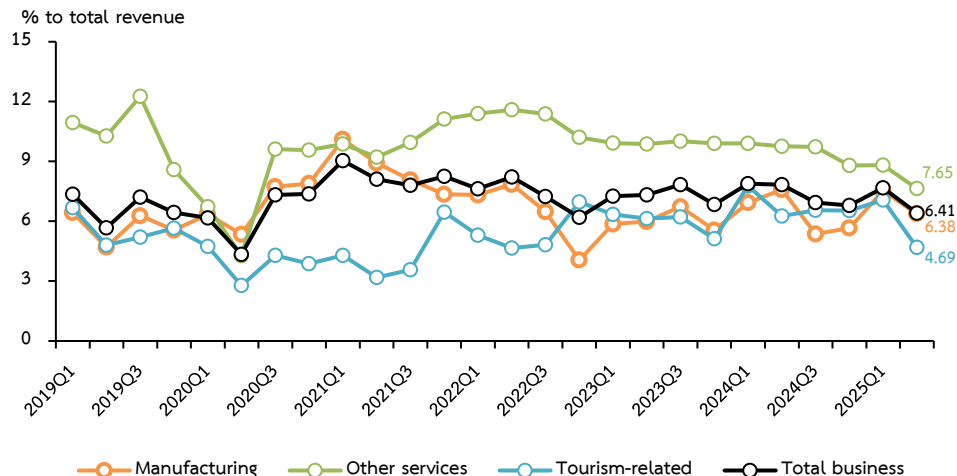
Corporate debt to GDP



Note: BOT has revised commercial bank loan data starting from the July 2025 publication onward, with retroactive changes to July 2024, following a change in data sources. This updates ensures that financial statistics reflect a more standardized classification of counterparties.

Source: BOT and NESDC

Operating profit margin (OPM) by sector



Note: (1) Median values are shown. The manufacturing sector includes manufacturing and petroleum businesses. The tourism-related sector includes hotels, airlines, restaurants and trade.
(2) OPM = Operating Profit Margin (EBIT/ total revenue)

Source: SEC and computed by BOT



Financial institutions have continued to support their debtors, while the Bank of Thailand closely monitor to ensure compliance with Responsible Lending (RL) measures.

Cumulative debt restructuring by financial institutions in 9 months of 2025

Cumulative number of accounts under assistance



3.53 million accounts

Banks + non-banks: 1.99 million account

SFIs: 1.54 million account

Cumulative loan outstanding under assistance



2.06 trillion baht

Banks + non-banks: 1.06 trillion baht

SFIs: 1.00 trillion baht



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Progress of the “Khun Soo, Rao Chuay” program



The total of 0.94 million registered debtors eligible for assistance under the program, covering outstanding debt of 620 billion THB. ^{1/}



0.94 million debtors



620 billion THB

Jai Trong Kong Sup



Auto
loans

0.31 million debtors



Mortgage
loans

0.25 million debtors



SME
loans

0.17 million debtors

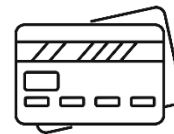
Jai Pid Job



Borrowers fully settled
their debts

0.16 million debtors

Jai Tad Ton



51

thousand debtors

Financial institutions are in the process of finalizing debt restructuring agreements for borrowers.

As of September 30, 2025, debt restructuring had been completed for more than 0.62 million debtors (66% of the total 0.94 million eligible registered debtors) , covering debt of 440 billion baht (71% of the total outstanding debt 620 billion baht). ^{2/}

^{1/} Information on registered debtors eligible to join the program, based on a survey of 49 financial institutions as of October 31, 2025.

^{2/} Debt restructuring data from reports submitted by financial institutions to the BOT.



Benefits of the “Khun Soo, Rao Chuay” program



For Debtors

- ✓ Reduce financial burden, allowing for improved cash flow.
- ✓ Greater principal reduction and faster debt settlement, particularly for mortgage and SME loans.
- ✓ Enables borrowers to retain essential assets such as homes, vehicles, and business premises.



For Financial and Economic System

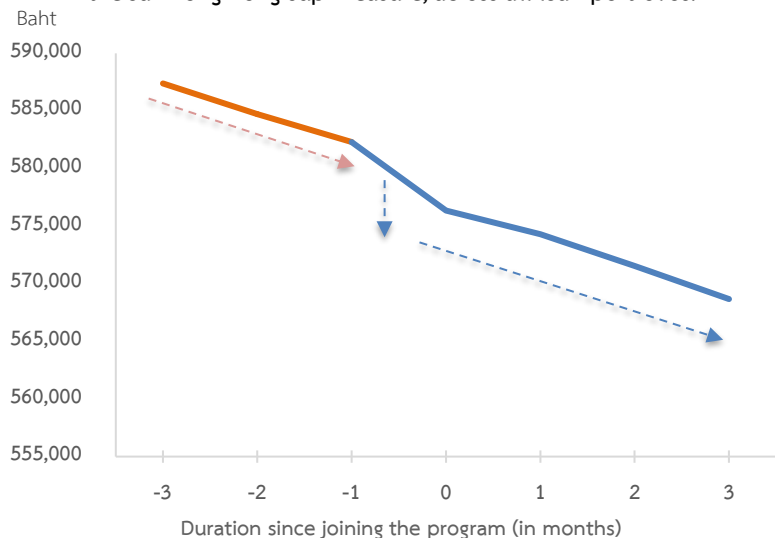
- ✓ Curbing the rise in NPLs.
- ✓ Help stabilize the used-car market.
 - Reduction in repossessed cars
 - Reduction in Loss-on-Sale ratio



Debtors have achieved greater principal reduction, easing financial burdens and enabling faster debt settlement.

This is reflected in the average monthly principal reduction, which has increased by 1.5 to 2 times compared with pre-program levels, resulting in additional liquidity upon participation.

Average outstanding principal of debtors participating in the Jai Trong Kong sup measure, across all loan portfolios.



Note : The data is on bank-only basis (exclude KTB), covering borrowers enrolled in the program for more than 3 months.

Type of assistance program



Interest rate reduction

Lower repayment burden



Increased average remaining liquidity

3,000 – 5,200 baht/month



Higher average principal reduction

1.5 - 2 times

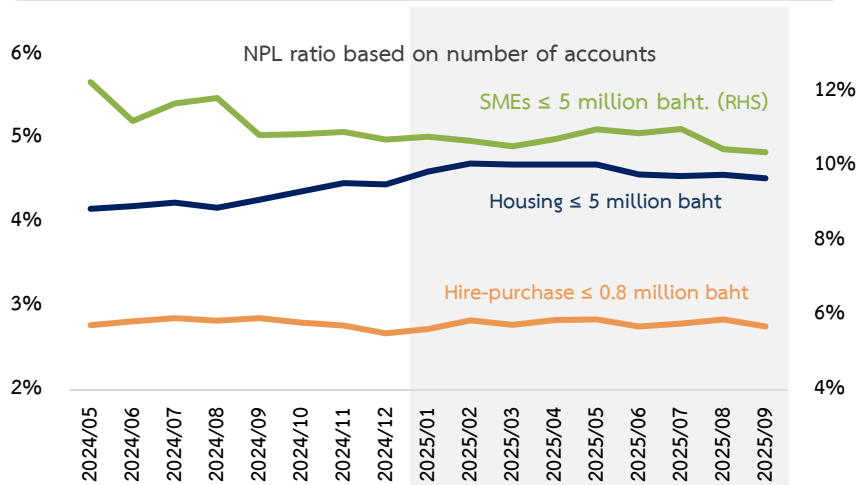


Benefits to Financial and Economic System



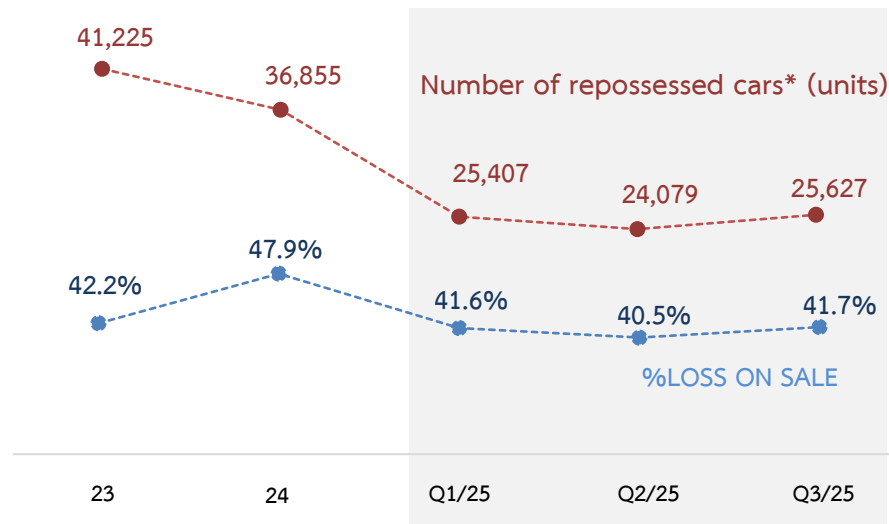
The 'Khun Soo, Rao Chuay' program has helped curb the rise in NPLs among SME and vulnerable borrowers, while also stabilizing the used-car market.

NPLs among vulnerable borrowers have remained broadly stable, and the success rate of debtors participating in the program remains high.



Loan portfolio	Number of accounts	% Success rate (DPD = 0)
SMEs credit line ≤ 5 million baht	60,615	86%
Housing credit line ≤ 5 million baht	67,555	85%
Hire-purchase credit line ≤ 0.8 million baht	97,987	74%

Repossessed car volumes and loss-on-sale ratios have declined.



source : BOT

Note * Quarterly average data of hire-purchase loans from 7 commercial banks.

Note : The data is on a bank-only basis (excluding subsidiaries) from regulatory data transformation (RDT) in number of accounts dimension.

The success rate (%) is calculated based on accounts that complying with the program's repayment terms without incurring any days past due (DPD)