BANK OF THAILAND

Banking Sector Quarterly Brief (Q3 2026)

The Thai banking system remains resilient with robust levels of capital, loan loss provisions, and liquidity. In the third quarter of 2026, **net profits of the commercial banking system declined from the previous quarter,** mainly reflecting lower operating income, particularly lower dividend income and reduced gains from the fair value measurement of financial assets through profit or loss (FVTPL), in line with higher bond yields.

Overall loan growth in the banking system (licensed banks and their subsidiaries) grew by 4.0% year-on-year, driven primarily by continued growth in lending to large corporates. This reflected increased demand for working capital amid higher operating costs, as well as new investment in technology- and AI-related businesses. Meanwhile, SMEs and consumer loans continued to contract, reflecting the uneven pace of economic recovery across borrower segments (K-shaped recovery). **The overall loan quality remained relatively stable.** NPL (Stage 3[1]) stood at 535.2 billion baht, with the NPL ratio remaining stable at 2.82%. Meanwhile, Stage 2 loans[2] declined to 6.68%, largely owing to borrowers resuming debt repayments and improvements in the credit quality of borrowers previously classified as having a significant increase in credit risk (SICR). NPL formation also moderated, partly supported by commercial banks' ongoing pre-emptive debt restructuring to borrowers.

Going forward, the uneven recovery of the Thai economy could continue to weigh on borrowers' debt-servicing capacity, particularly among vulnerable SMEs and households facing income volatility and higher living costs. In this regard, close monitoring of commercial banks' asset quality remains warranted. Nevertheless, measures to alleviate debt burdens, together with continued liquidity support from financial institutions, are expected to help cushion the impact on businesses and households.

For further information, please contact: Banking Risk Assessment Division
Tel: +66 2283 5980, +66 2356 7796
E-mail: BRAD@bot.or.th

[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)

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Banking Sector Quarterly Brief

(Q3 2026)

17 November 2026

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Banking Sector Quarterly Brief (Q3 2026)

Thai banking system remains resilient. Loan growth and asset quality continue to reflect the uneven economic recovery, warranting close monitoring of commercial bank's asset quality. Meanwhile, measures to alleviate debt burdens and provide additional liquidity support have helped cushion the impact on businesses and households.

Key Developments

1. Thai banking system remains resilient with robust level of capital, loan loss provisions and liquidity.
2. In Q3 2026, banking system's net profit (bank-only basis) declined from the previous quarter, mainly due to lower dividend income and FVTPL gains. Net profit of listed banks* also decreased.
3. Overall bank loans continued to expand, driven primarily by lending to large corporates. Meanwhile, SMEs and consumer loans continued to contract, reflecting the uneven, K-shaped economic recovery.
4. Overall loan quality remained stable, while the NPL formation rate for SMEs loan moderated slightly. Nevertheless, close monitoring remains warranted.

Key indicators for Banking Sector (Q3 2026)

BIS ratio
20.1%
(↑ from 20.0%)

NPL coverage ratio
191.9%
(↑ from 187.5%)

Liquidity coverage ratio
200.4%
(↑ from 197.4%)

Net Profit (%QoQ)
-16.9%
(↓ from 29.8%)

Loan growth(%YoY)
4.0%
(↑ from 2.0%)
Corporate: 10.4% | SMEs: -4.2% | Consumer: -0.5%

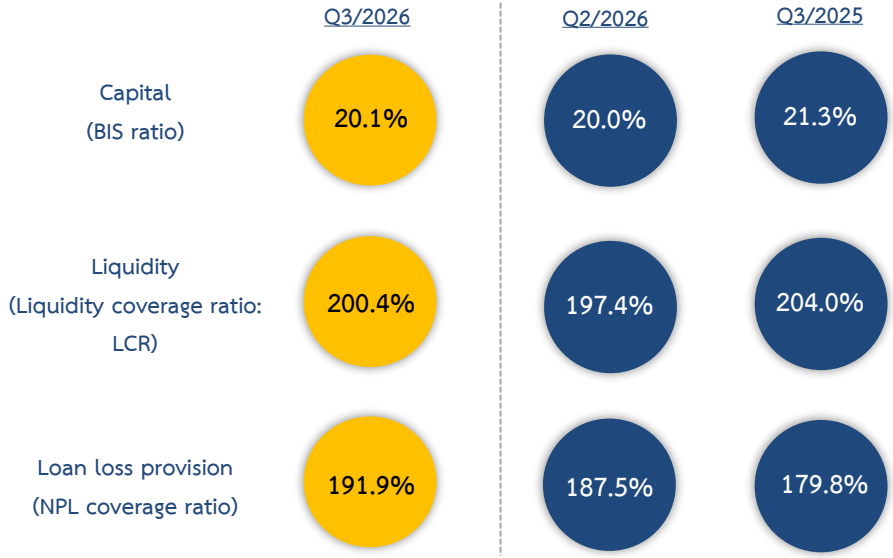
NPL ratio
2.82%
(stable)
Corporate: 1.3% | SMEs: 9.1% | Consumer: 3.3%

Noted: *Net profit of 10 listed commercial banks, on a full consolidated basis.

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

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

Capital, loan loss provision, and liquidity indicators



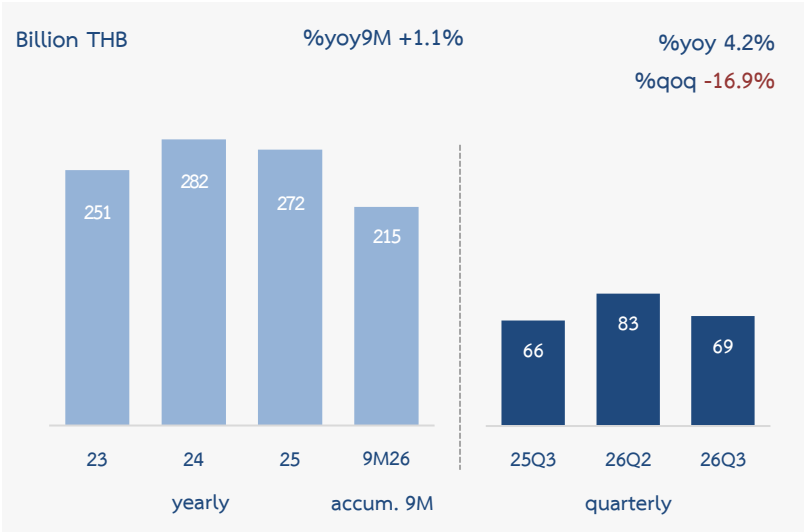
Note: (1) Data is on bank-only basis
(2) BIS ratio is a total capital to risk-weighted asset.
(3) NPL Coverage ratio is a loan loss provisions to NPLs.
(4) Liquidity coverage ratio (LCR) is a high-quality liquid assets to cover net cash outflows in crisis

Source: BOT

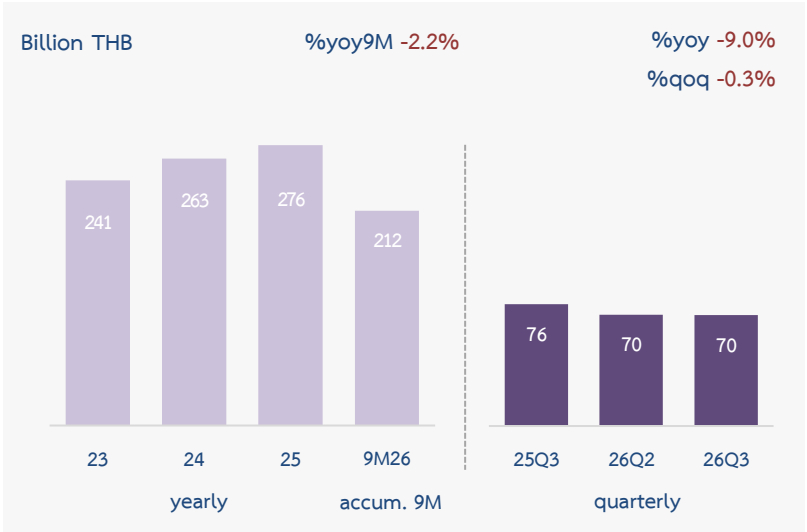
ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Banking system's net profit declined from the previous quarter. Similarly, net profit of listed banks* (consolidated basis) decreased, primarily due to lower operating income.

Net Profit (Bank only)



Net Profit (Listed bank*)



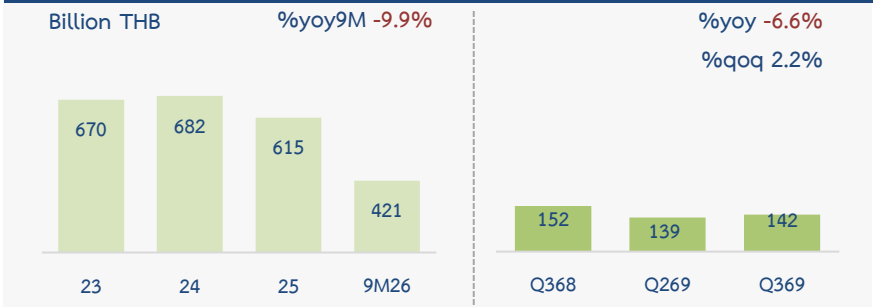
Noted: (1) Net profit of 28 commercial banks, on a bank-only basis.
(2) *Net profit of 10 listed commercial banks, on a full consolidated basis.

Source: BOT and SET

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

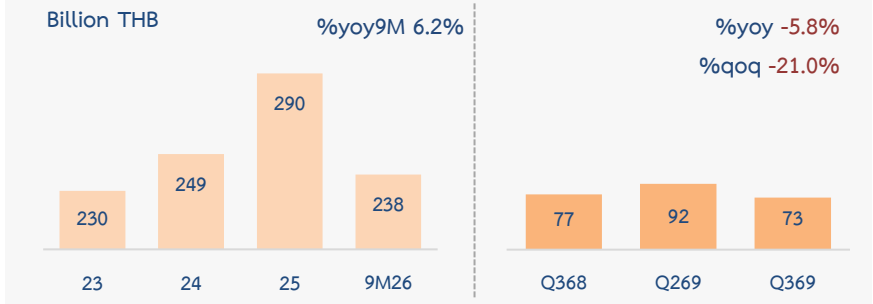
Net interest income increased slightly from the previous quarter, supported by continued loan growth but declined year-on-year amid lower interest rates. Fee income also moderated.

Net interest income [66%]



Ratios	23	24	25	9M26	26 Q3
NIM (%)	3.00	3.01	2.68	2.38	2.40
ROA (%)	1.06	1.17	1.11	1.14	1.09
ROE (%)	7.92	8.67	8.04	8.40	8.00

Non-interest income [34%]



Net Fee and Service Income [15%] (Billion THB)	25 Q3	26 Q2	26 Q3	%QoQ	%YoY
Fee and Service Income	50.5	50.7	49.9	-1.6	-1.2
(1) Card-related	21.6	19.2	19.4	0.8	-10.3
(2) Brokerage and Advisory Services	11.9	13.9	13.0	-6.1	9.4
(3) Payment Transaction-related	5.5	5.6	5.1	-8.8	-7.1
(4) Loan-related	3.9	3.7	4.0	8.5	3.0
(5) Others	7.6	8.2	8.3	0.9	9.9
Fee and Service Expenses	16.0	16.7	17.1	2.2	6.5
Net Fee and Service Income	34.5	34.0	32.8	-3.4	-4.8

Note: (1) Bank profitability is on bank-only basis.
(2) Numbers in the parentheses show the proportion of net income in Q3 2026.

Source: BOT

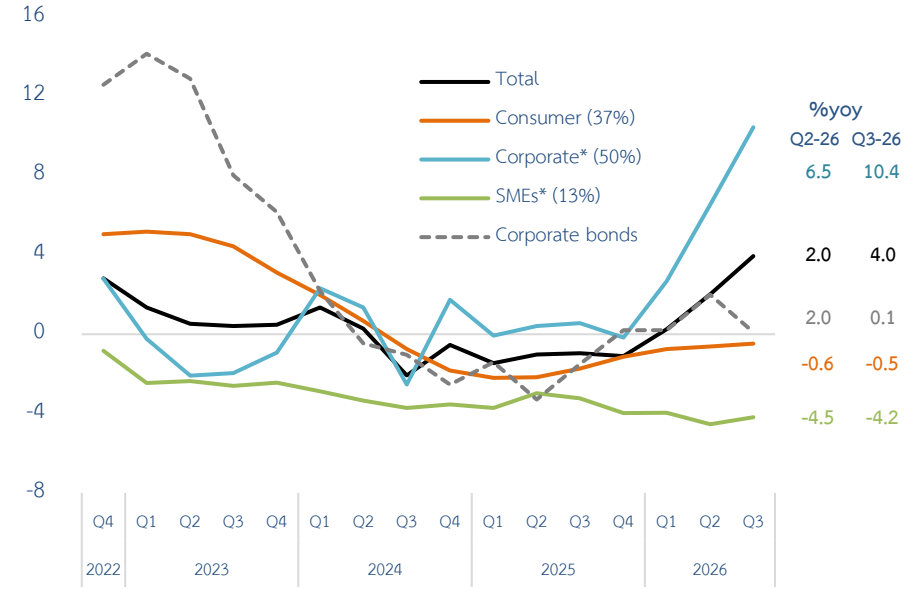
ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Overall bank loans continued to expand, driven primarily by large corporate lending. Meanwhile, SMEs and consumer loans continued to contract, reflecting the uneven economic recovery.

Overall bank loans continued to expand, driven primarily by large corporate lending. Meanwhile, SMEs and consumer loans continued to contract.

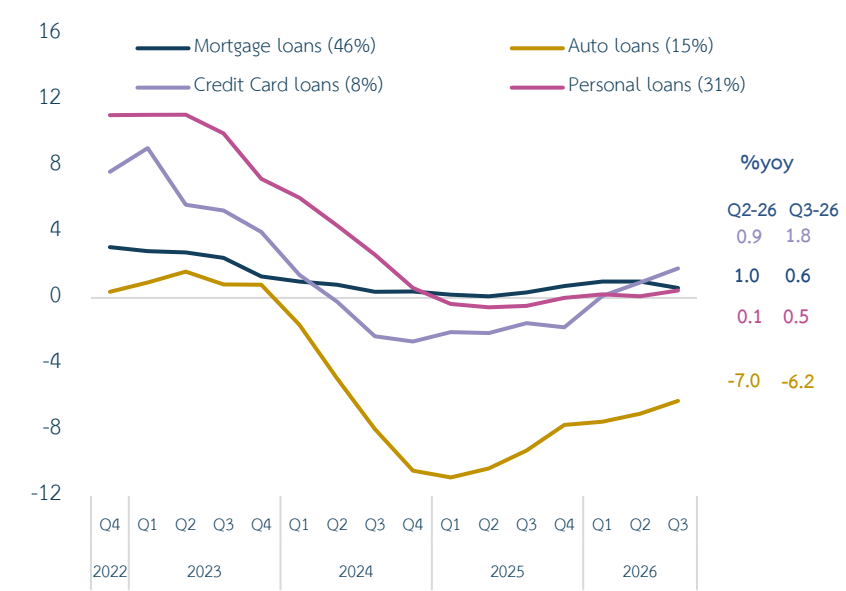
Mortgage loans continued to moderate, partly due to front-loaded property transfers ahead of the extension of measures to reduce property transfer and mortgage registration fees. Meanwhile, other consumer loans improved slightly.

Overall loan growth by portfolio and corporate bond growth



Note: (1) Bank loans are on full consolidation basis.
(2) Numbers in the parentheses show the proportion of total loans
(3) * Definition of business loan size based on OSMEP's criteria with an enhancement (based on income and credit line obtained from commercial banks)

Consumer loan growth by portfolio



Note: (1) Consumer loans are on full consolidation basis.
(2) Numbers in the parentheses show the proportion of total retail loans.

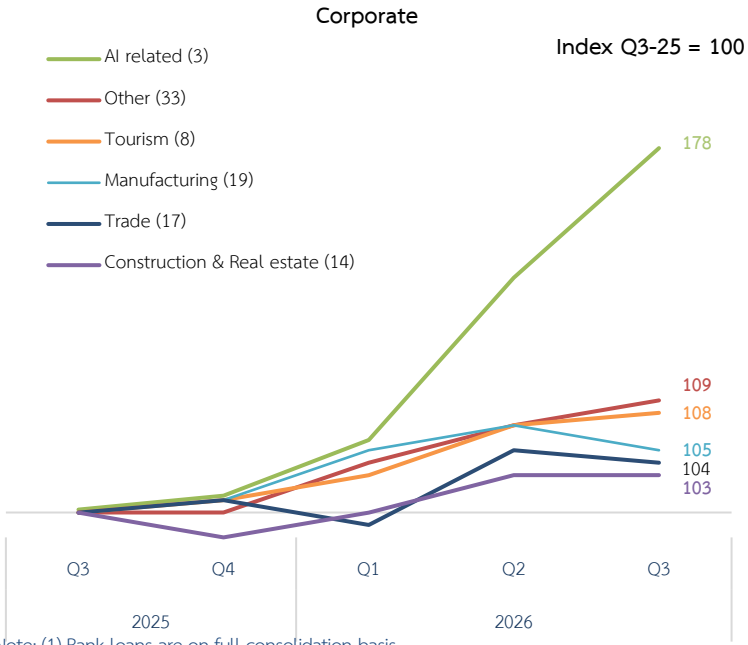
Source: BOT, SEC and ThaiBMA

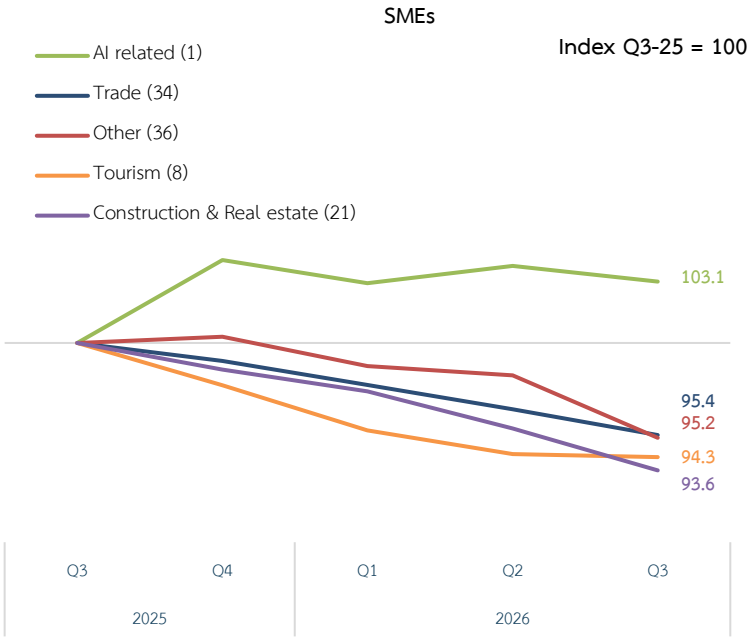
ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Credit conditions reflect a K-shaped economic recovery, with accelerated investment in AI-related businesses contributing to the strong expansion of large corporate lending.

Large corporate lending expanded strongly, primarily to support working capital needs amid higher costs, and finance a new wave of investment in technology- and AI-related businesses.

SME lending continued to contract in almost all business sectors.





Note: (1) Bank loans are on full consolidation basis.
(2) Numbers in parentheses show the proportion of total Corporate and SMEs loans in each business sector
(3) Definition of business loan size based on OSMEP's criteria with an enhancement (based on income and credit line obtained from commercial banks)

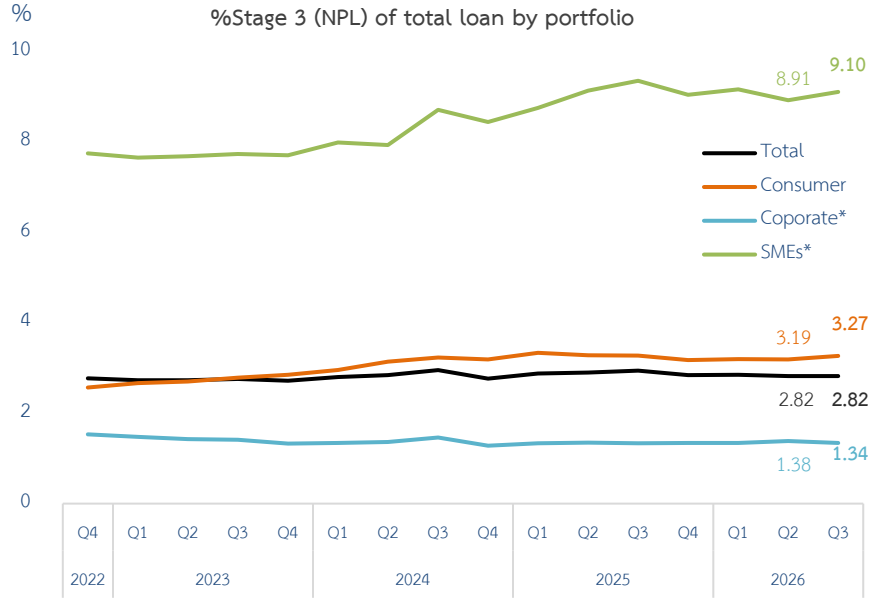
Source: BOT

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

NPL ratio remains stable, but the debt-servicing capacity of SMEs and consumer borrowers needs to be closely monitored.

NPL ratio remained stable while NPL formation moderated, supported by continued debt relief measures. However, the credit quality of existing vulnerable SMEs and households warrant close monitoring.

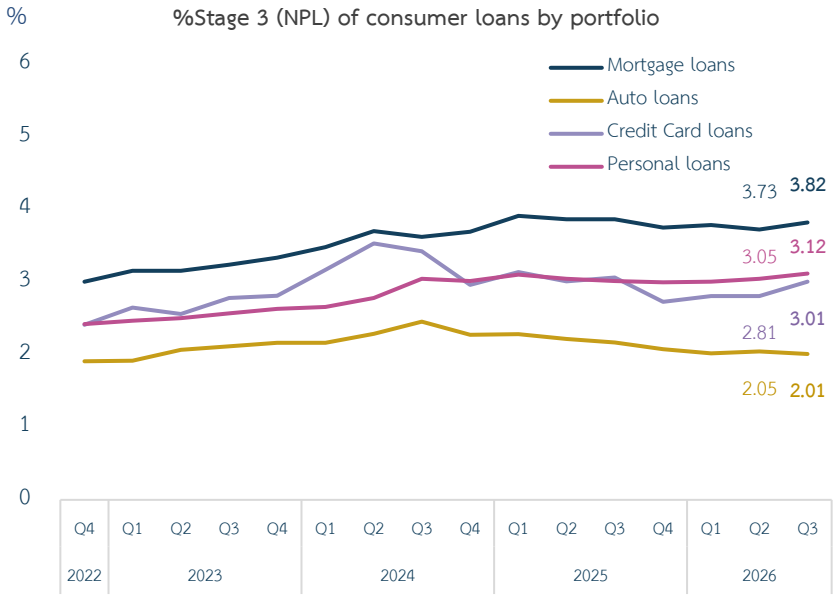
%Stage 3 (NPL) of total loan by portfolio



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

NPL ratio for consumer loans increased across almost all portfolios amid higher living costs and slower income growth.

%Stage 3 (NPL) of consumer loans by portfolio



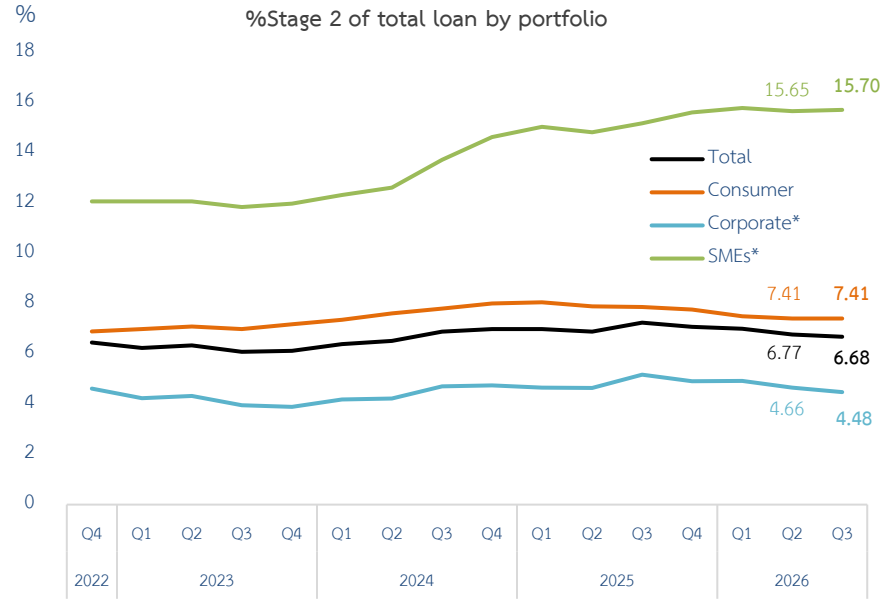
Note: Consumer loans are on full consolidation basis.

Source: BOT

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

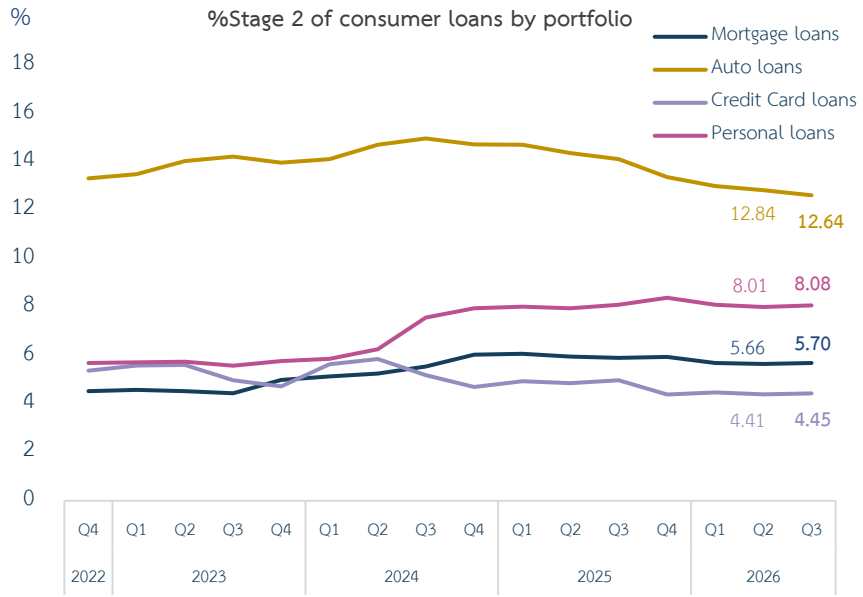
The overall Stage 2 ratio declined from the previous quarter, while consumer loans increased slightly across most portfolios, except auto loans.

The overall Stage 2 ratio declined, mainly due to debt repayments by large corporates, while the SME Stage 2 ratio increased due to a decline in loan base.



Note: (1) Bank loans are on full consolidation 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 ratio for consumer loans increased slightly in housing, credit card, and personal loans, reflecting weaker credit quality among existing vulnerable borrowers.



Note: Consumer loans are on full consolidation basis.

Source: BOT

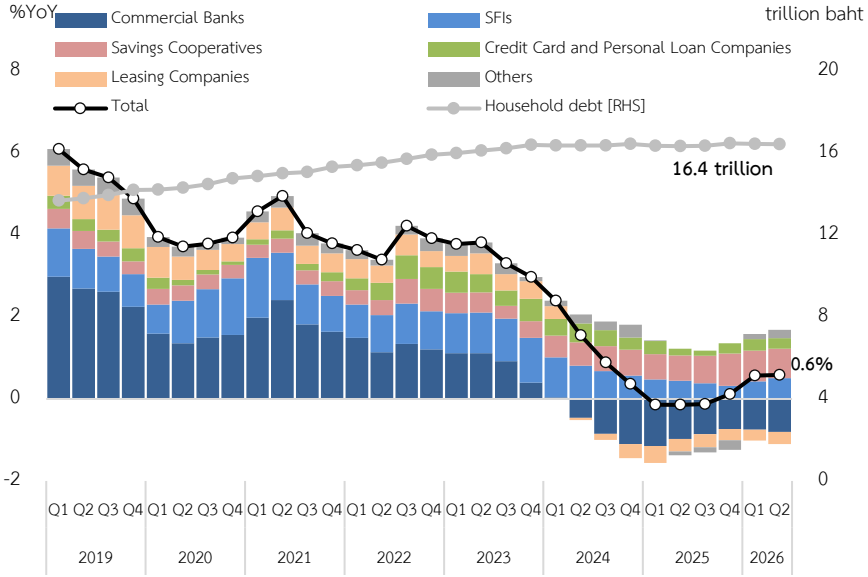
ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Household debt increased slightly, primarily driven by personal loans of low-income households amid rising living costs and slower income growth.

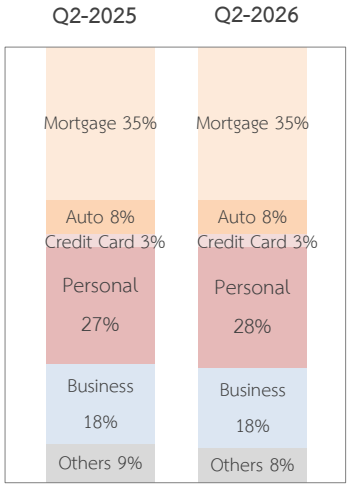
Household debt increased slightly by 0.6%YoY to 16.4 trillion baht.

The household debt-to-GDP ratio declined as GDP expanded, supported by a gradual economic recovery.

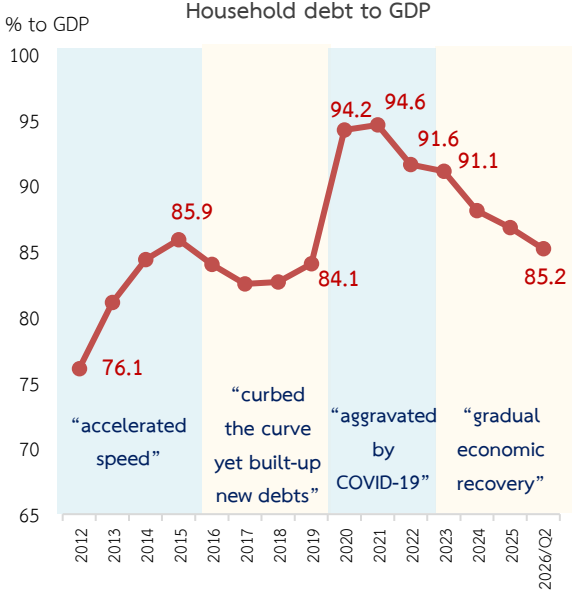
Contributions to Household Debt Growth by Financial Institution Type



Household Debt by loan types



Household debt to GDP



Note:
(1) "Others" includes other deposit-taking institutions, non-life and life insurance companies, securities companies, financial institution asset management businesses, pawnshops, and other financial institutions, such as the Financial Institutions Development Fund, the Thai Credit Guarantee Corporation, provincial microfinance businesses, the Student Loans Fund, the National Housing Authority, and cooperatives other than savings cooperatives.
(2) Data for commercial banks and credit card/personal loan companies were revised during Q4/22 to Q3/23 and Q1/26 to Q2/26 due to the transfer of credit card and personal loan businesses to a subsidiary of a commercial bank.

Source: BOT