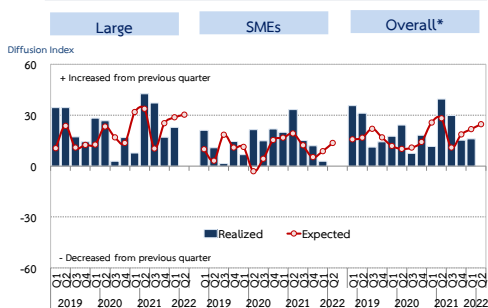


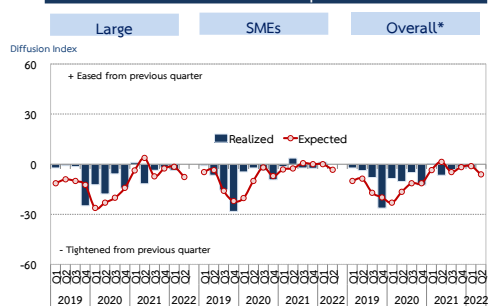


Demand for Corporate Loans



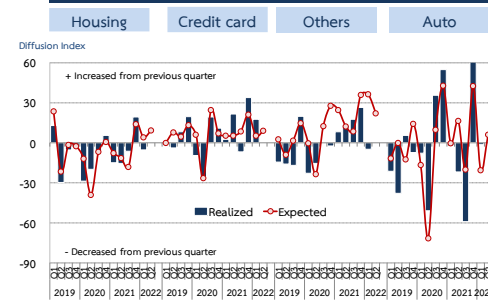
Source: BOT's Senior Loan Officer Survey, Apr 2022

Credit Standards for Corporate Loans



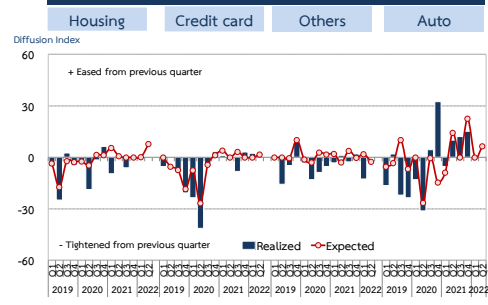
Source: BOT's Senior Loan Officer Survey, Apr 2022

Demand for Consumer Loans



Source: BOT's Senior Loan Officer Survey, Apr 2022

Credit Standards for Consumer Loans



Source: BOT's Senior Loan Officer Survey, Apr 2022

* The overall index is calculated based on the weighted sum of the index for demand and credit standards for corporate loans for large firms and SMEs.

Source: BOT's Senior Loan Officer Survey, April 2022

Corporate loans: Overall loan demand would continue to increase, while credit standards would remain tightened.

Corporate loan demand in Q1 2022 expanded from the previous quarter across all business sectors. In particular, large corporates demanded more working capital to support higher production costs driven by rising global commodity prices. Loan demand for export credits also increased, especially among agricultural businesses that wanted to accelerate exports during the period of rising global agricultural prices (Figures 1 and 2, page 2). In addition, loan demand for inventory build-up rose for both large corporates and SMEs in line with increasing production costs, while loan demand for fixed asset investment from large corporates decreased after having rebounded in the previous quarter. For Q2 2022, loan demand from large corporates and SMEs would continue to increase in all sectors, especially in the manufacturing sector, for working capital and exports thanks to improving economic prospects. Moreover, large corporates would demand more loans for refinancing. Meanwhile, some financial institutions also anticipated that some businesses would expedite loan applications given expectation of higher interest rates going forward.

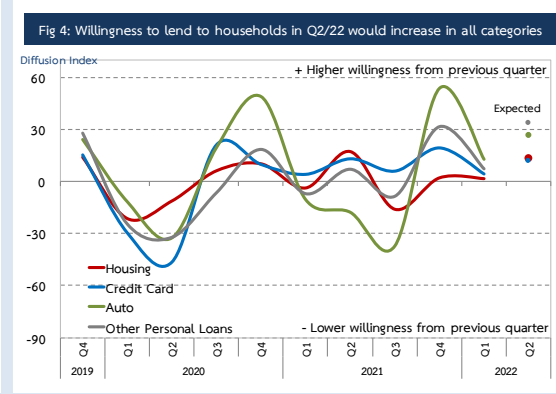
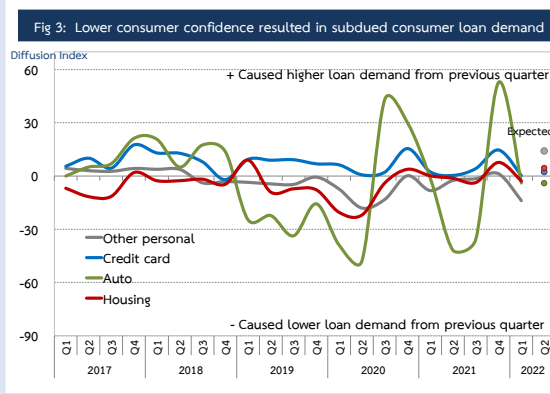
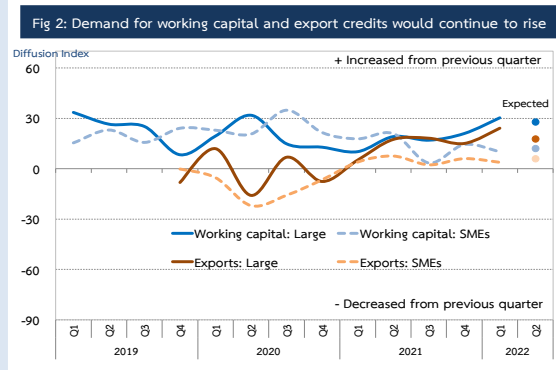
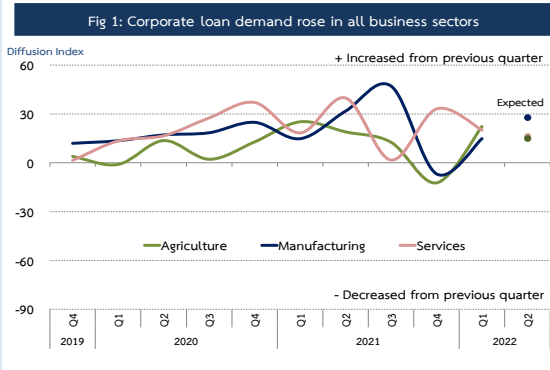
- **Credit standards for corporate loans** in Q1 2022 were largely unchanged from the previous quarter. For large corporates, credit standards remained tightened given risk to the economic outlook from both the Omicron outbreak and Russia-Ukraine conflict. This was in line with a decline in loan approval rates for manufacturing and services businesses. Financial institutions thus applied stricter loan covenants and raised the margin for high-risk borrowers. Meanwhile, some financial institutions slightly eased credit standards for SME loans owing to some improvement in credit quality. For Q2 2022, financial institutions would continue to tighten credit standards for all sizes of businesses. However, credit quality was expected to improve, especially agricultural businesses that benefited from rising global agricultural prices.

Consumer loans: Overall demand for consumer loans decreased, except for credit card loans. For Q2 2022, loan demand would increase in line with easing credit standards.

- **Consumer loan demand** in Q1 2022 declined slightly in almost all categories as the Omicron outbreak and rising living costs affected consumer confidence (Figures 3, page 2). Demand for auto-leasing loans decreased partly as businesses offered less sales promotions. However, demand for credit card loans increased from households with insufficient savings to support consumption and liquidity management. For Q2 2022, consumer loan demand would continue expanding in all categories driven by improving consumer confidence as the impact of the Omicron outbreak on economic activities was limited. Moreover, demand for other personal and credit card loans was expected to increase to support consumption and spending on durable goods.
- **Credit standards for consumer loans** in Q1 2022 were largely unchanged from the previous quarter, except other personal loans that were mostly unsecured. Credit standards for other personal loans were thus tightened due to concerns over risk to the economic outlook and credit quality that had yet to improve, especially among non-bank borrowers. For Q2 2022, overall credit standards would be eased given improving debt serviceability following the economic recovery and higher competition among lenders in all loan categories. This would be consistent with expected higher loan approval rates and greater willingness to lend in all loan categories (Figure 4, page 2). Nevertheless, credit standards for other personal loans would remain tightened, while some financial institutions would raise the margin for both general and high-risk borrowers.

Monetary Policy Strategy Division, Monetary Policy Department, Monetary Policy Group
29 April 2022

^{1/}Source : [Image online] available at : http://www.govopps.co.uk/poll-shows-public-and-political-attitudes-differ-over-payday-loans/loan_11975157sml-7/[Accessed on January 2013]



Sources: The Bank of Thailand conducts the quarterly **Senior Loan Officer Survey** to obtain views of senior loan officers from financial institutions and from credit card and personal loan companies under supervision (non-banks). The survey helps to enhance the Bank of Thailand’s understanding of the prevailing credit conditions and their outlook. The survey covers views on the supply for credit, demand for credit, and outlook for credit approvals in the next quarter. In the Q1 2022 survey, the Bank of Thailand received responses from 26 domestic commercial banks, branches of foreign commercial banks, and specialized financial institutions (SFIs), and from 25 credit card and personal loan companies under supervision (non-banks), covering about 98.0 percent of total credits in the financial system. Responses were received during 7-20 April 2022.

Interpretation of the index: The survey results are presented in a diffusion index (DI) format which varies between -100 and 100. Responses of each financial institution or non-bank are recorded on a 5-level scale, weighted by the institution’s market share of outstanding loans for each loan category. The DI is interpreted as follows:

DI	Change from the previous quarter	
+100	Considerable increase in loan demand	Considerable easing in credit standards
+50	Moderate increase in loan demand	Moderate easing in credit standards
0	Unchanged loan demand	Unchanged credit standards
-50	Moderate decrease in loan demand	Moderate tightening in credit standards
-100	Considerable decrease in loan demand	Considerable tightening in credit standards

Detailed survey results, survey form, and previous reports can be accessed through:
<https://www.bot.or.th/English/MonetaryPolicy/EconomicConditions/Pages/CreditCondition.aspx>

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Disclaimer: This report does not necessarily reflect the Bank of Thailand’s or any one financial institution’s view. The Bank of Thailand uses this report together with information from other sources to analyze the economic conditions.

Appendix: Past survey results for each loan category

The past results presented here include the demand for loans, credit standards, and loan quality. The survey results were collected from Q4 2007, except results on loan quality which started in Q1 2013 and auto-leasing loans which started in Q3 2014.

