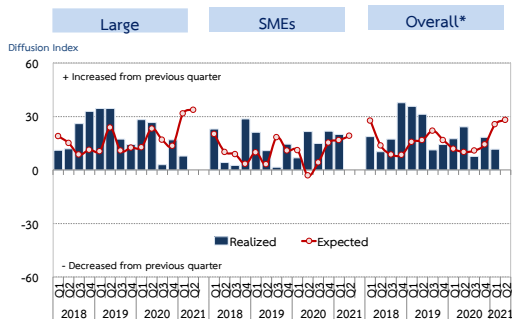


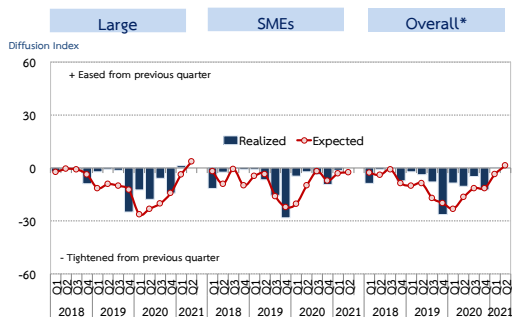


Demand for Corporate Loans



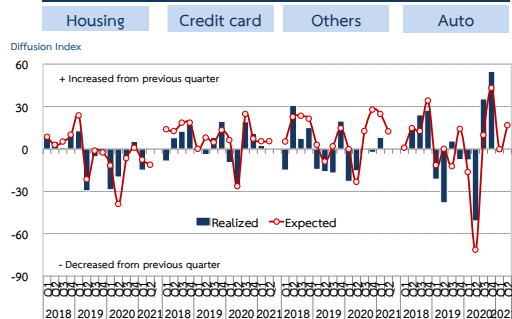
Source: BOT's Senior Loan Officer Survey, March 2021

Credit Standards for Corporate Loans



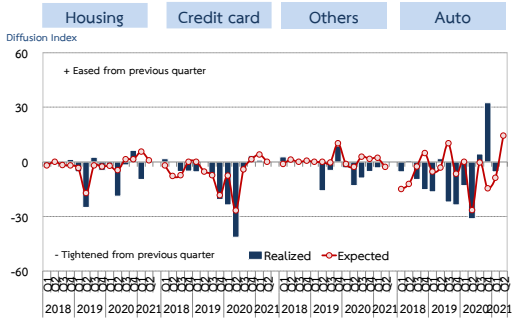
Source: BOT's Senior Loan Officer Survey, March 2021

Demand for Consumer Loans



Source: BOT's Senior Loan Officer Survey, March 2021

Credit Standards for Consumer Loans



Source: BOT's Senior Loan Officer Survey, March 2021

* 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, March 2021

Corporate loans: Overall corporate loan demand continued to increase, while credit standards for SME loans would remain tightened in Q2 2021.

- **Corporate loan demands** in Q1 2021 continued to increase from the previous quarter for both large corporates and SMEs, mainly for working capital. Loan demand of large corporates also increased for project finance, especially for investment in government projects. SMEs continued to raise funds to enhance liquidity due to impacts of the new wave of COVID-19 outbreak since the end of 2020. SME loan demand for investment, particularly investment in fixed assets, and for exports started to improve (Figure 1 page 2). In addition, an increase in corporate loan demand was broad-based across businesses and was significant for new customers. However, credit approval rates for large corporates decreased slightly and increased for SMEs, where financial institutions' liquidity and debt serviceability of borrowers were key factors for consideration in extending loans. For Q2 2021, loan demand of large corporates and SMEs was expected to continue rising, especially for working capital. Large corporates would still demand loans for project finance, while SMEs would demand loans to enhance liquidity during highly uncertain economic situations. Moreover, some financial institutions expected a policy rate cut, which would consequently increase demand for SME loans.
- **Credit standards for corporate loans** in Q1 2021 remained largely unchanged from the previous quarter. For large corporates, credit standards were slightly eased as financial institutions' liquidity remained ample. For SMEs, credit standards remained tightened due to risks pertaining to each business sector and highly uncertain economic conditions. Nevertheless, ample liquidity of financial institutions helped ease credit standards for SME loans somewhat. For Q2 2021*, financial institutions expected that they would still face risks pertaining to the economic conditions and each business sector. However, their ample liquidity and additional public assistance measures such as the emergency decree on the provision of financial assistance for entrepreneurs would help ease credit standards for large corporate and SMEs loans slightly. Nonetheless, credit standards for SMEs would be further tightened for new customers and businesses that had yet to recover from the outbreak. Financial institutions would thus widen the interest margin, impose stricter loan covenants and additional collateral requirements, particularly for risky corporates.

Consumer loans: Demand for consumer loans declined for housing and auto-leasing loans. Financial institutions would continue to tighten credit standards in Q2 2021, except for auto-leasing loans.

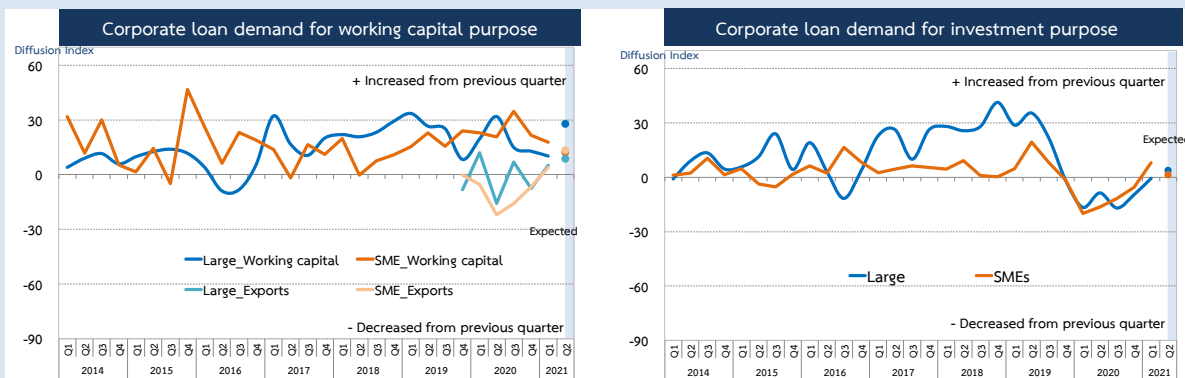
- **Consumer loan demand** in Q1 2021 declined for housing loans in line with subdued real estate market, and fell slightly for auto-leasing loans as consumer confidence was affected by the new wave of COVID-19 outbreak (Figure 2 page 2) and due to more stringent loan conditions. Meanwhile, demand for credit card and other personal loans continued to rise. Key factors for consideration in extending loans included general economic conditions and debt serviceability of borrowers. For Q2 2021, demand for consumer loans were expected to increase for auto-leasing, credit card, and other personal loans for spending and liquidity management as households had low savings. However, loan conditions that were expected to be more stringent, especially for housing loans, would result in declining demand for housing loans.
- **Credit standards for consumer loans** in Q1 2021 remained tightened, particularly for housing loans, due to concerns over uncertain economic conditions and impacts of the outbreak. For credit card loans, credit standards were slightly eased. For Q2 2021*, overall credit standards were expected to be largely unchanged. However, credit standards for auto-leasing loans would be eased further owing to high competitions in extending loans among financial institutions, although there would remain concerns over uncertain economic outlook and risk from collateral values. Financial institutions were thus expected to widen interest margin for risky borrowers.

* Most financial institutions did not take into account impacts of the new wave of COVID-19 outbreak in April 2021, which might affect credit standards for both corporate and consumer loans in the period ahead.

Monetary Policy Strategy Division, Monetary Policy Department, Monetary Policy Group
30 April 2021

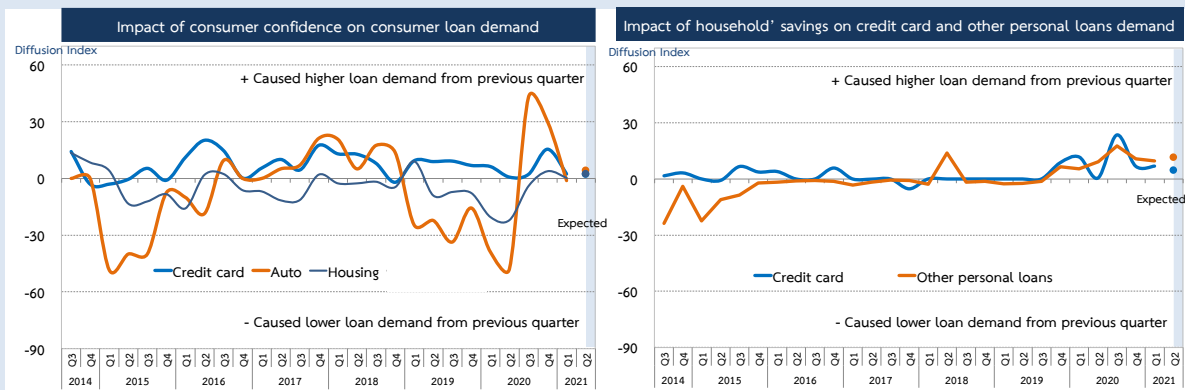
¹Source : [Image online] available at : http://www.govopps.co.uk/poll-shows-public-and-political-attitudes-differ-over-payday-loans/loan_11975157sml-7/[Accessed on January 2013]

Figure 1 Loan demand of large corporates and SMEs continued to increase mainly for working capital. Meanwhile, SME loan demand for investment, especially investment in fixed assets, and for exports started to improve.



Source: BOT's Senior Loan Officer Survey, March 2021

Figure 2 Consumer loan demand declined for housing and auto-leasing loans as consumer confidence was affected by the new wave of COVID-19 outbreak. Demand for credit card and other personal loans continued to rise for liquidity management as households had low savings.



Source: BOT's Senior Loan Officer Survey, March 2021

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 2021 survey, the Bank of Thailand received responses from 27 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 98.6 percent of total credits in the financial system. Responses were received between 22 March 2021 and 21 April 2021.

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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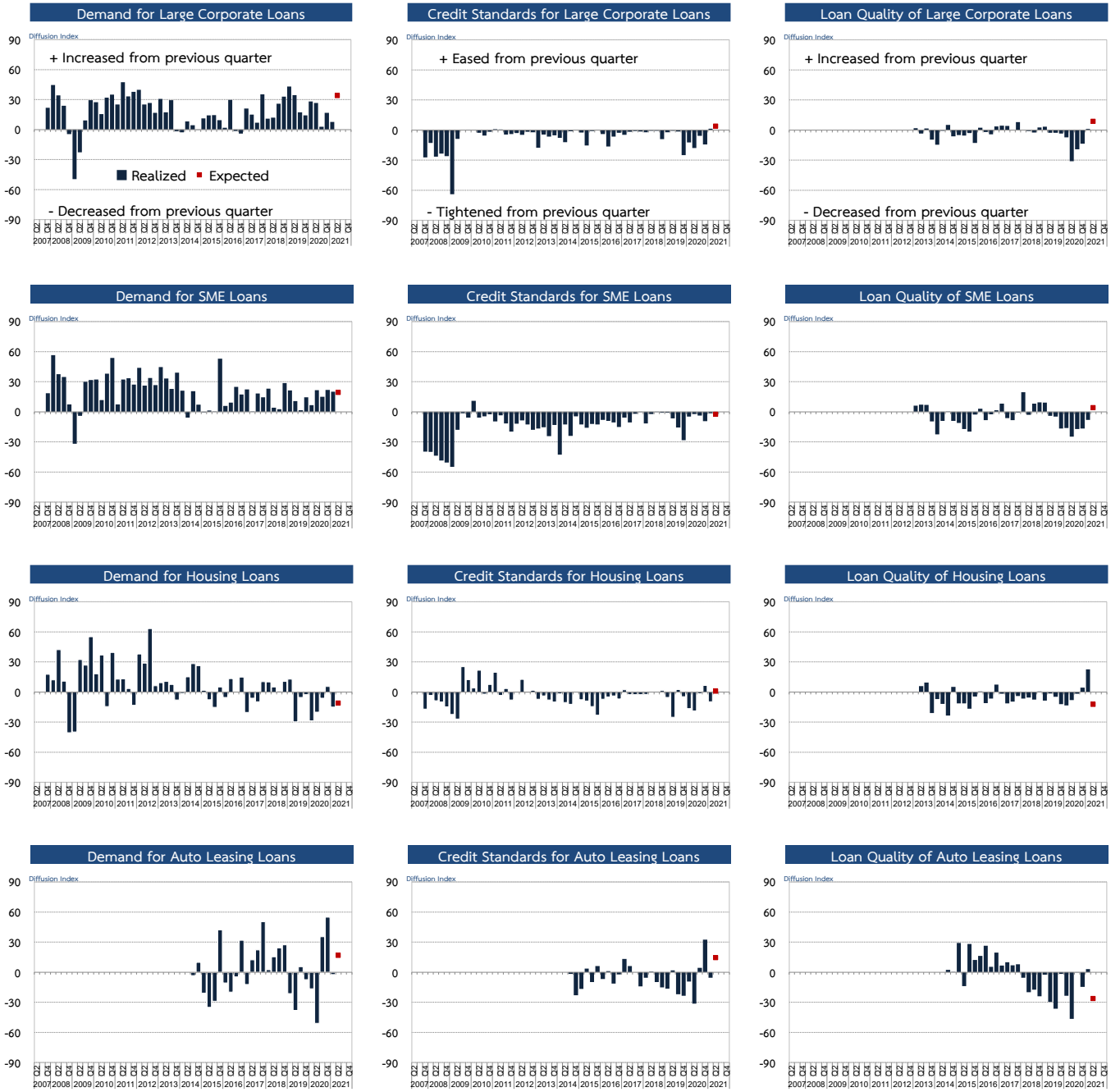
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Disclaimer: This report does not necessarily reflect the Bank of Thailand's or any one financial institution's view.

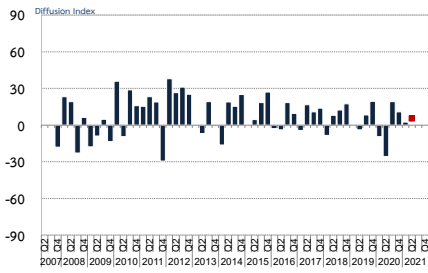
The Bank of Thailand uses this report together with information from other sources to analyze the economic conditions.

Appendix: Past survey results for each loan category

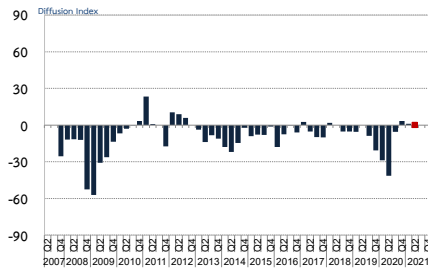
The past results presented here include the demand for loans, credit standards, and loan quality. The survey results were collected from Q4 2007, except results on loan quality which started in Q1 2013 and auto-leasing loans which started in Q3 2014.



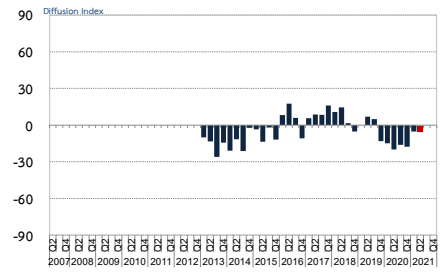
Demand for Credit Card loans



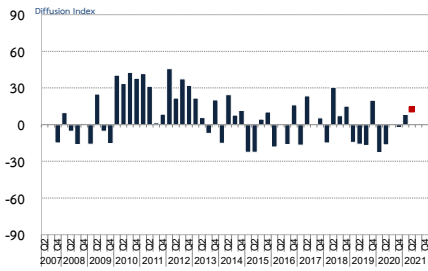
Credit Standards for Credit Card Loans



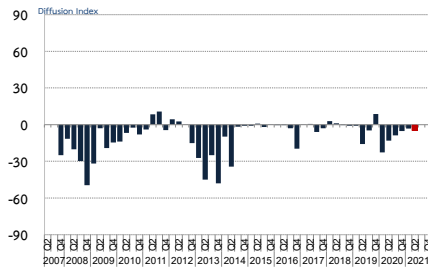
Loan Quality of Credit Card Loans



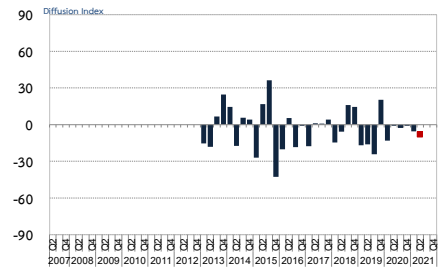
Demand for Other Personal Loans



Credit Standards for Other Personal Loans



Loan Quality of Other Personal Loans



Source: BOT's Senior Loan Officer Survey, March 2021