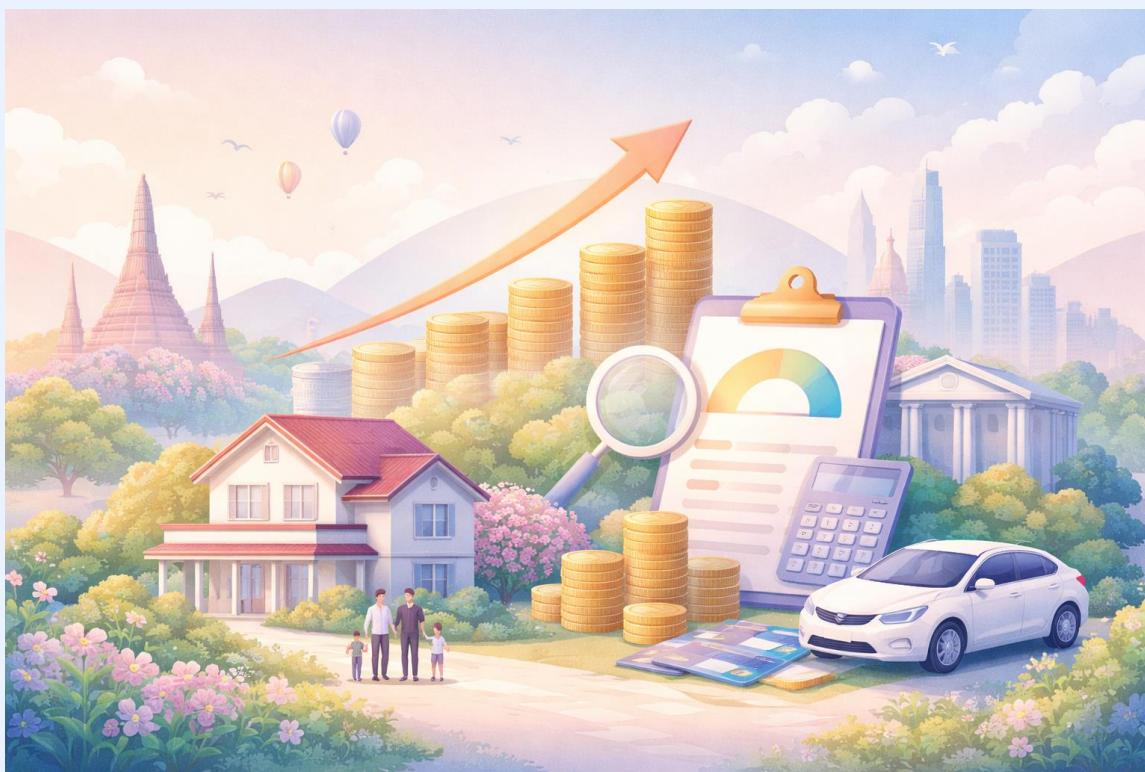


Credit Conditions Survey: Reading Household Credit Signals in 2025Q3



"This development indicates that the current phase of tightening represents a structural recalibration rather than a credit crunch, aimed at preserving long-term financial stability."

The Credit Conditions Survey for 2025Q3, released by Bank of Thailand, provides a clear window into how Thai households and financial institutions are adjusting to a more fragile economic environment. While overall consumer sentiment remains subdued, the survey reveals an increasingly segmented credit landscape. Demand, lending standards, and loan quality are moving in different directions across loan categories, reflecting a shift from credit expansion toward risk management and balance-sheet discipline.

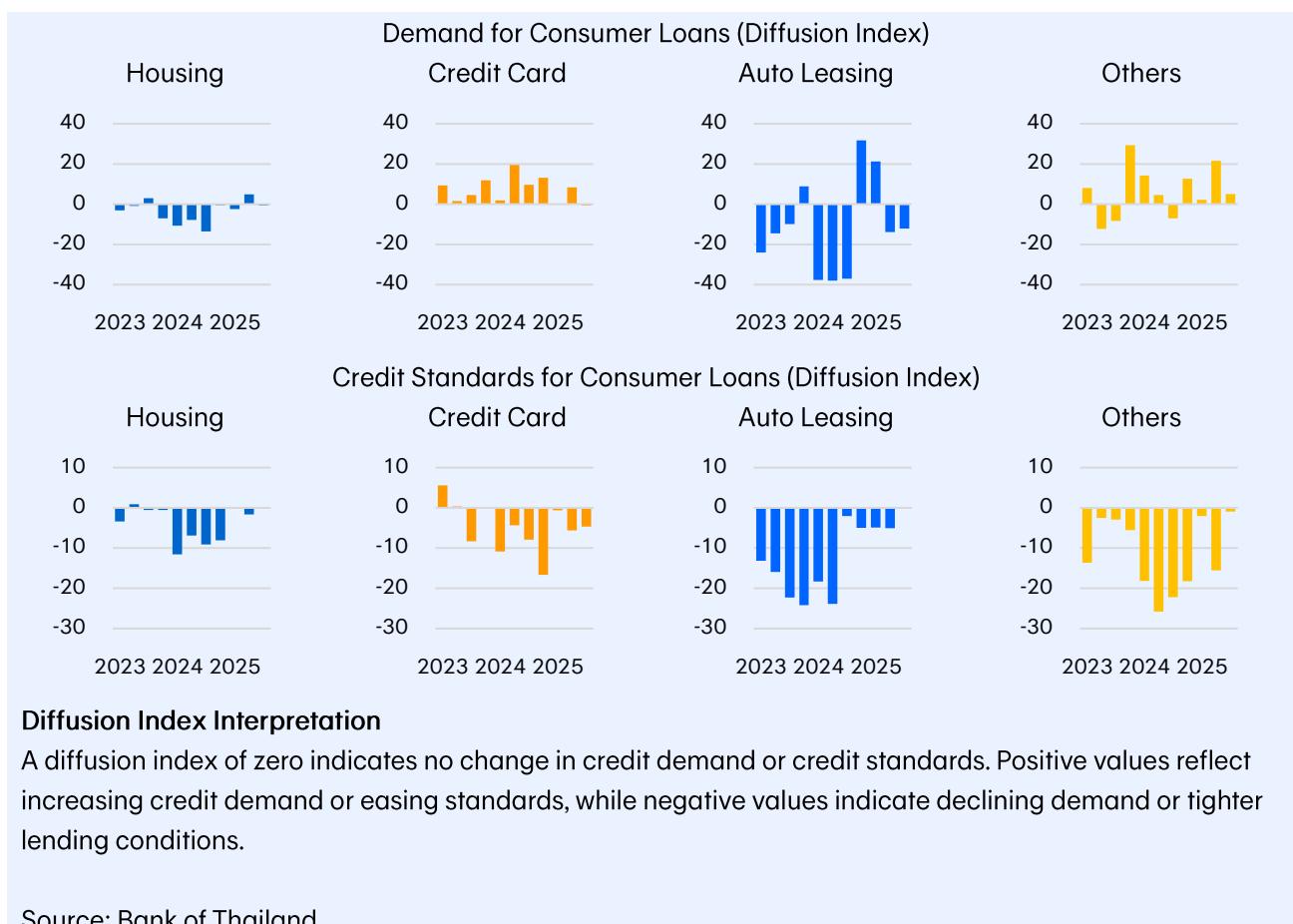
Housing Loan Demand Shows Structural Resilience

Housing loan demand remained broadly stable in 2025Q3, underscoring the structural role of residential property in household financial decisions. Supportive interest rate conditions and targeted government measures have helped anchor demand, even as economic uncertainty persists. More importantly, housing

continues to be viewed not merely as consumption, but as a long-term store of value. In an environment where income growth is uncertain and consumption confidence is weak, households appear more willing to commit to asset accumulation than to discretionary spending, reinforcing the relative resilience of housing-related credit.

Auto Leasing Demand Reflects Heightened Consumer Caution

By contrast, demand for auto leasing loans weakened during the quarter. This decline reflects a more cautious consumer stance shaped by concerns over job security, income volatility, and the broader economic outlook. Vehicle purchases, which require sizable and inflexible financial commitments, are among the first expenditures to be deferred when confidence deteriorates. The contraction in



Diffusion Index Interpretation

A diffusion index of zero indicates no change in credit demand or credit standards. Positive values reflect increasing credit demand or easing standards, while negative values indicate declining demand or tighter lending conditions.

Source: Bank of Thailand.

auto leasing demand highlights the sensitivity of durable goods consumption to shifts in expectations, even when financing options remain available.

Credit Standards Tighten as Lenders Reprice Risk

Credit standards for household loans, particularly personal loans and credit cards, tightened further in 2025Q3. This trend points to a deliberate reassessment of risk by financial institutions amid slower growth and rising uncertainty. Lenders are placing greater emphasis on borrower quality, income stability, and debt-servicing capacity. While such prudence strengthens the resilience of the financial system, it also reduces credit accessibility for marginal borrowers. As a result, household consumption may face additional constraints, reinforcing the cyclical slowdown in domestic demand.

Improving Loan Quality Signals Stronger Credit Discipline

Despite tighter lending standards, loan quality in the housing and auto leasing segments improved during the quarter. More selective underwriting has reduced exposure to weaker borrowers, contributing to lower default risks and more stable loan portfolios. In the auto leasing segment, in particular, improved credit quality suggests that lenders are prioritizing portfolio health over loan volume. This development indicates that the current phase of tightening represents a structural recalibration rather than a credit crunch, aimed at preserving long-term financial stability.

Pornpawee Thammavichai
Pornpawee.Thammavichai@bangkokbank.com

Research Department