

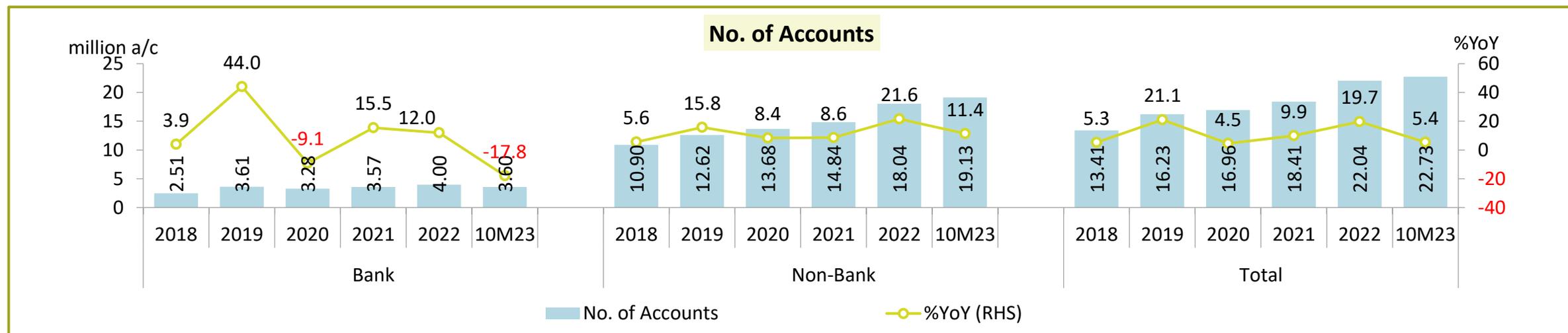
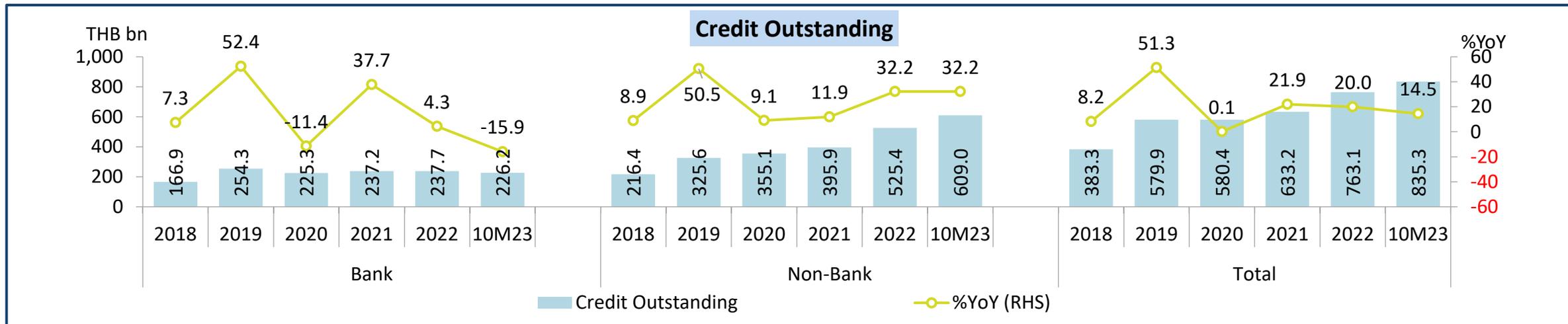
Thai Personal Loan Market Situation 2023

(สถานการณ์สินเชื่อส่วนบุคคล)

Business Research

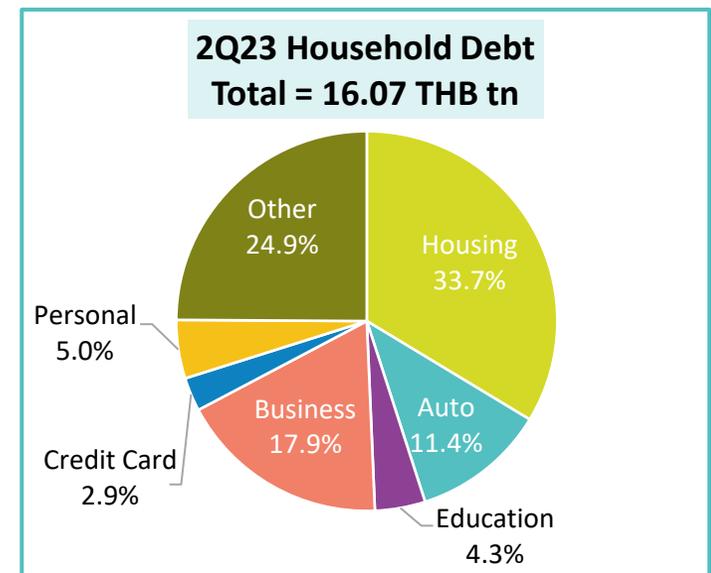
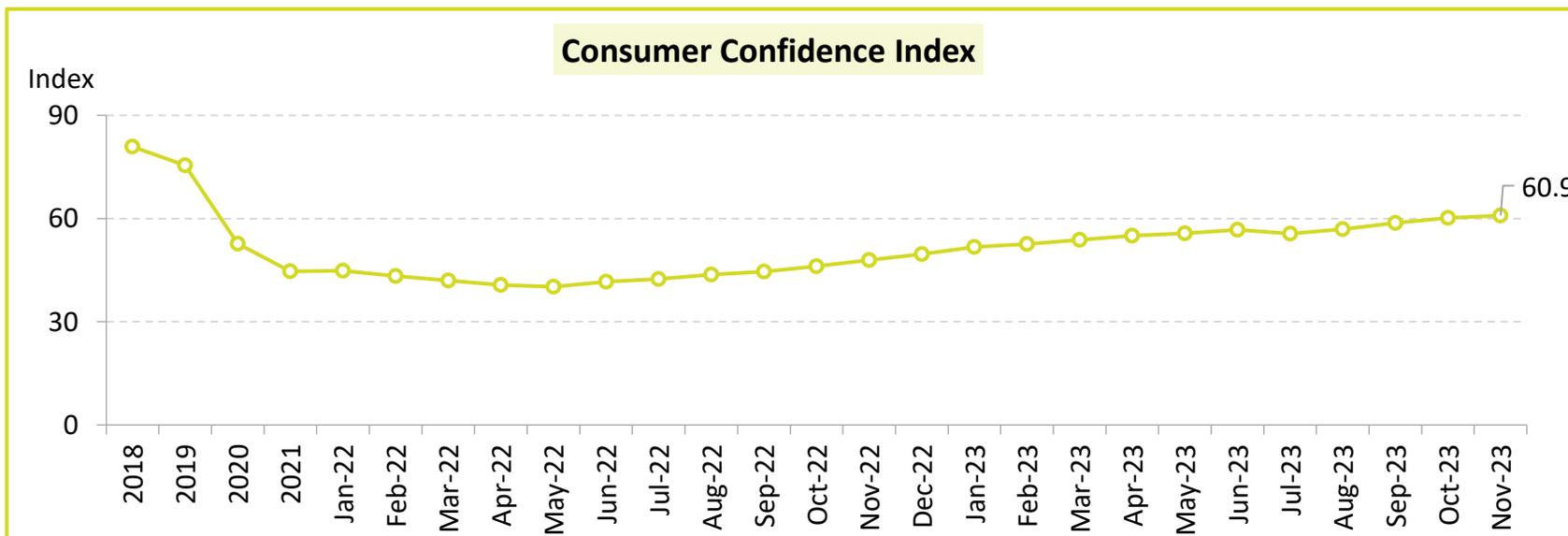
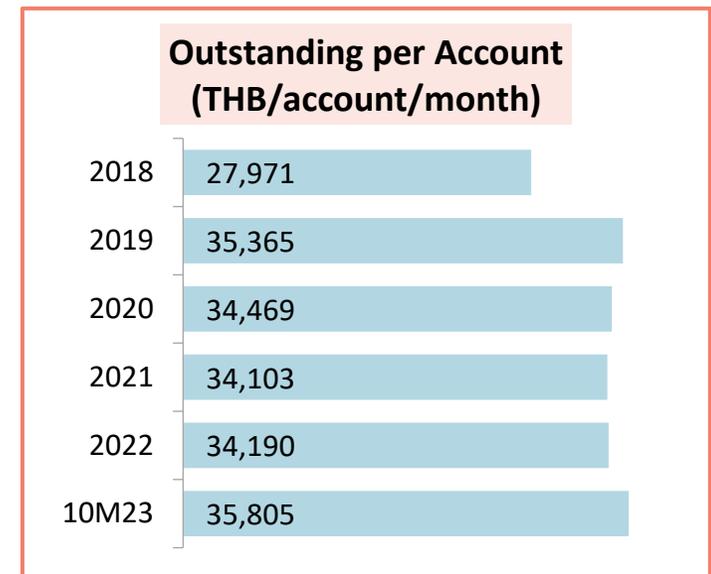
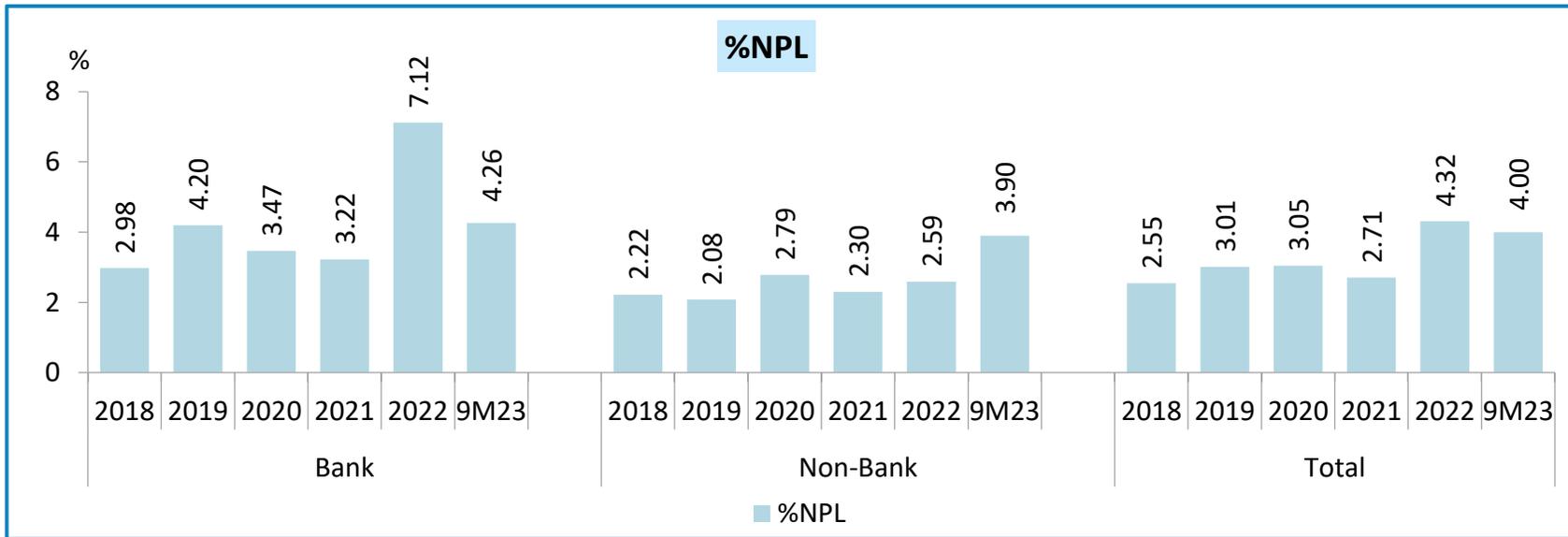
8 January 2024

Personal Loan (สินเชื่อส่วนบุคคล)



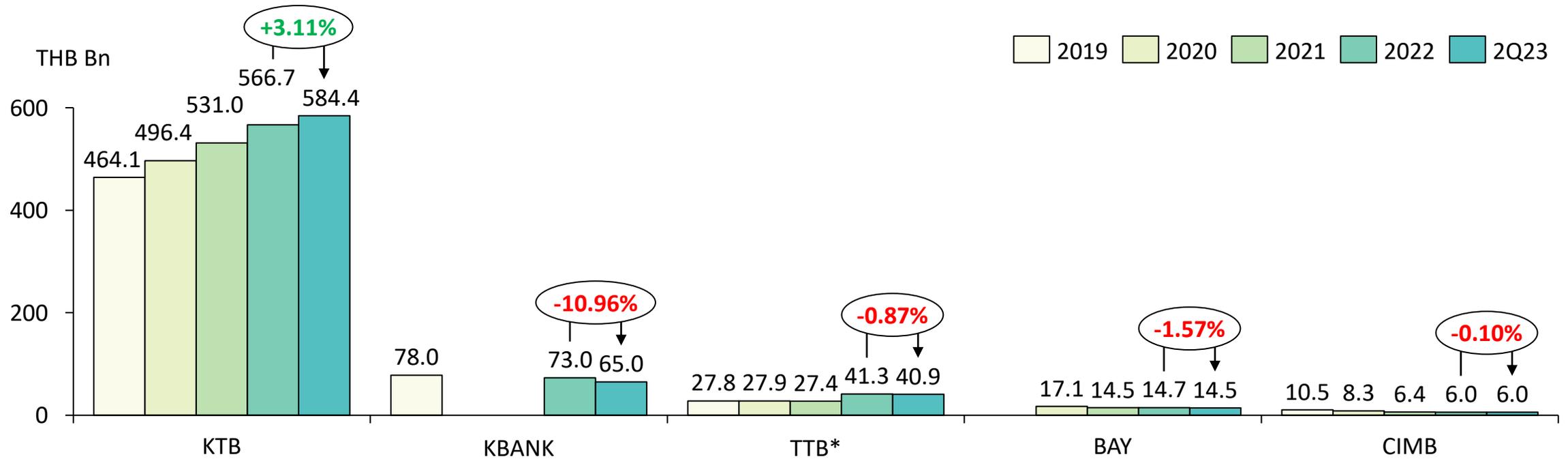
Personal Loan under Supervision refers to uncollateralized personal loans, hire purchases, leasing loans on goods and loans with vehicle registration as collateral which the licensed lenders are usually not in the business of selling. Excluded from this category are (1) hire purchases and leasing of automobiles, motorcycles, and machines (2) Loans for education (3) Loans for working abroad (4) Loans for medical care (5) Loans pertaining to employee benefits under an agreement between the employers and the lenders, (6) Loans prescribed by the Bank of Thailand.

Personal Loan (สินเชื่อส่วนบุคคล)



Personal Loan by Bank (2019-2Q2023)

Credit Outstanding by Bank



Note: Excluded credit card
 * Calculated from %Share of total loan

Personal Loan and Factors affecting the business in 2023-2024

Tailwind

- **The Thai economy tends to expand steadily.** The Bank of Thailand (BOT) estimates that the Thai economy will expand by 3.8% in 2024 (including the digital wallet scheme). This will have a positive impact on credit demand from businesses and households.
- **High interest rates** are positive for banks' interest income.
- **The development of financial technology (fintech)** will provide opportunities for banks to develop new products and services in response to customer needs.

Headwind

- **High inflation and high levels of household debt** will affect customers' ability to repay their debts and cause banks to be more stringent in their lending. High inflation can also increase banks' costs, such as labor costs and the cost of goods and services, which could put pressure on banks' margins and profits.
- **Global Geopolitical tensions**, such as the war in Ukraine and the wars between Israel and Hamas, could lead to economic uncertainty and volatility. This could have a negative impact on the Thai economy and banking sector.
- **Intense competition from other financial institutions**, such as digital banking and fintech companies.
- **The BOT is expected to continue to introduce new regulations aimed at strengthening the Thai banking system.** These regulations may increase the cost of compliance for banks.