



ข่าวธนาคารแห่งประเทศไทย

สำนักผู้ว่าการ ธนาคารแห่งประเทศไทย โทร. ๒๕๒๖๖๕๕

NO. 53/1998

RESOLUTION OF THE FOUR INTERVENED BANKS

BBC will be partially acquired by KTB

1. On the Liabilities side:

1.1 All depositors will be transferred to KTB immediately..

- BBC will not take new deposits. Deposits that matured before the migration date and are to be rolled-over will become KTB's deposits. KTB will set up a deposit-desk in every BBC branch starts August 17, 1998.

- Existing deposit will receive original interest until maturity.

Depositors will be allowed to withdraw before maturities but will receive the normal penalty interest rate.

- Saving and current accounts deposits can make withdrawal in term of cash. Large-value fixed deposit which matured and all withdrawal before maturities will be paid by cashier checks.

1.2 Creditors and contingent liabilities have the option to transfer to KTB or being paid at the maturities of their contracts. FIDF will finance all the payment since it is covered by the regulations in general guarantee scheme.

1.3 Customers on payroll services will have the option to move to KTB, or any other banks.

2. On the Asset side:

2.1 Good assets defined as loans which services interest rates will be transferred to KTB.

2.2 All past-due debtors (NPLs) will be left at BBC which will serve as an AMC.

2.3 KTB will provide a credit line for BBC to facilitate loan restructuring and operating expenses e.g. payroll etc.

3. Employee and Branch network

3.1 BBC will retain all its employees for 3 months. After that some staff will be maintained for loan work out.

The laid off employees will receive full compensation and some may be rehired by KTB.

3.2 BBC will sell some of its branches, land and premises, some branches will be relocated or rationalized.

3.3 BBC will retain its banking license but will be restricted , from August 17, 1998 until turned into an AMC.

4. Recapitalization

Since KTB will have to absorb all BBC liabilities, the amount of which is higher than its good assets, FIDF will convert all its loan to BBC into KTB capital.

FBCB : will be fully acquired by KTB.

1. FBCB will make full provisions up-front according to the year 2000 loan classification rule. All assets will be transferred at net book values to KTB.

2. Depositors, creditors and employees will be transferred to KTB immediately.

3. All FBCB branches will become KTB's, and KTB may decide to relocate or rationalize some branches at the later stage.

4. FIDF will convert all its FBCB loans to KTB capital, and the government will provide yield maintenance and loss-sharing to KTB.

5. FBCB will retain its banking license until the judicial process has been completed, then the license will be revoked.

BMB & SCIB : These two banks will be recapitalized according to end-2000 LCP rules, and offered for sale, with NPL covered by yield maintenance and loss-sharing arrangements.

Please be informed accordingly.

Bank of Thailand
14 August 1998

Hot line Tel. 283-6431