



BANK OF THAILAND NEWS

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Re: Progress in Debt Restructuring

1. Progress of Debt Restructuring by Financial Institutions

Financial institutions have reported that as at the end of March 2000 completed debt restructuring has increased by 16,626 cases to 213,971 cases with a corresponding increase in credit outstanding of about 8.12% or 96,573 million baht to 1,285,534 million baht. The February-March increase is greater than the January-February increase of 12,349 cases or 62,742 million baht in credit outstanding.

Cases in process of restructuring in March 2000 have shown an overall increase of 3,974 cases to 31,472 cases despite the withdrawal of a number of cases by some institutions where creditors have resolved to take legal action. In result, credit outstanding has fallen by 14.29% or 155,321 million baht from 1,086,665 million baht to 931,344 million baht.

Completed debt restructuring cases and cases in process of debt restructuring as at end-March 2000 total 245,263 cases with credit outstanding of 2,216,878 million baht. Business sectors reporting the largest amounts of completed debt restructuring cases by credits outstanding include the manufacturing, the real estate sectors, wholesale and retail and services where about 77% are from Bangkok, and the remaining 23% are provincial cases (Tables 1-4).

2. Progress in Debt Restructuring of Target Cases

As at the end of April 2000, target debtors under the Corporate Debt Restructuring Advisory Committee total 9,142 cases with credit outstanding of 2,562,000 million baht. Target cases are comprised of 2,682 large cases which make up 89% of total credit outstanding of target

cases, and 6,460 small- and medium-sized cases which comprise of 11% of total credit outstanding. The progress target restructuring cases are summarised as follows (Table 5).

1. Successfully completed restructuring cases total 3,328 cases with credit outstanding of 811,817 million baht of which 374 are large target cases with credit outstanding of 768,781 million baht, and 2,954 are small- and medium-sized cases with credit outstanding of 43,036 million baht.

The 374 large successfully completed cases are composed of 282 cases under Target Groups 1&2 (61% of Group 1&2 signatory target cases). The majority of target cases in Groups 1&2 have been resolved with only 42 cases remaining which are in process of restructuring. Other cases include cases where firms have discontinued business operations, unsuccessful restructuring cases, and non-signatory cases filed in court by creditors.

2. Target cases in process of restructuring negotiations total 1,104 cases with credit outstanding of 310,525 million baht of which 420 cases with credit outstanding of 258,803 million baht are large DCA-ICA target debtors, and 684 cases with credit outstanding of 51,722 million baht. Notably, 378 cases or about 90% of the 420 large cases are relatively new target cases approved following the initial target Groups 1 and 2.

3. Large target cases filed in court total 550 cases of which 511 target debtors have not signed the Debtor Creditor Agreement, and 39 cases have signed but were unsuccessful in restructuring. In addition to these, cases expected to be filed in court include 268 non-signatory target debtors whom financial institutions are preparing to take to court, and 125 cases which were unsuccessful in restructuring.

Small- and medium-sized target cases filed in court total 295 cases of which 212 target debtors have not signed the Debtor Creditor Agreement, and 83 cases which were unsuccessful in restructuring. Cases expected to be filed in court total 1,071 cases comprising of 619 non-signatory target debtors whom financial institutions are preparing to take to court, and 452 cases which were unsuccessful in restructuring.

4. A total of 33 target cases were referred to the Executive Decision Panel process where Sufficient Plan Approval was not obtained on the second plan vote under the Debtor-Creditor and Inter-Creditor Agreement process. Of the 33 cases, 27 cases are in process under the EDP, and 6

cases have been resolved under the EDP. The EDP resolutions on 6 cases approved 2 restructuring plan, and rejected 4 restructuring plans under these cases.

Bank of Thailand

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[Attachment](#)