



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 May 2000 completed debt restructuring has increased by 16,102 cases to 241,847 cases with a corresponding increase in credit outstanding of about 5.95% or 81,440 million baht to 1,450,456 million baht. Notably, about 50% of reported debt restructuring cases completed in May 2000 carried out by state-owned banks. Overall, reports of debt restructuring over the January-May 2000 period indicates that on average, about 76,000 million baht in credit outstanding or about 14,000 cases have completed debt restructuring monthly.

Cases in process of restructuring in May 2000 have shown an overall increase of 6,165 cases to 40,195 cases, however, credit outstanding has fallen by 5.77% or 51,228 million baht from 887,611 million baht to 836,383 million baht.

Completed debt restructuring cases and cases in process of debt restructuring as at end-May 2000 total 282,042 cases with credit outstanding of 2,286,839 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 June 2000, target debtors under the Corporate Debt Restructuring Advisory Committee total 9,597 cases with credit outstanding of 2,583,329 million baht. Target cases are composed of 2,734 large cases comprising of about 89% of credit outstanding of all target cases, and 6,863 small- and medium-sized cases comprising of about 11% of target credit outstanding. The progress target restructuring cases are summarised as follows (Table 5).

1. Successfully completed restructuring cases increased by 383 cases with credit outstanding of 68,321 million baht from end-May to 4,237 cases with credit outstanding of 964,339 million baht. Completed cases as at end-June comprise of 553 large target cases with credit outstanding of 906,818 million baht, and 3,684 small- and medium-sized cases with credit outstanding of 57,521 million baht.

Nearly all the 702 target cases under Target Groups 1&2 have now been resolved. Under Target Groups 1&2, 314 cases (67% of Group 1&2 signatory target cases) have completed restructuring, 22 cases are in process of restructuring many of which are currently under the EDP process, other cases in the group were unable to find resolutions through debt restructuring.

2. Target cases in process of restructuring negotiations have fallen by 140 cases with credit outstanding of 32,451 million baht from end-May to 783 cases with credit outstanding of 201,626 million baht. Of the cases in process of restructuring, 408 cases under the DCA-ICA process with credit outstanding of 195,786 million baht, and 375 cases are small- and medium-sized debtors under the SA process with credit outstanding of 5,840 million baht.

3. Target cases filed in court total 1,195 cases, of which 669 are large target debtors, and 526 are small- and medium-sized target cases. In addition to these, cases expected to be filed in court total 1,316 target debtors of which 694 are unresolved target cases which have not signed the DCA-ICA or SA agreements, and 622 cases which were unsuccessful in restructuring.

4. A total of 36 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. A total of 19 Executive Decision Panels have been appointed for the 36 target cases of which 10 target cases are currently under consideration of the Panels. To date, 26 cases have been resolved under the EDP whereby the EDPs have approved the restructuring plan for 5 cases, and rejected the restructuring plan for 21 cases.

Further, 2 target debtors have requested mediation to date whereby the cases have acceded to new restructuring terms following mediation.

Bank of Thailand

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