



BANK OF THAILAND NEWS

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Re: Progress in Debt Restructuring

The Bank of Thailand reports progress in debt restructuring by financial institutions as at July 2001 and Corporate Debt Restructuring Advisory Commity target debtors as at July 2001. Mr. Pisit Samahito, Director and Acting Senior Director of the Corporate Debt Restructuring Group, discloses details of the progress in debt restructuring of target cases under CDRAC for July 2001 as follows.

1. Progress of Debt Restructuring by Financial Institutions (Tables 1-4)

As at the end of June 2001, financial institutions have completed debt restructuring as follows:

1. To date, a total of 418,161 cases with credits outstanding of 2,248,714 million baht have been successfully restructured so far. During the month of June 2001, 15,604 cases with 86,079 million baht were successfully restructured, reflecting a 39% and 193% increase in the number of cases and credits outstanding, respectively from May 2001, during which time 11,196 cases with credits outstanding of 29,353 million baht were successfully restructured. This increase resulted from financial institutions' intensified debt restructuring efforts debt with large debtors in order to reduce the level of required provisions for loan-loss at the end of the accounting period . Most of the debtors are in personal consumption sector, followed by wholesale and retail trade sector and the agriculture and fishery sector. Most debtors are based in Bangkok and the Central Region.

2. A total of 69,711 cases involving credits outstanding of 241,740 million baht are currently in the restructuring process. This reflects decrease from the previous month by 3,562 cases with credits outstanding 90,623 as certain state banks have transferred some debtors to the asset management corporations.

2. Progress in Debt Restructuring of Target Cases under the Corporate Debt Restructuring Advisory Committee (CDRAC) (Tables 5-6)

As at the end of July 2001, target debtors of CDRAC totaled 14,917 cases with credit outstanding of 2,625,796 million baht. Of these, a total of 11,350 cases (76% of all target debtors) with credits outstanding of 1,662,762 million baht entered into the CDRAC debt restructuring process. Details of the developments are as follows:

1. A total of 9,423 cases (83% of all cases that entered into the CDRAC process) with credits outstanding of 1,257,355 million baht have been successfully restructured. Of these, 1,004 cases with credits outstanding of 1,131,130 million baht are large cases while 8,419 cases with credits outstanding of 126,225 million baht are small- and medium sized debtors.

During the month of July 2001, only one large-case with credits outstanding of 1,581 million baht was restructured under the CDRAC process. This is because most of the very few large debtors that remain in the restructuring process have either been granted extensions or are currently undergoing the Executive Decision Panel process. As for small- and medium-sized debtors, progress continues to be smooth with 403 cases with credits outstanding of 619 million baht successfully restructured.

2. As at the end of July 2001, CDRAC continues to facilitate the debt restructuring of 658 cases with credits outstanding of 13,944 million baht, which can be categorized as follows:

2.1 A total of 453 cases (4% of the total number of cases that entered into the CDRAC process) with credits outstanding of 13,425 million baht remain in the restructuring process. Of these, 23 cases (12 groups) with credits outstanding of 10,689 million baht are large debtors while 430 cases with credits outstanding of 2,736 million baht are small- and medium-sized debtors.

2.2 A total of 205 small- and medium-sized debtors with credits outstanding of 519 million baht are in the process of signing the debtor accession to enter into the CDRAC process.

3. A total of 4,776 debtors with credits outstanding of 1,194,835 million baht are either in the process of being filed in court or have already been filed in court by their creditors. Of these, 1,474 debtors (13% of the total number of target debtors that have entered into the CDRAC process) with credits outstanding of 391,982 million baht have been unable to successfully restructure their debts under the process. An additional 3,302 debtors with credits outstanding of 802,853 million baht refused to enter into the process in the first place and have been filed in court.

Bank of Thailand

3 August 2001

[Attachment](#)