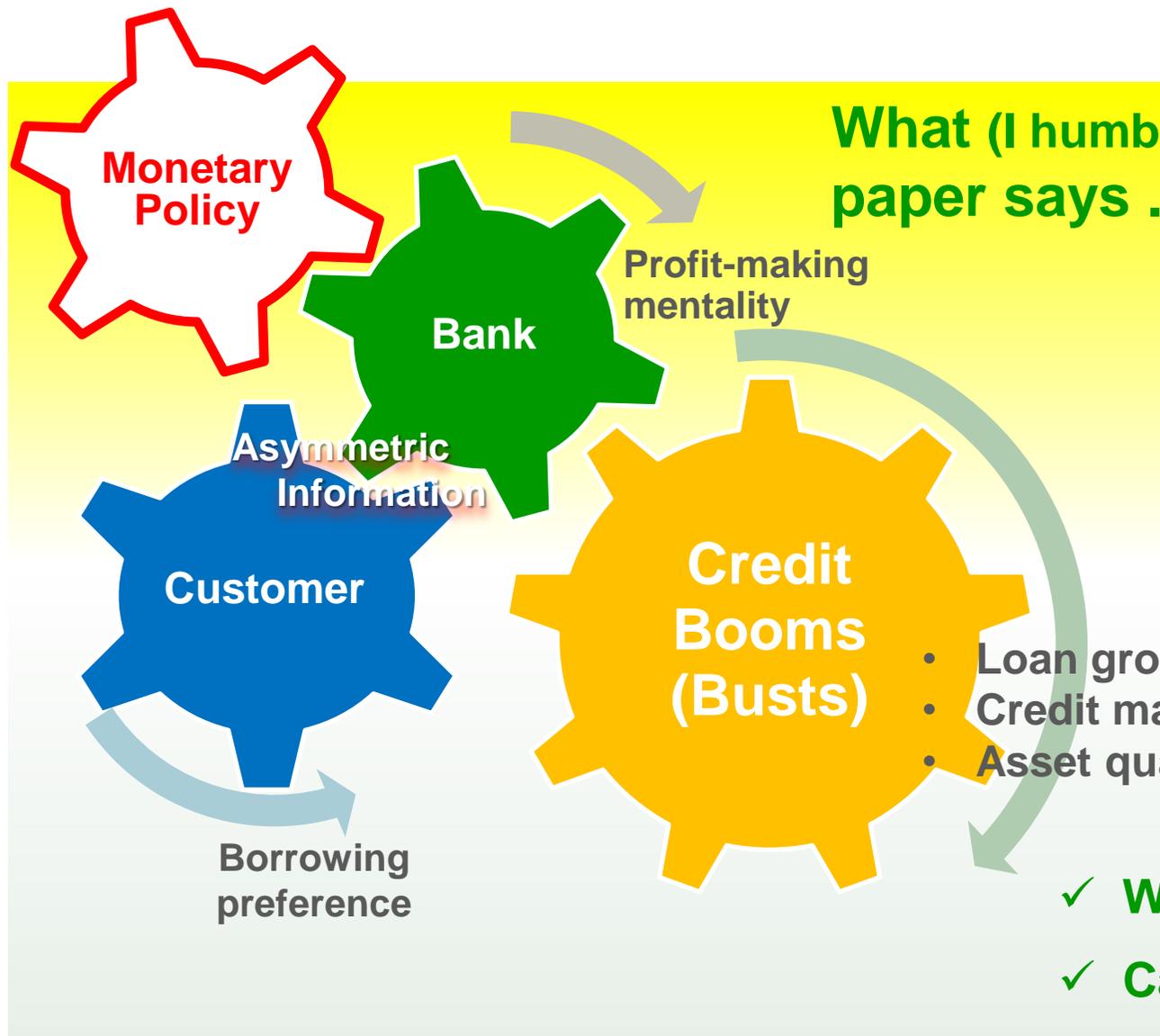


# Bank Competition and Credit Booms

## An insider's view

Wirawat Panthawangkun

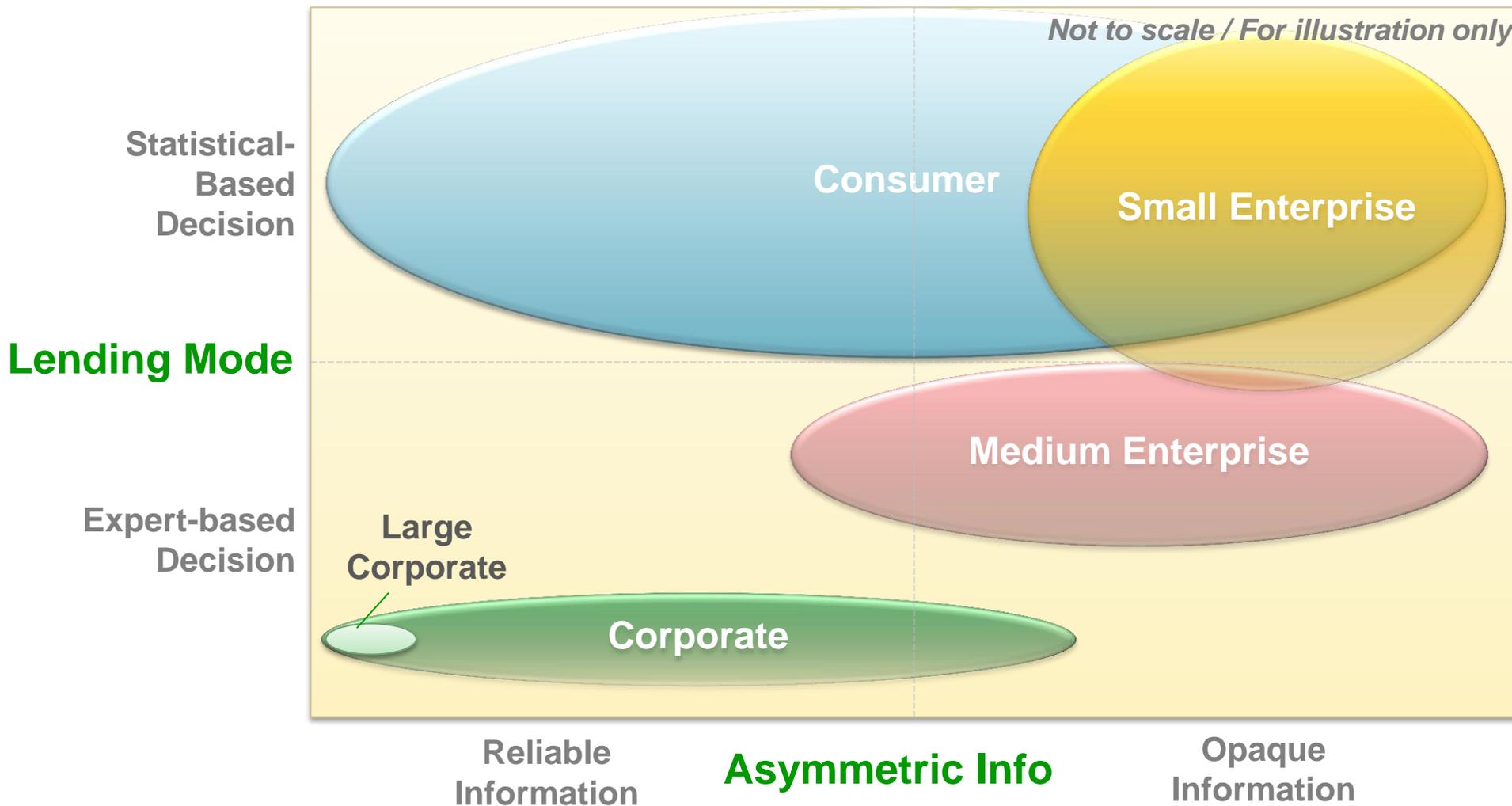
16 October 2014



- ✓ What's really going on ?
- ✓ Can we do something ?

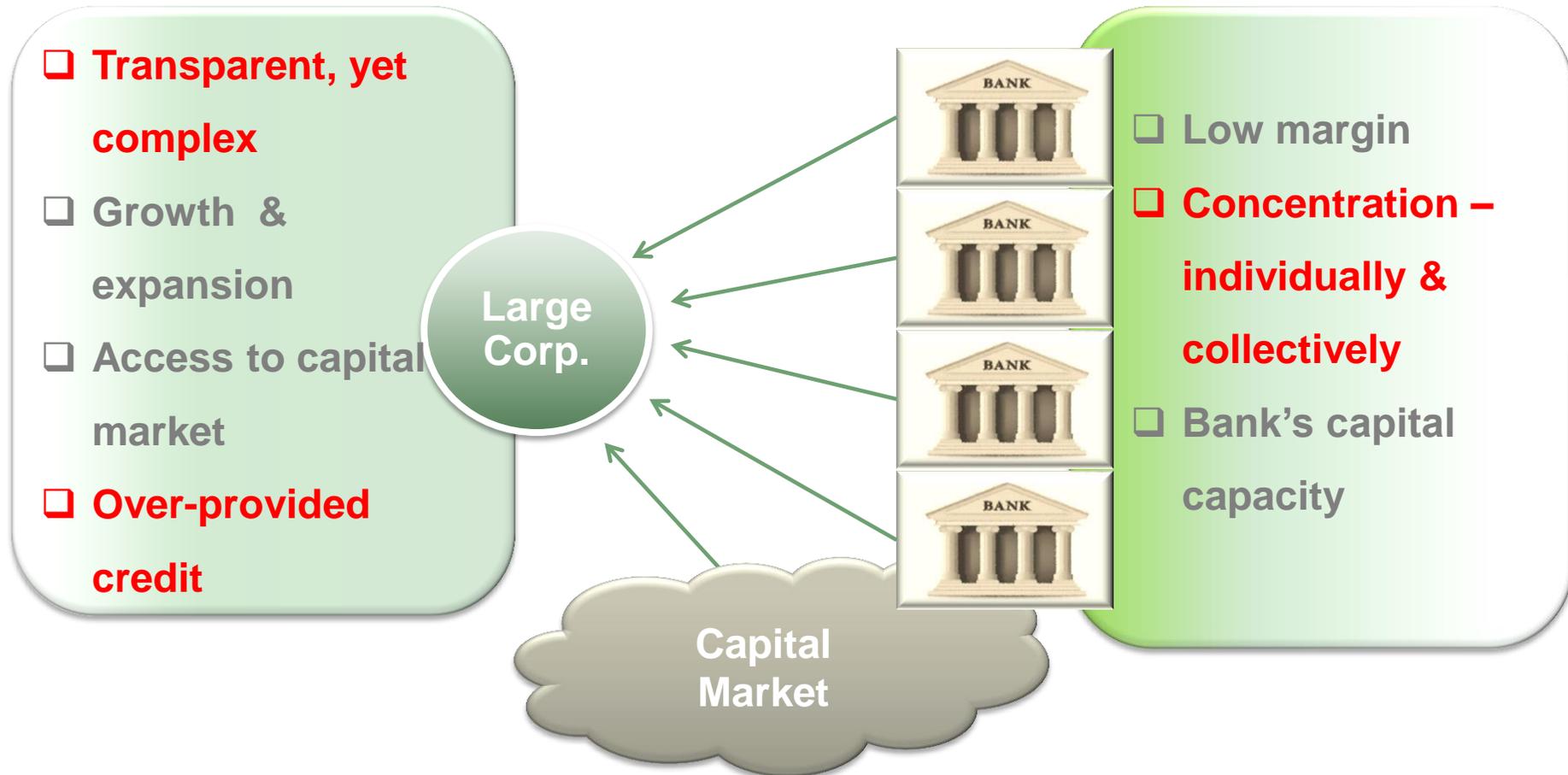


# What's really going on?



## Large Corporate

*Only one failure might be enough to rock the system*



**Transparent, yet complex**

Growth & expansion

Access to capital market

**Over-provided credit**

Low margin

**Concentration – individually & collectively**

Bank's capital capacity

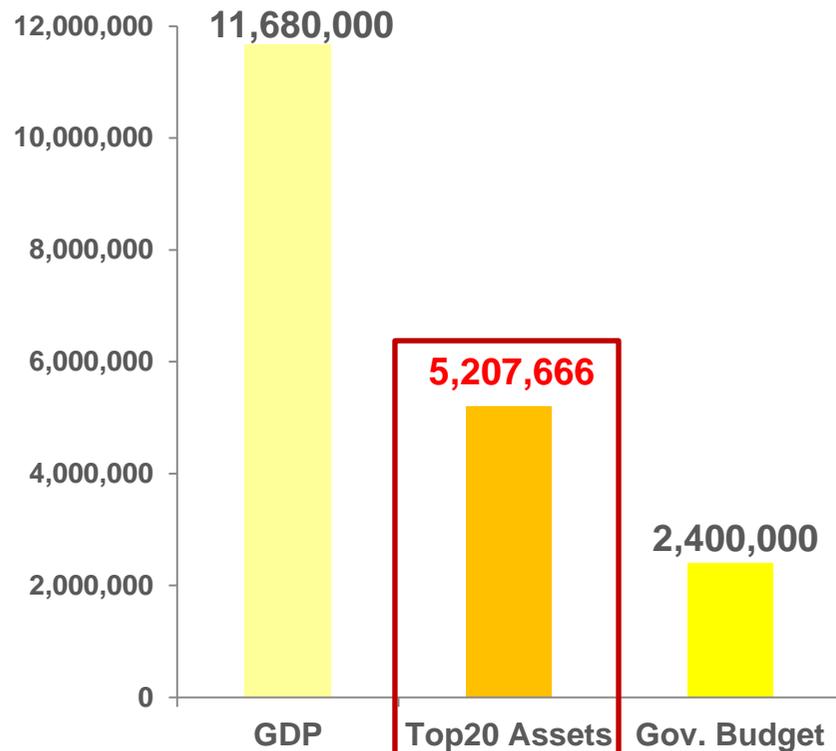
Capital Market

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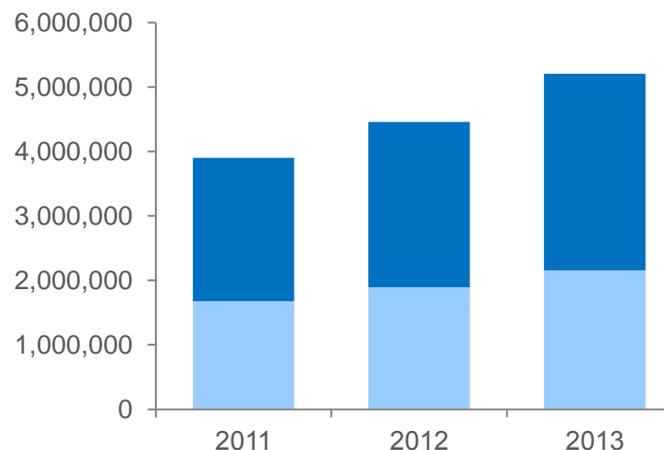


# Top 20 Groups of Companies

In million THB

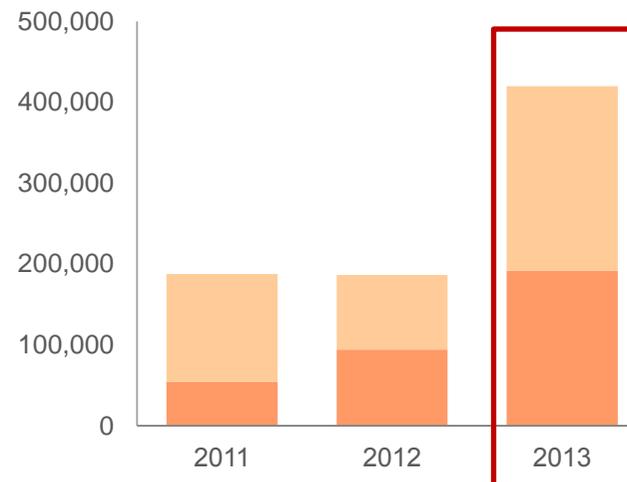


Data: BOT, DSS as of 2013



## Balance Sheet

- Total Liabilities
- Total Equity

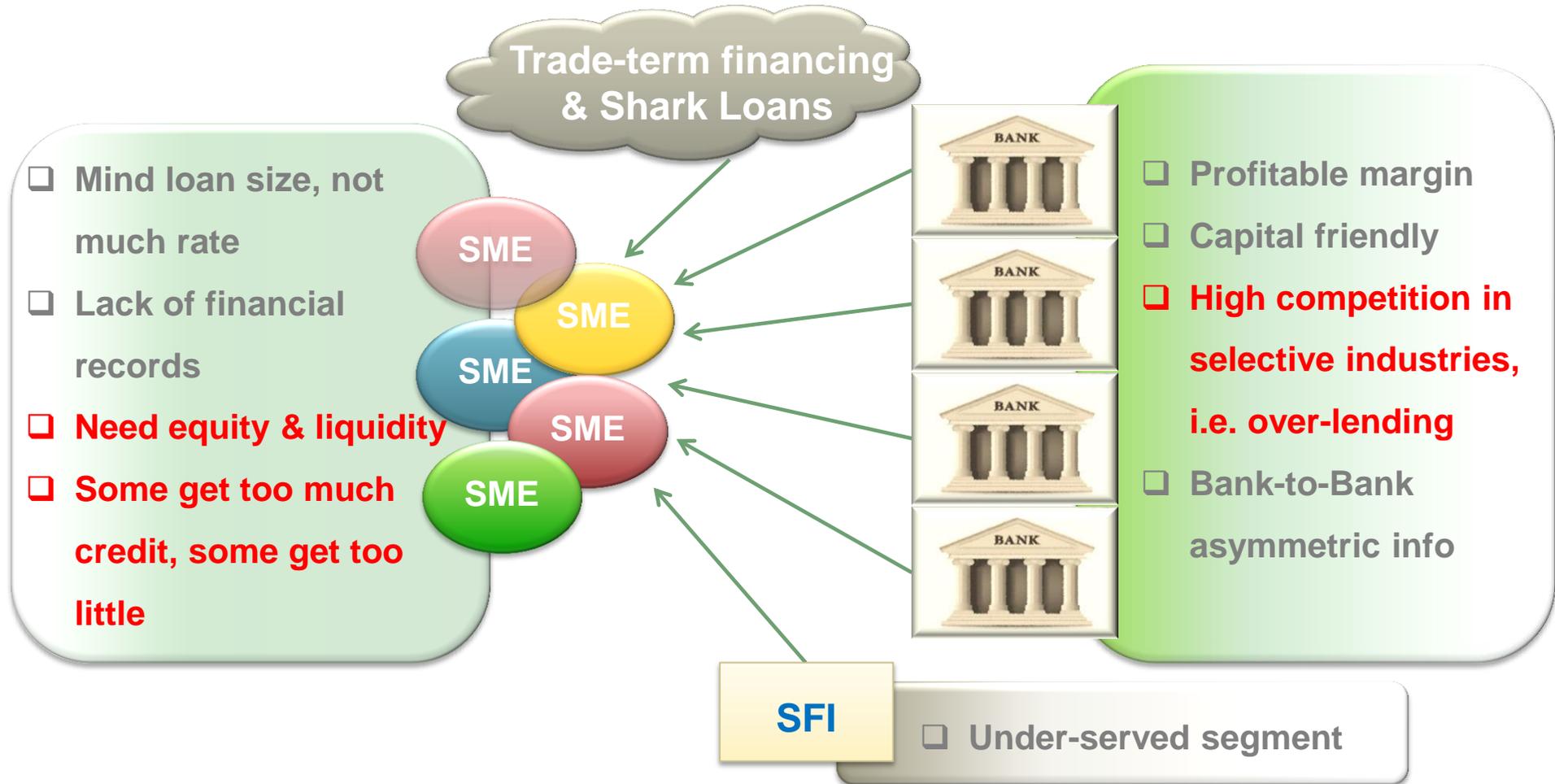


## Loan from FI

- Bank overdrafts and short-term loans from financial inst
- Long-term loans from financial inst

# SME

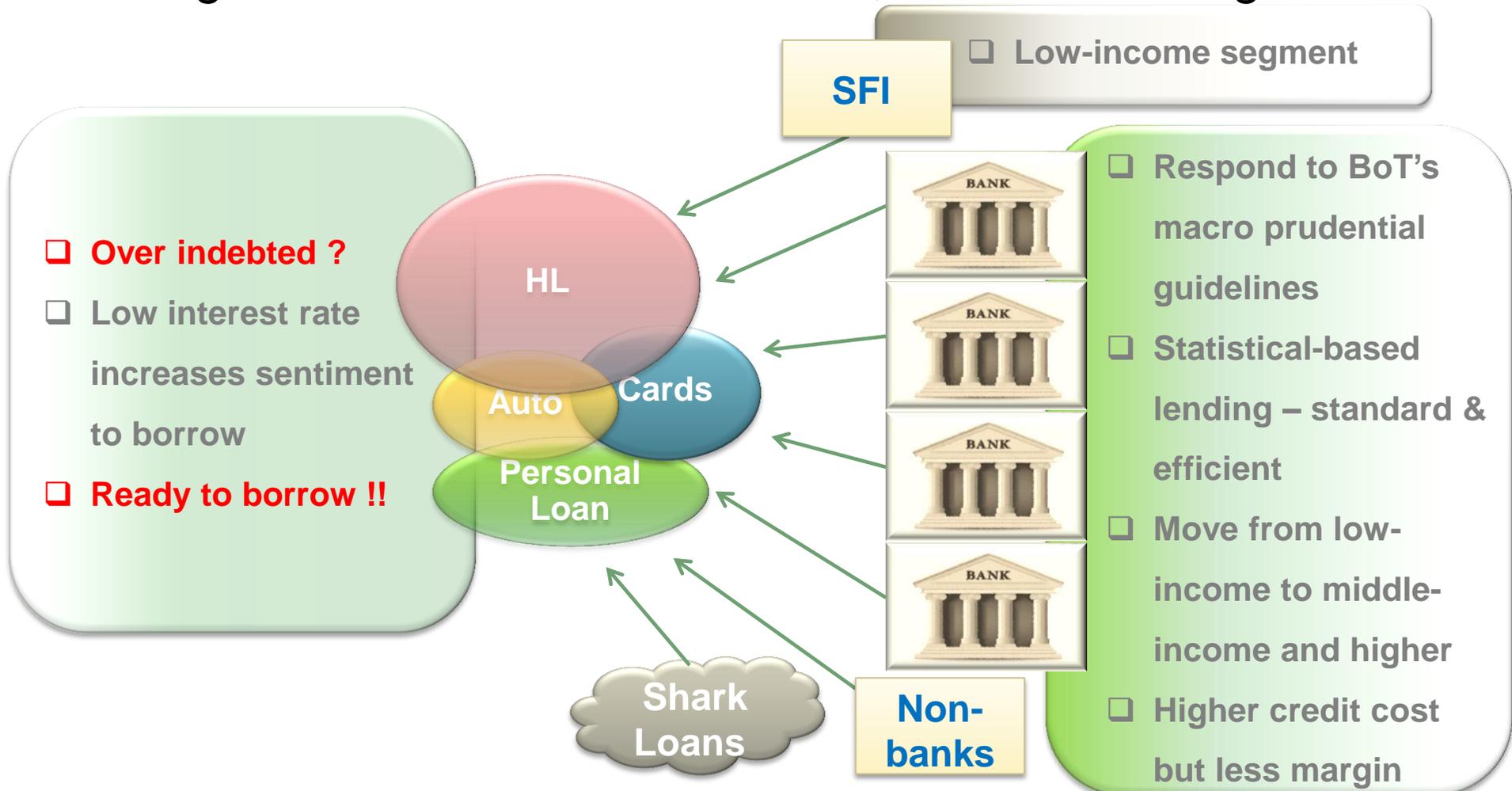
*Sensitive to economic downturn, but not across the board*



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# Consumer

Rising household debt -- **CAUTION**, but for how long?



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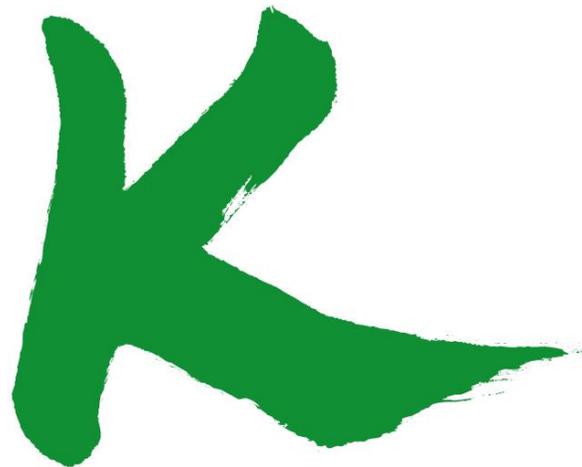


## Can we do something?

*For more healthy and resilient banking ecosystem*

*(apart from and in addition to monetary policy) :*

- Single-group systemic concentration
- Macro- and Micro- prudential
- Stress testing and Scenario analysis
- Capital and provisioning requirement



**KASIKORNTHAI**

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