



## KBANK: SME loans

Mr. Krisada Lamsam, First Senior Vice President, revealed that KBANK has extended over Bt27bn of **gross new loans**<sup>1</sup> to the SME sector over the past four month (Jan-Apr 2004). The **outstanding loans**<sup>2</sup> to the SME sector at the end of April 2004 totaled Bt236.6bn

The Bank's **SME** portfolio currently comprises two groups:

Business Group	KBANK's Designation	Annual Sales (Bt mn)	Outstanding Loans <sup>2</sup> (end of Apr 2004)
Retail	Business & Professional (B&P) <sup>3</sup>	< 50mn	Bt 179.7bn
Corporate	Business Banking (BB)	50 – 400	Bt 56.9bn
Total SME		< 50 – 400	Bt 236.6bn

KBANK currently has approximately 120,000 SME customers with the total outstanding loans accounting for about 50% of the Bank's **total loans**<sup>4</sup>.

The gross new loans extended in Jan-Apr 2004 to the B&P segment amounted to Bt16bn, and Bt11bn for the BB segment. The **YTD net loan growth**<sup>5</sup> (as of Apr 2004) for the B&P segment and the BB segment are 4.6% and 2.5%, respectively. The growth mostly stemmed from the trading and manufacturing sectors.

KBANK also segments SME customers into different industry groups and develop marketing strategies and products that cater to the needs of each segment. The Bank uses direct sales force and direct mails to attract customers and applies a new credit approval system, called Credit Scoring, to help the Bank speed up the underwriting process.

<sup>1</sup> **Gross new loans** refer to new loans before net of repayment.

<sup>2</sup> **Outstanding loans** refer to outstanding loans net of repayment. This figure is a portion of the item "Loans" on the balance sheet.

<sup>3</sup> KBANK uses the term **B&P** interchangeably with **Small Business Lending**

<sup>4</sup> **Total loans** comprise 4 portions: Corporate Business Group, Retail Business Group, Credit Management and Others.

<sup>5</sup> **YTD net loan growth** refers to gross new loans net of repayment and compared with outstanding loans at the end of prior year.