



Product & Service Update: October 2004

Corporate Business:

Underwriting Bt 3bn Debenture for Ch.Karnchang Plc.

- ❑ KBANK was appointed as an underwriter and TMB was a co-underwriter of Bt3bn bonds for Ch.Karnchang Plc.
- ❑ The bonds include three tranches of
 - Series 1: Bt 2 Bn, 3-years, 4.7% coupon
 - Series 2: Bt 120 mn, 5-year, 5.45% coupon
 - Series 3: Bt 880 mn, 5-year, MLR-0.75% coupon

KBANK to boost SME in the North after 16% growth in first 9 months

- ❑ In the first 9 months, KBANK has extended about Bt63bn new loans to Corporate Business Banking (BB) group (annual sales of Bt50mn – Bt400mn), a YTD growth of 14% compared with the end of 2003. The Bank expects to extend about Bt65bn, a YTD growth of 18% by the end of 2004.
- ❑ Most of the growth concentrates in the Northern region, with YTD loan growth of 16%, particularly in segments including Agriculture, Automobile, Tourism, Handicraft, and Ceramic.
- ❑ In 2005, the Bank's policy is to boost SME loans, with an increase of more than Bt70bn or 15% compared with the end of 2004.

Retail Business

Retail SME loans for Jewelry Industry

- ❑ KBANK launched credit extension program for the gem and jewelry industry called ***Jewel Credit Network*** to provide financial support for gem and jewelry manufacturers and other related businesses.
- ❑ Type of loans:
 - Long-term lending to expand and improve businesses: installments for up to 5 years, with the interest rate in the first year in the range of MRR-1% to MRR +1%, and in the range of MRR-1% to MRR+2% for the following years.
 - Loans to enhance business liquidity: through O/D with the rate of MRR-5% to MRR+1.75%, and P/N with the rate of MLR-1% to MLR+2%.
 - Loans for international trade: interest rate charged in the range of MLR to MLR+0.25%
The Bank's MLR is currently 5.5% and MRR is 6%.
- ❑ Qualifications: Credit applicants must have been in gem and jewelry business for at least 3 years.
- ❑ Credit limit: Minimum Bt3mn for new customers, and Bt1mn for existing customers (at least Bt3mn in total when combined with existing credit facilities). No individual loan ceiling has been set.
- ❑ The Bank targets Bt1bn for this loan segment for the first year.

Pre-paid 1-2 Call payment service through KBANK ATM

- ❑ KBANK signed an MoU with Advance Info Service Co., Ltd. to provide pre-paid 1-2 call payment service through KBANK ATM nationwide.

KBANK News

Approval to purchase shares of Asset Plus Securities Plc.

- ❑ The Extraordinary Meeting of Shareholders No. 1/2547 on Friday, November 5, 2004 resolved to grant approval for the Bank to purchase 59,944,692 shares of Asset Plus Securities Public Company Limited with a par value of Bt5 each, accounting for approximately 99.91% from Asia Plus Securities Plc.
- ❑ The purchasing price calculated by the formula: Bt550mn plus outstanding cash less liabilities of Asset Plus Plc., as of the completion date of the share purchase and sale.
- ❑ Additionally, the Bank is also allowed to propose or accept to purchase Asset Plus Securities Plc.'s 55,308 shares with a par value of Bt5 each, accounting for approximately 0.09% from minority shareholders at an appropriate price.
- ❑ Asset Plus Securities Plc. is currently a shell company and no longer operates its business, therefore the purchase shares is just the purchase three licenses consisting of:
 - ❑ Brokerage license
 - ❑ Underwriting license
 - ❑ Private fund management license
- ❑ The Bank plans to operate its securities business in the next year.

KBANK issued Bt50bn, 270 days short-term debentures

- ❑ KBANK's Board of Directors Meeting No. 13/2547, on October 28, 2004, resolved to grant approval for the Bank to issue and offer for sale of Bt50bn, 270 days short-term debentures.
- ❑ The purpose of the issuance is to allow the Bank better flexibility and wider variety of administration of its funding structure and to expand the investment alternative to the public and/or depositors of the Bank.
- ❑ Description of the short-term debentures:
 - Type of debentures: short-term debentures in name certificate, unsecured, unsubordinated, non-convertible debentures, and without having debenture representative.
 - Offering method: to natural persons, who are required to invest at least Bt10mn worth of debentures.
 - Tenor: 266 days
 - Interest rate: 1 year fixed deposit rate plus 35 bps, with interest payment on quarterly basis.
 - Offering period: the first tranche will be issued on November 17, 2004 and continue every Wednesday.
 - Subscription period: start from November 11, 2004.

KBANK voted Bank of the Year 2004 and Best IR Award

- ❑ KBANK won "Bank of the Year 2004" from the Money and Banking Magazine for 3 consecutive years and "Best IR Award by a Thai Company" from IR Magazine Asia Awards 2004 for 2 consecutive years.

For more information, please contact

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