



IR News

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KBank Disposes of THB11.8 Billion in NPLs

KASIKORNBANK has sold THB11.8 billion in NPLs of the Bank and Phethai Asset Management (a subsidiary company) to ease NPL management burdens and cope with the possible economic and political uncertainties in the future. This will bring the Bank's NPLs down to less than 5 percent of total loans at the end of this year.

Dr. Prasarn Trairatvorakul, President, KASIKORNBANK, said in a recent interview that the Bank plans to reduce their NPLs to 5-5.5 percent by the end of this year as part of their effort to ease NPL management burdens. The Bank recently held an auction to sell off some of these Bank and Phethai Asset Management assets, which attracted 11 institutional participants.

The Board of Directors has approved the sale of these NPLs to two bidders offering the best prices and conditions to the Bank on the NPLs where the principal is valued at THB11.8 billion. For KBank's NPLs totaling THB7.6 billion, the winner was Standard Bank Asia Limited; and for Phethai Asset Management Co., Ltd. NPLs, the winner was Morgan Stanley Emerging Markets Inc.

The above sales of KBank and Phethai Asset Management Co., Ltd. NPLs are in line with the Bank's plans to reduce their NPLs to an appropriate level to brace for possible volatile economic and political situations in the future. Moreover, these sales will help KBank to manage their core business more closely while putting KBank and subsidiaries ratio of NPLs to total loans down from 6.3 percent at the end of September 2007 to less than 5 percent at the end of 2007, which would be a proportion lower than the Bank's earlier projection.

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