



KASIKORNBANK-EXIM Thailand Jointly Launch K-Insured-Export Credit to Promote Exporters' Liquidity and Risk Management

KASIKORNBANK and EXIM Thailand form alliance to assist exporters to manage risks and enhance liquidity by launching K-Insured-Export Credit, which will allow exporters to use an export credit insurance policy as loan collateral. Total loans for the first year are targeted to reach 4 billion baht.

Dr. Prasarn Trairatvorakul, President of KASIKORNBANK and Dr. Apichai Boontharawara, President of Export-Import Bank of Thailand (EXIM Thailand), signed a Memorandum of Understanding (MOU) on the joint export credit insurance facility at KASIKORNBANK, Phahon Yothin Building on June 10, 2009. Under this partnership, KASIKORNBANK will be ready to offer the new "K-Insured-Export Credit" facility.

Dr. Prasarn Trairatvorakul, KASIKORNBANK's President, disclosed that the global downturn has led to significant export shrinkage. Many exporters are threatened by increasing risks from a decrease in overseas buyers' payment ability or from payment delay, causing their liquidity to dry up. To counter such a dismal trend, KASIKORNBANK, in collaboration with EXIM Thailand, has launched the "**K-Insured-Export Credit**" facility to provide Thai exporters with an integrated export credit insurance-cum-financing service. This facility enables exporters to apply for the EXIMSure, a combination of EXIM Thailand's export credit insurance product offerings, via KASIKORNBANK in order to gain insurance coverage against overseas buyers' payment default and utilize the insurance policy as sole collateral for KASIKORNBANK's credit.

K-Insured-Export Credit will build up exporters' confidence in establishing new contacts or expanding into new markets to compensate for declining trade volume in traditional markets. Free from non-payment concern or working capital shortage, exporters can also dedicate more time on business management and increasing cycles of production. This will contribute favorably to overall export and economic development. KASIKORNBANK expects to provide 4 billion baht in such loans in the year 2009. For application or more information, please call **the 24-hour K-BIZ Contact Center at 0 2888 8822**.

Furthermore, Dr. Apichai Boontharawara, EXIM Thailand's President, revealed that EXIM Thailand would broaden its cooperation with both the public and private sectors, commercial banks in particular, to enlarge EXIMSure customer base. Also, the Bank will encourage exporters to buy an insurance policy to cover every shipment since their trade partners are facing liquidity problem. This results in increasing non-payment risk, especially from buyer's bankruptcy. According to a world-leading export credit insurance institute, currently, one company goes bankrupt in every three minutes. During 2007-2009, 62.06% of EXIM Thailand's total claim payments were caused by buyer's non-payment, 37.18% buyer's bankruptcy and 0.76% buyer's refusal to accept products delivered. The largest proportion of claims derived from buyers in the jewelry and accessories business (37.5%), followed by other industries such as canned food (16.67%), furniture (12.50%) and ceramics (12.50%).

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For further information, please contact

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