

KTB sees bright future for its sugar-cane clients

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THE NATION

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KRUNGTHAI BANK has the second-largest market share in the Thai sugar-cane industry, supporting 11 of its 23 family groups.

Kaset Thai International Sugar Corporation (KTIS) is KTB's largest client in the sector, for which the bank has set aside a credit line of Bt40 billion for cash flow for the cane-harvest season.

The sugar-cane season runs from December to April.

Kittiphun Anutarasoti, senior executive vice president and head of KTB's wholesale banking, said outstanding loans to the sugar-cane industry accounted for 13 per cent of the bank's wholesale-banking portfolio of Bt1.89 trillion.

Although sugar has been hit by the global decline in commodity prices, KTB foresees a bright outlook for this industry because by-products of sugar cane can be used for many businesses, including electricity generation. The government also encourages sugar-cane companies to diversify into power generation.

Five sugar-cane business operators have contacted KTB seeking financial support to construct power plants.

Kittiphun said that as in 2015, corporate clients this year were expected to require working capital more than term loans because the economic circumstances still do not encourage new investment.

KTB does not anticipate much loan growth this year but wants to increase other revenue sources, especially fee income, he said.

The bank is integrating the investment-banking business operated by its wholly owned subsidiary KTB Advisory into the bank itself to increase flexibility and efficiency in facilitating the business activities of corporate clients.

KTB's investment banking will focus more on two business activities, first mergers and acquisitions, and secondly, instruments such as real estate investment trusts and infrastructure funds.