

Unofficial Translation

This translation is for the convenience of those unfamiliar with the Thai language
Please refer to the Thai text for the official version

5 March 2012

To Manager

All Financial Institutions

No. FMD. (04) C. 2/2555 Subject : Announcement of the Bank of Thailand
Regulation No. FMOG 18/2555 on Borrowing from the Bank of Thailand
via Repurchase Agreement

To enhance the efficacy and effectiveness of liquidity provision to financial institutions and safeguard the stability of the overall financial system, the Bank of Thailand (BOT) deems appropriate to broaden the range of collateral eligible for borrowing from the BOT and herewith announces the BOT Regulation No. FMOG. 18/2555 on Borrowing from the Bank of Thailand via Repurchase Agreement, and related notifications. The Essences of the regulation and notifications are as follows:

Topics	Details
1. Eligible counterparty	Financial institutions including commercial banks, finance companies, and credit foncier companies
2. Type of transaction	Financial institutions borrows from the BOT via repurchase agreement
3. Eligible collateral	First Tranche: 1. Treasury bills, debt restructuring bills, and government bonds 2. State-owned enterprise bonds with principal and interest guaranteed by the Ministry of Finance 3. Debentures, bonds, or debt instruments issued by state-owned enterprises or specialized financial institutions without guarantee by the Ministry of Finance, and the instruments or issuers are rated no lower than AAA 4. Bonds or debt instruments issued by the Financial Institutions Development Fund (FIDF) 5. Bonds, savings bonds, or debt instruments issued by the Bank of Thailand 6. Baht-denominated debt instruments issued or guaranteed, on both principal and interest, by the governments of the United States of America, the United Kingdom, Japan, Germany, and France, and by international financial organizations of which Thailand is a member. Such country or organization must have a higher credit rating than Thailand. 7. Foreign Currency : US dollars only

Topics	Details
	<p>Second Tranche:</p> <ol style="list-style-type: none"> 1. Promissory notes issued by the Ministry of Finance 2. Debentures, bonds, or debt instruments issued by state-owned enterprises or specialized financial institutions without guarantee by the Ministry of Finance, and the instruments or issuers are rated no lower than A 3. Baht-denominated corporate debt instruments with a credit rating not lower than A 4. Bills offered to the general public in accordance with the Securities and Exchange Commission's regulations or those with prices published by the Thai Bond Market Association (ThaiBMA). These papers must be issued or given aval by financial institutions with a credit rating not lower than A 5. Treasury bills and government bonds issued by the governments of the United States of America, the United Kingdom, Japan, Germany, and France denominated in the country's local currency 6. Foreign currency-denominated securities in US dollars, Pound sterling, euro, or Japanese yen issued or guaranteed, on both principal and interest, by the Thai government 7. Foreign Currency : Pound sterling, euro, and Japanese yen only 8. Bills of exchange or promissory notes issued by specialized financial institutions as prescribed by the BOT <p>Securities used as collateral must be legally owned by the financial institutions and unencumbered. Financial institutions must pledge all of the collateral listed in the first tranche before being able to pledge collateral in the order listed in the second tranche respectively. Eligible collaterals are subject to conditions that the BOT deems appropriate.</p>
4. Maturity	Up to 1 month
5. Interest rate	The interest rate will be determined by the BOT on a case by case basis

Financial institutions that wish to conduct the above transactions are required to submit to the BOT the letter of agreement signed by the authorized signatory along with other important documents as indicated by the enclosed forms.

Sincerely yours,

(Mr. Singhachai Boonyayotin)
Senior Director, Financial Markets Department
for Governor

Enclosures The Bank of Thailand Regulation No. FMOG. 18/2555 on Borrowing from the Bank of Thailand via Repurchase Agreement and 5 related notifications.
(Available in Thai version only)

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Remarks : No clarification meeting will be arranged.