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Further explanations on measures to strengthen the soundness of financial institutions.

With reference to the announcement from the Ministry of Finance and the Bank of Thailand on March 3, 1997 concerning measures to strengthen the soundness of financial institutions to enhance the public's confidence in the financial institutions under the supervision of the Bank of Thailand, the Bank would like to clarify the matter further as follows:

1. The Bank of Thailand confirms that only ten already-announced financial institutions have been ordered to increase their capitals. The Bank of Thailand will not issue more orders to any other financial institutions to this effect.

2. The Bank of Thailand has made arrangements to provide liquidity to these ten financial institutions in case of redemption of promissory notes through the Financial Institution Development Fund and the Bank's repurchasing facilities. Furthermore, the Financial Institution Development Fund will be ready to avall these institutions' promissory notes.

With all these measures that the Authority has undertaken to the fullest extent, the public can be assured of the earnest support. The Bank of Thailand and the Financial Institution Development Fund reiterate their determination to provide all necessary measures to ensure that all nine finance and finance and securities companies and one credit foncier company successfully increase their capitals and that sufficient liquidity prevails in the financial system.

Bank of Thailand

4 March 1997