



# ธนาคารแห่งประเทศไทย

สำนักผู้ว่าการ ธนาคารแห่งประเทศไทย โทร. ๒๕๒๖๖๔๘

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## Merger and Capital Fund Increase of Finance One Public Company Limited

Following the signing of the memorandum of understanding (MOU) on the merger between Finance One Public Company Limited and the Thai Danu Bank Public Company Limited on 14 March 1997 for the benefit of both institutions, the Bank of Thailand has closely overseen the merger into the new Thai Danu Bank which has faced the problems of legality and differing due diligence. Today, the Boards of the two institutions have decided to call off the merger in accordance with the above MOU.

The Bank of Thailand has made a deliberation after the final examination and ordered the Finance One Public Company Limited to realize loss and make provision for sufficient reserve to cover the loss that may incur. However, the Finance One Public Company Limited has premium on shares and reserves amounting to 7,831.7 million baht and allowance for doubtful account of 5,057.0 million baht.

In addition, the Bank of Thailand issued an order on 23 May 1997, requiring the Finance One Public Company Limited to increase its capital fund by no less than 8,282 million baht, from 4,141 million baht to 12,423 million baht, and allow present shareholders the rights to make purchase within 30 days, in conformity with the rules and regulations of the Securities Exchange of Thailand. The discount rate on the increased capital shares is set at 25 percent of the face value in order to provide incentives to present shareholders.

After 30 days, should the present shareholders do not exercise their rights to the full amount, the Financial Institutions Development Fund (FIDF) will purchase the remaining shares in line with the announced policy of the Ministry of Finance and the Bank of Thailand. In the meantime, Finance One Public Company Limited with the cooperation of FIDF will facilitate the increase of capital fund.

The Bank of Thailand wishes to assure that the above-mentioned procedure will enable the Finance One Public Company Limited to continue normal operations.

Bank of Thailand  
23 May 1997