



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department
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Re: The Bank of Thailand appointed Primary Dealers

The Bank of Thailand announces the appointment of the following 9 financial institutions as primary dealers, effective from June 16, 2000:

1. Bangkok Bank PCL.
2. Thai Farmers Bank PCL.
3. Bank of Asia PCL.
4. Citibank, N.A., Bangkok branch
5. Deutsche Bank AG., Bangkok branch
6. The Standard Chartered Bank, Bangkok branch
7. ABN-Amro Bank N.V., Bangkok branch
8. The Hong Kong and Shanghai banking Corp., Ltd., Bangkok branch
9. Merrill Lynch Phatra Securities Co.Ltd.

The objectives of having primary dealers are as follows:

1. to ensure successful outcome of government securities' auctions in the primary market
2. to act as the Bank of Thailand's counterparties in the sale and purchase of securities as part of the open market operations
3. to help develop secondary bond market by acting as market makers, quoting two-way prices and actively trading in government securities.

Criteria for the selection of primary dealers were :

1. Minimum requirement

1.1 must hold debt instruments dealing license issued by the Ministry of Finance

1.2 must be of sound financial standing

1.3 must have a broad customer base

2. Transaction volume in the debt securities market

2.1 primary market (Treasury bills, government bonds, and state enterprise bonds)

2.2 secondary market (total transactions and transactions in each sector of the yield curve)

2.3 transactions with the Bank of Thailand (applied only to current counterparties)

3. Other factors

3.1 work process, internal control, and risk control on debt securities transactions

3.2 cooperation with the Bank of Thailand

3.3 debt market research

In order to encourage competition among financial institutions, the Bank of Thailand will reevaluate their performances according to the above criteria and review the list of primary dealers periodically.

Bank of Thailand

5 June 2000