



BANK OF THAILAND NEWS

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The Bank of Thailand reported an impressive result for the first six months

Bangkok, 4 September 2000 --- The Bank of Thailand today reported an impressive first-half earning of approximately 24 billion baht before currency revaluation.

BOT Deputy Governor Mrs. Tanya Sirivedhin said “The Thai central bank’s first half revenue amounted to 38.1 billion baht while its expenditure was 13.96 billion, resulting in an operating profit before currency revaluation of about 24.2 million baht, an increase of 23.6% from the same period of last year. Of the profit, 2.3 billion baht belonged to BOT's account and 21.86 billion baht to the account of the Note Issue Department.”

BOT's main income of its account of 10.15 billion baht derived from domestic assets and investment whereas that of the Note Issue Department of 22.74 billion baht was from investment denominated in foreign currencies.

“About 80 percent of BOT’s expenditure was the interest fees due to the International Monetary Fund,” said BOT Deputy Governor Tanya.

The IMF offered Thailand a standby credit of US\$17.2 billion in 1997 when the country was facing its worst economic crisis. BOT's main expenditure was interest paid on foreign liabilities under the IMF package. According to BOT Deputy Governor, Thailand will start paying the principal to the IMF in November

For the year 2000, combined profit before currency revaluation is expected to rise to approximately 42.68 billion baht comprising 175.1 million baht from BOT's account and 42.5 billion baht from the account of the Note Issue Department.

After accounting for the currency reevaluation, net operating profit for the year 2000 is expected to be approximately 19.96 billion baht reflecting in the foreign currency losses in the BOT's account of 22.54 billion baht. This includes the amortization of foreign exchange losses brought about by the change in the exchange rate system in July 1997 and also expected losses from the increase in foreign liabilities due to the weakening of the Baht. The Note Issue Department's net profit is expected to register 42,5 billion baht.

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