



## **BANK OF THAILAND NEWS**

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### **The BOT Modernization Program in 2002**

The Bank of Thailand (BOT) has announced the success of the modernization program initiated in the year 2000.

Mrs. Nopamart Manoleehagul, Assistant Governor for Strategic Capabilities, BOT, disclosed the significant outcome success of the BOT's systematic reengineering effort in many functions.

The Reengineering Project of the Supervision Group has included the change in financial institutions supervision method from the traditional focused on their financial status and performance to a risk-based approach, which will foster the stability of the Thai financial institution system in the long-run.

Information technology is a key tool for the reengineering of the Deposits and Debt Instruments Group towards the electronic based system for many operations, such as government agencies' cash deposit operation and government debt instruments operation, to reduce the working steps and processing time. The Note Issue Group has improved its ability for banknote management and enhanced the capacity of note sorting by using high technology equipments and redesigned work procedures. The Integration of Financial Transaction and System Project has improved the BOT's electronic networking for the financial transaction operation with the commercial banks, for instance, in the repurchase market. The New Dealing Room System Project, which is in the construction phase, will eventually employ a genuinely straight-through-process technology to reduce the operational risk of the dealers.

In addition, the BAHTNET 2 system has recently launched the simultaneous delivery and payment system of securities to lower payment systems risk. Beside aforementioned projects, many projects initiated in 2001 also increase both internal operations and external services' efficiency.

For the year 2002, the Bank of Thailand will continue its effort in modernization.

Firstly, an online risk monitoring procedure will be developed and deployed bank-wide, following late 2001's establishment of the Risk Management Office.

Secondly on the policy aspect, the Financial Institutions Policy Group will involve more external parties in its policy formulation. Whilst, the Monetary Policy Group will improve its economic research quality in order to better support Thailand's monetary policy formulation.

For the BOT's human resources aspect, all human resources management practices at the Bank will be revised, for examples, personnel development, placement, performance evaluation, and compensation systems.

There will also be the restructuring project of the Information Technology Group in order to better support IT development necessary to various operations of the Bank. In the mean time, the establishment of an advanced data warehouse is underway.

“In the future, there will be many more reengineering and modernizing projects, for instance, the reorganization of the Note Printing Works, the accounting and budgeting system, and a feasibility study of deposits insurance institution. Most importantly, BOT culture change program is continually promoted in BOT to be a dynamic learning organization. This quality in turn is one of the key success factor to achieve world class central bank standard.” added the BOT's assistant governor.

**Bank of Thailand**

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