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(Unofficial translation)*

June 15, 1999

To Manager

All commercial banks registered in Thailand

All finance companies

BOT.X.(C) 2240/2542 Reducing the maximum inclusion in tier 1 capital of innovative capital instruments.

In accordance with BOT.X.(C) 1194/2542, dated March 31, 1999, entitled "Innovative capital instruments and their inclusion in Tier 1 capital," the inclusion in tier 1 capital of preferred stock issued in conjunction with subordinated debentures (together, deemed an innovative capital instrument) is limited to a maximum of one third (33.33%) of the sum of all conventional tier 1 capital instruments combined with the innovative preferred stock.

Due to improvements in the Stock Exchange of Thailand, there is a reduced need to increase capital through the issuance of innovative capital instruments. Consequently, the limitation on the amount of innovative capital instruments that may be included in tier 1 capital will be reduced to a maximum of 25% of the sum of all conventional tier 1 capital instruments combined with the innovative preferred stock. This limitation shall come into force on and from January 1, 2000.

Commercial banks and finance companies which have received approval from the Bank of Thailand to issue innovative capital instruments (for example, SLIPS and CAPS) before January 1, 2000 are not subject to the limitation set forth in the previous paragraph.

Please be informed, and observe.

Regards,

M.R. Chatu Mongol Sonakul

Governor

Bank of Thailand

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