

# THAILAND

## BANKING

### *SUMMARY*

Over the past two years, the operations of Thai financial institutions were adversely impacted by several factors, ranging from a sharp deceleration in economic growth, a cautious monetary policy stance to safeguard economic and foreign-exchange stability, the Baht devaluation in mid-1997, political uncertainty, and regional financial turmoil. These factors resulted in tight Baht liquidity and rising levels of nonperforming loans. The Asian financial crisis caused a further tightening of banks' liquidity and exacerbated their asset quality and foreign debt problems. In order to restore confidence, banks had to improve their operations in step with the more stringent prudential regulations, such as required increased provision for non-performing loans (NPLs) and higher capital requirements. However, some medium and small sized Thai banks could not meet the more stringent provisions and re-capitalization requirements in the last quarter of 1997. Re-capitalization was extremely difficult amidst the sluggish stock market.

The Ministry of Finance has broad responsibility for financial sector policies, while the Bank of Thailand (BOT), the central bank, is more directly involved in bank supervision. In recent years, the Thai financial market grew rapidly but was poorly regulated and mismanaged. Now, under its IMF program, the government is attempting to bring financial sector practices in line with international standards by year-end 2000.

The Thai financial system will be fundamentally altered in the aftermath of the 1997 financial crisis. The government has absorbed large losses from the failure of most of the country's finance companies and a number of intervened banks. The government closed 56 of 91 finance companies in 1997 and assumed control of 12 finance companies and five of the smaller banks in 1998. By mid-1999, many observers expect that a combination of foreign investors and the Thai government will end up in control of a majority of the Thai financial system. However, the BOT plans to restructure and privatize, merge or close the six intervened banks, which are severely undercapitalized and have a large proportion of NPLs. By mid-1998, tightened BIS standards and stricter loan loss provisioning had improved transparency in the banking sector.

As of September 1998, there were 37 commercial banks in Thailand – 16 domestic and 21 foreign, including three U.S. banks. Since 1994, one domestic banking license and seven foreign full-branch licenses have been issued. In addition, there are 43 representative offices of foreign banks in Thailand, of which three are from the United States. The BOT has also issued 52 licenses to operate offshore banking units called Bangkok International Banking Facilities (BIBFs), of which 48 are in operation, including six American institutions.

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Commercial bank assets totaled US\$157.9 billion as of year-end 1997. Domestic Thai banks account for about 81 percent of commercial bank assets (compared to 91.5 percent in 1996), and foreign banks controlled the remaining 19 percent. The share of U.S. banking operations in Thailand is approximately 2.9 percent.

There are restrictions on foreign share ownership in locally incorporated banks, although these were relaxed in November 1997. To facilitate the re-capitalization of the financial sector, the BOT increased the level of permissible foreign ownership in domestic financial institutions and removed some tax disincentives. The June 1997 Emergency Decree Amending the Commercial Banking Act empowered the Minister of Finance to raise the 25 percent ceiling on foreign ownership of domestic banks on a case-by-case basis. In November the BOT announced that foreign investors would be allowed to hold more than 49 percent of the shares in existing financial institutions for a period of 10 years without the approval of the Ministry of Finance. After 10 years, foreign investors will not be forced to sell their shares but may not purchase any additional shares, until the amount of foreign shareholding falls to 49 percent of total shares.

There are also several restrictions on the expansion of foreign bank activities. A foreign bank is prohibited from opening more than three branches. In addition, the minimum BIS capital adequacy ratio requirement and legal lending limit for branches of foreign banks operating in Thailand are based on the locally held capital in the branch instead of the consolidated capital of the parent bank. The limit on the number of expatriate management personnel also hampers foreign banks' expansion and could restrict their scope of operations. Foreign banks are required to maintain minimum capital funds of Bt125 million (about US\$3.1 million) invested in low-yielding government securities and other eligible papers (including state-owned enterprise and FIDF bonds) and foreign currencies.

On August 14, 1998, the Ministry of Finance and the BOT announced a financial sector restructuring program. The program makes available on a voluntary basis to banks and finance companies Tier 1 and Tier 2 capital, subject to certain conditions. Changes to the structure of the financial sector were also announced. When implemented, these changes will affect the number of banks and finance companies. The plan also calls for the privatization of all state owned banks and finance companies. Some regulatory and legal changes are also contemplated.

## ***DESCRIPTION OF THE MARKET***

### **Structure of the Market**

There are now 37 commercial banks operating in Thailand – domestic banks (including a new state bank - Radhanasin Bank or RAB which operated in February 1998) and 21 full licensed branches of foreign banks. Since 1994, seven foreign banks have received full branch licenses, while only one additional domestic bank license has been issued. As of year-end 1997, commercial bank assets

totaled US\$157.9 billion. Locally incorporated Thai banks accounted for 81 percent of commercial bank assets; foreign banks controlled the remaining 19 percent.

Commercial banks also dominate deposit taking in Thailand. As of year-end 1997, domestic and foreign commercial banks held about 90 percent of all the deposits of deposit-taking institutions, up from two-thirds in 1992. The suspect conditions of many of the country's finance companies led to a surge in deposit transfers from finance companies to commercial banks during the second half of 1997.

Most commercial banking activities are dominated by the largest six locally incorporated banks: Bangkok Bank (BBL), Thai Farmers Bank (TFB), Krung Thai Bank (KTB), Siam Commercial Bank (SCB), Bank of Ayudhya (BAY), and Thai Military Bank (TMB). These banks accounted for a combined 61 percent and 78 percent of commercial banking sector loans and deposits, respectively, as of year-end 1997.

By September 1998, six smaller domestic banks and twelve finance companies had been nationalized. The BOT ordered sweeping management changes and write-downs of the capital in these banks. The Financial Institution Development Fund (FIDF), the central bank's financial arm, provided recapitalization through debt-to-equity swaps. As a result, the FIDF controls virtually 100 percent of the equity in these banks. The government has agreed with the IMF to develop a strategy to re-privatize or otherwise restructure the intervened banks.

After the lifting of the 25 percent foreign ownership limit, two small local banks attracted foreign investors. In March 1998, Thai Danu Bank (TDB) became the first commercial bank to sell a majority stake to a foreign investor, with the Development Bank of Singapore taking a 50.1 percent stake. Bank of Asia (BOA) sold a 75 percent stake to Dutch banking giant ABN AMRO.

Other banking institutions in Thailand include seven specialized financial institutions. Four are public sector banks – the Government Saving Bank (GSB) for small saving deposits, the Bank for Agriculture and Agricultural Cooperative (BAAC) for farm credits, the Government Housing Bank (GHB) for medium and low income housing mortgages, and the Export-Import Bank of Thailand (TEXIM). The other three specialized financial institutions include the Industrial Finance Corporation of Thailand (IFCT), the Small Industries Finance Corporation (SIFC), and the Small Industries Credit Guarantee Corporation (SICGC). The specialized financial institutions held a combined 15 percent of the financial system's assets as of year-end 1997.

There are also numerous nonbank financial institutions, particularly finance companies, life insurance companies, and savings and agricultural cooperatives. In early 1997, there were 91 finance companies which had provided the majority of home mortgages, car loans and loans to small businesses. Fifty-six finance companies are currently under liquidation, and their assets are being auctioned through the supervision of the Financial Sector Restructuring Authorities (FRA).

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Over the past two years, the operations of financial institutions were buffeted by many factors, ranging from a sharp deceleration in economic growth, a cautious monetary policy stance to safeguard economic and foreign-exchange stability, the Baht devaluation in mid-1997, political uncertainty, and regional financial turmoil. These resulted in tight Baht liquidity and rising levels of nonperforming loans. The Asian financial crisis magnified the problems of Thai banks. The loss of domestic and foreign investor confidence caused runs on some banks and exacerbated their foreign debt problem. In order to restore confidence, banks had to improve their operations in step with the more stringent prudential regulations such as required increased provision for NPLs. However, some medium and small-sized Thai banks could not meet the more stringent provisions and re-capitalization requirements in the last quarter of 1997. Re-capitalization was extremely difficult amidst the sluggish stock market, while there was little success in negotiating with overseas investors due to unresolved NPLs. The NPL and foreign debt problems were the major reasons for the downgrading of Thai banks' foreign debts by international credit rating agencies several times in 1997. In mid-1998, an increasing number of Thai companies elected not to service current bank debt. As a result, Thai banks are facing a continued rising trend in nonperforming loans.

There is only one type of full banking license available to both foreign and locally incorporated banks. However, both locally incorporated and foreign banks are permitted to operate offshore banking units under the Bangkok International Banking Facility (BIBF). By year-end 1997, 52 banks (including 6 U.S. banks) had been issued BIBF licenses, compared with 47 (including 6 U.S.) as of year-end 1994. The offshore banking units are limited in their operations as follows: (1) Acceptance of deposits and borrowing of funds must come from sources outside Thailand; (2) Repayments of deposits or borrowed funds or interest thereof, or draw down of loans by borrowers of the BIBFs for international lending, must be transacted outside the country (or out-out transactions); and (3) Each disbursement from BIBFs for domestic lending must be at least US\$500,000 for export-related activities or US\$2 million for other types of activities, or the equivalent in other currencies at market exchange rates (or out-in transactions). In June 1998 the BOT authorized BIBFs to issue letters of credit and extend credit in the form of trust receipts in foreign currencies.

In 1954, a Thai bank opened its first overseas commercial branch. At the end of 1997, Thai commercial banks were operating 54 overseas branches, 36 of which were in Asia. At the end of 1997, Thai banks operated three agencies and five branches in the United States.

On August 14, 1998, the Ministry of Finance and the BOT announced a financial sector restructuring program. The program makes available on a voluntary basis to banks and finance companies Tier 1 and Tier 2 capital, subject to certain conditions. Changes to the structure of the financial sector were also announced. When implemented, these changes will affect the number of banks and finance companies. The plan also calls for the privatization of all state owned banks and finance companies. Some regulatory and legal changes are also contemplated.

## Banking Regulation

Commercial banks in Thailand are governed by the Commercial Banking Acts of 1962 and 1979, amended in 1985 and 1992. According to the Commercial Bank Acts, the Ministry of Finance has broad responsibility for financial sector policies, while the BOT is more involved in day-to-day supervision of banks. Licenses are issued by the Ministry of Finance. Numerous changes to the role of the BOT were being considered in mid-1998, including removing bank supervision to an independent agency.

Finance companies in Thailand are governed by the 1979 Act on the Undertaking of Finance Business, Securities Business, and Credit Foncier Business and subsequent amendments. Responsibilities for licensing and regulating finance companies are divided among the Ministry of Finance and the BOT in the same manner as for banks.

There is no formal government or private sector deposit insurance in Thailand. The Ministry of Finance provides financial assistance and managerial experience to troubled banks through the FIDF. However, Thai authorities, under the IMF program, will have to finalize a plan for the introduction of a deposit insurance scheme to replace the current blanket guarantee in the medium term by the end of 1998. As part of the IMF program, the government has guaranteed all depositors and creditors of the currently open financial institutions. Holders of promissory notes from the closed finance companies can exchange those notes for certificates of deposit issued by Krung Thai Bank or Krung Thai Thanakit.

Thailand's financial liberalization without adequate regulation contributed greatly to the current downturn in both financial and capital markets. Substantial inflows of foreign capital mounted in 1993 when the BIBFs were introduced, resulting in accelerating investment and consumption as borrowers were afforded access to foreign loans at costs lower than for domestic borrowing. However, most of the foreign currency loans were short-term, while the funds were re-lent at longer terms in Baht or tied to domestic projects which would generate only long-term returns in Baht. Although the BIBF facilities were initially intended to fund imports for Indochina, the hard currency financing soon attracted Thai entrepreneurs who did not hedge their exposure assuming the Baht would remain pegged to the dollar. The effect of these flows was soon reflected in aggregate statistics. Total private credits extended by commercial banks (including BIBFs) and finance companies climbed and in 1995 accounted for 85 percent of total credit outstanding extended by all financial institutions in Thailand. The current account deficit surged to 8 percent of GDP in 1995-96. The debt/export ratio rose significantly to 121.2 percent in 1996 from an average of 109 percent in the period of 1991-95.

Extensive forward commitments in defense of the Baht gradually exhausted available foreign reserves, resulting in an effective float of the currency on July 2, 1997. Subsequent depreciation triggered a sharp economic decline and exposed substantial weaknesses in the financial sector.

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Under its agreement with the International Monetary Fund (IMF), the Thai government intends to bring the financial sector into line with international standards by the end of 2000. Effective January 1, 1999, financial institutions are required to cease accruing interest income on any account where interest payments have not been received for three months (instead of six months). Effective July 1, 1998, banks are required to classify loans for which payments have not been made for three consecutive months as NPLs. New provisioning for such non-performing loans is to range between 20 percent and 100 percent depending on loan classification using primarily qualitative criteria. In addition, 1 percent and 2 percent provisioning will be required for ordinary and “special mention” loans (those delinquent less than three months), respectively. Originally, financial institutions are allowed to fully meet the requirements by year 2000. However, under the financial sector restructuring package announced on August 14, 1998, the central bank will provide capital through an exchange of ten-year government bonds to domestic banks and finance companies under certain conditions. One of the conditions requires that institutions must advance year-end 2000 loan classification and provisioning rules before applying for the Tier 1 capital scheme, which will be made available in the form of tradable 10-year government bonds for institutions' preferred shares.

The financial sector restructuring will require substantial funds. To encourage private recapitalization efforts, the authorities removed some tax disincentives and relaxed regulations which limited foreign ownership of Thai financial institutions to 25 percent.

### ***U.S. PRESENCE IN THE MARKET***

Foreign banks may establish full-licensed branches or representative offices in Thailand. Besides obtaining full-branch license from the Ministry of Finance, foreign banks (including U.S.) can take over local banks. In November 1996, seven international banks operating the BIBF program were upgraded to full-branch business, although none were from the United States.

There are three U.S. banks with full branches: Citibank, Chase Manhattan Bank, and Bank of America. At the end of 1997, American banks accounted for 2.9 percent of Thailand's commercial banking assets, compared to 1.8 percent in 1996. All three have received licenses to operate offshore banking units under the BIBF program. Three other American banks – American Express Bank, Bank of New York, and Bankers Trust – also have received licenses to operate BIBF units. An additional three U.S. banks (Union Bank of California, CoreStates Bank, and the First National Bank of Boston) maintain representative offices in Thailand. CoreStatesBank's representative office will be officially changed to First Union Bank in November 1998.

In spite of the branch restrictions, some U.S. banks such as Citibank have diversified their businesses into retail banking due to adequate manpower. Expansion in credit card business is their main strategy to increase their customer base in Thailand. Citibank has the largest deposit base of any foreign bank. However, U.S. and other foreign banks remain relatively small players in traditional

deposit taking and lending business relative to domestic Thai banks. Most foreign banks focus on wholesale businesses rather than retail business, in large part due to branching limitations. During the past four years, foreign banks such as Bank of America have played an important role in capital markets activities (especially capital raising through syndicated loans or Yankee bonds for local large corporations), investment banking (merger and acquisition activities) and risk management.

Prior to the financial crisis, the main foreign competitors of U.S. banks in terms of technology were banks from European countries. However, Thai banks with foreign bank partners, such as Bank of Asia and ABN AMRO, are now viewed as competitors because of the amalgamation of technological know-how and branch networks.

### ***TREATMENT OF U.S. FINANCIAL INSTITUTIONS***

Foreign banks are subject to a number of restrictions on expansion. A foreign bank is limited to three branches, a modest improvement from only one in 1994. Two of these branches must be outside Bangkok and adjacent provinces if the foreign bank does not have a Provincial International Banking Facility (PIBF) license. (If a commercial bank is authorized to operate International Banking Facilities (IBFs) in Bangkok, it is known as a BIBF; if an authorized bank established an IBF in a province, it is known as a PIBF.) Currently, none of the foreign full-license banks has more than one branch. An offsite standalone ATM is considered an additional branch. Several foreign banks have applied to the BOT to open additional full branches, but no approvals have been granted to date.

The government can require that foreign banks desiring to establish full licensed branches first open a representative office and apply for a BIBF license. Eligible applicants must be of reputable and accredited standing and be registered in a country with high supervisory standards. Although the BOT will establish a minimum capital fund requirement for each round, the effective minimum is understood to be Bt500 million (US\$12.4 million).

The number of expatriate management personnel is limited to six persons, which also hampers foreign banks' expansion and could restrict their scope of operations. Foreign banks that operate BIBF affiliates, however, are allowed to have two additional expatriate personnel. Foreign representative offices can have no more than two expatriate management personnel. Foreign bankers say that the quotas have not been an impediment and that the BOT has been flexible and willing to authorize additional expatriates on a case-by-case basis.

Foreign banks are required to maintain minimum capital funds of Bt125 million (about US\$3.1 million) invested in low yielding government securities and other eligible papers. This counts towards fulfillment of capital to risk ratios. All banks (foreign and domestic) are required to keep an equivalent of 8.5 percent of their risk assets invested in low-yielding government securities, other

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eligible papers, real estate assets (not more than 20 percent of the capital funds) or deposited at the central bank.

There are also restrictions on foreign share ownership in domestic banks, although the BOT recently increased the level of permissible foreign ownership in domestic financial institutions in November 1997 to facilitate the re-capitalization of the financial sector. Before this date, foreign investors could not takeover local banks but could purchase bank shares up to a 25 percent ceiling. In addition, each local bank typically allowed foreign participation less than the legal limit. The 25 percent legal ceiling on foreign ownership was raised to 49 percent in November 1997. The BOT announced that foreign investors with sound financial status and high potential to help increase the management efficiency of domestic financial institutions shall be allowed to hold more than 49 percent of the shares in existing financial institutions for a period of 10 years, with the approval of the Ministry of Finance. After 10 years, foreign investors will not be forced to sell their shares but may not purchase any additional shares, until the amount of foreign shareholding falls to within 49 percent of total shares. The authorities reserve the right not to allow a foreign bank that has more than 49 percent stake in a Thai bank to have an additional full branch in Thailand.

A foreign bank seeking approval to acquire a shareholding in a Thai bank must have sound financial status and possess high potential to help increase the managerial efficiency of the underlying institution. “Sound financial status” is understood to entail assets of at least Bt1,000 million (US\$24.8 million).

Foreign banks can now participate in domestic ATM networks. In 1997, foreign banks were allowed to install ATMs at their branch premises, and foreign banks with full-branch licenses are able to pool existing ATM networks with Thai banks with a certain fee requirement per transaction. Tokyo-Mitsubishi and Hong Kong & Shanghai have already made such arrangements. There is no report of US banks participating in the pooling scheme.

The BIS capital adequacy ratio and legal lending limit for branches of foreign banks operating in Thailand are based on the locally held capital in the branch instead of the consolidated capital of the parent bank. The BOT requires all commercial banks operating in Thailand (including foreign banks) to limit their lending transactions to 25 percent of their first tier capital base (or local capital base for foreign banks) for a single borrower for risk management purposes. Foreign banks see this as a barrier due to their significantly smaller local capital base compared to domestic banks. In late 1997, foreign banks petitioned for a relaxation of the regulation. The Thai central bank has not yet responded.

Fourteen Thai banks (all but Radhanasin and the Bangkok Bank of Commerce) belong to the Thai Bankers Association (TBA), which presents banks’ views to the government on financial issues and has cooperated in the drafting of banking legislation. All 21 foreign incorporated banks and some



foreign representative offices are members of the Foreign Bankers Association (FBA), whose functions are similar to those of the TBA.

Thailand's GATS commitments largely reflect the current regulatory environment. The major exception occurs in practice, but is not formalized in regulation. A foreign bank which purchases a majority share in a local bank (for example, ABN AMRO's purchase of Bank of Asia) will be allowed to continue operating that bank under the rules pertaining to domestic banks.

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<b>Deposits of Domestic Commercial Banks in Thailand</b>		
Year-end 1997		
Bank	Deposits (US\$ millions)	Market Share (percent)
1. Bangkok Bank	20,032	23.2
2. Thai Farmers Bank	12,452	14.4
3. Krung Thai Bank	12,275	14.2
4. Siam Commercial Bank	11,830	13.7
5. Bank of Ayudhya	8,234	9.5
6. Thai Military Bank	5,451	6.3
7. Siam City Bank	3,346	3.9
8. First Bangkok City Bank	2,785	3.2
9. Bangkok Bank of Commerce	2,103	2.4
10. Thai Danu Bank	1,902	2.2
11. Bangkok Metropolitan Bank	1,702	2.0
12. Bank of Asia	1,695	2.0
13. Union Bank of Bangkok	1,024	1.2
14. Nakornthon Bank	990	1.2
15. Laem Thong Bank	563	0.7
16. Radhanasin Bank	Operating in February 1998	-
<b>TOTAL</b>	<b>86,383</b>	<b>100.0</b>

Exchange Rate: 47.25 Bt/US\$

<b>Deposits of Domestic Commercial Banks in Thailand</b>		
Year-end 1997		
Bank	Deposits (US\$ millions) Forex = Bt47.25/US\$	Market Share (percent)
1. Bangkok Bank	20,032	23.2
2. Thai Farmers Bank	12,452	14.4
3. Krung Thai Bank	12,275	14.2
4. Siam Commercial Bank	11,830	13.7
5. Bank of Ayudhya	8,234	9.5
6. Thai Military Bank	5,451	6.3
7. Siam City Bank	3,346	3.9
8. First Bangkok City Bank	2,785	3.2
9. Bangkok Bank of Commerce	2,103	2.4
10. Thai Danu Bank	1,902	2.2
11. Bangkok Metropolitan Bank	1,702	2.0
12. Bank of Asia	1,695	2.0
13. Union Bank of Bangkok	1,024	1.2
14. Nakornthon Bank	990	1.2
15. Laem Thong Bank	563	0.7
16. Radhanasin Bank	Operating in February 1998	-
<b>TOTAL</b>	<b>86,383</b>	<b>100.0</b>

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<b>Credits of Domestic Commercial Banks in Thailand</b>		
Year-end 1997		
Bank	Credits (US\$ millions) Forex = Bt47.25/US\$	Market Share (percent)
1. Bangkok Bank	21,511	21.7
2. Thai Farmers Bank	12,333	12.4
3. Krung Thai Bank	13,821	13.9
4. Siam Commercial Bank	11,636	11.7
5. Bank of Ayudhya	8,373	8.4
6. Thai Military Bank	6,236	6.3
7. Siam City Bank	4,841	4.9
8. First Bangkok City Bank	5,854	5.9
9. Bangkok Bank of Commerce	2,845	2.9
10. Thai Danu Bank	2,375	2.4
11. Bangkok Metropolitan Bank	3,372	3.4
12. Bank of Asia	2,771	2.8
13. Union Bank of Bangkok	1,198	1.2
14. Nakornthon Bank	1,235	1.2
15. Laem Thong Bank	883	0.9
16. Radhanasin Bank	Operating on February 1998	-
<b>TOTAL</b>	<b>99,285</b>	<b>100.0</b>

**Deposits of Foreign Commercial Banks in Thailand\***  
Year-end 1997

Bank	Deposits (US\$ millions) Forex = Bt47.25/US\$	Market Share (percent)
1. Citibank	892	22.6
2. Bank of Tokyo-Mitsubishi	648	16.4
3. Hong Kong & Shanghai	434	11.0
4. Sakura Bank	427	10.8
5. Standard Chartered Bank	382	9.7
6. Deutsche Bank (Asia)	289	7.3
7. Credit Agricole Indosuez	152	3.8
8. Bank of America	143	3.6
9. ABN AMRO Bank	116	2.9
10. Intl. Comm. Bank of China	72	1.8
11. Chase Manhattan Bank	57	1.4
12. Bharat Overseas Bank	49	1.2
13. Oversea Chinese Banking Corp.	27	0.7
14. Sime Bank Berhad	9	0.2
15. Dresdner Bank AG. <sup>1)</sup>	16	0.4
16. The Industrial Bank of Japan <sup>1)</sup>	82	2.1
17. The Sumitomo Bank <sup>1)</sup>	119	3.0
18. The Bank of China <sup>1)</sup>	13	0.3
19. The Dai-Ichi Kangyo Bank <sup>1)</sup>	27	0.7
20. Banque Nationale de Paris <sup>1)</sup>	1	0.0
21. Bank of Nova Scotia** <sup>1)</sup>	0	0.0
<b>TOTAL</b>	<b>3,955</b>	<b>100.0</b>

Note : \* Excluding BIBF operation, \*\* Scheduled to operate on July 2, 1998

1) New full-branch licenses

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### Credits of Foreign Commercial Banks in Thailand Year-end 1997

Bank	Credits (US\$ millions) Forex = Bt47.25/US\$	Market Share (percent)
1. Citibank	1,496	6.9
2. Bank of Tokyo-Mitsubishi	3,909	18.1
3. Hong Kong & Shanghai	1,203	5.6
4. Sakura Bank	2,538	11.8
5. Standard Chartered Bank	646	3.0
6. Deutsche Bank (Asia)	615	2.8
7. Credit Agricole Indosuez	450	2.1
8. Bank of America	620	2.9
9. ABN AMRO Bank	432	2.0
10. Intl. Comm. Bank of China	114	0.5
11. Chase Manhattan Bank	899	4.2
12. Bharat Overseas Bank	28	0.1
13. Oversea Chinese Banking Corp.	182	0.8
14. Sime Bank Berhad	27	0.1
15. Dresdner Bank AG. <sup>1)</sup>	315	1.5
16. The Industrial Bank of Japan <sup>1)</sup>	1,543	7.2
17. The Sumitomo Bank <sup>1)</sup>	3,440	15.9
18. The Bank of China <sup>1)</sup>	76	0.4
19. The Dai-Ichi Kangyo Bank <sup>1)</sup>	2,545	11.8
20. Banque Nationale de Paris <sup>1)</sup>	370	1.7
21. Bank of Nova Scotia** <sup>1)</sup>	135	0.6
<b>TOTAL</b>	<b>21,582</b>	<b>100.0</b>

Note : \* Excluding BIBF operation, \*\* Scheduled to operate on July 2, 1998

1) New full-branch licenses

**Assets of Foreign Commercial Banks in Thailand**  
Year-end 1997

Bank	Assets (US\$ millions) Forex = Bt47.25/US\$	Market Share (percent)
1. Citibank	2,530	8.3
2. Bank of Tokyo-Mitsubishi	4,553	15.0
3. Hong Kong & Shanghai	1,808	5.9
4. Sakura Bank	3,366	11.1
5. Standard Chartered Bank	1,127	3.7
6. Deutsche Bank (Asia)	1,071	3.5
7. Credit Agricole Indosuez	705	2.3
8. Bank of America	912	3.0
9. ABN AMRO Bank	818	2.7
10. Intl. Comm. Bank of China	163	0.5
11. Chase Manhattan Bank	1,071	3.5
12. Bharat Overseas Bank	66	0.2
13. Oversea Chinese Banking Corp.	206	0.7
14. Sime Bank Berhad	46	0.2
15. Dresdner Bank AG. <sup>1)</sup>	780	2.6
16. The Industrial Bank of Japan <sup>1)</sup>	2,730	9.0
17. The Sumitomo Bank <sup>1)</sup>	3,980	13.1
18. The Bank of China <sup>1)</sup>	166	0.5
19. The Dai-Ichi Kangyo Bank <sup>1)</sup>	3,476	11.4
20. Banque Nationale de Paris <sup>1)</sup>	580	1.9
21. Bank of Nova Scotia** <sup>1)</sup>	283	0.9
<b>TOTAL</b>	<b>30,436</b>	<b>100.0</b>

Note : \* Excluding BIBF operation, \*\* Scheduled to operate on July 2, 1998

1) New full-branch licenses

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<b>Numbers of Operating Commercial banks and BIBFs</b>			
	1995	1996	1997
Thai commercial banks	15	15	15
- number of branches ( <i>excluding headquarters</i> )	2,957	3,138	3,284
Foreign full-branch banks	14	14	21
BIBFs			
- Thai commercial banks operating BIBFs	12	12	12
- Foreign full-branches operating BIBFs			
BIBF	11	11	17
PIBF	5	10	10
- Foreign operating BIBFs			
BIBF	20	19	19
PIBF	20	20	20

Note : BIBF = Bangkok International Banking Facilities, PIBF = Provincial International Banking Facilities