



March 20, 2006

TSD Approves Fees for Securities Borrowing & Lending

Ms. Nongram Wongwanich, President, Thailand Securities Depository Co. Ltd.(TSD) revealed that on March 17, 2006, its Board of Directors approved the setting of commission fee rates for Securities Borrowing and Lending (SBL) at 5% of the borrowing fee, with a minimum of THB 100 per transaction for both the lender and borrower. TSD will exempt the book-entry transfer fees using the automatic system for securities in SBL and for collateral securities in Private Repo transactions. It will also exempt commission fees when TSD acts as a link for the clearing-house.

TSD has recently made significant progress in upgrading its SBL structure and system with 90% of the entire project completed and is currently testing the system with related parties, both inside and outside the organization. It is also training its staff and those involved in utilizing the new system, with the intention to become fully operational later this year.

The commission fee rate is based on studies of the services provided by other Asian markets that offer a similar SBL service, such as Taiwan Stock Exchange and Korea Securities Depository.

Securities authorized for SBL must be in the TSD system, except warrants, securities with SP signs, and those in the Rehabco group.

TSD's role as the center for securities borrowing and lending will be highly beneficial for the overall capital market, as these transactions are essential to short selling, offering investors an investment tool to employ when they believe securities prices are on a downward trend.

"TSD will provide convenience to all securities companies as the marketplace for security borrowers and lenders, with the information center able to verify reports and provide borrowing and lending status on a daily basis through its electronic system. Moreover, TSD will also help settle and deliver securities and collateral, while following up on other benefits the issuers of lent securities or collateral have provided. It will also report on the latest status to both parties involved in a contract and will coordinate when one of them defaults.

These services will help cut operating costs for all securities companies, which will, in turn, not have to develop their own in-house system or personnel, and will trim procedures, save time and money while reducing delays in the delivery of securities between clients", said the President.

Currently, there are eight securities companies with SBL licenses; i.e., KGI Securities (Thailand) Plc.; Trinity Securities Co., Ltd.; Tisco Securities Co., Ltd.; SCB Securities Co., Ltd.; TSFC Securities Ltd.; Asia Plus Securities Plc.; Capital Nomura Securities Plc.; and Phatra Securities Plc.; along with three financial institutions, i.e., Citibank, Deutsche Bank, and Bank of America, NA.

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