

Thai bourse accepts Citibank, Bangkok as the 4th settlement bank

Today (September 18, 2009), The Stock Exchange of Thailand (SET)'s welcomes Citibank N.A., Bangkok to be the first foreign bank in Thailand to be appointed as a settlement bank. Besides being the fourth settlement bank in Thailand, Citibank N.A. will be an alternative service provider for 39 clearing house members.

SET Chief Marketing Officer, Market & Post-Trade Services Sopawadee Lertmanaschai. said that having more settlement banks will benefit clearing house members. Thus, having Citibank as a settlement bank will enhance clearing system reliability and support the Thai capital market.

Citibank N.A. has all qualifications. It is financially strong, with a BIS ratio of not less than 8.5 times, as required by the Bank of Thailand, having atleast five clearing house members already requesting its services, having not less than a THB500 million overdraft for a clearing house, and its operation system that passes the clearing house's requirements.

Ms. Vira-anong Chiranakhorn Phutrakul, Managing Director, Thailand Head of Global Transaction Services, Citibank N.A. said that this marks an important day for Citibank. By becoming a settlement bank, Citibank can provide an end-to-end solution to clients of brokers/ sub brokers who use Citibank as a custodian bank, or back office settlement processing. This is all done through Citibank's award-winning technology platform, CitiDirect, which provides secure, online access for transacting and to view reports. Citibank is committed to invest in and be an integral part of the market infrastructure, to drive changes, streamline processes and create efficiencies to meet both market and client demands.

In 2008, The Thailand Securities Depository Co., Ltd. (TSD) as a clearing house, which provides clearing and settlement service for securities trading on SET, the Market for Alternative Investment (mai), and Bond Electronic Exchange (BEX) had net settlement value of securities clearing and settlement of THB625.88 billion (approx. USD18.40 billion), or 16% of trading value, with net settlement volume of 339.11 billion shares, or a daily average value of THB2.53 billion (approx. USD74.55) and a daily average volume of 1.37 billion shares.

In 7-months/2009 (January-July), the net settlement value of securities clearing and settlement was at THB283.46 billion (approx. USD8.34 billion), or 12% of trading value, with net settlement volume of THB191.61 billion shares or a daily average value of THB2.04 billion (approx. USD60), and a daily average volume of 1.38 million shares.

About TSD and settlement banks

TSD, the subsidiary of SET which is its clearing house, acts as an intermediary of clearing and settlement process for its members. There are two methods of the payment, i.e., 1) to send/receive payment to/from their settlement banks, which are Siam Commercial Bank PCL, Bangkok Bank PCL and Krung Thai Bank PCL and the latest, Citibank N.A., Bangkok and, 2) to send/receive the payment through the Bank of Thailand's BAHTNET system. Settlement dates are on the third day following the trading date (T+3) for equities and on the second day following the trading date (T+2) for debt instruments.



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