

Translation

NOTIFICATION OF THE PUBLIC DEBT MANAGEMENT OFFICE  
RE: RULES AND PROCEDURE IN ASSESSING THE CREDIT SCORING  
OF STATE ENTERPRISE AND STATE FINANCIAL INSTITUTION

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By virtue of clause 2 paragraph two of the Ministerial Regulation Prescribing Rates and Conditions of Guarantee Fee of the Ministry of Finance, B.E. 2551 (2008) and clause 3 paragraph two of the Ministerial Regulation Prescribing Rates and Conditions on Collection of Interest and Fees for On-lending of the Ministry of Finance, B.E. 2551 (2008), the Public Debt Management Office hereby issues the Notification as follows:

**Clause 1.** The Public Debt Management Office will use the following information to analyse credit rating:

(a) financial information, such as balance sheets of the past 3 years, profit and loss statements of the past 3 years, statements of cash flow of the past 3 years, estimated cash flow, revenue, expenditure, debt obligations information and any other relevant information;

(b) general information and social service information of the State enterprise or State financial institution, as well as other information beneficial to further analysis, i.e. report on study and analysis of the industry prepared by analysts of financial institutions, commercial banks or domestic and foreign securities analyst companies, including analysis and credit risk assessment from credit rating agencies.

In this regard, the State enterprise or State financial institution shall send the financial statement to the Public Debt Management Office within fifteen days from the date on which the Office of the Auditor-General completes the audit and states its the opinion. The Public Debt Management Office may require the State enterprise or State financial institution to send the information under clause 1 (a) or (b) or any relevant information in accordance with the procedures and conditions and within the period notified by the Public Debt Management Office.

**Clause 2.** The Public Debt Management Office will use the credit scoring system which analyses and evaluates credit risk both quantitatively and qualitatively on an annual basis based on the information under clause 1. Emphasis shall be given to the analysis and assessment of industrial risk, business risk and financial risk. The Public Debt Management Office will analyse the movement of spread from the yield rate of government bonds for its consideration. In this regard, the criteria used for credit risk assessment will be based on industrial standards and by credit rating agencies, such as Thai Rating and Information Service Company (TRIS) and Standard and Poor's company (S&P'S).

**Clause 3.** The Public Debt Management Office will calculate a guarantee fee or an on-lending fee in accordance with the result of the credit scoring. Credit rating is divided into level 1 – 8, whereby a State enterprise or State financial institution rated at level 1 has the lowest risk, and in respective order, that rated at level 8 has the highest risk, provided that this shall be in accordance with the schedules annexed to this shall be as the list annexed to the Ministerial Regulation Prescribing Rates and Conditions of Guarantee Fee of the Ministry of Finance, B.E. 2551 (2008) and the Ministerial Regulation Prescribing Rates and Conditions on Collection of Interest and Fees for On-lending of the Ministry of Finance, B.E. 2551 (2008).

**Clause 4.** In the case where the Public Debt Management Office evaluates the credit rating for the purpose of collecting a guarantee fee or an on-lending fee, the Public Debt Management Office may also use the result of such credit scoring to calculate the on-lending fee or guarantee fee, as the case may be.

**Clause 5.** The Public Debt Management Office will directly notify the result of credit rating evaluation and rate of guarantee fee and on-lending fee to the State enterprise or State financial institution to which the Ministry of Finance provides guarantee or on-lending.

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Director-General of the Public Debt Management Office