

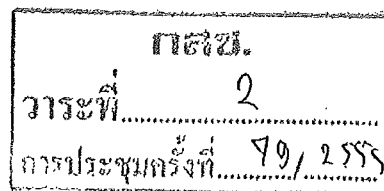
From: Supply Chain Solution

To: Credit Committee

Date: October 15th 2012

Re: Auto Dealers – Buyer Financing Program for Toyota, Honda and Isuzu.

Attachment: 1) GSB MOU and Legal comments for using GSB with Buyer Financing Program



1. Background

Buyer financing program is one of supply chain solutions which the program offers O/D facility to a buyer of sponsors. The facility is controlled to pay sponsor via electronic platform, no cheque book is allowed. The facility is 100% covered and secured by TCG's guarantee. Current Buyer Financing Program's sponsors include SCCC, LG, PTT, and Siam Kubota. Credit committee has approved Buyer Financing Program to use GSB and TCG flood program (26th July 2012).

2. Purpose of the request

- To approve Buyer Financing Program for Auto Dealers of Toyota, Honda, and Isuzu
- To approve DOA of Buyer Financing Program for Auto Dealers of Toyota, Honda, and Isuzu.

3. Proposal and Rationale

- The proposal is to provide auto dealers of Toyota, Honda, and Isuzu to use Buyer Financing Program with GSB and TCG flood program. The auto dealers were impacted directly and indirectly as Toyota, Honda and Isuzu could not deliver vehicles to them during flood.
- The program will be co-worked with Krungsri Auto to maximize the Krungsri Group business.

The following are the proposed criteria for Buyer Financing Program for Auto Dealers of Toyota, Honda, and Isuzu:

- Impact from Flood: Direct Impact and Indirect Impact

4. Detail of Program

- Facility Type : Overdraft (OD)
- Maximum Limit : THB 30 M per customer
- Committed line : for each dealer is calculated based on the minimum between:

- a) 50% of monthly sales of auto dealers (average monthly sales of 2012 based on the company's Por Por 30 OR
- b) Business plan of Hire purchase volume co-set between each dealer and Krungsri Auto



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2. Auto Dealers - Buyer Financing Program
for Toyota, Honda, Isuzu.



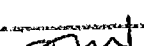
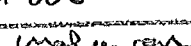
มติที่ประชุมคณะกรรมการพิจารณาเรื่อง

ครั้งที่..... ๗๑ / ๒๕๕๖ /

ขอเสนอความเห็น ท้ายข้อเท็จจริง
ขอเสนอความเห็นในข้อเท็จจริงว่า
กลุ่มรถบรรทุก H&A ใช้ได้กับลูกค้าทั่วไป
SME H&A Corporate.


15 OCT 2012

Date of Meeting.....

Committees	Signature	
	Approved	Rejected
1.CRO		
2.HCOB		
3.HSME		
4.Mr.Nuttawit		
5.Miss Maleewan		

Comments:

เขียน พล.อ. (คุณพรหมสิทธิ์) /
เพื่อโปรดทราบและดำเนินการต่อไป

 ๒๖/๑๐/๕๖

(นายคมเดช จันทาโก)

เลขาธิการ

คณะกรรมการพิจารณาเรื่อง

สำนักงาน พล.อ. (คุณพรหมสิทธิ์)

- Set up limit :

The first-time set up limit (to be applied till June 2013) shall be equal to two-times of the maximum between average monthly volume financing by Krungsri Auto during a) whole year 2012 OR b) 2 times of average of the latest 3 months.

Readjust set up limit every quarter , the limit will be reset to be equal to the average monthly volume with Krungsri Auto in the last quarter.

Year 6 limit reduction : Reduce line 50% of limit on March 2019 and June 2019. (If customer cannot, we still have to present case to court in order to have the right to claim TCG.)

- Collateral

1. TCG (SBCG): TCG Flood Program is required for all customers participating in this program. Loss coverage of TCG Flood Program is 30% and guarantees up to 7 years.

a. Customer can cancel line after year 3 without prepayment fee.

b. Customer have to sign agreement allow Bank to deduct annual TCG fee from their O/D Account.

2. Personal Guarantor : Owner or director or share holder at least 1 person (not more than 2 persons).

This is subjected to CM discretion to pick the guarantor / guarantors.

- Interest Rate: 1st – 3rd Year : 3%

4th Year onward : MOR

- Fee:
 - Management Fee : Up to 1.0% per annum
 - TCG (SBCG) Fee : Exempted for first 3 years (till Dec 2016), thereafter at 1.75% p.a.
 - Front-End Fee , : None
 - Cancellation Fee : None
 - Prepayment Penalty Fee : None
 - Service Fee : None

- Auto Dealer Selection Criteria

Risk Acceptance Parameters:

A. Financial Criteria:	
A1. Mandatory	<ul style="list-style-type: none"> - Positive Networth - Profit 2 in the latest 3 years
A2. Pass 3 out of the following:	<ul style="list-style-type: none"> a) D/E < 5:1 b) Interest Coverage Ratio >= 1x c) Current ratio >= 1x d) Years in business >= 10 years e) Sales >= 300 million baht

<p>B. Credit Criteria (as per Normal Buyer Financing program)</p>	<p>a) Not in blacklist (applicable to the juristic entity and the owners)</p> <p>b) Not in negative list / Blacklist</p> <p>c) Pass bankruptcy check, legal and fraud check:</p> <ul style="list-style-type: none"> - Not have an account status 020, 030, 031, 032, 033, 040 - Never SM in the last 12 months - Max 2 times SM in the last 24 months - Never NPL in last 24 months - No OD over limit for > 30 days consecutively - No claims against LG / LC / AVAL's - Credit Rating not worse than rating 6 <p>d) Not in banks watch list</p> <p>e) Not existing TDR with BAY</p> <p>f) Personal Guarantee of the owner or collateral if MNC</p>
<p>C. Additional Parameters for TCG (SBCG):</p>	<ul style="list-style-type: none"> - Individual or Juristic person with Thai nationality - Fixed asset (excluding land) not over 200 MB

- Credit Application: Short form, same as Buyer Financing Program up to 30 mb

- Monitoring and Triggers

A. Monitoring:

- 1) The report of hire purchase volume of each dealer provided by Krungsri Auto on monthly basis To: CM, Supply Chain Sales
- 2) OD movement report as per other Buyer Financing Program (Attachment)

B. Triggers:

Average quarterly hire purchase volume is less than 100% of OD limit (The period check is end of March, June, September, and December)

Action:

Supply Chain Sales contacts Krungsri Auto/Dealers to check possibility of maintaining future agreed hire purchase business volume by dealers

- In case actual average hire purchase volume is within 20% lower than OD limit, CM and Supply Chain sales will closely monitor and see the trend of business volume in next two following months. The limit reduction is subjected to CM discretion.

- In case actual average hire purchase volume is more than 20% lower than OD limit, the limit will be adjusted down correspondingly to the actual business volume by CM.

Note that the limit can be adjusted up/down to be in line with actual hire purchase volume with Krungsri Auto.



● Delegation of Authority (DOA)

Person	Authority Person (SME Risk Department)	Max total limit (MB)*
1	Mr. Nuttawit Boonyawat	30
2.	Mr. Yuke Sutarat	30
3.	2 Department Manager Co sign	25
4.	Department Manager (VP,SVP)	20
5.	Vice President and Section Manager	15
6	FAVP or officer 8	10

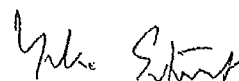
Remarks :

1. * Max total limit for DOA will be based on total group exposure. *(Existing limit + New limit of this request exclude P-loan , Housing loan , limit with fully pledge deposit, Forward/ Swap up to USD 1 M, P/N and B/E Discount that are aval/acceptance by commercial banks of the customers within the same group of companies)*
2. DOA is an authority to
 - a. Grant / increase , reduce and cancel the facilities for both new and existing customer.
 - b. Extend, review the facilities and, hold the facilities.
 - c. Add, release and change guarantors.
 - d. Other transaction which the Bank will not incur additional risks.
 - e. Waive call default and any consents. (Authority person only No.1 or 2)
 - f. Set additional covenant , change or adjust such covenant_(Authority person only No.1 or 2)

Your approval is highly appreciate

Proposed By:

Agreed by:

Phongsak Tantbiroj
SVP, Supply Chain Solutions

Yuke Sutarat
Executive Vice President
SME Credit Risk Division

Contact Person: Phongsak #3794



