

### Collateral for Derivatives Margin

Eligible type of collateral for margin requirement as of November 29, 2010 is

1. Cash in Thai Baht
2. Foreign currency

The TCH will accept foreign currency as collateral for margin requirement with respect to certain conditions

- Only non-resident clients are allowed to place foreign currency
- Foreign Currency Collateral is applicable for maintenance margin and additional margin
- At initial stage, TCH will accept USD and EURO currencies
- TCH may determine maximum amount of Foreign Currency in proportion to margin requirement settlement

#### **Risk Management of Foreign Currency Collateral**

- Haircut rate can be different for particular currency and will be reviewed periodically
- TCH will calculate the translation value of foreign currency into baht (no physical conversion) based on the daily reference exchange rate and hair cut rate
- Foreign Currency collateral must be transferred to/from members through settlement bank

#### **Haircut Rate**

<b>Foreign Currency</b>	<b>Haircut Rate* (%)</b>	<b>Specification of Exchange rate</b>
USD	1.2	1. Use the average telex transfer buying exchange rate which was announced by The Bank of Thailand (BOT) at 6 p.m. of the calculation value day
EUR	3.2	2. If there is no reference exchange rate according to no.1, TCH will use the average telex transfer buying exchange rate which was announced by The Bank of Thailand (BOT) of the nearest calculation value day.

\* Effective date: November 11, 2010