



Results from the book-building for Thailand's 15-year Inflation-Linked Bond (ILB) issue

Miss Chularat Suteethorn, Director-General, Public Debt Management Office (PDMO), discloses that the book-building exercise for the Kingdom of Thailand's new 15-year THB 40 billion Inflation-Linked Bonds (ILB) has been successfully completed. The result of this transaction helps extending the Thai ILB yield curve to 15 years.

The transaction was arranged by 4 joint lead managers: Bangkok Bank Public Company Limited (BBL), Deutsche Bank Bangkok Branch (DB), the Hongkong and Shanghai Banking Corporation Bangkok Branch (HSBC) and Krungthai Bank Public Company Limited (KTB).

The results of the book-building are summarised as follows:

1. A total of 82 investors expressed interest in the ILBs, with total demand for THB 121 billion in the bonds, or more than 3 times the issue amount.
2. Due to the very high level of demand for the ILBs, the PDMO was able to price at a real yield of 1.25%, the tightest end of the 1.25-1.40% initial guidance.

The PDMO has allocated the bonds to investors as follows:

- Domestic investors were allocated 40% of the issue amount (THB 16 billion). These investors comprise around 30 entities from all sectors which are Government Pension fund, Social Security Office, financial institutions, asset management companies, insurance companies, cooperatives and high net worth retail investors.
- International investors were allocated 60% of the issue amount (THB 24 billion). These offshore investors are large global investment funds and long-term investors, totaling 35 entities from 11 countries. (For instance, Denmark, Germany, Hong Kong, Mexico, Netherlands, Singapore, United Kingdom and etc.)

The overwhelming demand for the 15-year ILB supports the PDMO's plan to re-open this bond for further issuance through e-auctions. Furthermore, to ensure the successful development of this ILB, the PDMO will closely monitor this issue's secondary market liquidity and trading conditions before determining the appropriate timing of further issuances and announcing the timing of e-auctions to the market.