



BOND SWITCHING TRANSACTION FOR LB176A

Mr. Suwit Rojanavanich, Director-General of Public Debt Management Office, Ministry of Finance, Thailand, would like to announce that the Public Debt Management Office (“PDMO”) has successfully completed the bookbuilding process of the bond switching transaction for LB176A.

The transaction drew strong participating interest from institutional investors, who tendered a total of THB 70,439 million of LB176A bonds for switching. PDMO has accepted THB 56,682 million of bids, representing to 1.25 oversubscription rate.

The exercise was aimed to mitigate refinancing risk of government debt, reducing 26% of the outstanding size of LB176A bonds due June 2017. This transaction also enabled investors to exchange the short dated LB176A source bonds, which have a remaining maturity of 9 months, to 5 longer-tenor destination bonds, which have remaining maturities of between 3 years 10 months to 50 years. Details of the exchange of the 5 Destination Bonds are as follows:

Destination Bond	Time To Maturity	Accepted Amount (THB mil.)	% of Accepted Amount
1. LB206A	3 years 10 months	11,000	19.4%
2. LB226A	5 years 10 months	9,000	15.9%
3. LB26DA	10 years 4 months	14,182	25.0%
4. LBA37DA	21 years 4 months	7,000	12.4%
5. LB666A	49 years 10 months	15,500	27.3%
Total		56,682	100

Key benefits of the LB176A bond exchange transaction:

1) Public debt management: Reduction of the size of maturity tower in June 2017, enabling extension of maturing debt from 9 months to an average life of 20 years 6 months

2) Cost Reduction: Reduction the cost of LB176A from 3.25% to 2.94%

3) Investor diversification: various types of investors have participated in this bond switching transaction, composed of commercial banks, both public and private funds, and life insurers. Moreover, foreign investors from both Asia and Europe have participated in this transaction.

4) Increased liquidity: Increasing the outstanding amount of 5-year, 10-year, and 50-year On-the-run Benchmark Bonds can help to enhance the trading liquidity in the secondary market

PDMO would like to take this opportunity to express its sincere appreciation to the Bank of Thailand, Thai Bond Market Association, Joint Lead Managers; Bangkok Bank, CIMBT and HSBC, and the investors for the involvement and support in this bond switching transaction.

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