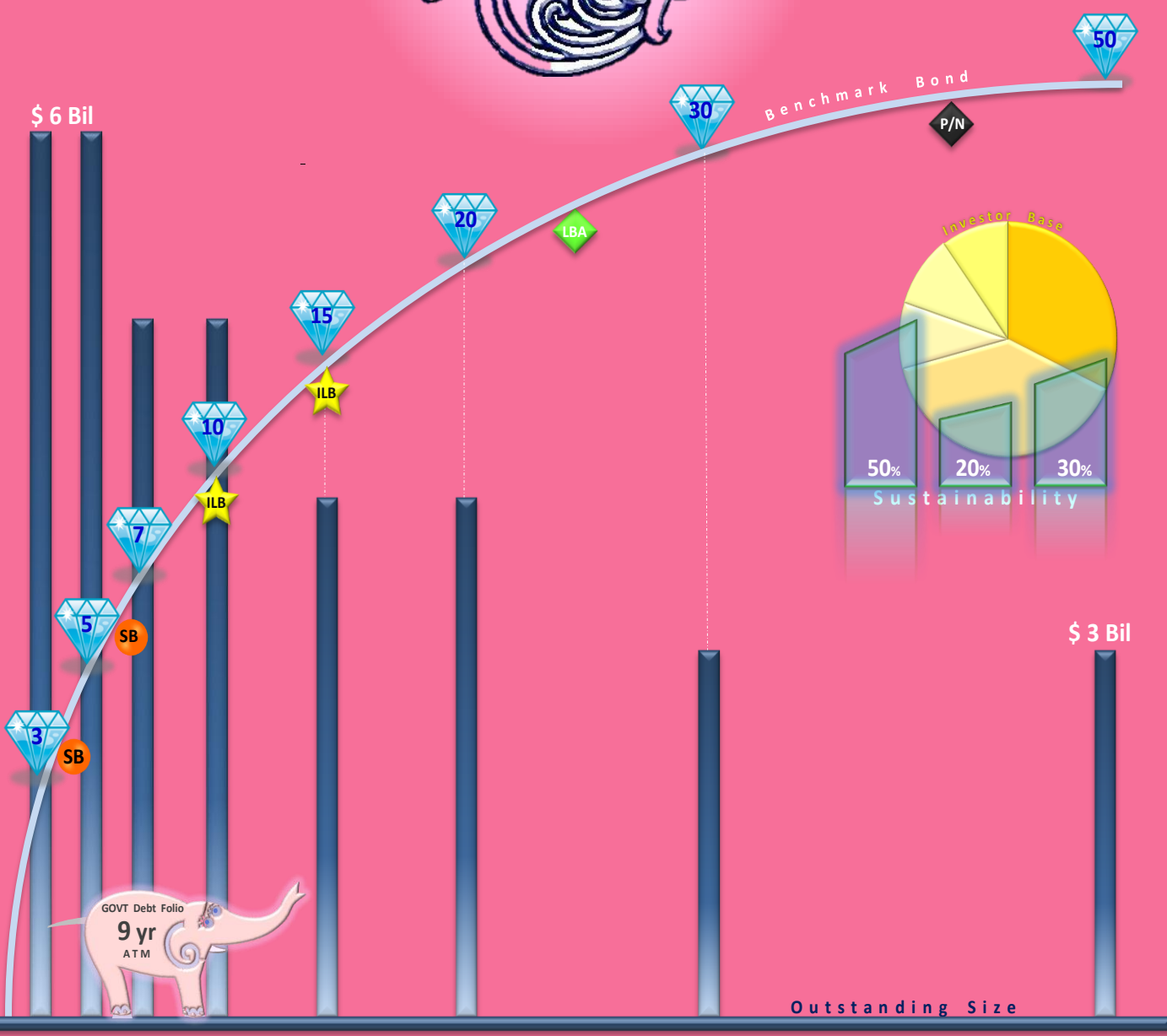


Kingdom of Thailand Bond Market Development



Domestic Bond Market Development

A. Evolution of Bond Market Development (1995 – Present)

- 1997 Asian Financial Crisis → The Rude Awakening
- Thai Bond Market Has Grown Strongly and Rapidly for More than a Decade
 - Innovation of Government's Debt Securities
 - Equilibrium of Thai Bond Market

1

B. Building up of Benchmark Bond (FY2007 - FY2012)

- PDMO Revised the Strategies of Benchmark Bond Issuance in 3 Ways
- Keep Our Word to Get Investors Confidence for the Plan → Firm Committed Supply of Benchmark Bond Regardless of Budget Uncertainty
 - Key Success Indicators of Benchmark Bond Liquidity
 - Market's Favorite Benchmark Bond

5

C. Bond Supply FY2013 + Funding Needs FY2013 - FY2015

- FY 2013 Total Funding Needs (by Bills) → 1,013,546 THB mil.
- FY 2013 Total Fund Raising (by Instruments) → 1,090,076 THB mil.
- FY 2013 Benchmark Bond (3-5-7-10-15-20-30-50 tenors) → 525,000 THB mil.
- FY 2013'Q2 Government Bond Auction Schedule → 133,000 THB mil.
- Fund Raising Strategies
 - Building Benchmark Bond to Stabilize Yield Curve
 - Segmenting Investors Base to Diversify Dependency Risk
- Next Phase of Inflation Linked Bond → Creating Liquidity & Extending Yield Curve

11

D. Well-Developed Bond Market Improved Government Debt Profile Dramatically

- Full Capacity of Government Funding Instruments (FY 2013) → 1,150,000 THB Mil (equiv. 40,000 USD Bil)
- Systematic Benchmark Bond Issuance
 - Lengthened ATM by 3 ½ years
 - Lowered cost by 20 basis points
 - Enhanced fixed-float Ratio
 - Reduced bunching risk

18

Q1/FY 2013 HIGHLIGHTS

- ✓ Domestic Bond Market in Transition : Funding Infrastructure Investment & Connecting ASEAN
- ✓ FY2013 Inaugural Amortized Loan Bond (LBA)

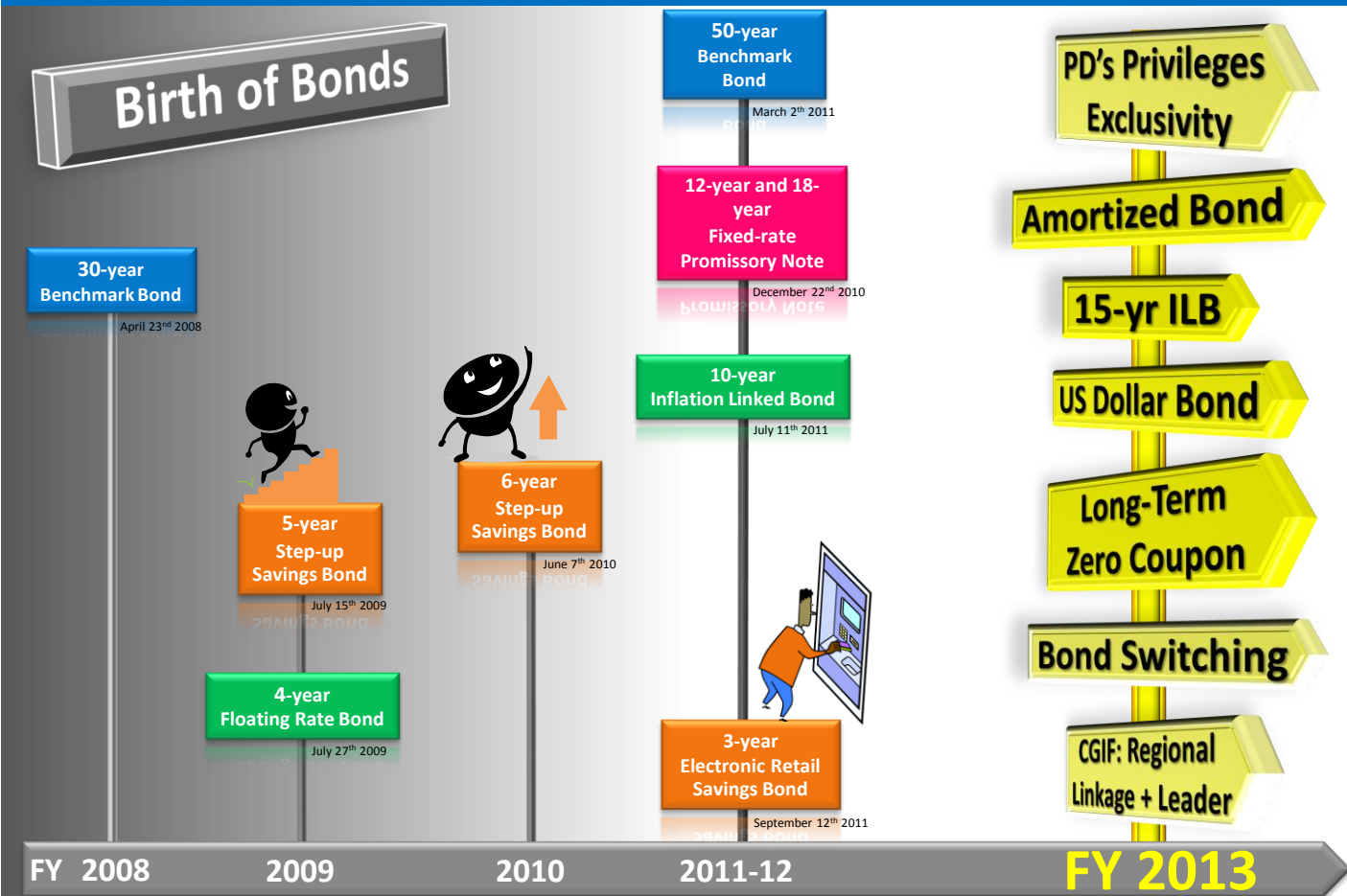
22



A. Evolution of Bond Market Development (1995 – Present)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

- 1997 Asian Financial Crisis → The Rude Awakening
- Thai Bond Market Has Grown Strongly and Rapidly for More than a Decade
- Innovation of Government's Debt Securities
- Equilibrium of Thai Bond Market





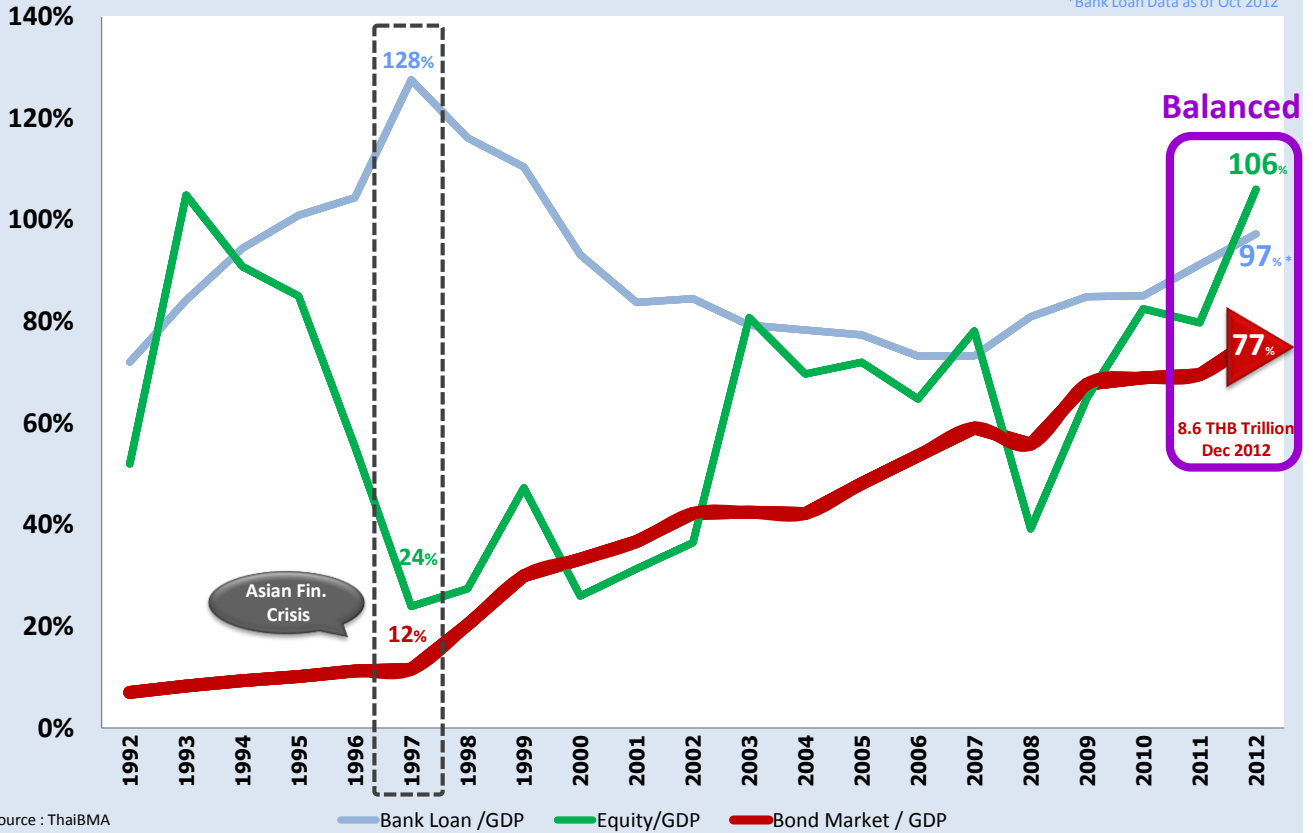
1997 Asian Financial Crisis

The Rude Awakening

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

% Share of GDP

*Bank Loan Data as of Oct 2012



Source: ThaiBMA

Bank Loan / GDP Equity / GDP Bond Market / GDP



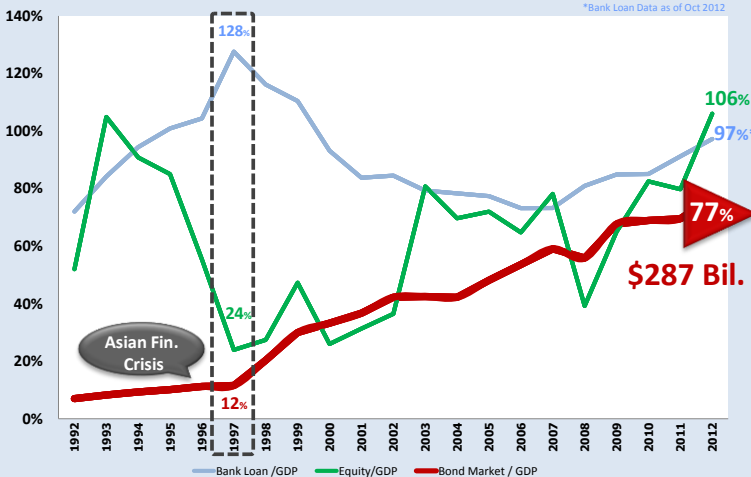
Bond Market Cap. = 8.6 THB Trillion (\$287 Bil.)

GOVT Bond = 3.0 THB Trillion (\$100 Bil.)

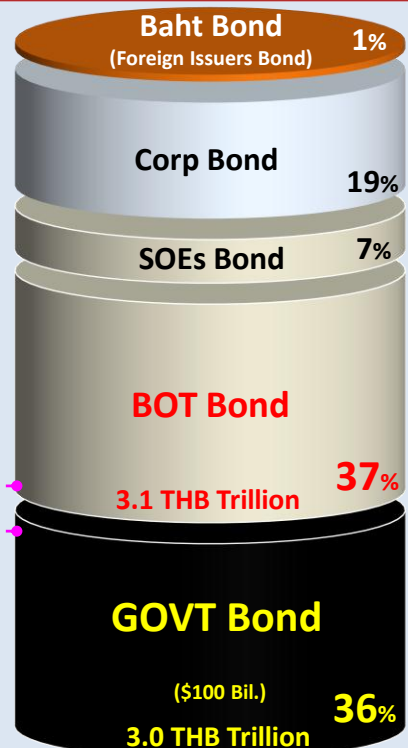
Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

% Share of GDP

*Bank Loan Data as of Oct 2012

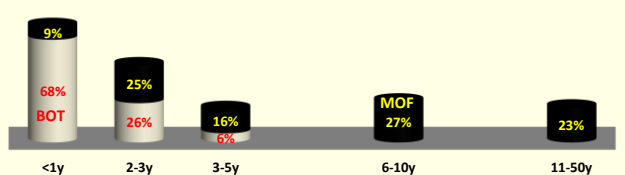


Domestic Bond Market Classified by Issuer



Maturity Profile
BOT vs GOVT Bond

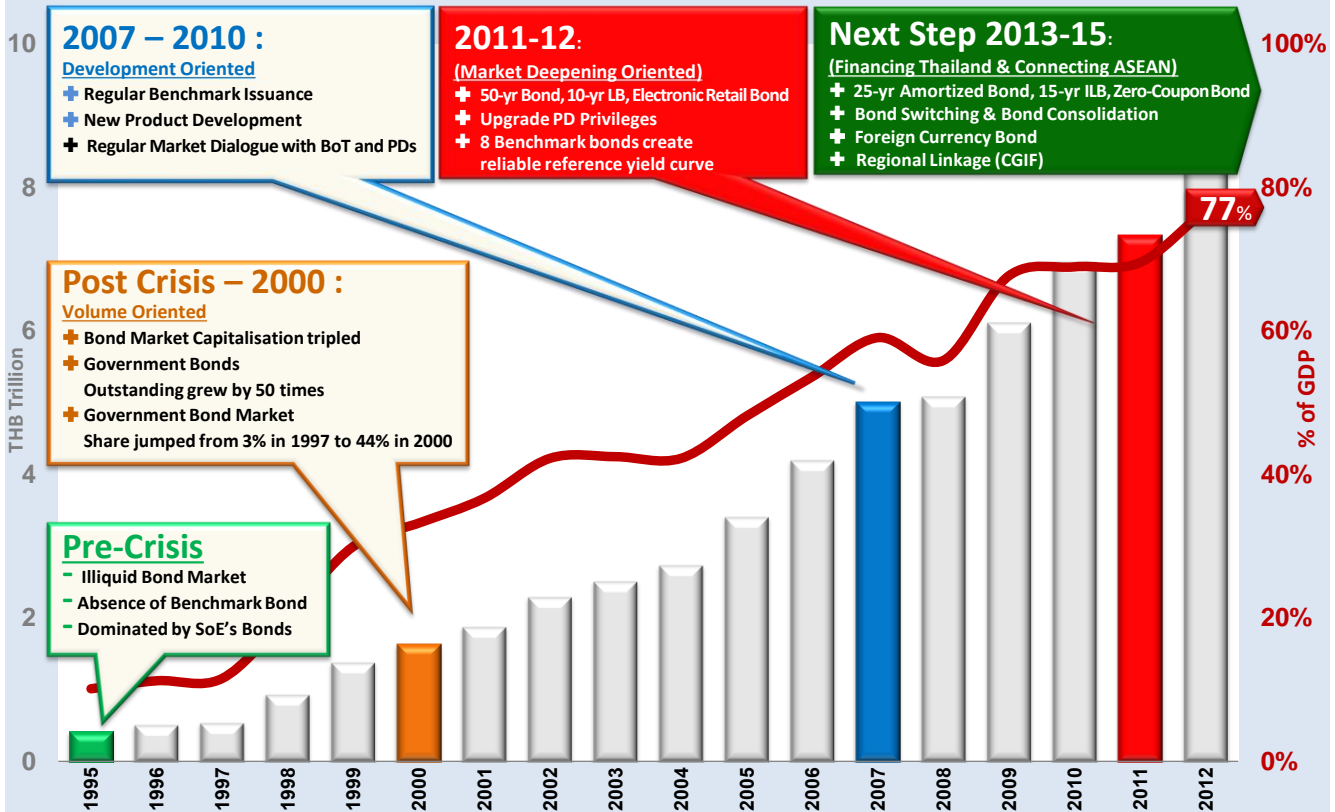
BOT ATM = 11mths GOVT ATM = 7yrs 7mths





The Thai Bond Market Has Developed Rapidly and Efficiently

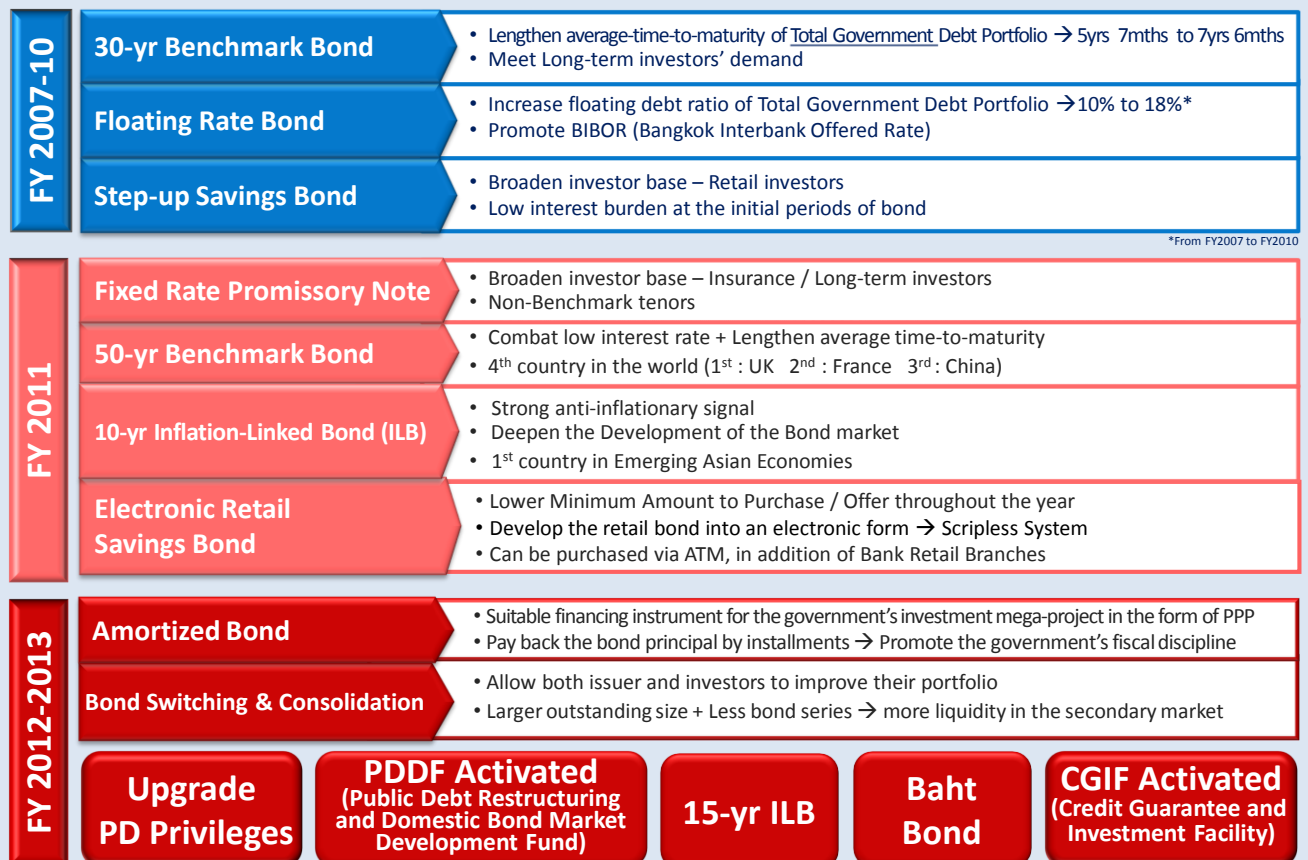
Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



FY2007 – FY2013

Innovation of GOV'T Debt Securities

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand





Equilibrium of Thai Bond Market

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Issuers

- 80 percent of Thailand's debt securities are issued by Government, Central Bank and State-owned Enterprises

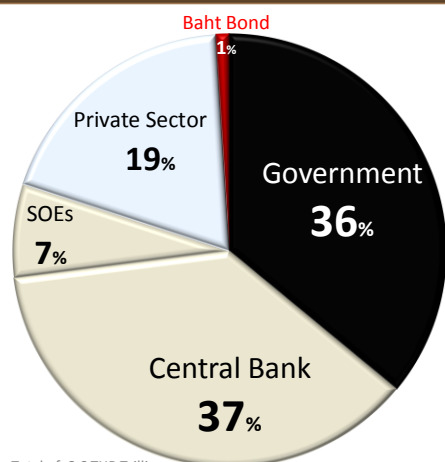
Credit Rating

- 96 percent of Thailand's debt securities are classified as Investment Grade

Investors

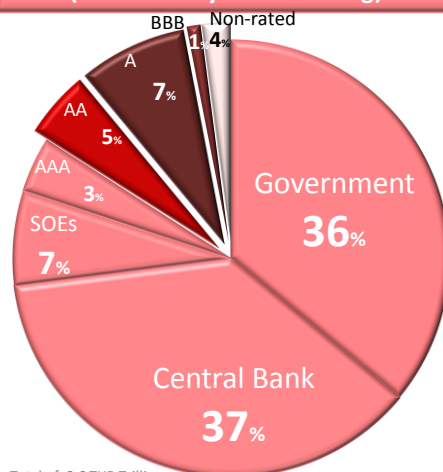
- Thailand's government debt securities are held by a wide group of investor types

Thailand Bond Market
(Classified by Issuers)



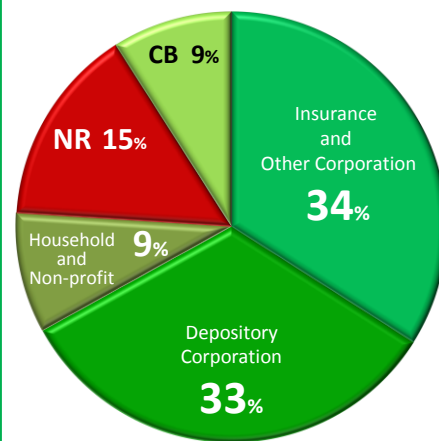
Source : ThaiBMA (28 Dec 2012)

Thailand Bond Market
(Classified by Credit Rating)



Source : ThaiBMA (28 Dec 2012)

State Agencies Debt Securities
(Classified by Types of Investors)





Source : CB (28 Dec 2012)



B. Building up of Benchmark Bond (FY2007 - FY2012)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

- **PDMO Revised the Strategies of Benchmark Bond Issuance in 3 Ways**
- **Keep Our Word to Get Investors Confidence for the Plan → Firm Committed Supply of Benchmark Bond Regardless of Budget Uncertainty** 
- **Key Success Indicators of Benchmark Bond Liquidity**
- **Market's Favorite Benchmark Bond** 



PDMO Revised the Strategy of Benchmark Bond Issuance in 3 ways (FY2007 - FY2013)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

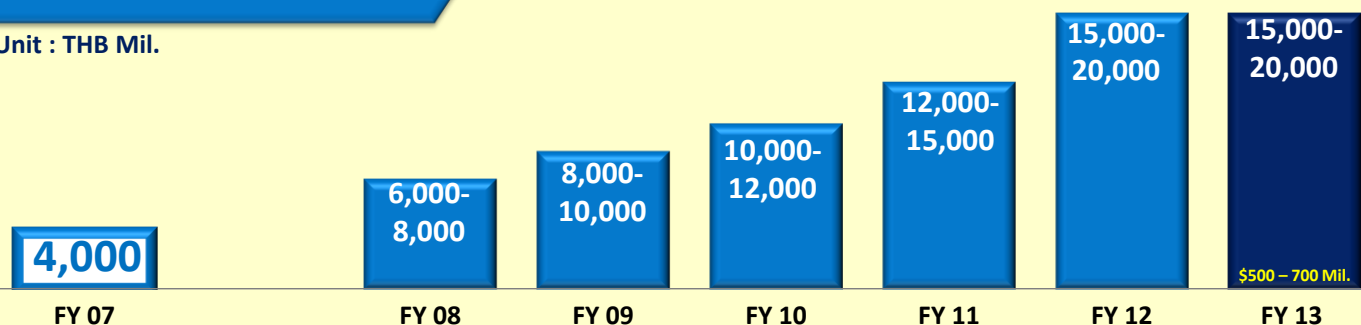
I. Reduce Auction Frequency

from **Once a Week** to **Every Other Month**
(to Create Even Distribution of the Benchmark Bond Supply over the Year)

II. Increase Auction Size

Tenors: 3-5-7-10 yrs

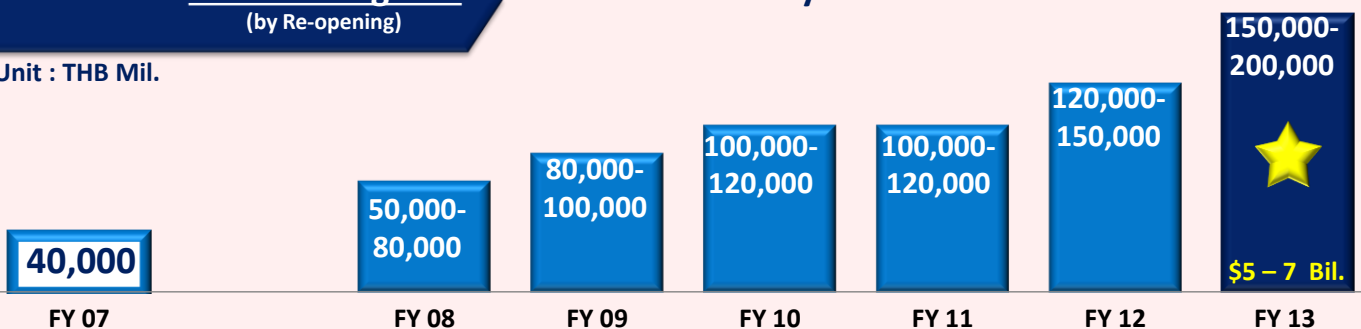
Unit : THB Mil.



III. Increase Outstanding Size (by Re-opening)

Tenors: 3-5-7-10 yrs

Unit : THB Mil.





Keep Our Word to get Investor Confidence for the Plan

Firm Committed Supply of Benchmark Bond Regardless of Budget uncertainty

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

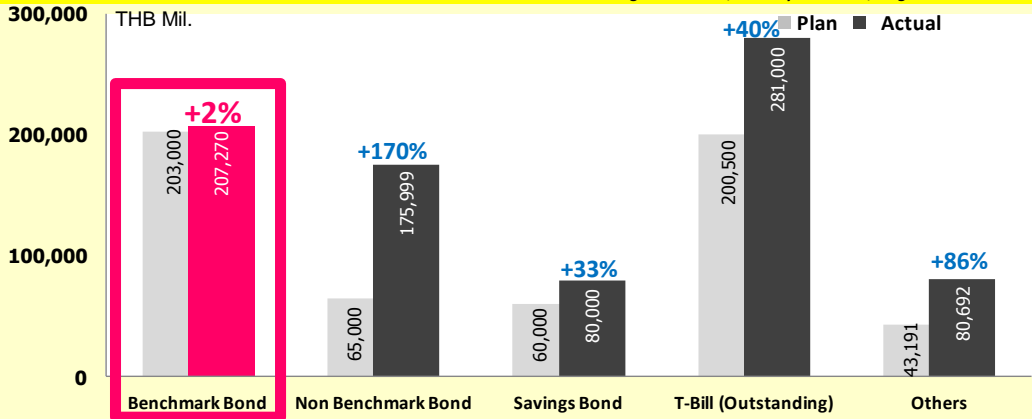
FY2009

Higher government funding needs due to Stimulus Package

approx. **+250,000 THB Mil.**

Total Funding needs increased from: 420,000 THB Mil. to 670,000 THB Mil.

(+59%)



Treasury Balance = 278,694 THB Mil.

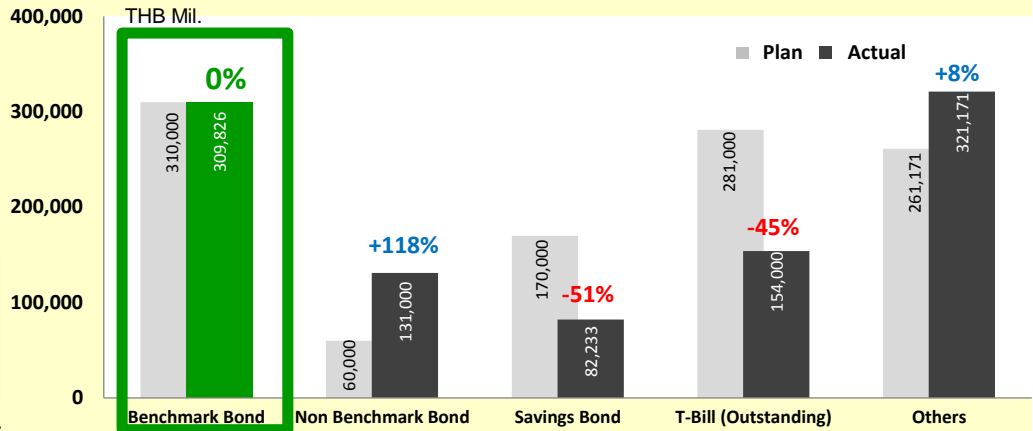
FY2010

Lower Borrowing needs due to Economic Recovery

approx. **-160,000 THB Mil.**

Total Funding needs decreased from: 800,000 THB Mil to 640,000 THB Mil.

(-20%)



Treasury Balance = 417,166 THB Mil.



Keep Our Word to get Investor Confidence for the Plan

Firm Committed Supply of Benchmark Bond Regardless of Budget uncertainty

Bond Market Development Bureau, Public Debt Management Office

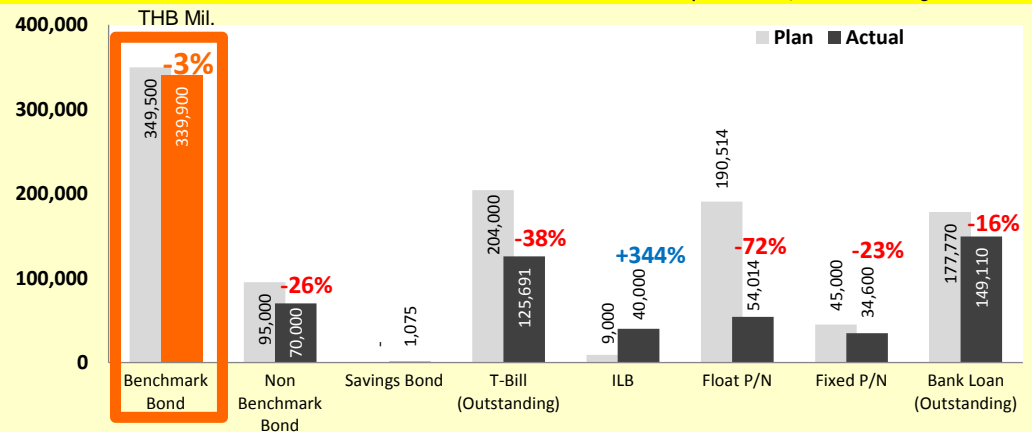
FY2011

Higher than expected Revenue collection

approx. **-250,000 THB Mil.**

Total Funding needs decreased from: 700,000 THB Mil to 450,000 THB Mil.

(-36%)



Treasury Balance = 510,180 THB Mil.

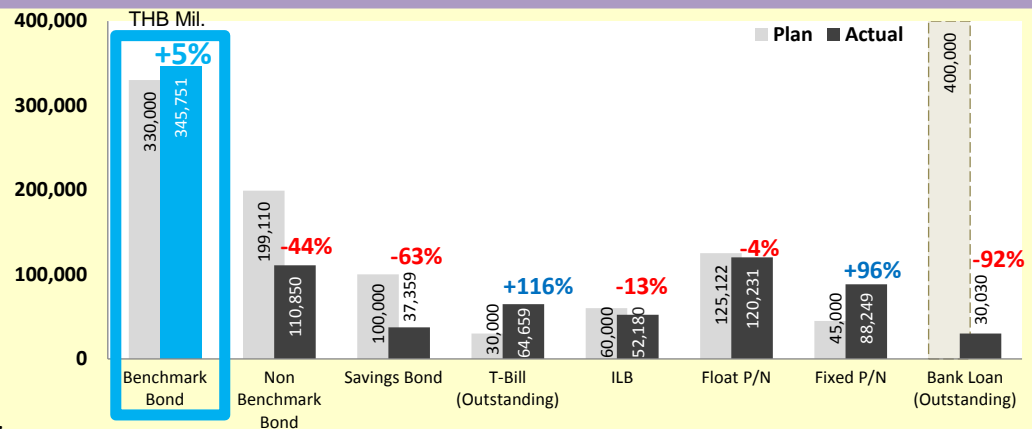
FY2012

Lower-than-expected Disbursement

approx. **-390,000 THB Mil.**

Total Funding needs decreased from: 1,140,000 THB Mil to 750,000 THB Mil.

(-34%)



Treasury Balance = 552,692 THB Mil.



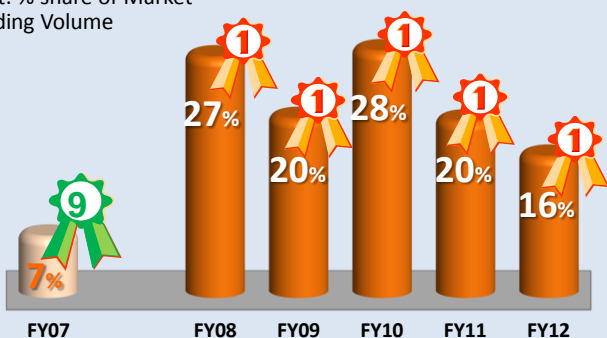
FY2008-FY2012 Key Success Indicators

1. Trading Volume
2. Turnover Ratio
3. Demand Concentration
4. Auction Price

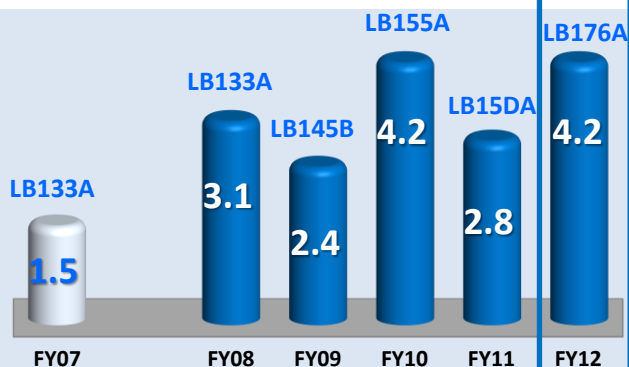
Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

5-yr Benchmark Tenor : Highest Secondary Trading Volume in every year (accounted for 25% of total trading volume)

Unit: % share of Market Trading Volume

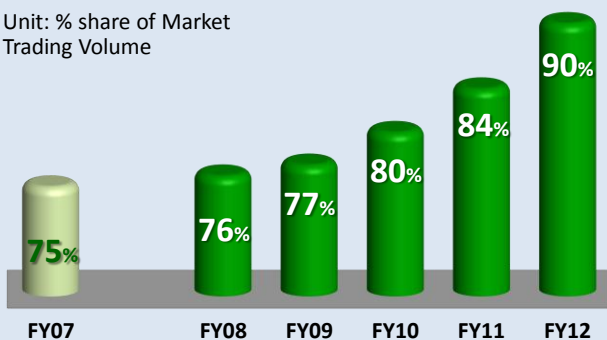


5 yr Benchmark Bond : Higher Turnover Ratio



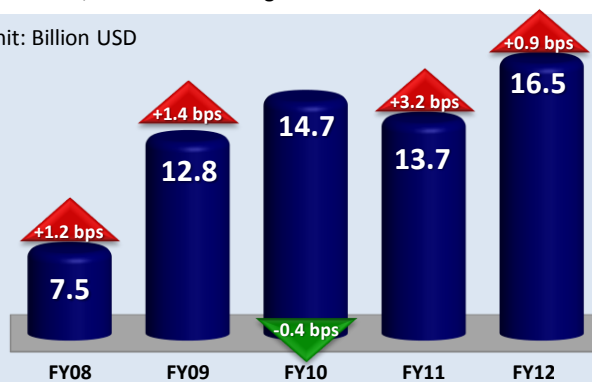
Top 10 Gov't Bond Series – Accounted for 90% of all Gov't Bond trading in Secondary Trading Volume

Unit: % share of Market Trading Volume



Well developed Benchmark Bond pays off : Even with greater size of issuance, the cost of funding is still at market rate

Unit: Billion USD



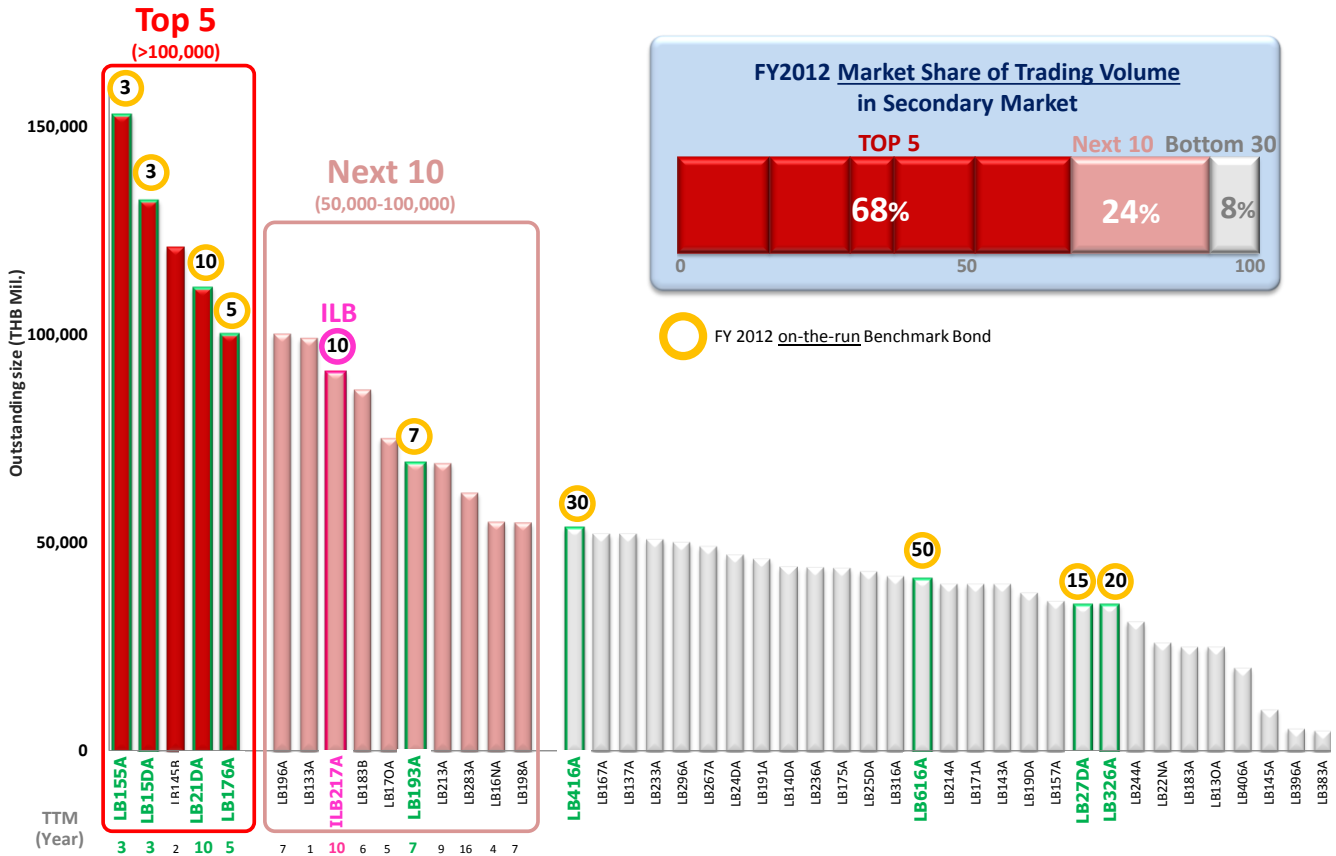


FY2012 Total GOVT Bond = 44 Series
(2,447,XXX THB Mil)

TOP 5 > 100,000 THB Mil in Size (68% of Trading Volume)

Next 10 > 50,000 THB Mil in Size (24% of Trading Volume)

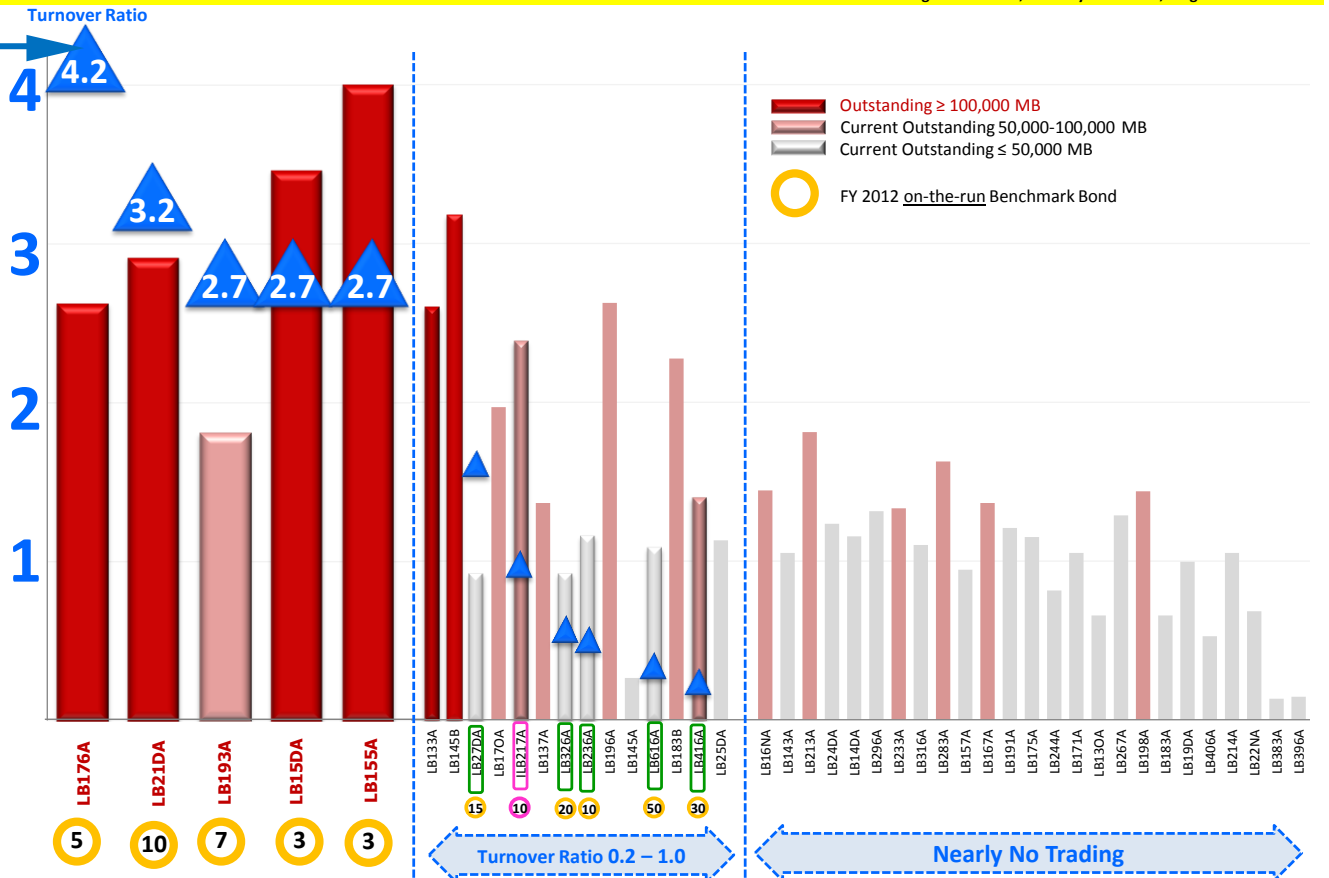
Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



FY2012 Market's Favorites
Classified by **Turnover Ratio**

All 3-5-7-10 on-the-run Benchmark Bonds Have Turnover Ratio between 2.7 – 4.2
(while market turnover ratio = 1)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand





BENCHMARK BOND

FISCAL DISCIPLINE

INFLATION-LINKED BOND



C. Bond Supply FY2013 + Funding Needs FY2013 - FY2015

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

- **FY 2013 Total Funding Needs (by Bills)** → 1,013,546 THB mil.
- **FY 2013 Total Fund Raising (by Instruments)** → 1,090,076 THB mil.
- **FY 2013 Benchmark Bond (3-5-7-10-15-20-30-50 tenors)** → 525,000 THB mil.
- **FY 2013'Q2 Government Bond Auction Schedule** → 133,000 THB mil.
- **Fund Raising Strategies** → Building Benchmark Bond to Stabilize Yield Curve
→ Segmenting Investors Base to Diversify Dependency Risk
- **Next Phase of Inflation Linked Bond** → Creating Liquidity & Extending Yield Curve

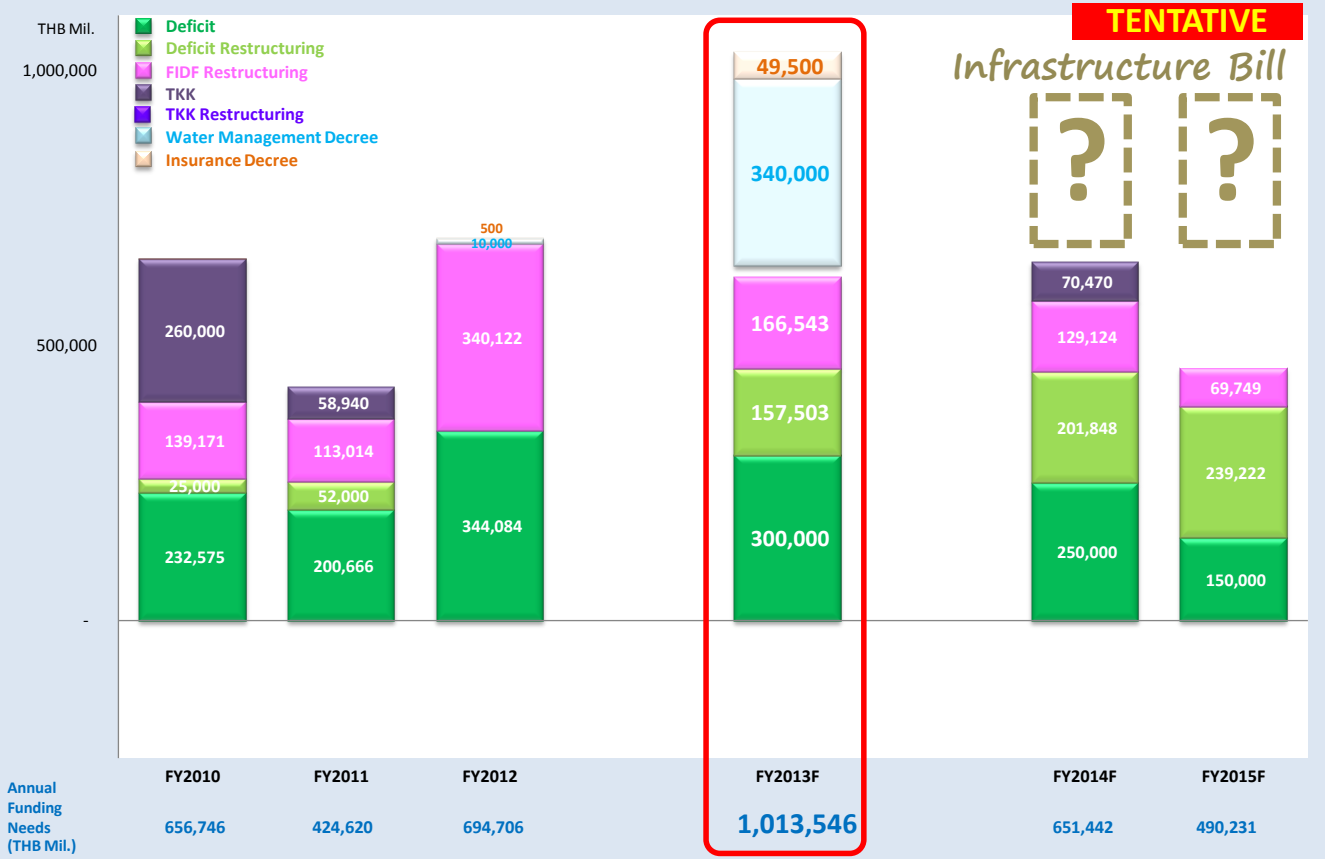


FY2013 Total Funding Needs (By Bills)

1,013,546 THB Mil.

- Deficit 300,000
- Deficit Restructuring 157,503
- FIDF Restructuring 166,543
- Water 340,000
- Insurance 49,500

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

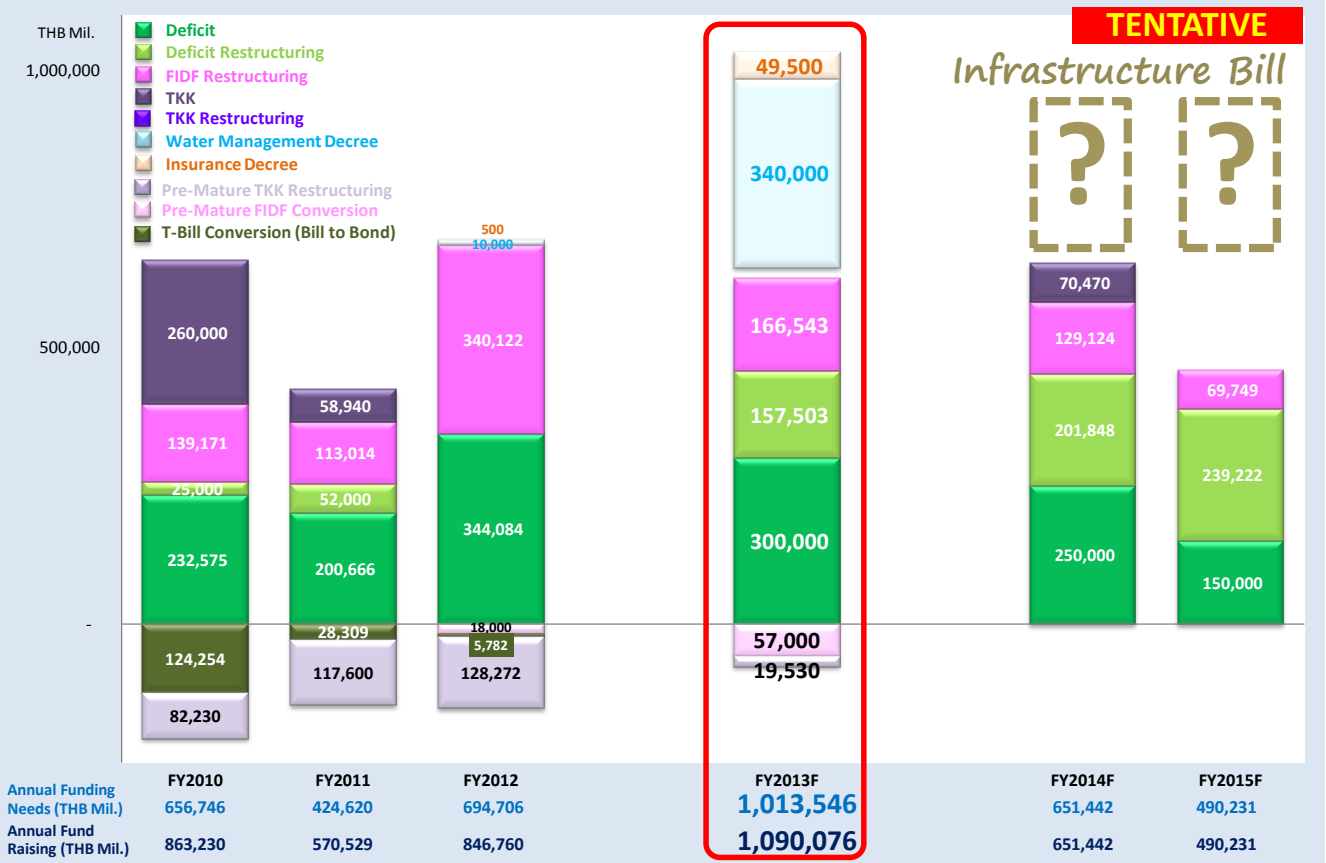


FY2013 Total Fund Raising Plan (By Bills)

1,090,076 THB Mil.

- Deficit 300,000
- Deficit Restructuring 157,503
- FIDF Restructuring 166,543
- Water 340,000
- Insurance 49,500
- Pre-Mature FIDF 57,000
- Pre-Mature TTK 19,530

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

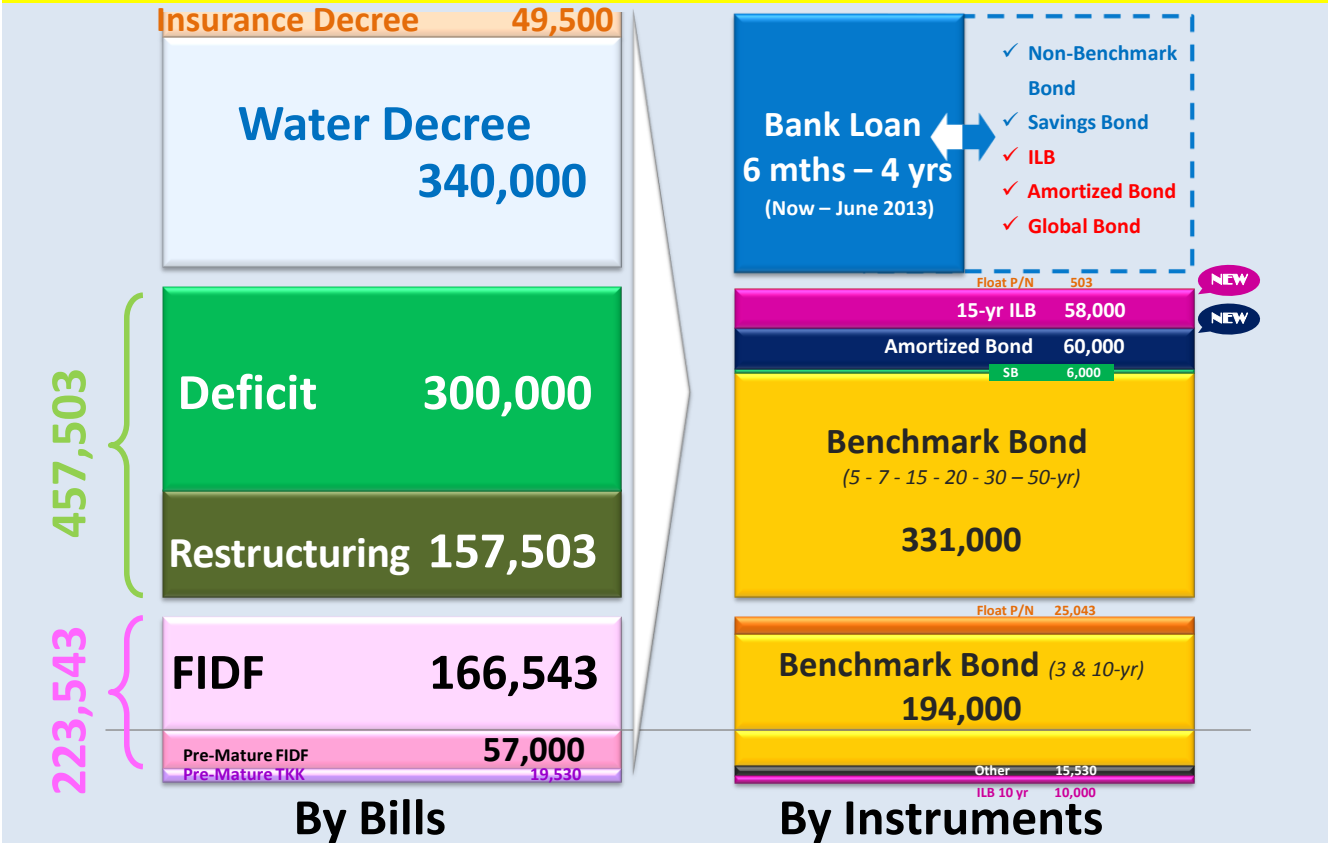




FY 2013 Total Fund Raising Plan (by Instruments and Bills)

1,090,076 THB Mil.

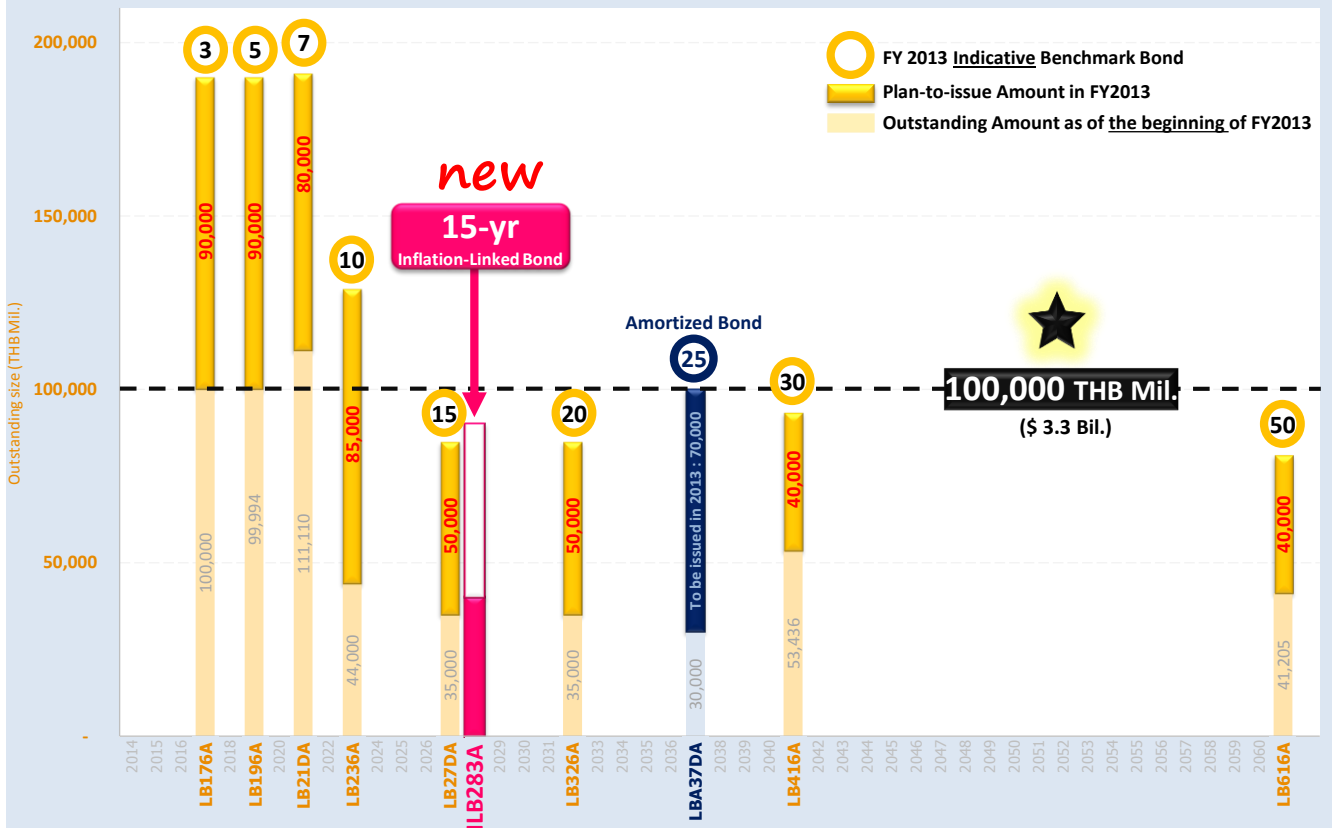
Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



ALL FY2013 Benchmark Bond Series (3-5-7-10-15-20-30-50-yr + 15-yr ILB+ 25-yr LBA)

To Reach 100,000 THB Mil. in Outstanding Amount by the End of FY2013

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



Exclusivity
MoF Outright PD Only

Government Bond Auction Schedule for Q2/FY2013

New Product : Amortized bond

Auction date	LB176A	LB196A	LB21DA	LB236A	LB27DA	LB326A	LBA37DA	LB416A	LB616A	Total
2-Jan-13										-
9-Jan-13										-
16-Jan-13				14,500					6,000	20,500
23-Jan-13						8,000				8,000
30-Jan-13		14,000								14,000
6-Feb-13					7,000					7,000
13-Feb-13			10,000							10,000
20-Feb-13								6,000		6,000
27-Feb-13	17,500									17,500
6-Mar-13				14,000						14,000
12-Mar-13										8,000
13-Mar-13							8,000			8,000
20-Mar-13		14,000							6,000	20,000
27-Mar-13						8,000				8,000
รวม	17,500	28,000	10,000	28,500	7,000	16,000	8,000	6,000	12,000	133,000
Coupon	3.25%	3.875%	3.65%	3.625%	3.58%	3.775%	4.26%	3.80%	4.85%	
Maturity Date	16-Jun-60	13-Jun-62	17-Dec-64	16-Jun-66	17-Dec-70	25-Jun-75	12-Dec-80	14-Jun-84	17-Jun-04	

ILB (15 yrs) 40,000 MB syndication

หมายเหตุ : 1. LB176A = พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ช่วยเหลือกองทุนเพื่อการปรับโครงสร้างหนี้) ในถึงประมาณ พ.ศ. 2555 ครั้งที่ 2)

2. LB196A = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 8 / พันธบัตรรัฐบาลเพื่อการบริหารหนี้ ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 3 (Re-open พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2552 ครั้งที่ 13)

3. LB21DA = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 10 (Re-open พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2554 ครั้งที่ 4)

4. LB236A = พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ช่วยเหลือกองทุนเพื่อการปรับโครงสร้างหนี้) ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 4 / พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ช่วยเหลือกองทุนเพื่อการปรับโครงสร้างหนี้) ในถึงประมาณ พ.ศ. 2553 ครั้งที่ 1)

5. LB27DA = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 9 (Re-open พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2555 ครั้งที่ 3)

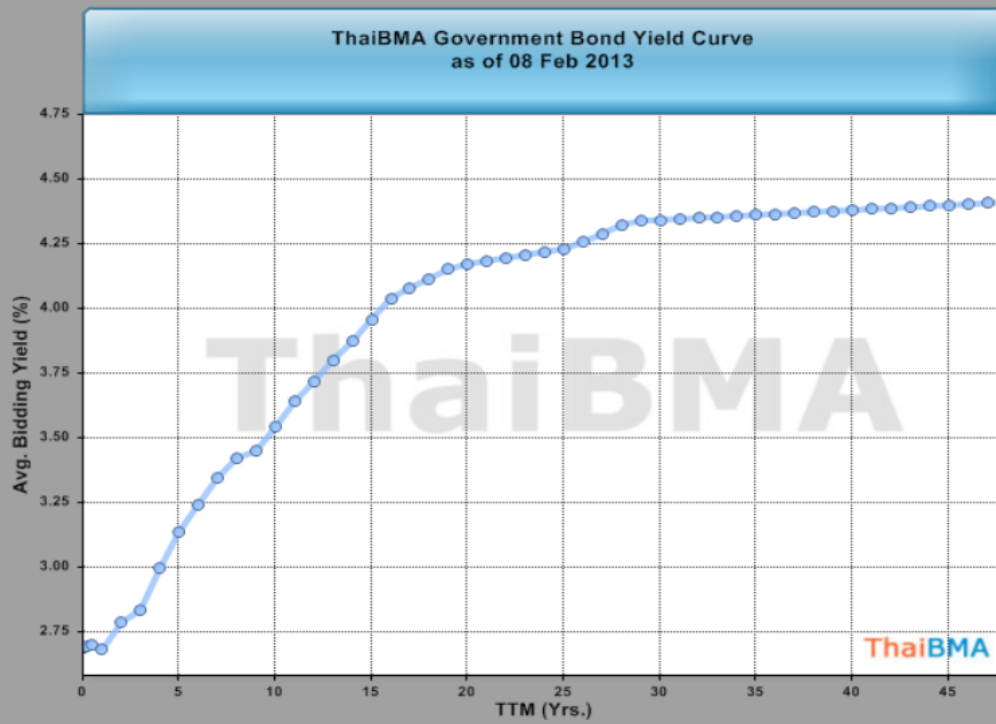
6. LB326A = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 7 / พันธบัตรรัฐบาลเพื่อการบริหารหนี้ ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 5 (Re-open พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้) (พ.ร.ก. ใช้อำนาจกระทรวงการคลัง) ในถึงประมาณ พ.ศ. 2552 ครั้งที่ 1)

7. LBA37DA = พันธบัตรรัฐบาลประเภททยอยชำระคืนเงินต้น ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 2 (Re-open พันธบัตรรัฐบาลประเภททยอยชำระคืนเงินต้น ในถึงประมาณ พ.ศ. 2556)

8. LB416A = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 11 (Re-open พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2554 ครั้งที่ 2)

9. LB616A = พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 6 / พันธบัตรรัฐบาลเพื่อการบริหารหนี้ ในถึงประมาณ พ.ศ. 2556 ครั้งที่ 4 (Re-open พันธบัตรรัฐบาล ในถึงประมาณ พ.ศ. 2554 ครั้งที่ 9)

Website <http://www.pdmo.go.th/>



TTM (Yrs.)	Yield (%)
0.08	2.69
0.25	2.70
0.50	2.70
1	2.68
2	2.79
3	2.84
4	3.00
5	3.14
6	3.24
7	3.35
8	3.42
9	3.45
10	3.54
11	3.64
12	3.72
13	3.80
14	3.87
15	3.96
16	4.04
17	4.08
18	4.12
19	4.15
20	4.17
21	4.19
22	4.20
23	4.21
24	4.22
25	4.23
26	4.26
27	4.29
28	4.32
29	4.34
30	4.34
31	4.35
32	4.35
33	4.36
34	4.36
35	4.36
36	4.37
37	4.37
38	4.37
39	4.38
40	4.38
41	4.38
42	4.39
43	4.39
44	4.40
45	4.40
46	4.40
47	4.41
48	4.41

Symbol	Avg. Bidding Yield (%)	Change Yield (bp)	Avg. Bid-Offer Spread (bp)	Maturity	TTM (yrs.)
T-BILL1M	2.690651	0	3		0.076712
T-BILL3M	2.698155	0	3		0.249315
T-BILL6M	2.703686	-2	3		0.498630
T-BILL1Y	2.683909	-3	3		1.000000
LB143A	2.726364	-3	5	05/03/2014	1.068493
LB145B	2.719091	-3	3	12/05/2014	1.254794
LB145A	2.725455	-4	3	14/05/2014	1.260274
LB14DA	2.777273	-3	5	03/12/2014	1.816438
LB155A	2.804545	-3	3	22/05/2015	2.282192
LB157A	2.824545	-3	4	07/07/2015	2.408219
LB15DA	2.809545	-3	3	11/12/2015	2.838356
LB167A	2.920000	-3	5	27/07/2016	3.465753
LB16NA	2.931818	-2	5	18/11/2016	3.778082
LB171A	2.993636	-2	5	18/01/2017	3.945205
LB175A	3.016364	-2	5	26/05/2017	4.295890
LB176A	3.004545	-3	3	16/06/2017	4.353425
LB17OA	3.062727	-3	4	10/10/2017	4.671233
LB183A	3.157273	-2	5	07/03/2018	5.076712
LB183B	3.158182	-2	5	13/03/2018	5.093151
LB191A	3.230000	-1	6	12/01/2019	5.928767
LB193A	3.261364	-2	4	08/03/2019	6.079452
LB196A	3.230909	-2	3	13/06/2019	6.345205
LB198A	3.300909	-2	6	13/08/2019	6.512329
LB19DA	3.334545	-1	7	03/12/2019	6.819178
LB213A	3.434545	-2	6	31/03/2021	8.145205
LB214A	3.442273	-3	6	09/04/2021	8.169863
LB21DA	3.439091	-2	3	17/12/2021	8.860274
LB22NA	3.518182	-3	6	08/11/2022	9.753425
LB233A	3.551818	-3	7	13/03/2023	10.095890
LB236A	3.547727	-4	3	16/06/2023	10.356160
LB244A	3.666364	-3	7	09/04/2024	11.172600
LB24DA	3.708182	-2	7	20/12/2024	11.871230
LB25DA	3.785455	-4	6	12/12/2025	12.849310
LB267A	3.848182	-3	6	07/07/2026	13.416440
LB27DA	3.912273	-2	3	17/12/2027	14.863010
LB283A	3.995455	-2	6	13/03/2028	15.101370
LB296A	4.059091	-1	7	22/06/2029	16.378080
LB316A	4.130000	-2	7	20/06/2031	18.372600
LB326A	4.166364	-1	7	25/06/2032	19.389040
LB383A	4.232727	-1	8	13/03/2038	25.106850
LB396A	4.268182	-1	9	13/06/2039	26.358900
LB406A	4.302727	-1	8	22/06/2040	27.386300
LB416A	4.337273	-1	8	14/06/2041	28.364380
LB616A	4.412727	-1	9	17/06/2061	48.386300

FY2013 Indicative Benchmark Bond

- Remark**
- 1) The above yields are based upon average bids quoted by primary dealers .
 - 2) Average bidding yields of 1-month, 3-month, 6-month and 1-year T-bills are bond equivalent yield converted from average simple yields.
 - 3) Spreads (bp) are differences bid and offer yields.
 - 4) The cut-off time for daily quotation of T-bills and Government bonds is 16:00.
 - 5) The highlighted rows are on-the-run benchmark bond.



Fund Raising Plan Strategies

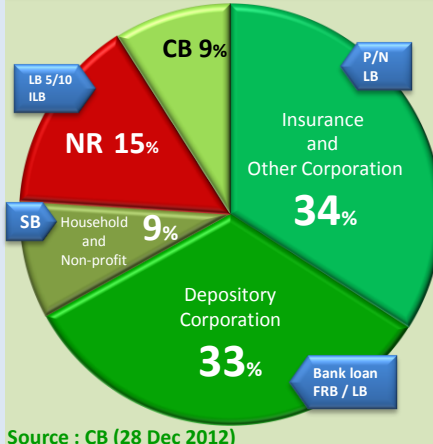
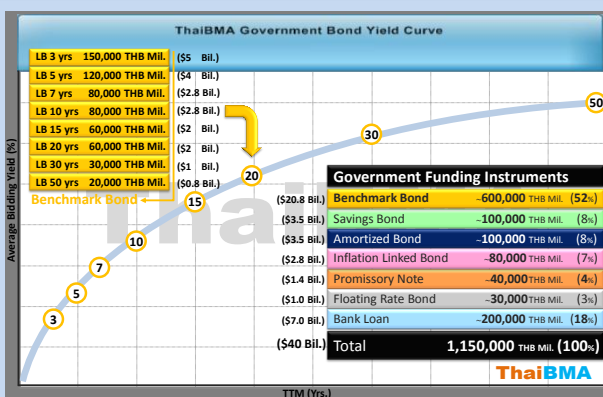
- Building Benchmark Bond to Stabilized Yield Curve
- Diversifying Investor Base to Reduce Dependency Risk

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

FY 2013 Full Capacity* : 1,150,000 THB Mil

Well Diversified Investors Ensures Funding Needs

Potential Demand for Gov't Bond 2013



Investor Category	THB Bil.
- Life Insurance - Pension Funds	450
Depository Corporations	450
- Retail - Non-profit org.	200
Non-Residence	?

Source : CB (28 Dec 2012)

* Under favorable market liquidity + using All funding instruments

outstanding of Foreign Debt
Equiv. 44,924 THB Mil (1.3% of Gov't Debt)

Equiv. 11,861 THB Mil

Equiv. 33,063 THB Mil

Commercial Papers

Samurai bond 5 yr	20,000 Yen Mil
Samurai bond 7 yr	10,000 Yen Mil
MTN	40 USD Mil

Soft Loans

JBIC	62,500 Yen Mil
ADB	300 USD Mil
IBRD	62 USD Mil
Other	11 USD Mil

(as of Dec 2012)

- To diversify portfolio of government debt
- To keep the presence of KOT Bond (Kingdom of Thailand) in the foreign market
- To maintain KOT Bond as a reference benchmark yield for Thai private sector issuers
- To avoid crowding out effect on domestic bond market

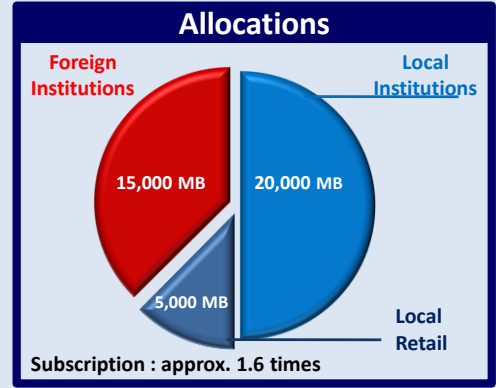
Concerns : exchange rate risk / swap cost / natural hedging



Structure of Thai Inflation Linked Bond (Inaugural ILB, July 2011)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Format	Capital Indexed Bond (with Principle Protection)
Currency	Thai Baht
Tenor	10 years
Programme Size	40,000 THB Mil. (1.3 Bil USD equiv.)
Interest Payment	Every 6 months
Index	Headline CPI
Indexation Lag	3 months
Index Ratio	CPI_t / CPI_0 (TBMA's calculation)
Real Yield	1.2
Repayment Method	Bullet



Next Step

Enhance ILB liquidity

Continuing Issuance

- ✓ FY 2012 : Develop **regular annual auction** plan (every quarter)
- ✓ FY 2012 : Top-up the existing tenor to enhance liquidity : **60,000 THB Mil. (2 USD Bil equiv.)**
(15,000 THB Mil. each in Feb Apr Jun and Aug)
- FY 2013 : Issue other Benchmark tenors (5-15years ILBs)

PD's responsibility

- ✓ FY 2012 : Maintain **portion of successful bid** in ILB primary market
- FY 2013 : Maintain **portion of ILB trading** in secondary market
- FY 2013 : Provide **firm bid / ask spreads** in secondary market

Enhance Liquidity

8 International AWARDS
+
2 Domestic AWARDS

- 🏆 Best Sovereign Bond 2011 : Asiamoney Awards
- 🏆 Best Thailand Deal 2011 : Asiamoney Awards
- 🏆 Best Local Currency Bond 2011 : FinanceAsia Achievement Awards
- 🏆 Best Thailand Deal 2011 : FinanceAsia Achievement Awards
- 🏆 Thailand Capital Markets Deal of the Year 2011 : IFRA Asia Awards
- 🏆 Deal of the Year from Asia : Euro Money
- 🏆 Outstanding Issuer of the Year : Asset Asian Awards 2011
- 🏆 The Most Impressive Local Currency 2011 : Euroweek Asia
- 🏆 Deal of the Year 2011 : ThaiBMA
- 🏆 Most Creative Issue 2011 : ThaiBMA



Next Phase of Inflation Linked Bond in FY2013

- Enhance Liquidity of 10-yr
- Extending Yield Curve to 15-yr
- PDS' Responsibilities As Market Marker

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Keep Our Promise

10-yr ILB (ILB217A)

- Continue to re-open ILB217A in Q1/FY'13 to build up outstanding size of 100,000 THB Mil. T/R 1.1

Extending Yield Curve

New 15-yr ILB

- Build Up 15-yr ILB to around 80,000 – 100,000 THB Mil. by end of 2013 (Syndication & Auctions)

Fund Raising Instrument for Water Decree

- New 5-yr ILB
- Top-up 15-yr ILB

- Option A : Issue new tenor of ILB
- Option B : Re-open the existing tenor

Up To 60,000 THB Mil.

PDS' RESPONSIBILITIES

- Participate in the **Primary Market**
- Achieve 5% of Trading Volume in the **Secondary Market**
- Provide **Bid – Offer Price**



D. Well-Developed Bond Market Improved Government Debt Profile

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

- **Public Debt Outstanding** (as of Sep 2012) = 4.9 THB Trillion (43% of GDP)
- **Total GOV'T Debt** (Direct + FIDF) = 3.46 THB Trillion (70% of Public Debt)
 - Average-Time-to-Maturity (ATM) = 7yrs 6mths
 - Average Cost = 4.3%
 - Fixed : Float = 86 : 14
- **Well-Developed Bond Market Improved GOV'T Direct Debt Profile Dramatically**
 - Average-Time-to-Maturity (ATM) = 8yrs 10mths
 - Average Cost = 4.5%
 - Fixed : Float Ratio = 86 : 14
 - Maturity Distribution Profile = 51-21-28
- Full Capacity of All Government Funding Instruments (FY2013) → 1,150,000 THB Mil
- Maturity Profile of GOV'T Funding Instruments (**Strategic Framework**)
 - Average-Time-to-Maturity (ATM) = 9yrs
 - Fixed : Float = 65 : 35
 - Maturity Distribution Profile = 50-30-20



Public Debt Outstanding (as of Sep 2012) = 4.9 THB Trillion (43% of GDP)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

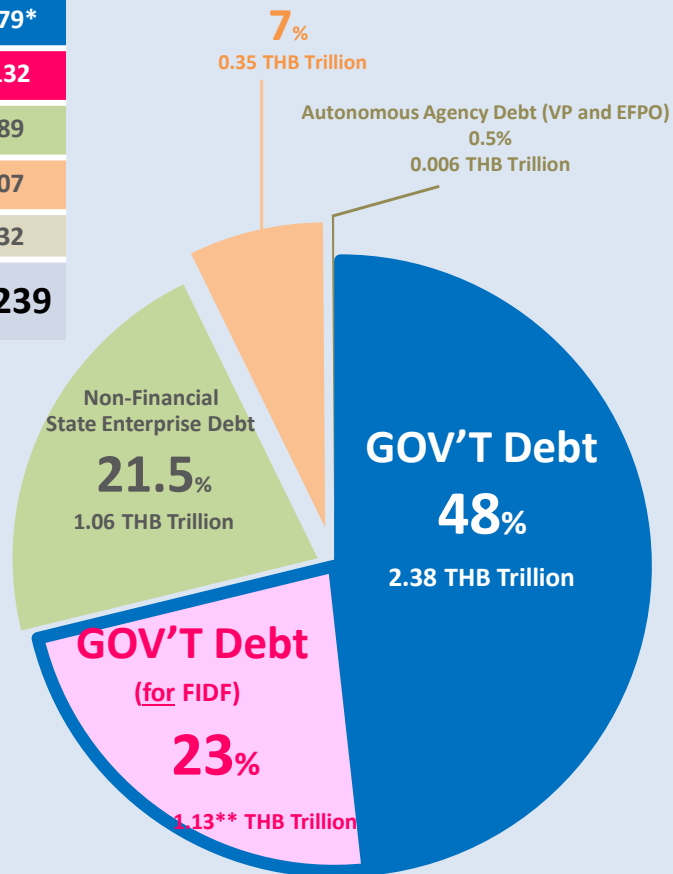
Components of Public Debt

Units : THB Mil.

1. Government Debt (excluded FIDF)	2,381,879*
2. Government Debt (for FIDF)	1,133,132
3. Non-Financial State Enterprise Debt	1,064,289
4. Special Financial Institutions Guaranteed Debt	352,207
5. Autonomous Agency Debt (VP and EFPO)	5,732
Public Debt Outstanding (as of Sep 2012)	4,937,239

*Including 52,647 THB Mil. of External Debt

Special Financial Institution Guaranteed Debt





Total GOV'T Debt = 3.46* THB Trillion

(70% of Public Debt)

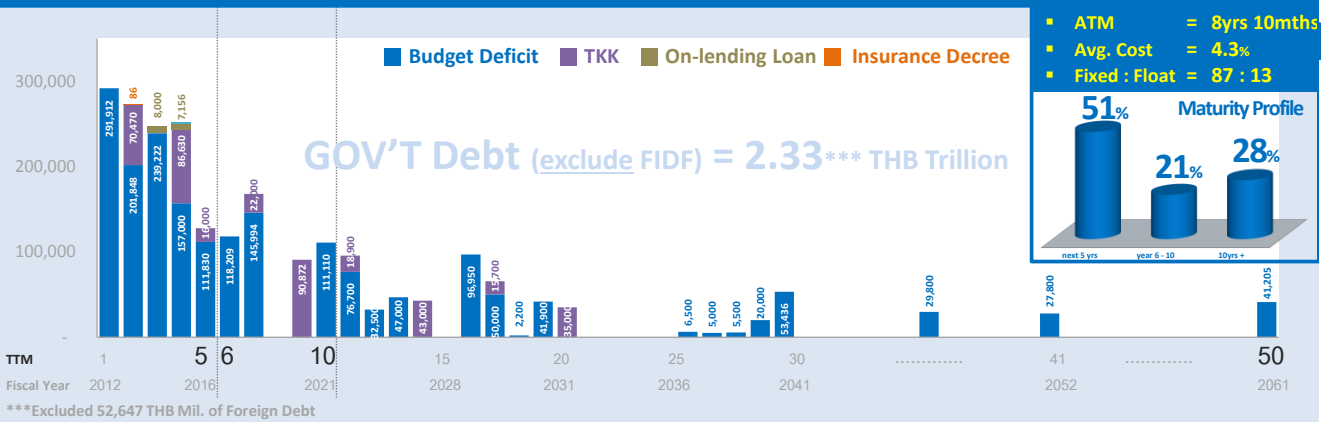
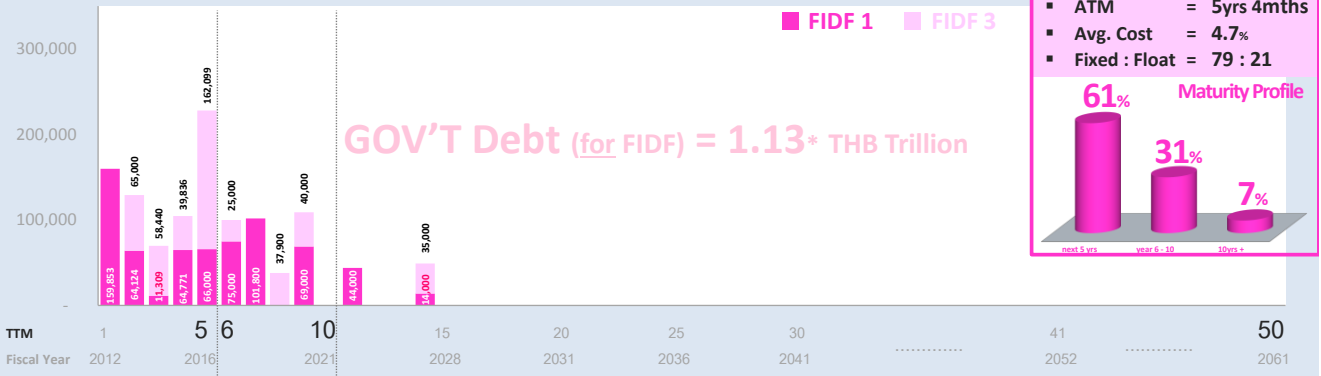
* Excluded 52,647 THB Mil. of Foreign Debt

- Average-Time-to-Maturity (ATM) = 7yrs 6mths
- Average Cost = 4.5%
- Fixed : Float = 86 : 14

As of Sep 2012

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Assumptions : 6 months BIBOR = 3.23%, 6 months Fixed Deposit Rate = 2.58%



***Excluded 52,647 THB Mil. of Foreign Debt

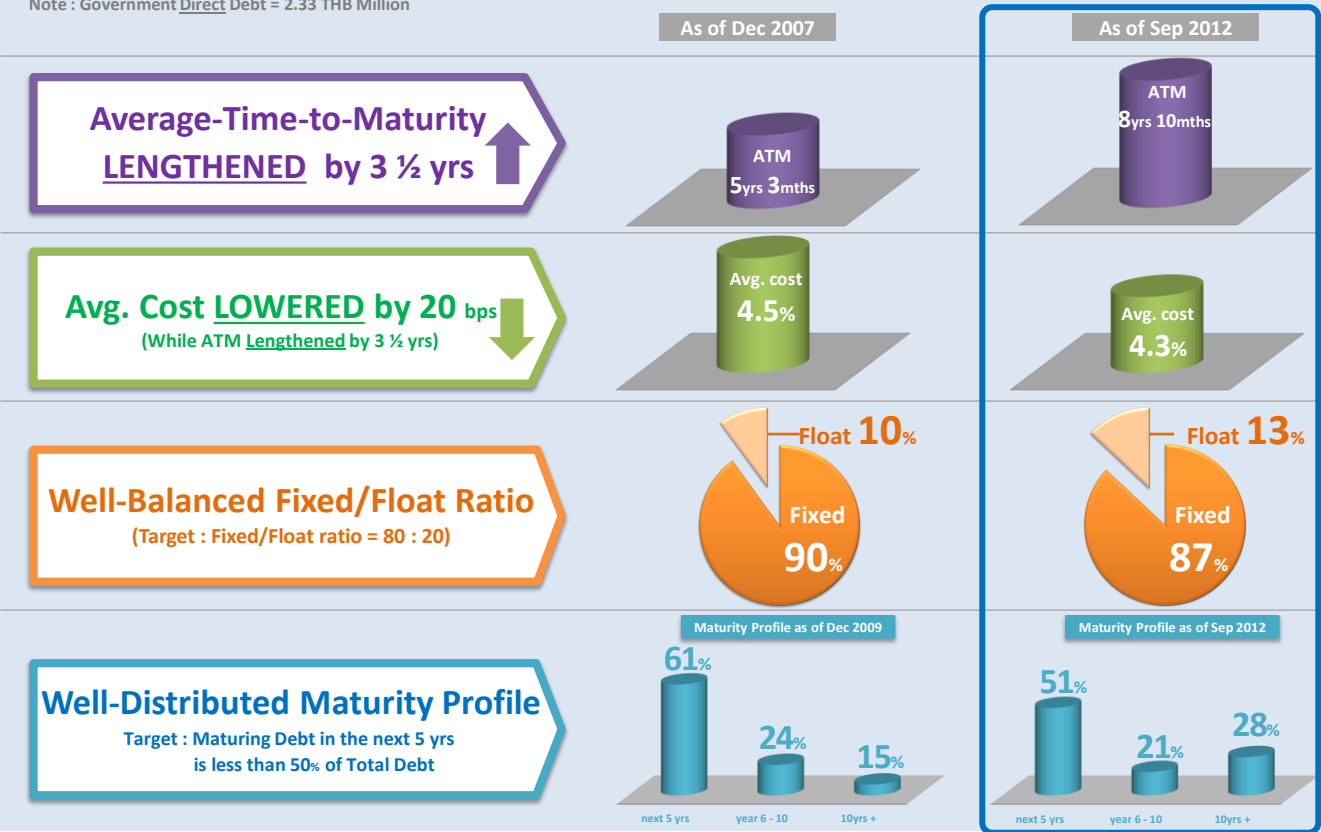
Well-Developed Bond Market Improved

GOV'T Direct Debt Profile Dramatically

- ATM Lengthened
- Cost Lowered
- Well-Balanced Fixed-Float Ratio
- Well-Distributed Maturity Profile

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Note : Government Direct Debt = 2.33 THB Million





Full Capacity* of All Government Funding Instruments

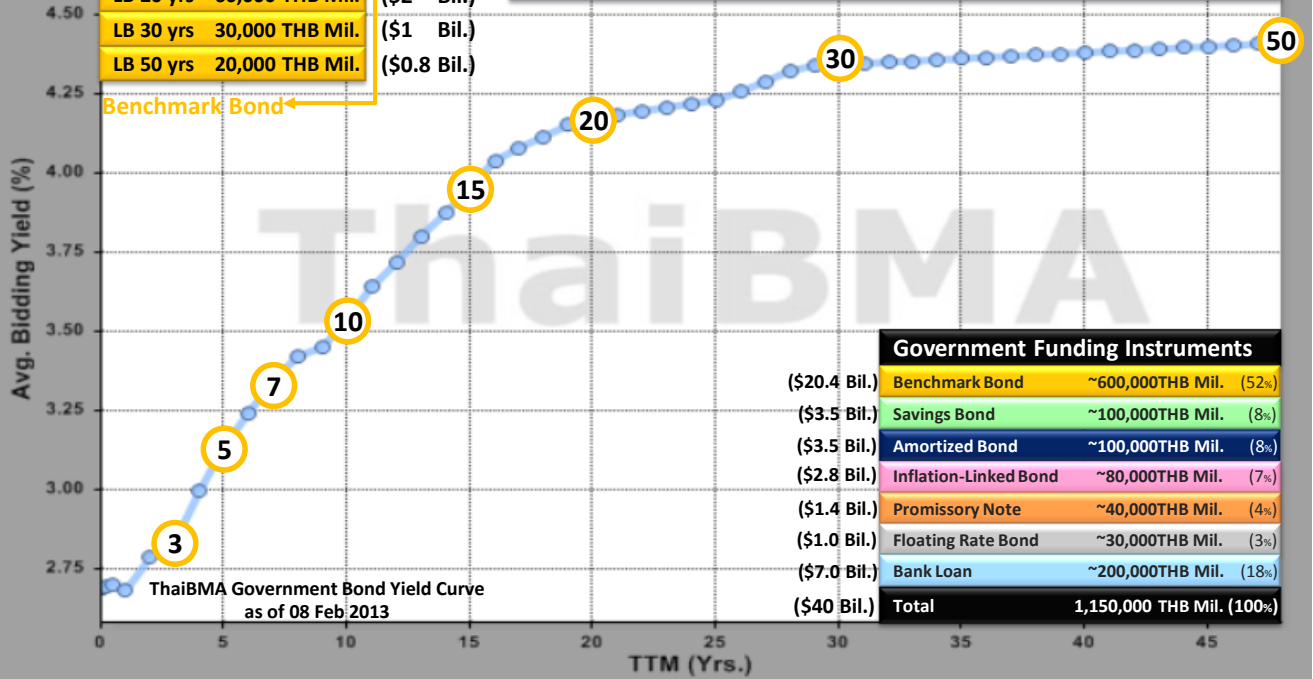
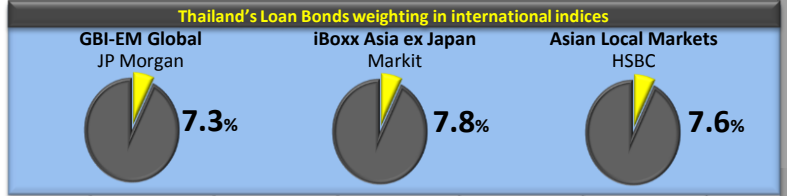
* Under favorable market liquidity + using All funding instruments

1,150,000 THB Mil. per Year

(\$40 Bil.)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

LB 3 yrs	150,000 THB Mil.	(\$5 Bil.)
LB 5 yrs	120,000 THB Mil.	(\$4 Bil.)
LB 7 yrs	80,000 THB Mil.	(\$2.8 Bil.)
LB 10 yrs	80,000 THB Mil.	(\$2.8 Bil.)
LB 15 yrs	60,000 THB Mil.	(\$2 Bil.)
LB 20 yrs	60,000 THB Mil.	(\$2 Bil.)
LB 30 yrs	30,000 THB Mil.	(\$1 Bil.)
LB 50 yrs	20,000 THB Mil.	(\$0.8 Bil.)



Government Funding Instruments

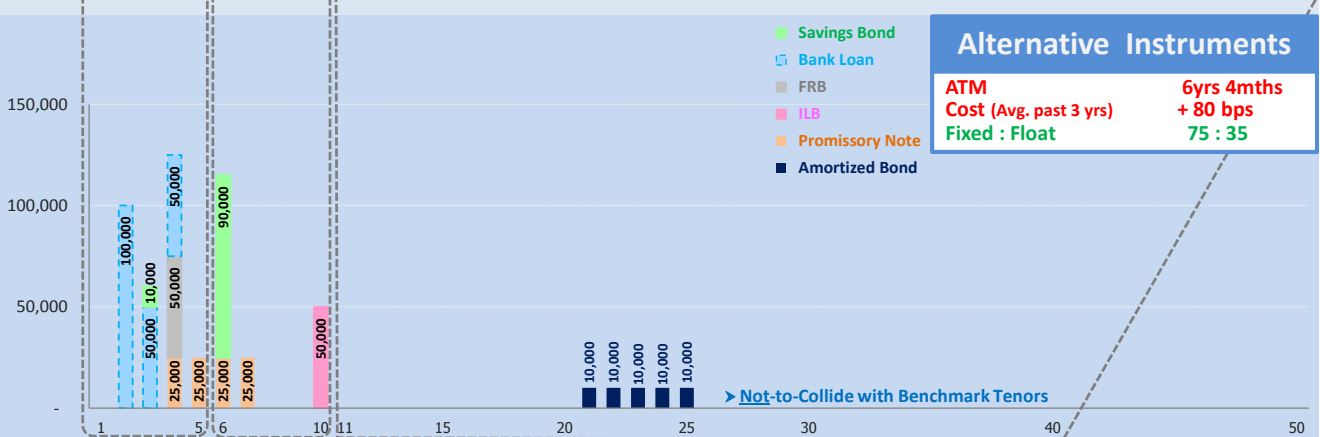
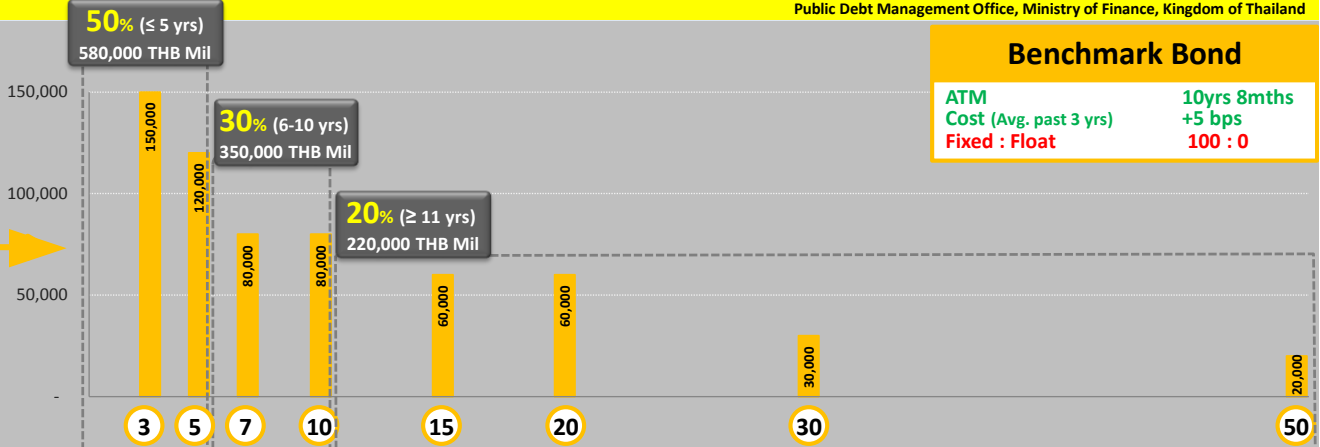
(\$20.4 Bil.)	Benchmark Bond	~600,000 THB Mil. (52%)
(\$3.5 Bil.)	Savings Bond	~100,000 THB Mil. (8%)
(\$3.5 Bil.)	Amortized Bond	~100,000 THB Mil. (8%)
(\$2.8 Bil.)	Inflation-Linked Bond	~80,000 THB Mil. (7%)
(\$1.4 Bil.)	Promissory Note	~40,000 THB Mil. (4%)
(\$1.0 Bil.)	Floating Rate Bond	~30,000 THB Mil. (3%)
(\$7.0 Bil.)	Bank Loan	~200,000 THB Mil. (18%)
(\$40 Bil.)	Total	1,150,000 THB Mil. (100%)



FY2012 Maturity Profile of GOV'T Funding Instruments (Strategic Framework)

(A) ATM = 9 yrs (B) Fixed : Float = 65 : 35
(C) Maturity Distribution Profile 50 - 30 - 20

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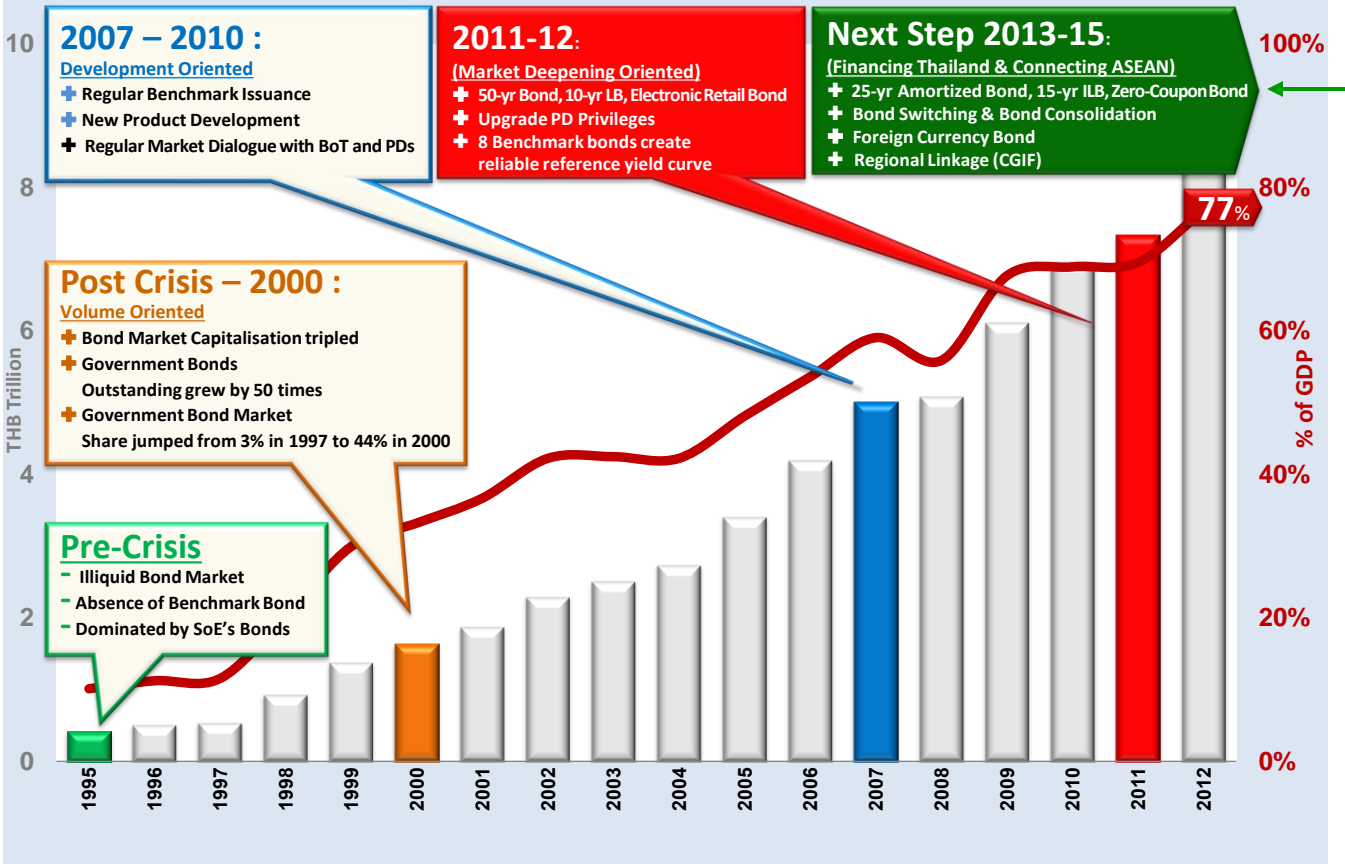
Q1/FY 2013 HIGHLIGHTS

- ✓ Domestic Bond Market in Transition :
Funding Infrastructure Investment & Connecting ASEAN
- ✓ FY2013 Inaugural Amortized Loan Bond (LBA)



The Thai Bond Market Has Developed Rapidly and Efficiently

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



Domestic Bond Market in Transition

- ✓ Financing Infrastructure Investment
- ✓ Connecting ASEAN

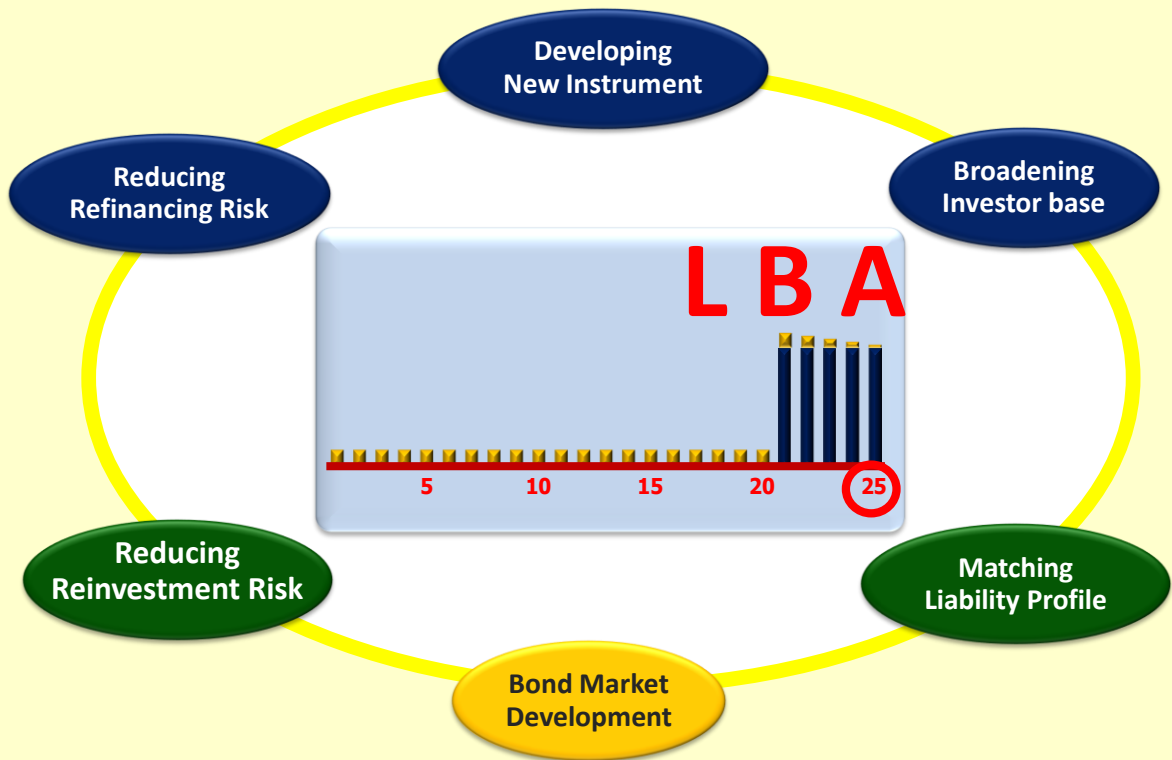
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	Market Deepening Oriented (2011-12)	Financing Infrastructure Investment & Connecting ASEAN (2013-15)
Sustainable Source of Fund	Water Decree (350 THB Billion) Thai Khem Khang (350 THB Billion)	Long-Term Infrastructure Investment (2 THB Trillion) Private Sector Participation in Infrastructure Inv't
Regional Connectivity / AEC	Baht Bond	Foreign Currency Bond Credit Guarantee Investment Facility
Debt Folio Enhancement	ATM Lengthened Cost Lowered FIDF Decree Passed ~ 70,000MB Fiscal Space	Well Diversified Investor Base Well Balanced Fixed-Floated Proportion Well Distributed Maturity Profile
Market Infrastructure	Appointed 13 MOF-Outright PDs Activated Public Debt Management Fund	Bond Switching Bond Consolidation
Innovation / Product Development	Electronic Retail Savings Bond Inaugural 10-yr Inflation Linked Bond	Inaugural 25-yr Amortized Loan Bond 15-yr Inflation Linked Bond Zero Coupon Bond Scrippless Retail Savings Bond → Liquidity
Building Yield Curve / Enhancing Liquidity	<p>8 tenors of Benchmark Bond</p>	<p>Turnover Ratio = 2.5-4.0 (3-10yrs)</p> <p>100,000 MB Outstanding Amount</p>



FY2013 Inaugural Amortized Loan Bond (LBA)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand



Structure of Amortized Bond (LBA)

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Indicative Terms & Conditions

Issuer	The Ministry of Finance of The Kingdom of Thailand
Currency	Thai Baht
Type	Amortized Bond in Registered Form
Programme size	THB 30,000 million (USD 1,000 million equiv.)
Issue Date	12 December 2012
Maturity Date	23 December 2037
Tenor	25 years
Principal Repayment	5 Equal Annual Principal Repayments Commencing From the End of Year 21
Interest Payment	Fixed Rate, Payable Every 6 months
Weighted Average Life (WAL)	23 Year
Reference Benchmark	THB Government Bond Yield Curve
Expected Coupon	4.26% p.a.
Listing	The Thai Bond Market Association
Governing Law	The Laws of the Kingdom of Thailand
Documentation	Domestic Documentation
Distribution Method	Syndication: Bangkok Bank (BBL) Deutsche Bank (DB) The Hongkong and Shanghai Banking Corporation (HSBC)

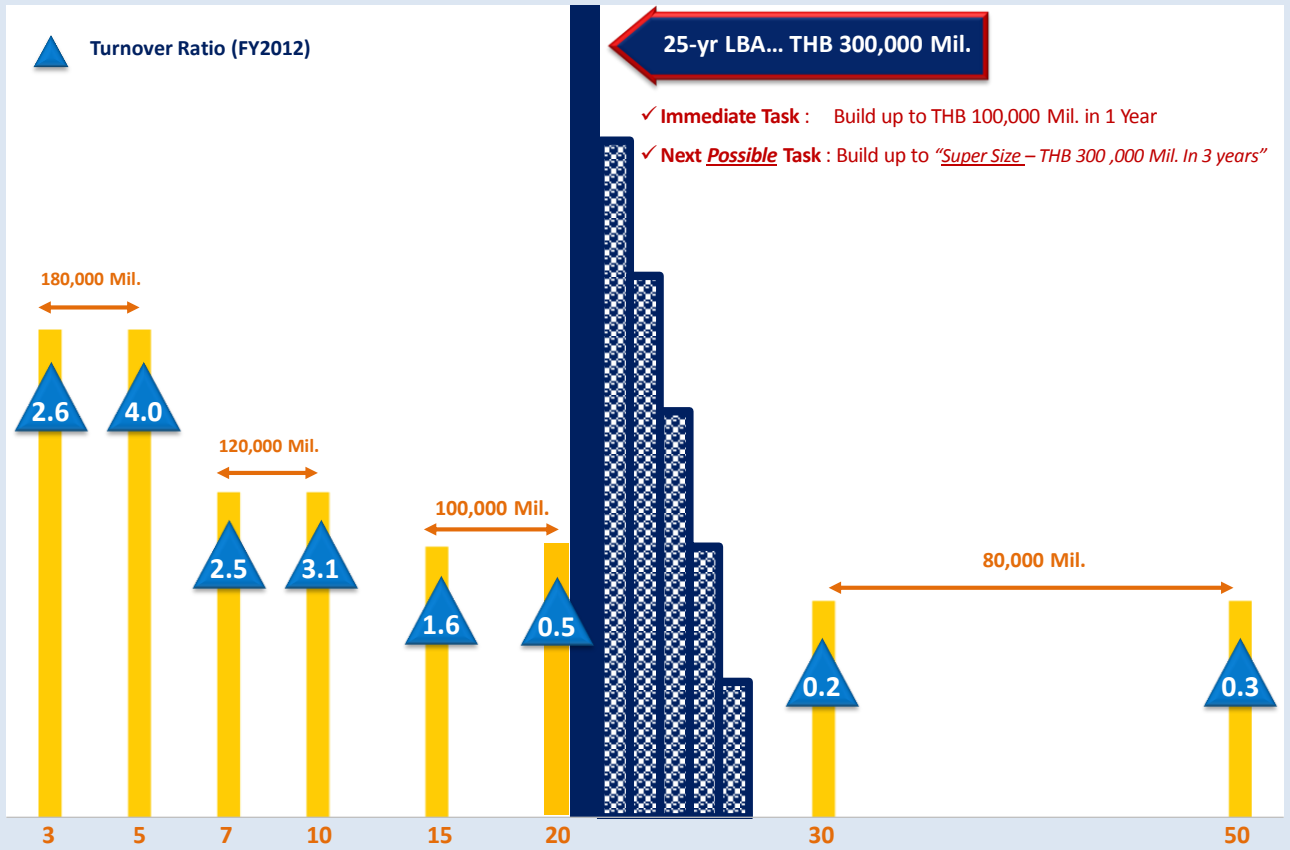


"Super-Size" 25-year Back End Amortized Bond

- Offering up to THB 30,000 Mil. Thru Syndication
- Enhancing Liquidity Thru Electronic Auctions

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand

Comparing "Super-Size" LBA with Bullet Benchmark Bond Size

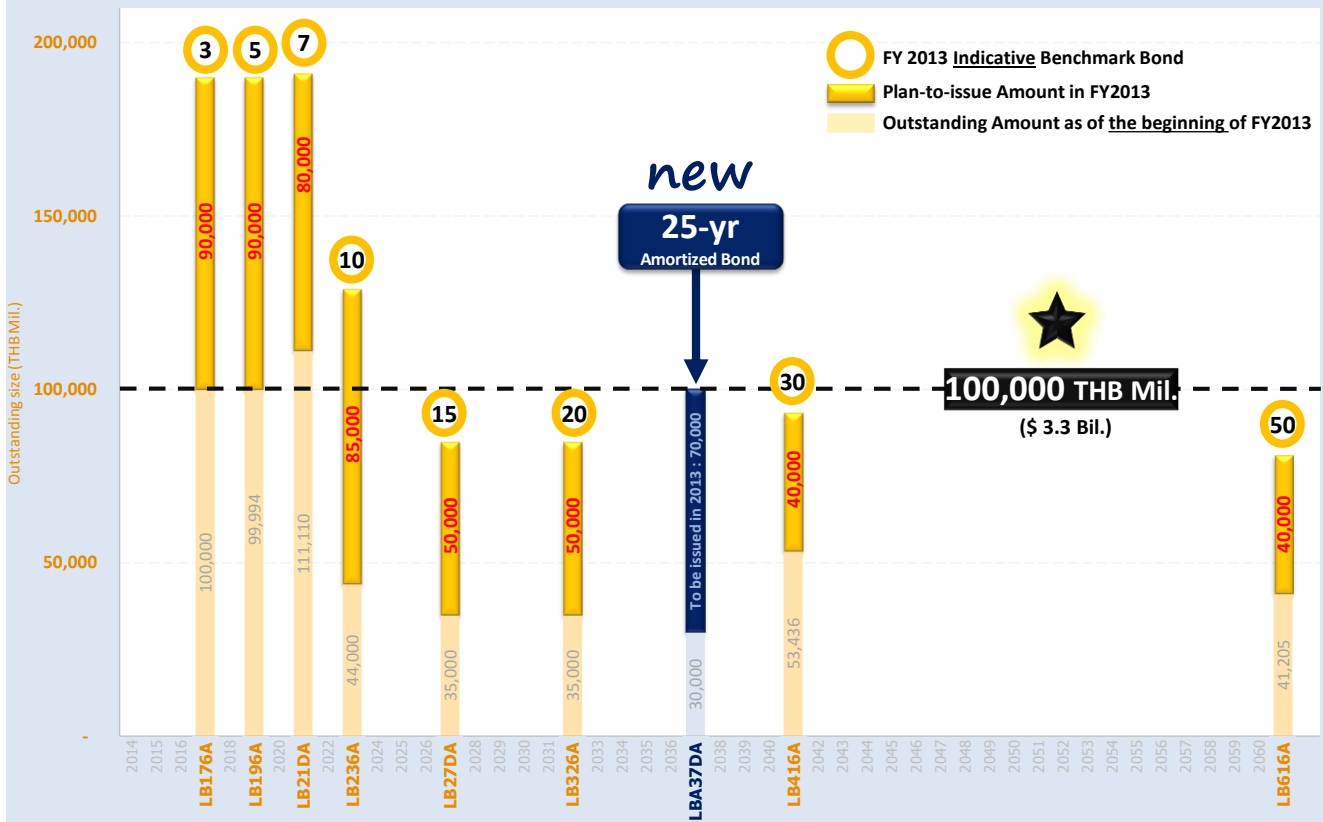


ALL FY2013 Benchmark Bond Series

(3 – 5 – 7 – 10 – 15 – 20 – 30 – 50-yr + 15-yr ILB+ 25-yr LBA)

To Reach 100,000 THB Mil. in Outstanding Amount by the End of FY2013

Public Debt Management Office, Ministry of Finance, Kingdom of Thailand





**Bond Market Development Bureau, Public Debt Management Office
Ministry of Finance, Kingdom of Thailand**

For Further Information :

Chularat Suteethorn Director-General, Public Debt Management Office	+662 265 8050 ext. 5100	chularat@mof.go.th
Prawit Sarakitprija Public Debt Advisor	+662 265 8050 ext. 5111	prawit@pdmo.go.th
Pimpen Ladpli Director of Government Bond Market Development Division Acting Director Bond Market Development Bureau	+66 2271 7999 ext. 5802	pimpen@pdmo.go.th
Nattakarn Boonsri Director of Fund Management and Bond Market Infrastructure Development Division	+66 2271 7999 ext. 5803	nattakarn@pdmo.go.th
Chatmanee Sinsiri Director of International Bond Market Policy Division	+66 2271 7999 ext. 5804	chatmanee@pdmo.go.th
Pothirat Kijriopak Economist	+66 2271 7999 ext. 5812	pothirat@pdmo.go.th
Ittipong Kanluan Economist	+66 2271 7999 ext. 5806	ittipong@pdmo.go.th
Raveewan Buanung General Administration Officer	+66 2271 7999 ext. 5801	raveewan@pdmo.go.th

**เป็นมืออาชีพในการบริหารหนี้สาธารณะ
เพื่อการพัฒนาประเทศอย่างยั่งยืน**