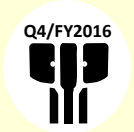


KINGDOM OF THAILAND BOND MARKET FINANCING THAILAND'S FUTURE & CONNECTING ASEAN



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



Progress Update

- » Committing to FY2016 Fund Raising Plan
- » T-Bill Plan Q4/FY2016
- » GOVT Bond Auction Results
- » GOVT Bond Auction Schedule Q4/FY2016
- » SOE Bond Auction Schedule Q4/FY2016
- » PDMO Bond Calendar FY2016

Basic & Essentials

- » Bond Market Development Strategy
- » Public Debt Outstanding and Its Composition
- » Total Domestic Public Debt
- » Bond Market Capitalization and Its Composition
- » Supporting Inclusive Growth Through ASEAN Bond Market Integration
- » Non-Resident Holding in Domestic Bond

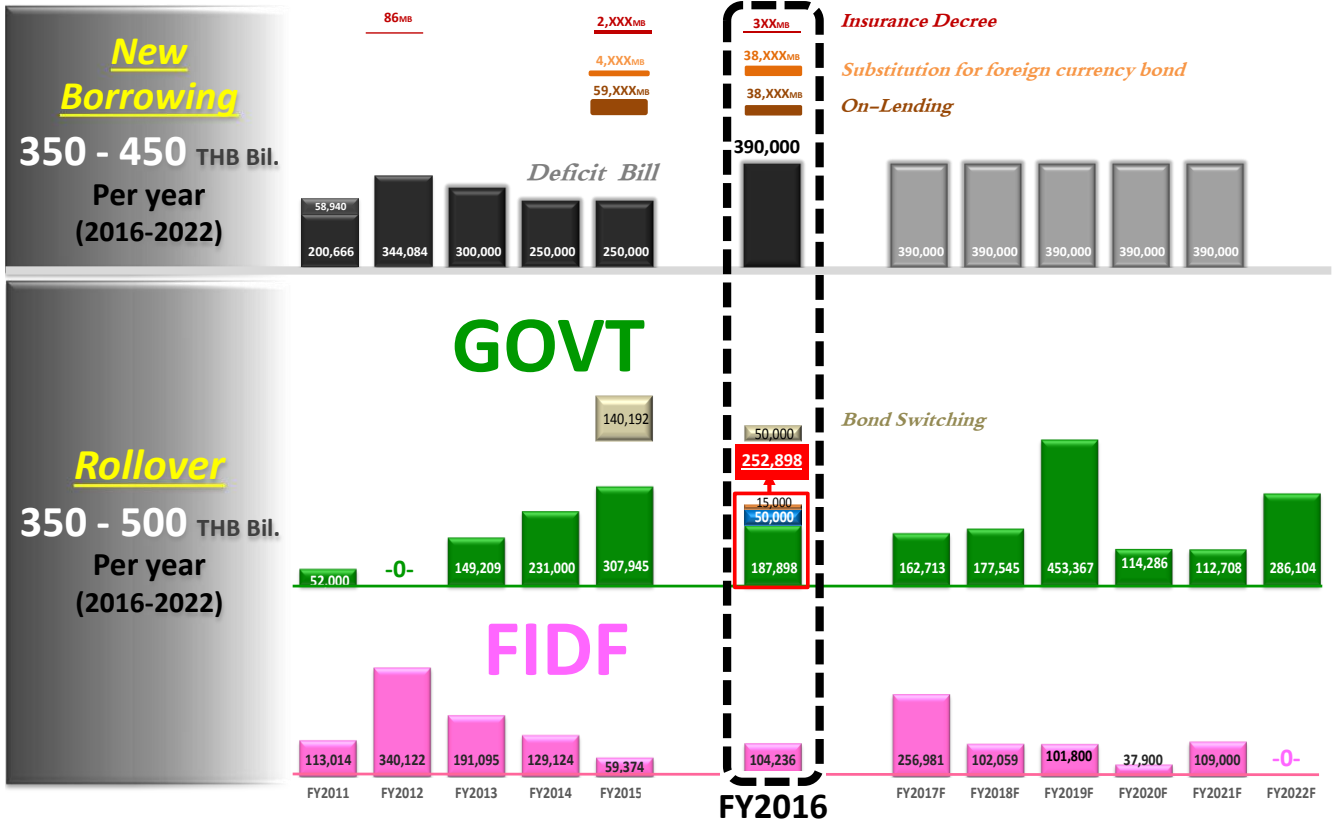


Quick Facts

| | | |
|--|---|-----------|
| Public Debt Outstanding (<i>as of April 2016</i>) | 6,050,596 THB Mil. (44.09% of GDP) | 14 |
| Well-Developed Bond Market Improved GOVT <u>Direct</u> Debt Profile Dramatically (<i>as of April 2016</i>) | | 15 |
| » Average-Time-to-Maturity (ATM) | 11yrs 4mths | |
| » Average Cost | 3.84% | |
| » Well-Balanced Fixed : Floating Ratio | 88 : 12 | |
| » Well-Distributed Maturity Profile | 38:19:43 (TTM<5 : 6-10 : >10yrs) | |
| Bond Market Capitalization (<i>as of June 2016</i>) | 10,399,964 THB Mil. (75% of GDP) | 16 |
| | <ul style="list-style-type: none"> ▪ GOVT Bond 38% of total Bond Market outstanding ▪ BOT Bond 29% ▪ SOEs Bond 8% ▪ Corp Bond 24% ▪ Baht Bond 1% | |
| Baht Bond Outstanding and its Market Share (<i>as of June 2016</i>) | 67,499 THB Mil. (1% of Bond Outstanding) | 19 |
| Non-Resident Holding in Domestic Bond (<i>as of June 2016</i>) | | 22 |
| » Annual Capital Flow (YTD) | 147,556 THB Mil. | |
| ▪ GOVT Bond : | 16,950 THB Mil. | |
| ▪ BOT Bond : | 130,606 THB Mil. | |
| » NR Holding in THB Bond | 720,495 THB Mil. (6.9% of Thai Bond Market Cap.) | |
| ▪ GOVT Bond : | 571,482 THB Mil. (14.6% of GOVT Bond Outstanding) | |
| ▪ BOT Bond : | 148,077 THB Mil. (4.9% of BOT Bond Outstanding) | |
| ▪ Others : | 936 THB Mil. | |

Progress Update

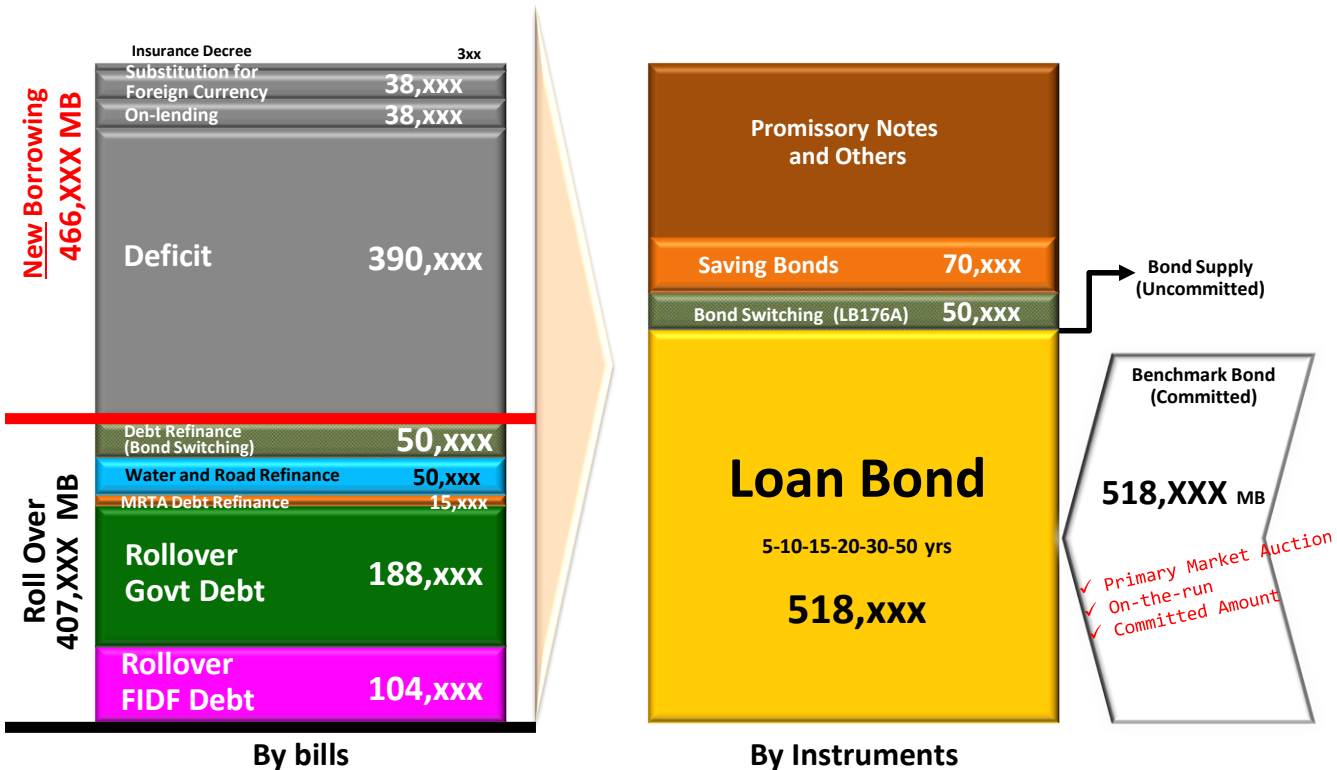
- Total Fund Raising Plan FY2016
- T-Bills Plan Q4/FY2016
- GOVT Bond Auction Results
 - GOVT Bond Auction Schedule Q4 /FY2016
 - SOE Bond Auction Schedule Q4/FY2016
 - PDMO Bond Calendar FY2016

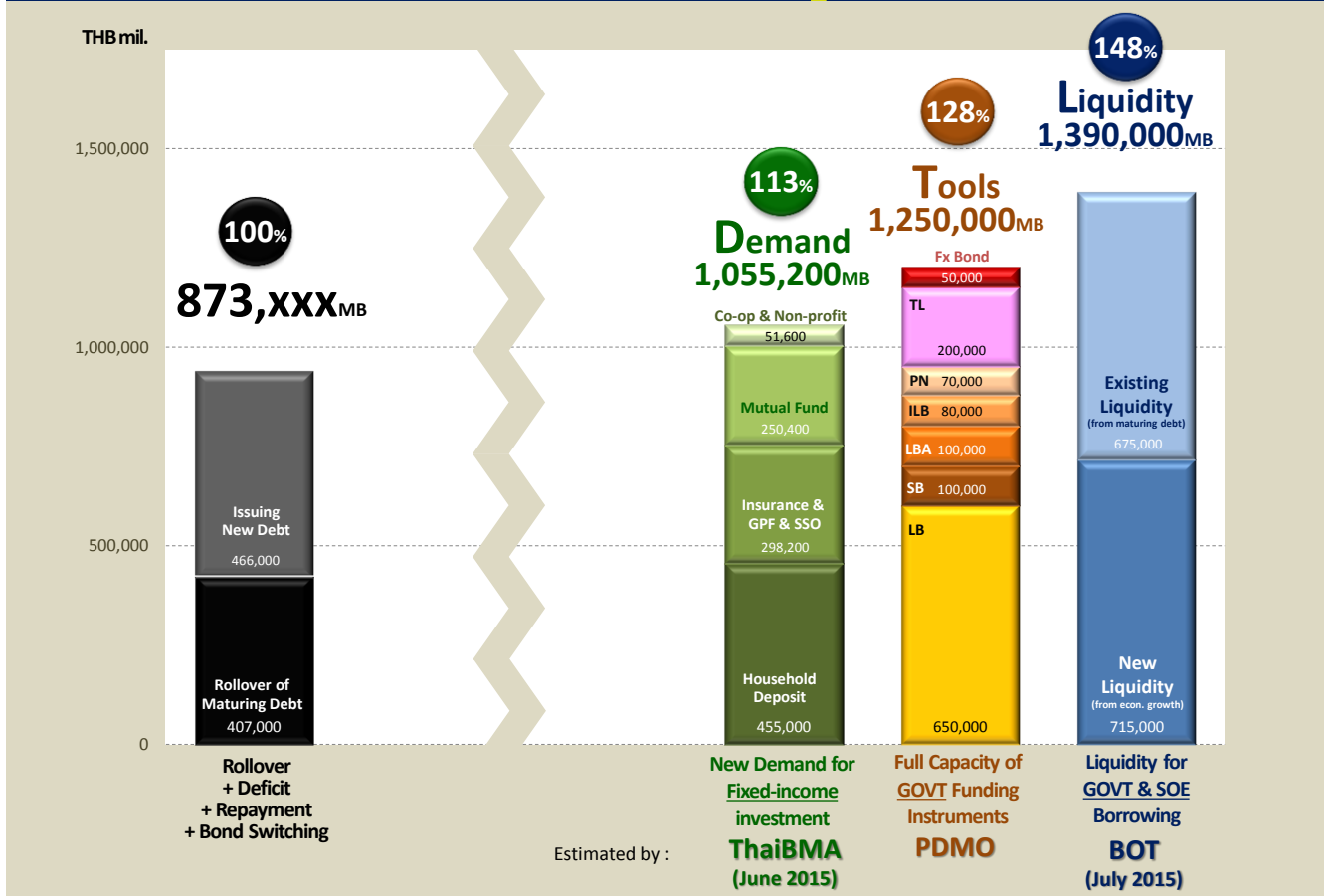


FY 2016 Total GOVT Fund Raising Plan 873,000 MB

"Revised"

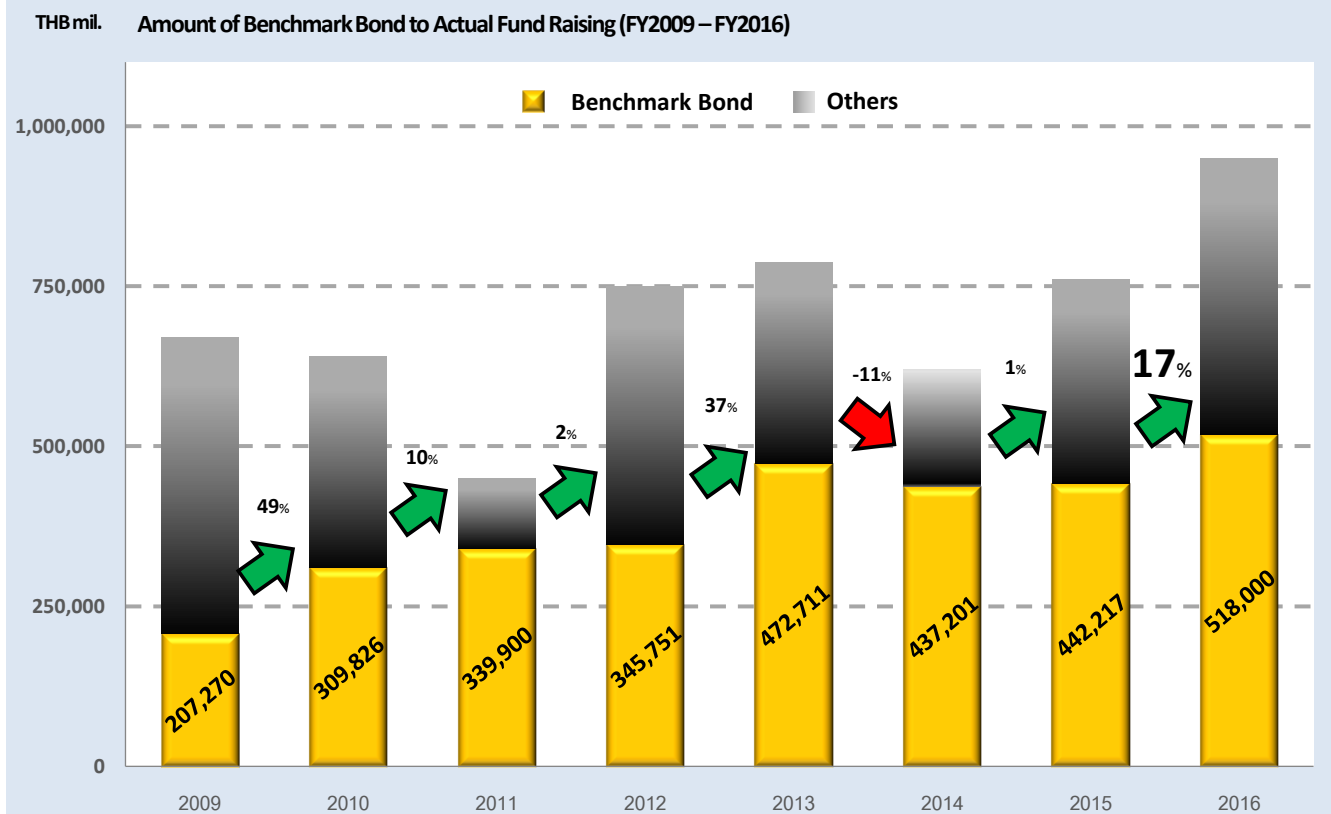
-Tentative-





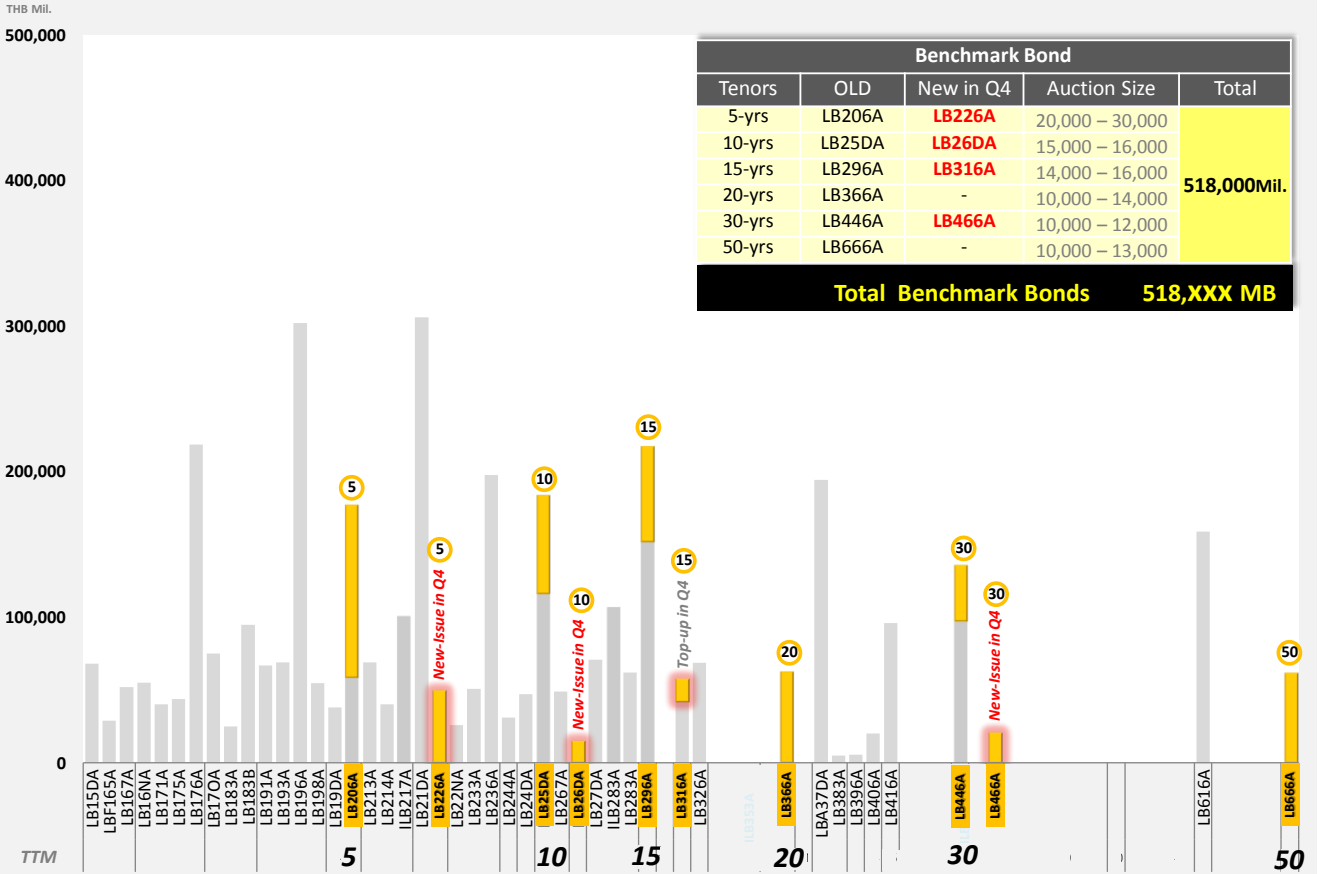
Benchmark Bond Supply has remained unchanged for two years

17% increase in FY2016



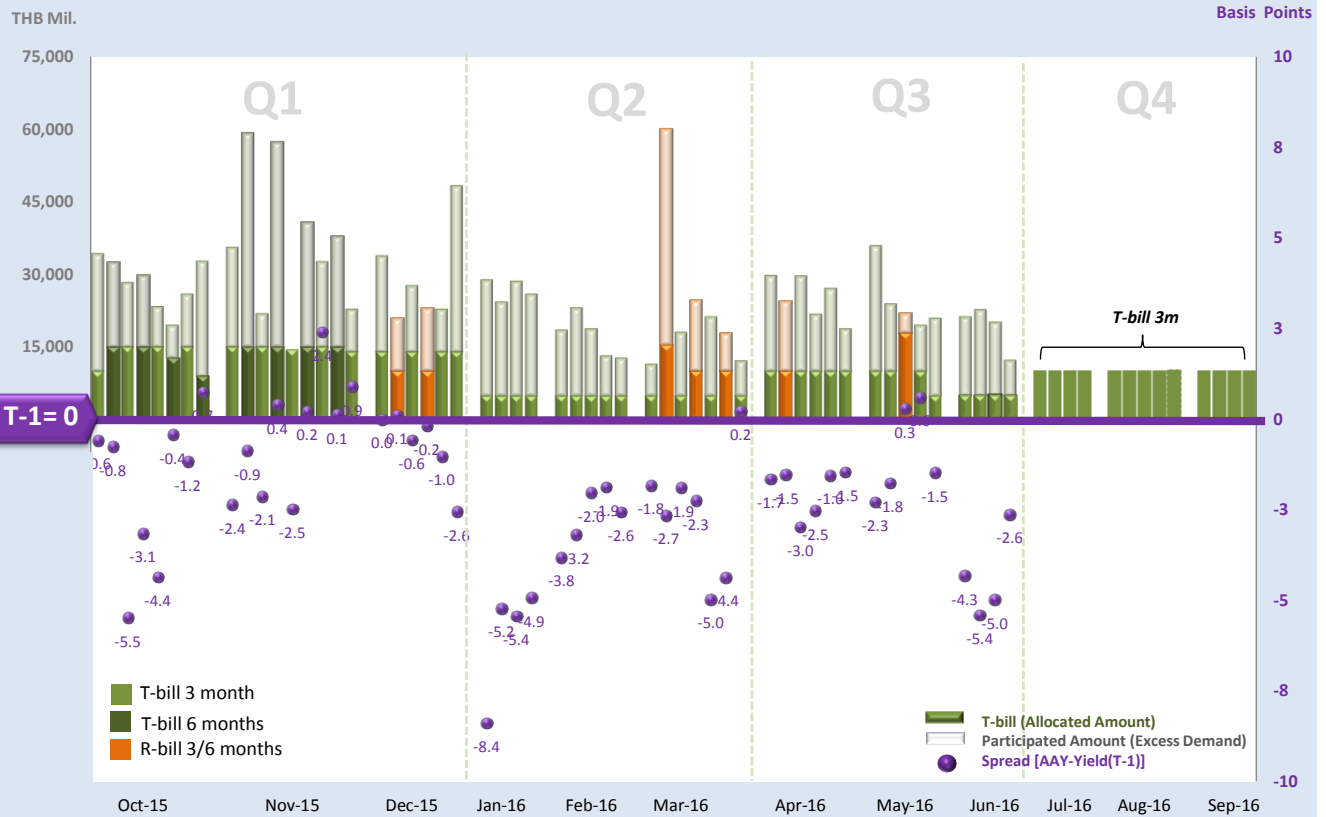
ALL FY2016 Benchmark Bond is approximately 518 Bil.

59% of FY2016 Funding Needs 873 Bil.



FY2016 T-Bill Auction Result

- ✓ Low Cost of Funding
- ✓ High Volume of Short-term Demand



Q3FY2015-Present GOVT Bond Auction Results

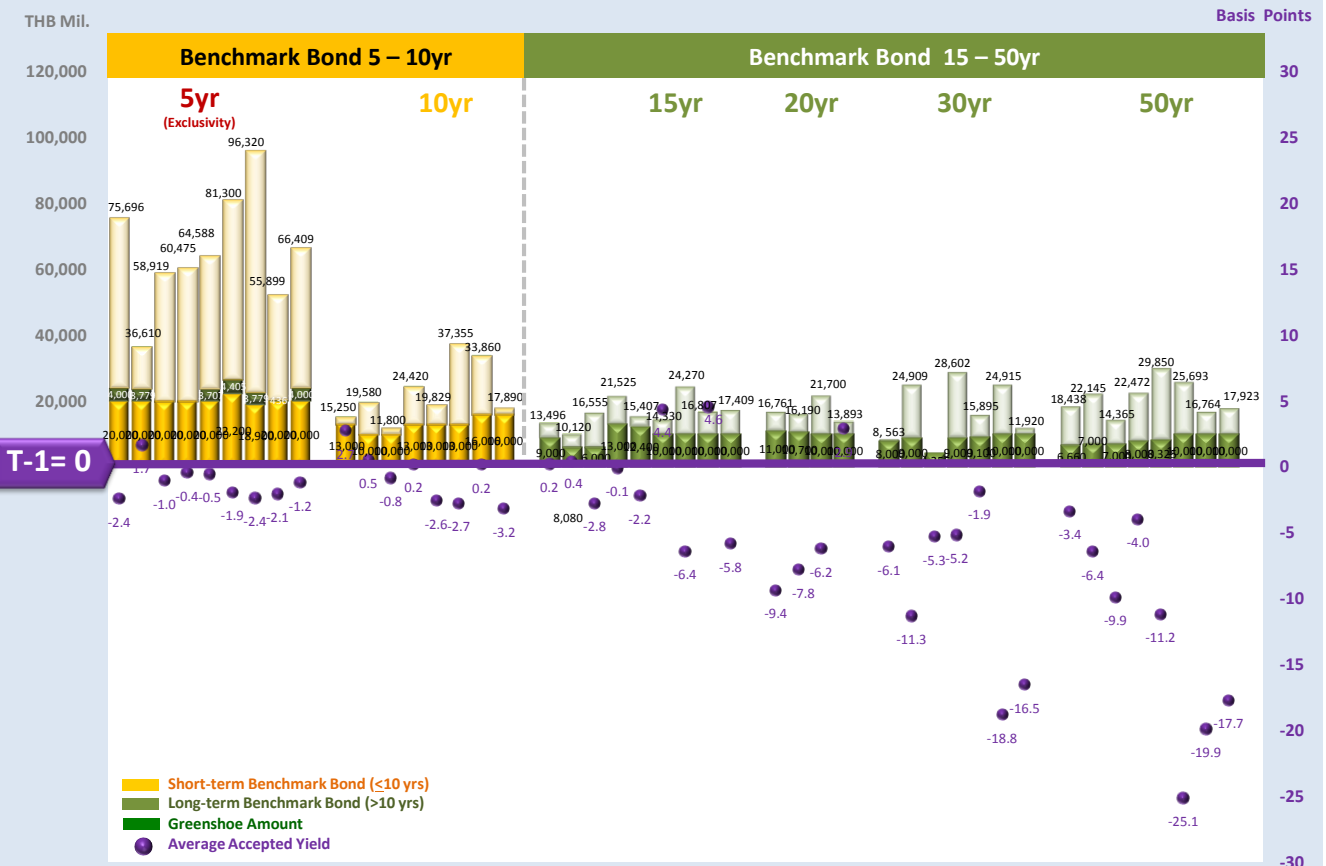
Classified by Auction Schedule

- Short-term Benchmark Bond (<10 yrs)
- Long-term Benchmark Bond (>10 yrs)
- Inflation-linked Bond
- Amortized Bond
- Participated Amount (Excess Demand)
- Spread [AAY-Yield (T-1)]



Q3FY2015 – Present GOVT Bond Auction Results

Classified by Tenor



Q4/FY2016 GOVT Bond Auction Schedule (Jul – Sep 16)

| Auction Date | LB226A 5-yrs <i>New</i> | LB26DA 10-yrs <i>New</i> | LB316A 15-yrs <i>Reopen</i> | LB366A 20-yrs | LB466A 30-yrs <i>New</i> | LB666A 50-yrs | Total | |
|----------------------|-------------------------------|--------------------------------|-----------------------------------|--------------------|--------------------------------|--------------------|----------------|--------|
| 6 July 2016 | | | | | 10,000 | | 10,000 | |
| 13 July 2016 | 30,000 | | | | | | 30,000 | |
| 20 July 2016 | | | | 10,000 | | | 10,000 | |
| 27 July 2016 | | | 16,000 | | | | 16,000 | |
| 3 August 2016 | MPC | | | | | | | - |
| 10 August 2016 | | 15,000 | | | | | 15,000 | |
| 17 August 2016 | | | | | | | - | |
| 24 August 2016 | | | | | 11,000 | | 11,000 | |
| 31 August 2016 | | | | 11,000 | | | 11,000 | |
| 7 September 2016 | | | | | | | - | |
| 14 September 2016 | MPC | | | | | | | 13,000 |
| 21 September 2016 | 20,000 | | | | | | 20,000 | |
| 28 September 2016 | | | | | | | - | |
| Total | 50,000 | 15,000 | 16,000 | 21,000 | 21,000 | 13,000 | 136,000 | |
| Coupon | 1.875% | TBA | 3.65% | 3.40% | 2.875% | 4.00% | | |
| Maturity Date | 17-Jun-2022 | 17-Dec-2026 | 20-Jun-2031 | 17-Jun-2036 | 17-Jun-2046 | 17-Jun-2066 | | |

หมายเหตุ : 1. LB466A = พันธบัตรรัฐบาลเพื่อปรับโครงสร้างหนี้ (พ.ร.ก. ให้อำนาจกระทรวงการคลังกู้เงินฯ พ.ศ. 2552) ในเชิงประมาณ พ.ศ. 2559 ครั้งที่ 5 จะประกาศอัตราดอกเบี้ยในวันที่ 4 กรกฎาคม พ.ศ. 2559 / พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ให้อำนาจกระทรวงการคลังกู้เงินฯ พ.ศ. 2552)
 2. LB226A = พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ให้อำนาจกระทรวงการคลังกู้เงินฯ พ.ศ. 2559) ครั้งที่ 11 (Re-open พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้) ในวันที่ 11 กรกฎาคม พ.ศ. 2559
 3. LB366A = พันธบัตรรัฐบาล ในเชิงประมาณ พ.ศ. 2559 ครั้งที่ 13 / พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ ในเชิงประมาณ พ.ศ. 2559 ครั้งที่ 1 จะประกาศอัตราดอกเบี้ยในวันที่ 11 กรกฎาคม พ.ศ. 2559
 4. LB316A = พันธบัตรรัฐบาล ในเชิงประมาณ พ.ศ. 2559 ครั้งที่ 10 (Re-open พันธบัตรรัฐบาลในเชิงประมาณ พ.ศ. 2554 ครั้งที่ 3)
 5. LB26DA = พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ให้อำนาจกระทรวงการคลังกู้เงินฯ พ.ศ. 2559) ครั้งที่ 1 จะประกาศอัตราดอกเบี้ยในวันที่ 8 สิงหาคม พ.ศ. 2559
 6. LB666A = พันธบัตรรัฐบาลเพื่อการปรับโครงสร้างหนี้ (พ.ร.ก. ให้อำนาจกระทรวงการคลังกู้เงินฯ พ.ศ. 2559) ครั้งที่ 13 (Re-open พันธบัตรรัฐบาลในเชิงประมาณ พ.ศ. 2559 ครั้งที่ 6)

Q4/FY2016 SOE Bond Auction Schedule (Jul – Sep 16)

THB ML

| Month | Quarter 4 | Bond (year) | | | | | | | | | | | | Total | | | | | | | | | | | | | | | | | | | | |
|-----------|-----------|-------------------|--------|--------|-------|-----|----|--------|--------|---------------------|-----------|-------|-------|-------|----|----|----|----|----|----|--------|--------|-------|----------|-----------|--|--|--|--|--|--|--|---|---|
| | | Term/Loan (month) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 18 | 21 | 24 | 27 | 30 | 33 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | Total | | | | | | | | | | | | | |
| July | Wk. 27 | 5 | | | | | | | 0 | BAAC GG 16,955 | | | | | | | | | | | 16,955 | | | | | | | | | | | | | |
| | Wk. 28 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 | |
| | Wk. 28 | 12 | SRT MG | | | | | | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | 0 |
| | Wk. 29 | 14 | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 |
| August | Wk. 29 | 19 | | SRT MG | | | | | 1,100 | Asalha Bucha MPC | | | | | | | | | | | 1,100 | | | | | | | | | | | | | |
| | Wk. 30 | 21 | | 1,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 | |
| | Wk. 30 | 26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 | |
| | Wk. 31 | 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 | |
| September | Wk. 31 | 2 | | | | | | | 0 | NHA MG | | | | | | | | | | | | | 2,300 | | | | | | | | | | | |
| | Wk. 32 | 4 | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | | |
| | Wk. 32 | 9 | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | | |
| | Wk. 33 | 11 | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | | |
| October | Wk. 33 | 16 | | | | | | | 0 | SRT MG | | | | | | | | | | | | | | 6,000 | | | | | | | | | | |
| | Wk. 34 | 18 | | | | | | | | | | | | | | | | | | | | | 1,000 | | | | | | | | | | | |
| | Wk. 34 | 23 | | | | | | | | EGAT NG | | | | | | | | | | | | | | 1,400 | | | | | | | | | | |
| | Wk. 34 | 25 | | | | | | | | | | | | | | | | | | | | | 1,400 | | | | | | | | | | | |
| November | Wk. 35 | 30 | | | | | | | 395.40 | | | | | | | | | | | | | | | 1,395.40 | | | | | | | | | | |
| | Wk. 36 | 1 | | | | | | | | | | | | | | | | | | | | | | 2,800 | | | | | | | | | | |
| | Wk. 36 | 6 | | | | | | | 800 | NHA MG | | | | | | | | | | | | | | 2,000 | | | | | | | | | | |
| | Wk. 36 | 8 | | | | | | | | | | | | | | | | | | | | | | 2,800 | | | | | | | | | | |
| December | Wk. 37 | 13 | | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | |
| | Wk. 37 | 15 | | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | |
| | Wk. 38 | 20 | | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | |
| | Wk. 38 | 22 | | | | | | | | | | | | | | | | | | | | | | 841.87 | | | | | | | | | | |
| Total | Wk. 39 | 27 | | | | | | | 0.00 | SRT MG | | | | | | | | | | | | | | | 0 | | | | | | | | | |
| | Wk. 39 | 29 | | | | | | | | | | | | | | | | | | | | | | 0 | | | | | | | | | | |
| | | | | 10,000 | 1,100 | 800 | 0 | 395.40 | 841.87 | 841.87 | 13,137.27 | 3,700 | 5,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 16,955 | 1,000 | 29,655 | 42,792.27 | | | | | | | | | |

| Auction Condition | |
|--|----------|
| Syndication | Tuesday |
| Next 5 working days (since pricing date) | |
| Auction | Thursday |
| Next 5 working days | |

| Sources | |
|---------------------|---------------------------------|
| MG - Non Guarantee | Not Guaranteed by GOVT |
| MG - MOF Guarantee | Guaranteed by GOVT |
| GG - Gov. Guarantee | Guaranteed and Serviced by GOVT |
| P - Partial | Partially Guaranteed by GOVT |

| Borrowing | Amount | Share |
|--|------------------|-------------|
| Rollover | 30,796,667 | 72% |
| New borrowing for capital substitution | 6,700,000 | 16% |
| New borrowing for investment | 5,295,401 | 12% |
| Total | 42,792,27 | 100% |
| Note: Bridge Financing SRT | | 4,000 |
| | | 38,792 |

| Borrowing summary | | | | | |
|-------------------|----------------|-------------|----------------|----------------|--------------|
| Quarter | Total | % | Term loan | Bond | Share |
| Quarte 1 | 64,648 | 25% | 22,281 | 42,366 | 34.66 |
| Quarte 2 | 66,445 | 25% | 27,590 | 38,855 | 42.58 |
| Quarte 3 | 86,912 | 33% | 56,912 | 30,000 | 66.34 |
| Quarte 4 | 42,792 | 16% | 13,137 | 29,655 | 31.69 |
| Total | 260,791 | 100% | 119,921 | 140,876 | 46.54 |

Borrowing summary is expected to be lower than public debt plan as amount of 6,147 THB billion due to obtaining cash from selling fees and low disbursement

PDMO Bond Calendar FY 2016

| | Mon | Tue | Wed | Thu | Fri | Sat | Sun | | |
|-----------|------------------------------|--------------------|---|-----|-----|-----|-----|----|----|
| Quarter 1 | Oct 2015 | 5 | Auction T-bill | 6 | 7 | 8 | 9 | 10 | 11 |
| | | 12 | Auction T-bill | 13 | 14 | 15 | 16 | 17 | 18 |
| | | 19 | Issue Regular Saving Bond 170183W 50,000 MB (19 Oct - 29 Feb 16) | 20 | 21 | 22 | 23 | 24 | 25 |
| | | 26 | Auction T-bill | 27 | 28 | 29 | 30 | 31 | 1 |
| | Nov 2015 | 2 | First day of submission for Baht Bond Application (1/2016) | 3 | 4 | 5 | 6 | 7 | 8 |
| | | 9 | | 10 | 11 | 12 | 13 | 14 | 15 |
| | | 16 | | 17 | 18 | 19 | 20 | 21 | 22 |
| | | 23 | | 24 | 25 | 26 | 27 | 28 | 29 |
| | | 30 | Last day of submission for Baht Bond Application (1/2016) | 1 | 2 | 3 | 4 | 5 | 6 |
| | | 7 | H.M. The King's Birthday observed | 8 | 9 | 10 | 11 | 12 | 13 |
| Dec 2015 | 14 | Baht Bond 1/FY2016 | 15 | 16 | 17 | 18 | 19 | 20 | |
| | 21 | | 22 | 23 | 24 | 25 | 26 | 27 | |
| | 28 | | 29 | 30 | 31 | 1 | 2 | 3 | |
| | 4 | | 5 | 6 | 7 | 8 | 9 | 10 | |
| | 11 | | 12 | 13 | 14 | 15 | 16 | 17 | |
| | 18 | | 19 | 20 | 21 | 22 | 23 | 24 | |
| Jan 2016 | 25 | | 26 | 27 | 28 | 29 | 30 | 31 | |
| | 1 | | 2 | 3 | 4 | 5 | 6 | 7 | |
| | 8 | | 9 | 10 | 11 | 12 | 13 | 14 | |
| | 15 | | 16 | 17 | 18 | 19 | 20 | 21 | |
| | 22 | Makha Bucha Day | 23 | 24 | 25 | 26 | 27 | 28 | |
| | 29 | | 1 | 2 | 3 | 4 | 5 | 6 | |
| Quarter 2 | Feb 2016 | 7 | | 8 | 9 | 10 | 11 | 12 | 13 |
| | | 14 | | 15 | 16 | 17 | 18 | 19 | 20 |
| | | 21 | Quarterly PD Market Dialogue | 22 | 23 | 24 | 25 | 26 | 27 |
| | | 28 | | 29 | 30 | 31 | 1 | 2 | 3 |
| | | 4 | | 5 | 6 | 7 | 8 | 9 | 10 |
| | | 11 | | 12 | 13 | 14 | 15 | 16 | 17 |
| Mar 2016 | 18 | | 19 | 20 | 21 | 22 | 23 | 24 | |
| | 25 | | 26 | 27 | 28 | 29 | 30 | 31 | |
| | 1 | | 2 | 3 | 4 | 5 | 6 | 7 | |
| | 8 | | 9 | 10 | 11 | 12 | 13 | 14 | |
| | 15 | | 16 | 17 | 18 | 19 | 20 | 21 | |
| | 22 | | 23 | 24 | 25 | 26 | 27 | 28 | |
| 29 | | 1 | 2 | 3 | 4 | 5 | 6 | | |
| 7 | | 8 | 9 | 10 | 11 | 12 | 13 | | |
| 14 | | 15 | 16 | 17 | 18 | 19 | 20 | | |
| 21 | Quarterly PD Market Dialogue | 22 | 23 | 24 | 25 | 26 | 27 | | |
| 28 | | 29 | 30 | 31 | 1 | 2 | 3 | | |

| Month | Day | Event | Details | Day | Event | Details | Day | Event | Details | |
|----------|----------|---|--|----------------|--|---|------------------------------|--|---------------------------------------|--|
| Apr 2016 | 4 | Baht Bond 2/FY2016 | | 6 | Chakri Day | | 8 | First Day of submission for MOF Outright PD's Application | | |
| | 11 | Auction T-bill | Auction T-bill | 13 | Songkran Festival Day | | 15 | Songkran Festival Day | | |
| | 18 | Auction T-bill | Auction T-bill | 20 | Action LB25DA (10Y) : 16,000MB | | 22 | Auction T-bill | | |
| | 25 | Long-term Investor Meeting | | 27 | Action LB296A (15Y) : 10,000MB | | 29 | Last Day of submission for MOF Outright PD's Application (FPO) | | |
| | 2 | Labor Day observed | | 4 | | | 6 | Coronation Day | | |
| | 9 | Auction T-bill | | 11 | | | 12 - 15 May 2016: Money Expo | | | |
| | 16 | Auction T-bill | Auction T-bill | 18 | Action LB666A (50Y) : 10,000MB | | 20 | Visakha Bucha | | |
| | 23 | MOF Outright PD Committee : Quarterly PD's Evaluation | | 24 | | | 27 | | | |
| | 30 | Auction T-bill | | 1 | | | 3 | | | |
| | 6 | Auction T-bill | | 8 | Action LB296A (15Y) : 10,000MB | | 10 | | | |
| May 2016 | 13 | Auction T-bill | | 15 | Action LB206A (5Y) : 20,000MB LB346A (20Y) : 10,000MB | | 17 | | | |
| | 20 | Auction T-bill | | 22 | Action LB666A (50Y) : 10,000MB | | 24 | Quarterly PD Market Dialogue | | |
| | 27 | Auction T-bill | | 29 | Action LB25DA (10Y) : 16,000MB | | 1 | Mid-year Bank Holiday | | |
| | 4 | | | 6 | Action LB466A (30Y) : 10,000MB NEW 30Y | | 8 | | | |
| | 11 | | | 13 | Action LB226A (5Y) : 30,000MB NEW 5Y | | 15 | | | |
| | 18 | | | 20 | Buddhist Lent Day | | 22 | | | |
| | 25 | | | 27 | Action LB316A (15Y) : 16,000MB Reopen 15Y | | 29 | Quarterly Macroeconomics Report (PPO) | | |
| | 1 | | | 3 | MPC | | 5 | Last day submission for Baht Bond Application (3/2016) | | |
| | 8 | | | 10 | Action LB26DA (10Y) : 15,000MB NEW 10Y | | 12 | | | |
| | 15 | | | 17 | | | 19 | | | |
| Jun 2016 | 22 | | | 24 | Action LB466A (30Y) : 11,000MB NEW 30Y | | 26 | | | |
| | 29 | | | 31 | Action LB366A (20Y) : 11,000MB | | 2 | | | |
| | 5 | | | 7 | Action LB666A (50Y) : 13,000MB | | 9 | | | |
| | 12 | | | 14 | MPC | | 16 | Annual PD/MO-Market Dialogue + MOF Awards | | |
| | 19 | | | 21 | Action LB226A (5Y) : 20,000MB NEW 5Y | | 23 | | | |
| | 26 | | | 28 | | | 30 | | | |
| | Jul 2016 | 4 | First day of submission for Baht Bond Application (3/2016) | | 6 | Action LB466A (30Y) : 10,000MB NEW 30Y | | 8 | | |
| | | 11 | Auction T-bill | Auction T-bill | 13 | Action LB226A (5Y) : 30,000MB NEW 5Y | | 15 | | |
| | | 18 | Special Holiday | Asalha Bucha | 20 | Buddhist Lent Day | | 22 | | |
| | | 25 | Auction T-bill | | 26 | | | 29 | Quarterly Macroeconomics Report (PPO) | |
| 1 | | Auction T-bill | | 2 | | | 5 | Last day submission for Baht Bond Application (3/2016) | | |
| 8 | | Auction T-bill | | 9 | | | 12 | | | |
| 15 | | Auction T-bill | | 16 | | | 19 | | | |
| 22 | | Auction T-bill | | 23 | | | 26 | | | |
| 29 | | Auction T-bill | | 30 | | | 2 | | | |
| 5 | | Auction T-bill | | 6 | | | 9 | | | |
| Aug 2016 | 12 | Auction T-bill | | 13 | | | 16 | | | |
| | 19 | Auction T-bill | | 20 | | | 23 | | | |
| | 26 | Auction T-bill | | 27 | | | 30 | | | |
| | Sep 2016 | 3 | | | 4 | | | 5 | | |
| | | 10 | | | 11 | Baht Bond 3/FY2016 | | 12 | H.M. The Queen's Birthday | |
| | | 17 | | | 18 | MOF Outright PD Committee : Final Review | | 19 | | |
| | | 24 | | | 25 | | | 26 | | |
| | | 1 | | | 1 | | | 2 | | |
| | | 8 | | | 8 | | | 9 | | |
| | | 15 | | | 15 | Annual PD/MO-Market Dialogue + MOF Awards | | 16 | | |
| 22 | | | | 22 | | | 23 | | | |
| 29 | | | | 29 | | | 30 | | | |

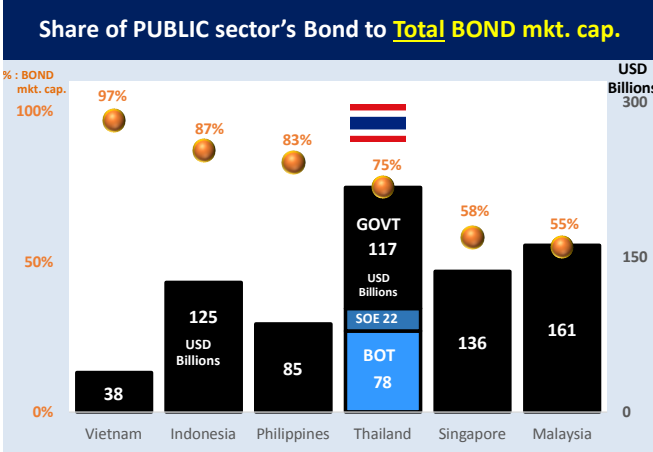
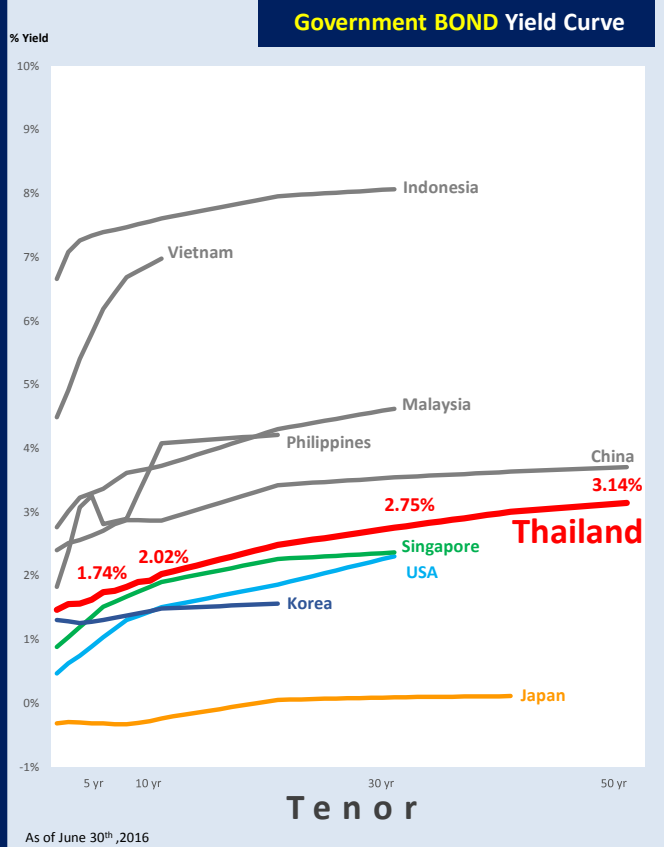
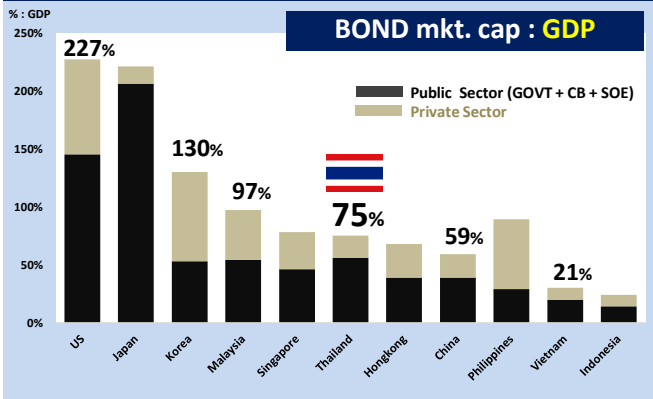
Remark : Royal Ploughing Ceremony Day- waiting for an announcement



BOND market capitalization

Peers Comparison

Source : Asian Bond online (ADB)

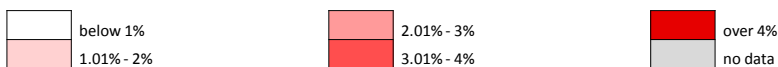


Government BOND Yield Matrix

ASEAN & Peers

As of June 30th, 2016

| | 6 m | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr | 6 yr | 7 yr | 8 yr | 9 yr | 10 yr | 20 yr | 30 yr | 40 yr | 50 yr |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Japan | -0.31 | -0.32 | -0.30 | -0.31 | -0.32 | -0.32 | -0.34 | -0.34 | -0.31 | -0.29 | -0.24 | 0.05 | 0.09 | 0.11 | |
| USA | 0.35 | 0.46 | 0.62 | 0.74 | 0.89 | 1.03 | 1.17 | 1.30 | 1.37 | 1.43 | 1.50 | 1.86 | 2.30 | | |
| Singapore | - | 0.88 | 1.03 | 1.19 | 1.35 | 1.51 | 1.59 | 1.67 | 1.74 | 1.82 | 1.90 | 2.26 | 2.36 | | |
| Korea | 1.29 | 1.30 | 1.28 | 1.25 | 1.28 | 1.30 | 1.34 | 1.37 | 1.41 | 1.44 | 1.48 | 1.56 | | | |
| Thailand | 1.44 | 1.46 | 1.57 | 1.57 | 1.63 | 1.74 | 1.79 | 1.85 | 1.92 | 1.96 | 2.02 | 2.48 | 2.75 | 3.00 | 3.14 |
| Philippines | 1.55 | 1.82 | 2.38 | 3.07 | 3.25 | 2.81 | 2.85 | 2.89 | 3.29 | 3.68 | 4.08 | 4.21 | | | |
| China | 2.27 | 2.40 | 2.51 | 2.56 | 2.63 | 2.70 | 2.81 | 2.87 | 2.87 | 2.86 | 2.86 | 3.42 | 3.54 | 3.63 | 3.70 |
| Malaysia | 2.76 | 2.76 | 3.01 | 3.22 | 3.29 | 3.36 | 3.49 | 3.61 | 3.65 | 3.68 | 3.72 | 4.30 | 4.62 | | |
| Vietnam | - | 4.49 | 4.91 | 5.40 | 5.79 | 6.19 | 6.44 | 6.69 | 6.78 | 6.88 | 6.98 | | | | |
| Indonesia | 5.83 | 6.66 | 7.08 | 7.26 | 7.34 | 7.39 | 7.43 | 7.47 | 7.52 | 7.56 | 7.61 | 7.96 | 8.07 | | |
| Brunei | | | | | | | | | | | | | | | |
| Cambodia | | | | | | | | | | | | | | | |
| Laos | | | | | | | | | | | | | | | |
| Myanmar | | | | | | | | | | | | | | | |





Basic & Essentials

- Bond Market Development Strategy
- Public Debt Outstanding
- Total Domestic Public Debt
- Bond Market Capitalization
- Liquidity & Secondary Market Trading
- Supporting Inclusive Growth Through ASEAN
Bond Market Integration
- Non-Resident Holding in Domestic Bond

Domestic Bond Market in Transition

- ✓ Funding Infrastructure Investment
- ✓ Connecting ASEAN

| | Market Deepening Oriented (2010 - 2012) | Funding Infrastructure Investment Connecting ASEAN (2013 - 2016) 2016 Highlights |
|--|--|---|
| Sustainable Source of Fund | Water Decree (350,000 THB Mil.) Thai Khem Khang (350,000 THB Mil.) | Full Funding Capacity : 1,200,000 THB Mil. 1,900,000 THB Mil. <u>Long-Term</u> Infrastructure Inv't |
| Regional Connectivity / AEC | Baht Bond (Foreign Issuers Bond) | Baht Bond (CLMV) Credit Guarantee Investment Facility (CGIF) Foreign Currency Bond (Plan) |
| Debt Folio Enhancement | ATM Lengthened Cost Lowered FIDF Decree Passed = 70,000 THB Mil. Fiscal Space | Well-Distributed Investor Base Well-Balanced Fixed-Floating Ratio Well-Distributed Maturity Profile / Bond Switching |
| Market Infrastructure | Appointed 14 MOF-Outright PD Activated Public Debt Management Fund | Bond Switching (1 st execution: 28 Nov 14) Strengthening PD system (Exclusivity, League Table, Greenshoes Option) STRIPS Bond |
| Innovation / Product Development | Inaugural 10-yr Inflation-Linked Bond (10-yr) Long-term Fixed Promissory Notes (25-35-45-yr) Electronic Retail Savings Bond (3-5-yr) | Saving Bond Online Super- Size Inaugural 25-yr Back-End Amortized Bond |
| Market Consultation | Annual PDMO Market Dialogue Quarterly PDMO one-on-one PD Dialogue | Annual PDMO Market Dialogue Quarterly PDMO one-on-group MOF Outright PD Dialogue Monthly PDMO one-on-one MOF Outright PD Dialogue |
| Building Yield Curve / Enhancing Liquidity |  8 Tenors of Benchmark Bonds |  Liquidity-Oriented |



Equilibrium of Domestic Bond Market

Issuers

- 75 percent of Thailand's debt securities are issued by Government, Bank of Thailand and State-Owned Enterprises

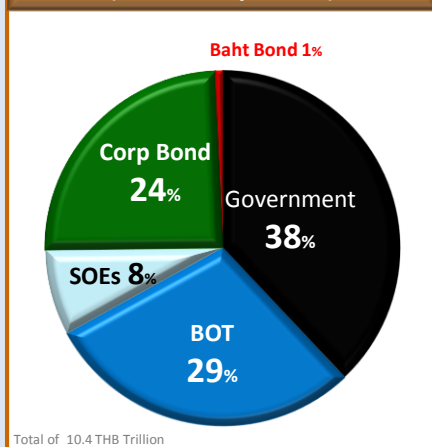
Credit Rating

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

Investors

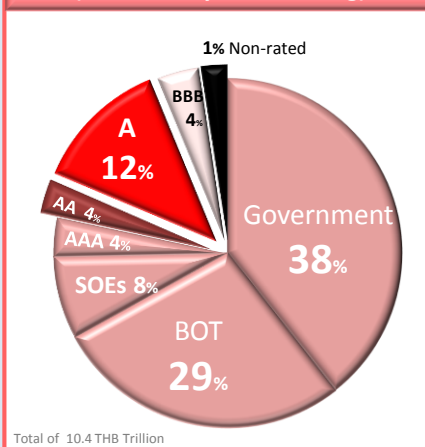
- Thailand's government debt securities are held by a wide group of investor types

Domestic Bond Market
(Classified by Issuers)



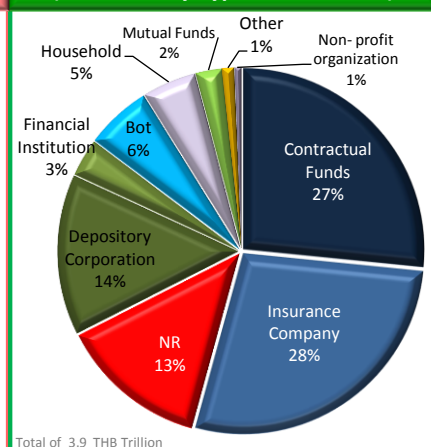
Source : ThaiBMA (End of June 2016)

Domestic Bond Market
(Classified by Credit Rating)



Source : ThaiBMA (End of June 2016)

Government Debt Securities
(Classified by Types of Investors)



Source : BOT (End of April 2016)

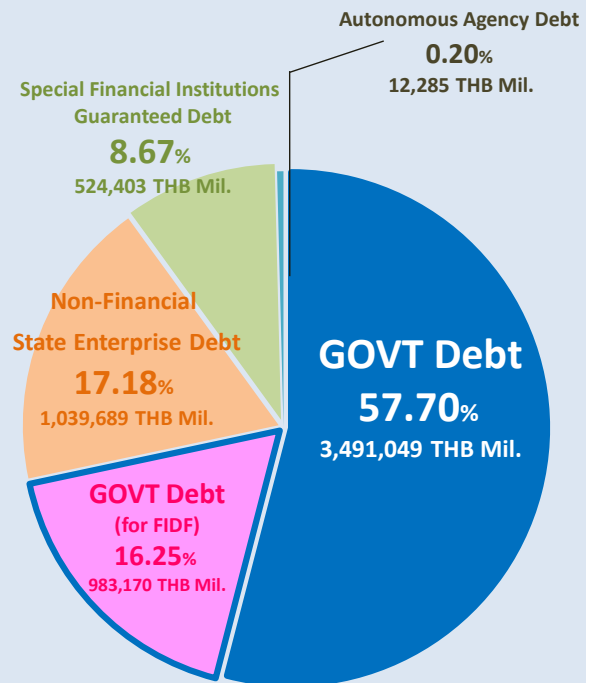
Public Debt Outstanding (as of Apr 2016) = 6.05 THB Trillion (44.09% of GDP)

Components of Public Debt

Units : THB Mil.

| | |
|---|------------------|
| 1. Government Debt (excluded FIDF) | 3,491,049 |
| 2. Government Debt (for FIDF) | 983,170 |
| 3. Non-Financial State Enterprise Debt | 1,039,689 |
| 4. Special Financial Institutions Guaranteed Debt | 524,403 |
| 5. Autonomous Agency Debt | 12,285 |
| Public Debt Outstanding | 6,050,596 |

Note : Included External Debt

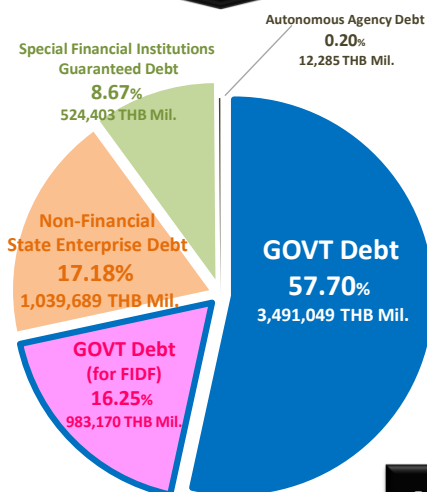


Source : Information Technology Centre, PDMO

Portion of Public Debt Serviced by The Government

Public Debt Components "All"

6.05 THB Trillion

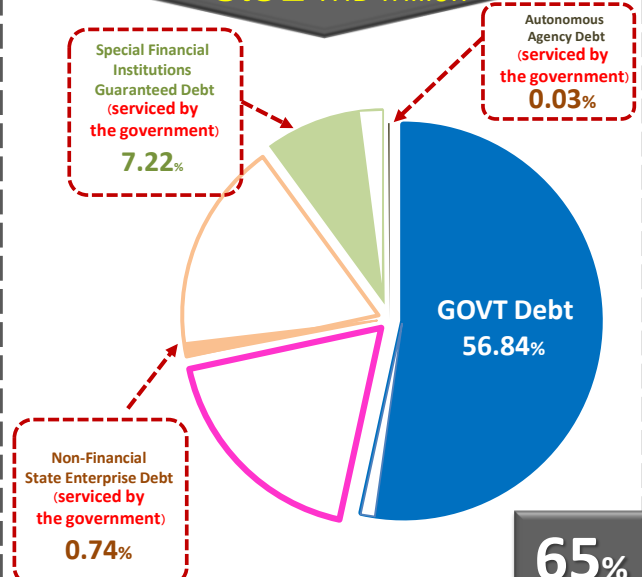


As of Apr 2016

100%

Public Debt Components "serviced by the government"

3.92 THB Trillion

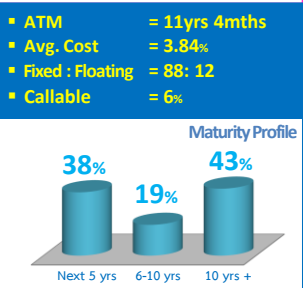
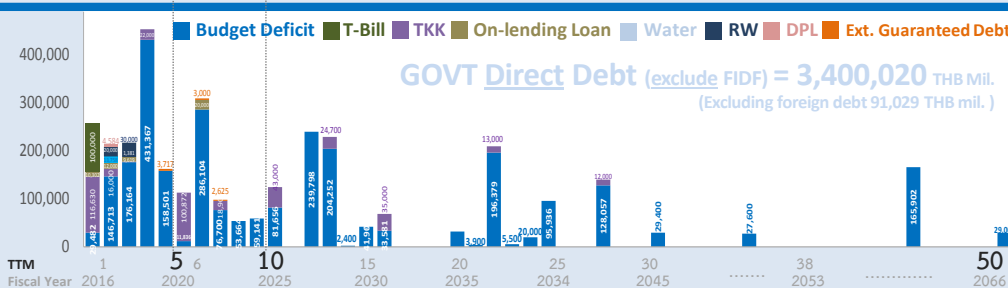
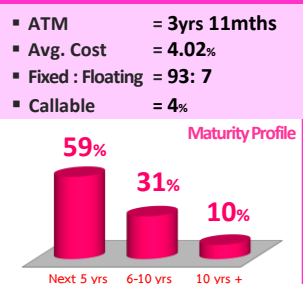
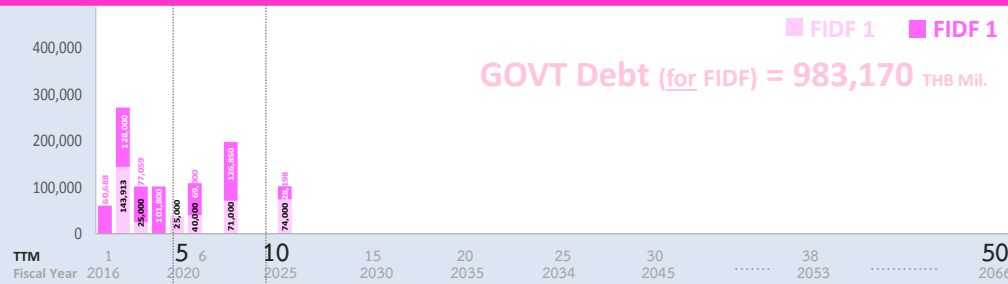
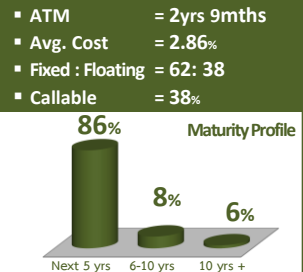


65%

Total Domestic Public Debt = 5.70* THB Trillion

Assumptions : 6 months BIBOR = 1.72%, 6 months Fixed Deposit Rate = 1.23%, Inflation = 0.7% Note : * Not Included External Debt

As of Apr 2016



Well-Developed Bond Market Improved GOV'T Direct Debt Profile Dramatically

- (1) ATM Lengthened
- (2) Cost Lowered
- (3) Well-Balanced Fixed-Float Ratio
- (4) Well-Distributed Maturity Profile

Note : Government Direct Debt = 3,400,020 THB Mil. (exclude FIDF and external debt)

As of Dec 2007

As of Apr 2016

Average-Time-to-Maturity
LENGTHENED by 6yrs 1mth

ATM
 5yrs 3mths

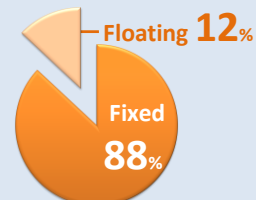
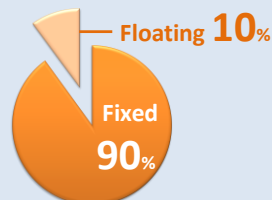
ATM
 11yrs 4mths

Avg. Cost **LOWERED** by 66 bps.
 (While ATM Lengthened by 6yrs 1mth)

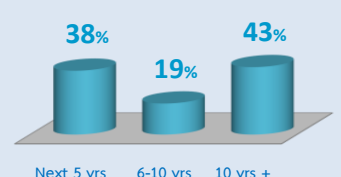
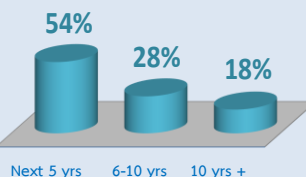
Avg. cost
 4.5%

Avg. cost
 3.84%

Well-Balanced Fixed/Floating Ratio
 (Target : Fixed/Float ratio = 85 : 15)



Well-Distributed Maturity Profile
 (Maturing Debt in the next 5 yrs is less than 50% of Total Debt)

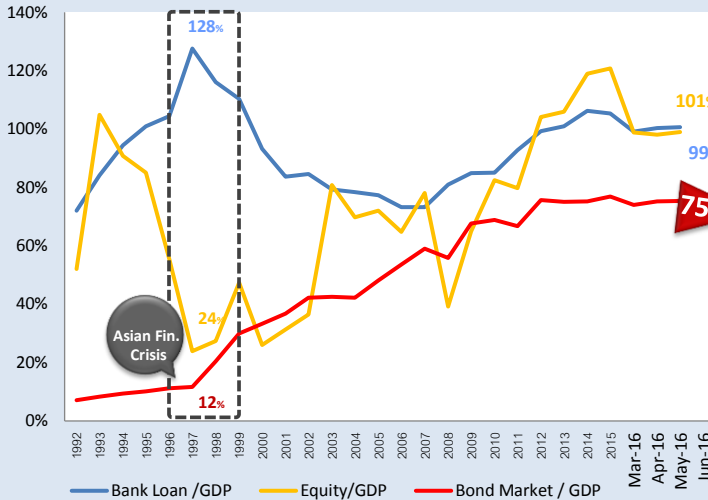




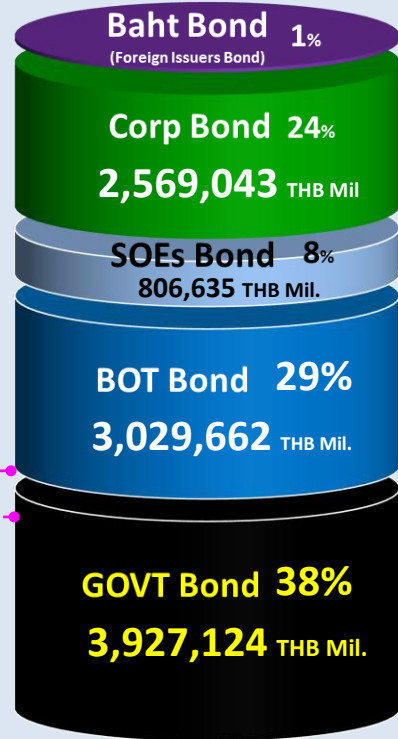
Bond Market Cap. = 10.4 THB Trillion
(\$295 Bil.)*

GOVT Bond = 4.0 THB Trillion
(\$111 Bil.)*

% Share of GDP

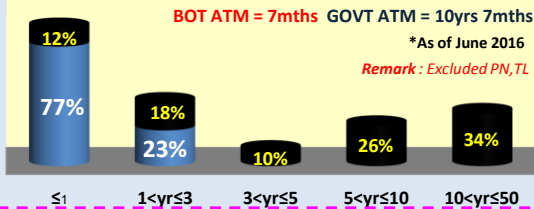


Domestic Bond Market Classified by Issuer



Maturity Profile

BOT vs GOVT Bond



*Source: BOT Exchange rate as of 30 Jun 2016

As of 30 June, 2016

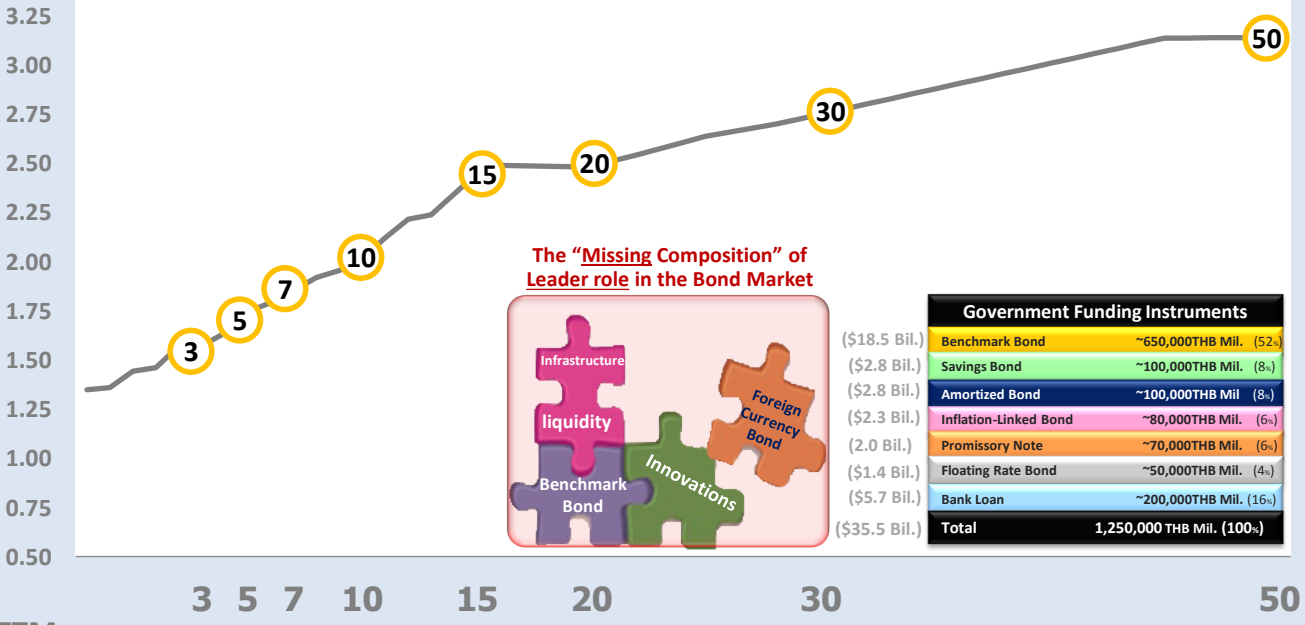
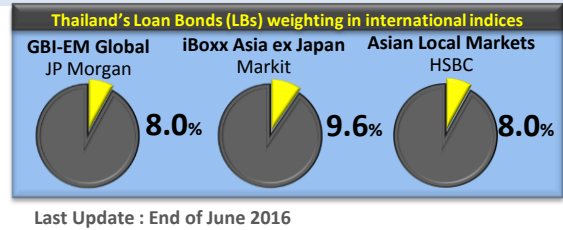
Full Capacity* of All Government Funding Instruments

* Under favorable market liquidity + using All funding instruments

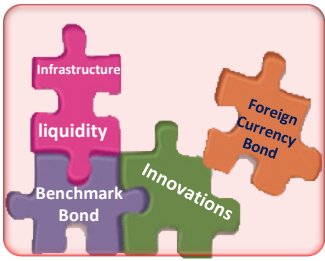
1,250,000 THB Mil. per Year

(\$35.5 Bil.)**

| Term | Capacity (THB Mil.) | Value (\$ Bil.) |
|-----------|---------------------|-----------------|
| LB 3 yrs | 150,000 | (\$4.3 Bil.)** |
| LB 5 yrs | 120,000 | (\$3.4 Bil.) |
| LB 7 yrs | 80,000 | (\$2.3 Bil.) |
| LB 10 yrs | 80,000 | (\$2.3 Bil.) |
| LB 15 yrs | 60,000 | (\$1.7 Bil.) |
| LB 20 yrs | 60,000 | (\$1.7 Bil.) |
| LB 30 yrs | 50,000 | (\$1.4 Bil.) |
| LB 50 yrs | 50,000 | (\$1.4 Bil.) |



The "Missing Composition" of Leader role in the Bond Market



| Instrument | Value (\$ Bil.) | Capacity (THB Mil.) | Percentage |
|-----------------------|------------------|---------------------|---------------|
| Benchmark Bond | ~650,000 | ~650,000 | (52%) |
| Savings Bond | ~100,000 | ~100,000 | (8%) |
| Amortized Bond | ~100,000 | ~100,000 | (8%) |
| Inflation-Linked Bond | ~80,000 | ~80,000 | (6%) |
| Promissory Note | ~70,000 | ~70,000 | (6%) |
| Floating Rate Bond | ~50,000 | ~50,000 | (4%) |
| Bank Loan | ~200,000 | ~200,000 | (16%) |
| Total | 1,250,000 | 1,250,000 | (100%) |

Source: ThaiBMA Government Bond Yield Curve (end of June 2016)

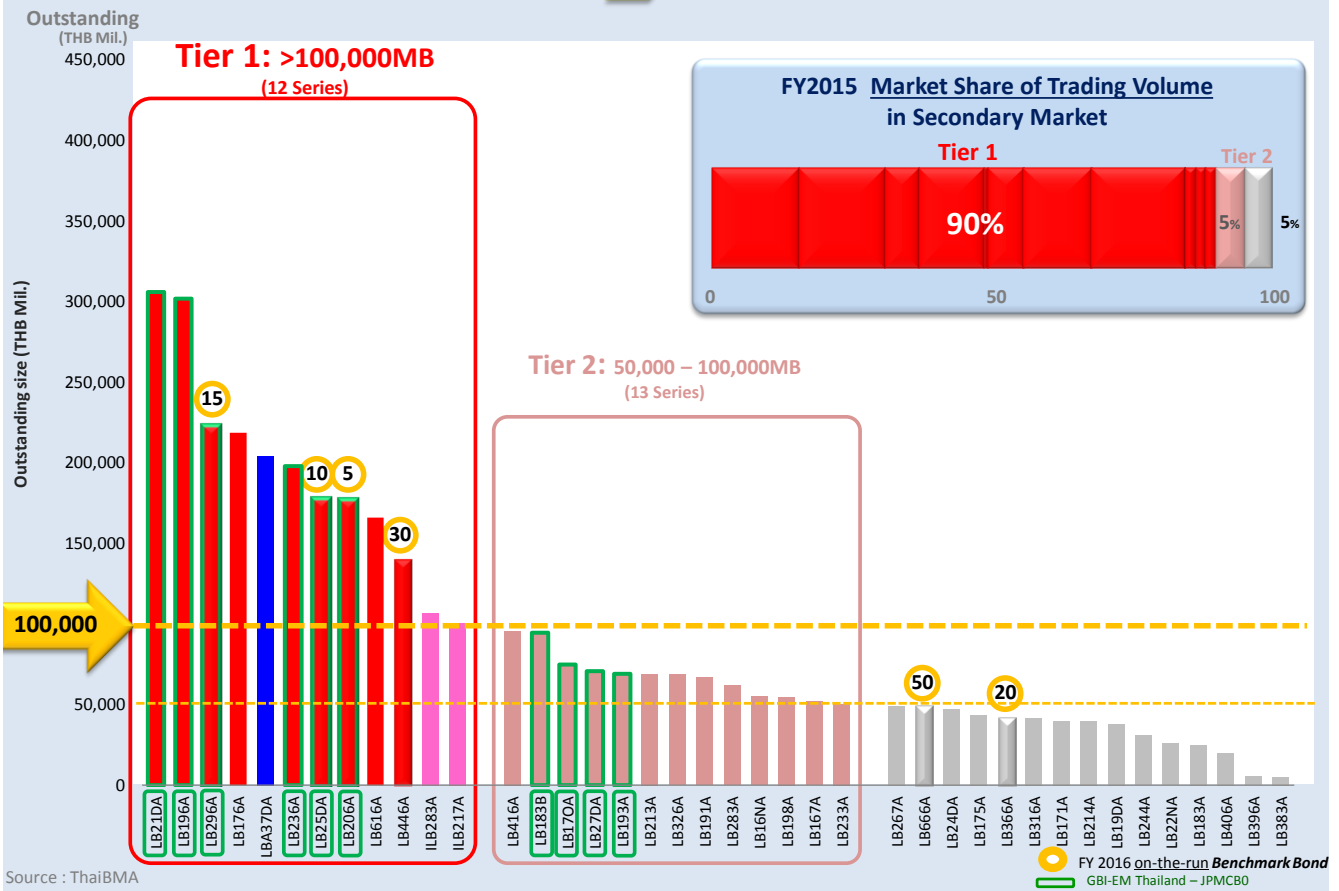
**Source: BOT Exchange rate (As of 30th June, 2016)

Total GOVT Bond = 40 Series

(End of June 2016)

Tier 1 > 100,000 THB Mil. in Size (90% of Trading Volume)

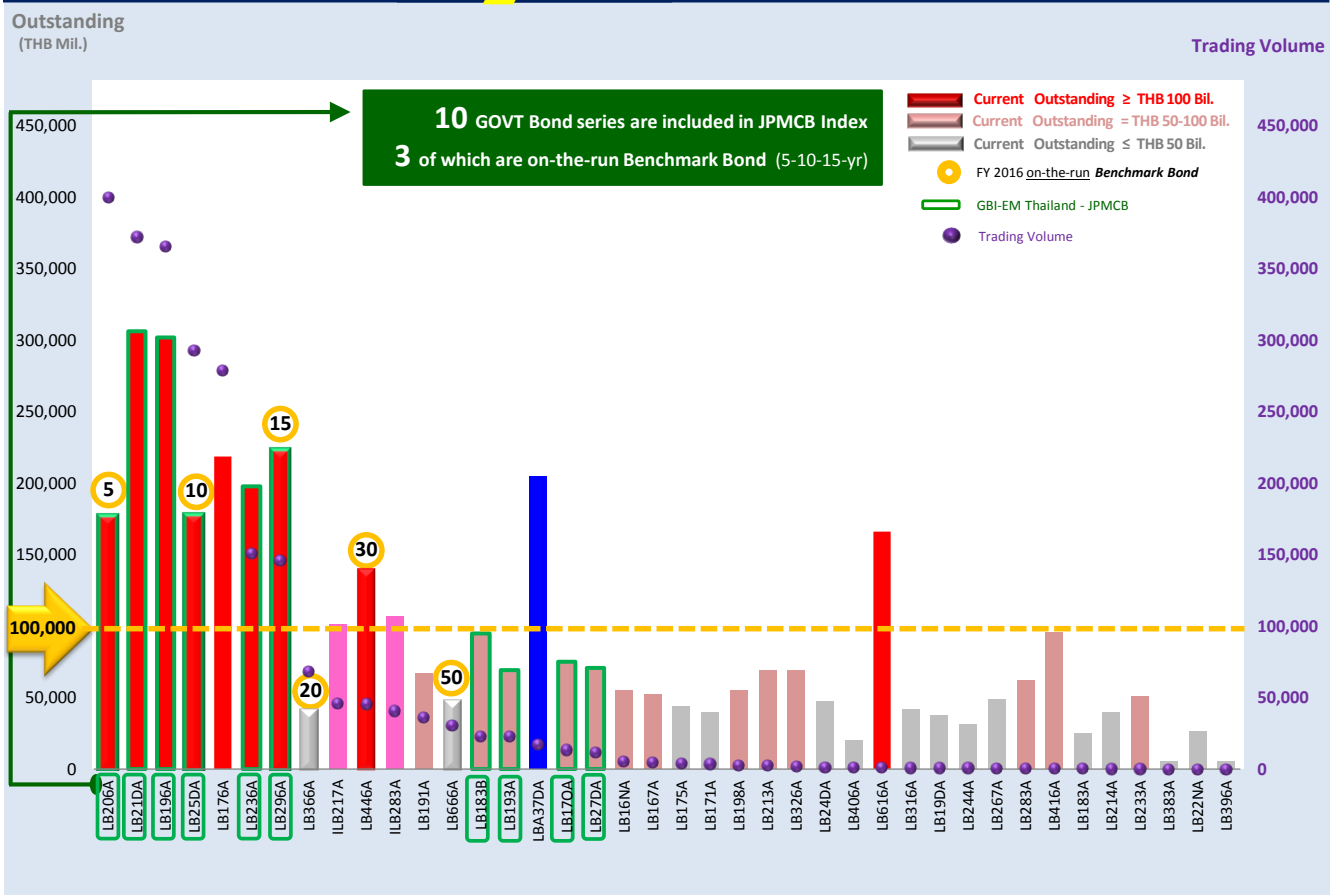
Tier 2 > 50,000 THB Mil. in Size (5% of Trading Volume)



FY2016 Secondary Trading Volume

As of June 2016

9 of 10 most Trading Volume have outstanding size over 100 bil.



Linking CGIF & BAHT BOND to the Development of Bond Market

CGIF



Inaugural
(Noble, Hong Kong)

THB 2,850 Mil.

2013 2014 2015 2016 2017 2018 2019 2020

Inside-out

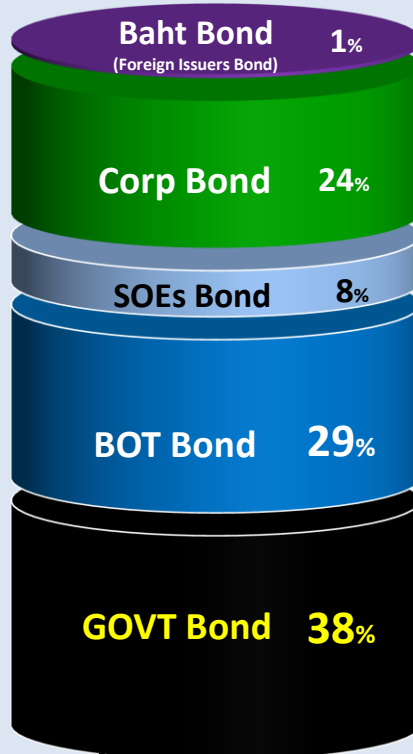
Outside-in

Natural Hedging

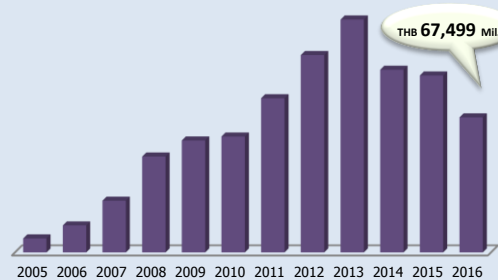
Inv't Grade

Targeted Industry

Total Outstanding 10,399,964 THB Mil.
(As of 30th June, 2016)

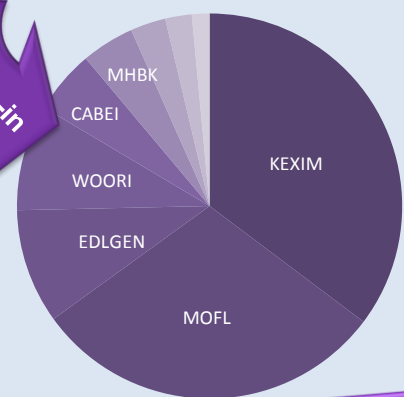


BAHT BOND



THB 67,499 Mil.

Outside-in



Why now?

→ Entering ASEAN Economic Community (AEC)

What next?

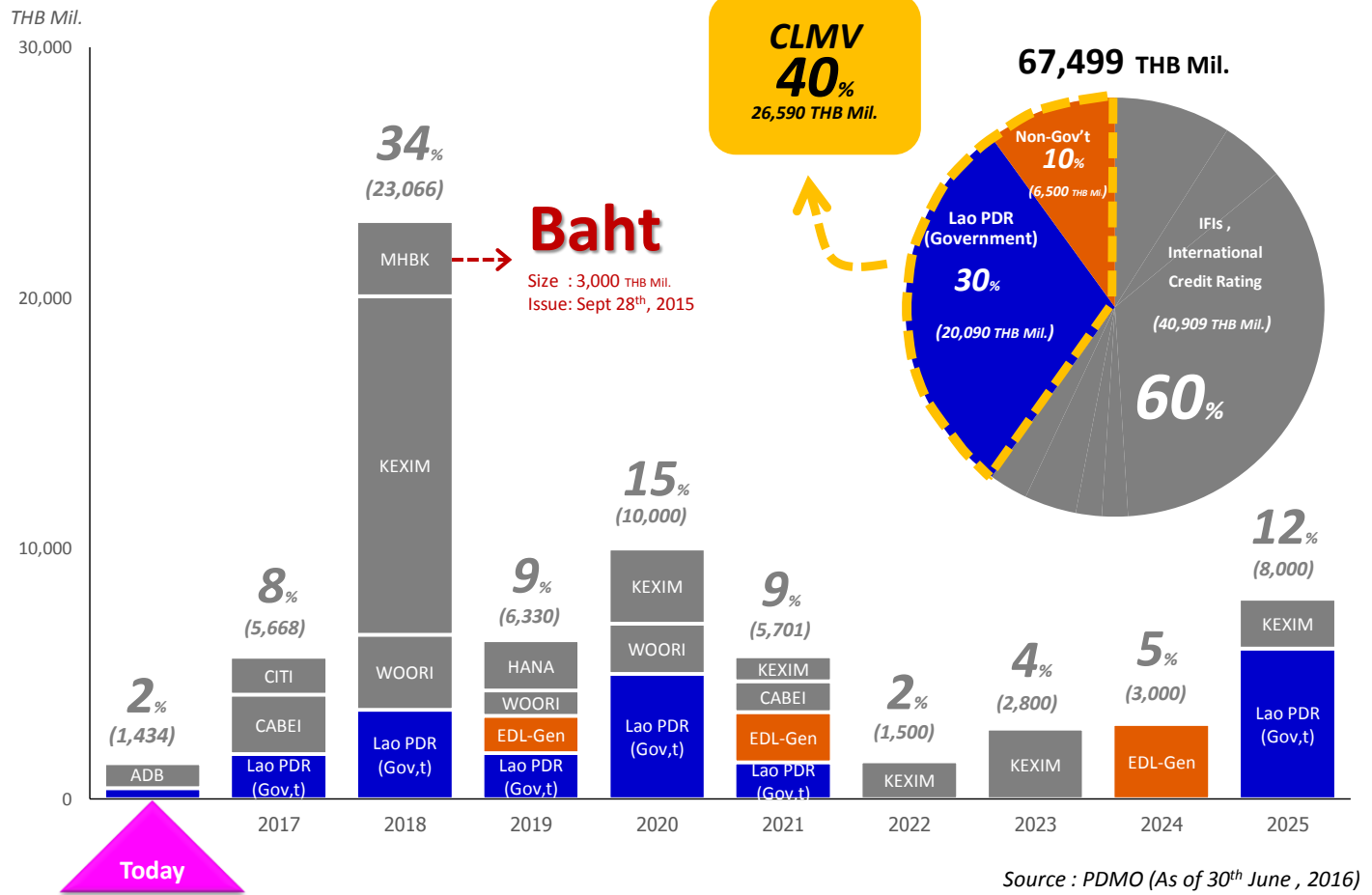
- Broadening Issuer Base : AEC
- Becoming bond market leader of the region



2016 - 2025

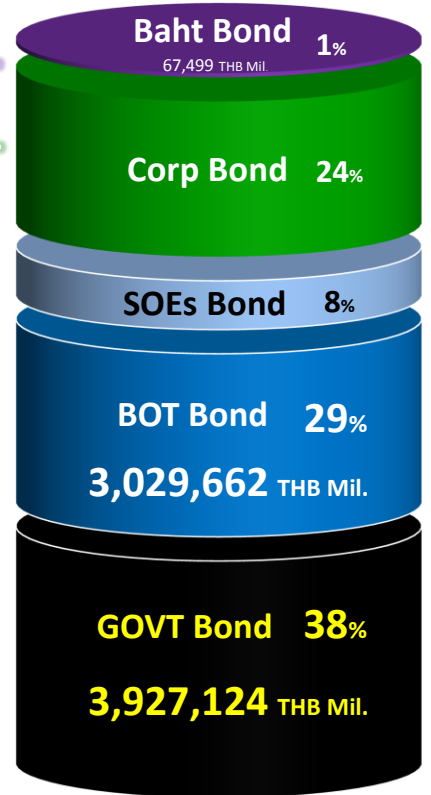
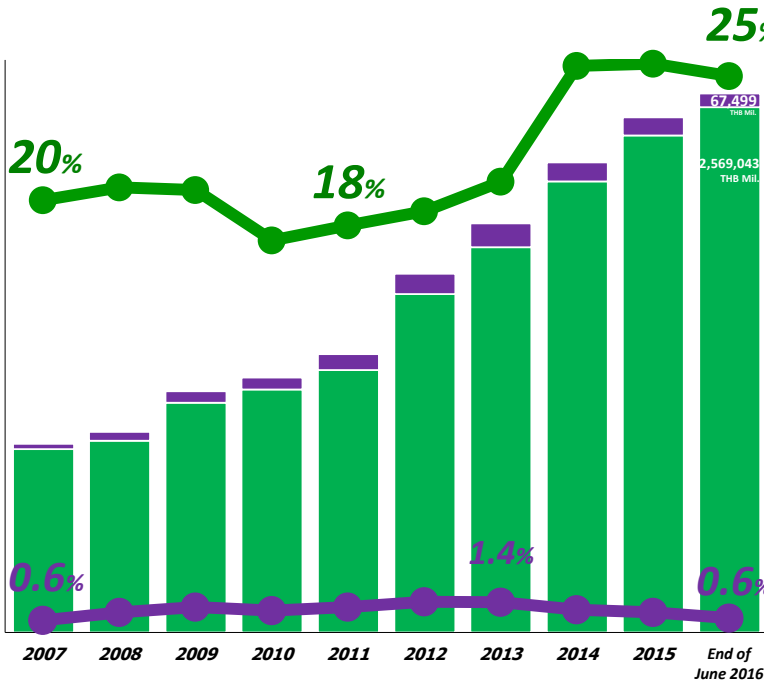
Baht Bond's Maturity Profile (Classified by Issuers)

Public Debt Management Office, Ministry of Finance



- Baht Bond Outstanding
- Corporate Bond Outstanding
- % Share of Corporate Bond Outstanding to Bond Market Capitalization
- % Share of Baht Bond Outstanding to Bond Market Capitalization

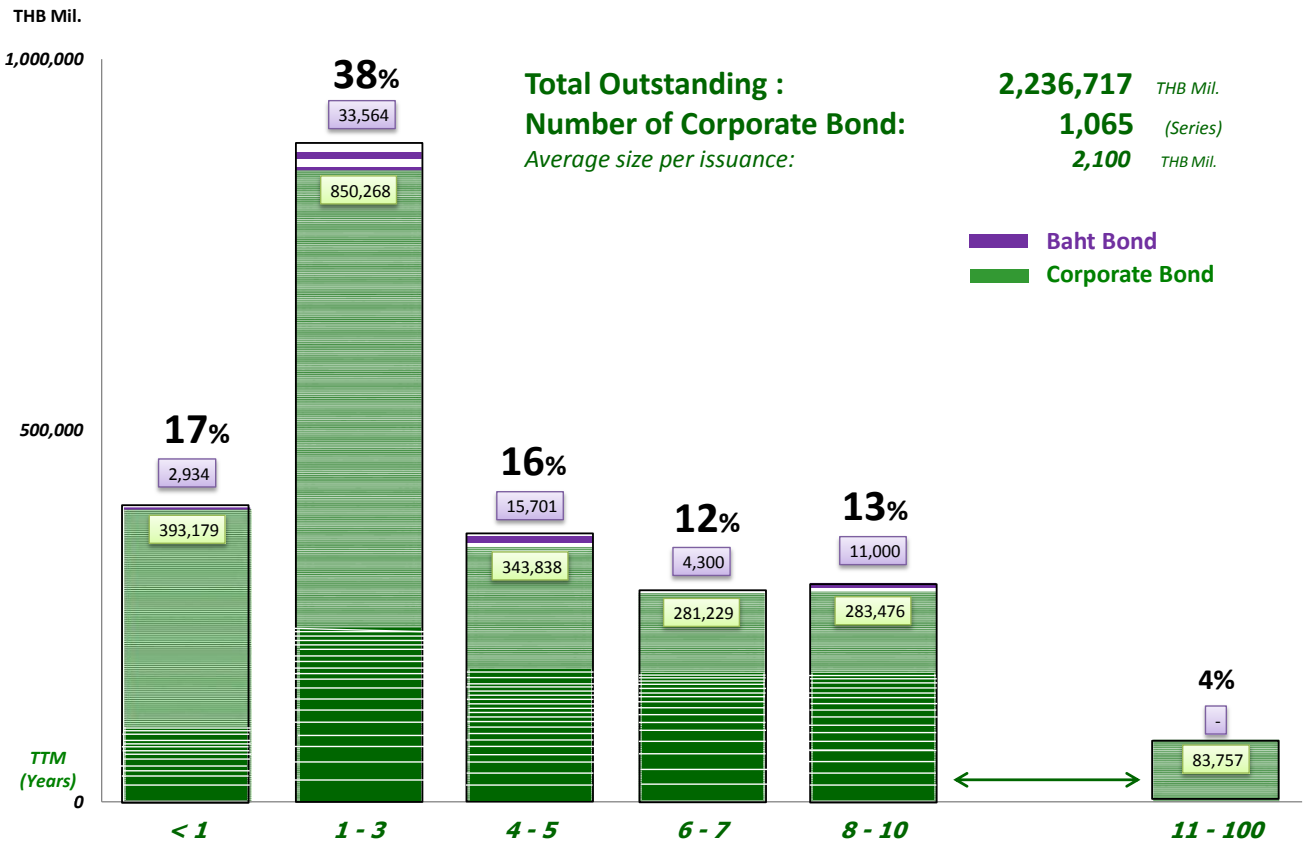
Total Outstanding 10,399,964 THB Mil.



Source : ThaiBMA (As of 30th June, 2016)

Corporate Bond & Baht Bond Outstanding (Classified by TTMs)

Average size per issuance: **2,100 THB Mil.**

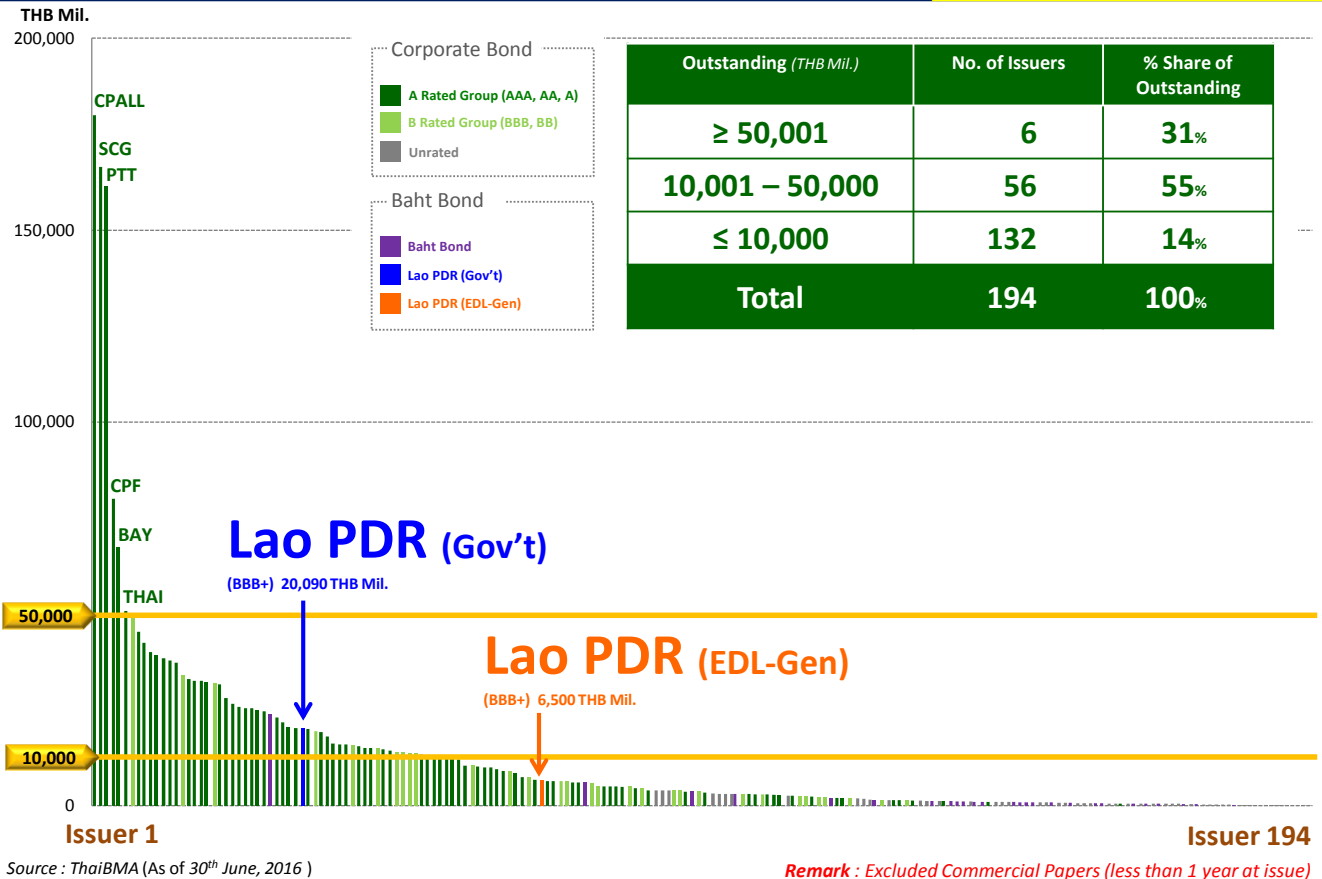


Source : ThaiBMA (As of 30th June, 2016)

Remark : Excluded Commercial Papers (less than 1 year at issue)

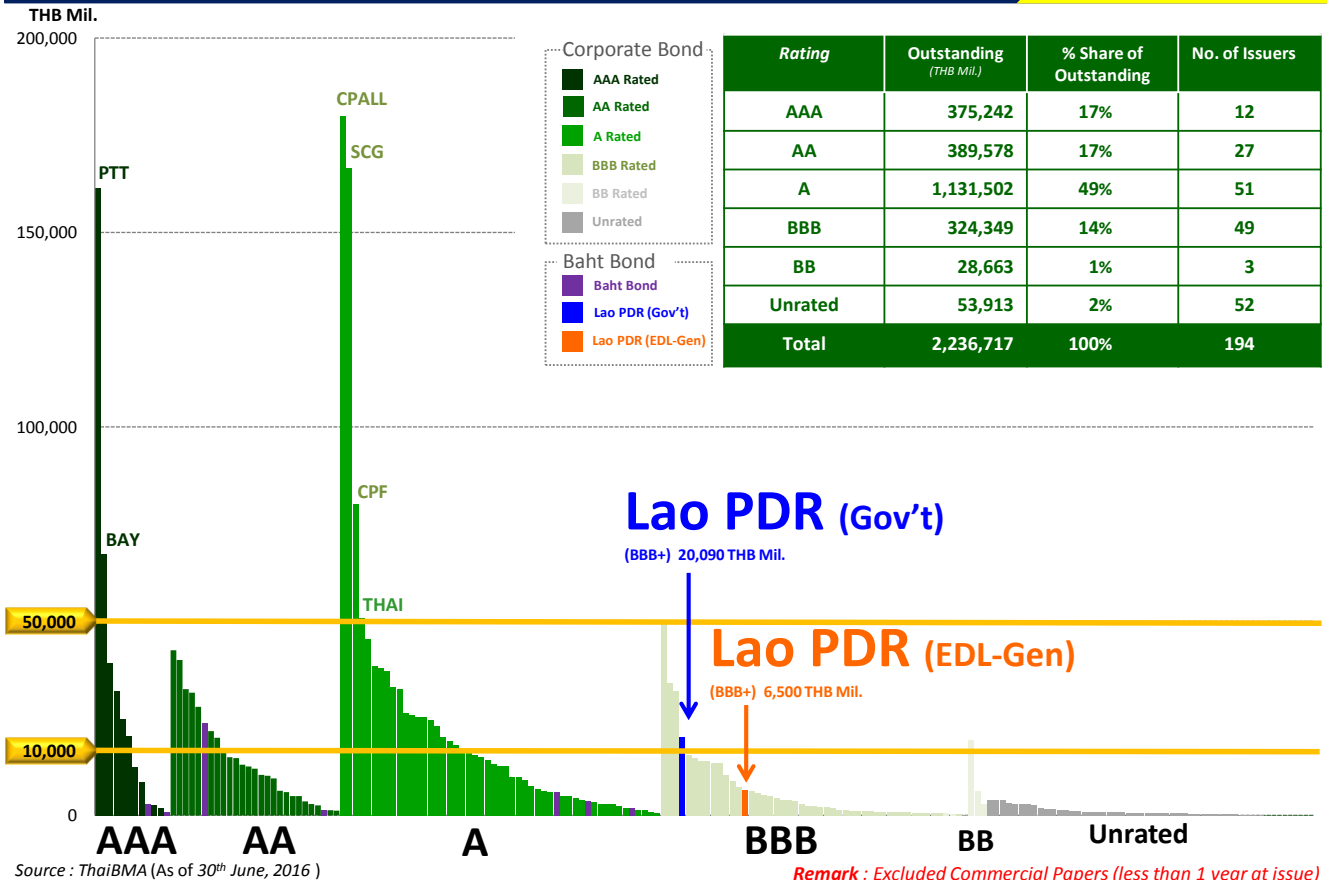
Corporate Bond & Baht Bond Outstanding (Classified by Size)

31%
are 6 Major Corporates



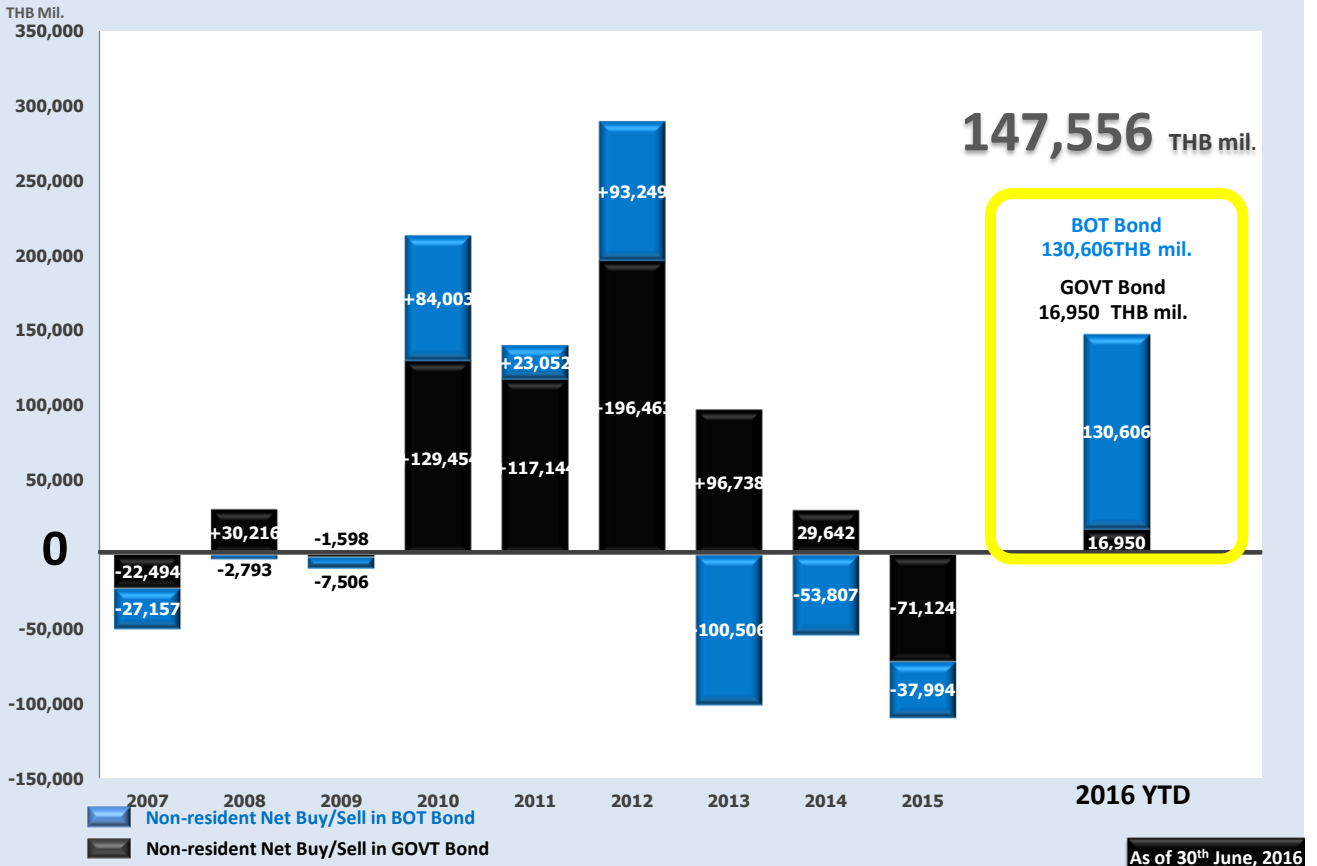
Corporate Bond & Baht Bond Outstanding (Classified by Credit Rating)

49% is A Rated



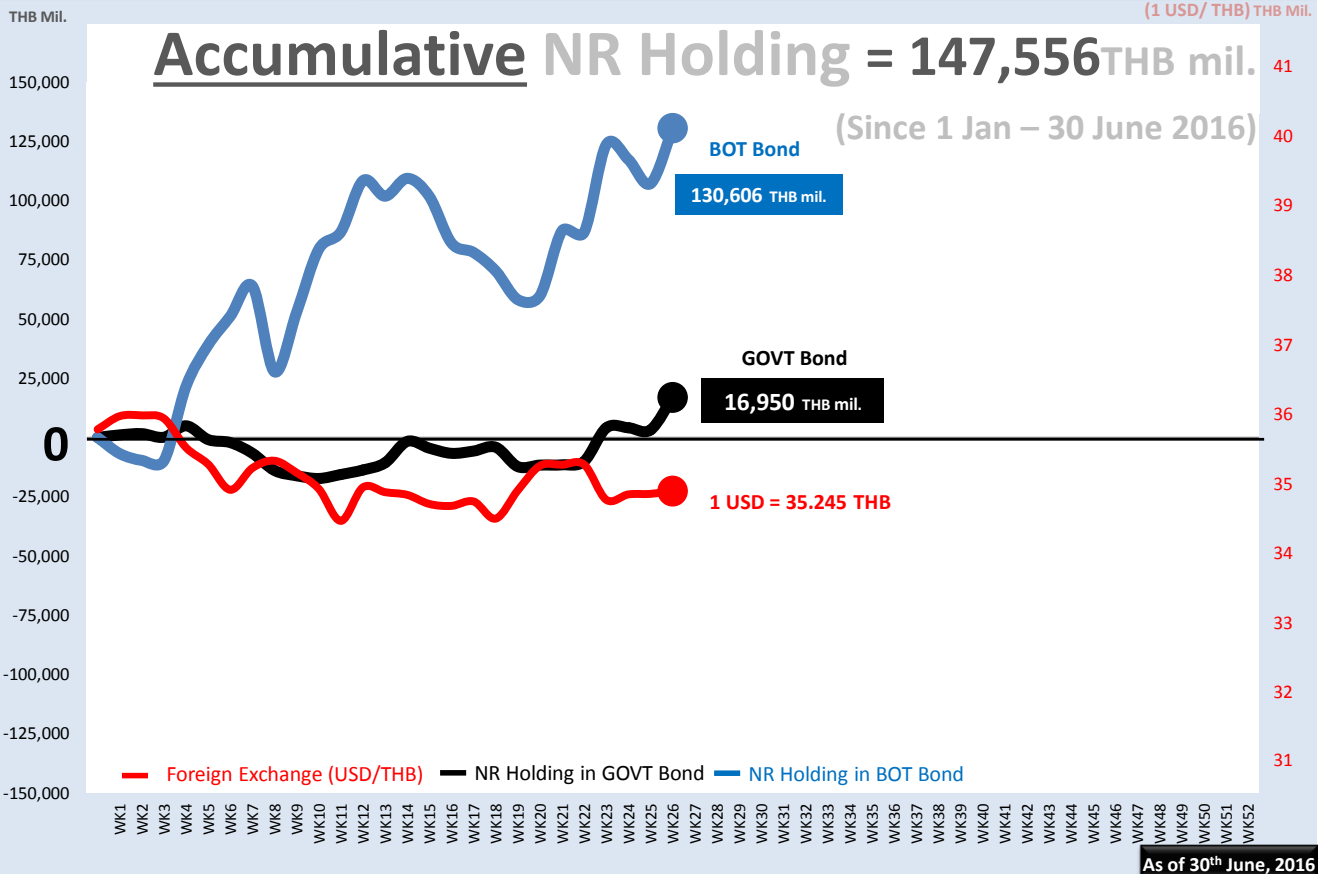
Annual Capital Flow classified by GOVT & BOT Bond (2007 – 2016)

147,556 THB mil.
(2016YTD)



2016 Weekly (The past 26 weeks)

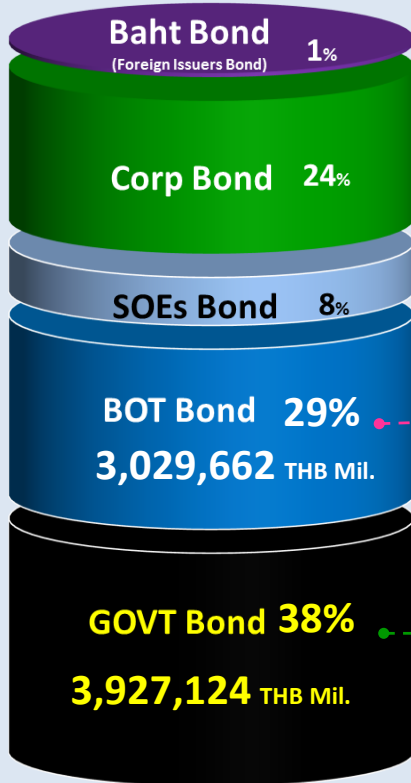
Net Change in Non-resident Holding (YTD) BOT Bond vs GOVT Bond



2016 Outstanding

Non-Resident Holding in THB Bond = **720,495 THB Mil.**

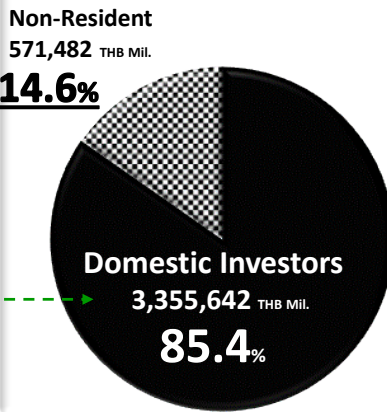
Thai Bond Market Cap. = 10,399,964 THB Mil.



| Issuer | Non-Resident Holding (THB Million) | % Share of Thai Bond Market Cap. |
|--------------|------------------------------------|----------------------------------|
| GOVT Bond | 571,482 | 5.495% |
| BOT Bond | 148,077 | 1.424% |
| SOE Bond | 71 | 0.001% |
| Corp Bond | 865 | 0.008% |
| TOTAL | 720,495 | 6.928% |

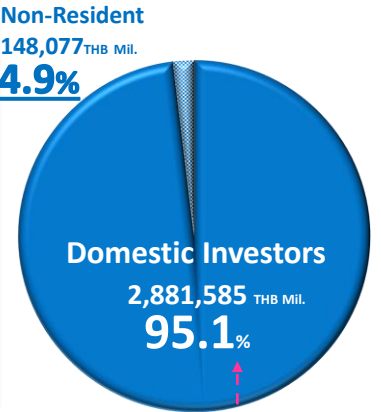
GOVT Bond Outstanding

3,927,124 THB Mil.



BOT Bond Outstanding

3,029,662 THB Mil.

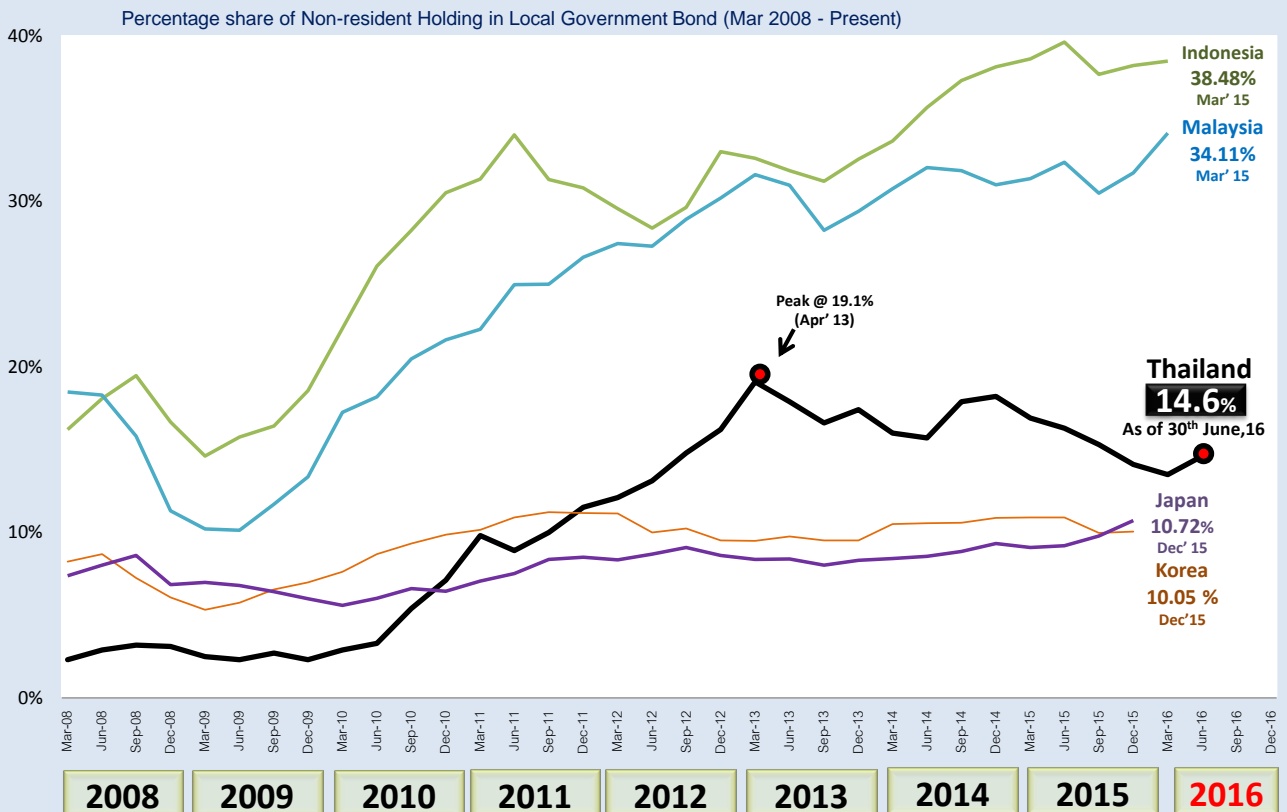


As of 30th June, 2016

Peers Comparison

Non-Resident Holding in Thai GOVT Bond is 571,482 THB mil.

or **14.6%** of Total GOVT Bond Outstanding



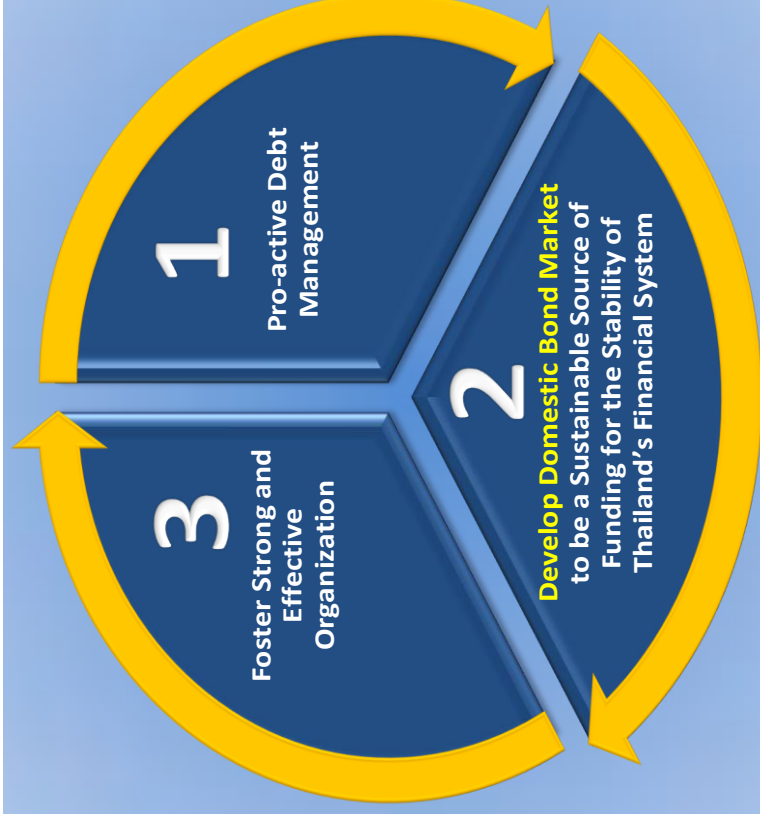
Source : AsianBondsOnline, ThaiBMA

As of 30th June, 2016

Vision
Professional in public debt management for sustainable development

Values
Transparency, Discipline, Trustworthiness, Driving Social and Economic Development

Mission
Formulate sound public debt management policies and strategies as well as conduct, monitor and evaluate public debt management operations under the relevant legal framework and guidelines



3 PDMO's Strategies



Director-General

Suwit Rojanavanich

Bond Market Advisor

Wisut Chammanee
Bond Market Advisor

Public Debt Advisor

Ace Viboolchareern
Public Debt Advisor

Internal Audit Group

Public Sector Development Group

Legal Advisory Group

Information Technology Center

Risk Management Group

Deputy Director-General
Theeraj Athanavanich

Deputy Director-General
Sirasa Kanpittaya

Debt Management Bureau 1
Ekaraj Khuankhunsathid
Executive Director

Debt Management Bureau 2
Pimpen Ladpli
Executive Director

Policy and Planning Bureau
Sunee Eksomtramate
Executive Director

Bond Market Development Bureau
Upama Jaihong
Executive Director

Public Infrastructure Project Financing Bureau
Jindarat Viriyataveekul
Executive Director

Project Management and Evaluation
Jindarat Viriyataveekul
Acting Executive Director

Payment Administration Bureau
Teeralak Sangsniit
Executive Director

Office of the Secretary
Siribha Satayanon
Secretary



Senior Expert on Bond Market Development

Nattakarn Boonsri, Senior Expert

- Front Office
- Middle Office
- Back Office
- Support Office

Fund Management and Bond Market Infrastructure Development Division
Paroche Hutachareon, Director

Economist
Phimonphan Tanwattana

Economist
Kittipoom Ounjai

International Bond Market Policy Division
Oraporn Thomya, Acting Director

Senior Economist
Sriarpa Ruangruchira

Economist
Phacharaporn Khotnarin

Financial Product Development Division
Nakarin Prompat, Acting Director

Economist
Chanikarn Chaiyasena

Government Bond Market Development Division
Nattakarn Boonsri, Director

Economist
Nantachod Samarnwong

Economist
Sittan Sathianphattanakool



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Acting Senior Expert on Bond Market Development
Director of Government Bond Market Development Division

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Director of Fund Management and Bond Market Infrastructure Development Division

Oraporn Thomya oraporn@pdmo.go.th
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Nakarin Prompat nakarin@pdmo.go.th
Acting Director of Financial Product Development Division