



สำนักงานบริหารหนี้สาธารณะ
PUBLIC DEBT MANAGEMENT OFFICE

Thai Government Bond Development

May 29th, 2023
Grand Hyatt Erawan Bangkok

Mrs. Patricia Mongkhonvanit
Director – General of Public Debt Management Office
Ministry of Finance, Kingdom of Thailand



Agenda

Item 1

The Development of Thai Government Bond Market

- Balancing Capital Market
- Developing Bond Market Infrastructure
- Deepening Domestic Bond Market
- Proactive Debt Management

Item 2

The Current Key Success of PDMO

- Bond Switching Model Development
- E-Savings Bond Wallet

Item 3

Q/A

Thai Bond Market

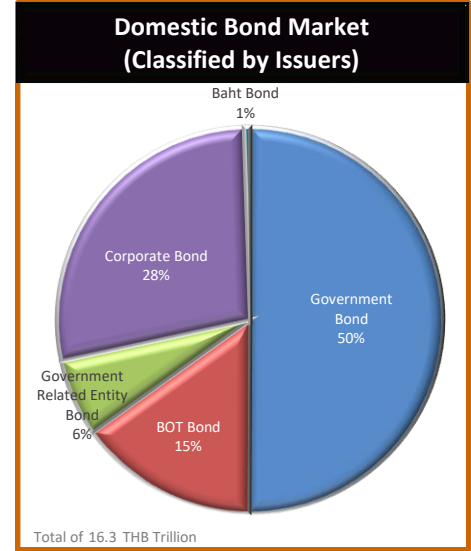
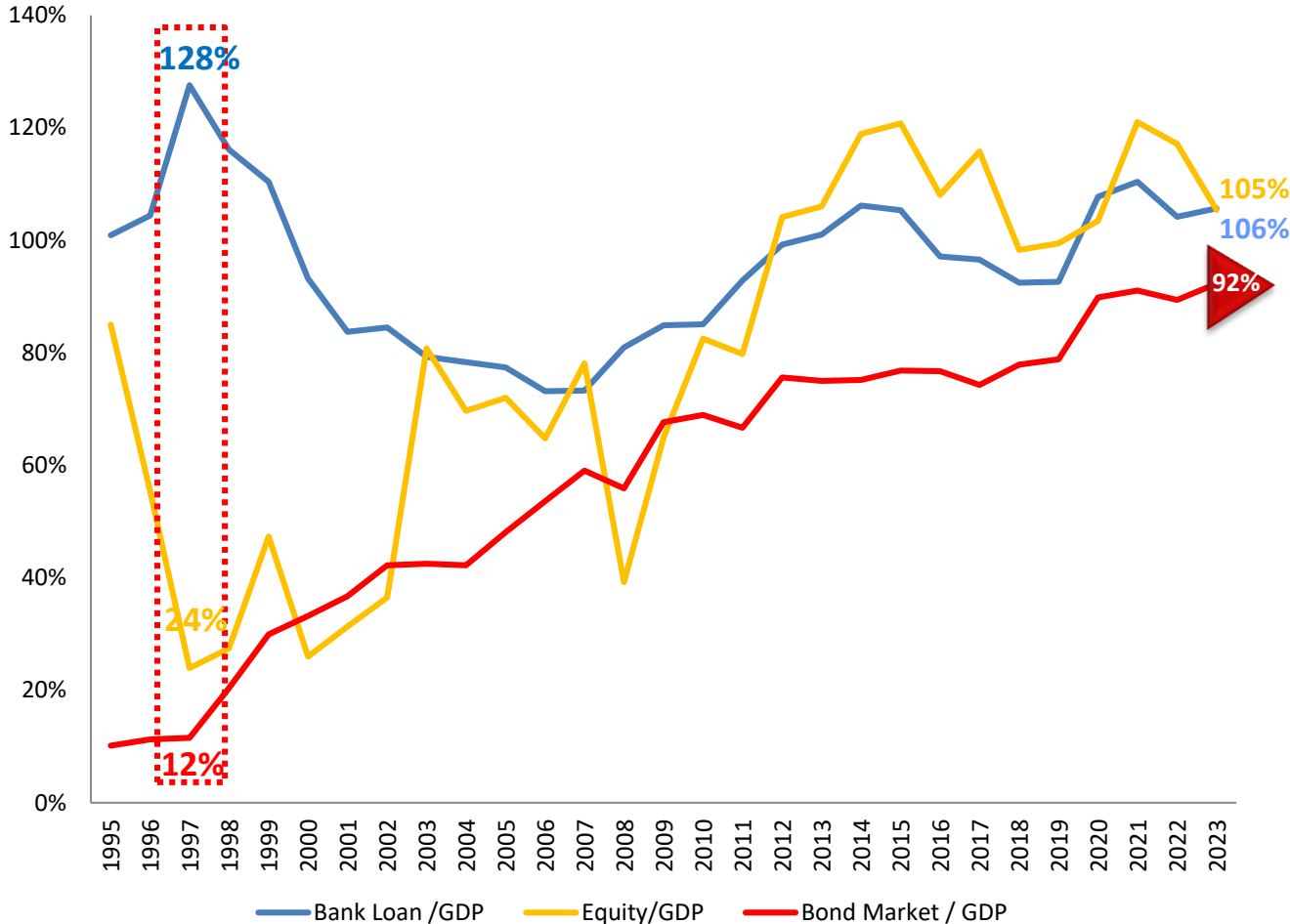
- ✓ Well-developed market to support larger fundraising
- ✓ Variety group of investors → Develop new products for market
- ✓ Variety of Govt. funding instruments to absorb all investors' demand.



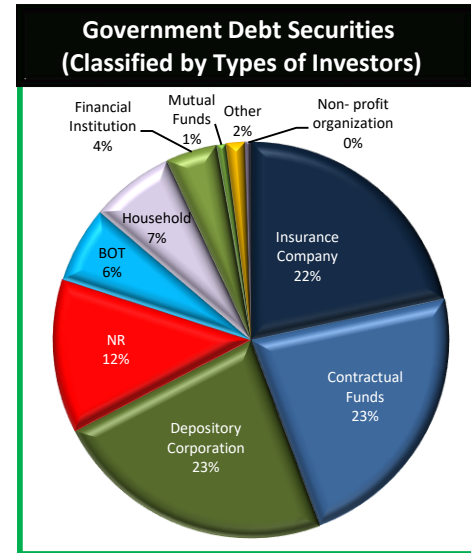
Bond Market Cap. = 16.3 THB Trillion
(\$ 468 Bil)*

GOVT Bond = 8.1 THB Trillion
(\$ 232 Bil)*

23 May 2023)



Source : ThaiBMA (23 May 2023)

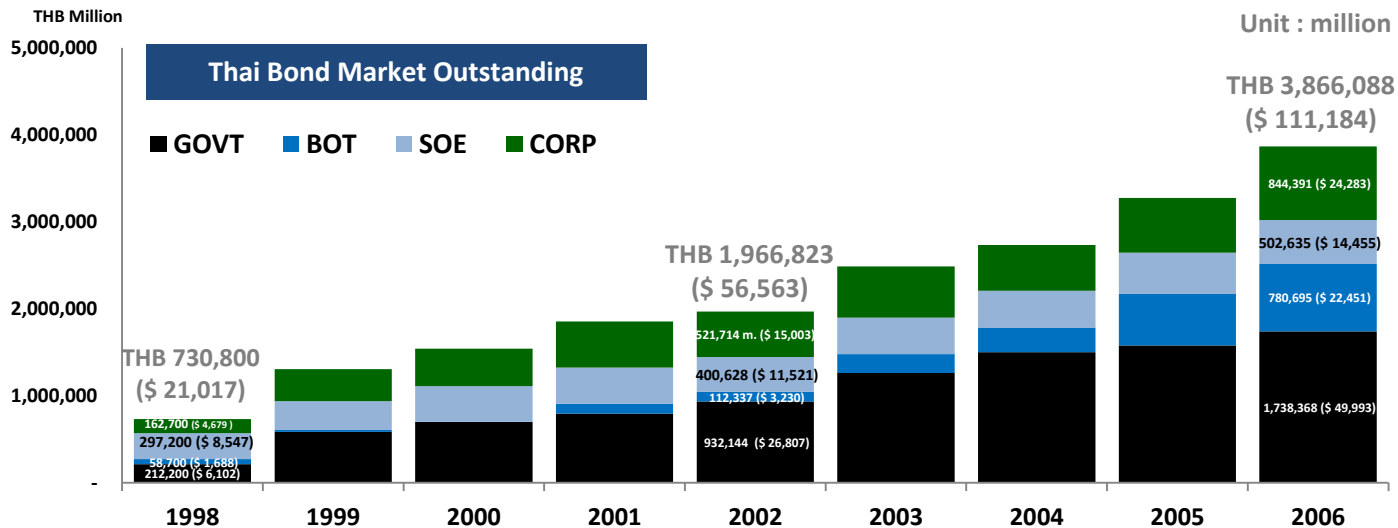


Source : BOT (End of Mar 2023)



Objective : Develop Domestic Bond Market as Government's Source of Funding

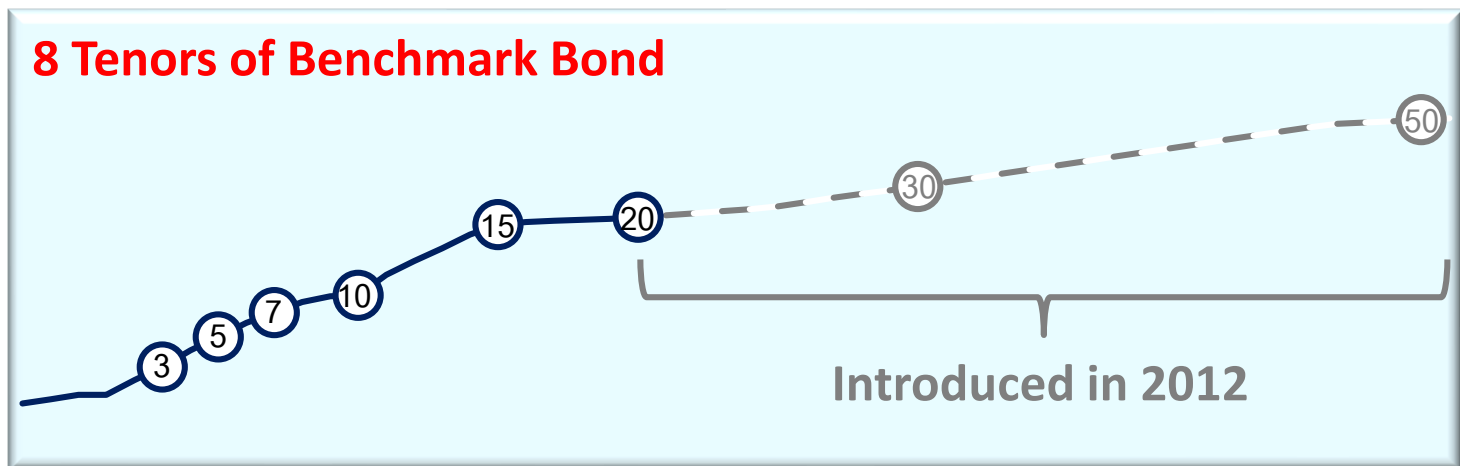
- Introduced Savings Bond to Capture Retail Investor's Demand (Main Funding Source for Economic Recovery Package)
- Bond has become the Main Funding Tool for Government
- Government dominated the Bond Market (44% of Bond Mkt Cap. In 2002)
- Rapid Growth in Domestic Bond Market Capitalization (~50% of GDP in 2006)



- Wide range of Investor base : Banks, Mutual Funds, Long Term Investors and Retail Investor

Objective : Promote Thai Bond Market as an Investment Channel

- **Government Yield Curve** : Benchmark Bond Issuance (Tenor : 3Y 5Y 10Y 15Y 20Y)
- **Predictable Bond Auction Schedule and Larger Size Benchmark Bond**
- **Promote Liquidity in Secondary Market** : Less Auction Frequency
- **PDMO Market Dialogue** : Communication with the Market Participants





Objective : Strengthen Thai Bond Market as a Sustainable Source of Fund

Demand Side

- **Broadening Investor Base** : Super Long Bond, Inflation-Linked Bond, Amortized Bond
- **Enhancing Market Liquidity** : Enlarge both Benchmark Bond Issuance and Auction Size
- **Put Thai Bond into International Perspective** : Inclusion of Benchmark Bond into International Bond Index

Market Infrastructure and Debt Management Tools

- **Upgrade MoF Primary Dealer System** : Duties and Privileges
- **Set Up PDDF** : Reduce Refinancing Risk for Super Size Benchmark Bond
- **Regional Hub for Fund Raising** : Relaxing Baht Bond Requirement



Objective : Thai Bond Market as Regional Hub, Connecting Digital economy

- Introduced Debt Portfolio Management Tool : Bond Switching
- Provide Additional Bond Supply via Greenshoe Option & Overallotment
- Supporting CLMV countries on Baht Bond Issuing
- Enhance Liquidity : by Increasing Auction Size and Reducing Auction's Frequency
- Medium-Term Debt Strategy (MTDS) : Conservative debt management with low risk profile
- First Sustainability Bond in ASEAN : Broaden Investor Base and connecting investors to green project's investment
- E-Savings Bond via PDMO Wallet : Promote financial inclusion and broaden investor base

Future
Plan

- ... Promote Benchmark Bond to PDMO Wallet: Promote low risk investment to retails



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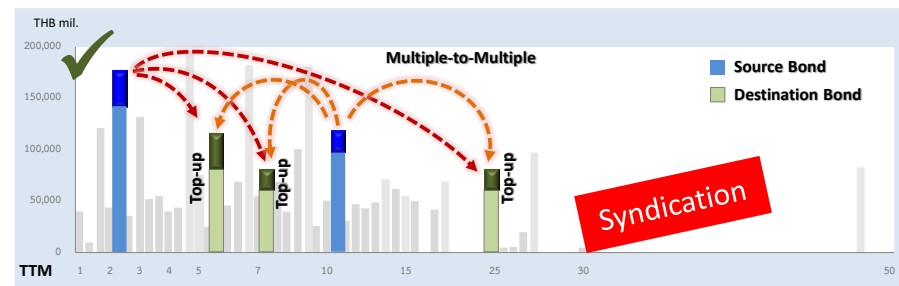
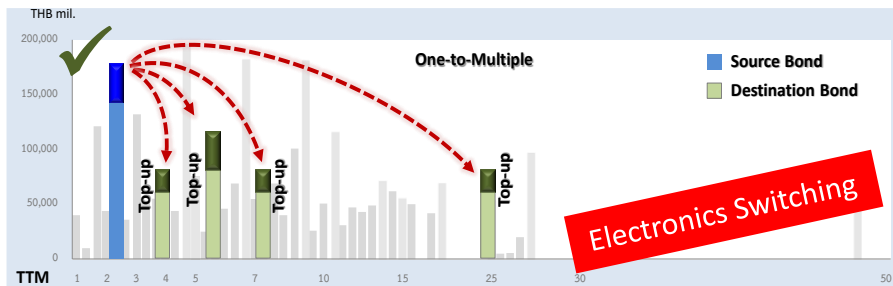
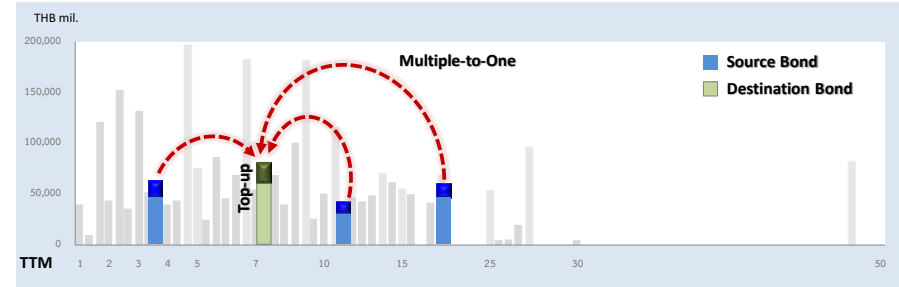
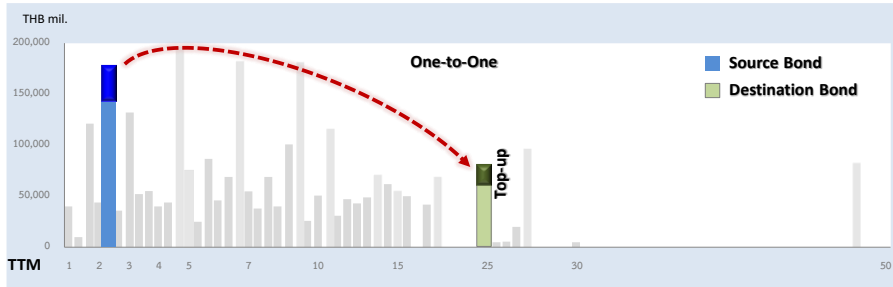
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Bond Switching Model Development

Bond Switching Models



✓ = Bond Switching Models In FY2023

Benefit of Current Bond Switching Model

Syndication (Multiple to Multiple model)

- Reduce price speculation in the market
- Great number of investor participation
- High flexibility to manage source and destination bond
- Improve debt management efficiency

E-Switching (One to Multiple model)

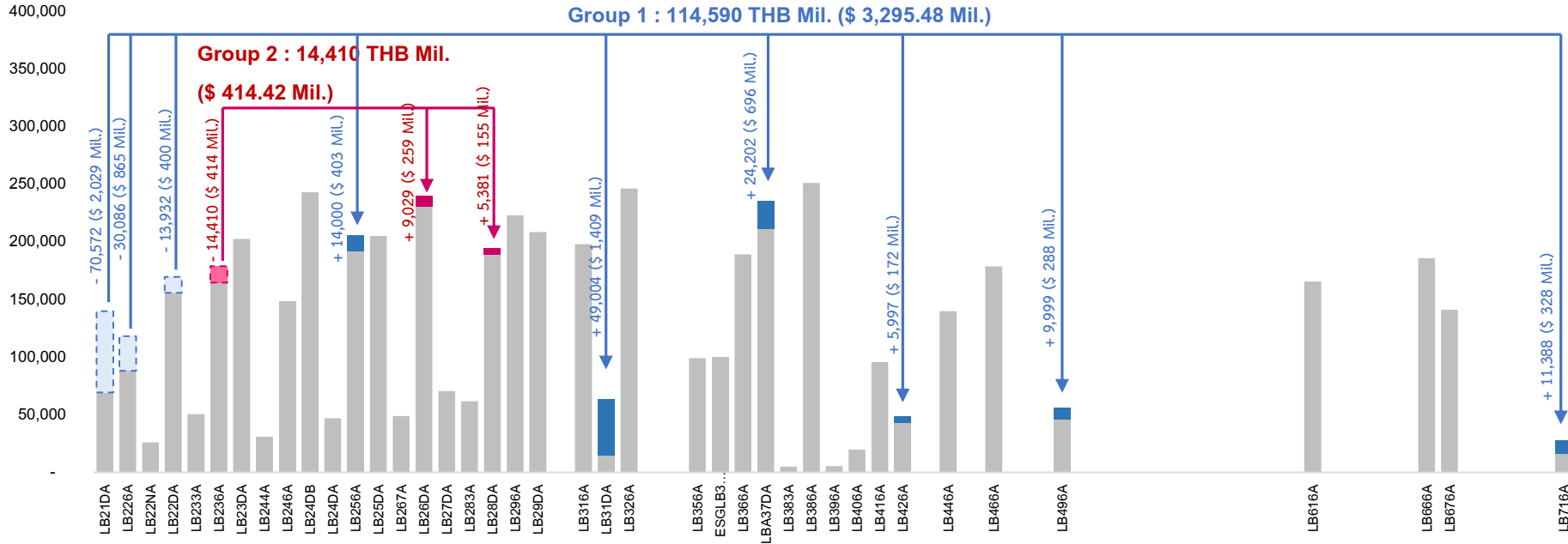
- More often to conduct debt switching
- Offer investors opportunities to adjust investment portfolio



Bond Switching Transaction in FY2021 No.2

Bond Switching Amount : 129,000 THB Mil. (\$ 3,709.90 Mil.)

Outstanding (Mil.)



Bond Switching Transaction result proceed on April 23, 2021

1. Reduce bunching debt in 1 – 3 year forward
2. Reduce debt risk and extend ATM (129,000 THB mil. to 15Y11M)
3. Increase benchmark bond liquidity 5 – 50 years
4. Reduce Average Cost from 3.06% to 2.39% annually

Group 1

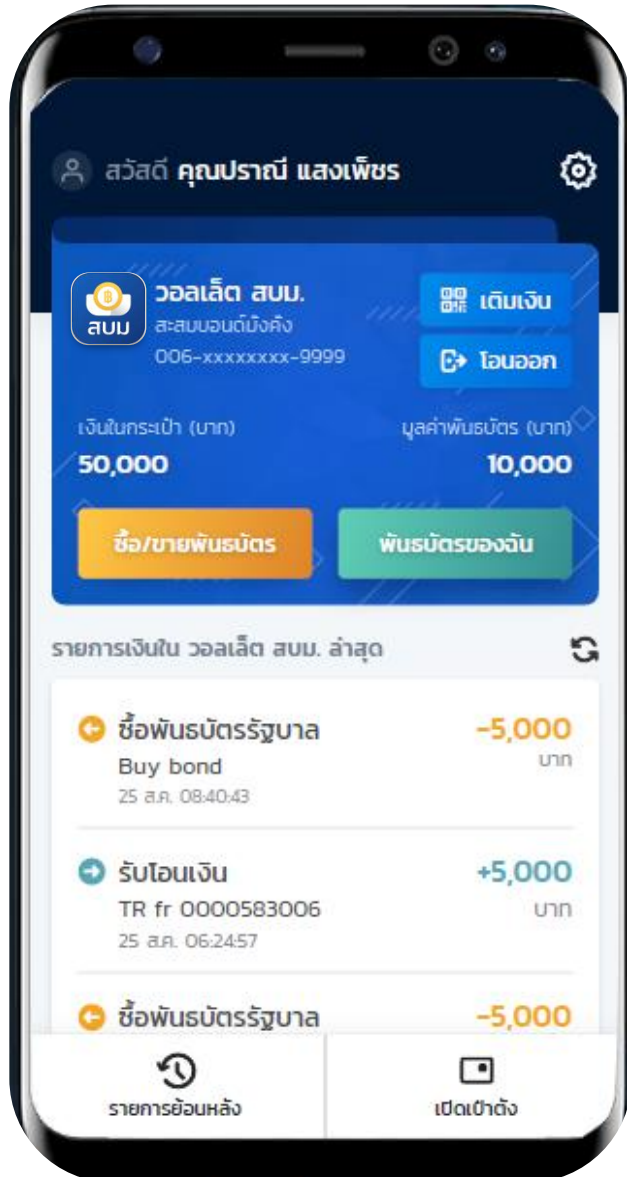
Source Bond			Destination Bond		
Symbol	TTM (Yr.)	Outstanding (MIL.)	Symbol	TTM (Yr.)	Outstanding (MIL.)
LB21DA	0.65	70,572 (\$ 2,029)	LB256A	4.10	14,000 (\$ 400)
LB226A	1.15	30,086 (\$ 865)	LB31DA*	10.60	49,004 (\$ 1,409)
LB22DA	1.65	13,932 (\$ 400)	LBA37DA	16.60	24,202 (\$ 696)
			LB426A	21.10	5,997 (\$ 172)
			LB496A	28.10	9,999 (\$ 288)
			LB716A	50.10	11,388 (\$ 328)

Group 2

Source Bond			Destination Bond		
Symbol	TTM (Yr.)	Outstanding (THB MIL.)	Symbol	TTM (Yr.)	Outstanding (THB MIL.)
LB236A	2.10	14,410 (\$ 414)	LB26DA	5.60	9,029 (\$ 260)
			LB28DA	7.60	5,381 (\$ 154)



E-Wallet Savings Bond



- ❑ Buy Savings Bond via **Digital Wallet**
- ❑ Minimize par value **from 1000 to 1 Baht**
- ❑ **Real time** deliver-versus-payment
- ❑ Get interest via **Digital Wallet**
- ❑ Promote **Young Investor & Working Age**
- ❑ Enhance **Financial Inclusion**

1st	200 MB (\$ 5.75 Mil.)	2nd	5,000 MB (\$ 143.79 Mil.)	3rd	5,000 MB (\$ 143.79 Mil.)	4th	10,000 MB (\$ 287.59 Mil.)
	99 sec		15,187 people		1 day		2 hours 45 minutes
5th	10,000 MB (\$ 287.59 Mil.)	6th	10,000 MB (\$ 287.59 Mil.)	7th	15,000 MB (\$ 431.38 Mil.)	8th	10,000 MB (\$ 287.59 Mil.)
	12 minutes		40 minutes		14,966 investors		13,208 investors

!!! Sold out nationwide !!!

Digital Savings Bond and Savings Bond Comparison

Total Outstanding size 630,350.07 THB million (\$ 18,129 Mil.)

(8.28% of total government bond outstanding size)

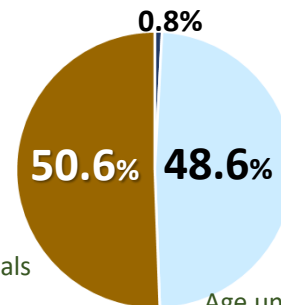
Total retail investor 171,404 individuals



- ✓ Main source of funding
- ✓ No amount limit to invest
- ✓ Minimum investment from 1,000 THB (\$ 28.7)
- ✓ Start using DLT Bond Platform since 2021

Counter / Internet and Mobile Banking
 Outstanding size: 565,150.07 THB million (\$ 16,253.91 Mil.)
 No. of Retail investor: 153,325 individuals

Non-profit organization (NPO)
 No. of investor 1,267 NPOs



Age over 60 years
 No. of investor 77,538 individuals



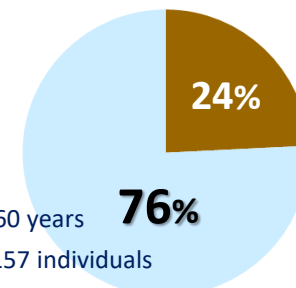
Age under 60 years
 No. of investor 74,520 individuals



- ✓ E-kyc and online registration
- ✓ Self-direct investment via Mobile
- ✓ Minimum investment from 100 THB (\$ 2.87)
- ✓ Fully digitalized both process and document
- ✓ Easily trading on 2nd Market on wallet
- ✓ Start using PDMO wallet since 2020

E-Savings Bond via PDMO wallet
 Outstanding size: 65,200 THB million (\$1,875.94 Mil.)
 No. of Retail investor: 59,175 individuals

Age over 60 years
 No. of investor 14,018 individuals



Age under 60 years
 No. of investor 45,157 individuals



วิสัยทัศน์ (VISION)

บริหารหนี้สาธารณะเชิงรุก (PROACTIVE)
เพื่อส่งเสริมการพัฒนาประเทศอย่างมั่นคง และยั่งยืน

พันธกิจ (MISSION)

บริหารหนี้สาธารณะตามกฎหมายว่าด้วยการบริหารหนี้สาธารณะ
อย่างมีประสิทธิภาพและประสิทธิผล ด้วยเทคโนโลยีดิจิทัล
และการใช้ประโยชน์จากข้อมูลเพื่อเสริมสร้างความยั่งยืนทางการคลัง
และการพัฒนาเศรษฐกิจ

ค่านิยม (VALUE)

โปร่งใส รับผิดชอบ มีเครดิต ขับเคลื่อนเศรษฐกิจและสังคม

ยุทธศาสตร์ (STRATEGIES)

1. บริหารหนี้สาธารณะให้มีต้นทุนที่เหมาะสม
ภายใต้กรอบความเสี่ยงที่กำหนด
2. พัฒนาตลาดตราสารหนี้ไทยให้เป็นศูนย์กลาง (HUB)
ตลาดตราสารหนี้ในภูมิภาคเอเชีย
3. บริหารจัดการและติดตามประเมินผลโครงการเงินกู้
ให้เป็นไปอย่างมีประสิทธิภาพ
4. พัฒนาบุคลากร ระบบบริหารจัดการ ระบบข้อมูล และเทคโนโลยี
เพื่อส่งเสริมองค์กรสู่ความเป็นเลิศ
5. พัฒนาศูนย์ข้อมูลที่ปรึกษาให้เป็นศูนย์กลางข้อมูลที่ปรึกษา
รวมทั้งส่งเสริมการพัฒนาคุณภาพของที่ปรึกษา

