



MOF NEWS

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www.mof.go.th

No. 8/2017

February 1, 2017

Thailand's inaugural SOEs Bond e-Bidding : BAAC as a Pilot project

Mr. Suwit Rojanavanich, Director General of the Public Debt Management Office, announced that the Ministry of Finance, Bank of Agriculture and Agricultural Cooperatives (BAAC) and the Bank of Thailand (BOT) will launch the SOEs electronic bidding (e-Bidding) platform as part of SOEs funding strategies 2020. The three parties have signed a Memorandum of Agreement (MOU) that will become effective as of February 14, 2017.

The Government Guaranteed Loan Bond (GGLB) of BAAC was selected as pilot project due to its market recognition and liquidity in the secondary market. Based on budgeted cashflows on debt service, the credit risks associated with GGLB are nearly identical to the government bond (Loan Bond : LB). The Ministry of Finance has endorsed the inaugural SOEs e-Bidding in February and March 2017, with the details as follows.

Table : Details of GGLB e-Bidding schedule in the second quarter of FY2017

	Re-open GGLB197A	Re-open GGLB21NA
Amount (million baht)	Not exceeding 5,000	Not exceeding 5,000
Time to Maturity	2 years 5 months	4 years 8 months
Bidding Date	Monday, 20 th February 2017	Monday, 20 th March 2017
Payment Date (T+2)	Wednesday, 22 nd February 2017	Wednesday, 22 nd March 2017
Repayment Date	27 July 2019	26 November 2021
Guarantor	Ministry of Finance (MOF standard Guarantee Agreement)	
Principle and Interest	Government	
Financing Agent		

PDMO plans to maintain regular issuance of GGLB throughout the year, where auction results and system performance will be closely monitored. Since GGLB and LB have similar tenors as BOT's Bond, PDMO and BOT have agreed to ensure no competing issuances at any one time. Furthermore, PDMO will co-operate with ThaiBMA and MOF Outright PDs to encourage investors to participate in the primary market and to ensure liquidity in the secondary market. While PDs will assist in investor communication on features of GGLB, ThaiBMA will further develop SOE Spread Matrix, which will set benchmark for other SOEs borrowings. Given such, we would appreciate your value feedback and suggestions.

Quarterly GGLB issuance schedule along with SOEs borrowing schedule will be posted on the PDMO's website at least 1 week prior to the relevant quarter. PDMO would like to thank you in advance for your participation. For any queries please contact 02-265-8050 ext. 5719.

Public Debt Management Office

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