



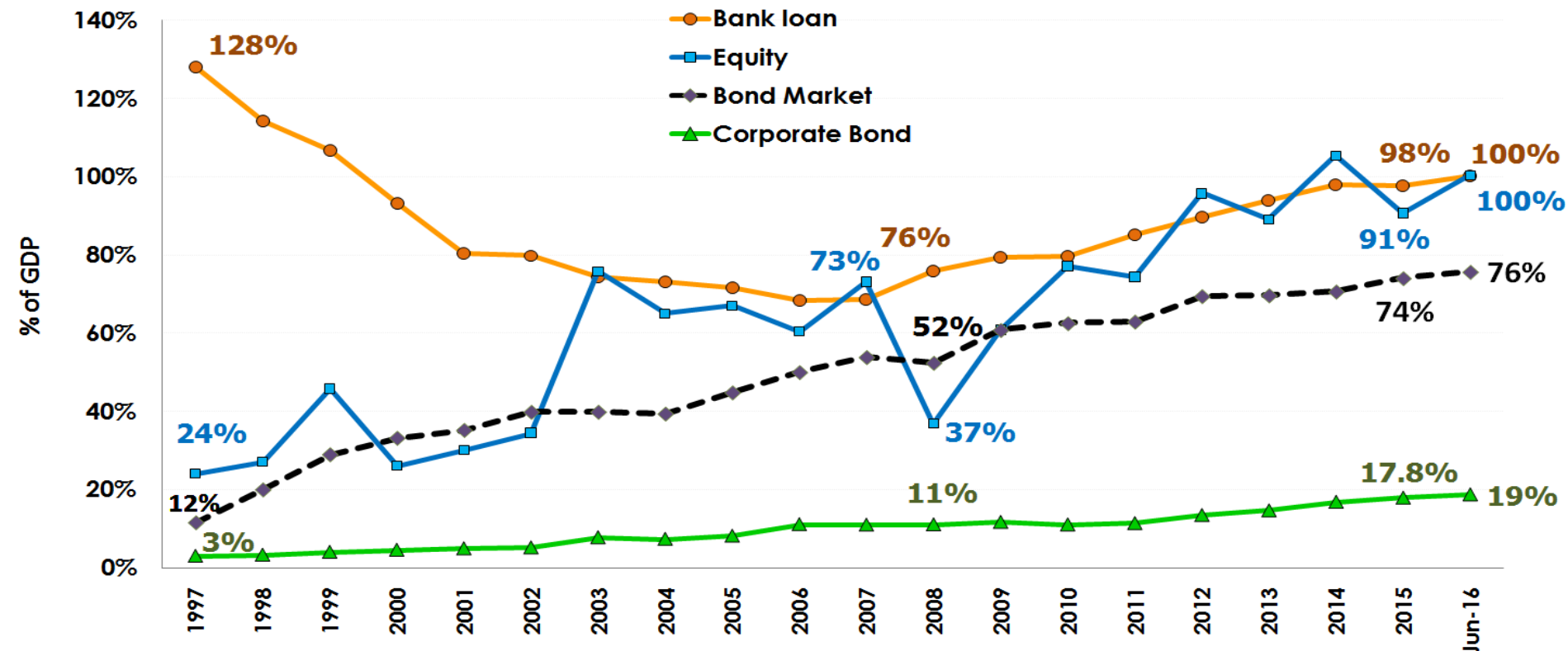
ThaiBMA

สมาคมตลาดตราสารหนี้ไทย

“The 3rd ASEAN Fixed Income Summit (AFIS): Challenge of Investment Management in Low Rate Environment”

19 Sep 2016

Outstanding of Thailand's Financial Market (% of GDP)

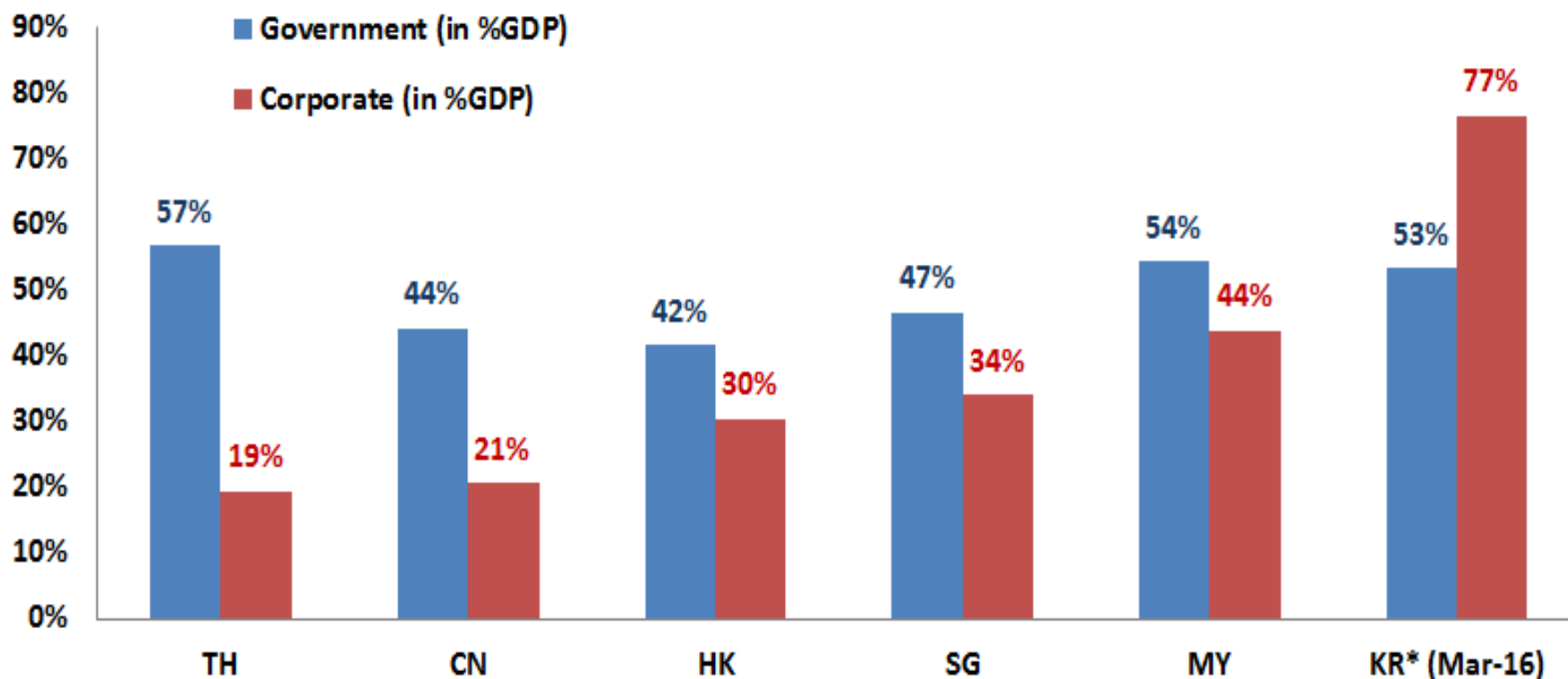


- ❑ After the 1997 financial crisis, Thai Bond Market has significantly grown from 12% of GDP to 76% of GDP as of June 2016.
- ❑ The growth of Thai Bond Market creates more balance among 3 main financial pillars (bank loan, equity and bond market).

Size of Local Bond Market (in % of GDP)

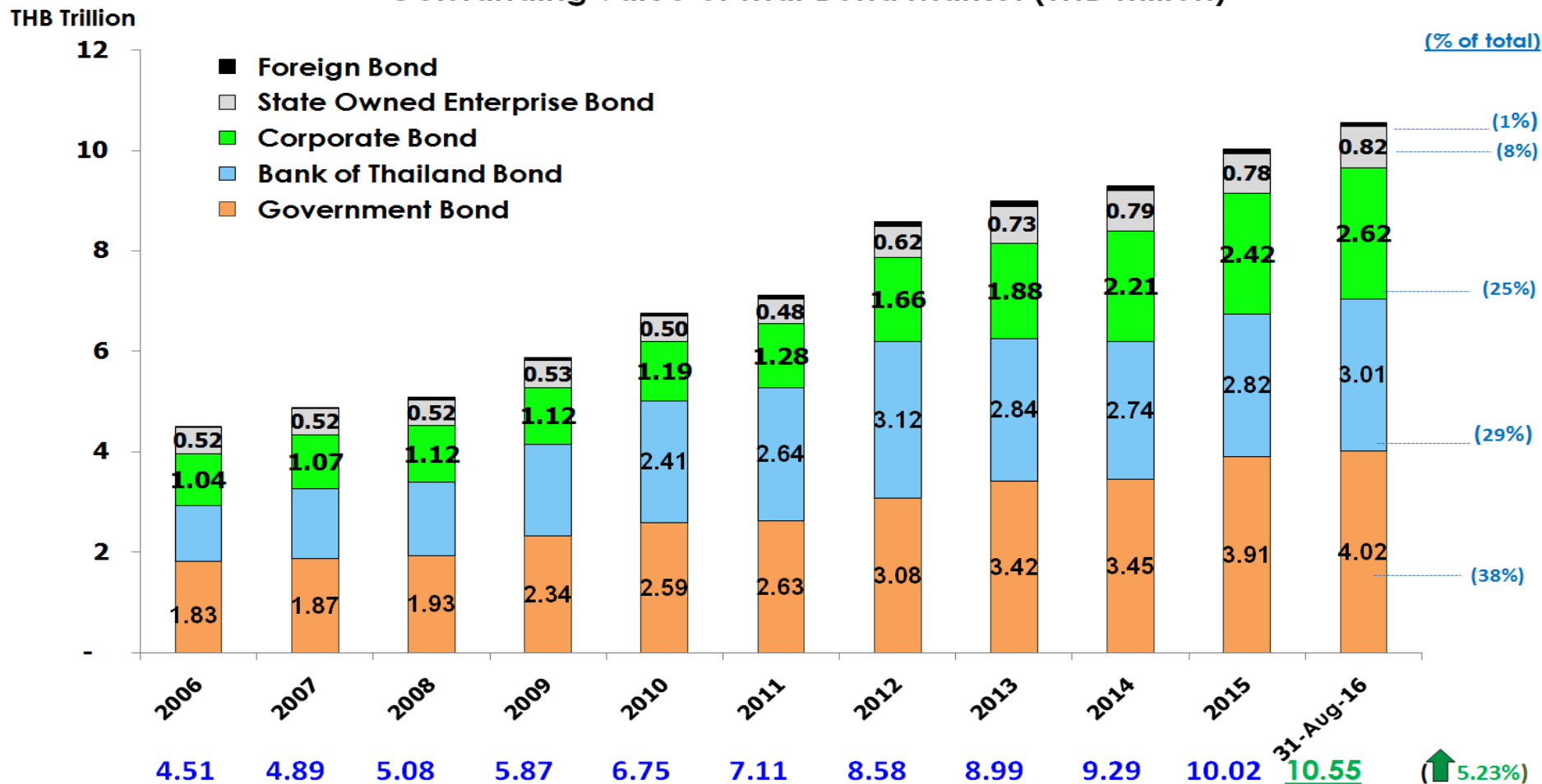
**Size of Bond Market
as of June 2016**

in % of GDP

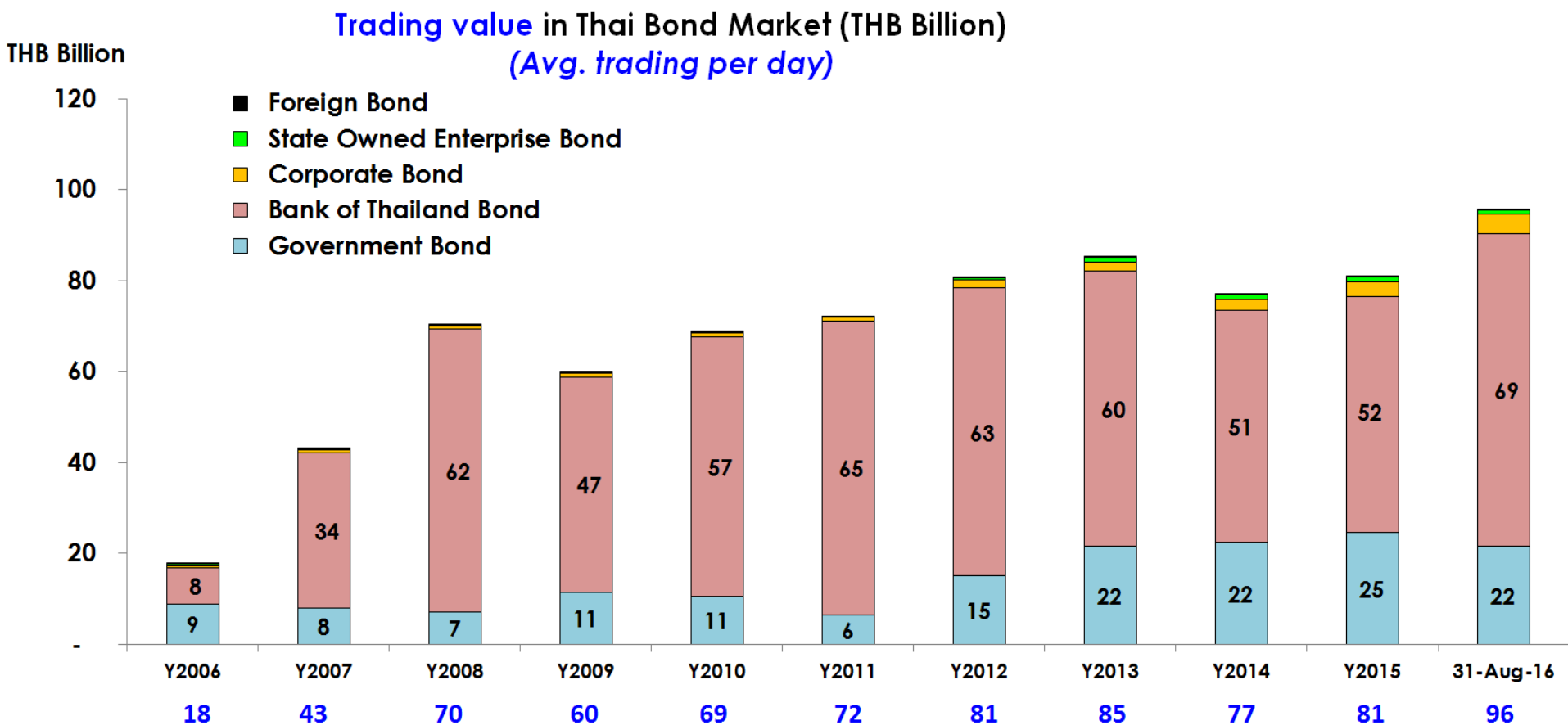


□ Thai Corporate Bond market stood at 19% of GDP, smallest in comparison to other countries.

Outstanding value of Thai Bond Market (THB Trillion)



□ As of Aug 2016, the outstanding value of Thai bond market totaled THB 10.55 trillion, increased by 5.23% from last year.



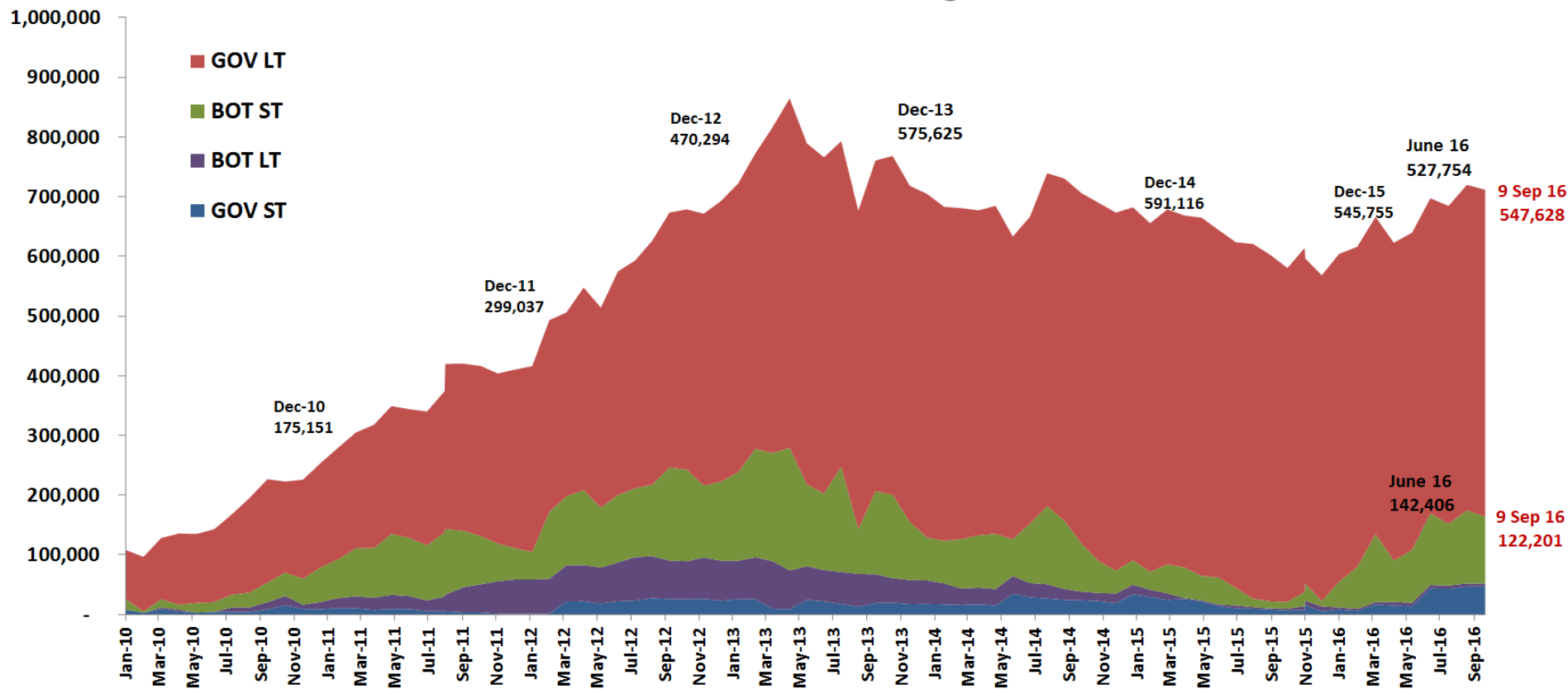
□ As of Aug 2016, the average trading value of Thai bond market increased about 18.28% from last year, equivalent to THB 95,664 million per day.

THB Million

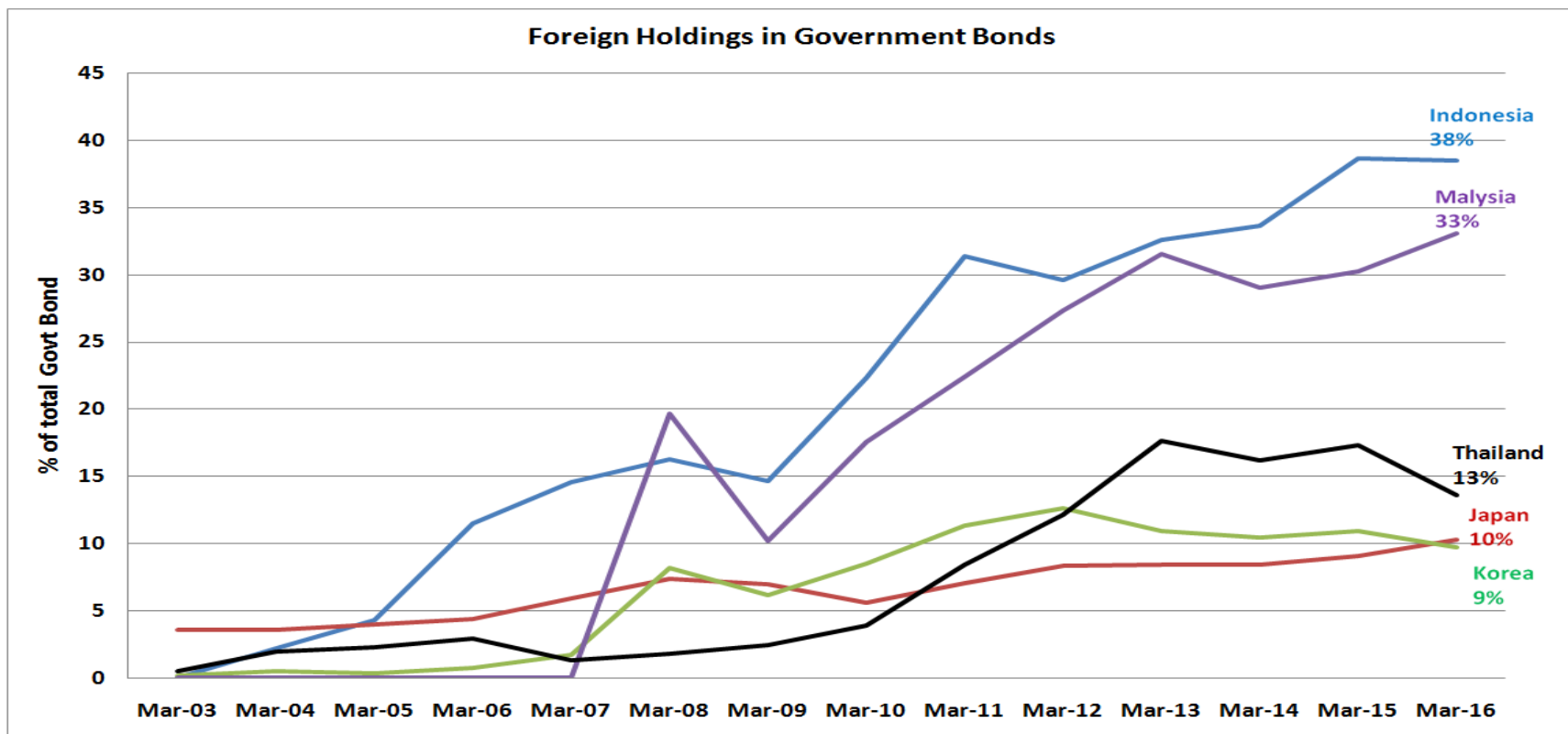
Period	Net Flow				
	<=1Y Bond			>1Y Bond	All
	Net Trading	Expired	Net Flow		
End of 2015	3,029	-81,977	-78,948	-31,182	-110,130
Jan-16	37,845	-6,484	31,361	2,703	34,064
Feb-16	40,216	-15,598	24,618	-13,402	11,217
Mar-16	106,676	-52,637	54,038	-5,785	48,254
Quarter 1	184,737	-74,719	110,018	-16,483	93,535
Apr-16	-7,969	-38,890	-46,859	3,849	-43,010
May-16	26,535	-9,583	16,952	489	17,441
Jun-16	76,242	-57,053	19,189	37,111	56,300
Quarter 2	94,808	-105,525	-10,718	41,449	30,731
Jul-16	6,226	-24,008	-17,783	4,493	-13,290
Aug-16	44,995	-21,315	23,680	17,440	41,120
9/9/2016	-8,374	-13,593	-21,967	5,882	-16,085
Year to date	322,391	-239,161	83,230	52,780	136,010

- ❑ YTD, fund flow from non-resident investors totaled THB 136,010 million, which is more than outflow of the last year.
- ❑ 61% of the inflows invested in short-term bonds (THB 83,230 million), while the remaining (THB 52,780 million) invested in long-term bonds.

Non-resident Bond Holding Value

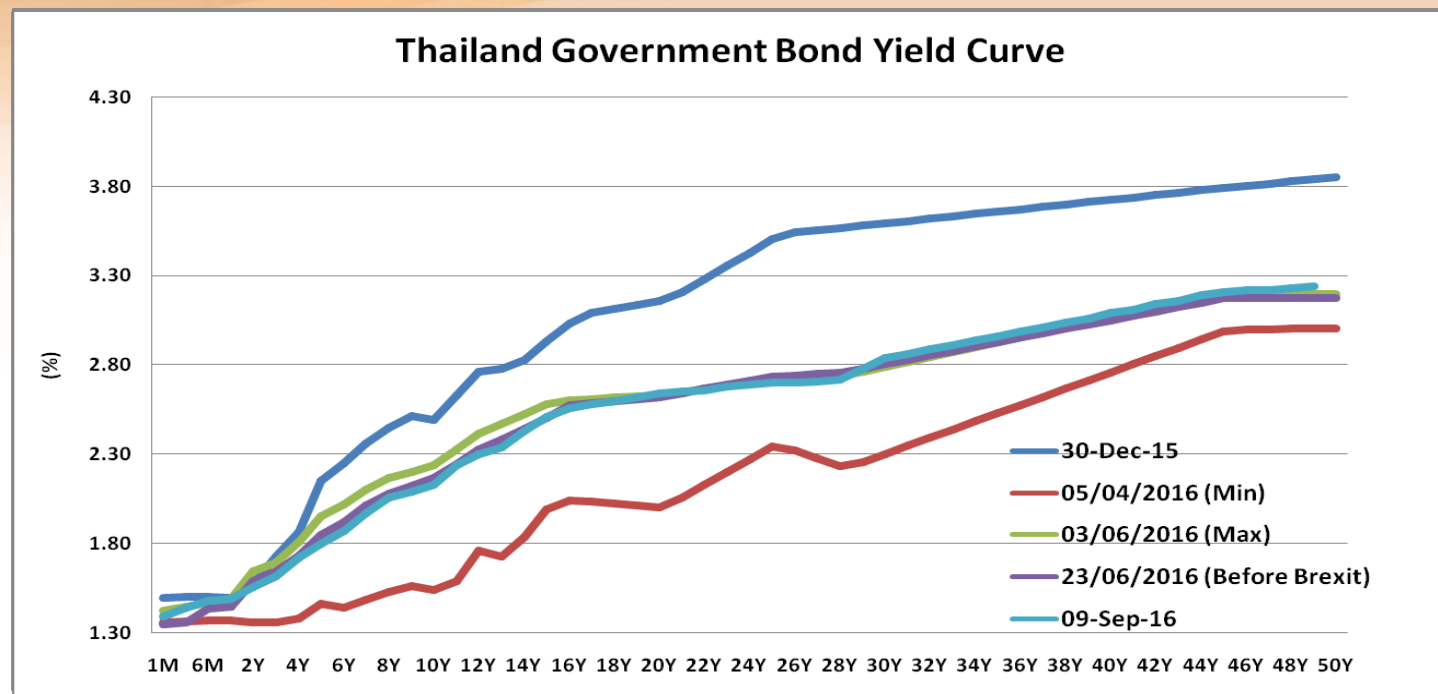


- ❑ As of 9 Sep, NR holding totaled THB 703,176 million.
- ❑ 78% of NR bond holding was long-term government bonds, accountable for only 14% of the total outstanding government bond.
- ❑ 17% of NR bond holding was short-term BOT bonds, accountable for only 6% of total outstanding central bank bill.



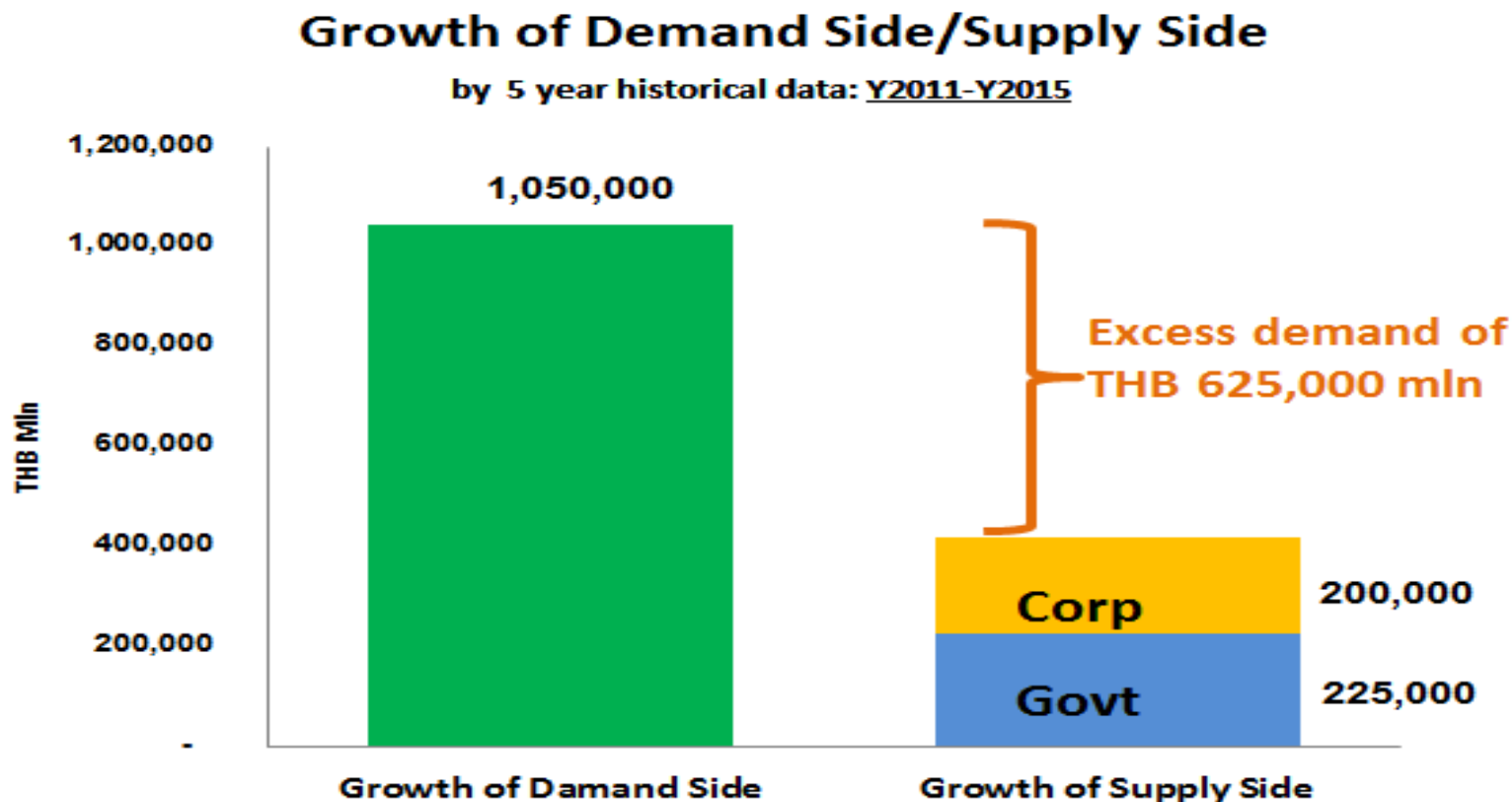
- Government bond holding of NR in Thailand has lower proportion relative to other countries, only 13% to total government bond outstanding.

Government Bonds include treasury bills and government bonds



Government Bond Yield

Term	1M	6M	1Y	2Y	5Y	10Y	15Y	30Y
30 Dec 2015	1.50	1.50	1.50	1.58	2.16	2.51	2.94	3.59
5 April 2016 (Min)	1.35	1.37	1.37	1.36	1.47	1.54	1.99	2.32
3 June 2016 (Max)	1.42	1.47	1.49	1.65	1.96	2.24	2.58	2.79
23 June 2016 (Bf Brexit)	1.35	1.44	1.45	1.59	1.85	2.17	2.50	2.80
9 Sep 2016	1.39	1.48	1.49	1.62	1.80	2.13	2.51	2.84
YTD (bps)	11↓	2↓	1↓	26↓	36↓	38↓	43↓	75↓



- Currently, Thai bond market has demand over supply totaling THB 625 billion.

Currently, Thai Bond Market has a strong DEMAND from local investor

considering bonds
investment only

have an opportunity for
a shift to bond
investment

Avg. growth per year (THB Mln) (during past 5 years: 2011-2015)	
1. Fixed Income Fund	246,744
2. Insurance Companies	198,715
3. Government Pension Fund (GPF)	41,026
4. Social Security Fund (SSF)	86,181
5. Provident Fund (PVF)	39,505
6. Retirement Mutual Fund (RMF)	5,012
Total	370,439
7. Household's Deposit	372,644
8. Saving Cooperative's Investment and Deposit	15,436
9. Non-profit Organization's Deposit	38,113
Total	53,549

Factors impacting
investment for a shift
from bank deposit to
other investment
channels

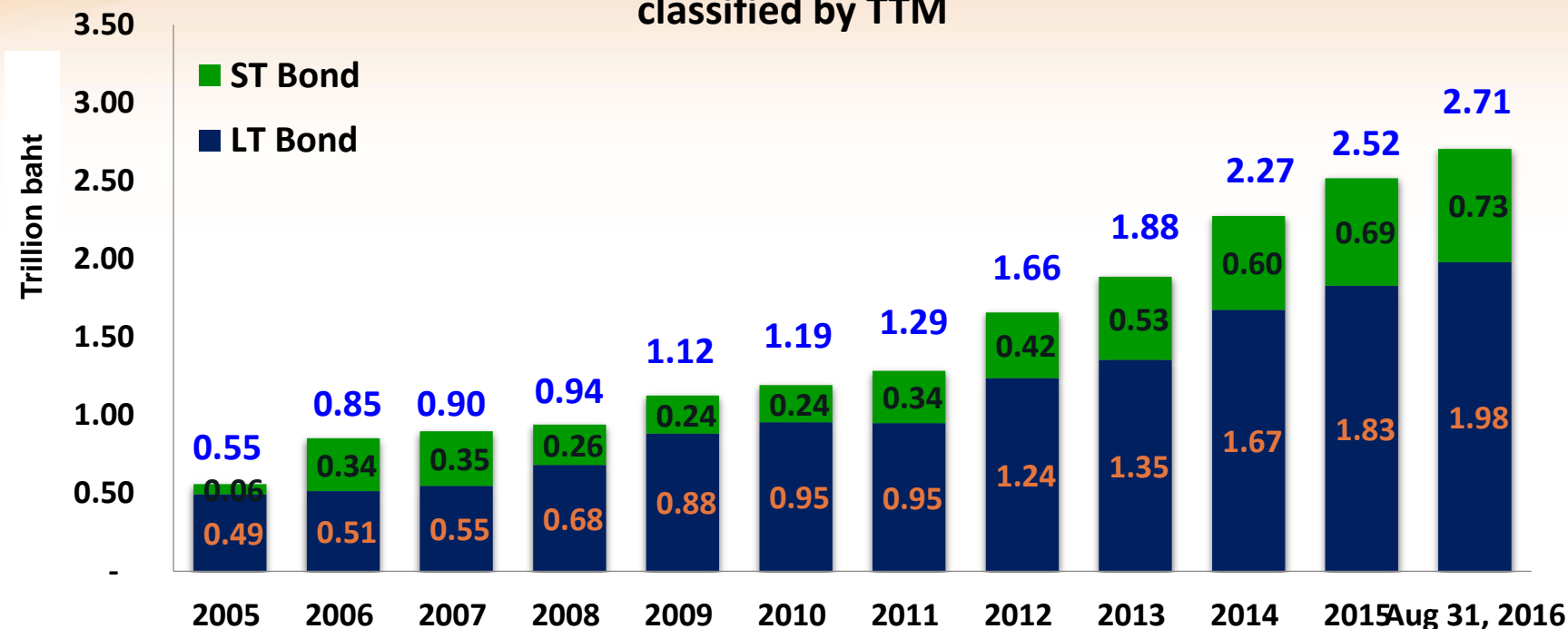
1. Reducing the amount of deposit insurance from **THB 50 million to THB 25 million** (Aug 2015), **THB 15 million** (Aug 2015-2018), **THB 10 million** (Aug 2018-2019), **THB 5 million** (Aug 2019-2020) and **THB 1 million** (Aug 2020) respectively

2. Adoption of Basel III, leading borrowing cost from banks to rise

Local Demand in Thai Bond Market grows averagely THB 1,043,376 Mln per year

Corporate Bond

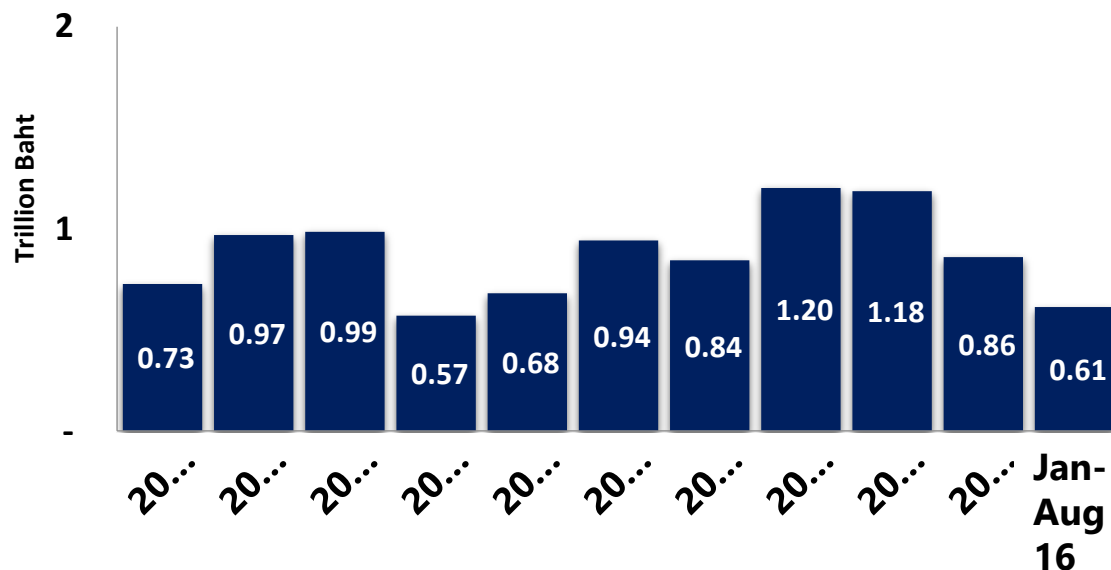
Outstanding of Corporate Bond classified by TTM



*ST: Bond with TTM \leq 1 yr, LT:
Bond with TTM $>$ 1 yr*

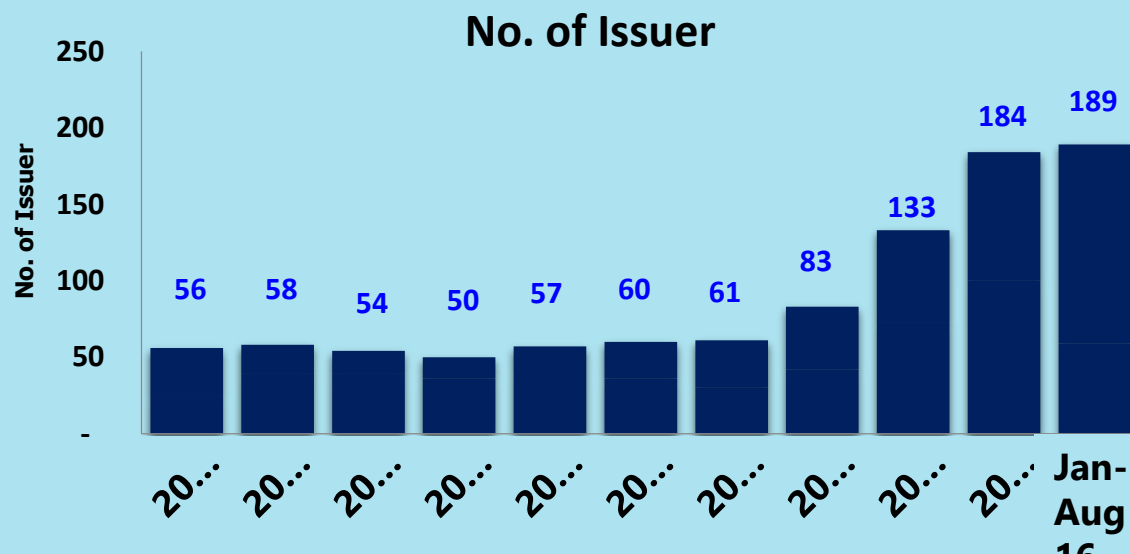
- As of August 2016, corporate bond outstanding value totaled THB 2.71 trillion, about 7.5% growth from last year

Short term issuance amount

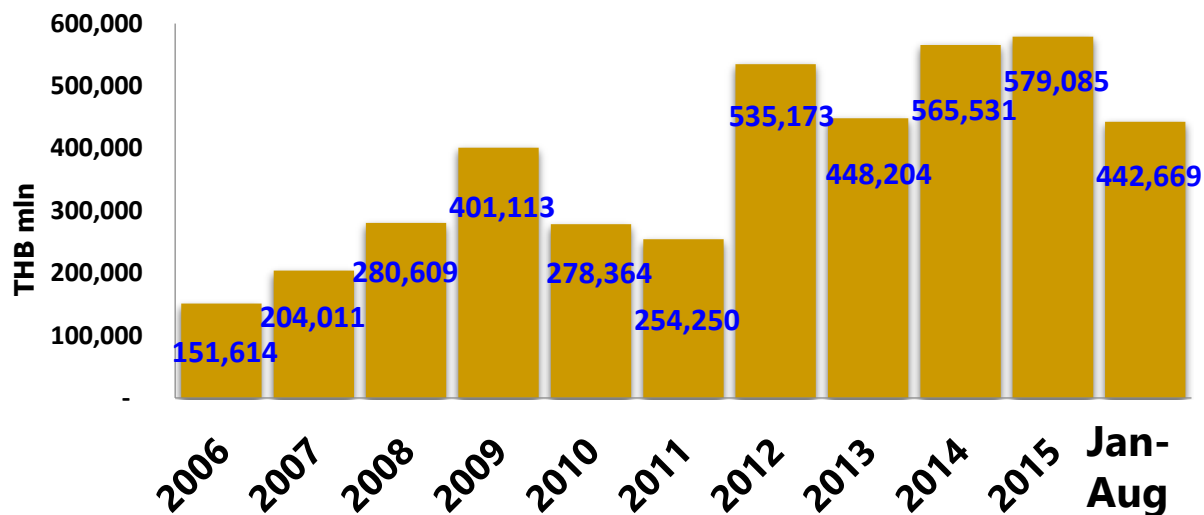


□ In the first 8 months of 2016, short-term bond issuance amount totaled THB 0.61 trillion, about 71% of the whole last year.

In the first 8 months of 2016, there were totaled 189 issuers, exceeded number of issuers in the previous year.



Long-term issuance amount



□ In the first 8 months of 2016, long-term bond issuance amount totaled THB 442,669 million, 76% for the entire previous year.

In the first 8 months of 2016, there were totaled 121 issuers, almost equivalent to previous year.

No. of Issuer

