



BANK OF THAILAND NEWS

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EMEAP Press Statement

The Asian Bond Fund 2 has moved into Implementation Phase

(To be released on 12 May 2005 at 1400 hrs HKT (0600 hrs GMT))

The EMEAP (Executives' Meeting of East Asia and Pacific Central Banks) Group, comprising 11 central banks and monetary authorities in the East Asia and Pacific region, is pleased to announce the appointment of the fund managers, master custodian and index provider and the completion of the funding of US\$2 billion for the Asian Bond Fund 2 (ABF2).

As announced in December 2004, the ABF2 comprises a Pan-Asian Bond Index Fund (which is now named as ABF Pan-Asia Bond Index Fund (PAIF)) and eight Single-market Funds. The PAIF is a single bond fund investing in sovereign and quasi-sovereign local currency-denominated bonds issued in the eight EMEAP markets. The eight Single-market Funds will each invest in sovereign and quasi-sovereign local currency-denominated bonds issued in the respective EMEAP markets.

The PAIF is funded with the EMEAP Group's initial investment of US\$1 billion, and State Street Global Advisors Singapore Limited (SSgA) has been appointed as the manager of the PAIF. It is intended that the PAIF will be domiciled in Singapore and initially listed on the Hong Kong Stock Exchange, subject to approval by the relevant authorities. Additional listings on other EMEAP stock exchanges will be considered at a later stage.

The EMEAP Group has allocated another US\$1 billion among the eight Single-market Funds and appointed the following fund managers to manage the respective Funds:

Single-market Fund

Manager

ABF China Bond Index Fund

China Asset Management Corporation Limited

ABF Hong Kong Bond Index Fund

HSBC Investments (Hong Kong) Limited

ABF Indonesia Bond Index Fund

PT Bahana TCW Investment Management

ABF Korea Bond Index Fund	Samsung Investment Trust Management Company Limited
ABF Malaysia Bond Index Fund	AmInvestment Management Sdn. Bhd.
ABF Philippines Bond Index Fund	Bank of the Philippine Islands
ABF Singapore Bond Index Fund	DBS Asset Management Limited
ABF Thailand Bond Index Fund	Kasikorn Asset Management Company Limited

The Hongkong and Shanghai Banking Corporation Limited has been selected as the master custodian for the PAIF and the eight Single-market Funds.

The iBoxx ABF family of indices, the benchmark indices which the nine ABF2 Funds will be closely tracking, is also launched today by the International Index Company (IIC). In constructing the iBoxx ABF Indices, IIC has been in consultation with a number of international and domestic market participants, through its Asian Index Committee and Asian Oversight Committee, as a means to help ensure credibility and market acceptance of the indices. Details of the specifications of the iBoxx ABF Indices are now publicly available. (Detailed information about the iBoxx ABF Index Family is available on the website <http://www.indexco.com>.)

From an investor's perspective, the passively managed ABF2 Funds represent low-cost and efficient vehicles for investing in local currency-denominated bonds in Asia. In the context of bond market development, the introduction of ABF2 Funds as a new asset class in Asia, together with infrastructural improvements and tax and regulatory reforms brought about by the ABF2 Initiative, will help contribute to the broadening and deepening of bond markets in the region over time.

Respective fund managers of the ABF2 Funds will be working closely with the relevant authorities to seek authorisation to offer the Funds to other public and private investors, where appropriate through listing, in the next few months. The EMEAP Group will keep the public informed of the implementation progress of the ABF2.

Note: See also Annex for background information.

Contact details for the 11 members of the EMEAP Group are as follows:

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