



# BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department

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## The Issuance of the Bank of Thailand Savings Bonds

Mrs. Pongpen Ruengvirayudh, Assistant Governor (Financial Markets Operations Group), Bank of Thailand (BOT) announced that on August 17, 2011 the BOT and eleven commercial banks which would act as selling agents had signed the Memorandum of Understanding Regarding the Sale of the Bank of Thailand Savings Bonds, B.E. 2554, Issue 1. The total issuance for the 3-year and 7-year Saving Bonds are 50,000 million baht, which will be allocated on a first-come, first-serve basis and can be purchased through the selling agents between August 26, 2011 and September 6, 2011.

The objectives of the Savings Bonds issuance are to ensure that money market liquidity is at an appropriate level as well as to provide individual savers, co-operatives, foundations, and non-profit organizations with a low risk and high return investment alternative. The BOT Saving Bonds come in two tranches: a 7-year pre-determined step-up fixed-rate bond and a 3-year bond floated against the three-month BIBOR rate. The floating-rate savings bond is being offered to the general public for the first time in order to publicize the use of BIBOR as a reference rate more widely.

The floating-rate bond holders will receive interest payments every three months on 26<sup>th</sup> of February, May, August and November each year until the bond matures on August 26, 2014. The holders of 7-year bond will receive fixed interest payments semi-annually on February 26 and August 26, and will redeem the full notional amount on August 26, 2018. The issue date or the first day on which the interests start accruing, however, will vary depending on when the BOT receives money from the selling agents.

In this issuance, the BOT received collaboration from eleven selling agents, namely, Bangkok Bank PCL., Bank for Agriculture and Agricultural Cooperatives, Krung Thai Bank PCL., Bank of Ayudhya PCL., Kasikorn Bank PCL., TMB Bank N.A., Siam Commercial Bank PCL., United Overseas Bank (Thai) PCL., Standard Chartered Bank (Thai) PCL., Government Savings Bank, and Hongkong and Shanghai Banking Corporation Limited.

Those interested in purchasing the BOT Savings Bonds may request a prospectus and a subscription form at the eleven aforementioned selling agents. Further information can be obtained by contacting the BOT's Deposits and Debt Instruments Office at Tel. 0-2356-7071-3 or by visiting [www.bot.or.th](http://www.bot.or.th).

Bank of Thailand

17 August 2011



Summary of the Bank of Thailand Savings Bonds, B.E. 2554, Issue 1

	Bank of Thailand Savings Bonds, B.E. 2554, Issue 1	
	3 Years	7 Years
1. Interest rate (Coupon)	Float against the three-month BIBOR <sup>1/</sup> (BOT will announce the interest rate for the first coupon-payment period on 25 August 2011. For the subsequent coupon-payment periods, the rates will be announced 2 days prior to the start of the periods)	Pre-determined step-up rates which will be based on 7-year government bond yield <sup>2/</sup> (BOT will announce the interest rates on 25 August 2011)
2. Total issuance	50,000 Million Baht	
3. Minimum purchase	50,000 Baht/person with additional purchase being multiples of 10,000 Baht	
4. Eligible buyers in primary market	Individuals with Thai nationality, Thai residents, and non-profit public organizations	
5. Subscription period	26 <sup>th</sup> August – 6 <sup>th</sup> September 2011	
6. Payment due date	Cashier and personal cheques: within the cheque-clearing hours on 5th September 2011 Cash and direct debits: by 3.00pm on 6 <sup>th</sup> September 2011	
7. Issue date (Interest accrual date)	The date on which the BOT receives money from selling agents.	
8. Interest payment	<ul style="list-style-type: none"> <li>Quarterly, on 26<sup>th</sup> of February, May, August and November of every year until maturity.</li> <li>Interests will be calculated as a proportion of total number of coupon payments per year, except for the first four coupon payments where interests will be calculated based on the actual number of days during the periods.</li> </ul>	<ul style="list-style-type: none"> <li>Semi-annually, on 26<sup>th</sup> of February and August of every year until maturity.</li> <li>Interests will be calculated as a proportion of total number of coupon payments per year, except for the first two coupon payments where interests will be calculated based on the actual number of days during the periods.</li> </ul>
9. Maturity date	26 <sup>th</sup> August 2014	26 <sup>th</sup> August 2018
10. Tax payment	The interest is taxable in accordance with the rate announced in the Revenue Code each time interest is paid. Individuals have an option whether to include this interest income in their annual income tax calculation.	
11. Usage of BOT Savings Bonds as collaterals	Bond holders are able to use BOT savings bonds as collaterals for government agencies, for instance, court bails or electricity guarantees. They can also be used as collaterals for loans from financial institutions. In any case, the usage is subject to terms and conditions set by those organizations.	
12. Transfer of ownership	Transferable from 26 <sup>th</sup> November 2011 onwards except for the purpose of collaterals, inheritance or division or distribution of property due to divorce, bankruptcy or liquidation which can be conducted after receiving bond certificates but not during the 30-day period prior to the bond's maturity.	
13. Selling agents	11 selling agents (please turn over for the names of selling agents)	
For further information, please visit <a href="http://www.bot.or.th">www.bot.or.th</a>		

<sup>1/</sup> Bangkok Interbank Offered Rate (BIBOR): [http://www2.bot.or.th/FinMarkets/Bibor/bibor\\_th.aspx](http://www2.bot.or.th/FinMarkets/Bibor/bibor_th.aspx)

<sup>2/</sup> Government Bond Yields: <http://www.thaibma.or.th/main.html>

## List of BOT savings bonds selling agents

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|---|---|
| 1) Bangkok Bank PCL.                                  | Tel. 1333                                   |
| 2) Krung Thai Bank PCL.                               | Tel. 0-2208-3065-8,<br>0-2208-3071-6        |
| 3) Bank of Ayudhya PCL.                               | Tel. 1572                                   |
| 4) Kasikorn Bank PCL.                                 | Tel. 0-2888-8888                            |
| 5) TMB Bank N.A.                                      | Tel. 0-2242-3904,<br>0-2242-3907            |
| 6) Siam Commercial Bank PCL.                          | Tel. 0-2777-7777                            |
| 7) Bank for Agriculture and Agricultural Cooperatives | Tel. 0-2555-0555                            |
| 8) United Overseas Bank (Thai) PCL.                   | Tel. 0-2285-1555                            |
| 9) Standard Chartered Bank (Thai) PCL.                | Tel. 1595                                   |
| 10) Government Savings Bank                           | Tel. 0-2299-8000<br>ext. 020212-5, 020267-9 |
| 11) Hongkong and Shanghai Banking Corporation Limited | Tel. 0-2673-7722                            |