

JBIC Issues Thai Baht Bonds
--First Asian Currency Bond Issue under ABMI--

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed on August 30, 2005 an agreement on the issuance of Japanese government-guaranteed, fixed interest Thai baht bonds in Bangkok.
2. The baht bonds were issued under the Asian Bond Markets Initiative (ABMI) being promoted by the Japanese government under the framework of ASEAN+3 (Japan, China and Korea). This is the first Asian currency bond issuance undertaken by the Japanese issuer in line with the ABMI. In May 2004, the Government of Thailand indicated the guidelines for approving, on an individual basis, bond issuance by foreign governments and official financial institutions. JBIC thereafter went through a series of discussions with Thai officials and obtained approval for baht bond issuance. Accordingly, JBIC made preparations and, after monitoring market conditions, took this particular timing to issue baht bonds. This is the first Asian currency bond issuance by a foreign government or government agency in line with the ABMI.
3. The baht funds obtained from this issuance will be used for financing business operations of Japanese firms in Thailand through Bangkok branches of Japanese commercial banks (Tokyo-Mitsubishi Bank, Mizuho Corporate Bank and SMBC). This issuance has made it possible to provide local currency financing without currency exchange risk. It is thus expected to meet the extensive financial needs of local Japanese affiliates.
4. JBIC considers it an important task to support bond market development in ASEAN member countries as well as China and Korea within the framework of the ABMI. In addition, bond issuances in local capital markets enable the bank to meet increasingly diverse financial needs of Japanese firms through local currency lending. JBIC is therefore committed to increasing Asian currency bond issuances and local currency lending to meet such financial needs based on consultations with the authorities in individual countries.

5. The following is the main terms of the bonds.

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| Amount | 3 billion THB |
| Market | Thai market |
| Maturity | 5 years (bullet repayment due on September 7, 2010) |
| Coupon Rate | 4.78 % |
| Issue price | 100% |
| Guarantor | Government of Japan |
| Listing | The Thai Bond Dealing Centre |
| Syndicate | Citicorp Securities and Siam Commercial Bank (Lead Arrangers); Capital Nomura Securities and TISCO Securities (Co-Managers) |

For further information

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