

THE SINGAPORE CORPORATE DEBT MARKET REVIEW 2011

OVERVIEW

1. The outstanding volume of corporate debt increased year-on-year by 9% to S\$203.0 billion as at end of 2011 despite challenging market conditions in the second half of last year (see Chart 1). SGD debt issuances dipped marginally by 4% y-o-y to S\$24.8 billion in 2011 from S\$25.9 billion while non-SGD debt issuances expanded by 110% to S\$71.1 billion from S\$33.7 billion in the same corresponding period (see Chart 2). In particular, 2010 was a 'record' year for SGD long-term (tenor >1 year) debt issuances.

Chart 1
Overview of Singapore Corporate Debt Market by Outstanding Volumes (2000 – 2011)

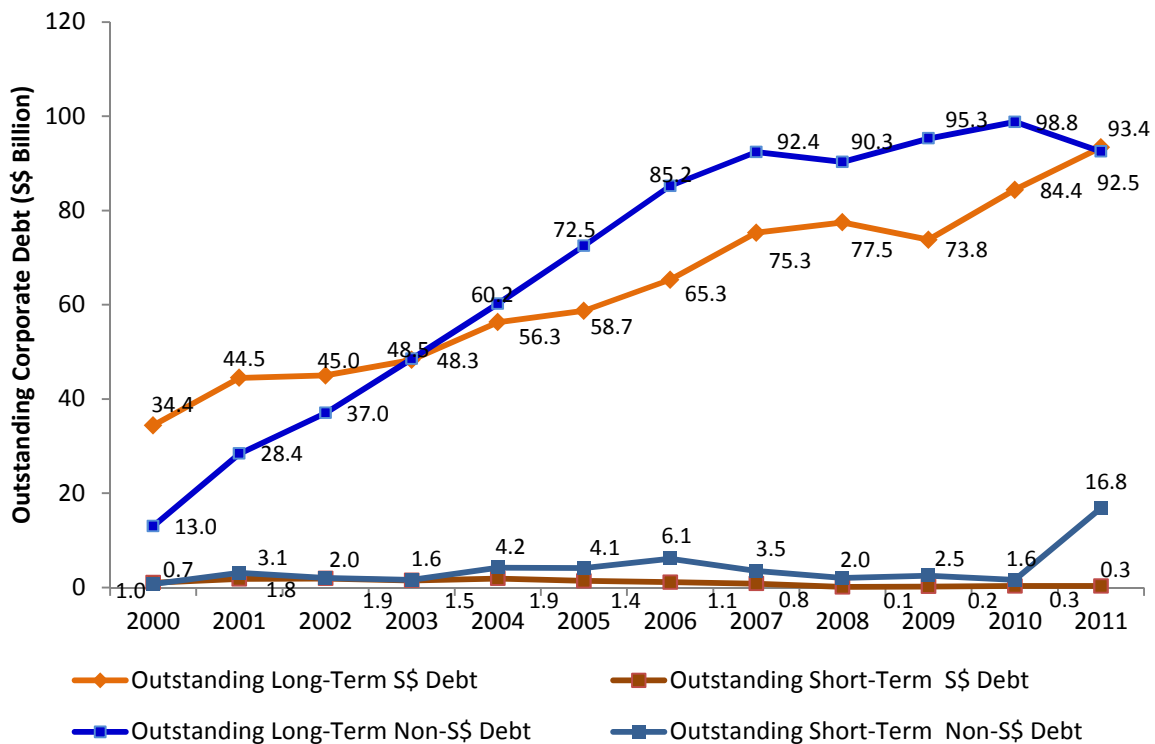
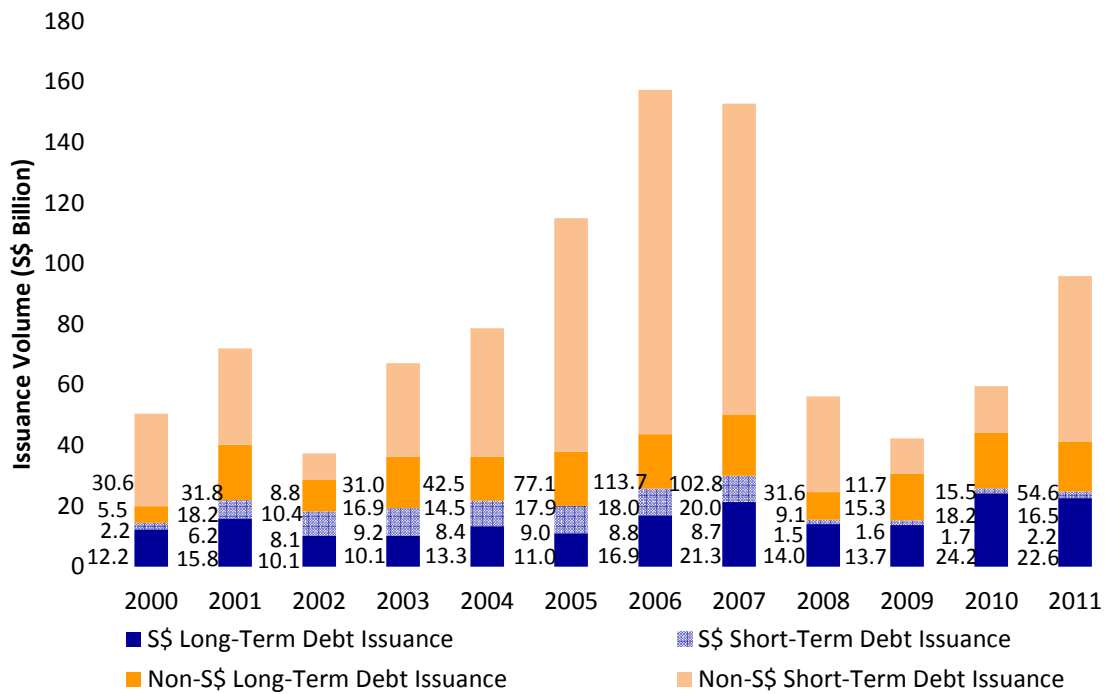


Chart 2
Overview of Singapore Corporate Debt Market by Issuance Volumes (2000 – 2011)



MATURITY PROFILE

2. The weighted average maturity tenor¹ of SGD and non-SGD debt issuances for 2011 stood at 6.8 years and 1.7 years, respectively, down from 8.0 years and 4.3 years, respectively in 2010. The fall in the weighted average tenor is due to a sharp increase of 252% *year on year* in short-term (i.e. tenor of less than 1 year) non-SGD debt issuance volume and a decrease of 24% *year on year* in longer-dated (i.e. tenor of more than 5-years) SGD debt issuance volume. SGD and non-SGD long-term (i.e. tenor greater than 1-year) debt issuances stood at S\$22.6 billion and S\$16.5 billion respectively, dipping marginally by 6% and 9%, respectively from 2010. 28% of SGD debt and 3% of non-SGD debt issued in 2011 have maturities exceeding 10-years and above (see Charts 3 and 4).

¹ The assumption of 40-years tenor is adopted for all perpetual capital securities issuances in 2011. None were issued in 2010.

Chart 3
Maturity Profile of SGD Debt Issued

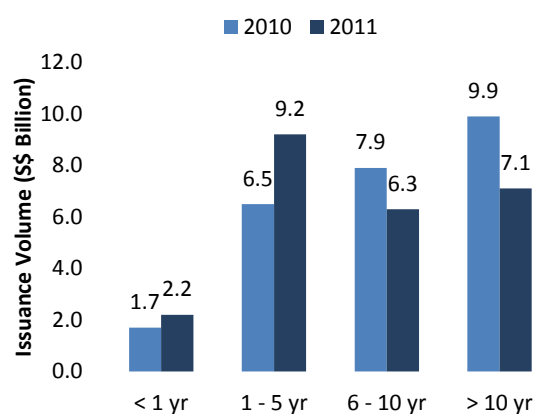
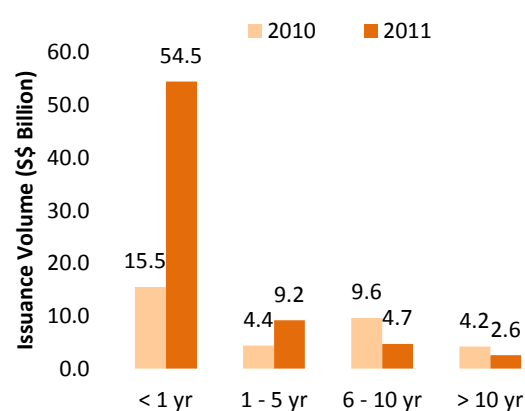


Chart 4
Maturity Profile of Non-SGD Debt Issued



DIVERSITY OF ISSUERS AND ISSUANCES

4. The SGD-denominated debt market continued to reflect a broad diversity of issuers in 2011. Financial Institutions (32%) were the largest issuers up from 19% in 2010, with Special Purpose Vehicles (21%), property companies (17%) and Government Agencies/Statutory Boards (16%) as other major issuers (see Chart 5).

5. Foreign entities accounted for 25% of all SGD debt issuances in 2011, up from 19% in 2010. Asian issuers - of which Hong Kong issuers formed the bulk - continued to be the main issuers in the Singapore market, accounting for 68% and 52% for all SGD and non-SGD issuances, respectively by foreign entities. Some of these foreign issuers include financial institutions such as Malayan Banking Berhad which raised S\$1 billion in a 10-year bond issue; treasury houses such as Bridgestone Finance Europe N.V; and Hong Kong-linked property firms such as Wharf Holdings and Henderson Land.

6. Against the backdrop of increased investor sophistication and improved market confidence, Cheung Kong Bond Securities and Global Logistics Properties Limited raised S\$730 million and S\$500 million in Singapore dollar-denominated Perpetual Capital Securities offerings in 2011. In the non-SGD space, Prudential plc issued a US\$550 million perpetual in 2011.

Chart 5
SGD Denominated Debt Issuer Profile
(Based on Issuance)

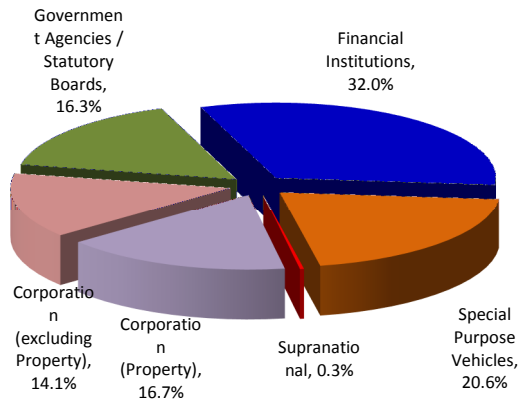
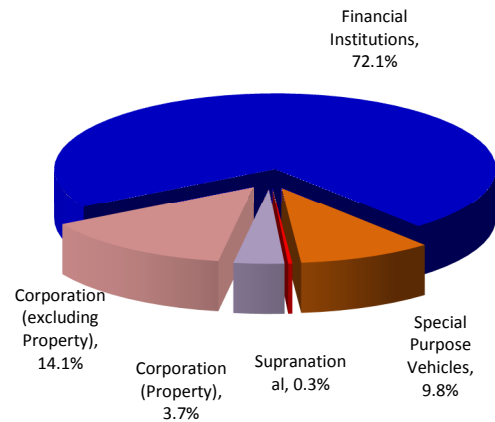


Chart 6
Non-SGD denominated Debt Issuer Profile
(Based on Issuance)



STRUCTURED & SECURITISED DEBT ISSUANCES

7. The proportion of SGD Structured & Securitised debt issuances combined accounted for 18% of all SGD debt issuances in 2011 compared to 19% in 2010. Equity-linked notes denominated in SGD were the most popular structured debt issued and accounted for 41% of all SGD Structured & Securitised debt issuances (see Chart 7). Non-SGD Structured & Securitised debt issuances combined accounted for 36% of all non-SGD debt issuances in 2011 compared to 29% in 2010, with Equity-linked notes being the preferred instrument type.

Chart 7
Profile of SGD Structured and Securitised Debt Issued

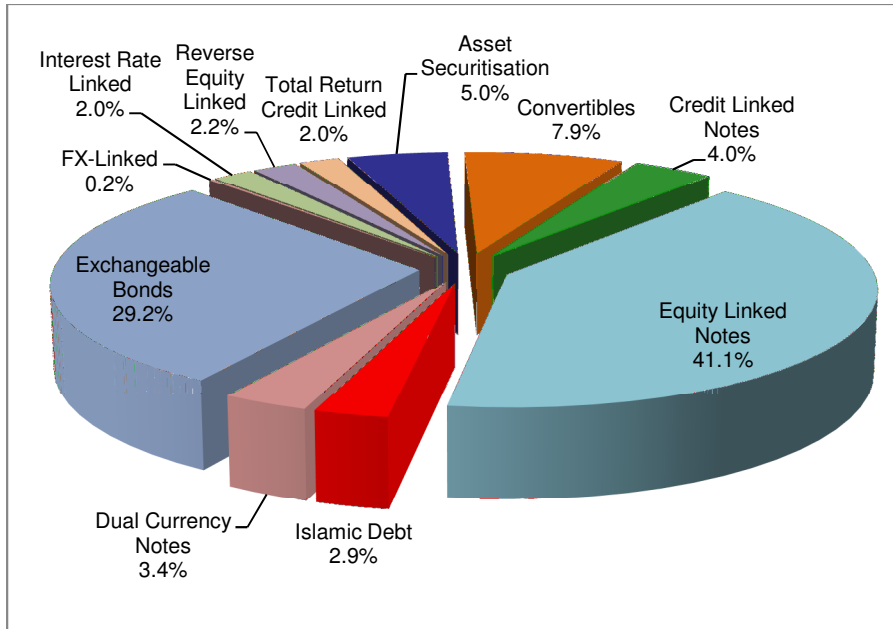


Chart 8
Profile of non-SGD Structured and Securitised Debt Issued

