

THE SINGAPORE CORPORATE DEBT MARKET REVIEW 2012

OVERVIEW

1. The outstanding volume of corporate debt increased year-on-year by 14% to S\$231.0 billion as at end of 2012 (see Chart 1). The SGD debt market posted a record issuance volume of S\$32.8 billion in 2012, translating to a 32% year-on-year increase from S\$24.8 billion in 2011 and surpassing the previous high of S\$30.0 billion in 2007. Non-SGD debt issuances also expanded by 42% to S\$101.3 billion from S\$71.1 billion in the corresponding period (see Chart 2).

Chart 1
Overview of Singapore Corporate Debt Market by Outstanding Volumes (2000 – 2012)

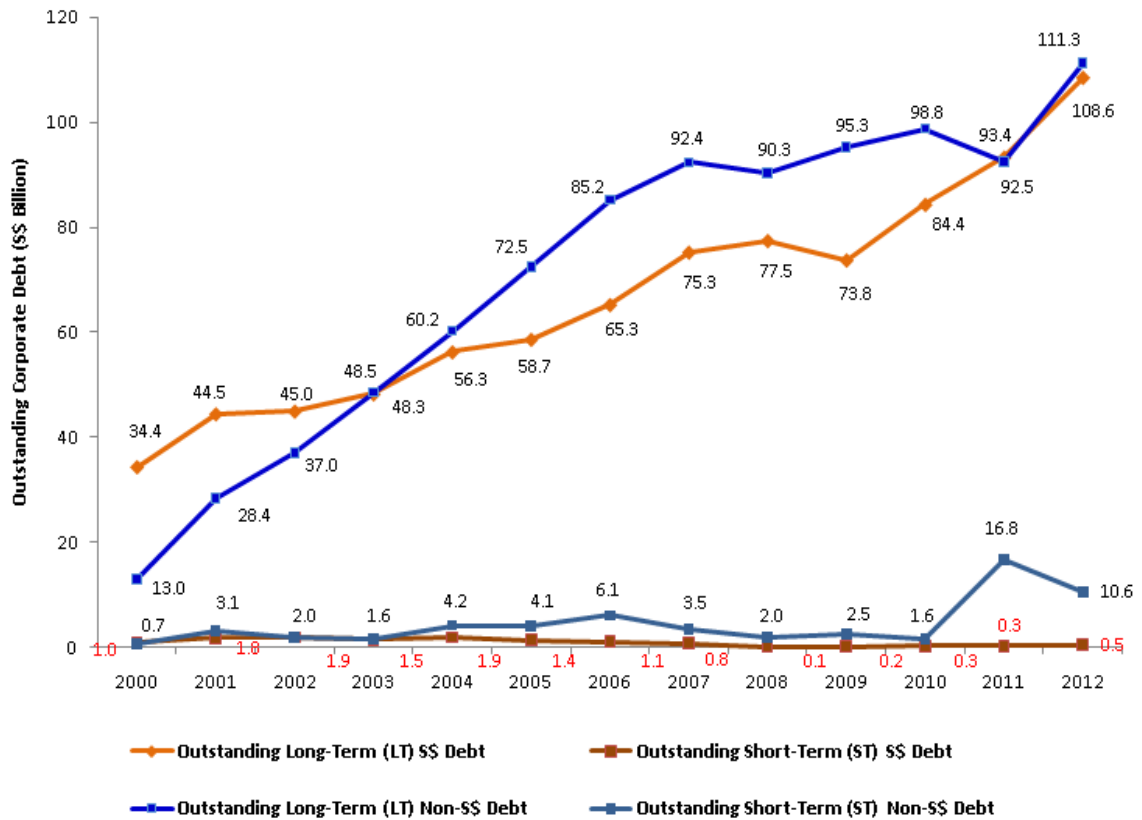
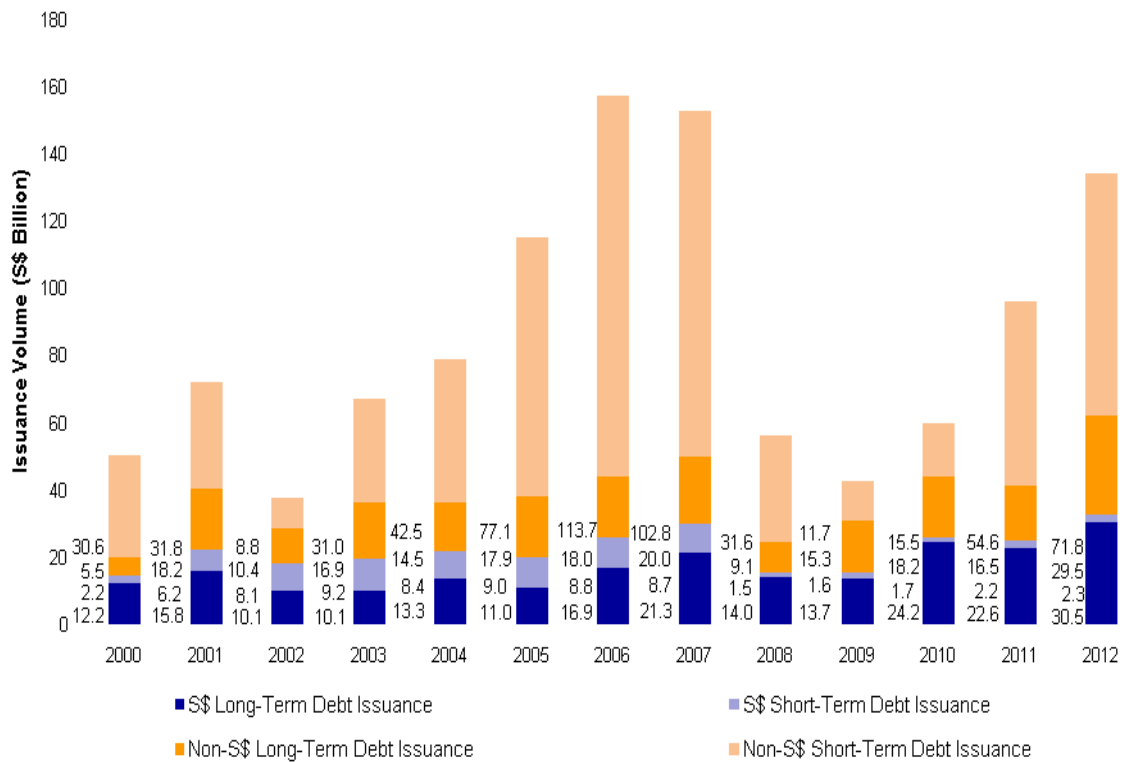


Chart 2
Overview of Singapore Corporate Debt Market by Issuance Volumes (2000 – 2012)



MATURITY PROFILE

2. The weighted average maturity¹ of SGD and non-SGD debt issuances for 2012 stood at 12 years and 2.2 years respectively, up from 6.8 years and 1.7 years respectively in 2011. The rise in the weighted average tenor, especially for SGD debt issuances, was driven by an increase in longer-tenor issuances. 51% of SGD debt and 9% of non-SGD debt issued by volume in 2012 had maturities of 10-years and above, as issuers capitalised on low borrowing costs to lock in long-term funding (see Charts 3 and 4).

¹ The assumption of 40-years tenor is adopted for all perpetual capital securities issuances.

Chart 3
Maturity Profile of SGD Debt Issued

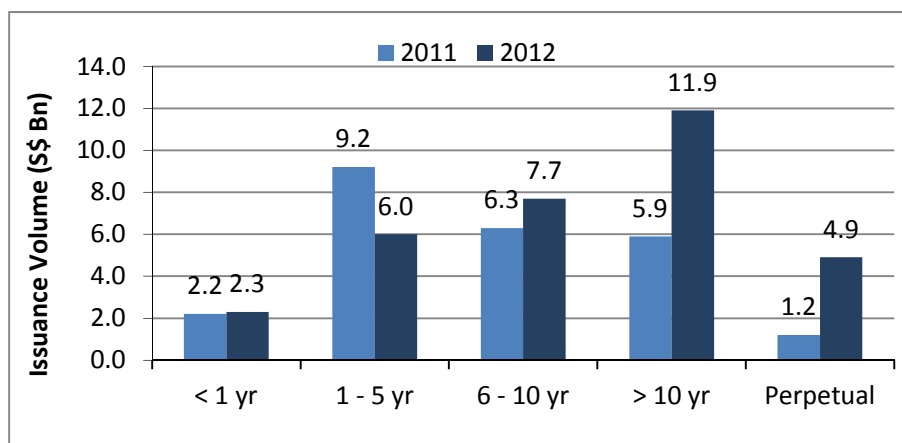
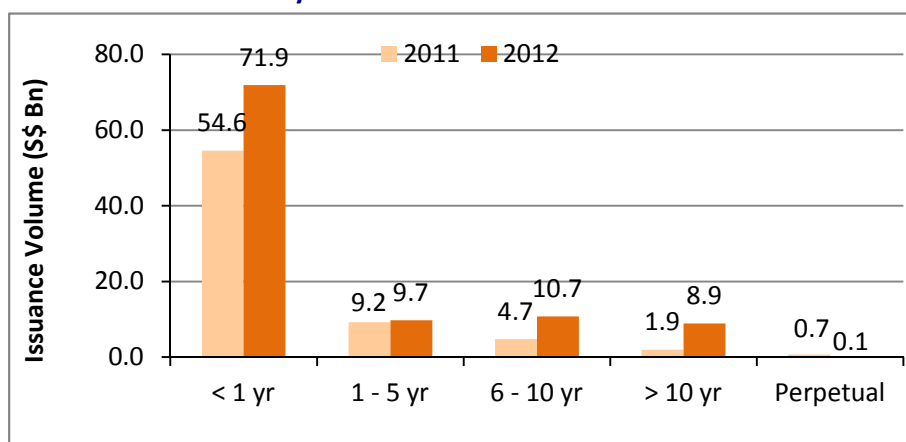


Chart 4
Maturity Profile of non-SGD Debt Issued



DIVERSITY OF ISSUERS AND ISSUANCES

3. Amid a record year of issuances, the SGD-denominated debt market continued to attract a diversified range of issuers in 2012. Non-property corporates (30%) were the largest issuers, up from 14% in 2011, with financial institutions (29%), property companies (17%) and Government Agencies/Statutory Boards (13%) as the other major issuers (see Chart 5).

4. SGD bond issuances by foreign entities increased by 18% year-on-year to \$7.2 billion in 2012. However, the proportion of issuances by foreign entities to total SGD issuances have decreased to 22% from 25% as resident issuers also increased their issuance volume. Asian issuers continued to be the main issuers in the SGD bond market, accounting for 80% of issuances by foreign entities. Among these foreign issuers were Indian Oil Corporation (which tapped the SGD bond market for the first time with a S\$400 million, 10-year issue), Cathay Pacific MTN Financing Limited and Malaysian offshore marine firm Nam Cheong Limited.

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

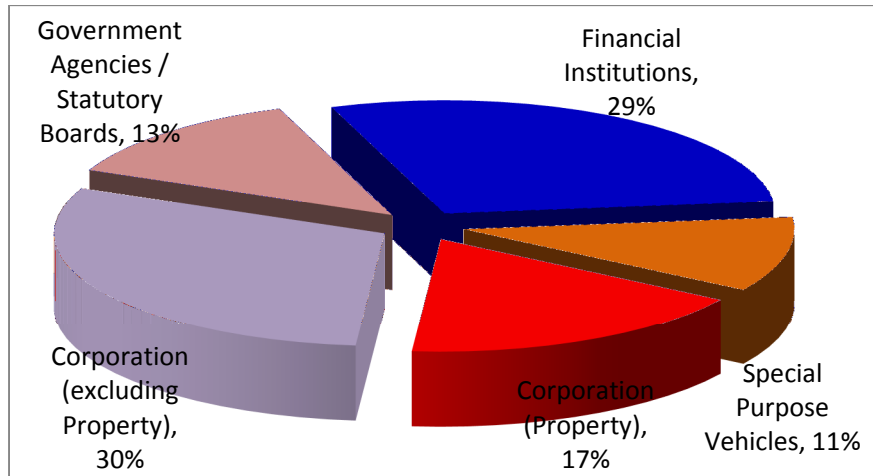
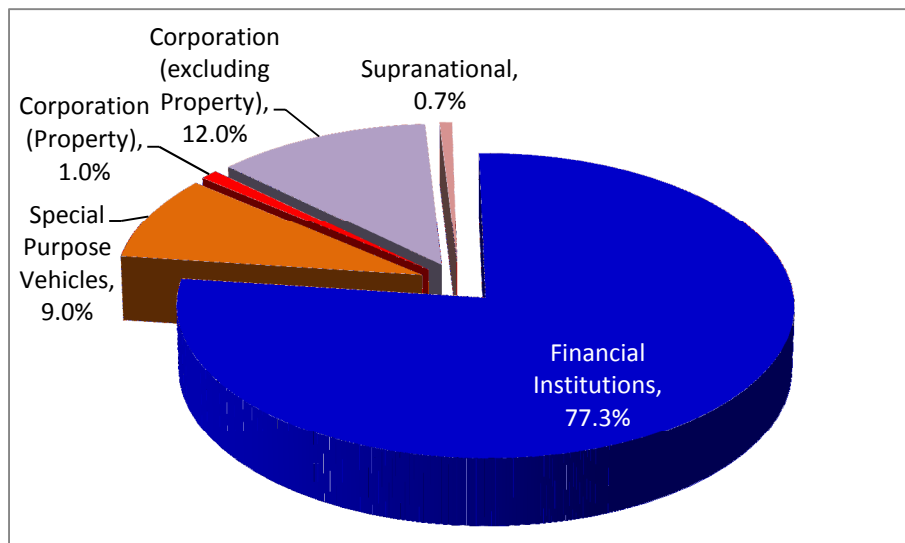


Chart 6
Non-SGD Denominated Debt Issuer Profile
(Based on Issuance Volume)



STRUCTURED AND SECURITISED DEBT ISSUANCES

5. The proportion of SGD Structured and Securitised debt issuances combined rose to 24% of all SGD debt issuances in 2012 from 18% in 2011. Perpetual bonds were the most popular

SGD-denominated structured debt issued and accounted for 62% of all SGD Structured and Securitised debt issuances (see Chart 7). Non-SGD Structured and Securitised debt issuances combined accounted for 12% of all non-SGD debt issuances in 2011, with equity-linked notes being the preferred instruments.

Chart 7
Profile of SGD Structured and Securitised Debt Issued

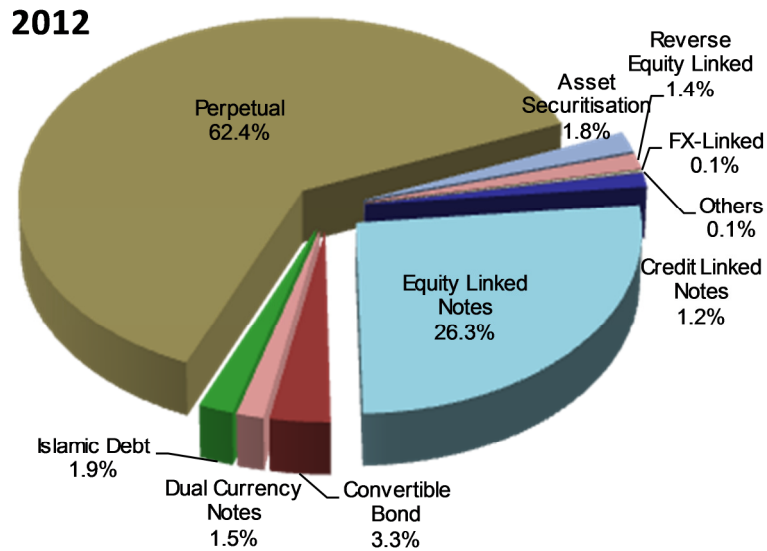


Chart 8
Profile of Non-SGD Structured and Securitised Debt Issued

