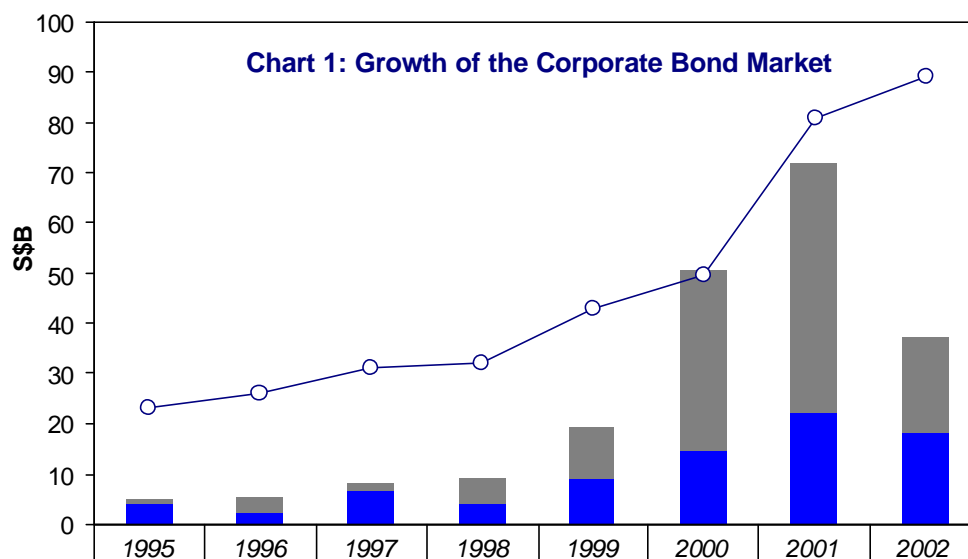


2002 SURVEY OF THE SINGAPORE CORPORATE DEBT MARKET

The Monetary Authority of Singapore (MAS) conducted a survey of the Singapore corporate debt market as at 31 December 2002. This survey covered all the financial institutions that have submitted their returns to MAS on debt issues arranged or issued in Singapore. The survey excluded Singapore government debt securities (treasury bills and bonds), but included debt issues by Singapore statutory boards. For the purpose of this survey, "debt securities" cover bonds (including convertible bonds), notes, commercial papers and certificates of deposits

OVERVIEW

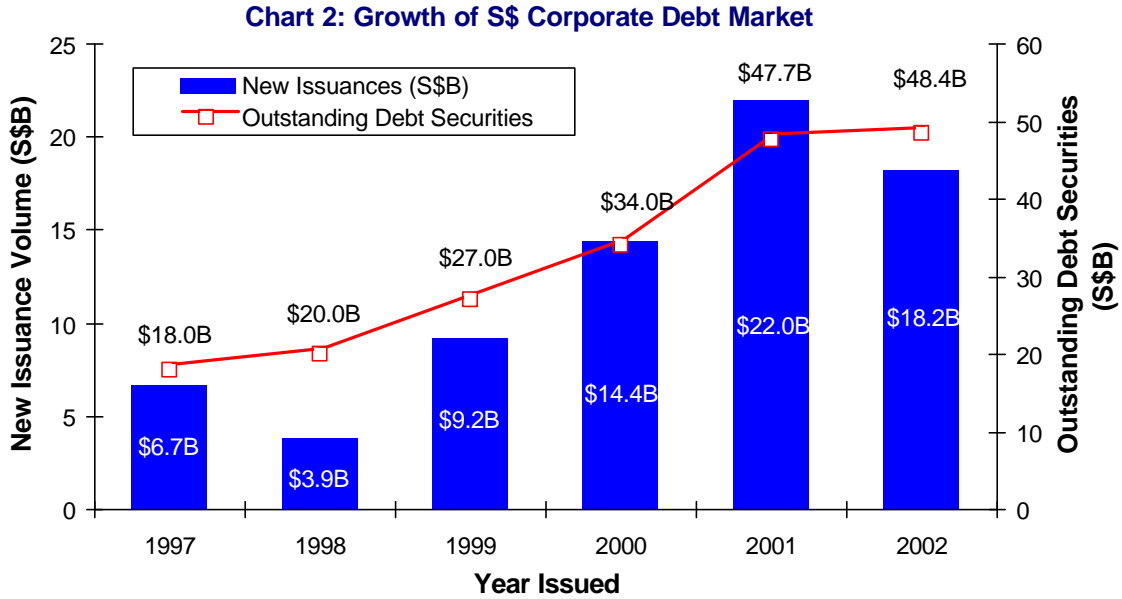
Total outstanding volume of corporate debt grew by 10% from S\$80.8 billion in 2001 to S\$89.2 billion in 2002, an increase of about 3 times since 1998. [See Chart 1] In tandem with the global decline in corporate debt issuance and a slow economic environment, the total volume of new corporate debt issuance fell by 48% in Singapore in 2002. The total number of corporate debt issued increased from 1,450 issues in 2001 to 1,769 issues in 2002.



■ Non-S\$ New Issuance	1.3	3.1	1.7	5.2	10.3	36.1	50.0	19.2
■ S\$ New Issuance	3.8	2.3	6.7	3.9	9.2	14.4	22.0	18.2
—○— Outstanding Debt Securities	23	26	31	32	43	49.5	80.8	89.2

Size of S\$ market

New issuance volume of Singapore dollar denominated (S\$) debt declined by 17% to S\$18.2 billion with reduced funding needs in a slow economic environment. Outstanding volume maintained its level at S\$48.4 billion. [See Chart 2]



In terms of the total number of transactions, this increased by 38% to 1,103 issues. The breakdown of the number of issues according to tranche sizes is shown in Chart 3.

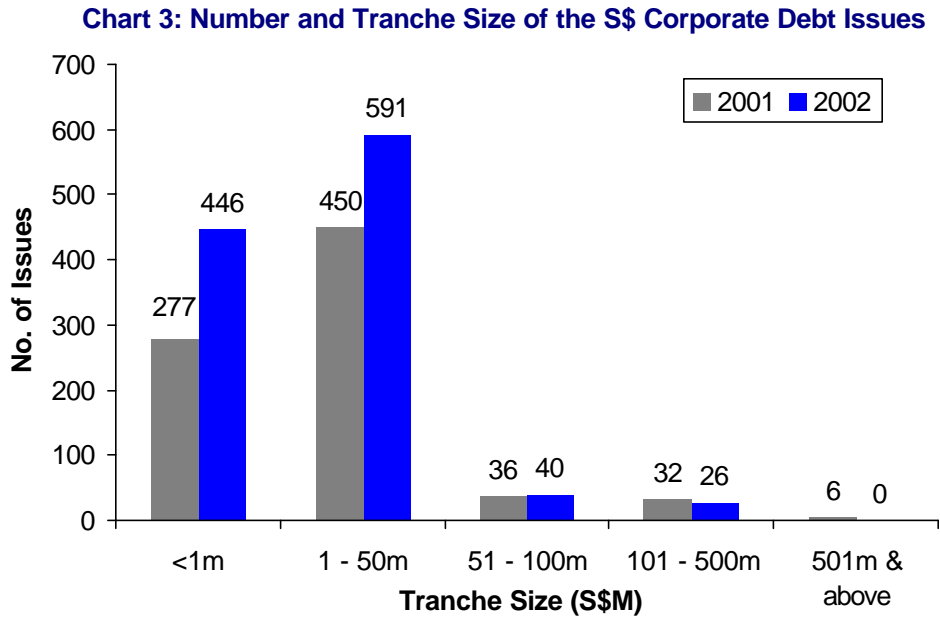
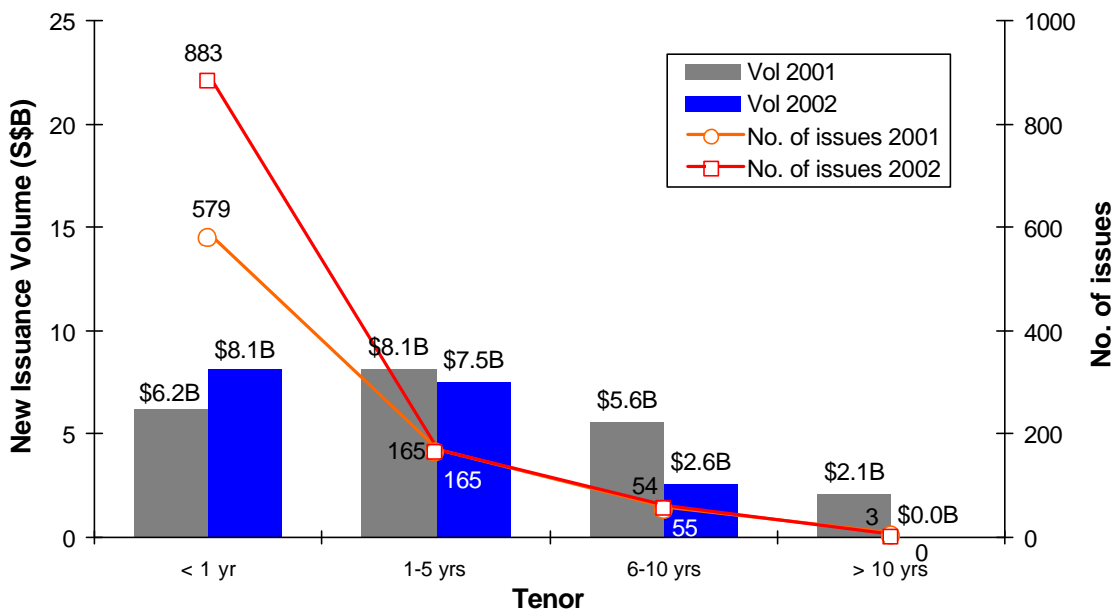


Chart 4 shows the breakdown of the number of issues according to tenor.

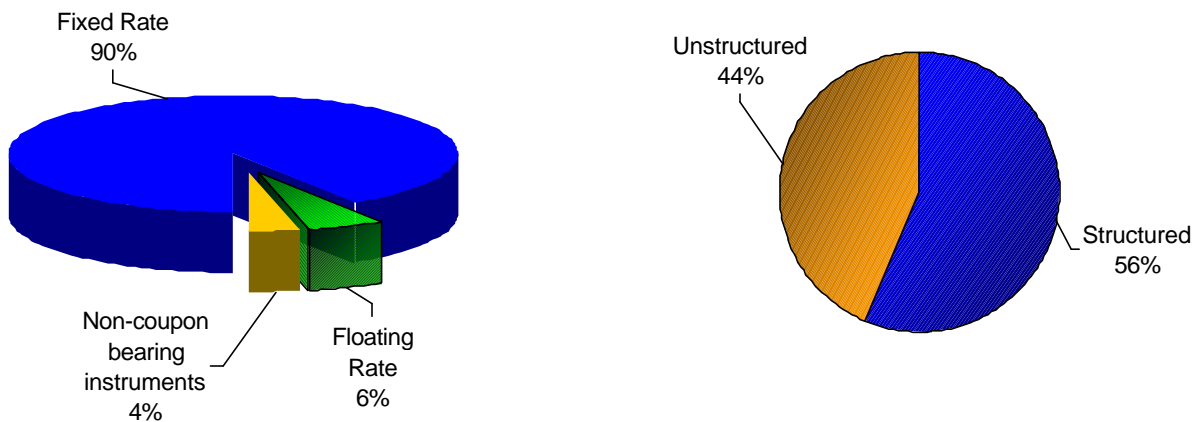
Chart 4: Number and Volume of S\$ Corporate Debt Issuance across Tenors



Types of S\$ Debt

There continued to be a wide range of debt products in the S\$ market. Structured debt (including asset backed securities, equity linked notes and other structured products) continued to grow and made up 56% of the market volume in 2002 (up from 47% in 2001). Fixed rate debt continued to dominate the market. [See Chart 5]

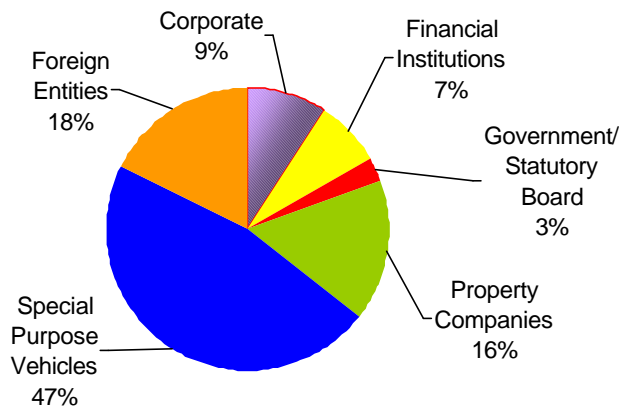
Chart 5: Breakdown of S\$ Debt Instruments



S\$ Issuers

There continued to be a range of issuers in the S\$ debt market. [See Chart 6] Given the rise in the issuance of structured products in 2002, the market share of Special Purpose Vehicles (SPVs) rose, from 30% in 2001 to 47% in 2002. Property companies also continued to be major issuers in the S\$ market.

Chart 6: Profile of S\$ Debt Issuers



2002 was a record year in the volume of issuance and number of issues from foreign entities. Volume of S\$ bonds issued by foreign entities saw a strong 76% growth and accounted for 18% of the total S\$ issuance at S\$3.2billion. [See Chart 7] About one third of the 33 foreign entity issuers had tapped the S\$ bond market previously, while two thirds of the foreign entity issuers were new to the market.

Chart 7: Growth of Foreign Entity Issuance

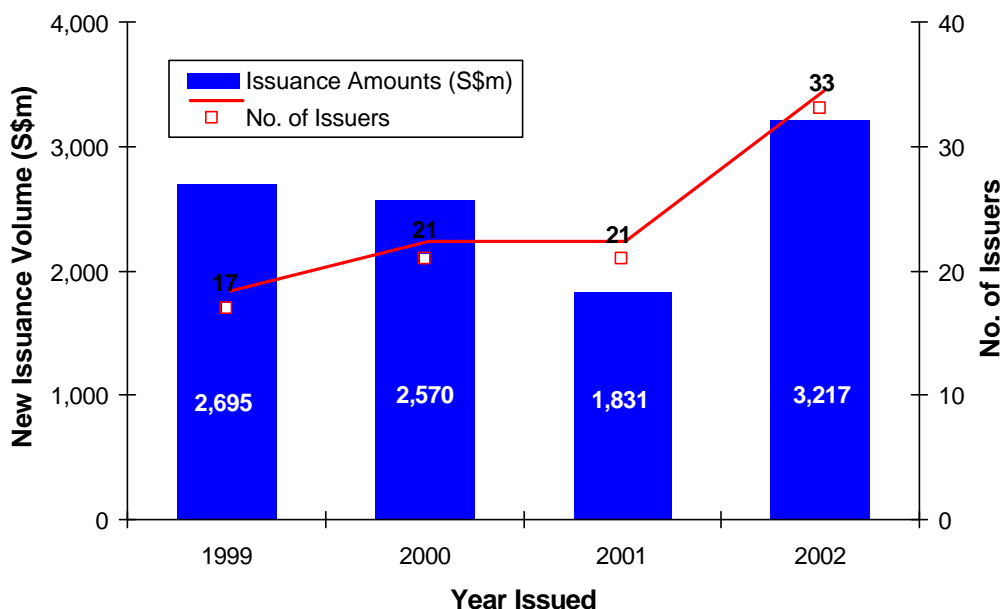


Chart 8 below shows the geographical profile of the foreign entity issuers and Chart 9 shows the issuer profile.

Chart 8: Location of Foreign Entity Issuers

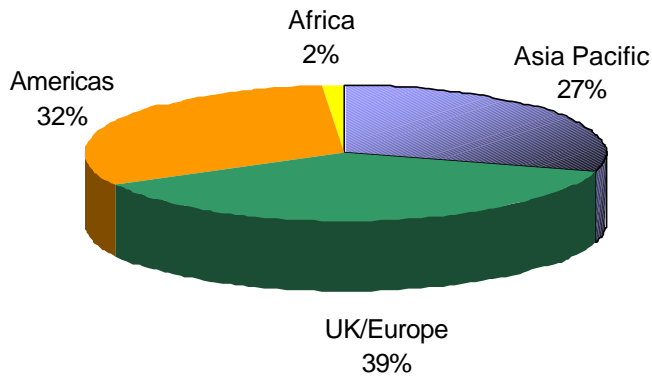
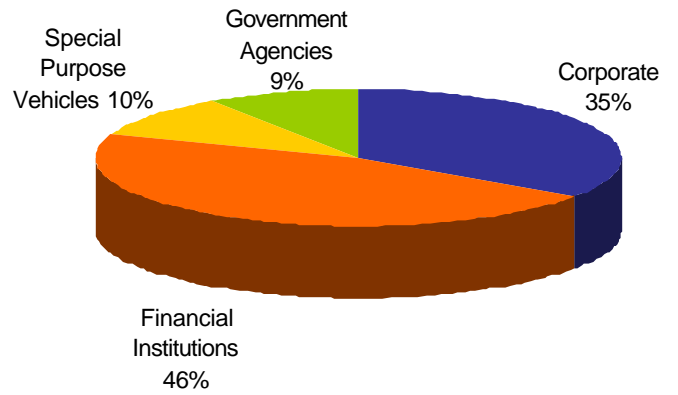


Chart 9: Profile of Foreign Entity Issuers



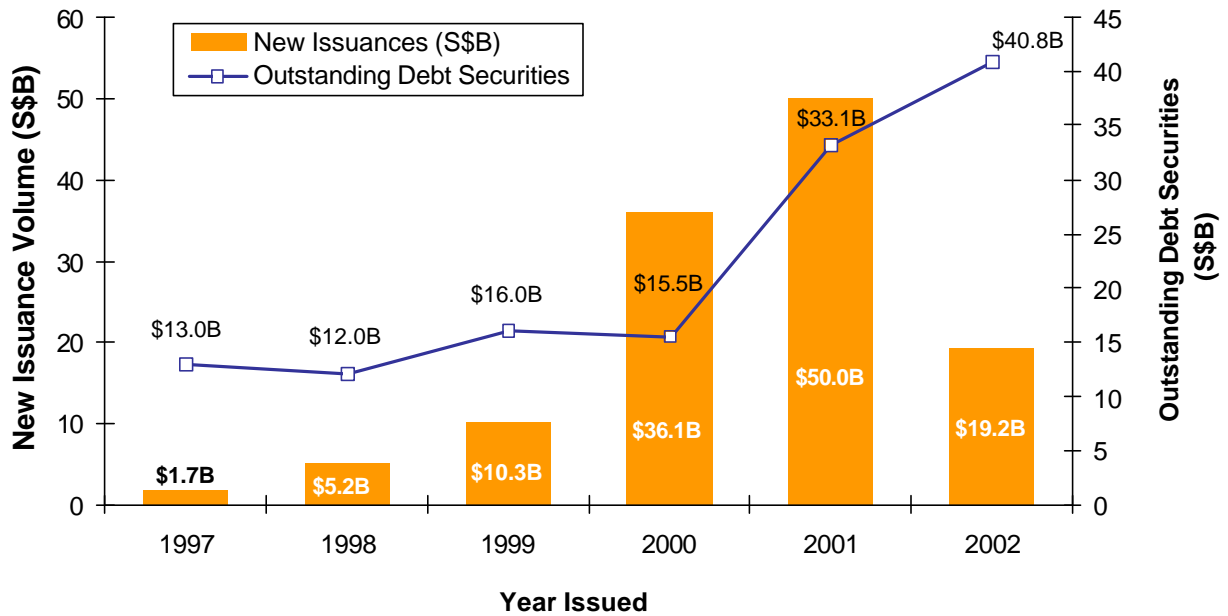
S\$ Investors

While the bulk of S\$ debt were placed with onshore investors, the proportion of S\$ debt bought by offshore investors increased from 1% in 2001 to 10% in 2002.

Size of Non-S\$ Market

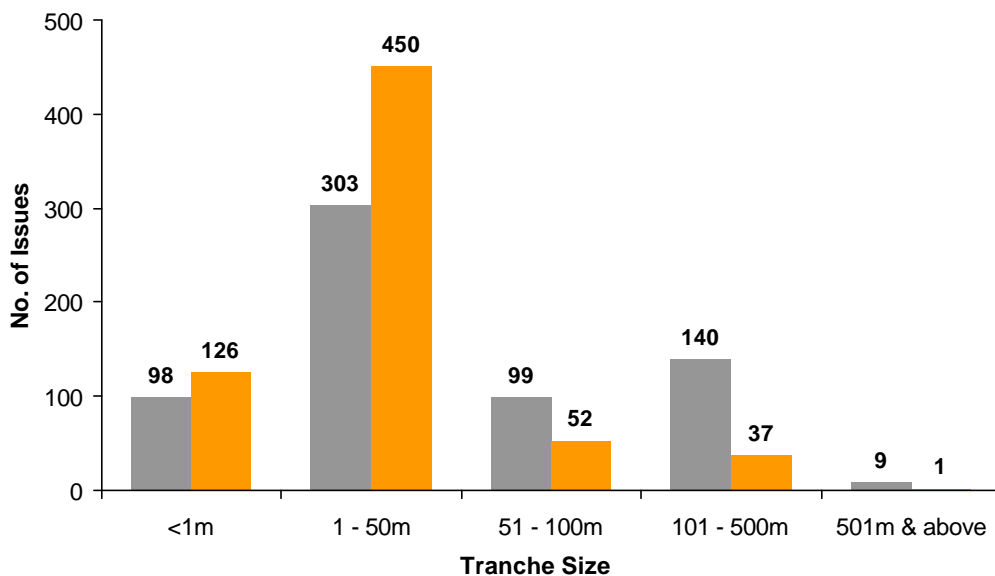
Although new issuance volume had declined by 62%, outstanding amount of non-Singapore dollar denominated (non-S\$) debt continued its upward trend to S\$40.8bn. [See chart 10] The global economic slowdown and reduced funding needs had an impact on new non-S\$ issuance.

Chart 10: Growth of non-S\$ Corporate Debt Market



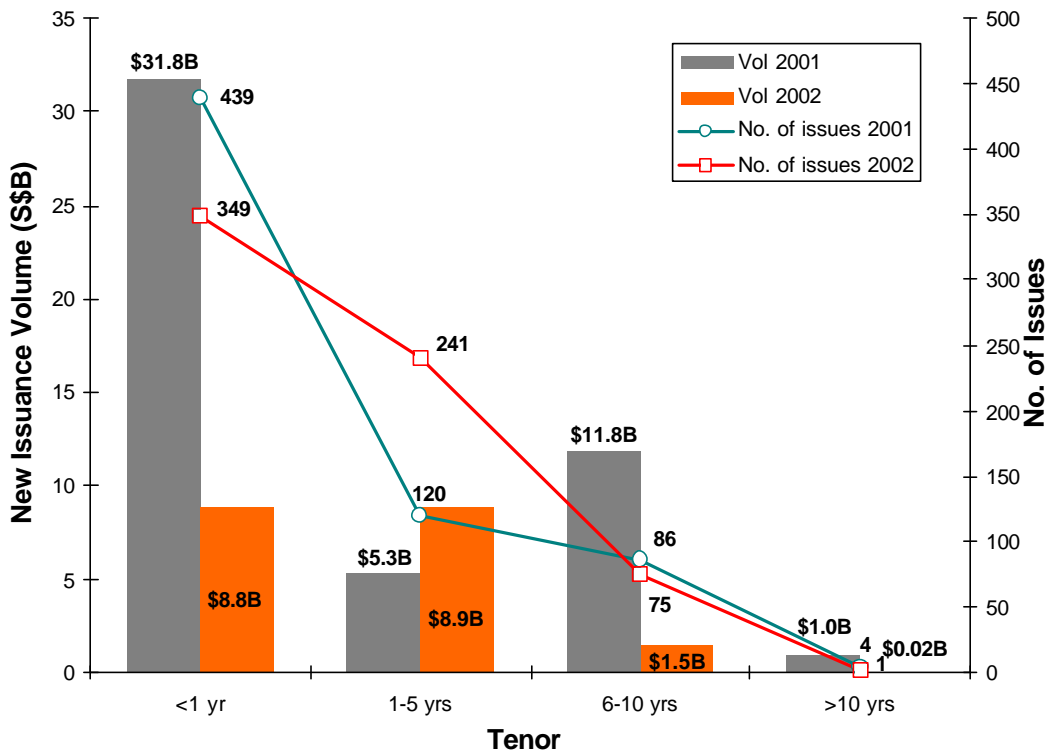
The total number of non-S\$ debt securities issued in 2002 grew slightly by 2.6%. Chart 11 shows the breakdown of the number of issues according to tranche sizes.

Chart 11: Number and Tranche Size of non-S\$ Debt Issues



Non-S\$ debt issued ranged from under a year to 15 years. Chart 12 shows the breakdown of the number of issues according to maturity. The proportion of debt issued beyond 1 year increased to 54% of total volume of non-S\$ issuance, compared to 36% in 2001.

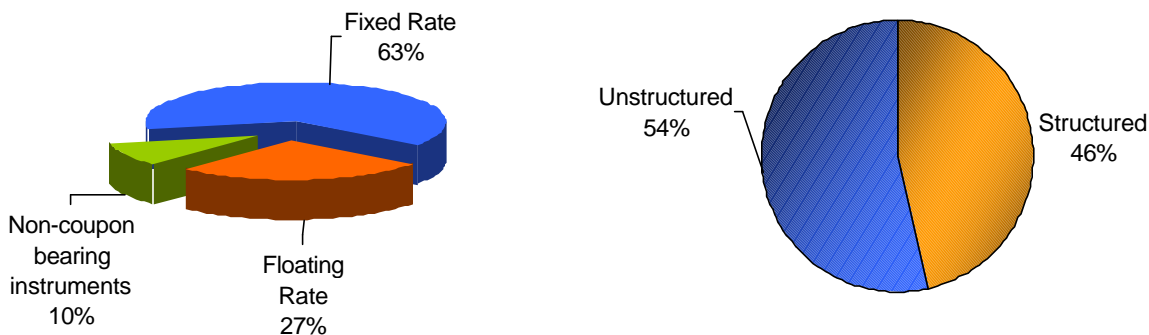
Chart 12: Number and Volume of non-S\$ Corporate Debt Issuance across Tenors



Types of Non-S\$ Debt

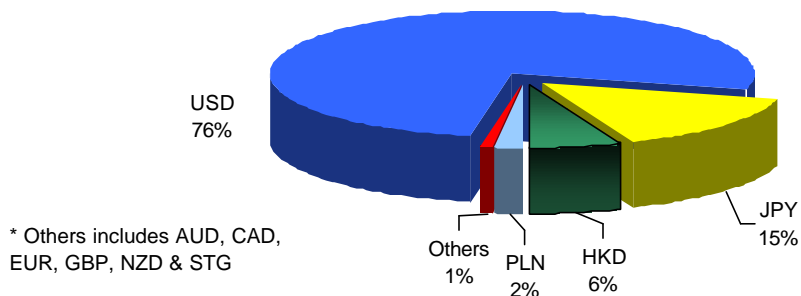
Fixed rate instruments accounted for the bulk of issuance. Structured products (including asset backed securities, zero-coupons, and other structured instruments) made up 46% of the market. [See Chart 13]

Chart 13: Breakdown of non-S\$ Debt Instruments



US Dollar denominated debt continued to dominate the non-S\$ issuance market, although as a proportion of the total amount of issuance, this fell from 92% in 2001 to 76%. Other currencies included the Japanese yen, Hong Kong dollar and Polish Zloty [See Chart 14].

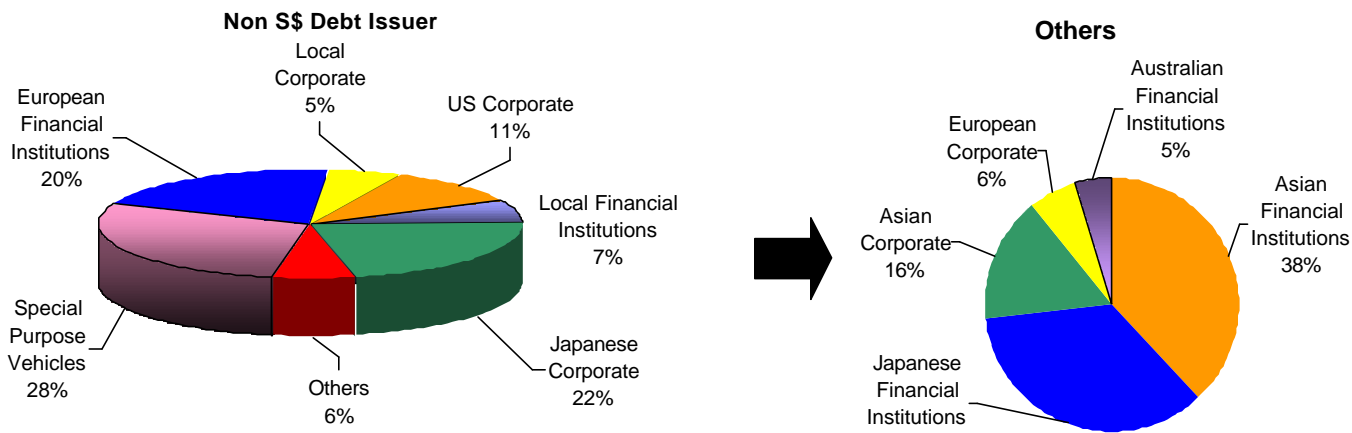
Chart 14: Currencies of Denomination



Non-S\$ Issuers

European financial institutions and Japanese corporates were major issuers of non-S\$ debt in 2002 as shown in Chart 15.

Chart 15: Non-S\$ Issuers



Others includes Asian FIs, Japanese FIs, Asian Corporates, European Corporates & Australian FIs

Non-S\$ Investors

The bulk of non-S\$ debt (92%) continued to be sold to offshore investors and with 100% of issues sold through private placements.