

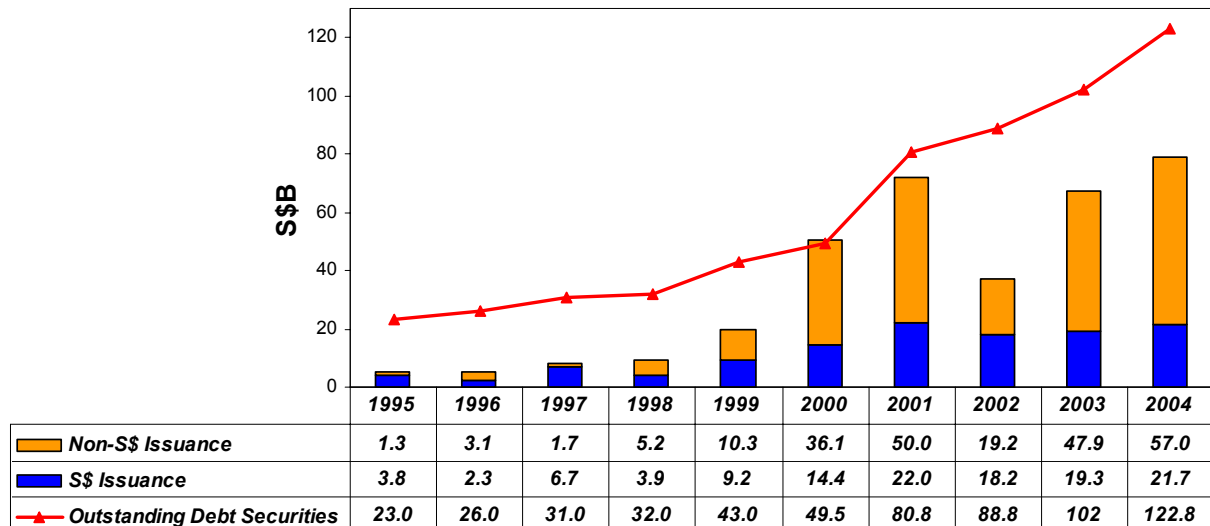
2004 SURVEY OF THE SINGAPORE CORPORATE DEBT MARKET

The Monetary Authority of Singapore (MAS) conducted a survey of the Singapore corporate debt market as at 31 December 2004. This survey covered all the financial institutions that 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” refer to bonds (including convertible bonds), notes, commercial papers and certificates of deposits.

OVERVIEW OF SINGAPORE CORPORATE DEBT MARKET 2004

Singapore’s debt market continued to see a healthy growth in 2003 over 2004. Total outstanding debt grew at a rate of 20% year on year in 2004, reaching S\$123 billion as shown below in Chart 1. Favourable economic and financial conditions were factors that contributed to the growth of the market.

Chart 1: Size of Singapore’s Corporate Debt Market

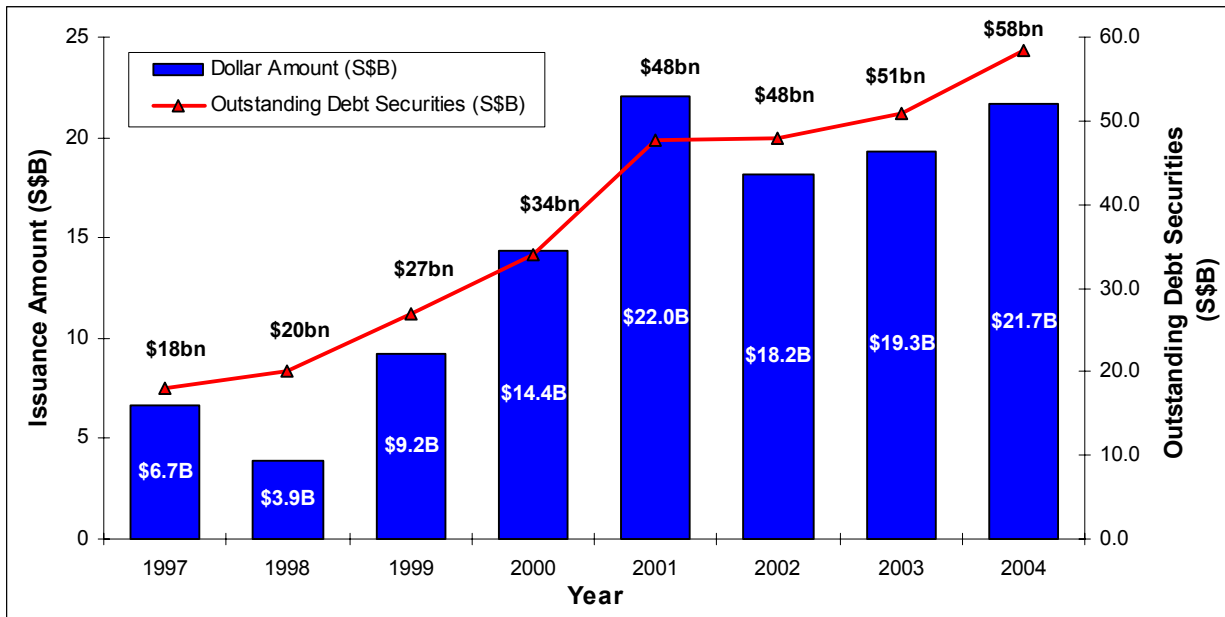


SINGAPORE DOLLAR (S\$) DENOMINATED DEBT MARKET

Size of S\$ Market

The new issuance volume of S\$ denominated debt increased by about 12% to \$22bn, while the outstanding S\$ denominated debt securities grew 14% from S\$51bn to S\$58bn [see Chart 2].

Chart 2: Growth of S\$ Corporate Debt Market



As shown in Chart 3, debt with tenor less than 5 years account for more than 80% of issuance volumes. However, the market also saw a greater number of issuers tapping the longer end of the market above 10 years, compared to 2003 [see Chart 4].

Chart 3: Maturity Profile of S\$ Bond Issuance by Volume

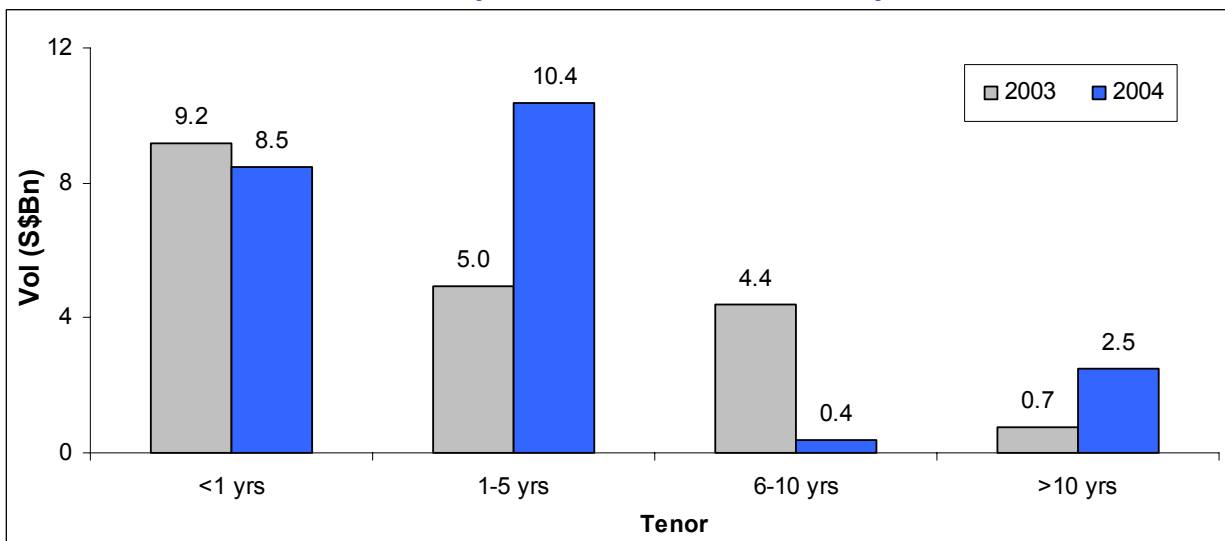
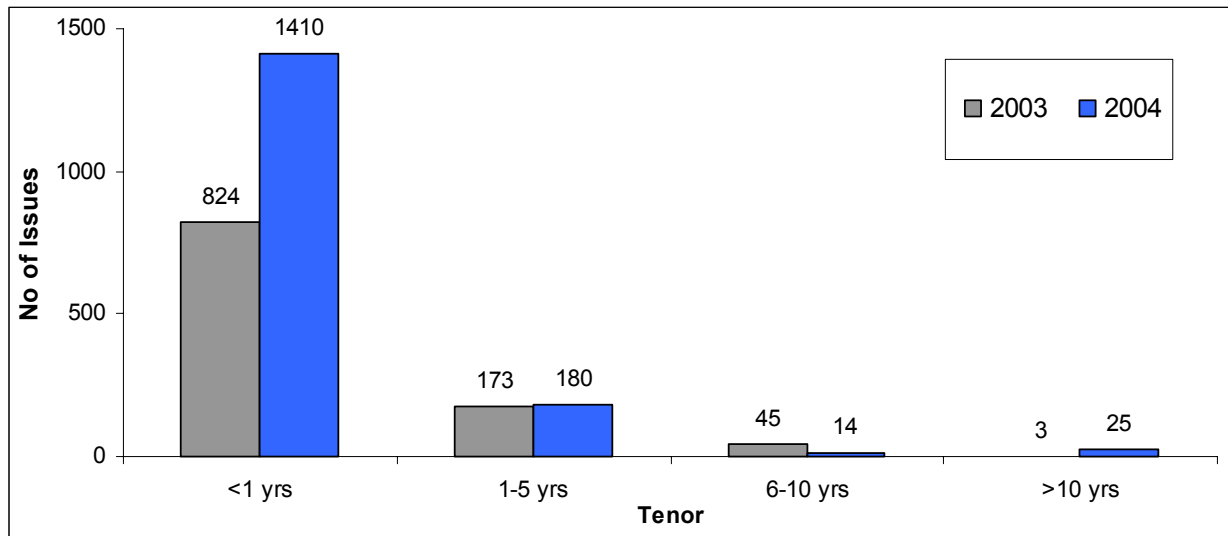


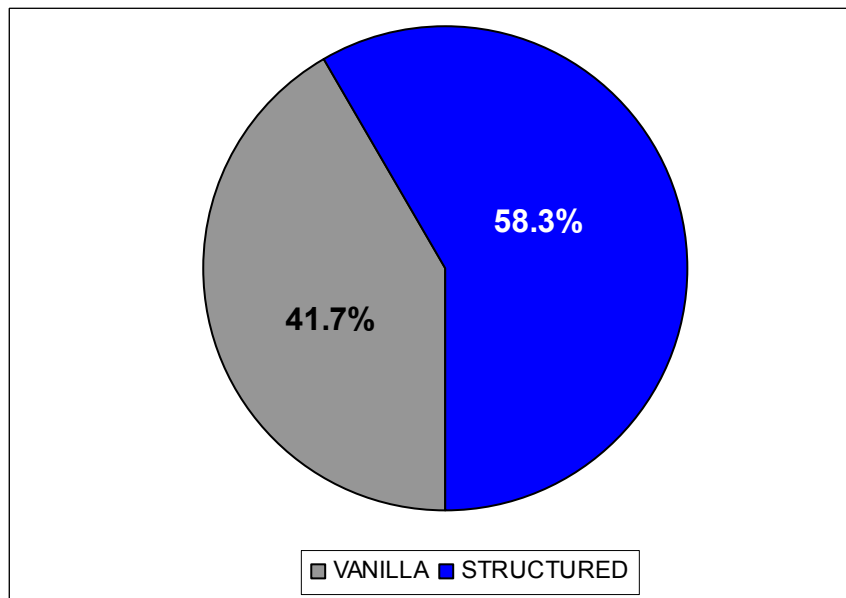
Chart 4: Maturity Profile of S\$ Bond Issuance by No of Issues



Profile of S\$ Denominated Debt Products

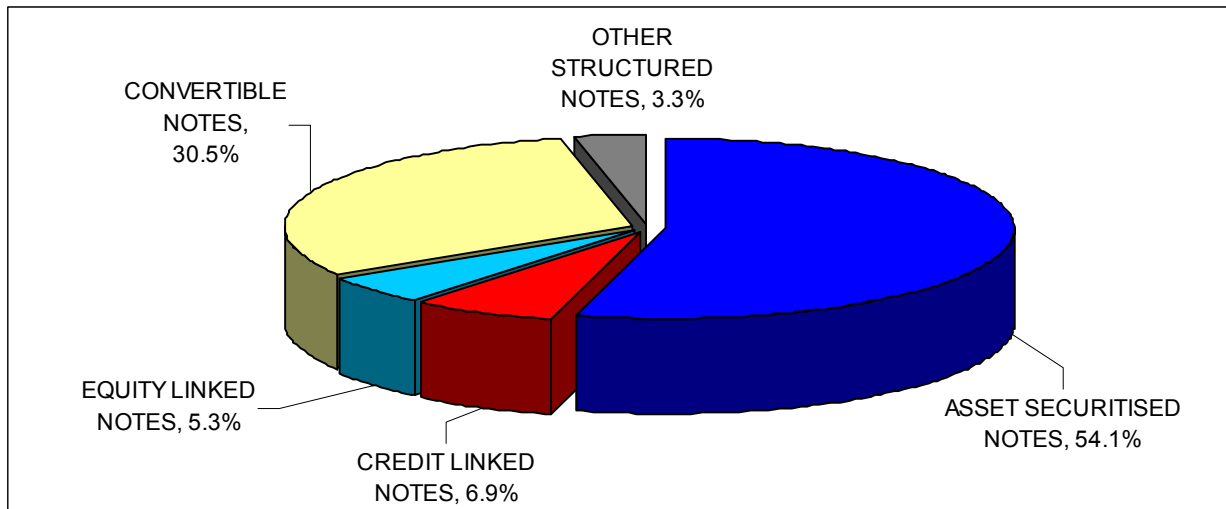
Structured debt accounted for about 60% of total S\$ denominated debt issues [see Chart 5]. The growing sophistication of the investor base and their attendant search to improve returns in a low interest rate environment led to the continued growth of structured products, which included equity linked notes, convertible bonds, credit linked notes and asset securitisation transactions.

Chart 5: Type of S\$ Debt Products



Asset backed securitisation (ABS) transactions accounted for a significant proportion of structured debt issued at 54%, with convertible notes accounting for 30%. [see Chart 6].

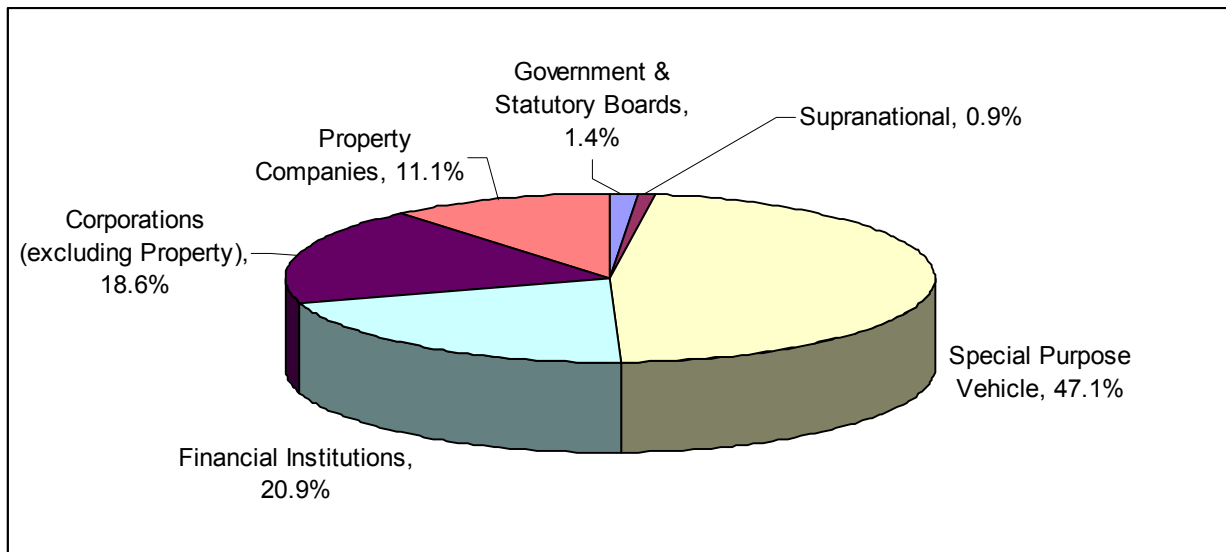
Chart 6: Profile of S\$ Structured Debt Products



Profile of S\$ Debt Issuers

As in 2003, Special Purpose Vehicles (SPVs) continued to be the main issuers given the high level of structured debt [see Chart 7].

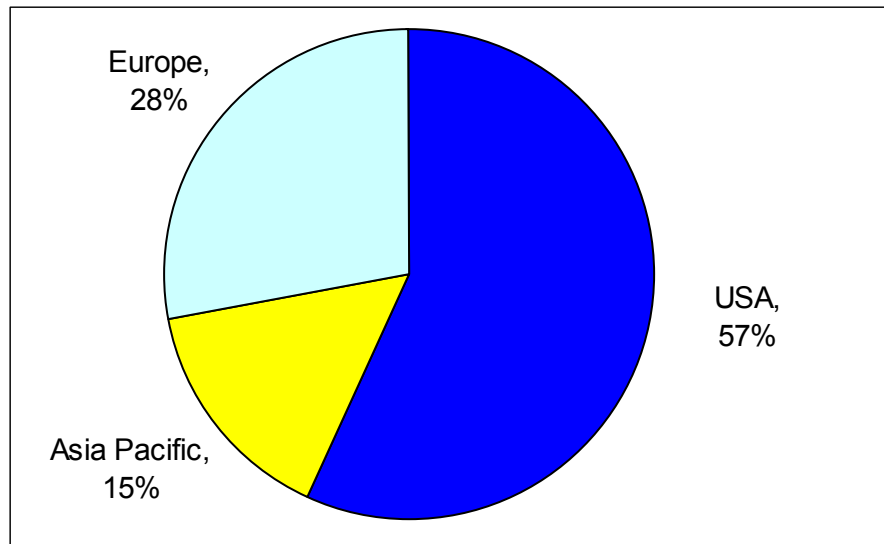
Chart 7: Profile of S\$ Corporate Bond Issuer



Foreign Entity Issuers

In 2004, we saw a record number of foreign issuers tap the S\$ bond market. They accounted for about 20% or \$3.5bn of the total S\$ debt issued. The swap market in 2004 was favourable and enabled them to tap the S\$ bond market at attractive levels. Foreign issuers included US and European corporates, supnationals and US agencies. In terms of geographical distribution, issuances from US companies continued to make up a significant proportion, similar to previous years [see Chart 8].

Chart 8: Geographical Distribution of Foreign Entity Issuers



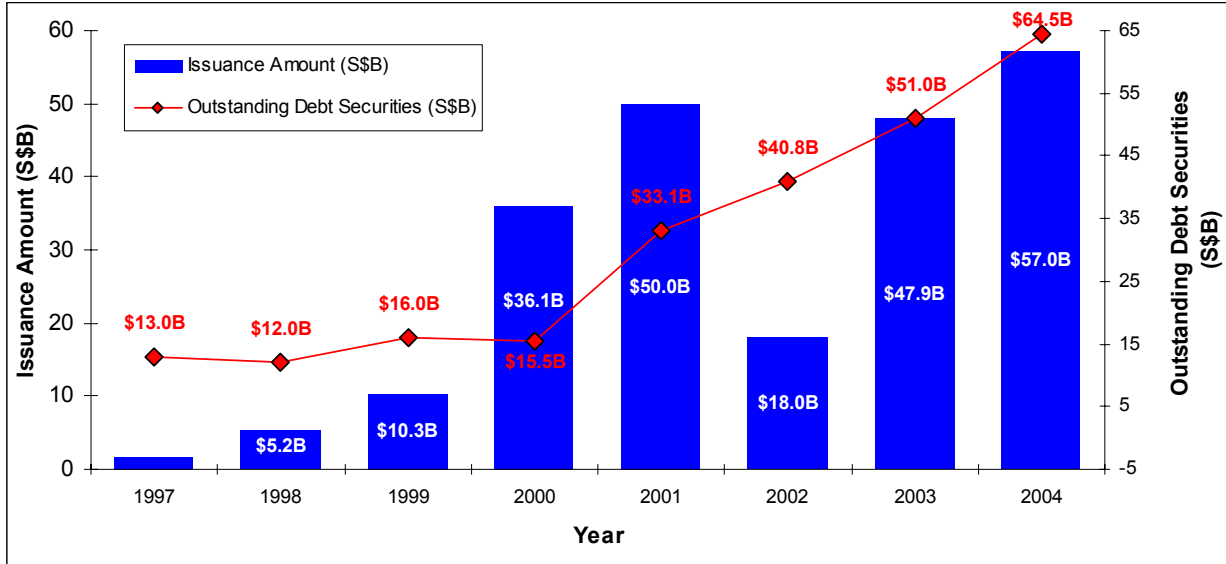
Investors of S\$ Denominated Debt

The majority of the S\$ denominated debt investors continued to be residents. However, the amount of S\$ debt purchased by investors outside Singapore increased from 11% in 2003 to 24% in 2004.

NON-SINGAPORE DOLLAR (NON-S\$) DENOMINATED DEBT MARKET

The non-S\$ denominated debt issuance continued its upward trend with a growth of 18% to S\$57bn. The outstanding volumes increased by 26% to S\$64.5bn [see Chart 9].

Chart 9: Growth of Non-S\$ Debt Issuance



Short term debt continued to dominate the market. However, 2004 also saw an increase in longer tenor issues which accounted for about 9% of the total issues [see Chart 10 and Chart 11].

Chart 10: Maturity Profile of Non-S\$ Denominated Debt Issuance by Volume

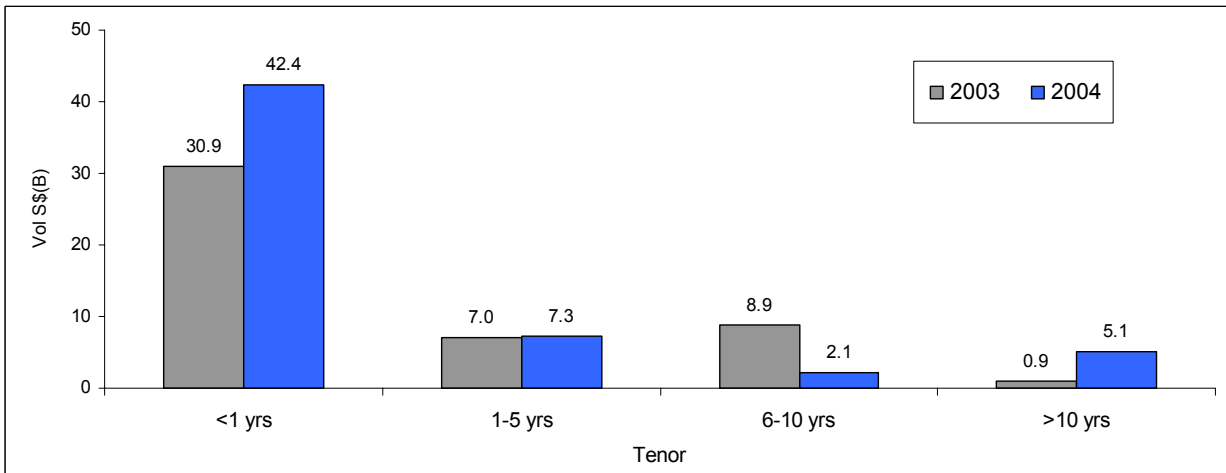
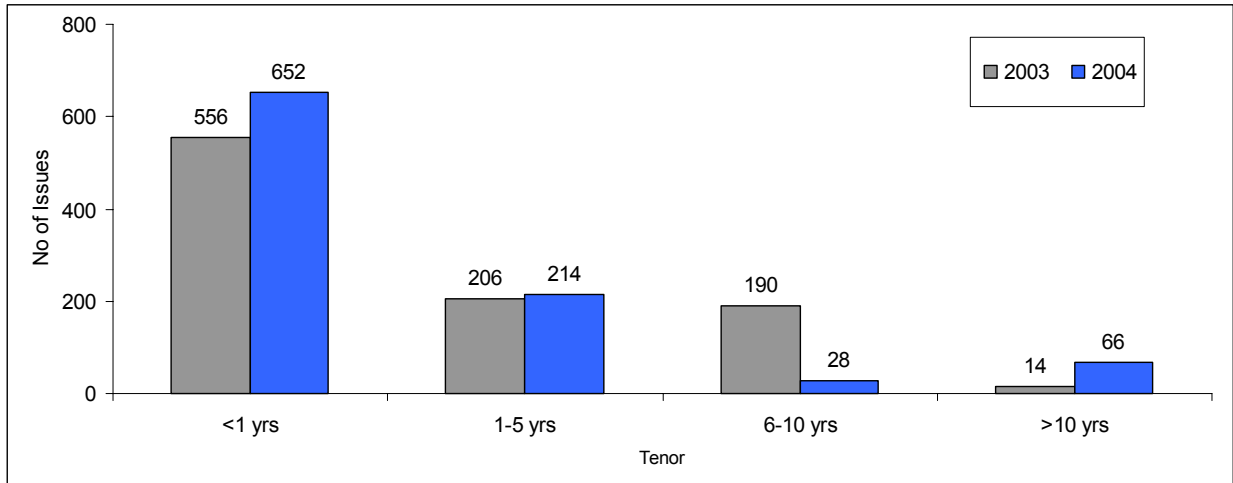


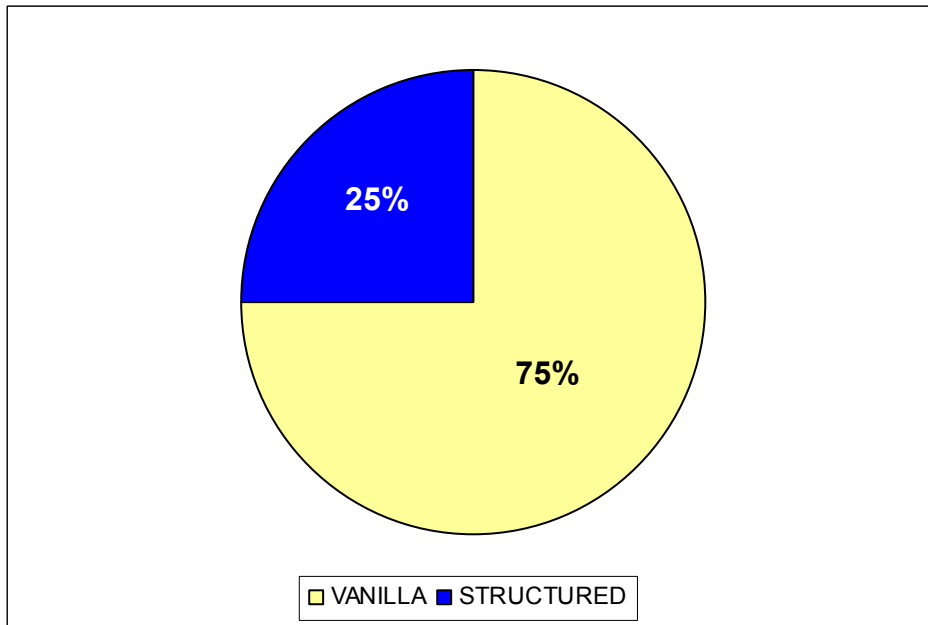
Chart 11: Maturity Profile of Non-S\$ Denominated Debt Issuance by No of Issues



Profile of Non-S\$ Debt Issues

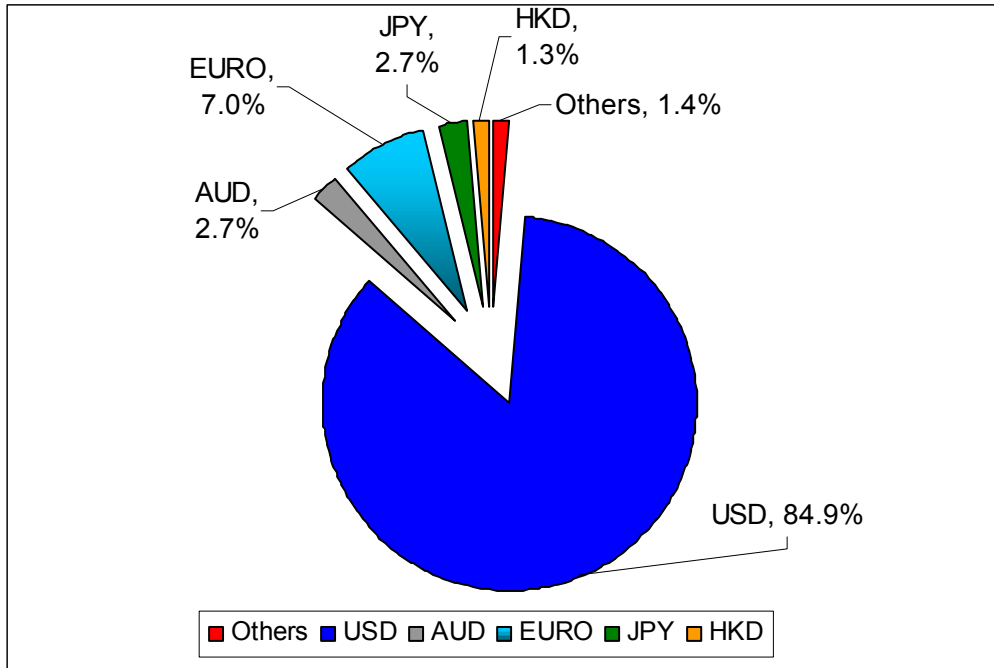
Plain vanilla debt continued to account for the bulk of issuance in 2004, making up 75% of the total issues [see Chart 12].

Chart 12: Breakdown of Non-S\$ debt instruments



The non-S\$ denominated debt market continued to be issued largely in USD currency. However, in comparison to 2003, 2004 saw a greater percentage of issues denominated in AUD, HKD and Euro [See Chart 13].

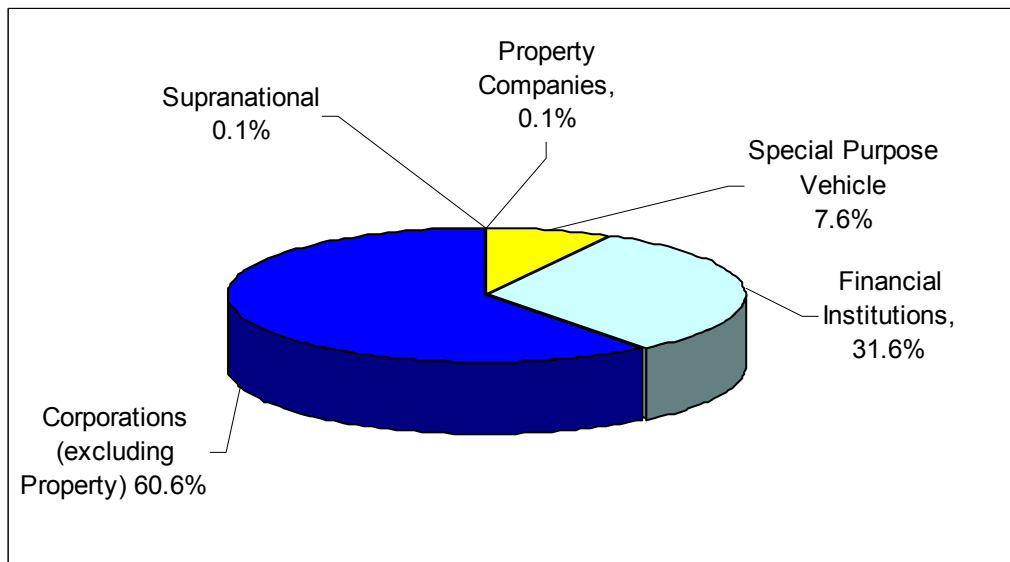
Chart 13: Currencies of Denomination



Profile of Non-S\$ Debt Issuers

Corporate issuers continued to make up a significant percentage of the market at 61%. However, the proportion of non-S\$ debt raised by Financial Institutions increased from 16% to 31.6% compared to previous year [see Chart 14].

Chart 14: Profile of Non-S\$ debt issuers in 2004 (by volume)



Non-S\$ Denominated Debt Investors

Similar to 2003, 93% of non-S\$ debt issues were privately placed to offshore investors, with a marginal increase in non-S\$ placed within Singapore.