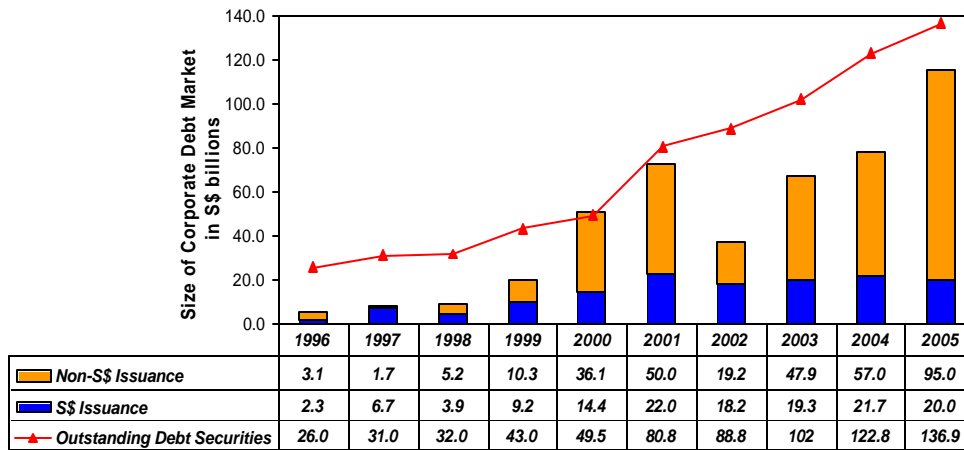


THE SINGAPORE CORPORATE DEBT MARKET REVIEW 2005

OVERVIEW OF THE SINGAPORE CORPORATE DEBT MARKET 2005

The corporate debt market in Singapore has grown substantially – more than five times in size since 1996. Outstanding volume of corporate debt displayed an increasing trend; growing by 11% from 2004 to S\$137 billion as at the end of last year. As shown in Chart 1, 2005 showed a strong increase in issuance to S\$115 billion. The bulk of issuance was in tenors of less than 1 year, totaling S\$87 billion. This reflected investor appetite for shorter-term paper in the face of an uncertain interest rate environment. The market also saw an increase in diversity of issuers as well as strong structured credit issuance.

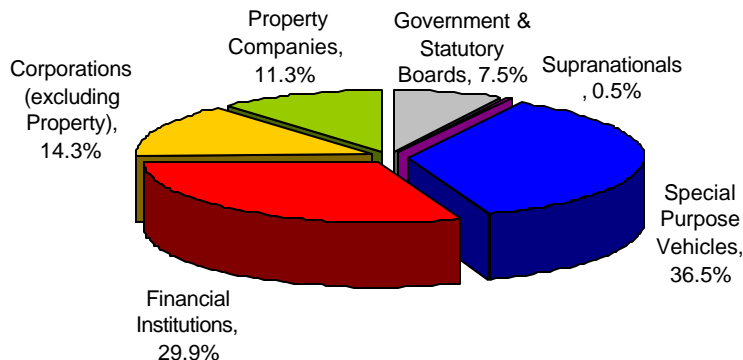
Chart 1: Size of Singapore's Corporate Debt Market



INCREASED DIVERSITY IN SGD-DENOMINATED DEBT ISSUER PROFILE

The range of issuers has broadened. Special purpose vehicles (SPVs) continued to account for a significant portion due to dominant growth in Asset Backed Securitisation (ABS) transactions in Singapore, with financial institutions and corporations making up 30% and 26% of the market respectively. [See Chart 2]

Chart 2: SGD-Denominated Debt Issuer Profile

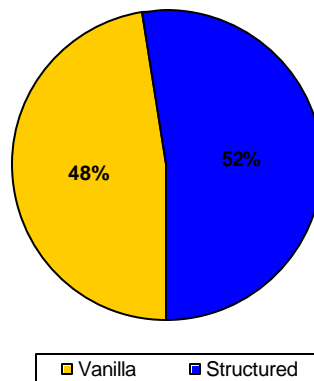


Foreign entity issuers accounted for 14%, or about S\$3 billion, of total SGD-denominated debt issued in 2005. Some of these foreign entity issuers included Abu Dhabi Commercial Bank P.J.S.C., Central American Bank for Economic Integration, Export-Import Bank of Korea, and General Electric Capital Corporation.

DOMINANCE OF STRUCTURED DEBT IN SGD ISSUANCE

Structured products continued to dominate the SGD-denominated debt market, making up 52% of the market volume in 2005. [See Chart 3] This reflects the growing sophistication of the investor base.

Chart 3: Breakdown of SGD-Denominated Debt Instruments



As illustrated in Chart 4 below, the more prevalent SGD-denominated structured credit products included ABS transactions, credit linked notes, collateralized debt obligations and equity linked notes. ABS transactions accounted for 57% of structured debt issued in 2005, while equity linked notes comprised 21%. The proportion of structured debt in non-SGD issuance remained modest at 14% in 2005.

Chart 4: Profile of SGD-Denominated Structured Debt Instruments

