

SINGAPORE CORPORATE DEBT MARKET DEVELOPMENT 2022

SINGAPORE – GLOBAL CITY, WORLD OF OPPORTUNITIES



Monetary Authority of Singapore

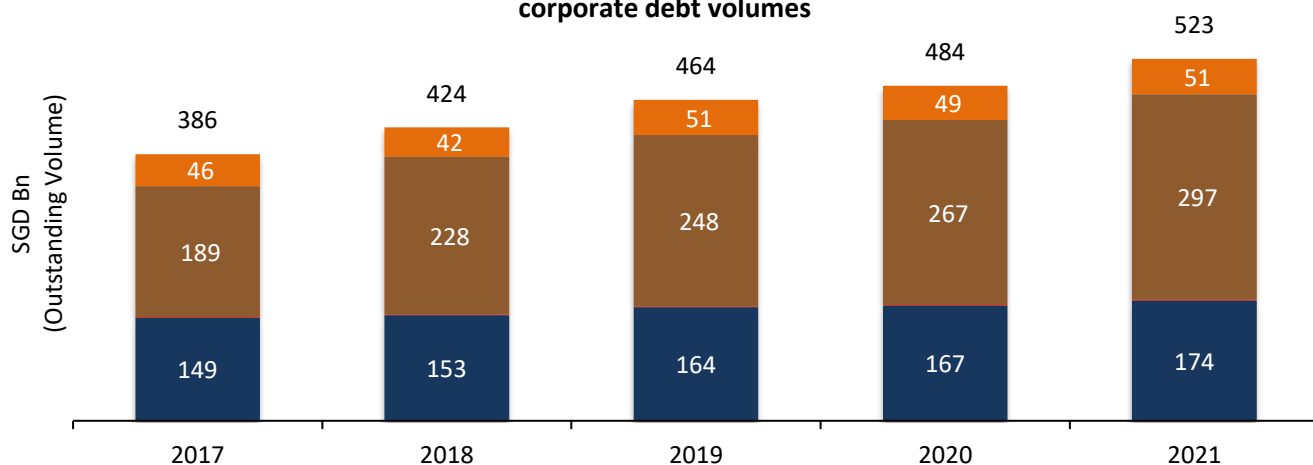


Singapore’s debt market saw steady growth in 2021, with total outstanding debt arranged by financial institutions in Singapore registering a 8% growth to SGD 523 billion as of 31 December 2021.

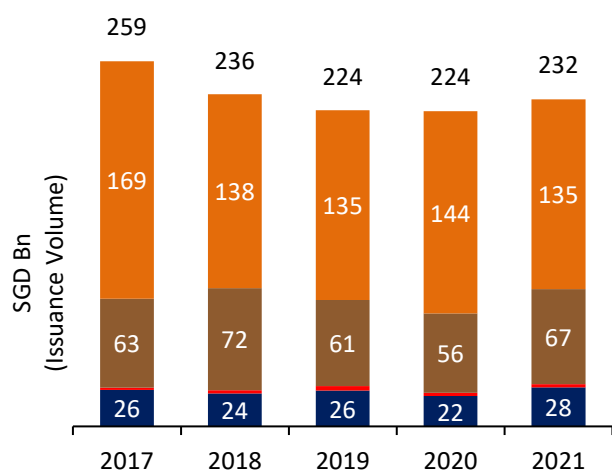
New debt issuances grew 4% year-on-year, with SGD 232 billion of debt issued in 2021, of which:

- SGD 202 billion or 87% were denominated in foreign currencies, predominantly in USD.
- SGD-denominated issuance volume reached a 9-year high of SGD 30 billion.

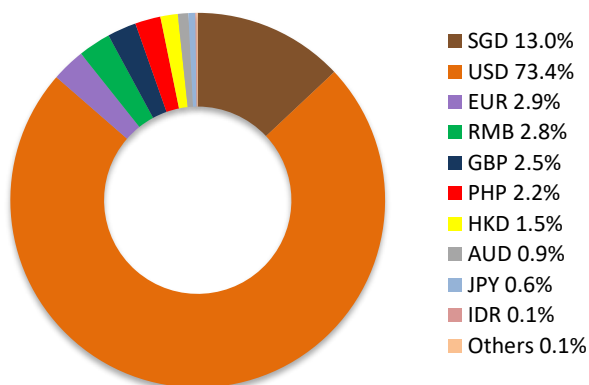
Non-SGD long-term debt issuances form the majority of Singapore’s outstanding corporate debt volumes



Non-SGD debt issuances has driven the steady growth of Singapore’s corporate debt market



While USD remained the primary currency of issuance, other currencies have increased their share YoY, including SGD (+2.2%) and RMB (+2.3%)



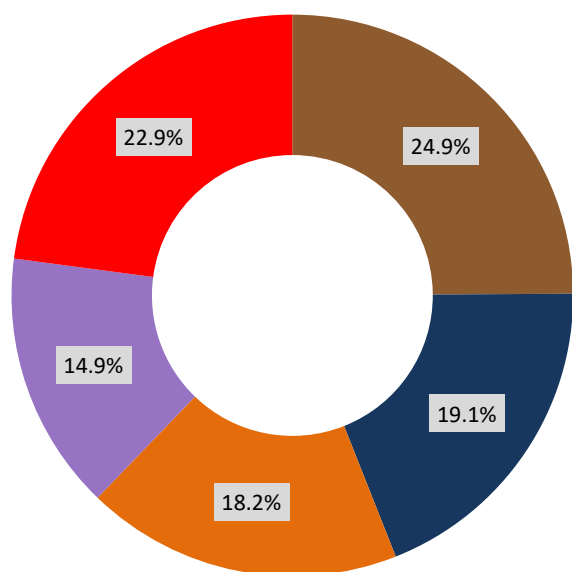
■ Short-Term Non-SGD Debt ■ Long-Term Non-SGD Debt ■ Short-Term SGD Debt ■ Long-Term SGD Debt



In the SGD debt market, corporate issuers accounted for 58.9% of the SGD 30 billion issuance during the year, while in the non-SGD space, financial institutions (“FI”) accounted for 64.9% of SGD 202 billion.

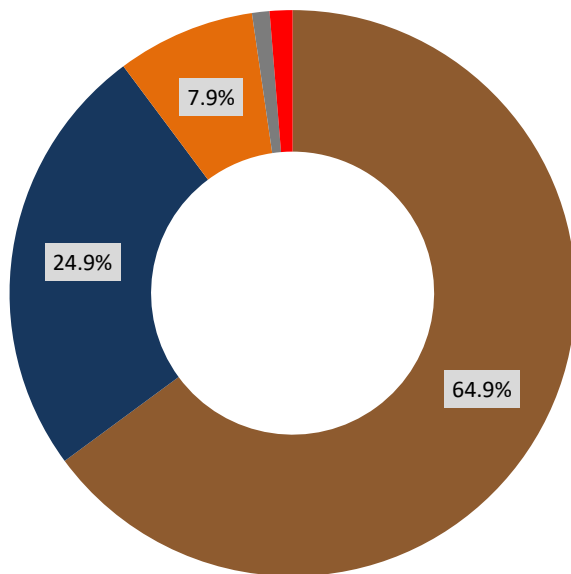
Share of SGD issuances by Issuer (2021)

In 2021, HDB and NEA raised a total of SGD 6.9 billion, of which SGD 1.65 billion are inaugural green bonds, further supporting the diversity of our bond market.



- Corporation (excluding Property) 24.9%
- Corporation (Property) 19.1%
- Financial Institutions 18.2%
- SPV (Corporation) 14.9%
- Statutory Boards 22.9%

Share of Non-SGD issuances by Issuer (2021)

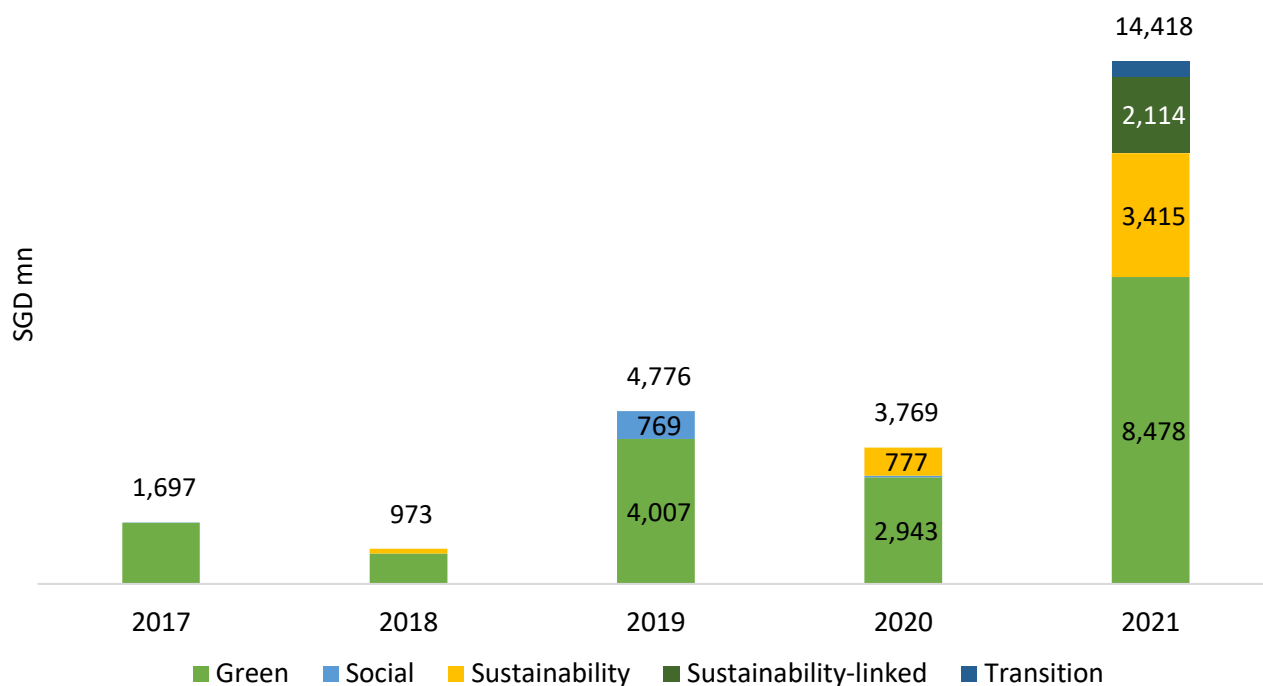


- Financial Institutions 64.9%
- Corporation (excluding Property) 24.9%
- SPV (Corporation, Reinsurance, FI) 7.9%
- Supranational 1.0%
- Corporation (Property) 1.3%

In 2021, FI’s proportion of non-SGD issuance volume increased by 2.5% as FI tapped onto our multicurrency bond market, raising funding in various currencies with increased funding in currencies such as CNY, GBP, PHP.

MAS' Sustainable Bond Grant Scheme ("SBGS") supports businesses in the issuance of green, social, sustainability and sustainability-linked ("GSSSL") bonds in Singapore that meet internationally accepted standards, by defraying the costs of obtaining an external review and post-issuance report for GSSSL bonds. In 2021, SGBS catalysed SGD 14.4 billion of issuances, representing a significant growth in interest amongst corporates to raise financing for their GSSSL activities as they transit to a low carbon future.

**SBGS catalysed a record number of issuances in 2021,
including South East Asia's first sustainability-linked bonds**



Notable issuances in 2021 includes the following:

Singapore's Bayfront Infrastructure issued the world's first sustainability securitisation tranche of US\$120 million backed by a portfolio of green and social assets.

Singapore's Surbana Jurong Group issued Southeast Asia's first sustainability-linked bond ("SLB") in February 2021, supported by targets to reduce carbon emissions, raising SGD250 million.

Indonesia's PT Japfa Comfeed issued a US\$350 million SLB in March 2021, the first USD denominated SLB from Southeast Asia. Its Sustainability Performance Targets (SPTs) focus on the construction of new water recycling facilities for sustainable water and wastewater management.

China Construction Bank Corporation Singapore branch issued a CNH2 billion transition bond in April 2021 to finance decarbonisation projects that span power, gas, steam, manufacturing and steel industries.

2020 and 2021 saw record-level issuances globally and in the region on the back of the monetary policy easing, low interest rates and bond purchases by major central banks. However, as investors keep a close eye on geopolitical and macro-economic risks, global bond issuances are expected to moderate in 2022 as governments, corporates and businesses cut back on their funding needs.

In 2022, while inflation continues to pose as the key macroeconomic challenge, Asian bond markets will also be driven by factors such as the financing needs necessary for Asia's transition to a low carbon future and economic recovery from the reopening of Asia's borders. Singapore's ecosystem of banks, investors, and professional service firms, as well as the digitalisation of bond market infrastructure, will enable us to support fund raising efforts in the region and help channel international capital to support Asia's growth and net-zero transition needs.



About the Report

The Monetary Authority of Singapore (MAS) releases an annual update of the Singapore corporate debt market, which covers debt securities arranged or co-arranged by financial institutions in Singapore for the calendar year ending 31 December. Data presented in this report is collected from Return on Debt Securities (“RODS”) filing to MAS.

This report provides key data on Singapore's corporate debt market for the calendar year ending 31 December 2021 and highlights notable issuances and market trends. In this report, debt market refers to both short-term and long-term debt securities but does not include loans. Short-term debt refers to debt securities with a tenure of 1 year or less. Long-term debt refers to debt securities with a tenure of more than 1 year.

