

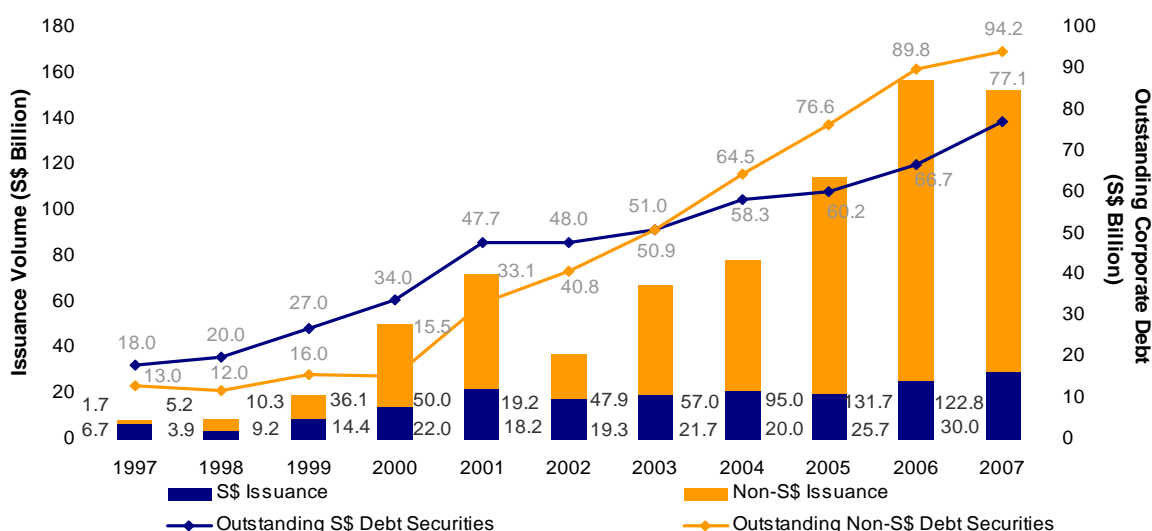


THE SINGAPORE CORPORATE DEBT MARKET REVIEW 2007

Overview

Despite the US subprime and credit market melt-down, Singapore's total outstanding volume of the corporate debt grew by 9% from S\$156.5 billion in 2006 to S\$171.3 billion in 2007 (Chart 1). Overall issuance volume fell by 2% to S\$152.8 billion in 2007. Non-Singapore dollar-denominated corporate debt issuance continued to dominate, accounting for 80% of total issuance, but Singapore-dollar denominated corporate debt issuance registered a 16% rise, to S\$30 billion, in 2007.

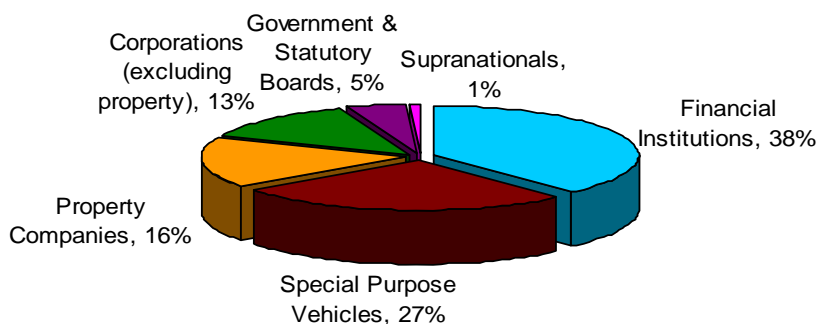
Chart 1
Size of Singapore Corporate Debt Market (1997 – 2007)



Growth in SGD Debt Issuance by Financial Institutions

The financial institutions sector has increased 58% from S\$7.2 billion in 2006 to S\$11.4 billion in 2007, accounting for 38% of the Singapore dollar-denominated debt market (Chart 2).

Chart 2
SGD Denominated Debt Issuer Profile (Based on Issuance)



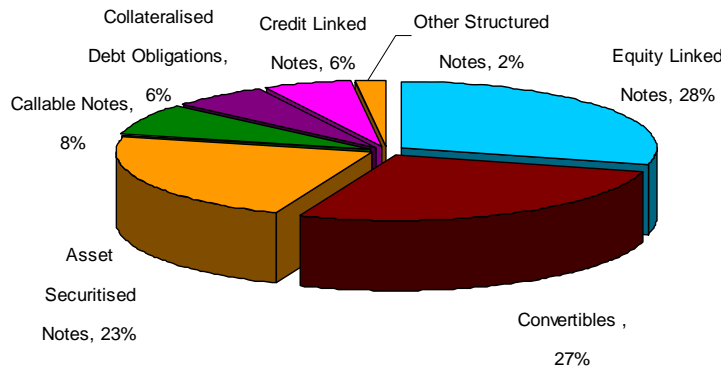
About S\$8.6 billion, or 29%, of the Singapore-dollar denominated bond issuance is attributable to foreign issuers, an increase of S\$2.6 billion compared to a year ago. Geographically, there has been a shift from Asian issuers to European issuers. 32% of issuance was attributable to issuers in the Asia-Pacific region, declining from a 50% share in 2006. European issuers now formed the largest group, accounting for 42% of issuance in 2007, compared to 14% in 2006. Some of these issuers included Danske Bank (Denmark) and Abbey National Treasury Services PLC (UK).

Use of Equity Linked Notes and Convertible Notes Issuances

Equity linked notes issuances have displayed an increase of S\$2 billion from S\$1.7 billion in 2006 to S\$3.7 billion in 2007 for the Singapore dollar-denominated debt market. This similar trend is also displayed in the non-Singapore dollar-denominated debt market where issuance for equity linked notes has jumped S\$1.4 billion to S\$2.6 billion in 2007.

In addition, both Singapore dollar-denominated and non-Singapore dollar-denominated convertible note issuances have registered positive growth, of S\$2.7 billion and S\$4.8 billion, respectively.

**Chart 3
Profile of SGD Denominated
Structured Debt Issued**



**Chart 4
Profile of Non-SGD Denominated
Structured Debt Issued**

