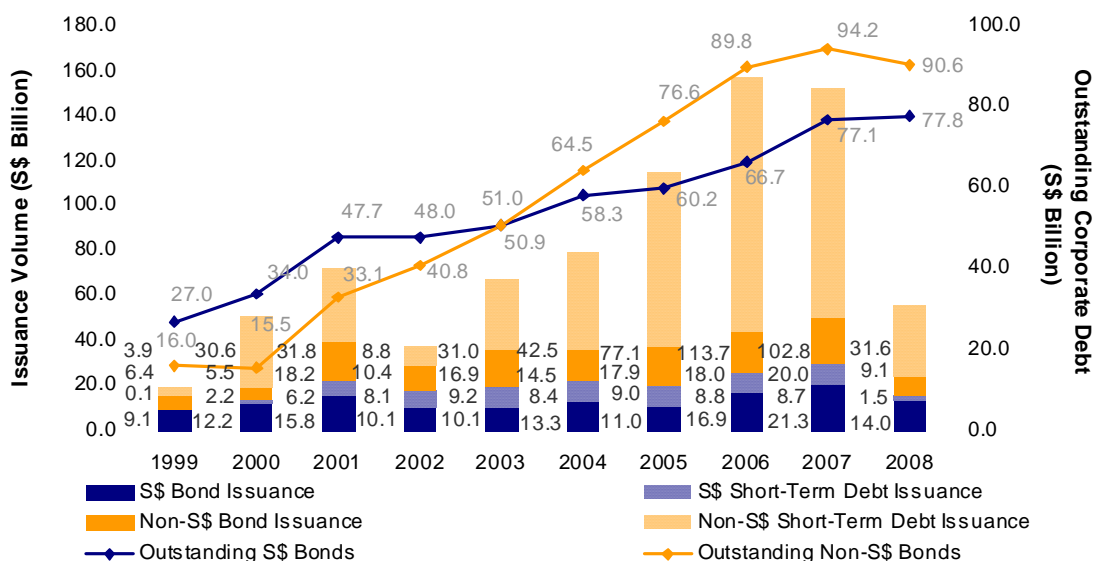


THE SINGAPORE CORPORATE DEBT MARKET REVIEW 2008

OVERVIEW

1. The size of the Singapore corporate debt market declined marginally from S\$171 billion in 2007 to S\$168 billion in 2008. In tandem with the global economic downturn and widespread decline in bond markets, total debt issuance in Singapore dropped sharply by 63% to S\$56 billion in 2008 – the lowest issuance volume recorded since 2002 (see Chart 1). Unfavorable market conditions in the last quarter of 2008 impacted both Singapore dollar denominated (SGD) and non-SGD debt issuances, leading to a year-on-year drop of 48% and 67% respectively.

Chart 1
Size of Singapore Corporate Debt Market (1999 – 2008)



MATURITY PROFILE

2. 64% of SGD debt issued in 2008 were in maturities of 1- to 5-year, while long term bonds with tenor of more than 10-year maintained at 20% of total SGD debt issuances, as shown in Chart 2. Majority of non-SGD debt was in maturities of less than 1 year.

Chart 2
Maturity Profile of SGD Debt Issued

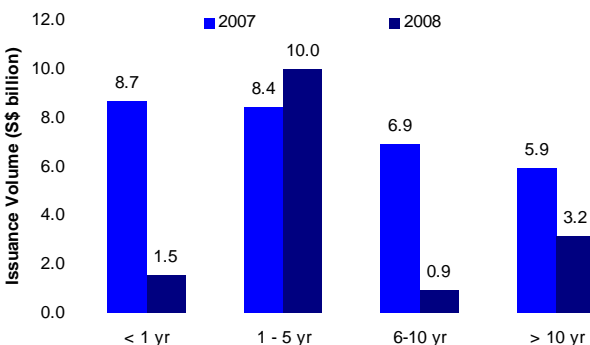
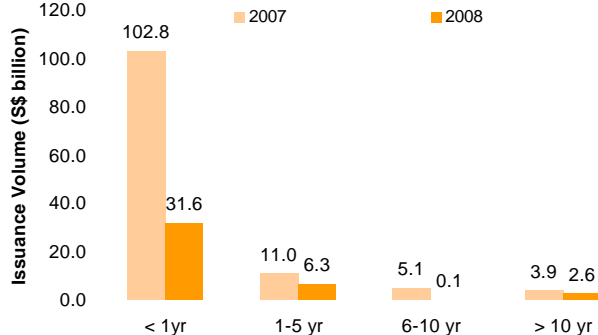


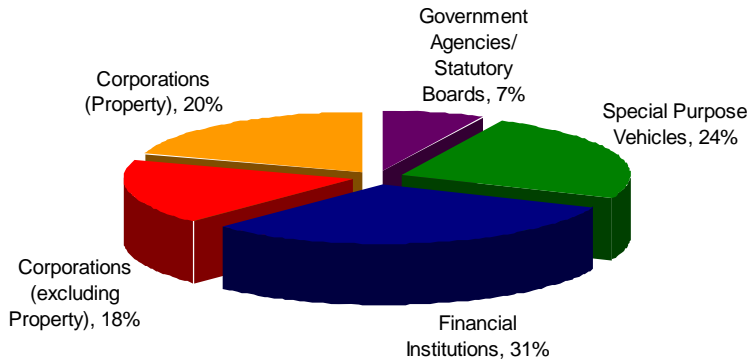
Chart 3
Maturity Profile of Non-SGD Debt Issued



PROPORTION OF SGD DEBT ISSUANCE BY FOREIGN ENTITIES AT 28%

3. As illustrated in Chart 4, the range of SGD debt issuers remained broad, with corporations accounting for 38% of total SGD debt issuances. The proportion of foreign entities tapping the SGD debt market remained stable at 28% last year, compared to 29% in 2007. Some of these issuers include the Export-Import Bank of Korea, Hong Kong Mortgage Corporation Limited, Malayan Banking Berhad and Standard Chartered Bank. Akin to 2007, European issuers continue to dominate, accounting for 45% of SGD debt issuance by foreign issuers in 2008.

**Chart 4
SGD Denominated Debt Issuer Profile (Based on Issuance)**

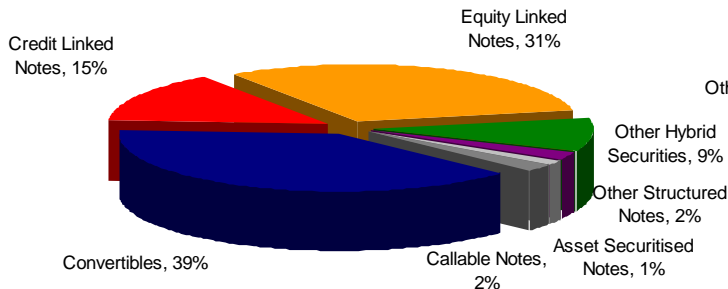


STRUCTURED DEBT ISSUANCES

4. The proportion of SGD and non-SGD structured debt maintained at 41% and 13% respectively, compared to 42% and 14% in 2007. Despite the general decline in bond issuances, credit linked notes issuances registered a 27% growth to S\$923 million last year, accounting for 15% of SGD structured debt issued (see Chart 5). For non-SGD debt, currency-linked notes issuances increased by 54% to S\$559 million in 2008, making up 11% of non-SGD structured debt as shown in Chart 6.

5. On the other hand, SGD denominated asset-backed securitization (ABS) transactions fell significantly from S\$2.8 billion in 2007 to S\$94 million in 2008. Similarly in the non-SGD debt space, ABS issuances dropped by S\$2.4 billion year-on-year to S\$1 billion last year.

**Chart 5
Profile of SGD Denominated Structured Debt Issued**



**Chart 6
Profile of Non-SGD Denominated Structured Debt Issued**

