



Credit Guarantee &
Investment Facility

An Asian Bond Markets Initiative

A black and white photograph of three people climbing a thick rope on a structure, possibly a bridge or a climbing wall. The people are in various stages of ascent, with one person at the top and two others below. The background shows a cloudy sky.

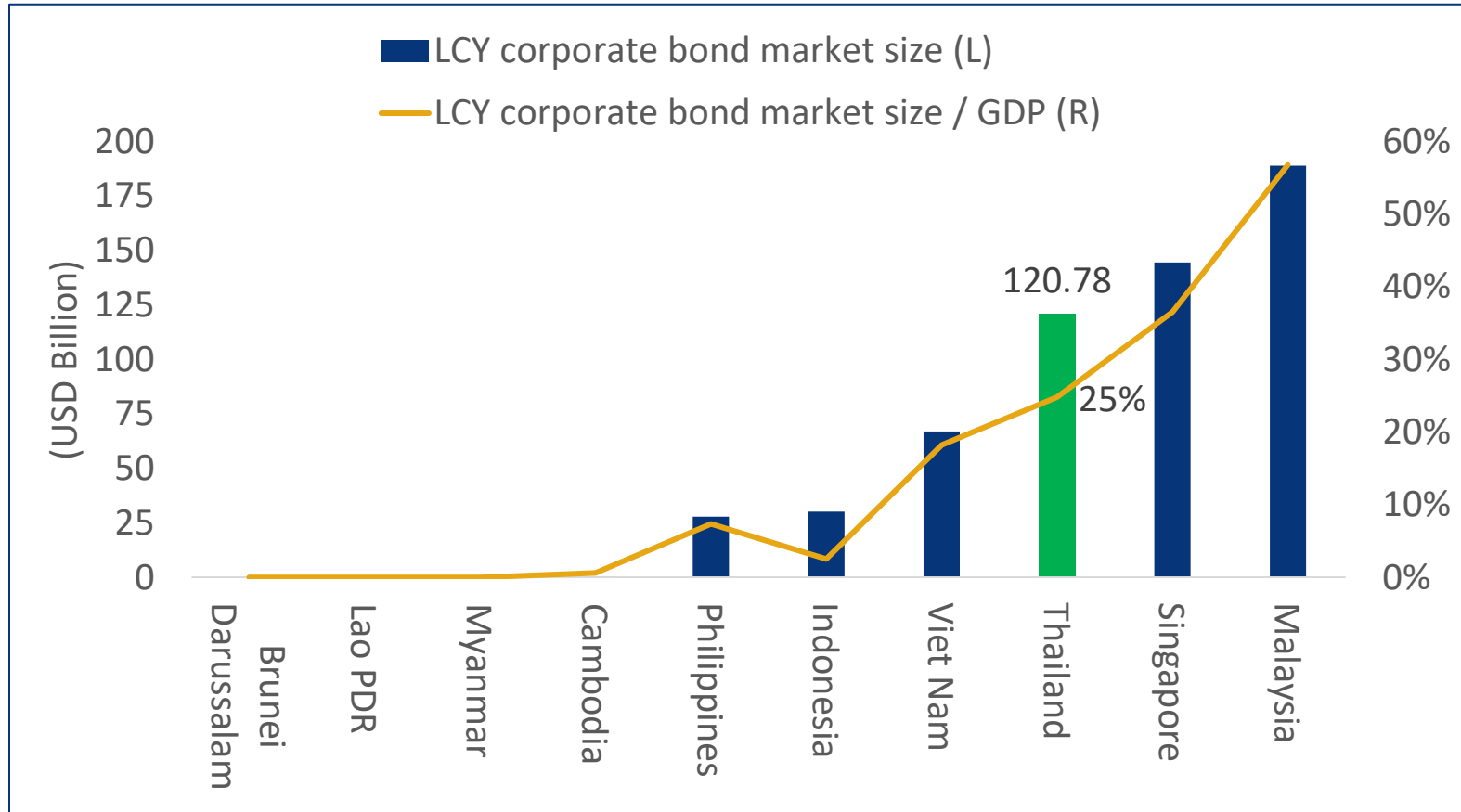
Characteristics of Thai Corporate Bond Market

In comparison with other ASEAN markets

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CFO / Meeting of Contributors
29 May 2023

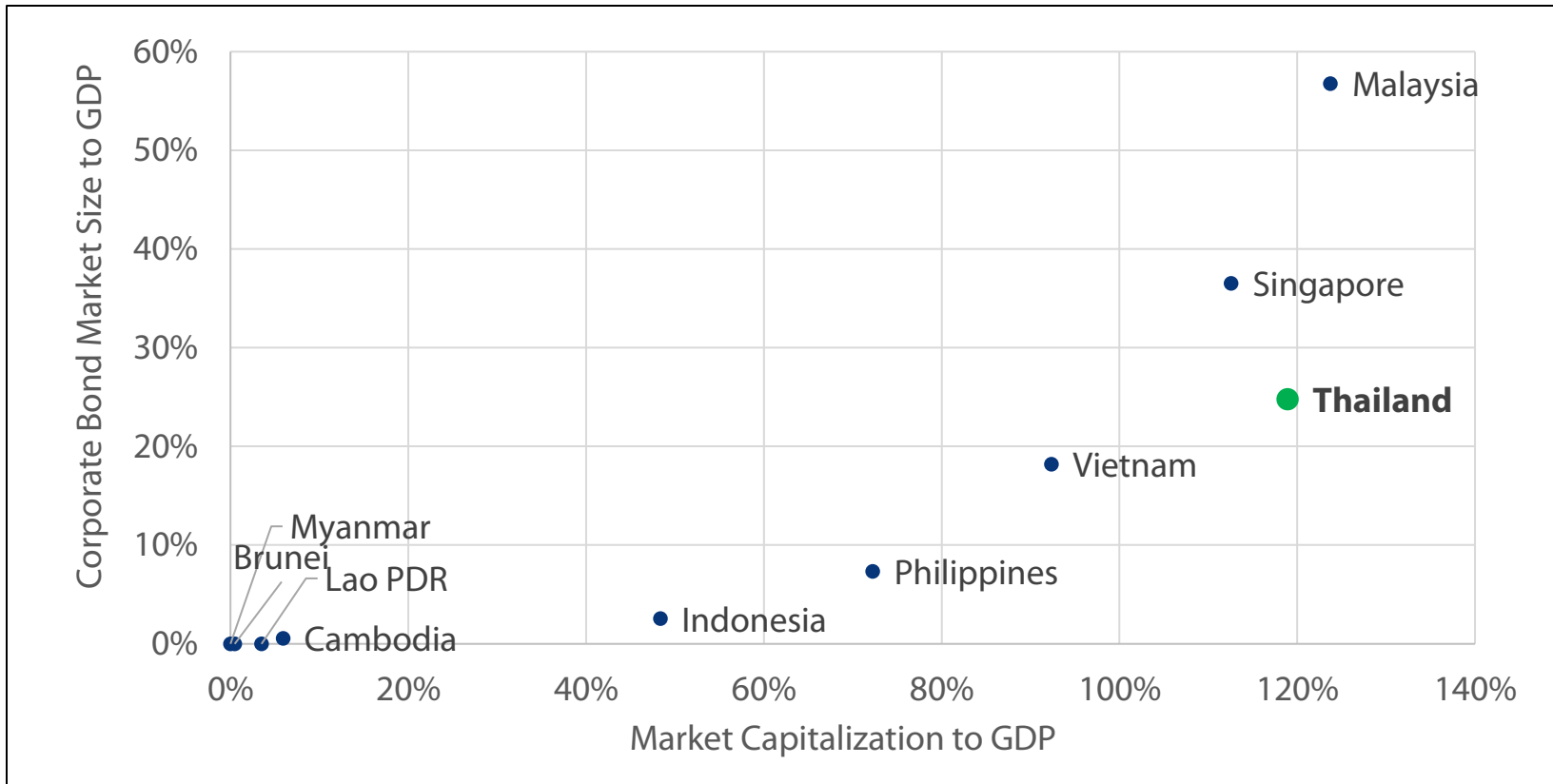
- I. Development Stages
- II. Specific Characteristics
- III. Market Participants
- IV. Credit Spread
- V. Guaranteed Bonds
- VI. Cross-Border Bonds
- VII. ESG Bonds

Local currency Corporate bond market sizes of ASEAN countries, 2021



Data : Asian Bonds Online for local currency corporate bond market sizes and GDPs of Indonesia, Malaysia, Philippines, Singapore, Thailand and Viet Nam. World bank for GDPs of other countries.

Relationship between Market Capitalization to GDP and Corporate Bond Market Size to GDP, 2021



1. GDP figures of ASEAN6 (Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam) are sourced from Asian Bonds Online and those of BCLM (Brunei Darussalam, Cambodia, Lao PDR, and Myanmar) are from World Bank.
2. Market capitalization figures for ASEAN6 countries are sourced from Bloomberg, while those for BCLM are retrieved in local exchanges in each country. Brunei has no stock exchange. These are reported in local currencies. Exchange rates used are as follows: USD1 = KHR4,074.20; USD1 = LAK11,196.90; and USD1 = MMK1,780.
3. LCY corporate bond market figures from ASEAN6 are sourced from Asian Bonds Online. Viet Nam's corporate bond market size reflects data from the Ministry of Finance Viet Nam. LCY corporate bond market size of Cambodia is from Cambodia Stock Exchange.

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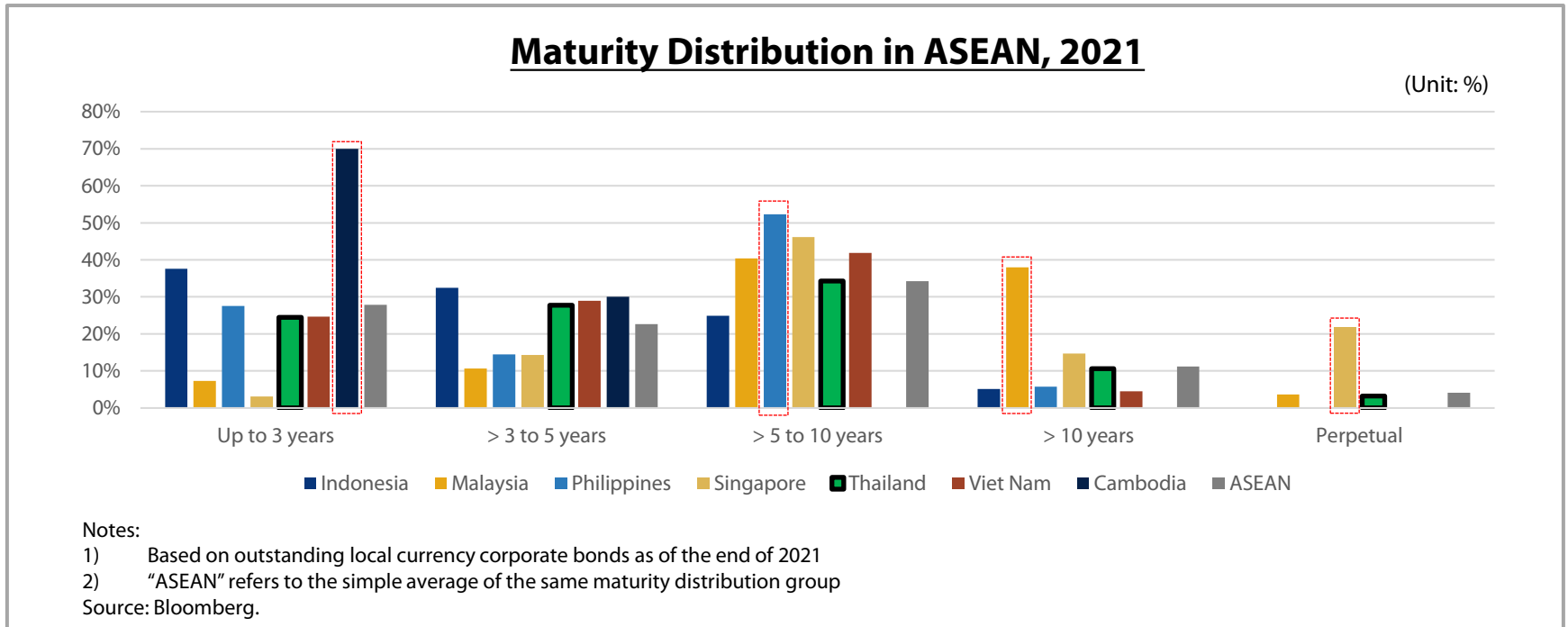
Issue Size of Corporate Bonds

(Unit: USD Million)

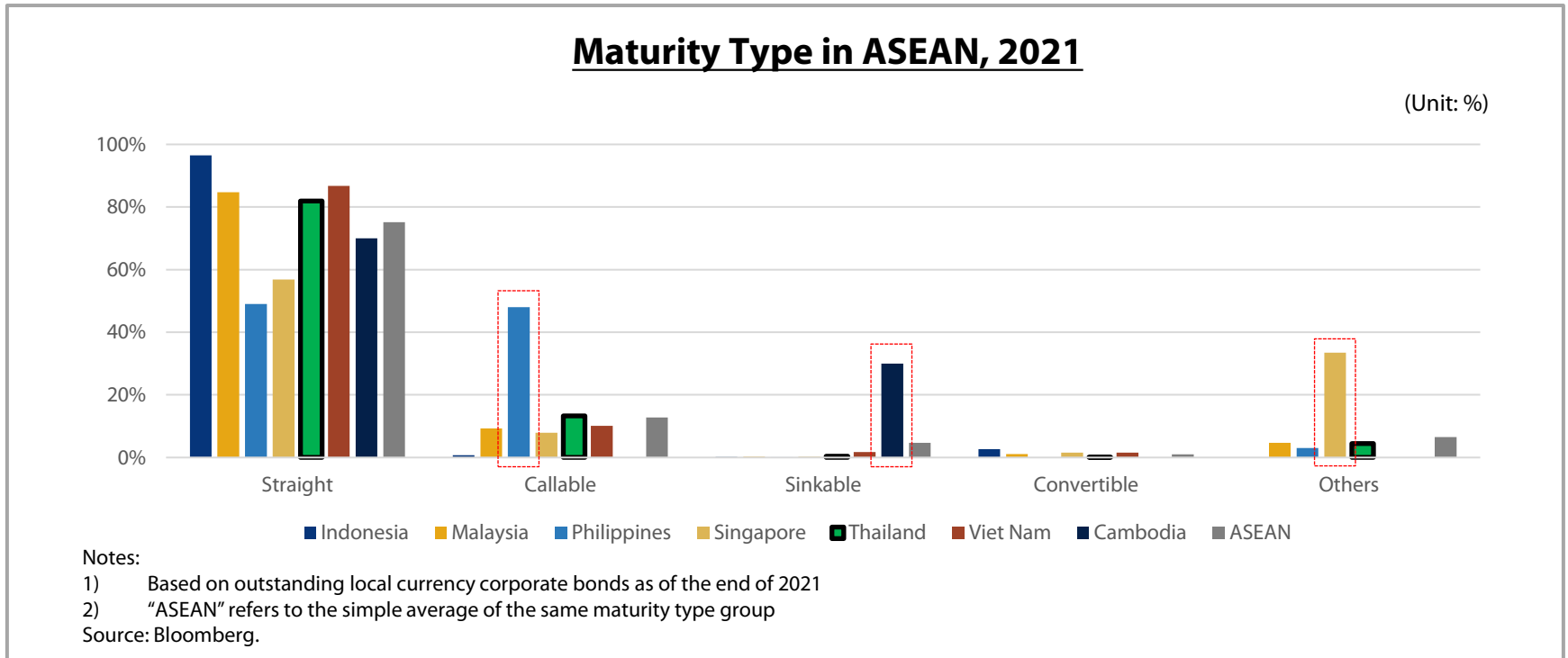
Country	Average	Minimum	Maximum
Cambodia	16.32	6.48	31.22
Indonesia	32.73	< 0.01	592.94
Malaysia	50.26	< 0.01	3,443.56
Philippines	127.27	1.96	786.40
Singapore	184.29	0.07	4,593.62
Thailand	67.74	0.15	1,321.70
Viet Nam	56.28	0.05	175.24

Note: Based on outstanding local currency corporate bonds as of the end of 2021
Source: Bloomberg.

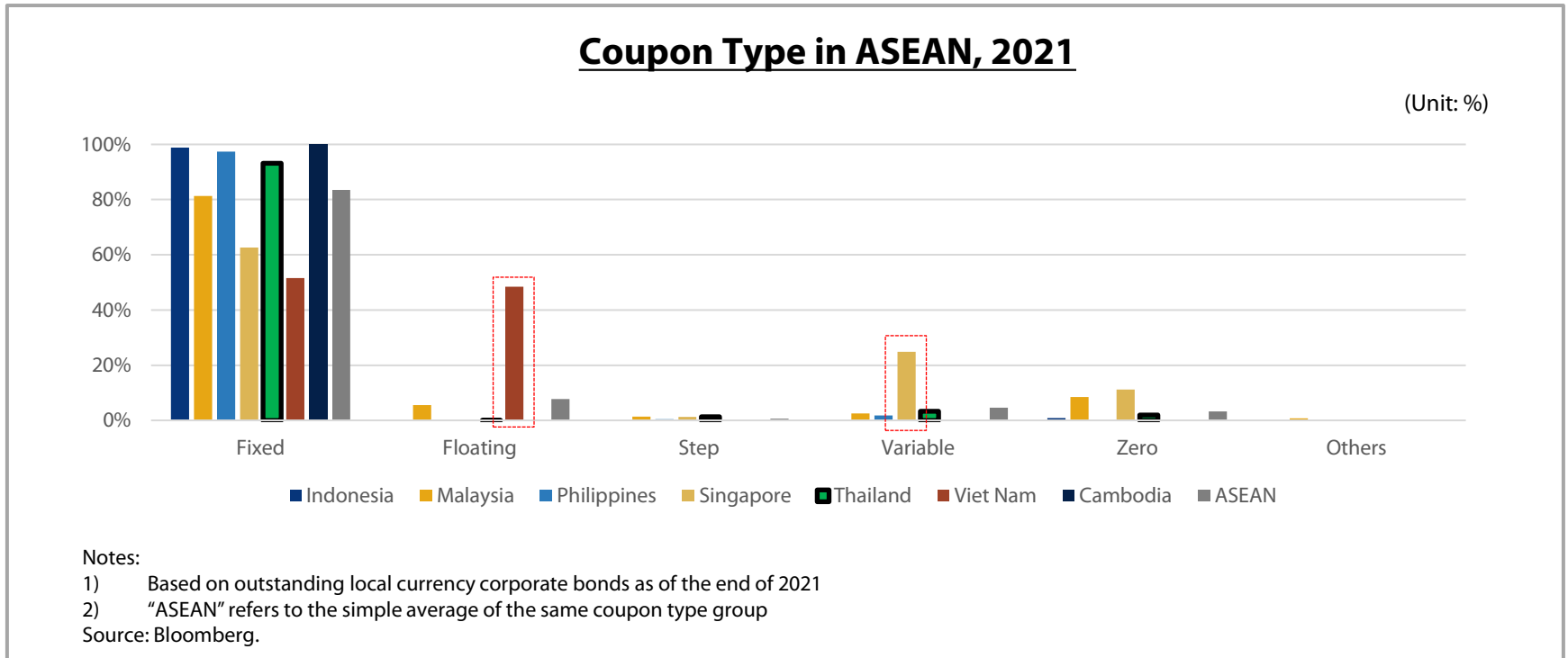
- Small average issue size does not necessarily indicate an “undeveloped” corporate bond market because companies can issue smaller sized bonds. However, a small average issue size in a domestic corporate bond market may lead companies to tap offshore bond markets when their funding amounts are too big.
- **Malaysia** has wide range of issue size of corporate bonds because of its Islamic finance market. A sukuk program can be issued with small size of issue amount. This tendency is also observed in **Indonesia**, since it has Islamic finance market too.
- In the **Philippines**, a bond issuance is not generally considered when an issue size is smaller than USD100 million due to the fixed costs associated with bond issuance such as legal fees or credit rating fees.



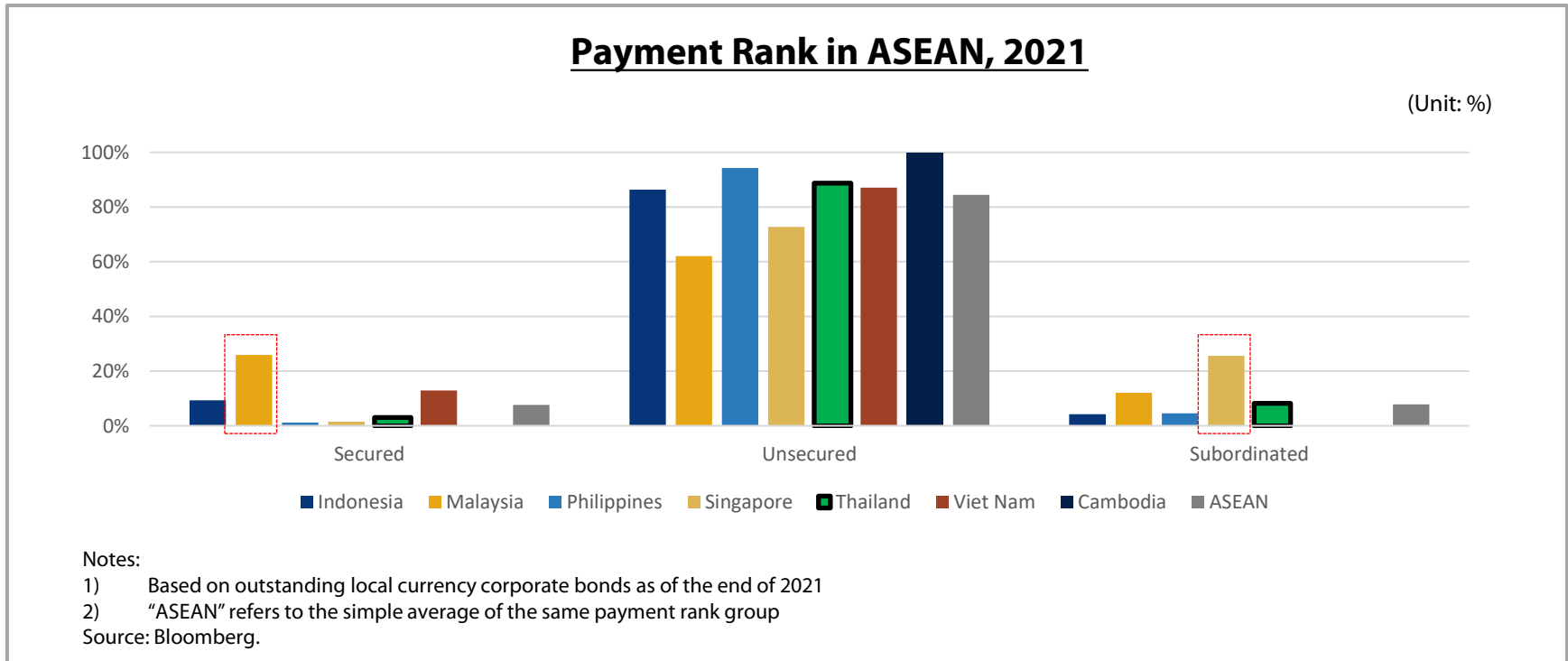
- **Philippines:** More than 50% of outstanding corporate bonds are issued with 5 to 10-year maturities. It is attributed to the withholding tax exemption applied to debt instruments issued by banks when they are issued with maturity of longer than 5 years.
- **Malaysia:** 38% of outstanding corporate bonds are issued with longer than 10-year maturities, because bonds are widely used for project financing which requires long term funding.
- **Cambodia:** The tax incentives on bonds influence the maturity distribution concentrating on tenors of up to 3 years.
- **Singapore:** More than 20% of outstanding corporate bonds are issued with perpetual bonds. In fact, they are mostly perpetual callable bonds issued for supplementary capital.



- Bonds with straight maturity type dominate most of the ASEAN corporate bond markets. However, some unique characteristics stand out:
 - **Philippines:** About 48% of outstanding corporate bonds are callable bonds, which are issuer-led, since most issuers are large and established corporates in the country. The issuers prefer to have call options that would enable them to refinance with lower rates when market interest rates go down.
 - **Cambodia:** Sinkable bonds are the amortizing bonds with CGIF-guarantees.
 - **Singapore:** A significant share of outstanding bonds are perpetual callable bonds, which are classified under "Others".



- Coupon type of most of the outstanding corporate bonds in ASEAN are fixed coupon type.
- **Viet Nam:** Floating rate bonds with 12-month deposit rate as reference rate are popular due to two possible reasons. First, banks, the biggest investor group in Viet Nam, prefer investing in floating rate bonds because their liabilities are also linked to deposit rates. Second, the corporate bonds have been considered alternatives of corporate loans in Viet Nam.
- **Singapore:** Variable coupon bonds are mostly observed from perpetual callable bonds whose coupons until call dates are fixed and coupons after call dates are fixed at the benchmark rates set at the call date plus spreads.



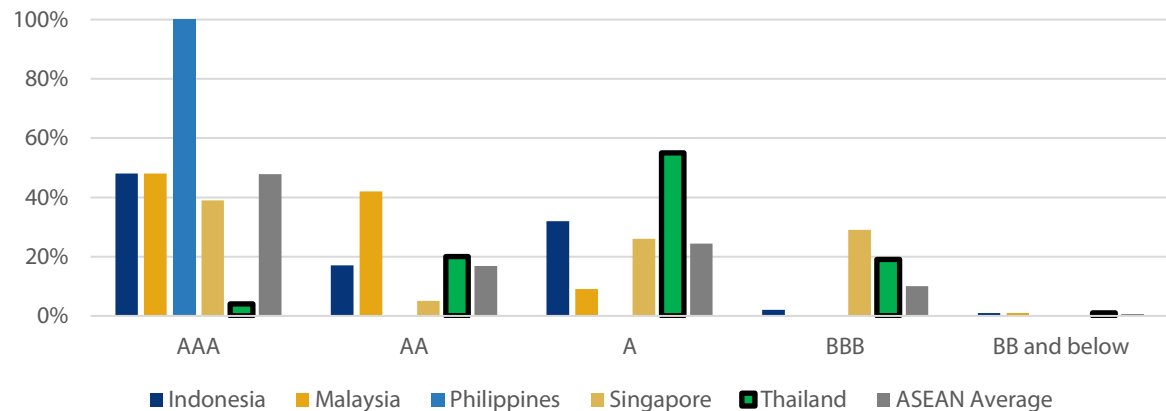
- Unsecured payment rank dominates ASEAN.
- **Malaysia:** The high level of secured bonds is linked to developed project-related bonds in the country because project bonds are structured similar to project finance loans in which security is a common characteristic.
- **Singapore:** Banks issue subordinated bonds as these are accepted as supplementary capitals that help banks comply with capital requirements under regulation. Aside from banks, companies from other industries, especially real estate, participate in subordinated bond issuances in Singapore.

Ratio of Rated Corporate Bonds

Country	Ratio
Indonesia	82%
Malaysia	54%
Philippines	26%
Singapore	30%
Thailand	65%
Average	51%

Distribution of Credit Ratings in ASEAN

(Unit: %)



Notes:

- 1) Based on outstanding local currency corporate bonds as of the end of 2021
- 2) "ASEAN" refers to the simple average of the same credit ratings group

Source: Bloomberg.

- **Indonesia** has the highest ratio of rated corporate bonds in ASEAN.
- **Philippines:** The rated corporate bonds have AAA in the local rating scale.
- **Malaysia:** Although credit ratings are not mandatory, the rating cliff in Malaysia is at AA.
- **Thailand:** While only AAA and AA rated issuers are active in most of ASEAN countries, A ratings are dominant and BBB ratings are common in Thailand.
- **Singapore:** BBB ratings are easily observed as they are already investment grades in terms of global rating scale.

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Corporate Bond Holding Rank by Investor Group

	Biggest Investor group	2 nd Biggest	3 rd Biggest
Cambodia	Bank	Insurance	
Indonesia	Mutual Fund	Bank	Insurance
Malaysia	Bank	Insurance	Pension
Philippines	Bank	Insurance	Mutual Fund
Singapore	Private Banking	Bank	Mutual Fund
Thailand	Individual	Insurance	Mutual Fund
Vietnam	Bank	Securities Companies	

Sources:

Cambodia: SBI Royal Presentation 2019

Indonesia: KSEI Securities Ownership as of 30 December 2021

Malaysia: Asian Bond Online Malaysia Market Summary November 2018

Philippines: Market interview

Singapore: Monetary Authority Singapore (MAS) Singapore Corporate Debt Market Development 2020

Thailand: Thai BMA 2021 Bond Market Highlights

Vietnam: VBMA January 2022

- In general, banks, insurance and mutual funds are three main investor groups of corporate bonds in ASEAN.
- **Thailand** is unique as individual investors are the biggest investor group for corporate bonds.
- **Indonesia**: Mutual fund is the biggest investor group due to the tax incentive having been given to them. However, the tax rate became unified regardless of investor groups since 2021.
- **Viet Nam**: Securities companies are the second biggest in terms of the investment from primary market, which does not necessarily represent its rank in terms of holding as they tend to sell the bonds to end-investors.

Issuers: Profile of Corporate Bond Issuers

- Across ASEAN, the companies under the financial industry (including real estate)* have been the most active issuers of corporate bonds.
 - Thailand** has a relatively diverse issuer profile, with only 27% of corporate bond issuers from the financial industry, 22% from the consumer staples industry, and 10% from the materials industry.

Corporate Bond Issuer Profile in ASEAN, 2021

Industry	Malaysia	Singapore	Philippines	Thailand	Indonesia	Viet Nam
Financials	52%	58%	66%	27%	44%	52%
Industrials	19%	9%	2%	5%	14%	5%
Utilities	13%	2%	14%	7%	8%	0%
Consumer Discretionary	4%	22%	1%	9%	4%	10%
Energy	3%	1%	9%	9%	3%	4%
Consumer Staples	2%	3%	5%	22%	5%	22%
Materials	1%	1%	0%	10%	14%	5%
Others	6%	4%	3%	11%	8%	2%

Source: Bloomberg.

*The classification of industries is based on Bloomberg's industry classification, in which real estate is a sub-industry of financial industry.

- Local bond pricing agencies provide market prices of local corporate bonds, which can be used for bonds' fair values reflected in the financial statements of institutional investors.
- They also provide daily yield matrix which can be used for the yield reference of corporate bond trading in the local bond markets.

Bond Pricing Agencies in ASEAN

	Local Agency which provide daily corporate bond prices	Remarks
Cambodia	-	
Indonesia	PT Penilai Harga Efek Indonesia (PHEI)	Bond pricing agency
Malaysia	Bond Pricing Agency Malaysia (BPAM)	Bond pricing agency
Philippines	-	
Singapore	-	
Thailand	Thailand Bond Market Association (Thai BMA)	Bond market association which has, among others, bond pricing function.
Viet Nam	-	-

- Credit rating agencies are active in most ASEAN countries as credit ratings on corporate bonds or their issuers are generally required for public offering bonds.
- In **Cambodia and Viet Nam**, rated bonds are rare because their rating agencies are relatively new and credit rating has not been the requirement for the corporate bond issuance until recently.

Credit Rating Agencies in ASEAN

Country	Credit Rating Agencies
Cambodia	Rating Agency of Cambodia
Indonesia	PT Pemeringkat Efek Indonesia / PT Fitch Ratings Indonesia
Malaysia	RAM Ratings Services Berhad / Malaysian Rating Corporation Berhad
Philippines	Philippine Rating Services Corporation / Credit Rating and Investors Services Philippines Inc.
Singapore	Fitch Ratings Singapore / Moody's Investors Service Singapore Standard & Poor's Singapore / A.M. Best-Asia Pacific (Singapore)
Thailand	Thai Rating and Information Services / Fitch Ratings (Thailand) Limited
Viet Nam	Saigon Phat Think Rating Joint Stock Company / FiinRatings

- Depending on the level of corporate bond market development, ASEAN countries focus on 1) enabling issuers to tap the sustainable finance market which includes green and sustainability bonds, 2) increase investor base, 3) improve market infrastructure, and 4) increase market transparency.

Regulatory Authorities and Recent Actions to Develop the Corporate Bond Markets in ASEAN

Country	Regulatory Authority	Recent Actions on the Development of Corporate Bond Market
Cambodia	Securities and Exchange Regulator of Cambodia (SERC)	2022: Extension of the tax incentive for corporate bonds
Indonesia	Otoritas Jasa Keuangan (OJK)	2022: Introduction of OJK's Green Taxonomy in 2022 which would help in identifying green activities which would be helpful for issuing green bonds in the country
Malaysia	Securities Commission Malaysia	2022: Expanded the SRI Sukuk and Bond Grant Scheme Program as an initiative to help eligible companies to meet their sustainable finance needs
Philippines	Securities and Exchange Commission of the Philippines	2020: Passage of the regulation for Corporate Debt Vehicle, which is a closed-end investment company that offers for sale shares or units of participation to invest in corporate debt of large corporations and medium-sized companies.
Singapore	Monetary Authority of Singapore	2019: Implementation of a grant scheme for potential bond issuers in securing credit ratings which would help in increasing market transparency in the SGD corporate bond market
Thailand	Securities and Exchange Commission of Thailand	2021: Launched the Strategic Plan 2021-2023 containing the broad strategies for capital market development
Viet Nam	BFID, MOF Viet Nam; State Securities Commission of Viet Nam	2022: Passage of new regulations on credit rating requirements

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Credit Spread:

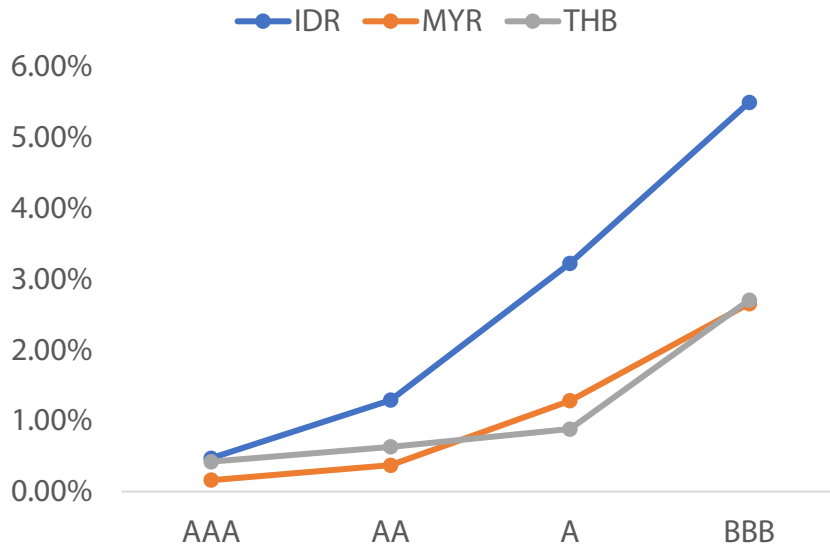
Availability of Credit Spreads Data in ASEAN

- Credit spread is the difference between corporate bond yield and government bond yield with same maturity. Credit spreads become wider as credit rating goes down because more compensation is required for investors to take more credit risk.
- Availability of credit spreads is different depending on countries as below.

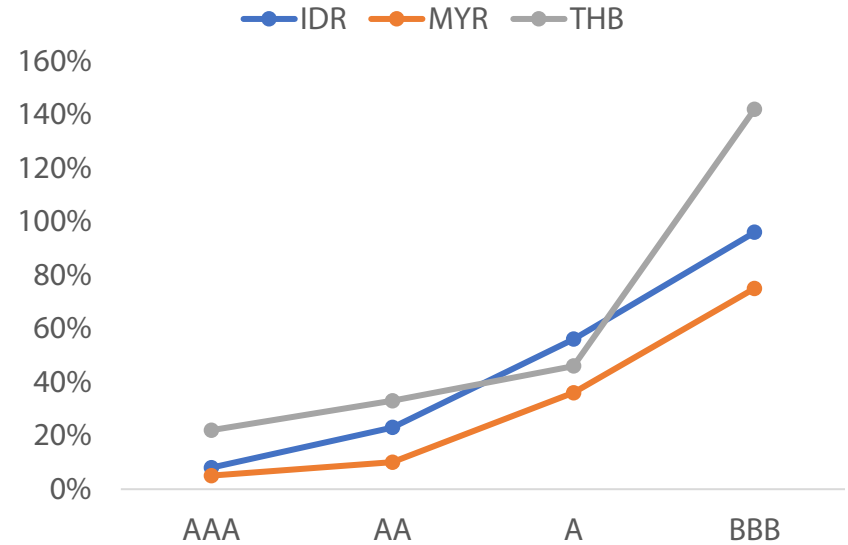
Countries	Availability of Credit Spreads
Indonesia, Malaysia and Thailand	Thanks to local bond pricing agencies in these countries, credit spreads for certain credit ratings and maturities are easily available on a daily basis.
Philippines and Singapore	Credit spreads of both rated and unrated corporate bonds are available by calculating the difference between the yield of outstanding corporate bond and that of government bond with same maturity.
Vietnam	Credit spreads of unrated corporate bonds are available by calculating the difference between the yield of outstanding corporate bond and that of government bond with same maturity. Credit spreads of rated corporate bonds are not available as there are no rated corporate bonds.
Cambodia	Credit spreads are not available as benchmark government bonds are not available.

Credit Spread: Indonesia, Malaysia and Thailand

IDR, MYR and THB 3-year Credit Spread



IDR, MYR and THB 3-year Credit Spread / Benchmark Treasury Rate



Source: PHEI for IDR data as of 28 April 2022 and Bloomberg for MYR and THB data as of 3 May 2022.

- **Indonesia** shows higher credit spreads than Malaysia and Thailand, which become more prominent as credit rating lowers.
- BBB rated spread is the highest in **Thailand** when the benchmark treasury rate of each country is considered.

Credit Spread: Observations by country (1)

Country	Observations on Credit Spread
Indonesia	<ul style="list-style-type: none"> • Lower credit ratings lead to higher credit spreads under the same maturity. • Wider credit spreads are required as maturities become longer, regardless of the credit ratings. • Additional spread from AA to A is significant, implying that investors in Indonesia require significant compensation for their investments in A-rated bonds, even if they are eligible for investments by most investors.
Philippines	<ul style="list-style-type: none"> • Due to the lack of data for unbiased credit spread analysis, it is not apparent whether longer tenor corporate bonds require more spread than shorter ones. • AAA rated bonds show tighter spreads than unrated bonds on average. However, depending on issuers, unrated bonds can show tighter spreads than AAA rated bonds.
Singapore	<ul style="list-style-type: none"> • The maximum tenors become shorter as credit rating goes down. This means that the maximum tenor that is liquid enough to be traded or issued becomes shorter as credit ratings go down. • Credit spreads from A-rated bonds are relatively competitive as they require only 10 to 20 basis points more than AA- or AAA-rated bonds.

Credit Spread: Observations by country (2)

Country	Observations on Credit Spread
Malaysia	<ul style="list-style-type: none"> • Since the rating cliff is regarded at Aa3, investors show some reluctance to invest in A1 or lower rated bonds unless large yield incentives are given. This is because of the credit spreads jumping significantly from ratings of Aa3 to lower. • Among Aa3 or higher rated bonds, credit spreads increase as maturity becomes longer until 10 years and drop in the maturities beyond 10 years. A possible reason behind this observation is that the demand for bonds with tenor of more than 10 years is strong and investors accept credit ratings of up to Aa3 for long tenor bond investments. • Among A1 and lower rated bonds, credit spreads increase as maturity becomes longer. It is related to the general credit appetite of Malaysian investors who are much more careful on bonds with A1 or lower ratings than Aa3 or higher ratings.
Thailand	<ul style="list-style-type: none"> • Additional spread for one-notch difference is the biggest from A- to BBB+, which is even larger than the additional spread of six-notch from AAA to A-. • Longer maturity requires more spread within the same credit rating.
Viet Nam	<ul style="list-style-type: none"> • 12-month deposit rate is accepted as benchmark rate for corporate bonds more than government bond rate with same maturity. • Spreads applied to 5-year bonds are higher than those applied to 3-year bonds by the same issuer and in the same industry, suggesting that more spreads are applied to longer-tenor bonds, all else being equal. • CGIF-guaranteed bonds generally have the lowest spreads and have the longest maturities on average. Market participants in Viet Nam recognize that these observations reflect CGIF's high credit rating, AA by S&P.

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Guaranteed Corporate Bonds Ratios in ASEAN, 2021

Unit : LCY Billions			
	LCY Corporate Bonds (A)	LCY Guaranteed Corporate Bonds (B)	Ratios (B/A)
Cambodia	532	207	39%
Indonesia	421,513	8,840	2%
Malaysia	728	281	39%
Philippines	1,467	4	0.3%
Singapore	87	32	37%
Thailand	3,640	262	7%
Viet Nam	68,086	14,929	22%

Source: Bloomberg.

- **Malaysia** and **Singapore** are the countries where guaranteed corporate bonds are active.
 - Main guarantors in Malaysia are government and parents.
 - Guarantors in Singapore are mostly parents or same group companies.
- **Cambodia** and **Viet Nam** are the countries where guaranteed corporate bonds are mostly CGIF guaranteed bonds.
- **Indonesia, Philippines** and **Thailand** are the countries where guaranteed corporate bonds are relatively inactive.

National Credit Guarantors for Private Sectors

	National Guarantor	Market Activity
Cambodia	Credit Guarantee Corporation of Cambodia (CGCC)	Not yet active because it was established in September 2020
Indonesia	Indonesia Infrastructure Guarantee Fund (IIGF)	Guarantees available for infrastructure projects in Indonesia under public-private partnership (PPP) scheme
Malaysia	Danajamin Nasional Berhad	Was active
Philippines	Philippine Guarantee Corporation (PhilGuarantee)	Only a few times
Singapore	-	-
Thailand	Thai Credit Guarantee Corporation (TCG)	Not active
Vietnam	-	-

- Danajamin Nasional Berhad in **Malaysia** was the only active national guarantor for corporate bonds in the region although there are other national guarantors from other countries.
 - As of 31 July 2021, Danajamin has provided credit guarantees to 97 MYR corporate bonds issued by 11 Malaysian entities.
 - Bank Pembangunan Malaysia Berhad, a development bank in Malaysia, has completed its merger with Danajamin in March 2023 when its license was surrendered to Bank Negara Malaysia.

Active Guarantors in ASEAN

	The Most Active Guarantor	2 nd Active Guarantor	3 rd Active Guarantor
Cambodia	CGIF		
Indonesia	Government	Parents /Subsidiaries	CGIF
Malaysia	Government	Parents /Subsidiaries	Danajamin
Philippines	CGIF	Parents /Subsidiaries	Philguarantee
Singapore	Parents /Subsidiaries	CGIF	Financial Institutions
Thailand	Parents /Subsidiaries	Government	CGIF
Viet Nam	Government	CGIF	GuarantCo

- The government remains as key guarantor for the bond market of **Indonesia, Malaysia** and **Viet Nam**.
- Parent companies and subsidiaries are natural guarantors for bond issuance across ASEAN countries, except **Cambodia**.
- Compared to other ASEAN markets, **Malaysia** has a very active national credit guarantor, Danajamin Nasional Berhad which can provide guarantees to both conventional bonds and sukuk in Malaysia.
- **CGIF** is the most active third-party credit guarantor in the region.

- Co or partial guarantees are rare in the region as guaranteed bonds are generally fully guaranteed by a single guarantor. (Subsidiaries or same group companies are counted as one guarantor.)

Co-Guarantees in ASEAN

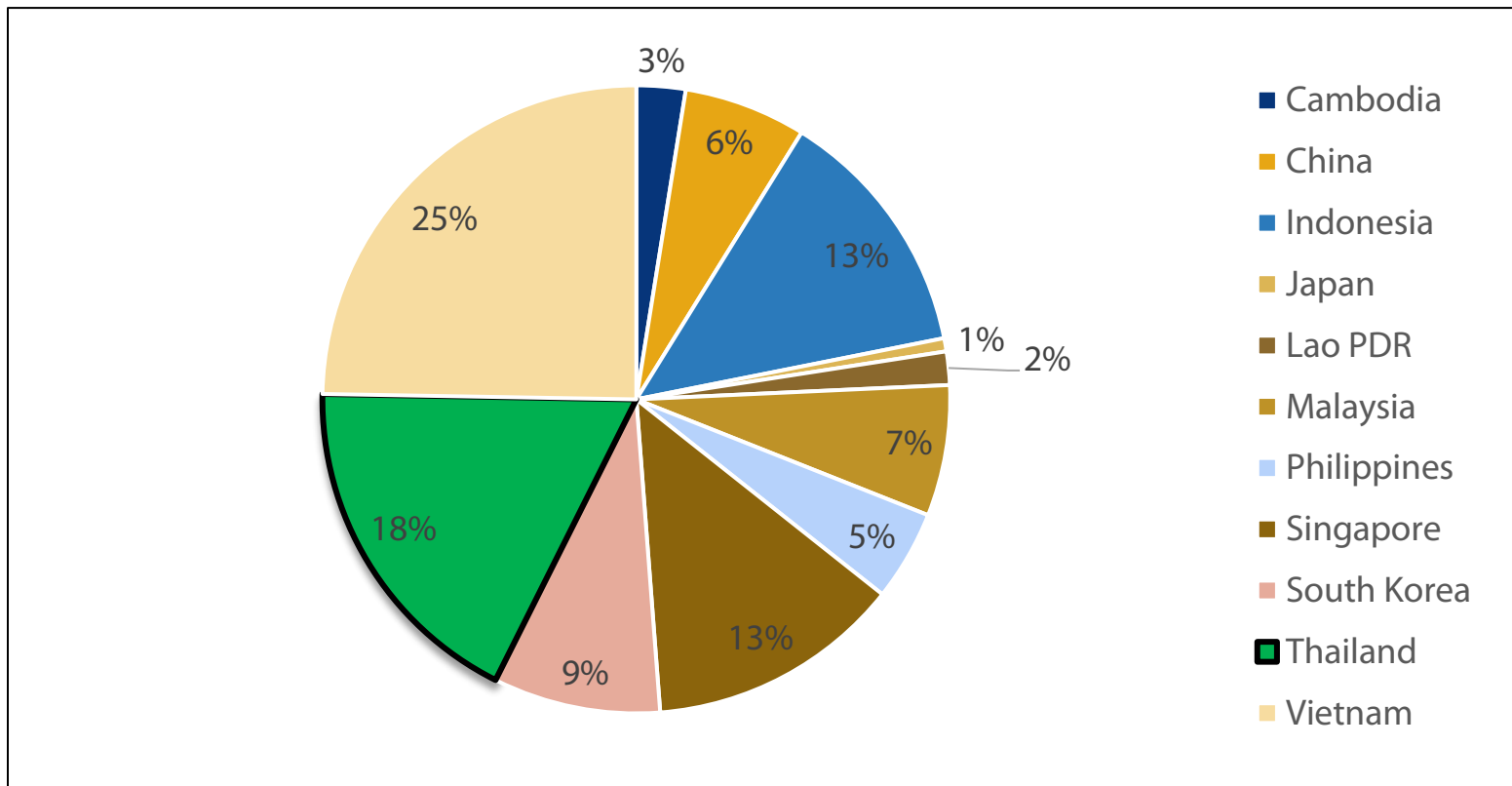
Country	Transaction Details	Remarks
Philippines	<p>Issuer: Power Sector Assets and Liabilities Management Corp. (PSALM) Guarantor: Philippines Government and ADB Issue Date: 13 Dec 2002 Maturity: 10 years Bond Currency: JPY Issue Rating: Aaa by Moody's</p>	<p>Issuer is a SOE in the Philippines and received guarantees from ADB (Aaa by Moody's) and Philippines government (Baa2 by Moody's) for its JPY bond issuance. Both guarantors provided 100% guarantees. Issue rating is Aaa as it follows the rating of a higher one.</p>
Thailand	<p>Issuer: Boonthavorn Ceramic 2000 Guarantor: Kbank and CGIF Issue Date: 17 Dec 2018 Maturity: 5 years Bond Currency: THB Issue Rating: AA+ by TRIS</p>	<p>Issuer is a private company and received guaranteed from Kbank (AA+ by TRIS) and CGIF (AAA by TRIS) for its THB bond issuance. Each guarantor provided 50% guarantee, which made full issue amount guaranteed. Issue rating is AA+ as it follows the rating of a lower one.</p>

Partial Guarantees in ASEAN

Country	Transaction Details	Remarks
Indonesia	<p>Issuer: Ciputra Residence (A- by Fitch National) Guarantor: IFC Issue Date: 2 Apr 2014 Maturity: 3, 5 and 7 years (3 tranches) % of Guarantee: 20% Issue Rating: A (by Fitch National)</p>	<p>Issue rating was one notch (A- to A) lifted due to 20% partial guarantee from IFC. A was the minimum rating required for Indonesian pension funds to invest corporate bonds.</p>
Thailand	<p>Issuer: True Corp. (BBB+ by TRIS) Guarantor: Kbank (AA+ by TRIS) Issue Date: 10 Nov 2015 Maturity: 7 years % of Guarantee: 45% Issue Rating: A- (by TRIS)</p>	<p>Partial guarantees were mostly executed to the bonds issued by BBB+ issuers who could make the best use of partial guarantees due to significantly wide credit spreads between BBB+ and A- in comparison with other one notch differences in Thailand.</p> <p>Two local banks (Kasikornbank and SCB) were active on partial guarantees and CGIF provided two partial guarantees including the one left.</p>
	<p>Issuer: Siamgas & Petrochemicals (BBB+ by TRIS) Guarantor: CGIF Issue Date: 7 Dec 2018 Maturity: 5 years % of Guarantee: 70% Issue Rating: A (by TRIS)</p>	

- Companies from Thailand occupy 18% of total bonds guaranteed by CGIF, next to those from Viet Nam (25%).
- \$500 million worth bonds issued by 7 Thai entities are included.

CGIF Guaranteed Bonds by Country, Q1 2023



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Cross-Border Bonds: State of Cross-Border Bonds In ASEAN

Illustration of Cross-Border Issuances in ASEAN

Presence of corporate bonds issued in a foreign market	Myanmar, Thailand , Singapore	Indonesia, Lao PDR, Malaysia, Philippines, Viet Nam
Absence of corporate bonds issued in a foreign market	Brunei, Cambodia	
	Absence of government bonds issued in a foreign market	Presence of government bonds issued in a foreign market

- Five ASEAN countries have outstanding government bonds denominated in foreign currencies and other five do not. Whether to have them or not does not depend on sovereign rating or bond market development degree of a country.
- Only two countries, **Brunei** and **Cambodia**, do not have companies which issued bonds outside of their own countries.

Cross-Border Bonds: Inbound Bonds

- Singapore is the only country in ASEAN where inbound bonds are active in their domestic markets.
- Thailand: Although the number of inbound bonds is not significant, some issuers from neighboring countries, primarily Lao PDR, have issued THB-denominated bonds in Thailand.

Cross-Border Bonds in ASEAN6: Inbound Bonds, 2021

Country	Ratio of LCY bonds issued by foreign entities to total LCY bonds	
	Including bonds settled in major currencies	Excluding bonds settled in major currencies (Inbound)
Indonesia	29%	0.1%
Malaysia	1%	1%
Philippines	3%	0.3%
Singapore	22%	22%
Thailand	1%	1%
Viet Nam	2%	0%

Source: Bloomberg.

Cross-Border Bonds: Inbound Bonds from ASEAN+3

- Indonesia, Malaysia, Singapore and Thailand are the ASEAN countries where foreign issuers from ASEAN+3 are participating in their own local corporate bond markets.

Inbound Bonds from ASEAN+3, 2021

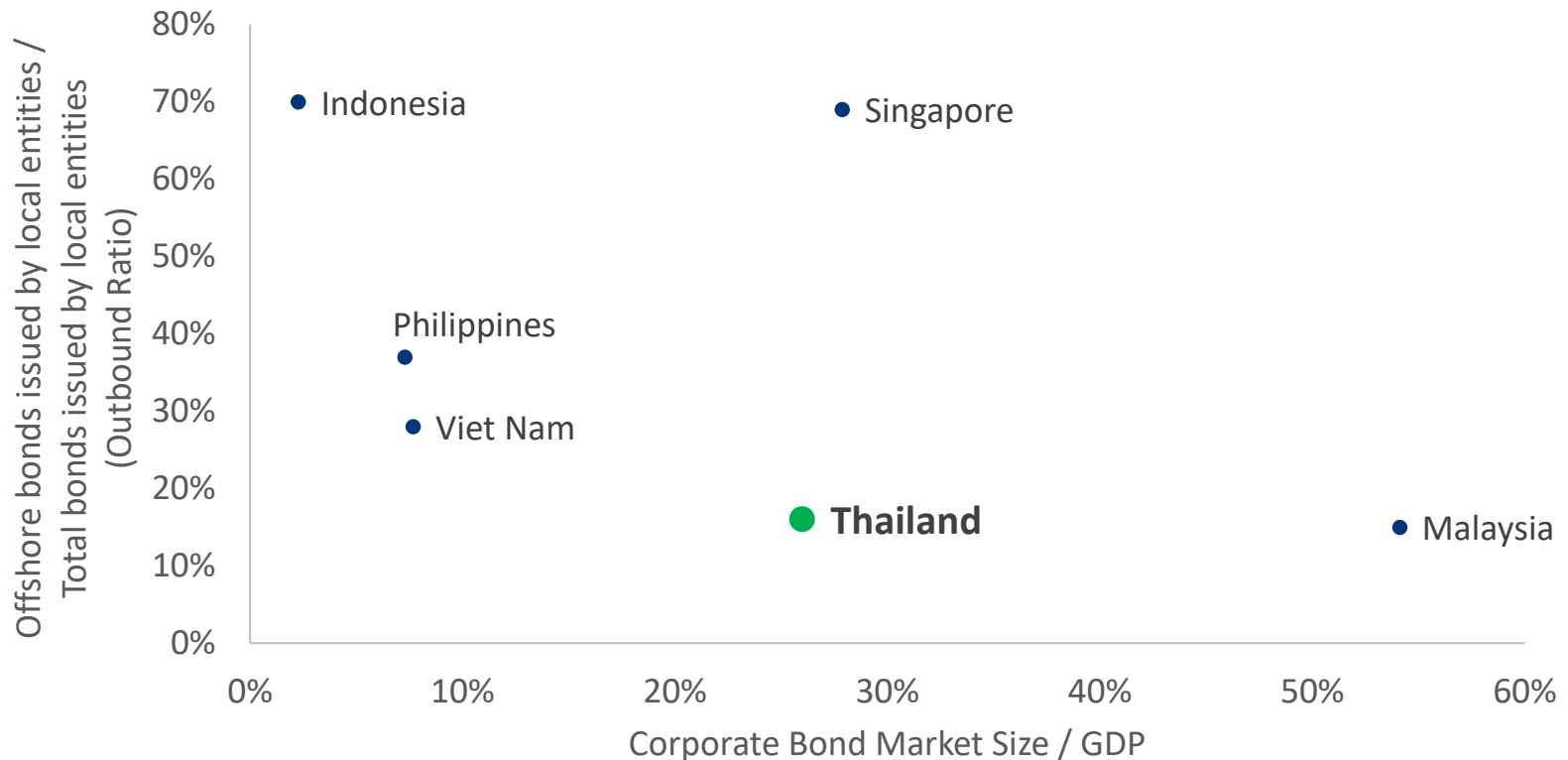
Issue Market	Foreign Issuers from ASEAN+3	Issuer Country	Remark
Indonesia	BTMU	Japan	
Malaysia	Bumitama Agri	Singapore	Sukuk
	First Resources	Singapore	Sukuk
Singapore*	Profesional Telekomunika	Indonesia	CGIF guaranteed Bond
	Ciputra Development	Indonesia	Issued twice with BB- and B+ rating from Fitch
	Cagamas Global	Malaysia	Rated A3 by Moody's
Thailand	EDL-Generation	Lao PDR	Rated BBB- by TRIS
	Nam Ngum 2 Power	Lao PDR	Rated A by TRIS
	Yoma Strategic Holdings	Myanmar	CGIF guaranteed Bond

* Issuers from +3 countries are excluded in this table. They are ABC, BOC, CCB, ICBC, China Orient Securities, Chongqing Banan Economic Park from China, Sumitomo Mitsui Trust from Japan and Daewoo E&C and Posco from Korea.

Cross-Border Bonds: Outbound Bonds

- The countries, like Malaysia and Thailand, whose relative corporate bond market sizes are large in consideration of their economic scales have generally low outbound ratios.
- High outbound ratio is not necessarily attributed to less active domestic corporate bond market. It can be due to the high convertibility of the local currency like SGD.

Outbound Ratio and Relative Corporate Market Size in ASEAN+3, 2022



Cross-Border Bonds: Currencies of Outbound Bonds

- USD is the most widely used FCY for bond issuances of companies in ASEAN.
- Companies in **Singapore** use various currencies for their offshore bond issuances.
- **Lao PDR** and **Myanmar** are the countries whose companies rely more on **THB** than USD for their cross-border bond issuances.

Currencies of Outbound Bonds, as of 2021

Country of Issuers	Number of FCYs including USD	Dominance of USD
Indonesia	4	93%
Lao PDR	2	13%
Malaysia	6	66%
Myanmar	1	0%
Philippines	2	97%
Singapore	20	63%
Thailand	3	90%
Viet Nam	1	100%
ASEAN	22	66%

Source: Bloomberg.

Cross-Border Bonds: CGIF's Guaranteed Cross-Border Bonds

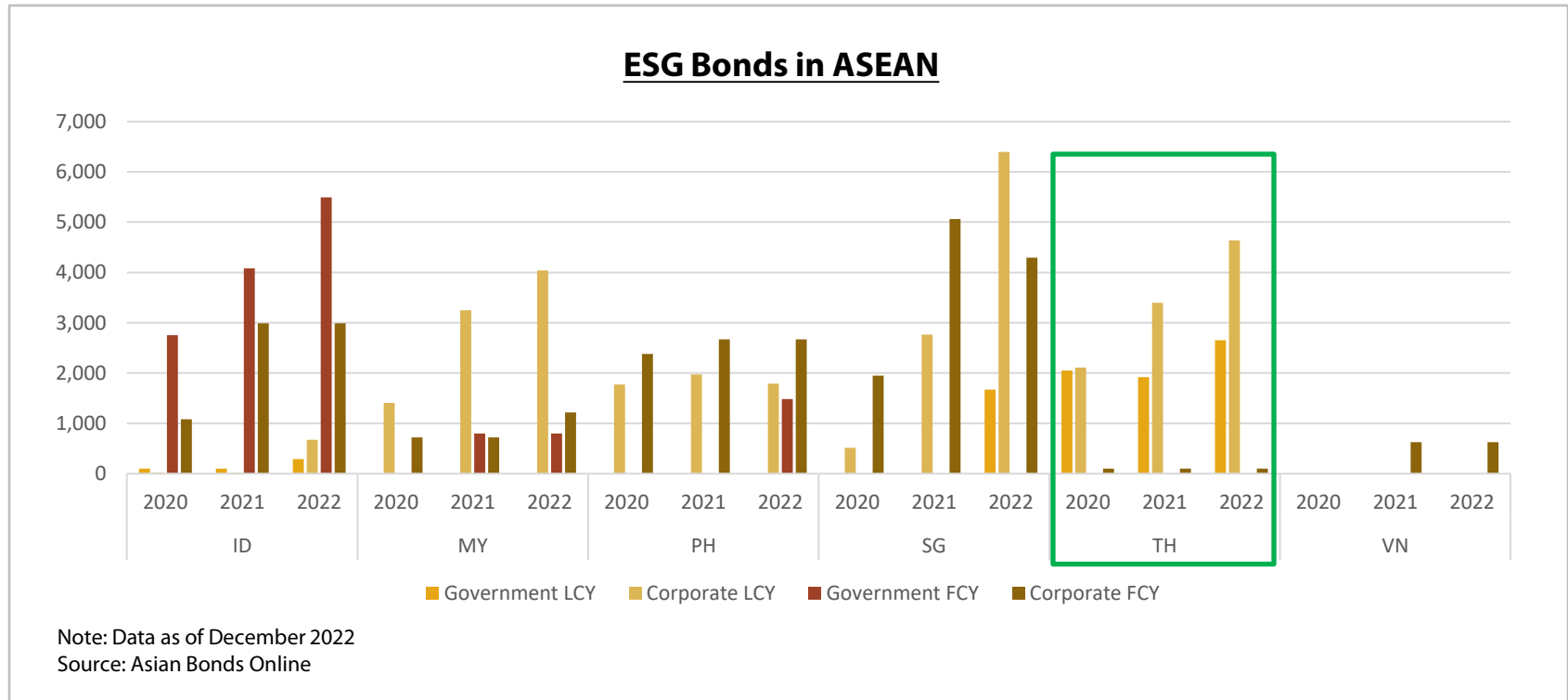
- **Thailand** is one of the issuance venues which have been used for the CGIF's cross border bonds together with Singapore and Japan.

List of CGIF's Guaranteed Cross-Border Bonds

Issuance Venue	Issuer	Issuer Country	Currency	Issue Year	Tenor (Y)	Size*
Japan	GLP	Singapore	JPY	2020	9	\$149M
Singapore	Kolao	Lao PDR	SGD	2014	3	\$48M
	Protelindo	Indonesia	SGD	2014	10	\$138M
	ASF	Indonesia	SGD	2014	3	\$76M
	Nexus	Malaysia	SGD	2019	12	\$110M
	Hanwha	Korea	CNH	2021	3	\$153M
	CEG	China	CNH	2022	3	\$76M
Thailand	Noble	HK	THB	2013	3	\$98M
	KNM	Malaysia	THB	2016	5	\$78M
	Yoma	Myanmar	THB	2019	5	\$70M

* USD Value at the time of issuance.

- I. Development Stages
- II. Specific Characteristics
- III. Market Participants
- IV. Credit Spread
- V. Guaranteed Bonds
- VI. Cross-Border Bonds
- VII. ESG Bonds**



- In **Indonesia**, FCY-denominated ESG bonds are more active compared to LCY. In fact, Indonesia has the highest FCY-denominated ESG bonds issued by the government in ASEAN.
- **Singapore's** corporates are more active in issuing ESG bonds compared to its government.
- ESG bonds in **Thailand** are mostly LCY-denominated.
- The **Philippines** are tapping both foreign and local currencies for ESG bond issuances.

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Credit Guarantee &
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An Asian Bond Markets Initiative

Thank You!

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