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**Presentation Transcript:
T2026-S\$ Temasek Bond Public Offer
Investor Engagement Webinar
20 November 2021, 10.30am**

The following is a presentation transcript of the Investor Engagement Webinar for the Public Offer of the T2026-S\$ Temasek Bond. The text should be read in conjunction with the slides shown in this transcript. It has been edited from delivery for readability.

Please note that the offer of the T2026-S\$ Temasek Bond has closed as of 22 November 2021. This document is intended for information only and is not an offer, invitation or recommendation to purchase, hold or sell securities. You should consult your financial or other professional advisers before making a decision to invest in any securities.

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**TEMASEK
BOND**

**5-year T2026-S\$
Temasek Bond**

**Fixed interest rate
1.8% p.a**

To find out more, please visit
temasek.com.sg/bondoffer



KAREN TOH:

Good morning, everyone.

My name is Karen, and I am Managing Director, Treasury, at Temasek.

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Who is Temasek?



Investment Company
Owned but not directed
by the Singapore Government

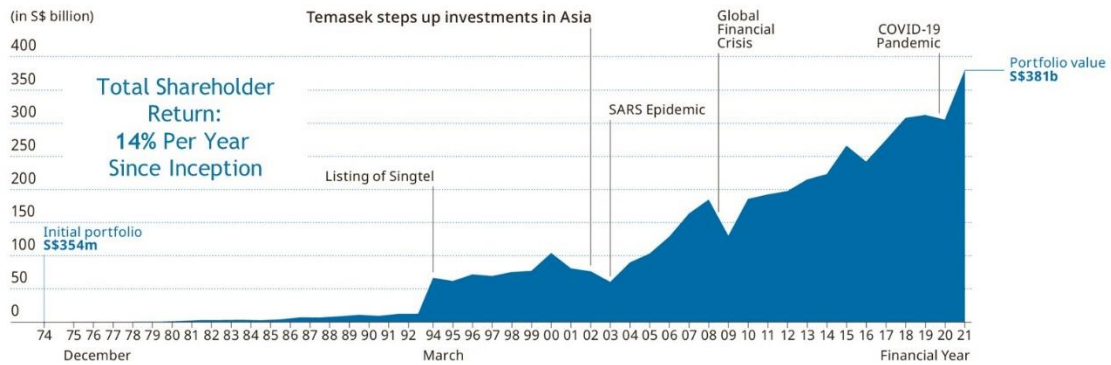


Own and manage
our own assets based on
commercial principles



Deliver sustainable value
over the long term

Temasek's Net Portfolio Value since Inception



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Temasek is an investment company.

While we are owned by the Singapore Government, we were set up to own and manage our assets on a commercial basis.

We aim to deliver sustainable value over the long term.

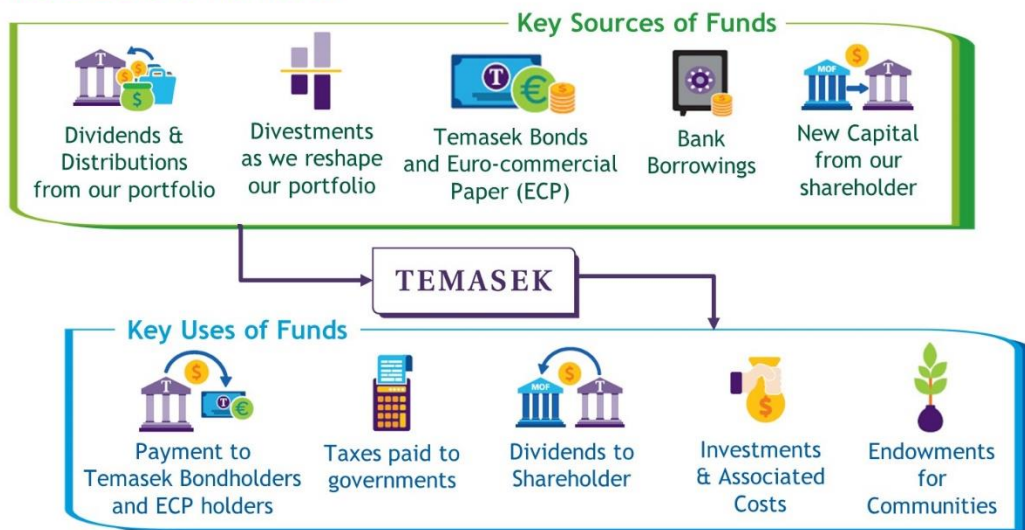
This chart shows the value of Temasek's portfolio over the years since we were set up in 1974.

We invest mainly in equities and the market value of our portfolio can therefore change. But as you can see, our portfolio is resilient, and has grown steadily since 1974 to S\$381 billion at the end of our last financial year, which was 31 March 2021.

We have delivered returns of 14% per year on average since our inception.

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Ins & Outs of Temasek



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This slide gives you an overview of the key sources and uses of Temasek's funds, which are important when analysing the credit of Temasek.

Examples of key sources are dividends from portfolio companies, distributions from funds that we invest in, and proceeds we receive from divestments we make. Besides Temasek Bonds, we may also issue short term Euro-commercial Paper, or ECP.

The key uses in order of priority include, for example, payments of interest and debt due to bondholders and ECP holders, payments of taxes, and dividends to our shareholder. After these payments are made, the balance is available for us to put into new investments.

Why Does Temasek Issue Bonds?



Provide funding flexibility



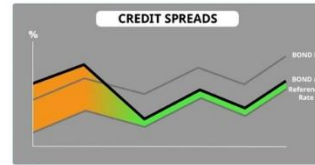
Financial discipline



Broaden our stakeholder base

Issued bonds since 2005
Inaugural issuance to retail investors in 2018

Credit spreads serve as public markers of our credit quality¹



¹ Other indicators include leverage and interest coverage that are discussed in the following slides

So, why does Temasek issue bonds?

Our bonds give us greater funding flexibility — more choice as to where our money comes from.

But importantly, we also issue bonds because our credit spreads serve as public markers of our credit quality and this is one of the ways in which we ensure financial discipline within Temasek.

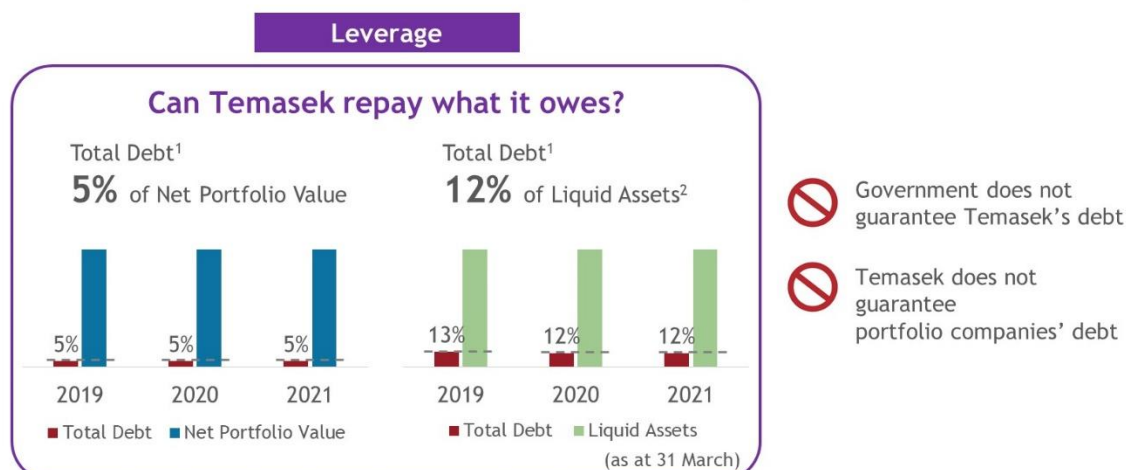
The way it works is this: disproportionate changes in credit spreads serve as a public signal of what the market thinks of our credit. You saw the illustration of how it works in the [video clip](#) earlier, where a big decrease in the spread of Bond A reflects higher market confidence in the quality of Bond A.

Issuing bonds also broadens our stakeholder base, and we've been doing so since 2005 with institutional and accredited investors.

With the launch of our first retail bond in 2018, we welcomed more than 50,000 retail investors as our newest group of stakeholders.

We look forward to welcoming more of you as investors in our new T2026-S\$ Temasek Bond.

How Can I Understand Temasek's Credit Quality?



¹ US\$2.5 billion (S\$3.4 billion) of USD Temasek Bonds were issued on 2 August 2021 and S\$1.5 billion of SGD Temasek Bonds were issued on 17 August 2021.

² Mainly cash and cash equivalents, and sub-20% listed assets

As a potential investor in Temasek Bonds, it is relevant for you to focus on Temasek's credit quality.

Let me share with you a few key credit ratios.

Do note that these are historic ratios, and there is no certainty that Temasek's credit quality will always remain consistent.

Leverage and interest coverage: these tell you if we are able to repay our debt and service our interest payments.

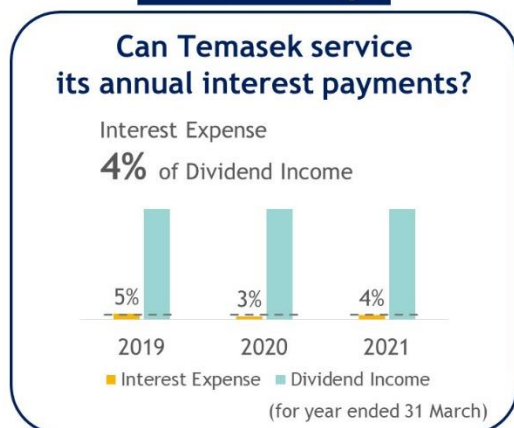
In terms of leverage, our total outstanding debt, comprising bonds and ECP, was S\$17.6 billion as at 31 March this year. This was only 5% of our total net portfolio value of S\$381 billion.

You may not want to look at the total portfolio. You may just want to look at just our liquid assets, comprising our cash and investments in listed companies that we own less than 20% of, on the basis that these are more easily liquidated. Our total debt was still only 12% of our liquid assets at 31 March.

Now just to clarify, although the Government owns all of the shares in Temasek, the Government does not guarantee Temasek's debt. Similarly, Temasek owns shares in a lot of companies; we do not guarantee the debt of our portfolio companies. This also means that when you evaluate the credit of any of our portfolio companies, you should do so on a standalone basis.

How Can I Understand Temasek's Credit Quality?

Interest Coverage



Disclaimer

All investments come with risks.

Do note that there is no certainty that Temasek Holdings (Private) Limited, as Guarantor, will always remain solvent and able to fulfil its obligations under the guarantee.

Please read the Offering Circular, Pricing Supplement and Product Highlights Sheet before making a decision to invest.

Now, on to another dimension of our credit.

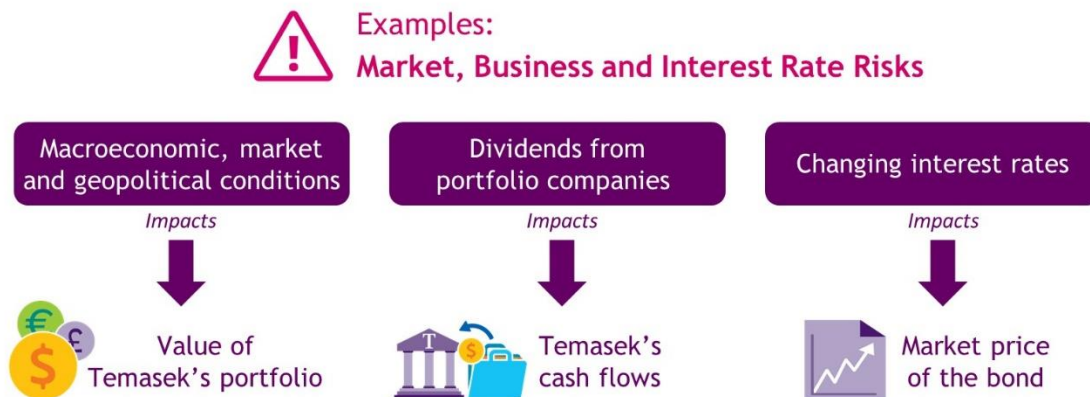
In terms of interest coverage, as at 31 March 2021, our interest expense was 4% of the dividend income from our portfolio. We were able to comfortably pay annual interest using our dividend income.

In addition to our credit ratios, Temasek has been rated triple A by both Moody's and S&P since we were first rated in 2004. Do bear in mind though, that rating agencies use their own rating criteria and frameworks to make their assessments. These may not be the same as what is important to you as a retail investor.

This is why we provide our key credit ratios directly to you based on Temasek's financials in our offer documents available online.

Besides focusing on the credit quality of the issuer, you should also consider risk before investing in any bonds.

What are the Risks of Investing in Temasek Bonds?



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As an example, let me share a little about market, business and interest rate risk.

Temasek is a global investment company with a portfolio spanning many countries and sectors.

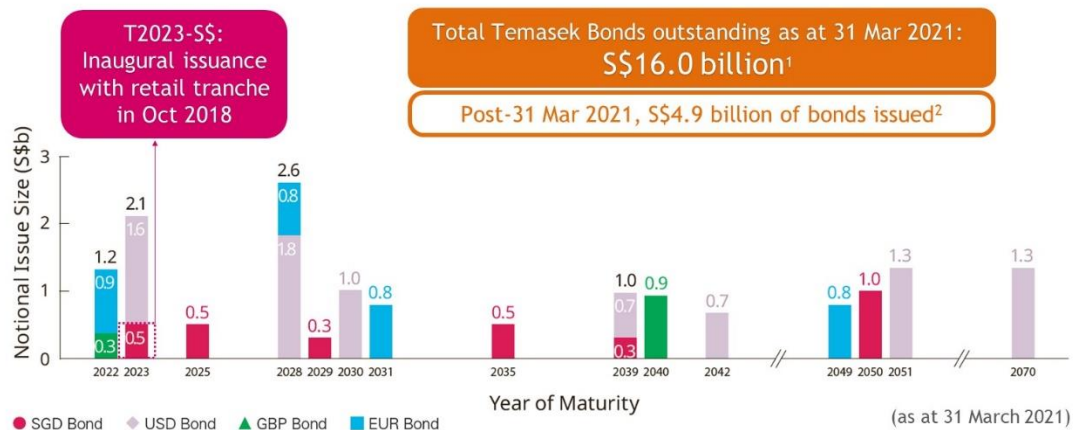
Macroeconomic, market and geopolitical conditions in major economies may impact the value of Temasek's portfolio.

As an investment company, Temasek's cash flows are dependent on the dividends from its portfolio companies, and these are made at their discretion. Dividend declarations are subject to considerations such as profitability and cash flows of portfolio companies.

Interest rates may change, and may impact the market price of the bond. When interest rates rise, the market price of the bond may fall, in order to attract buyers who have higher interest alternatives. If the market price at the time you sell your bond is below your purchase price, you may suffer a partial loss of your principal amount. There is no guarantee of the market price of Temasek Bonds. Note, this would not impact you if you hold your bond until maturity. Changing interest rates also do not impact the coupon payments you receive.

You can read more about the risks of investing in Temasek Bonds in our offer documents.

Temasek Bonds



¹ All exchange rates as at 31 March 2021

² US\$2.5 billion (S\$3.4 billion) of USD Temasek Bonds were issued on 2 August 2021 and S\$1.5 billion of SGD Temasek Bonds were issued on 17 August 2021.

This chart shows all our outstanding Temasek Bonds, totalling S\$16.0 billion, at 31 March this year. This includes our first Temasek Retail Bond issued in 2018.

Post-March this year, we additionally issued US\$2.5b (about S\$3.4b) of USD-denominated Temasek Bonds and S\$1.5b of SGD-denominated Temasek Bonds in August.

You can see from this chart that the maturity profile for our debt is well distributed, so that we do not have a large tower of debt maturing in any one year.

We may of course, going forward, continue to issue new bonds from time to time, based on our requirements and market conditions.

Offer of T2026-S\$ Temasek Bond Now Open



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So, the offer of our T2026-S\$ Temasek Bond is now open.

This is a 5-year bond with a fixed interest at the rate of 1.8% per year.

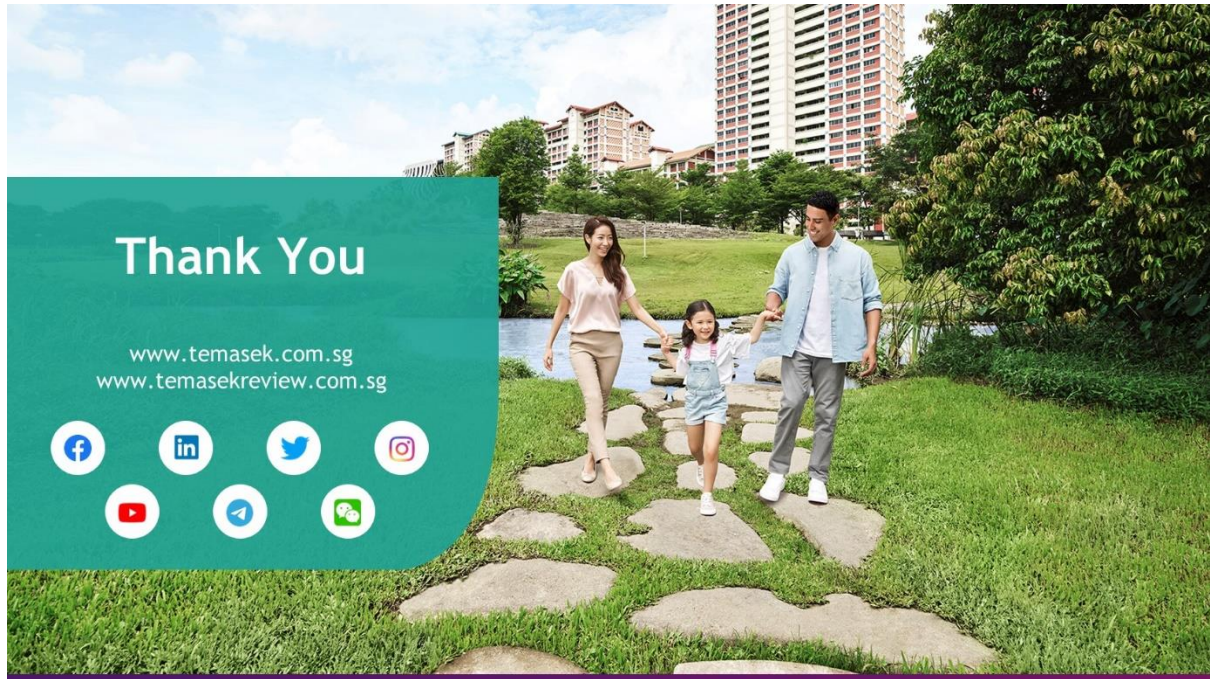
The offer size is for up to S\$350 million. S\$100 million from this bond is open to retail investors as part of the Public Offer; the other S\$250 million is available as part of a Placement to institutional and accredited investors.

If demand subsequently significantly exceeds the initial offer size, we may exercise an upsize option to increase the total issue size to up to S\$500 million.

Overall, we will aim to allocate the T2026-S\$ Temasek Bond to as many retail investors as possible. This is similar to what we did for the 2018 retail bond.

We will take into account the investor demand from applications received before deciding on the final allocation approach.

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This concludes our presentation. I hope it has provided you with a better understanding of Temasek and our credit story.

My colleagues and I will now be happy to take questions. Thank you.