

Temasek Holdings (Private) Limited

September 8, 2025

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Sizable and well-diversified portfolio of quality assets.	High exposure to unlisted assets with limited visibility on their credit quality.
Consistent record of disciplined investment and active asset rotation.	Infrequent, albeit improving, information disclosure as a private entity.
Very strong liquidity and funding access.	
Minimal leverage and track record of net cash at the parent level.	
Extremely high likelihood of strong and timely support from the Singapore government.	

One or more of the Credit Ratings referenced within this article was assigned by deviating from S&P Global Ratings' published criteria on Investment Holding Companies (IHC) Methodology.

Temasek Holdings (Private) Limited's portfolio performance, benefitting from its large size and diversification, should remain stable even amidst external uncertainties. The company's net portfolio value rose to Singapore dollar (S\$) 434 billion as of March 31, 2025, up from S\$389 billion a year ago, gaining from strong market valuations.

The company's highly diversified portfolio across asset classes, sectors, and geographies will support its performance and temper exposure to financial market volatility. Stable dividend yields, distributions from private funds, and proceeds from regular asset divestments will help Temasek to earn steady returns through economic cycles. We believe the trend will continue over the forecast period.

Furthermore, Temasek has shifted its portfolio more toward domestically-focused businesses in individual markets, which could likely be more steady amid geopolitical and trade risks. The major investments that the company made in fiscal 2025 (year ended March 31, 2025) reflect this investment stance.

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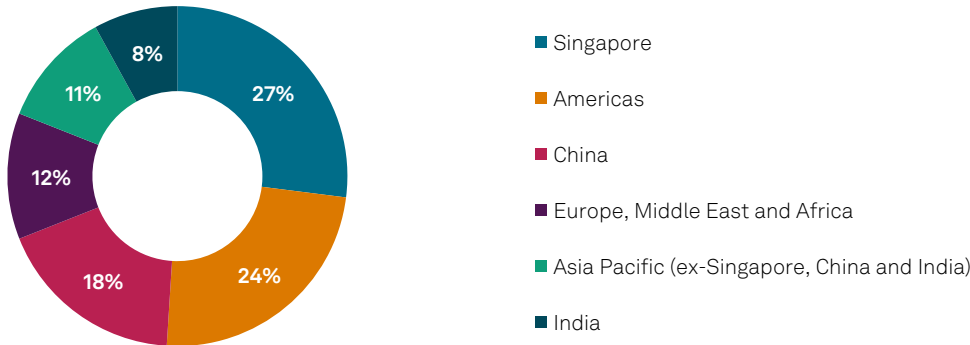
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Temasek's portfolio is geographically well-diversified

Portfolio by underlying country exposure (%)



Sources: Company disclosures, S&P Global Ratings.

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We expect Temasek will maintain a balance between the asset concentration and credit quality of its investment portfolio.

The company's asset concentration to its top three investees--DBS Group Holdings Ltd., Singapore Telecommunications Ltd., and Mapletree Investments Pte. Ltd.--has risen, boosted by strong valuations. These investees accounted for 18%-19% of Temasek's adjusted portfolio value as of March 31, 2025, and we expect them to remain an integral part of the company's portfolio. This is just shy of the 20% threshold, beyond which this factor--if sustained--could weigh on our assessment of portfolio asset diversity. That said, according to Temasek, if its unlisted portfolio were to be marked to market, its portfolio value would gain an additional S\$35 billion. While we do not consider such value in our adjusted portfolio value, the latent value suggests that there could be less asset concentration than reflected in our computation.

Temasek's portfolio credit quality--which exhibits investment-grade characteristics--could move in the opposite direction with its asset diversity. Should Temasek increase its exposure to weaker quality investments or to private funds that provide limited visibility of their underlying investment quality, portfolio concentration risk will ease but credit quality could erode. This could also happen if market valuations of higher quality listed assets fall.

Temasek has sufficient credit strength to offset the asset liquidity risk. The proportion of listed assets in its portfolio (on an adjusted basis) was marginally above 40% as of March 31, 2024, but improved to 45%-50% as of March 31, 2025. The improvement was due in part to strong market valuations. Nonetheless, the general trend has been one of a decline over the past decade.

We believe Temasek's unique credit characteristics mitigate the risks presented by a high proportion of unlisted assets. Therefore, under the criteria exception, the company's business risk profile will not be automatically affected should the proportion of listed assets fall below 40%. All else being equal, we will not revise the business risk profile assessment as long as the market value of "sub-20% listed assets" (equity holdings in which Temasek has a stake of less than 20%) covers adjusted debt (gross debt + investment commitments – cash and cash equivalents, and short-term investments) by more than 2.5x on a sustained basis. We believe this credit strength tempers the risk from the rising proportion of unlisted assets.

Unlike other IHCs we rate, and primarily due to Temasek's very conservative debt level, the likelihood that the company would have to rely on liquidating its unlisted assets for debt

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repayment is very remote. Temasek's cash and cash equivalents, and short-term investments, have exceeded its gross debt over the past decade.

In addition, we view Temasek's ability to quickly sell sufficient liquid assets to meet its debt obligations would remain sound even if asset liquidation is needed to repay debt. The market value of the sub-20% listed assets has consistently covered more than 3x Temasek's adjusted debt in the past five years. We believe Temasek's sub-20% listed assets portfolio is highly liquid and well-diversified.

Under our IHC Methodology, when the proportion of listed assets falls below 40% of the portfolio, the business risk profile is capped at fair (three levels below Temasek's current excellent business risk profile assessment). This is because unlisted assets tend to be less liquid, and we view asset liquidity as a highly significant component of the business risk profile.

In our view, Temasek's balance sheet will likely remain conservative. Temasek has a record of over two decades of low leverage with cash and short-term investments more than covering outstanding reported debt. The company's adjusted loan-to-value ratio stayed well below the 10% threshold as of March 31, 2025. This is despite a net investment position in fiscal 2025; it invested S\$52 billion while divesting S\$42 billion.

We estimate dividend and interest income for fiscal 2026 will remain flat at S\$11 billion-S\$12 billion, from about S\$12 billion in fiscal 2025, and comfortably cover its annual interest and operating expenses. In a highly unlikely scenario where Temasek has zero cash inflow, it has the ability to divest a portion of its sub-20% listed investments in under two weeks as simulated by Temasek, to cover its outstanding debt.

We believe Temasek's organizational structure changes will not change its investment and balance sheet management strategies. The company will set up three wholly-owned entities-- Temasek Global Investments, Temasek Singapore and Temasek Partnership Solutions--to manage its three distinct portfolio segments with effect from April 1, 2026. The three portfolio segments (Global Direct Investments; Singapore-based Temasek Portfolio Companies; and Partnerships, Funds and Asset Management Companies), as well as their approximate 40-40-20 distribution (plus or minus 5%), will stay unchanged.

Outlook

The stable outlook on Temasek reflects our opinion that the company's close relationship with, and therefore the likelihood of extraordinary and timely support from, the Singapore government will remain intact.

Our stable outlook also reflects the stable outlook on our sovereign ratings on Singapore. In addition, we expect Temasek's portfolio to retain investment-grade credit quality and stay highly diversified even as the company continually expands its portfolio. We also expect Temasek to maintain its very conservative capital structure, with loan-to-value ratio remaining well below 10%.

Downside scenario

We will lower the rating on Temasek if we lower the sovereign rating on Singapore, or if we believe the government's commitment to the company has reduced. Given our view of the extremely high likelihood of extraordinary support from the government of Singapore, we will downgrade Temasek if our assessment of its stand-alone credit profile (SACP) deteriorates to below 'aa-', from 'aaa'.

We would lower the SACP if the weighted average credit quality of Temasek's assets deteriorates to below 'bbb-'. This could happen due to a higher overall exposure to a combination of early-stage companies, or to investments with a weaker credit profile or limited visibility.

We could also lower the SACP if Temasek's asset diversity weakens, or the proportion of listed assets falls below 40% and the coverage of adjusted debt (gross debt + investment commitments – cash and cash equivalents, and short-term investments) with sub-20% listed assets declines below 2.5x on a sustained basis.

We view negative pressure that could arise in relation to Temasek's loan-to-value ratio as less likely, given the company's history of a very conservative capital structure.

Our Base-Case Scenario

Assumptions

- Temasek to continue to align its investment activities in the Global Direct Investments portfolio segment to four structural trends: digitization; sustainable living; future of consumption; and longer lifespans. These guidelines leave the company with substantial flexibility when it comes to investing across countries and industries, and in its investment horizon.
- Temasek to have sustained asset rotation, as it regularly buys and sells shares based on return considerations.
- Relatively small exposure to higher risk early-stage ventures.

Company Description

Temasek was established in 1974 to assume ownership of a diversified portfolio of companies from the Singapore government. The portfolio was valued at S\$354 million at that time and expanded to S\$434 billion as of March 31, 2025 (on a net portfolio value basis). The company has diversified investments across 14 sectors. It operates on commercial principles. The Minister for Finance, a body corporate under the Singapore Minister for Finance (Incorporation) Act 1959, holds 100% of Temasek, which the Singapore Constitution identifies as a key institution of the country.

Business Risk

Temasek's large, well-diversified and investment-grade portfolio are key attributes underpinning its credit quality. The company's portfolio is spread across sectors and geographies, and its net portfolio scale of S\$434 billion is much larger than other rated investment holding companies globally. Such portfolio factors reduce the weight of potential idiosyncratic risks associated with any single investment, sector or market. At the same time, the portfolio credit quality will also remain investment-grade, in our view.

Temasek's portfolio covers a broad range of geographies and industry sectors such as transportation and industrials (22%), financial services (22%), telecommunications, media, and technology (20%), consumer and real estate (13%), life sciences and agri-food (7%), and multi-sector funds and others (including credit, 16%).

We expect Temasek's portfolio to be relatively stable amid geopolitical and trade risks. This is because Temasek has shifted its portfolio more towards domestically-focused businesses in

individual markets, which tend to be resilient to such external conditions. The portfolio's geographical diversification helps too. We expect Temasek's portfolio to remain geographically diversified as it continues to look for opportunities in developed and emerging economies. The company expects that U.S., China, Europe and India will attract more investments.

In our view, Temasek will continue to exhibit above-average strategic investment capability.

We expect management will extend its sound record of rotating assets, cautious risk management, and disciplined investment practices. An example of such risk management and disciplined investment practices is the cap it has for investments in early-stage companies, which typically are of weaker credit quality and could carry higher risks. Such investments are capped at 6% of overall portfolio value, limiting the downside risk to the portfolio, in our view.

Temasek's active portfolio review and rotation is evident in its investment and divestment track record. In fiscal 2025, the company invested S\$52 billion and divested S\$42 billion. This compares with the average of S\$35 billion annual investment and S\$29 billion annual divestment over the past decade.

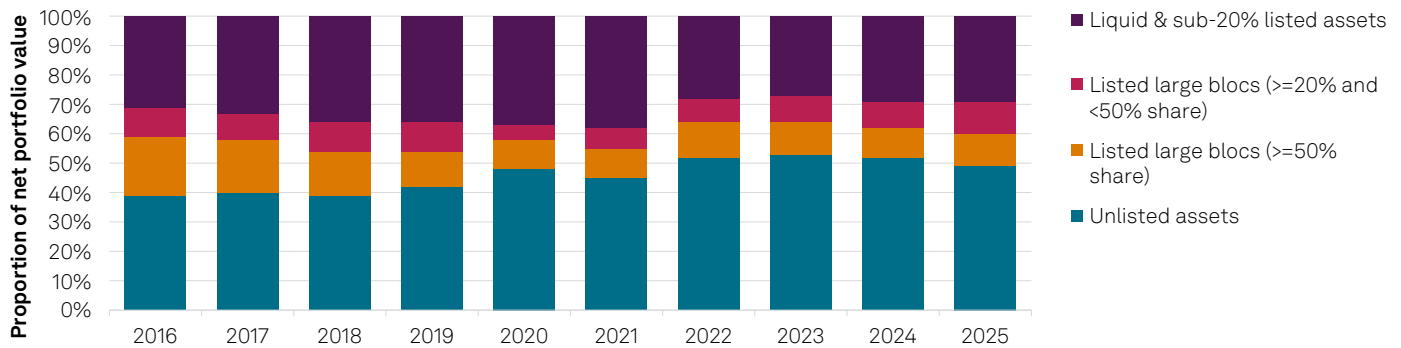
Additionally, Temasek has maintained very conservative leverage at the parent level. We also assess more than half of the portfolio as investment-grade--this reduces the risk that Temasek has to step in to provide incremental funding.

However, Temasek's increasing proportion of unlisted assets, including early-stage companies, could erode its portfolio characteristics over time.

This is because we view quoted investments as easier to liquidate and generally more creditworthy than unlisted investments. This is even though a number of unlisted companies are likely to have high creditworthiness, such as Singapore's power distributor Singapore Power Ltd. (AA+/Stable/--), international health and beauty retailer A.S. Watson Holdings Ltd. (unrated), and port operator PSA International Pte. Ltd. (unrated). The rising proportion of investments in private equity and credit funds and private asset managers reduces the visibility on the credit quality of these unlisted assets. We also typically view early-stage companies to be of weaker credit quality, especially those in the cash-burn stage.

While Temasek's exposure to unlisted investments eased at the end of March 2025, as compared to a year ago, we expect Temasek will continue to invest in unlisted assets to generate better returns. Over the past two decades, Temasek's unlisted portfolio generated returns of over 10% per annum as compared with its portfolio average return of 7% per annum. We estimate the net value of unlisted assets rose about 2.4x since March 31, 2015, from S\$88 billion to S\$213 billion as of March 31, 2025. In comparison, Temasek's net portfolio value grew 1.6x over the same period to S\$434 billion. Temasek's exposure to unlisted assets eased to about 49% (reported basis) of the S\$434 billion net portfolio, from 52% a year ago. This was mainly due to strong market valuations of the listed portfolio.

Temasek's proportion of unlisted assets has been on a general rising trend



Sources: Company disclosures, S&P Global Ratings.

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In addition, the liquidity of Temasek's large Singapore-incorporated holdings may be lower than their listed nature suggests. That's because these are unlikely to be divested, in our view. Temasek has also shown its willingness to further invest in Singapore-based Temasek Portfolio Companies during the COVID-19 outbreak, such as by underwriting Singapore Airlines Ltd.'s (SIA) rights issue in 2020 and its mandatory convertible bond (MCB) issues in 2020 and 2021. The MCBs have been fully repaid as of June 24, 2024.

Financial Risk

Temasek's sustained track record of limited debt and strong cash flow adequacy anchors our assessment of its capital structure. We anticipate the company will sustain its adjusted loan-to-value ratio well within the 10% threshold over the next 12-24 months.

While Temasek's cumulative net investments over 2016-2025 amounted to S\$56 billion, borrowings have increased at a more gradual pace and remained consistently below its cash and cash equivalents and short-term investments. This is owing to the company's strong cash flow adequacy before the pandemic and flexible net returns (dividend paid net of equity infusions) to the Minister for Finance. Temasek's liquidity balance has exceeded its debt since 2004.

We believe the company will continue to have solid cash returns from its portfolio. This expectation is underpinned by our opinion of Temasek's strategic influence on the operations of a number of subsidiaries, and their dividend policy, which is reinforced by Temasek's controlling stakes in the entities.

Liquidity

We view Temasek's liquidity as exceptional. We expect the company's sources of funds to cover uses by more than 3.2x over the 24 months to March 31, 2027. Even in a hypothetical scenario of unexpected external shocks, which reduces the company's dividend inflow to 50% of our base-case estimate, Temasek's sources of liquidity would comfortably cover its needs.

The company has no covenants on its debt instruments and has long-dated debt maturities. The weighted-average outstanding maturity of debt was about 18 years as of March 31, 2025. In

addition, Temasek has well-established and solid relationships with banks, and a high standing in credit markets.

Principal liquidity sources

- Cash and cash equivalents and short-term investments of S\$57.8 billion, exceeding total debt of S\$20.6 billion as of March 31, 2025.
- Our forecast of investment income, including dividends and interest income from portfolio companies, of S\$11 billion-S\$12 billion per year.
- Our forecast fund distribution of S\$6.0 billion per year.

Principal liquidity uses

- Short-term debt maturities of S\$412 million due in the 12 months to March 31, 2026.
- Operating costs and tax expenses.
- Interest expenses of S\$500 million annually.
- Our expectation of acquisitions of S\$15.0 billion-S\$20.0 billion annually.
- Some net return to its shareholder.

Environmental, Social, And Governance

Environmental risk factors are neutral for Temasek. Temasek has achieved carbon neutrality for itself since fiscal 2020. It aims to reduce net emissions attributable to its portfolio to half of 2010 levels by 2030 and achieve net zero by 2050. According to Temasek, the estimated net carbon emissions of its portfolio decreased to 21 million tons carbon dioxide equivalent (CO₂e) in fiscal 2025, from 30 million tons of CO₂e five years ago.

We believe Temasek has the ability to influence the environmental, social, and governance policies of key investee companies to achieve its net carbon emission target. It has embedded sustainability in its investment decision-making process and monitoring framework. In 2024, Temasek raised its internal carbon price from US\$50 per ton to US\$65 per ton of CO₂e for the purposes of its investment evaluation process. It expects to increase the price progressively to US\$100 per ton by end of the decade.

Despite Temasek's diversified portfolio, certain sectors in the financial services, transportation, and consumer, were exposed to risk in the social area, as evident during the COVID-19 outbreak. This has reduced earnings and ultimately dividend distribution at investee companies, although the impact was not material to Temasek's credit quality.

We regard governance risks as neutral for Temasek and its key investee companies. As a private company, Temasek's disclosure of financial information is not on par with that of listed companies with similar ratings. As an unlisted company, Temasek discloses financial information only annually and on a consolidated basis. However, the content of information has been improving over the past years, with more public disclosure of unconsolidated financial information, portfolio performance and characteristics as well as of key individual investments.

Government Influence

Our credit assessment on Temasek factors in our view of an extremely high likelihood of extraordinary support from the government of Singapore (unsolicited rating AAA/Stable/A-1+) since:

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- Temasek has critical importance to the Singapore government due to the company's shareholdings in some sectors that we believe are strategic for the country's economy.
- Temasek shows a very strong link with its sole owner, the Singapore government, which is very unlikely to dilute its ownership. Under the Singapore Constitution, Temasek is subject to the country's constitutional safeguards where Singapore's President has an obligation to protect the company's past reserves.

We assess Temasek's SACP as 'aaa', based on its strong assets, portfolio characteristics, above-average investment capabilities, and minimal leverage. Therefore, the issuer credit rating is 'AAA' by its own merits. The benefit of the extremely high likelihood of extraordinary government support would materialize if we lowered the SACP for Temasek.

In our view, Temasek benefits from its ownership by Singapore's Minister for Finance on an ongoing basis as well, with a number of domestic, blue-chip companies in its portfolio, such as PSA International and Singapore Power. We also believe the ongoing support from the government of Singapore gives Temasek an edge when it comes to accessing investment opportunities. Likewise, we believe the Minister for Finance supports Temasek's conservative capital structure and investment firepower through recurring dividend reinvestment.

Issue Ratings--Subordination Risk Analysis

Capital structure

Temasek's senior notes are rated the same as the long-term issuer credit rating because we do not view the company's capital structure as having any material subordination risks. In our analysis of investment holding companies, we focus on the parent company and related financing vehicles' debt instruments, but do not take into account debt at investee companies.

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Rating Component Scores

Foreign currency issuer credit rating	AAA/Stable/A-1+
Local currency issuer credit rating	AAA/Stable/A-1+
Business risk	Excellent
Country risk	Very low
Industry risk	Intermediate
Competitive position	Excellent
Financial risk	Minimal
Cash flow/leverage	Minimal
Funding and capital structure	Neutral
Anchor	aaa
Modifiers	
Liquidity	Exceptional (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	aaa
Related government rating	AAA/Stable/A-1+
Likelihood of government support	Extremely high (no impact)

Related Criteria

- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [Criteria | Corporates | Industrials: Methodology: Investment Holding Companies](#), Dec. 1, 2015
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

Temasek Holdings (Private) Limited

Ratings Detail (as of September 08, 2025)*

Temasek Holdings (Private) Ltd.

Issuer Credit Rating	AAA/Stable/A-1+
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Issuer Credit Ratings History

16-Feb-2011	AAA/Stable/A-1+
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12-Oct-2004	AAA/Stable/--
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Related Entities

Singapore

Issuer Credit Rating	AAA/Stable/A-1+
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Transfer & Convertibility Assessment	AAA
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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