

Temasek's Drawdown Under Its US\$25 Billion Guaranteed Global Medium-Term Note Program Rated 'AAA'

February 8, 2023

SINGAPORE (S&P Global Ratings) Feb. 8, 2023--S&P Global Ratings today assigned its 'AAA' long-term issue rating to a drawdown by Temasek Financial (I) Ltd. under its US\$25 billion guaranteed global medium-term note program. Temasek Holdings (Private) Ltd. (Temasek; AAA/Stable/A-1+) fully, irrevocably, and unconditionally guarantees the proposed notes.

The proposed euro-denominated notes of four years and 10 years will mature in 2027 and 2033 respectively. Temasek intends to use the net issuance proceeds to fund its ordinary course of business.

We rate the proposed senior notes the same as our long-term issuer credit rating on Temasek because we do not view the company's capital structure as having any material subordination risks.

The rating on Temasek reflects the company's large, well-diversified, and high-quality portfolio assets; above-average investment capabilities; and minimal leverage. In addition, we see an extremely high likelihood of extraordinary support from the government of Singapore, if needed. Temasek's proportion of unlisted assets weighs on the company's net portfolio characteristics and tempers these strengths. As of March 31, 2022, Temasek's net portfolio amounted to Singapore dollar (S\$) 403 billion, with about 48% of liquid and listed assets. The company also had cash and cash equivalents, and short-term investments of S\$38.4 billion, as well as gross debt of S\$21.8 billion.

The stable rating outlook on Temasek reflects our opinion that the company's close relationship with, and likelihood of extraordinary and timely support from, the government will remain intact. Our stable outlook also reflects the stable outlook on our sovereign rating on Singapore. In addition, we do not expect Temasek's concentration of key assets to increase even as the company continually expands its portfolio.

Related Criteria

- 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

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- 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: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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