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Daily Credit Snapshot

Market Commentary

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- US equities rebounded Wednesday after a wobbly start to the week. The post market move was clearer in US equity futures holding onto modest gains and Asia equity futures on stronger footing. Nvidia's fiscal fourth quarter results were in focus and although it beat analyst estimates and provides relatively resilient sales forecasts for the first quarter, the company's shares were lower following the results announcement. The DXY index was lower on the day while UST yields closed higher than the intra-day lows. Geopolitical tensions remain in the spotlight as US and Iran are expected to hold additional talks in Geneva on Thursday. President Trump mentioned Iran in his State of the Union address on Wednesday. He noted that "they want to make a deal, but we haven't heard those secret words, we will never have a nuclear weapon." President Trump also spoke of cost-of-living issues. Specifically, he noted "the cost of chicken, butter, fruit, hotels, automobiles, rent, is lower today than when I took office, by a lot." The rest of the speech meandered through some mention on trade, the government shutdown and posturing ahead of the mid-term elections later this year. The data from the US was light overnight while the final print of Eurozone headline and core CPI came in unchanged at 1.7% YoY and 2.2% YoY. Bank of Thailand cut its policy rate by 25bp in a surprise move on 25 February. We have added another 25bp rate cut this year from BoT. The divergence between regional central banks is becoming more evident at the start of 2026, with BI, BSP and BoT looking to ease further while BNM and SBV likely on a prolonged pause.

- The SGD SORA OIS curve traded higher yesterday with shorter and belly tenors trading 1-2bps higher while 10Y traded 3bps higher.

- Flows in SGD corporates were heavy, with flows in IFASTC 2.75% '31s, STANLN 4.3%-PERP, OUECT 2.75% '32s, SIASP 2.7% '36s, ARASP 5.6%-PERP, TMGSP 4.65% '29s, AAREIT 4.1%-PERP, OLGPSP 5.375%-PERP, TMGSP 5.25% '27s.

- Global Investment Grade spreads tightened by 1bps to 78bps and Global High Yield spreads tightened by 3bps to 279bps respectively.

- Bloomberg Global Contingent Capital Index tightened by 2bps to 222bps.

- Bloomberg Asia USD Investment Grade spreads tightened by 1bps to 60bps and Asia USD High Yield spreads tightened by 3bps to 342bps respectively. (Bloomberg, OCBC)

Credit Summary:

Company	Ticker	Description
CK Asset Holdings Ltd	CKPH	• **CKPH announced the disposal of its 20% stake in UK Power Networks ("UKPN"),** alongside CK Infrastructure Holdings Limited (40%) and Power Assets Holdings Limited (40%) to Engie S.A., which is a French multinational electric utility company. Meanwhile, UKPN is a major regulated electricity distributor serving London, Southeast and East England. • **CKPH will receive GBP2.11bn (~HKD22.2bn) in cash, realising a substantial accounting gain of ~HKD 8.4bn.** The valuation achieved is viewed as attractive and consistent with CKPH's strategy of capital recycling and disciplined reinvestment. • Based on our calculations, CKPH's proforma net adjusted debt (including perpetuals) would fall to HKD12.1bn while net adjusted net debt / adjusted equity (excluding perpetuals) would fall to 3.0% (30 June 2025: 8.6%) should the proceeds received on 30 June 2025. • Completion is subject to regulatory and shareholder approvals, including UK national security clearance and Guernsey regulatory non objection. The longstop date is 30 June 2026 with potential extension. • **This disposal is a positive credit event in our view given the disposal gain and improved capital structure.** (Company, OCBC) Latest report: Credit Update – 28 May 2025
HSBC Holdings	HSBC	• HSBC reported FY2025 profit before tax of USD29.9bn (-7% y/y), exceeding estimates of USD28.9bn. • Net interest income was USD44.1bn for FY2025 (+0.2% y/y). Non-interest income grew 14.8% y/y, with retail wealth management income rising 24.2% on investment distribution (+27.1% y/y) and insurance income (+35.3% y/y). HK business generated revenue of USD15.9bn (+6% y/y) while UK business generated revenue of USD12.9bn (+5% y/y). • Within its Wealth Management arm, total wealth balances reached USD2.1tn as of end December 2025, with USD39bn in net new invested assets from Asia, primarily led by Hong Kong. • Asset quality remained stable with a NPL ratio of 2.46% and NPL coverage of 44% at FY2025. Full year credit cost ratio was 0.39%. For 2026, HSBC expects the credit loss ratio to be 40bps, with a medium-term target of 30-40bps. • CET1 ratio stood at 14.9% as of end 2025. HSBC declared a dividend per share for 2025 of USD0.75 (+14% y/y) and completed USD6bn in share buybacks during the year. Share buybacks remain suspended as the bank rebuilds its CET1 ratio to the target range of 14-14.5% following the Hang Seng privatisation. • ROTE reached 17.2% for the year, with forward guidance of at least 17% for each year from 2026 to 2028. • Separately, HSBC is considering of a potential sale of its consumer business in Indonesia, which could be valued more than USD200mn. This is part of its targeted strategic reviews of its retail businesses across Australia, Indonesia and Egypt. (Company, Bloomberg, OCBC) Latest report: Credit Update – 04 September 2025
Lippo Malls Indonesia Retail Trust	LMRTSP	• **LMRTSP has announced that it will change its name to Landmark REIT** with its manager concurrently rebranded as Landmark REIT Management Ltd (from LMIRT Management Ltd). Besides, LMRTSP will expand its investment mandate to income

		producing real estate in Indonesia and Asia (currently: pure-play Indonesian retail mall REIT). These changes will take place from 27 March 2026. The management mentioned that there is no concrete plan yet in terms of funding, region, timeline and etc as the first priority is stabilisation of the REIT (eg improve operating metrics, cash flow, earnings and etc.). • LMRTSP reported 2025 financial results ended 31 December 2025. **Overall, in 2025 LMRTSP recorded encouragingly better NPI (+11% y/y in IDR terms) and operating metrics (occupancy rate: +5.3ppts y/y to 86.5%). Though, more time is needed for LMRTSP perpetual holders given the still constrained cash flow. We do not foresee that perpetual distributions will resume anytime soon.** • **Meaningfully better NPI:** 4Q2025 net property income ("NPI") increased 13.8% y/y to SGD31.6mn, aided by higher revenue (8.1%), stable operating expenses, and stronger operating metrics. In IDR terms, 4Q2025 NPI grew 23.4% y/y. • **Operating metrics improved:** Portfolio occupancy rose to 86.5% as of 31 December 2025 (December 2024: 81.2%, September 2025: 84.4%). 4Q2025 shopper traffic improved 2.4% y/y to 33.6mn visits in 4Q2025. 2025 full year rental reversion remained stable at 4.7% (2024: 5.3%). • **Stable credit metrics:** 2025 T12M interest coverage ratio ("ICR") improved q/q to 2.01x (September 2025: 1.81x) amidst better earnings and slightly lower interest costs. Aggregate leverage remained stable q/q at 43.5% (September 2025: 43.3%). • **Cash flow remains constrained though some improvements were seen:** Despite some improvement in performance were evidenced in 4Q2025, we foresee tight cash flow in 2026 - 2028 unless financial performance improves substantially. Based on our calculations, LMRT will have sufficient operating cash flow (~SGD73-SGD80mn per annum in 2026 – 2028) to cover interest payments (~SGD44mn per annum) and capex (SGD22mn per annum but likely to fall in 2027 and onwards), though is still insufficient to cover debt payment (~SGD30mn – SGD50mn per annum). Hence it is unlikely that LMRTSP will resume perpetual distributions (SGD18.8mn) anytime soon in our view. • That said, LMRTSP will have sufficient liquidity to sustain until end-2028 without additional fund raising should its financial performance be stable. (Company, OCBC) Latest report: Credit Update – 18 August 2025
Qantas Airways Ltd	QANAU	• QANAU announced its first half results for the financial year ending 30 June 2026 ("1HFY2026"). Statutory profit after tax for 1HFY2026 was AUD925mn, marginally higher than the year before. The AUD925mn includes the impact from the closure of Jetstar Asia, employee ownership plan awards, management of the cyber incident, organisational restructuring and legal provisions. • Consolidated revenue and other income were AUD12.9bn in 1HFY2026, up 6.3% y/y. By absolute amount, growth was driven by net passenger revenue which made up ~86% of the top line, although net freight revenue and other revenue and income also grew. Total expenditures grew by 7.2% y/y to AUD11.5bn. • Underlying EBIT and underlying profit before tax was AUD1.6bn (up by 5.4% y/y) and AUD1.5bn (up by 5.1% y/y) respectively for 1HFY2026. Underlying profit before tax for 1HFY2026 does not include AUD55mn of legal provisions and related costs and AUD47mn of costs linked to the closure of Jetstar Asia. We expect more Jetstar Asia related costs in 2HFY2026 given that the estimated impact was ~AUD175mn (AUD39mn was recognised in FY2025). • QANAU reported Underlying EBITDA of AUD2.7bn in 1HFY2026, with finance costs at AUD178mn, resulting in a robust Underlying EBITDA/Interest coverage of 15.0x.

		• As at 31 December 2025, gross debt (including lease liabilities) was AUD8.2bn, we find gross debt-to-EBITDA (annualising 1HFY2026 Underlying EBITDA) healthy at 1.5x. • Net capex for 1HFY2026 was AUD1.8bn. FY2026 guidance remains at AUD4.1bn to AUD4.3bn, higher than FY2025, which is expected to push QANAU's net debt levels higher. QANAU's Financial Framework helps maintain financial discipline, even as leverage is set to increase due to its fleet renewal. (Company, OCBC) Latest report: Credit Update – 03 February 2026

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were USD1.5bn and USD6.76bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
25 Feb	Mapletree Industrial Trust	Fixed, Perpetual, Subordinated	SGD	300	PerpNC5	3.25%
25 Feb	NTT Finance Corp	FRN	USD	500	5	SOFR + 90bps
25 Feb	Oversea-Chinese Banking Corp Ltd	Fixed, Subordinated, Tier 2	USD	500	10NC5	4.517%
25 Feb	Tohoku Electric Power Co Inc	Fixed	USD	500	5	T + 70bps
25 Feb	Astrazeneca Finance LLC (guarantor: AstraZeneca PLC)	Fixed	USD	650	5	T + 42bps
25 Feb	Astrazeneca Finance LLC (guarantor: AstraZeneca PLC)	Fixed	USD	600	7	T + 52bps
25 Feb	Astrazeneca Finance LLC (guarantor: AstraZeneca PLC)	Fixed	USD	750	10	T + 60bps
25 Feb	Omnicom Group Inc	Fixed	USD	400	3	T + 75bps
25 Feb	Omnicom Group Inc	Fixed	USD	700	7	T + 120bps
25 Feb	Omnicom Group Inc	Fixed	USD	600	10	T + 130bps
25 Feb	Targa Resources Corp (guarantor: Subsidiaries)	Fixed	USD	750	5	T + 77bps
25 Feb	Targa Resources Corp (guarantor: Subsidiaries)	Fixed	USD	750	30	T + 135bps

Mandates:

- ITOCHU Corporation may issue USD-denominated 3Y and/or 5Y senior-unsecured fixed rate notes.

Key Market Movements

	26-Feb	1W chg (bps)	1M chg (bps)		26-Feb	1W chg	1M chg
iTraxx Asiax IG	66	-1	1	**Brent Crude Spot ($/bbl)**	71.1	-0.8%	8.3%
				Gold Spot ($/oz)	5,198	4.0%	3.8%
iTraxx Japan	58	0	0	**CRB Commodity Index**	311	1.1%	-1.2%
iTraxx Australia	67	1	2	**S&P Commodity Index - GSCI**	605	0.9%	2.8%
CDX NA IG	52	1	4	**VIX**	17.9	-8.6%	11.0%
CDX NA HY	107	-0	-1	**US10Y Yield**	4.04%	-2bp	-17bp
iTraxx Eur Main	53	0	3				
iTraxx Eur XO	250	-1	7	**AUD/USD**	0.713	1.0%	3.0%
iTraxx Eur Snr Fin	55	0	2	**EUR/USD**	1.182	0.4%	-0.5%
iTraxx Eur Sub Fin	93	0	3	**USD/SGD**	1.263	0.5%	0.6%
				AUD/SGD	0.900	-0.5%	-2.4%
USD Swap Spread 10Y	-42	-1	-7	**ASX200**	9,175	1.0%	3.6%
USD Swap Spread 30Y	-71	-1	-9	**DJIA**	49,482	-0.4%	0.1%
				SPX	6,946	0.9%	-0.1%
China 5Y CDS	43	-1	1	**MSCI Asiax**	1,045	3.2%	7.6%
Malaysia 5Y CDS	38	1	-1	**HSI**	26,656	-0.2%	-0.4%
Indonesia 5Y CDS	80	-2	7	**STI**	4,990	-0.2%	2.7%
Thailand 5Y CDS	39	-0	1	**KLCI**	1,743	-0.5%	-0.1%
Australia 5Y CDS	13	0	0	**JCI**	8,255	-0.2%	-8.0%
				EU Stoxx 50	6,173	1.1%	3.6%

Source: Bloomberg

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