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MAS

Monetary Authority of Singapore

ANNUAL REPORT 2010/2011





Monetary Authority
of Singapore



MAS held an in-house competition for the design of our 40th Anniversary logo. The winning design concept came from Spencer Hsu.

“Sustaining Stability. Serving Singapore” articulates our mission of promoting low inflation and a resilient financial services sector, serving the needs of Singapore and its people.

The number ‘4’ and the gold coin in the MAS logo form the number ‘40’.

The four billowing streamers represent MAS’ core values: Integrity, Enterprise, Commitment and Teamwork. The upward direction of the streamers reflects our collective aspiration to take MAS to greater heights in the years to come.

Who we are

MAS is the central bank of Singapore. Our mission is to promote sustained non-inflationary economic growth, and a sound and progressive financial centre.

MAS' FUNCTIONS

- To act as the central bank of Singapore, including the conduct of monetary policy, the issuance of currency, the oversight of payment systems and serving as banker to and financial agent of the Government;
- To conduct integrated supervision of financial services and financial stability surveillance;
- To manage the official foreign reserves of Singapore; and
- To develop Singapore as an international financial centre.



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MAS Thanks Emeritus Senior Minister Goh Chok Tong



Mr Goh Chok Tong, Emeritus Senior Minister, was appointed Chairman of the MAS Board of Directors on 20 August 2004. He was the fifth Chairman since the establishment of MAS in 1971.

As Chairman, Mr Goh played an important role in several key initiatives that strengthened MAS' capabilities and enabled it to fulfill its mission and functions. He provided leadership and guidance to strengthen MAS' economic and monetary policy analysis, financial supervision, surveillance and risk management. His emphasis on the broader and longer-term perspective to MAS' policies was particularly valuable. He oversaw the efforts of the MAS Board and management team to steer Singapore successfully through the recent global financial crisis.

Mr Goh was instrumental in strengthening MAS' links with its international partners, especially in China, India and the Middle East. His leadership in fostering closer economic ties with India laid the groundwork for the successful signing of

the Comprehensive Economic Co-operation Agreement (CECA). His cultivation of Singapore's bilateral relationship with China resulted in important milestones, including the approval of MAS as a Qualified Foreign Institutional Investor (QFII) to invest in China's interbank market, the establishment of a China-Singapore currency swap arrangement of CNY150 billion for the purpose of promoting bilateral trade and direct investment, and in-principle agreement for the establishment of a Renminbi clearing bank in Singapore. His foresight in engaging the Middle East created opportunities for stronger regional cooperation and paved the way for the further development of Islamic finance in Singapore.

Mr Goh stepped down as Chairman on 20 May 2011, but continues to contribute to MAS as Senior Advisor. The MAS Board, Management and Staff thank Mr Goh for his years of leadership as Chairman of MAS, and welcome Deputy Prime Minister Tharman Shanmugaratnam as the newly-appointed Chairman of MAS.



Chairman's Message

Global economic growth recovered in 2010. Asia led the pick-up, driven by robust intra-regional trade and strong demand in domestic markets. The Singapore economy saw a pronounced upswing, growing by 14.5%, following its contraction in 2009.

Headline inflation rose to 2.8% last year, up from 0.6% in 2009. The surge in global food and oil prices contributed to higher local costs. Domestically too, strong economic growth and a tightening labour market exerted upward pressure on business costs, which were in turn passed on as higher prices to consumers. A significant contributor to domestic inflation, however, was the sharp rise in car prices, reflecting both the firmness in purchasing power and cuts in the supply of Certificates of Entitlements (COEs) for car purchases. MAS Core Inflation, which excludes the cost of private road transport and accommodation, was more moderate at 1.5% in 2010.

MAS moved pre-emptively to tighten monetary policy as the economy strengthened. We shifted to a modest and gradual appreciation of the exchange rate policy band in April 2010. Further tightening was undertaken in October 2010 and April 2011 as growth became more entrenched and resource constraints more binding. The tighter monetary policy stance will ensure price stability over the medium term and keep growth on a sustainable path.

For 2011, the underlying drivers of economic growth are expected to remain intact. However, the global expansion is moderating, and major vulnerabilities persist. The ongoing sovereign debt crisis in the European periphery poses significant

risks – both to global economic growth and financial stability. Geopolitical tensions in the Middle East/North Africa region pose continuing uncertainties. Asia is facing rising inflation, caused primarily by higher oil, food and other commodity prices but also tighter labour markets. MAS will remain vigilant against this range of potential vulnerabilities.

We face a changed financial landscape globally following the crisis of 2008-2009. Our regulatory approaches in Singapore will evolve, whilst retaining the close monitoring and supervision of financial institutions that ensures that our financial system remains resilient and stable.

MAS has been an active contributor in the ongoing discussions on regulatory reforms at various international fora that aim at promoting long term global financial stability. These include the G20, Financial Stability Board, Basel Committee on Banking Supervision, Committee on Payment and Settlement Systems, International Association of Insurance Supervisors, International Organisation of Securities Commissions and Financial Action Task Force.

In banking, MAS welcomes the Basel III capital reforms. The higher requirements for quality and quantity of capital and other enhancements will strengthen the resilience of banks and contribute toward banking sector stability. MAS will require Singapore-incorporated banks to meet Basel III earlier than the Basel Committee's schedule, and at a higher standard.

In the capital markets, we implemented several safeguards for investors. MAS issued guidelines

on the form and content of the Product Highlights Sheet, a plain language summary of the key risks and features of an investment product. We also enhanced investment guidelines by introducing a list of permissible investments for collective investment schemes, among other measures, and standardised the calculation of performance fees.

In line with the global move to regulate credit rating agencies, MAS engaged in public consultation on a proposed regulatory framework aimed at promoting the quality and integrity of the ratings process and strengthening the independence of credit rating agencies. MAS will also implement changes to fund management regulation, aimed at raising the quality of players and enhancing regulatory oversight to enable sustained growth of the industry.

The Government guarantee on non-bank deposits in banks, merchant banks and finance companies licensed by the MAS expired on 31 December 2010 without being triggered. The guarantee was put in place in October 2008 as an extraordinary measure, in response to blanket guarantees by other jurisdictions in the region, even though Singapore's financial system remained sound in the midst of the global financial crisis. In May this year, the Deposit Insurance Scheme was enhanced. The maximum level of coverage was raised from S\$20,000 to S\$50,000 per depositor, and coverage expanded to include all non-bank depositors. The Policy Owner's Protection Scheme was made a pre-funded scheme and enhanced to cover accident and health policies of life insurers.

Singapore's financial centre has continued to grow in prominence. As a whole, financial services expanded by 12% in 2010. Robust trade and capital flows, strong growth in Asian corporate activity, and increasing wealth accumulation in Asia have driven the demand for financial services. MAS will continue to support the development of Singapore as an international financial centre trusted for its high standards of regulation, integrity and efficiency.

The MAS Board of Directors has seen important recent changes. Mr Goh Chok Tong has stepped down as Chairman of the MAS Board, after seven years of distinguished service. MAS owes Mr Goh a lasting debt for his leadership during a most challenging and eventful period.

Mr Koh Yong Guan stepped down from the Board on 31 March 2011. Mr Koh had served on the Board since 1 June 1997. I thank him for his long-standing contributions to MAS, including two periods as Managing Director.

Mr Heng Swee Keat stepped down as Managing Director of MAS on 2 April 2011. On behalf of the MAS Board, I thank him for his strong and effective contributions as Managing Director since 1 June 2005. Mr Heng continues to serve as a Director on the MAS Board.

I welcome two new Directors to the Board: Mr Sundaresh Menon who joined on 1 November 2010 and Mr Ravi Menon, who took over from Mr Heng as Managing Director on 2 April 2011.

Finally, on the occasion of the 40th anniversary of MAS, I would like to offer my heartiest congratulations to its staff. The practice of central banking and financial sector oversight at MAS, to which staff past and present have contributed, has brought major benefit to Singapore in a vibrant financial services industry and high quality jobs for Singaporeans. I would also like to thank all financial industry players and our other partners for working alongside MAS in growing Singapore into a dynamic and well-respected international financial centre.



Tharman Shanmugaratnam
Chairman

Board of Directors¹



Tharman Shanmugaratnam

Chairman

(Appointed 21 May 2011)
Deputy Prime Minister;
Minister for Finance;
Minister for Manpower



Lim Hng Kiang

Deputy Chairman

Minister for Trade & Industry



Heng Swee Keat²

Minister for Education



Teo Ming Kian

Chairman of Audit Committee
Permanent Secretary (National
Research and Development),
Prime Minister's Office;
Advisor (Special Projects),
Ministry of Finance



Lim Chee Onn

Chairman of Risk Committee
Senior Advisor, Keppel
Corporation Limited;
Chairman, Singbridge
International Singapore Ltd

Board of Directors¹



Lucien Wong Yuen Kuai

Managing Partner,
Allen & Gledhill



Peter Ong Boon Kwee

Permanent Secretary,
Ministry of Finance



Sundaresh Menon³

Attorney-General of Singapore



Ravi Menon⁴

Managing Director, MAS

¹ As at 1 June 2011

² Mr Heng Swee Keat, Minister for Education, served as Managing Director of MAS from 1 June 2005 to 1 April 2011.

³ Mr Sundaresh Menon was appointed to the Board on 1 November 2010.

⁴ Mr Ravi Menon was appointed Managing Director of MAS on 2 April 2011.

Note : Mr Koh Yong Guan (not shown above) served as a member of the Board from 1 June 2005 till 31 March 2011.

Management Team



Management Team

A. Ravi Menon

Managing Director

B. Ong Chong Tee

Deputy Managing Director

Monetary Policy, Investment /
Development & External

C. Teo Swee Lian

Deputy Managing Director

Financial Supervision

D. Foo-Yap Siew Hong

Assistant Managing Director

Currency, Corporate Services &
Human Resource /
Special Projects Advisor to MD

E. Andrew Khoo

Assistant Managing Director

Policy, Risk & Surveillance /
MAS Academy

F. Lee Boon Ngiap

Assistant Managing Director

Banking & Insurance

G. Lee Chuan Teck

Assistant Managing Director

Markets & Investment

H. Leo Mun Wai

Assistant Managing Director

Capital Markets

I. Jacqueline Loh

Assistant Managing Director

Finance, Information Technology
& Risk Management

J. Ng Nam Sin

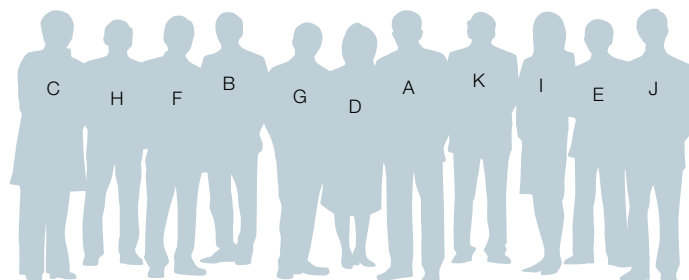
Assistant Managing Director

Development

K. Edward Robinson

Assistant Managing Director

Economic Policy





Board Committees*

The MAS Act provides that the Board of Directors shall be responsible for the policy and general administration of the affairs and business of MAS. The Board is assisted by the following committees:

CHAIRMAN'S MEETING

The Chairman's Meeting approves major changes to MAS' supervisory policies and regulatory framework. It also approves major changes to policies and strategies relating to financial centre development and international and regional relations. The Chairman's Meeting comprises Tharman Shanmugaratnam (Chairman), Lim Hng Kiang, Teo Ming Kian and Ravi Menon.

MONETARY AND INVESTMENT POLICY MEETING

The Monetary and Investment Policy Meeting deliberates and decides on issues relating to the formulation and implementation of monetary policy with the objective of maintaining price stability for sustainable economic growth. The Meeting also oversees the investment of MAS' reserves. The Monetary and Investment Policy Meeting comprises Tharman Shanmugaratnam (Chairman), Lim Hng Kiang, Teo Ming Kian and Ravi Menon.

AUDIT COMMITTEE

The Audit Committee provides an independent assessment of MAS' internal controls and financial reporting process. The Committee also reviews the efforts of MAS' internal and external auditors. The Audit Committee comprises Teo Ming Kian (Chairman), Lucien Wong and Peter Ong.

RISK COMMITTEE

The Risk Committee provides oversight and guidance on the management of risks faced by MAS. The Committee oversees the MAS-wide risk management framework, and reviews MAS' risk management policies and the processes for reporting of risks. The Risk Committee comprises Lim Chee Onn (Chairman), Sundaresh Menon and Ravi Menon.

* As at 1 June 2011

Organisational Structure*

Ravi Menon

Managing Director

Ong Chong Tee

Deputy Managing Director
Monetary Policy, Investment /
Development & External

Teo Swee Lian

Deputy Managing Director
Financial Supervision

MONETARY POLICY, INVESTMENT / DEVELOPMENT & EXTERNAL

Ong Chong Tee
Deputy Managing Director

ECONOMIC POLICY

Edward Robinson
Assistant Managing Director

ECONOMIC SURVEILLANCE & FORECASTING

Celine Sia Executive Director

ECONOMIC ANALYSIS

Ng Bok Eng Executive Director

MARKETS & INVESTMENT

Lee Chuan Teck
Assistant Managing Director

RESERVE MANAGEMENT

Yap Chuin Houi Executive Director

MONETARY & DOMESTIC MARKETS MANAGEMENT

Luke Goh Executive Director

DEVELOPMENT

Ng Nam Sin Assistant Managing Director

FINANCIAL MARKETS STRATEGY

Ng Nam Sin Assistant Managing Director

FINANCIAL CENTRE DEVELOPMENT

Ng Nam Sin Assistant Managing Director

SPECIAL PROJECTS

Tai Boon Leong Executive Director

FINANCIAL SUPERVISION

Teo Swee Lian
Deputy Managing Director

BANKING & INSURANCE

Lee Boon Ngiap
Assistant Managing Director

COMPLEX INSTITUTIONS

Low Kwok Mun Executive Director

BANKING

Chua Kim Leng Executive Director

INSURANCE

Luz Foo Executive Director

CAPITAL MARKETS

Leo Mun Wai
Assistant Managing Director

CAPITAL MARKETS INTERMEDIARIES

Lam San Ling Executive Director

INVESTMENT INTERMEDIARIES

Merlyn Ee Director

CAPITAL MARKETS

Loo Siew Yee Executive Director

POLICY, RISK & SURVEILLANCE

Andrew Khoo
Assistant Managing Director

SPECIALIST RISK

Wan Aik Chye Director

PRUDENTIAL POLICY

Adrian Chua Executive Director

MACROECONOMIC SURVEILLANCE

Wong Nai Seng Executive Director

CURRENCY, CORPORATE SERVICES & HUMAN RESOURCES

Foo-Yap Siew Hong
Assistant Managing Director

CORPORATE SERVICES

Bernard Yeo Executive Director

CURRENCY

Ho Kwen Chan Executive Director

HUMAN RESOURCE

Ho Hern Shin Executive Director

HUMAN RESOURCE PROJECTS

Winnifred Chen Executive Director

FINANCE, INFORMATION TECHNOLOGY & RISK MANAGEMENT

Jacqueline Loh
Assistant Managing Director

FINANCE

Teo Kok Ming Executive Director

INFORMATION TECHNOLOGY

Lawrence Ang Executive Director

RISK MANAGEMENT

Lim Tuang Lee Executive Director

MANAGING DIRECTOR'S OFFICE

SPECIAL PROJECTS ADVISOR TO MD

Foo-Yap Siew Hong
Assistant Managing Director

GENERAL COUNSEL'S OFFICE

Ng Heng Fatt General Counsel

MAS ACADEMY

Andrew Khoo Assistant Managing
Director

EXTERNAL

Leong Sing Chiong Executive
Director

INTERNAL AUDIT

Timothy Ng Executive Director

* As at 1 June 2011

OUR
WORK

OUR WORK

Staying Resilient, Sustaining Growth

THE GLOBAL RECOVERY IS CONSOLIDATING

Following the exit from the worst recession in post-war history, global economic growth accelerated in 2010. World GDP grew by 5.8% after contracting by 0.4% in the previous year, as expansionary fiscal and monetary policies, and a revival of consumer and business confidence, stimulated aggregate demand in the early part of the year. Nevertheless, the solid overall performance in 2010 masked a divergence in regional growth patterns, with the G3 economies expanding by 2.6% and Asia ex-Japan at a much faster 8.1%.

The sharp rebound in Asia ex-Japan was underpinned by strong household and corporate balance sheets, which boosted domestic demand. The cyclical upswing in the global electronics industry and the exceptional pump-priming measures adopted by China further supported economic activity in the region and expedited the recovery from the recession. In contrast, the Greek sovereign debt crisis in May and concomitant fiscal consolidation dampened economic momentum in the Eurozone, whilst GDP growth in the US faltered in the middle of the year as the inventory restocking cycle came to an end.

Towards the end of last year, the global economy picked up again owing to firmer private demand, notwithstanding a gradual withdrawal of the stimulus from government spending. Even so, the attendant rise in oil prices, aggravated by the unrest in the Middle East/North Africa

(MENA) region since February 2011 and the Japanese earthquake in March, introduced new uncertainties to the economic outlook.

Modest Growth in the G3 amidst Uncertainties

In the US, GDP advanced by 2.9% in 2010 as private consumption spending received a fillip from government transfers and tax cuts. Business fixed investment also rose, stimulated by policy incentives to increase hiring and capital spending, although residential investment has remained in the doldrums due to the weak housing market. More recently, the improvement in labour market conditions has become more discernable. With monthly employment increasing by an average of 166,000 in the first three months of 2011, nominal income growth has been quite robust. However, higher oil prices over the same period have crimped consumer expenditures, causing the US economy to expand by just 1.9% in Q1 2011 on a quarter-on-quarter seasonally adjusted annualised basis (q-o-q SAAR).

The sovereign debt crisis in the Eurozone has not receded. In the year to May 2011, three rescue packages jointly funded by the European Commission (EC) and the International Monetary Fund (IMF) were put together for Greece, Ireland and Portugal, accompanied by fiscal austerity measures to narrow their budget deficits. Despite an expansion in the effective financing capacity of the European Stability Mechanism to €500 billion, bond yields for the peripheral Eurozone countries remain on the rise and the threat of

debt restructuring continues to hang over the Eurozone. Nonetheless, fiscal and banking problems have thus far been confined to the peripheral economies while those in the core have continued to benefit from a weaker euro which has led to stronger manufactured exports. Overall economic sentiment in the core countries of the region remains quite strong, and the Eurozone as a whole grew by 3.4% q-o-q SAAR in Q1 2011.

Japan's GDP expanded by 4% in 2010, its best performance since 1991. In the first half of the year the economy benefitted from strong demand in the Asian region, which boosted both exports and the yen. However, by the last quarter of 2010, the cumulative appreciation of the currency had blunted firms' competitiveness and precipitated a fall-off in goods and services exports. This decline in trade volumes was accentuated by the earthquake and tsunami in March 2011 as factories halted production and shipping was disrupted. As a result, GDP contracted by 3.5% q-o-q SAAR in Q1 2011.

Strong Growth in Asia ex-Japan was Underpinned by the Private Sector

During the course of 2010, the faster growing Asia ex-Japan economies transitioned to a more advanced phase of the business cycle, driven primarily by the private sector. In spite of waning fiscal support measures and tighter monetary policy in the region towards the year-end, growth in the Asian economies accelerated to 8.1% in 2010, up from 2.1% in 2009.

The rapid expansion in Asia ex-Japan was led by robust intra-regional export demand, especially in the electronics manufacturing sector, as IT firms sought initially to replenish depleted inventories and later to satisfy increased final demand. Personal consumption and investment were particularly strong in the domestic-oriented economies of China, India and Indonesia.

However, private demand in the smaller and more trade-oriented economies also picked up, as the effects of the export boom and higher commodity prices trickled down to households and spurred domestic consumption.

Downside Risks in Financial Markets have Increased

Bolstered by continued accommodative monetary policies in the advanced economies, financial market conditions have continued to improve. From March 2010 to March 2011, the S&P 500 rose by more than 13% while the MSCI Asia ex-Japan Index rose by almost 17%. Over the same period, advanced economy corporate spreads and high-yield credit spreads continued to narrow across different regions.

However, vulnerabilities persist, as highlighted by the bailouts for the peripheral Eurozone countries. In addition, geopolitical tensions in the MENA region and the disaster in Japan have heightened risk aversion and created spikes in market volatility. In Japan, equity markets fell by more than 17% in the first few days after the earthquake, but saw some recovery in the weeks after.

In the banking sector, concern about asset quality eased as the economic recovery progressed and banks raised capital ratios. However, this was overshadowed by refinancing concerns as large funding needs for banks coincided with those of national governments. Meanwhile, a renewed search for yield amongst investors appears to have begun. This has led to signs of a reduction in risk premiums in some segments of advanced countries' financial markets, as well as strong capital inflows to emerging market economies, increasing the risk of a possible build-up of asset bubbles and prompting many emerging market governments to tighten macroeconomic policies and introduce macro-prudential measures.

Higher Energy Costs Push Up Inflationary Pressures

International commodity prices have risen in tandem with the global economic recovery and on the back of supply disruptions, leading to stronger inflationary pressures around the world. In the G3, the headline inflation rate increased to 1.9% in Q1 2011, compared with a quarterly average of 1.3% in 2010, a rise that can largely be attributed to higher oil prices. In contrast, core inflation rates have stayed subdued. There is still significant spare capacity available and unemployment rates remain above their historical averages.

In Asia ex-Japan, CPI inflation picked up sharply in 2010, with food and oil prices being the main contributors owing to their substantial weights in CPI baskets. During the early months of 2011, headline inflation in this region rose further as food and energy costs escalated. Core inflation was also on the rise as domestic resource constraints became more binding amidst robust economic growth.

Singapore: Record Growth in 2010

Following a mild contraction in the previous year, the Singapore economy recovered strongly in 2010 to grow by 14.5%, the fastest annual rate on record. (Chart 1) This turnaround outperformed the 6.6% average rebound in the aftermath of the Asian Financial Crisis, the dotcom bust and the 2003 SARS outbreak. By the end of Q4 2010, GDP levels had surpassed the pre-recession peak by 10%, marking a decisive exit from the Great Recession.

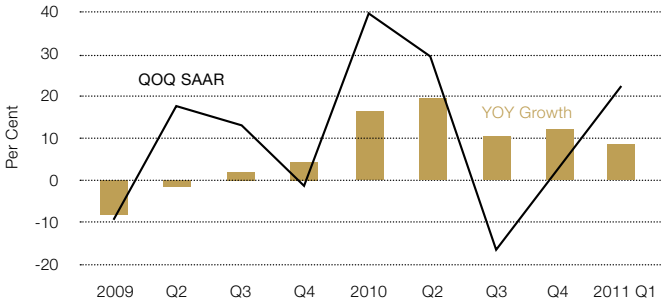
The economic expansion in 2010 was broad-based, with equal contributions from the manufacturing and services sectors. Strong growth momentum in the first half of the year largely reflected continued inventory restocking in the electronics sector, as well as recovery in the sentiment-sensitive industries in the financial sector. The cyclical upturn was also supported by a series of capacity expansions across both manufacturing and services, providing a boost in particular to pharmaceutical production and services activities tied to the two new Integrated Resorts (IRs).

Since the second half of 2010, growth in the Singapore economy has moderated. Cyclical support from the inventory restocking cycle started to fade in Q3, alongside a temporary pullback in pharmaceutical output. However, as the global recovery gained traction at the turn of the year, the domestic economy saw another step-up in activity, posting growth of 22.5% q-o-q SAAR* in Q1 2011. Manufacturing and trade-related services were supported by improving demand in key export markets, while growth in the financial sector was underpinned by firm activity in the intermediation and insurance industries. Meanwhile, tourism services were buoyed by increased visitor inflows from the region.

For the rest of 2011, underlying growth drivers are expected to remain broadly intact, although the expansion may be more moderate. Nevertheless, a protracted spike in oil prices, a deterioration in the Eurozone debt crisis, or a more widespread nuclear fallout in Japan could threaten global growth and dampen the outlook for Singapore.

* As at 29 June 2011

Chart 1 : Singapore's GDP Growth



Consumer Prices and Wages Remain Elevated

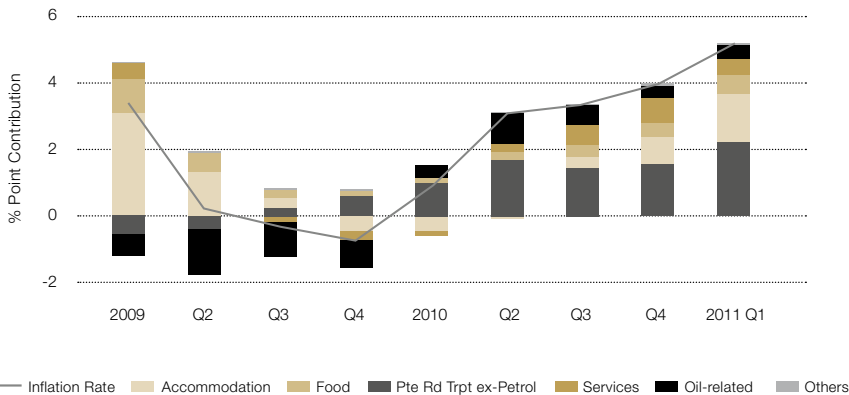
In 2010, total employment grew by 115,900, three times that of 2009, with the labour force participation rate reaching a record high. In response to the strong economic upturn and tight labour market, wage growth accelerated in most sectors.

Meanwhile, sharp increases in car prices and global oil prices pushed domestic CPI

inflation up to 2.8% in 2010. (Chart 2) MAS Core Inflation, which excludes the costs of accommodation and private road transport, was lower at 1.5%.

Looking ahead, CPI inflation is likely to stay elevated after the 5.2% recorded in Q1 2011. The tight labour market will continue to exert upward pressure on costs and prices, while global oil and food prices are likely to remain firm given supply shocks and strong demand as the global economy slowly recovers.

Chart 2 : Contribution to CPI Inflation



MONETARY POLICY

Singapore's macroeconomic policies are formulated with a medium-term orientation, and are aimed at promoting sustained, non-inflationary economic growth. Amidst the multiple shocks emanating from the external environment in recent years, monetary policy and fiscal policy have played a countercyclical role in smoothing volatility in the business cycle. Chart 3 traces the evolution of monetary policy, as indicated by movements in the S\$NEER, against the backdrop of developments in growth and inflation. MAS' policy responses to recent global developments underscore the importance of the S\$ as an anchor of stability.

In 2010, the output gap turned positive as the economy recovered decisively from the Great Recession to post record GDP growth. The macroeconomic policy stance was contractionary in 2010 as monetary and fiscal stimuli were gradually withdrawn, thereby ensuring that the policy setting was conducive to price stability and sustainable growth in the medium term.

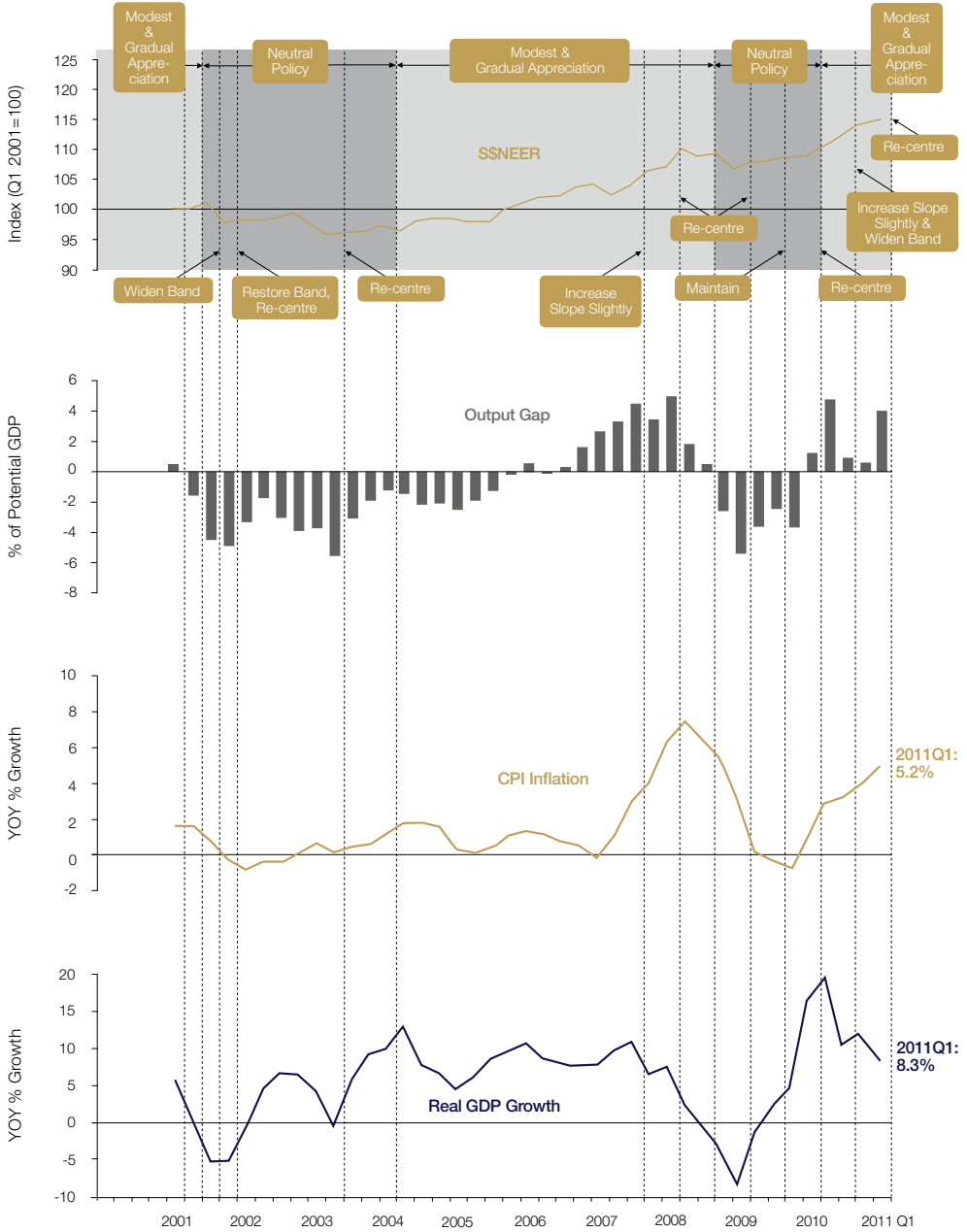
MAS tightened monetary policy in April 2010 by re-centring the S\$NEER policy band upwards and restoring its modest and gradual appreciation path. This policy shift marked the end of the accommodative monetary policy

stance in place since October 2008. In October 2010, MAS tightened further by shifting to a slightly steeper appreciation of the S\$NEER policy band without altering the level at which the band was centred. At the same time, the policy band was widened slightly to take into account volatility in international financial markets.

In April this year, the policy band was re-centred upwards to a level below the prevailing level of the S\$NEER, with no change to its slope or width. This policy stance was to ensure price stability in an economy at a mature phase of expansion and to keep growth on a sustainable path. The graduated adjustment took into account MAS' previous pre-emptive tightening in April and October 2010, the effects of which will continue to filter through the economy over the rest of this year.

Amidst the turnaround in economic fortunes, the FY2010 Budget marked a shift in focus from crisis-containment to investment aimed at enhancing productivity over the medium to long term. The FY2011 Budget built on the robust economic growth in 2010 and introduced further supply-side measures targeted at restructuring the economy. These measures will lay the foundation for more sustainable and equitable growth over the longer term, and include initiatives to raise real income, support the economically vulnerable and reduce income inequality.

Chart 3 : Key Macroeconomic Variables and the Evolution of Monetary Policy



Box 1

The MAS Core Inflation Measure for Singapore

For the past two decades, MAS has monitored a core inflation series to provide another perspective on price developments in the economy. Such a core inflation measure should have the following two characteristics. First, it should reflect persistent rather than temporary price changes. This is particularly relevant for monetary policy, which affects inflation with long and variable lags and is, therefore, not meant to address short-term fluctuations in prices. Second, core inflation should capture generalised price movements and ignore changes due to sector-specific influences or non-market factors, such as government price controls. Hence, by capturing the underlying price trends in the economy, core inflation serves as a useful input for monetary policy formulation.

Most countries exclude the costs of food and energy products from their core inflation measure as these are deemed to be volatile and largely determined by supply disturbances or changes in administrative policies. In Singapore's case, food and energy items are included in the measurement of core inflation, as they not only have a substantial weight in the CPI basket (27%), but their prices are also directly influenced by our exchange rate-centred monetary policy. Instead, MAS Core Inflation is calculated as the CPI less the costs of accommodation and private road transport. These items are excluded because they tend to be volatile and are strongly influenced by administrative policies.

In particular, accommodation costs are subject to the influence of government rebates on HDB rentals and Service & Conservancy Charges, while private road transport costs are largely driven by the government's motor vehicle policy, notably the Vehicle Quota System. Thus, the disbursement of HDB rebates in certain months of the year and changes in motor vehicle policy have made the costs of accommodation and private road transport extremely volatile. (Chart 4)

The MAS Core Inflation measure has served its purpose well, being less volatile than headline CPI inflation but nonetheless tracking it closely over time. (Chart 5) It is also a good indicator of underlying trend inflation, one of the most important attributes expected of a robust core inflation measure.

Chart 4 : Quarterly CPI Price Volatility, 1991 - 2010

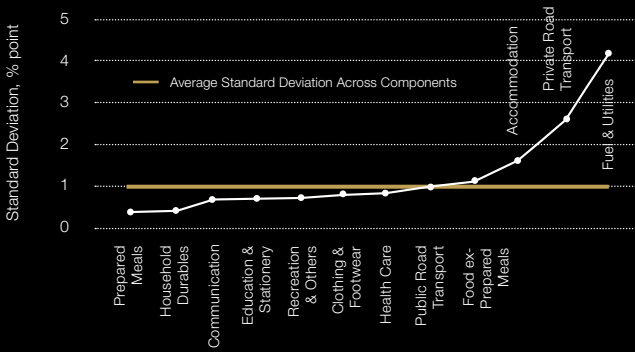
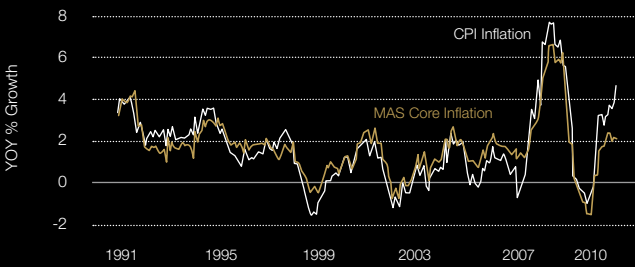


Chart 5 : CPI Inflation and MAS Core Inflation



LIQUIDITY MANAGEMENT

Enhancing the Standing Facility

In 2010, the AAA framework was enhanced with the list of issuers extended to AAA-rated zero risk-weighted public sector entities. The AAA framework, established in 2009, allowed AAA-rated Singapore dollar debt securities issued by supranationals, sovereigns and sovereign-guaranteed companies to be accepted at the MAS Standing Facility. These securities were also eligible as liquid assets under Notice 613 with the same haircut as Singapore Government Securities (SGS).

MAS' ability to provide S\$ liquidity to banks operating in Singapore was further enhanced through expanding the network of cross-border collateral arrangements (CBCAs) established with other central banks. To date, MAS has announced the conclusion of CBCAs with Bank of England, Banque de France, Bundesbank and De Nederlandsche Bank, allowing commercial banks to pledge Euros, British Pounds as well as eligible government securities to obtain S\$ liquidity at the Standing Facility. Aside from improving the resilience of the local money market, CBCAs could serve an additional purpose of improving mutual recognition of SGS as acceptable collateral in other central banks' liquidity operations.

Enhancing the Repo Facility

MAS had previously operated the MAS Repo Facility (MRF), which allowed Primary Dealers (PDs) to borrow SGS on an overnight basis

from MAS' portfolio of SGS. An important enhancement was introduced in 2010 which allowed MAS to create SGS bonds on-demand for the purpose of the repo facility (the Enhanced Repo Facility or ERF). MAS lends these bonds on an overnight basis to SGS PDs, and destroys or redeems them when they are returned.

The ERF has given PDs greater certainty in obtaining specific SGS bonds. As a result, they are more confident in making markets to their customers and also do not need to hold a full suite of SGS bonds to make markets effectively. Similarly, MAS does not need to hold as large an inventory of SGS bonds to operate the repo facility. As PDs and MAS have freed up their holdings of SGS over time, the market free float has increased, allowing more SGS bonds to reach genuine end-investors. Above all, by removing issue-specific constraints in the SGS market, the ERF has improved the pricing efficiency and smoothed out the yield curve, which has enhanced SGS functioning as a price discovery mechanism for corporate pricing.

PBC-MAS Bilateral Swap Facility

In July 2010, MAS established a bilateral currency swap arrangement with the People's Bank of China (PBC) which will provide Chinese Yuan liquidity of up to CNY 150 billion and S\$ liquidity of up to S\$30 billion. The swap is intended to promote bilateral trade and direct investment for economic development of the two countries by strengthening the trade and investment linkages and, in particular, improving the availability of financing facilities for firms based in Singapore and the region that import from and invest in China.

Box 2

Issuance of short term MAS bills

MAS announced on 29 July 2010 that short term MAS bills would be issued as part of money market operations, serving as a complement to the three key instruments, namely FX swaps, clean lending and borrowing and SGS repos, which are currently used to inject or withdraw liquidity from the financial system.

As the banking system grows and adopts higher liquidity requirements, demand for liquid regulatory assets will inevitably increase. The introduction of MAS bills increases the diversity of regulatory assets available in the market, thereby allowing commercial banks to practice better liquidity management in their operations. As these bills are negotiable, banks can sell or pledge them as collateral in the interbank repo markets as well as at the MAS Standing Facility and Intraday Liquidity Facility to obtain liquidity. The greater utility and negotiability of MAS bills also lower the costs of MAS' sterilisation operations. The first issuance commenced in April 2011.

ENSURING SAFETY AND SOUNDNESS OF FINANCIAL INSTITUTIONS AND FINANCIAL SYSTEM

Prudential Supervision and Surveillance

Over the year, MAS has maintained close monitoring and supervision of financial institutions and their risk exposures in light of developments in the international financial system such as the European sovereign debt crisis. We coordinated our macroeconomic surveillance and supervisory functions more closely to identify and address the impact of these developments in the macro-environment on individual institutions.

As host regulator to many systemically important financial institutions with large cross-border operations, MAS recognises the importance of

cross-border supervisory cooperation. Besides holding dialogues with fellow regulators, MAS also participated in the supervisory college meetings of several international financial institutions.

Fostering a Sound and Reputable Financial Centre

MAS is strengthening the risk-based capital requirements for Singapore-incorporated banks to address lessons from the global financial crisis and promote a more resilient banking sector. In July 2010, MAS amended the risk-based capital requirements for Singapore-incorporated banks. The amendments incorporated guidance by the Basel Committee on Banking Supervision (BCBS) to enhance bank-wide risk management and capital planning processes under Pillar 2 of the Basel framework as well as other policy

enhancements to the capital rules. A second phase of amendments in H2 2011 will incorporate BCBS' recommended enhancements on capital requirements and disclosures for securitisations and market risk. MAS also supports the Basel III capital standards issued recently by the BCBS which are designed to address both firm-specific risks and broader, systemic risks. The enhanced framework sets out minimum standards for higher and better-quality capital, provides better risk coverage, introduces a leverage ratio requirement to supplement the risk-based requirement, and proposes capital buffers which can be built up in good times and drawn down in periods of stress. MAS will implement the Basel III capital standards appropriately in Singapore.

MAS issued a public consultation paper titled "Proposed Framework for Reinsurance Management" on 30 June 2010 setting out the proposed supervisory and regulatory framework governing reinsurance management of insurers. We also issued a consultation paper in July 2010 on the proposed revisions to the existing regulatory framework for trade credit insurance, political risk insurance and mortgage insurance. The proposals focused on aligning the contingency reserves and insurance risk requirements on these three lines of business with international practice. MAS is assessing the feedback and will incorporate the relevant changes into the legislations.

Property Market Measures

In August 2010, MAS announced the lowering of loan-to-value (LTV) limit as part of the property measures taken by the Government. The LTV for residential property loans was lowered from 80% to 70% for borrowers who have one or more outstanding housing loans. The minimum cash payment was also increased from 5% to 10% for this group of borrowers. The moves were intended to temper sentiments

and encourage greater financial prudence among property purchasers.

In January 2011, MAS further announced the lowering of the LTV limit to 60% for borrowers who have one or more outstanding housing loans as part of the targeted measures taken by the Government to pre-empt a property bubble from forming. The LTV limit for borrowers who are not individuals was further lowered to 50%. The lowering of the LTV limit was to send a clear signal to financial institutions to maintain credit standards and encourage greater financial prudence among property purchasers already servicing one or more outstanding housing loans.

Review of Deposit Insurance Scheme in Singapore

As part of our regular review, MAS, together with the Singapore Deposit Insurance Corporation (SDIC), reviewed the deposit insurance scheme in Singapore to enhance depositor protection. The enhanced scheme was implemented on 1 May 2011. The key changes to the Scheme were the increase in coverage limit from S\$20,000 to S\$50,000 and the expanded scope of coverage from insuring individuals and charities to include other non-bank depositors such as sole proprietorships, partnerships, companies and unincorporated entities. CPF monies placed by an individual depositor with a Scheme member are also insured under a separate S\$50,000 coverage limit.

Insurance Resolution and Policy Owners' Protection

MAS reviewed the life and general insurance Policy Owners' Protection (PPF) schemes which are provided for in the Insurance Act (IA) since 1986. Two separate consultation papers were

issued in December 2005 and December 2009 respectively, which discussed policy proposals relating to the PPF schemes, including the membership, scope and level of PPF coverage, continuity of insurance coverage, and funding method. Recently, MAS consulted on the draft Deposit Insurance and Policy Owners' Protection Schemes (DI-PPF) Bill in December 2010. A 3rd consultation paper on the target fund size and levies as well as the subsidiary legislation necessary for the implementation of the PPF schemes was issued in May 2011. The legislative amendments came into effect on 1 May 2011.

In conjunction with the review of the PPF schemes, MAS amended the IA to enhance its powers relating to the resolution of insurers to strengthen MAS' ability to secure continuity in insurance coverage, particularly for life policies. Continuity of coverage is important as life policies tend to be long-term in nature, and early termination of the policies could cause a substantial loss to the policy owner due to a low surrender value or inability to take up new insurance cover due to advanced age or deteriorating health.

Review of Insurance Act

MAS is undertaking a comprehensive review of the IA. This is to strengthen MAS' powers for effective regulation and supervision of insurers, enhance clarity on some Act provisions, and align the regulatory approach where possible with those taken in the banking and securities sector. MAS has consulted various stakeholders. The changes will be incorporated into the IA and its subsidiary legislations by 2012.

Enhancing Safeguards for Retail Customers

In October 2010, MAS issued its response to feedback received on the Consultation Paper on

the Regulatory Regime for Listed and Unlisted Investment Products. MAS will proceed to impose an obligation on intermediaries to assess a retail customer's investment knowledge and experience before selling investment products to the customer. Customers who lack the relevant knowledge or experience in unlisted specified investment products must be given financial advice before purchasing the products. For listed specified investment products, safeguards will be required of intermediaries when approving trading accounts for customers who lack the relevant knowledge or experience in derivatives. Some other key initiatives that MAS will undertake upon completion of ongoing discussions with the industry include the introduction of three new Capital Markets and Financial Advisory Services examination modules for product knowledge about certain investment products. Representatives of intermediaries intending to sell such products will be required to pass the relevant examination modules.

In October 2010, MAS also issued the Guidelines on Ongoing Disclosure Requirements for Unlisted Debentures (Ongoing Disclosure Guidelines) and the Guidelines on the Product Highlights Sheet (PHS Guidelines). The Ongoing Disclosure Guidelines aim to provide guidance to issuers of unlisted debentures on when and how to provide ongoing disclosure, and will apply to all issuers of unlisted debentures with tenures of 12 months or more. The PHS Guidelines set out the form and content of the Product Highlights Sheet to provide guidance to issuers and their professional advisers in preparing the Product Highlights Sheet. The PHS Guidelines will apply to new offers of debentures in the form of asset-backed securities and structured notes (including exchange-traded notes), unlisted collective investment schemes (CIS) and exchange-traded funds which have prospectuses lodged with MAS.

MAS also consulted on draft amendments to the Financial Advisers Regulations to prohibit bank

tellers from referring customers to representatives for the purchase of investment products. New provisions that require financial advisers to carry out a due diligence exercise to ascertain whether a new product is suitable for the financial advisers' targeted clients before offering the new product were also proposed. MAS is currently engaging the various industry participants on the implementation of the above proposals and expects to introduce these measures in the coming year.

MAS issued a consultation paper in May 2010 as part of its comprehensive review of the Code on Collective Investment Schemes (Code). The Code sets out best practices in the management, operation and marketing of CIS. The proposed amendments aim to ensure that the regulatory regime for CIS, in particular the investment guidelines, keeps pace with product innovation and industry developments, as well as regulatory developments in major fund jurisdictions.

Following close consultation with industry associations and market practitioners, MAS issued its response to the feedback received and the revised Code on 8 April 2011. The amendments include introducing a list of permissible investments, strengthening safeguards on the use of financial derivatives, enhancing guidelines on funds' securities lending activities and standardising the methods used to calculate any performance fees imposed. The revised Code will come into effect on 1 October 2011.

Enhancing Regulatory Regime for Fund Management Companies

MAS issued a consultation paper on the proposed changes to the regulatory regime for fund management companies in April 2010. The proposals aimed to enhance regulatory oversight over fund management activities in Singapore

and to formalise industry best practices. This would ensure that our regulatory regime keeps pace with global developments and would help to promote the sustainable growth of Singapore's fund management industry. Among the key proposals were changes to capital and competency requirements, as well as changes to business conduct requirements. These included the independent custodisation of customers' monies and assets, and the need for independent fund valuation.

Industry feedback has been positive. Most agreed with MAS' approach of calibrating the level of regulatory and capital requirements for different categories of fund management companies, based on the size and complexity of their businesses, the sophistication of their clientele, and their potential market impact. A paper was issued in September 2010 to respond to industry feedback on the proposed policies. MAS will consult the industry in the second half of 2011 on draft legislative amendments and these are expected to take effect in early 2012.

Achieving Fair Dealing Outcomes

Following the issuance of the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (Fair Dealing Guidelines) in April 2009, MAS surveyed selected financial institutions, including banks, insurers, capital markets services licensees and licensed financial advisers, during the first quarter of 2010. The survey focused on whether the Board and senior management have taken active steps to align business practices with the fair dealing outcomes.

MAS noted from the survey responses that most financial institutions have taken positive steps to embed the recommendations in the

Fair Dealing Guidelines into their business practices and to create greater awareness of the Guidelines amongst their staff. However, the survey also revealed the need for greater involvement and leadership by the Board and senior management in leading their organisations' fair dealing initiatives. MAS would also like to see more financial institutions incorporating key performance indicators for achieving fair dealing outcomes in the remuneration of their representatives and senior executives. This is an important way to align the interests of financial institutions with that of their customers and to incentivise the sales staff and senior executives to deliver fair dealing outcomes. MAS wrote to all financial institutions providing financial advisory services in December 2010 to share our broad findings from the survey.

MAS will continue to actively engage financial institutions through various channels such as dialogues, company visits and inspections to assess their progress in embedding fair dealing in their day-to-day dealings with customers.

Enhancing Corporate Governance Standards

There has been increased emphasis on effective corporate governance internationally following the global financial crisis. In April 2010, MAS completed a consultation on proposed amendments to the corporate governance regulations and guidelines for locally incorporated banks, financial holding companies and direct insurers (relevant FIs). The revised regulations and guidelines were issued in December 2010. The enhanced corporate governance framework emphasises the importance of the role played by the Board in overseeing the soundness of their financial institutions. MAS tightened the definition of independence by requiring the Nominating Committee to consider the length of service

on the Board as an additional criterion in determining the independence of directors. The number of independent directors required on the Board and Board Committees was also increased from one-third to a majority. MAS also included guidance on our expectations on roles, responsibilities and skills of the Board in overseeing the relevant FIs' risk management and compensation systems. Additional guidelines on establishing a continuing development programme for directors and the need for directors to commit sufficient time and have the appropriate skills to perform their roles effectively were introduced.

In addition, MAS established the Corporate Governance Council in February 2010 to promote a high standard of corporate governance in listed companies in Singapore. The Council is chaired by Alan Chan, Chief Executive Officer, Singapore Press Holdings and comprises representatives from the business community and various stakeholder groups. Since its establishment, the Council has carried out a comprehensive review of the Code of Corporate Governance to enhance the corporate governance framework in Singapore. A public consultation paper was issued in June 2011 to seek comments on the proposed changes to the Code. The Council will review the feedback received, and thereafter submit its finalised recommendations to MAS by end 2011.

Conclusion of First Two Civil Penalty Cases

In 2010, MAS saw the conclusion of its first two civil penalty trials. On 27 May 2010, the High Court found that the former Chief Risk and Financial Officer of a Singapore-listed company contravened the insider trading prohibition in the Securities and Futures Act and, on 26 July 2010, ordered that he pay a civil penalty of \$67,500 and legal costs to

MAS. On 1 March 2011 the Court of Appeal fully dismissed the defendant's appeal against the High Court's decisions.

Separately, on 17 September 2010, the High Court ordered a Malaysian fund manager and its Chief Executive Officer to each pay a civil

penalty of \$250,000 to MAS for trading with the intention of creating a false or misleading appearance in the price of shares of a Singapore-listed company. The appeal by the defendants in this case was heard by the Court of Appeal on 14 March 2011 and the verdict has yet to be released at the time of printing of this report.

Box 3

The Representative Notification Framework

The Representative Notification Framework (RNF), launched on 26 November 2010, allows financial institutions to lodge notifications with MAS electronically via the online system for their representatives who intend to conduct regulated activities under the Securities and Futures Act and the Financial Advisers Act. This system streamlines the notification process for individuals carrying out regulated activities across the industry. As part of the notification, financial institutions are to certify that the representatives whom they intend to appoint are fit and proper and meet the competency, financial soundness and integrity standards required.

Once a notification has been processed, the name of the proposed representative would be published on the online Register of Representatives on MAS website. Besides the name of the representative, the regulated activities which the representative is allowed to conduct, the principal companies which the representative has worked for within the past three years and any formal regulatory action taken by MAS against the representative, would be displayed on the Register.

Currently, there are more than 30,000 appointed representatives published on the Register. All representatives are assigned a unique representative number, which will stay with them even if they change principals. With this number, members of the public may verify the representatives whom they are dealing with against the Register, thereby reducing their risk of dealing with unregulated individuals. Financial institutions are encouraged to make the unique representative numbers of their representatives readily available to consumers for consumers to verify the representative's regulatory status. Similarly, consumers should request for the representative number from their representatives to conduct their own checks on the Register.

Enhancing Market Conduct

From April 2010 to March 2011, MAS published a total of 45 formal regulatory and enforcement actions against companies and individuals for market conduct breaches. These actions included reprimands, composition of fines, imposition of civil penalties, and issuance of prohibition orders. Over this period, MAS also took other regulatory and administrative actions in another 232 cases.

Audit Assurance

During the year, an extensive programme of risk-based audits, covering core functions of MAS and the key IT systems supporting these functions, was conducted by the Internal Audit Department (IAD) of MAS. IAD also evaluated the reliability of financial records, recommended improvements in effectiveness and efficiencies of the operations, and worked with other departments to review the controls in new systems and business processes. IAD has begun a comprehensive review of MAS' Fraud Risk Management. In addition, thematic reviews are scheduled to assess the corporate governance standards within the organisation. These include benchmarking against best governance practices, review of IT governance and Code of Conduct to preserve the integrity, dignity and reputation of MAS.

SINGAPORE AS AN INTERNATIONAL FINANCIAL CENTRE

Financial Sector Growth

Singapore's financial services sector posted robust growth of 12.2% in 2010. With Asia leading the global economic recovery, the surge in trade and capital flows, strong growth of Asian corporate activity and increasing wealth

accumulation in Asia will drive demand for financial services.

The Singapore corporate debt market continued to register strong growth. Outstanding Singapore dollar debt securities grew 14% to S\$84.8 billion in 2010, on the back of a 69% growth in Singapore-dollar corporate issuances to S\$25.9 billion compared to the same period in 2009. Non-Singapore dollar corporate issuances grew 24% to S\$33.7 billion from 2009. Foreign entities accounted for 19% of all Singapore-dollar corporate issuances in 2010.

According to the latest survey by the Bank for International Settlements, average daily foreign exchange (FX) turnover volume in Singapore registered a 10% growth from US\$242 billion in April 2007 to US\$266 billion during April 2010, making Singapore the largest FX centre in Asia-Pacific ex-Japan and the fourth largest FX centre globally, up from fifth in 2007.

The strong economic recovery of the Asian region also helped Singapore's fund management industry to recover quickly from the crisis. Based on the 2010 Singapore Asset Management Industry survey, assets under management (AUM) by fund managers in Singapore reached a new high of S\$1.4 trillion, representing a 12% year-on-year growth. 80% of AUM was from international sources, with more than 60% of the total assets invested in the Asia-Pacific region.

The Real Estate Investment Trust (REIT) and Business Trust sectors also saw strong growth in 2010, providing investors' access to tap into the region's infrastructure-financing sector and real estate markets. Since the first REIT listing in 2002, the Singapore REIT market has grown exponentially to become the largest REIT market in Asia ex-Japan. As at March 2011, there were 22 REITs listed on the Singapore Exchange (SGX), with a combined market capitalisation of

S\$36 billion. 2010 also saw the listing of several large REITs, including Mapletree Industrial Trust and the Sabana Shari'ah Compliant Industrial REIT, the world's largest Shariah-compliant REIT by asset size and the first Islamic REIT to be listed on the SGX. As at March 2011, there were also nine business trusts listed on SGX. This includes Hutchison Port Holdings Trust, which raised US\$5.5 billion and is the largest IPO in Singapore and South East Asia to date.

Several milestones were also achieved in Islamic finance in 2010. In June, the Securus Data Property Fund, the world's first Shariah-compliant data centre fund, jointly managed by Keppel DCIM and AEPim, announced its initial closing with US\$100 million invested by institutional investors. In August, Khazanah Nasional Berhad, the investment holding arm of the Government of Malaysia, placed out its single largest Sukuk issuance of S\$1.5 billion, the largest Singapore Dollar issuance by a foreign issuer so far in Singapore. These deals have added to the broadening range of Shariah-compliant investments and are evidence of the depth and diversity of Singapore's asset management and capital markets.

Promoting Partnership Framework and Enhancing Infrastructure

Singapore's resilience as an international financial centre is largely attributed to its strong fundamentals of high regulatory standards, stable domestic economy, pro-business operating environment and its highly competent and experienced financial sector workforce. By creating the right environment, Singapore can facilitate global players in harnessing opportunities in the region and enable long term orderly and sustainable growth.

Promoting Partnership Frameworks

Singapore's position as a political risk insurance and infrastructure finance centre within Asia Pacific received a boost from the establishment of the Multilateral Investment Guarantee Agency's (MIGA) Asian operations in August 2010. MIGA aims to promote foreign direct investment into developing countries by providing political risk insurance to the private sector, and its enhanced Asian presence will provide more efficient access for Asian investors looking at regional or global investment opportunities.

Trading and Clearing Infrastructure

The financial crisis has triggered calls for regulatory reviews to improve transparency and strengthen risk management for derivative instruments. National authorities and international bodies such as G20 have embarked on efforts to strengthen regulation of the over-the-counter (OTC) derivatives market. Key initiatives include standardisation of OTC derivative contracts, mandating the trading of OTC derivative contracts on exchanges or organised trading venues, central clearing and trade reporting requirements for these instruments.

The fall out from the financial crisis saw an increase in demand from the industry for risk management solutions. Correspondingly, SGX AsiaClear, SGX's OTC derivatives clearing arm, saw a strong increase of more than 59% y-o-y in 2010 in the volumes of energy, freight and dry bulk related derivatives cleared on its platform. In November 2010, AsiaClear expanded its clearing services to include OTC financial derivatives starting with interest rate swaps denominated in Singapore and US Dollar. This will help strengthen risk management and transparency in the OTC derivatives market, and better support derivative activities in Singapore.

Box 4

Private Banking Industry - Code of Conduct

The Singapore private banking industry launched a Code of Conduct for the Private Banking industry (PB Code) in April 2010. The PB Code was the result of industry-led effort to enhance the competency of private banking professionals and foster high market conduct standards. Under the PB Code, private banking professionals are expected to pass a common competency assessment called the "Client Advisor Competency Standards" (CACS). The CACS ensures that they have foundational level of competency before they can engage with clients.

There have also been continual efforts to enhance our infrastructure for commodity derivatives trading. In August 2010, Singapore Mercantile Exchange (SMX) was launched in Singapore as the first Pan-Asian multi-product commodity derivatives exchange. In the second half of 2010, SGX and its subsidiary, SICOM, moved to consolidate their commodity contracts onto a single trading platform to integrate and enhance synergies between their commodity businesses. In February 2011, Cleartrade Exchange established a presence in Singapore to provide an electronic trading platform for OTC commodity derivative trades in a range of products, including Forward Freight Agreements. These developments continue to cater to the growing needs of market participants and contribute to the vibrancy and efficiency of Singapore's trading ecosystem.

Infrastructure for Long Term Growth

The Government completed Phase 1 of the development of the Marina Bay Financial Centre (MBFC) in 2010. This is part of an initiative to seamlessly extend the existing business district and double the size of the financial district to support the long term growth of Singapore's financial industry. The newly completed Towers 1 and 2 of the MBFC provide a total of 1.62 million square feet of prime Grade A office space and offer financial institutions with purpose-built facilities meant to cater to their front and mid-office needs. Tower 3 of the MBFC, which will be the largest office Tower in Singapore when completed by 2012, comprises 1 million square feet of prime office space. The MBFC, together with Changi Business Park, are two major new physical clusters developed to cater to the next phase of growth of the Singapore financial centre.

Raising Standards and Building Competencies

MAS continued to invest in the deepening of competencies within the financial sector which remains key in Singapore's development as an international financial centre.

Deepening Competencies in Banking

Working with the industry, the Institute of Banking and Finance (IBF) rolled out the new Corporate Banking Common Examination in September 2010. This applies to new entry-level Corporate Banking relationship managers (RMs) who will now be required to sit for a common examination modeled after the Financial Industry Competency Standards (FICS). By the end of 2010, nearly 150 RMs have gone through the assessment.

Building Research Capabilities

The global financial crisis highlighted the need to deepen our research and innovation capabilities to better understand and respond to risks. MAS continues to facilitate the efforts of training and research centres, such as the National University of Singapore-Risk Management Institute (NUS-RMI), Singapore Management University-Sim Kee Boon Institute for Financial Economics, Singapore Management University-BNP Paribas Hedge Fund Centre, and INSEAD-Asia Pacific Institute of Finance. In 2010, the launch of EDHEC-Risk Institute, Asia, and research projects such as the NUS-RMI's Credit Rating Initiative, added to the vibrancy of this research eco-system.

CURRENCY AND PAYMENT SYSTEM

MEPS+

MAS operates MAS Electronic Payment System (MEPS+), Singapore's real-time gross payment

and settlement system, which enables its participants to make immediate settlement of transactions and funds. A new release was implemented in November 2010 to support the Society for Worldwide Interbank Financial Telecommunication (SWIFT) message format changes for 2010 and to cater for the handling of MAS Bills and deposits from non-MEPS+ counterparties to achieve better risk management, and strengthen our liabilities management capability. The MEPS+ hardware was also upgraded in September 2010 to cater for greater capacity and to provide greater resilience, efficiency and ease of management.

In view of the systemic impact of MEPS+ as a national payment system, MAS conducts contingency exercises both independently as well as with the MEPS+ banks, CLS and SWIFT to ensure the system remains resilient and stable minimising market disruptions.

Managing Dollars and Cents

In February 2011, MAS appointed Certis CISCO Security Pte Ltd, to manage the processing and distribution of the S\$2 and S\$5 notes to enhance efficiency in the recirculation of these notes.

MAS was also among the top three recipients of the 2010 Best Currency Website Awards. The Currency Awards programme is sponsored by Currency News and managed by the International Association of Currency Affairs.

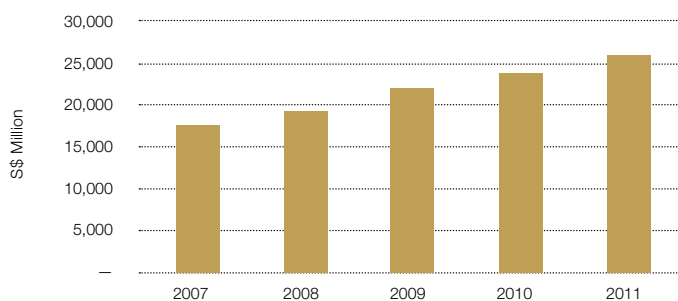
As at 31 March 2011, the gross and active currency in circulation was S\$25.9 billion (see Chart 6) and S\$23 billion respectively. The gross currency in circulation increased 9% over the year, with S\$53.8 billion worth of notes and coins issued to banks and S\$51.7 billion returned.

In June 2010, MAS launched the inaugural Youth Olympic Games (YOG) coins to commemorate the event which was held in Singapore in August 2010. The coins all bear the YOG official marks with the silver version featuring a crescent-shaped hologram with patterns of the Singapore lion head, packaged with four pieces of medallions bearing various sport pictograms with local orchids at the rim.



Youth Olympic Games (YOG) commemorative coins

Chart 6 : Gross Circulation of Currency



Gross Circulation (S\$Million)	2007	2008	2009	2010	2011
Notes	16,597.55	18,305.91	21,052.04	22,653.49	24,742.50
Coins	1,037.64	1,084.19	1,118.75	1,153.39	1,197.58
Total	17,635.19	19,390.10	22,170.79	23,806.88	25,940.08

OUR
PARTNERS

OUR PARTNERS

Valuing Partnerships, Building Cooperation

ENHANCING STRATEGIC PARTNERSHIPS IN AN EVOLVING FINANCIAL LANDSCAPE

MAS focused on global financial stability and regulatory reform in the past year. At key international regulatory and finance fora and conferences, we participated in discussions on crisis lending, surveillance, governance and the development of international standards to strengthen the global financial system. In addition, we continued to strengthen cooperation with our industry partners, including financial institutions, the public sector and academia.

Enhancing Global Financial Stability and Regulatory Reform

As members of the main committees and several working groups of the Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS), Financial Stability Board (FSB) and Bank for International Settlements (BIS) Committee on Payment and Settlement Systems (CPSS), MAS continues to contribute actively to discussions on international regulatory reform. MAS co-chairs the BCBS Core Principles Group which is reviewing the Basel Core Principles for Effective Banking Supervision. Drawing on the lessons learnt from the global financial crisis, the review examines the BCBS' guidance on supervisory mandates, powers, resources and independence for effective banking supervision. Besides participating at the FSB Plenary and its three Standing Committees, MAS also contributed to the FSB's work on promoting effective resolution

regimes as a Steering Group member. The group held its first meeting in March 2011. In addition, we participated in the FSB workgroup on supervisory intensity and effectiveness, which was formed in Q2 2010, as well as the FSB compensation peer review team for 2011. We are also a member of the FSB consultative group involved in the preparation of a FSB report to G20 Leaders on options to advance consumer finance protection.

MAS is a member of the International Organisation of Securities Commissions (IOSCO). In June 2010, IOSCO adopted a revised set of Objectives and Principles of Securities Regulation (IOSCO Principles). Following the adoption of the revised IOSCO Principles, MAS has, as a member of the IOSCO's Implementation Task Force (ITF), been actively involved in the work on revising the IOSCO's Methodology for Assessing Implementation of the IOSCO Principles. Other than the ITF, MAS is a member of the Asia-Pacific Regional Committee, the Standing Committee on the Regulation of Secondary Markets and the Standing Committee on the Regulation of Market Intermediaries. MAS was also admitted to the Standing Committee on Investment Management in December 2010.

MAS is a member of IOSCO Taskforce on over-the-counter (OTC) Derivatives Regulation, which was formed in October 2010 to follow up on the G20 and FSB's recommendations on OTC derivatives. In February 2011, the Taskforce completed and published its first report on trading of OTC derivatives. The report analyses the benefits, costs, and challenges associated

with increasing exchange and electronic trading of OTC derivative products. It also contains recommendations to assist the transition of trading in standardised derivatives products from OTC venues onto exchanges and electronic trading platforms while preserving the efficacy of those transactions for counterparties.

MAS participates in the CPSS which discusses policies and develops standards for domestic, cross-border, multicurrency payment, settlement and clearing systems. MAS also participated actively in the CPSS and IOSCO joint review of the existing standards for financial market infrastructures, to strengthen the standards, and support the FSB's initiative to strengthen core financial infrastructures and markets. In March 2011, the CPSS and IOSCO issued for public consultation a consultative report ("Principles for financial market infrastructures") which contains a single, comprehensive set of principles designed to apply to all systemically important payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories (collectively "financial market infrastructures"). The new principles are designed to ensure that the essential infrastructure supporting global financial markets is more robust and better placed to withstand financial shocks. When finalised, the new principles will replace the three existing sets of CPSS and CPSS-IOSCO standards – the Core Principles for Systemically Important Payment Systems (2001), the Recommendations for Securities Settlement Systems (2001), and the Recommendations for Central Counterparties (2004).

In addition, MAS chairs the Insurance Core Principles Coordination Group which sets out the supervisory and regulatory standards for all IAIS members. MAS was accepted as the 10th signatory to the IAIS Multilateral Memorandum of Understanding (MMoU) on 24 June 2010. The MMoU provides a formal basis for cooperation

and information sharing by defining a common set of principles and procedures for information exchange between signatory authorities regarding the supervision of insurance companies.

Facilitating International Financial Discussions

MAS successfully hosted the 16th International Conference of Banking Supervisors (ICBS) which was jointly organised with the BCBS. The ICBS, held every two years since 1979, was designed by the BCBS to promote international cooperation between banking supervisors. More than 240 senior banking representatives from over 100 countries attended the conference. The themes of discussion for the 16th ICBS were "Towards a More Resilient Banking Sector" and "A Stable Financial Environment for Sustained Economic Growth". Participants exchanged views on key supervisory issues through panel discussions and breakout workshops organised on each of the two themes. A number of senior banking representatives also delivered speeches and chaired discussions during the conference.

Deepening International Cooperation

In March 2011, Deputy Prime Minister Tharman Shanmugaratnam was appointed as the Chairman of the International Monetary Fund's (IMF) International Monetary and Financial Committee (IMFC). The IMFC is the key advisory body of the IMF Board of Governors that sets the policy direction for the IMF. At the Spring Meetings in April 2011, the IMFC tasked the IMF to produce a consolidated multilateral surveillance report by September 2011, agreed on the need to develop a "comprehensive and balanced approach" for the management of capital flows, and expressed support to enhance the IMFC's role "as a key forum for global economic and financial cooperation".

As a key financial centre, Singapore participated in the G20 Seoul Summit in November 2010. We joined G20 members in supporting the call for a coordinated global effort to achieve strong, sustainable and balanced growth, committing to implement financial regulatory reforms and more effective oversight and supervision, supporting a stronger IMF by enhancing its legitimacy, credibility and effectiveness, as well as contributing to initiatives to strengthen global financial safety nets.

Singapore continues to contribute actively towards international Anti-Money Laundering and Counter Terrorism-Financing (AML/CFT) standard-setting discussions at the Financial Action Task Force (FATF), and regional AML/CFT efforts through our participation at the Asia-Pacific Group on Money Laundering (APG).

To support international debate on key issues pertaining to the international monetary system, including on capital flows, surveillance and international financing arrangements, MAS co-hosted a High-Level Conference with the IMF on the post-crisis international financial system in September 2010.

MAS continued its strong partnership with the World Bank Group in 2010 by jointly organising the second World Bank – Singapore Infrastructure Summit. The event marked the launch of the Infrastructure Finance Centre of Excellence (IFCOE) which aims to facilitate the flow of private capital to public infrastructure projects. The IFCOE will provide policy advice to regional governments and assist in structuring commercially viable infrastructure projects for private sector investors. Under the IFCOE partnership, Memorandums of Understanding (MOU) were signed between the World Bank, Singapore Cooperation Enterprise

(SCE) and the respective Governments of Indonesia and Vietnam to launch two new joint projects. The MOUs provide for the SCE to develop an urban transportation plan and identify transport-related infrastructure investment opportunities in Danang, and develop a PPP bulk water supply system project in the city of Lampung, Indonesia.

Strengthening Capital Markets Development and Regional Surveillance

Within ASEAN, MAS is working with its counterparts and the private sector to promote the strengthening and deepening of regional capital markets by enhancing market linkages, market access and market liquidity. MAS participates in the ASEAN Capital Markets Forum to create conditions that are more conducive for multi-jurisdictional offerings within ASEAN and raise the attractiveness of ASEAN as an international fund-raising centre. The initiatives are undertaken with an aim to achieve greater integration of the region's capital markets under the ASEAN Economic Community Blueprint 2015 (AEC Blueprint). The AEC Blueprint was jointly adopted by ASEAN leaders at the 13th ASEAN Summit on 20 November 2007 to establish ASEAN as a single market and production base, with free flow of goods, services, investments and skilled labour, as well as free flow of capital. As chair of the Working Committee on Capital Market Development under the ASEAN Finance Ministers' Meeting process, MAS works with our ASEAN counterparts to promote the strengthening and deepening of regional bond markets. In 2010, the Committee developed a Bond Market Development Scorecard to measure the state of ASEAN's bond market development, openness and liquidity. Through

this scorecard, the Committee will look to speed up the pace of regional capital market development through targeted and systematic capacity building initiatives.

At the Executives' Meeting of East Asia-Pacific Central Banks¹ (EMEAP), MAS assumed the chairmanship of the Working Group on Financial Markets (WGFM) in July 2010. WGFM has done significant work in strengthening regional financial markets, notably through the Asian Bond Fund initiative. MAS will work with EMEAP members to further develop safety nets for cross-border flows and enhance the EMEAP countries' local capital markets.

MAS also participates actively in the annual ASEAN Insurance Regulators' Meetings (AIRM). Substantive topics of interest were discussed, including ASEAN insurance cooperation and information exchange, and enhancing insurance penetration in ASEAN. MAS will host the 14th AIRM in 2011 in Singapore.

In May 2010, ASEAN+3 Finance Ministers announced plans to establish the ASEAN+3 Macroeconomic Research Office (AMRO) in Singapore. This follows the entry-into-force-in March 2010 of the Chiang Mai Initiative Multilateralisation (CMIM), a US\$120 billion multilateral currency swap facility that aims to address short-term liquidity and balance of payment difficulties faced by the ASEAN+3 economies. As the independent surveillance unit of the CMIM, AMRO, officially commenced operations in May 2011. AMRO will monitor the macroeconomic and financial situation of the ASEAN+3 region and play a key supporting role in the decision-making process of the CMIM. Singapore is committed to working closely with ASEAN+3 and AMRO to bring about its success.

Pursuing Closer Bilateral Engagements

MAS cooperates closely with our counterparts in the region to effectively carry out our duties as Singapore's central bank and financial sector regulator. We maintain regular economic and policy dialogue and technical exchanges with fellow central banks and financial regulators. Issues discussed included macroeconomic policy, Asia's response to the financial crisis, and cross-border financial supervision. MAS also hosted study visits from several regional central banks and conducted briefings on topics from macroeconomic policy and supervisory methodology to technology infrastructure.

Strengthening Cooperation with Industry Partners

Enhancing Payment Card Security

There is a rising global trend in payment card fraud involving credit and debit cards. Although the payment card fraud rate in Singapore has been relatively low over the last few years, it is necessary to strengthen measures to combat payment card fraud. In late 2009, MAS announced the following four key measures to enhance the security of payment card transactions:

- i) Replacing magnetic stripe-only cards with EMV dynamic data authentication chip cards;
- ii) Introducing first-usage alert and activation procedures for new/replacement cards;
- iii) Notifying cardholders each time a transaction is made based on a pre-determined value threshold; and
- iv) Instituting a one-time password for card-not-present transactions.

¹ The EMEAP grouping comprises the central banks and monetary authorities from Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore and Thailand.

Over the last year, the banking industry has made significant progress in adopting the above measures and providing cardholders with greater security in payment card transactions.

Financial District Security Programme (FDSP)

Since the launch of the FDSP in 2009, MAS has collaborated with the Singapore Police Force and Singapore Civil Defence Force to engage the financial industry and develop initiatives to enhance the physical security, crime prevention as well as contingency response and business continuity management within the financial district. Some key initiatives include developing a baseline security standard for financial institutions; establishing a contingency response framework and communication protocols during crisis; and studying the industry's reliance on key service providers and critical infrastructure.

Addition of Primary Dealer

Primary Dealers play an important role as specialist intermediaries in the Singapore Government Securities (SGS) and Singapore dollar markets. To foster further growth and development of the Singapore debt market, MAS regularly consults with market participants, including Primary Dealers. On 1 December 2010, The Australia and New Zealand Banking Group Limited commenced operations as the 13th Primary Dealer.

Partnership with Academia

MAS is supportive of the development of the research and development capacity in areas relevant to insurance, in order to facilitate the development of robust pricing and risk models in the industry. The Institute of Catastrophe Risk Management (ICRM) was launched in January 2010, and is the first multi-disciplinary risk management institute of its kind in Asia. The ICRM, supported by the finance, insurance and reinsurance industry, will develop models and

tools to allow governments and the industry to better understand potential Asian catastrophe losses and develop risk management strategies.

In addition, the Insurance Risk and Finance Research Centre which was a collaboration between French reinsurer SCOR and the Nanyang Business School, was launched in March 2011. It aims to produce research that will help the insurance industry meet Asia's growing protection needs and encourage a greater culture of research and dialogue on insurance and actuarial science issues.

In October 2010, Professor Barry Eichengreen, the inaugural Term Professor in Economics and Finance, made his second visit to MAS and NUS under the joint Professorship set up in March last year. He presented a public lecture on "The Long-term Consequences of the Financial Crisis", and was also invited by IBF to deliver the keynote speech at their Distinguished Speakers' Series-cum-Gala Dinner. MAS and NUS appointed Professor Michael Spence, 2001 Nobel Laureate in economic science, as the second Term Professor in May 2011. During his visit here, Professor Spence shared his insights on the global economy with members of the MAS Board, MAS economists, and faculty and students at NUS. He also delivered a public lecture on the key findings from his latest book "The Next Convergence: The Future of Economic Growth in a Multi-speed World", which explored the wide-ranging dynamics of economic growth and proposed recommendations on how to sustain the pace of development in emerging market economies. He will return to Singapore in September 2011 on the second leg of the term appointment. The professorship programme aims to strengthen Singapore's financial and economic research infrastructure and contribute to a vibrant research community and culture at local universities.

MAS hosted other academics under its Eminent Visitor Programme during the year. Professor John Williamson of the Peterson Institute for International Economics visited MAS in January 2011. During his visit, he exchanged views with MAS staff on various international monetary issues including topics related to capital flows and exchange rate regimes. In addition, MAS hosted Nobel Laureate Professor Edward Prescott (Arizona State University), Professor Frank Warnock (University of Virginia), Professor Jeffrey Frankel (Harvard University) and Professor Eswar Prasad (Cornell University). The Economic Policy Group also consulted with Assistant Professor Davin Chor and Professor Jun Yu from SMU on specific

research projects, while Professor Peter Phillips (Yale University) and Professor Ilian Mihov (INSEAD Singapore) contributed special feature articles to the Economic Policy Group's *Macroeconomic Review*.

Financial Conferences and Events

A number of conferences and events were held in Singapore in 2010. Covering a wide range of topics related to the financial services sector, including commercial banking, fixed income, wealth management, insurance and capital markets, these events serve as a gathering point for industry players and international investors.

Box 5

MoneySENSE – Continued Efforts to Bring Financial Education to the Community

Bringing financial education to various segments of the community continued to be the focus of MoneySENSE. MoneySENSE and the Association of Banks in Singapore (ABS) commissioned a two-year financial education initiative for primary schools in 2011. The interactive “Save & Spend Wisely” skit, produced and presented by local drama group Act 3 Theatrics, highlights the virtues of saving, budgeting as well as the concern for the less fortunate. Students also receive a guide featuring suggestions on what they and their family members can do together to save and spend money wisely. “Save & Spend Wisely” is a sequel to the MoneySENSE–ABS “Saving - the Sensible Habit” programme which has been brought to more than 160 primary schools since 2007.

In partnership with *Mediacorp*, MoneySENSE launched the “Mind Your Money” series of seminars, which continued to feature celebrities and MoneySENSE speakers sharing their money management habits and actions that consumers can take to manage their finances prudently. Following the positive feedback on the English seminars, a Mandarin seminar was

held at the end of 2010. MoneySENSE messages were also broadcast in various languages in several radio segments. MoneySENSE has also published info-advertorials in our four national language newspapers, and contributed articles to several magazines.

Enhancing consumers' understanding of financial products

In partnership with *Business Times*, MoneySENSE introduced the "Smart Money" column in 2010, which seeks to educate investors about the features, structures and key risks of common, new or soon-to-be launched financial products. To extend the outreach, selected topics will also be featured in *The Sunday Times* and *Lianhe Zaobao*. These complement the ongoing MoneySENSE-ABS "MyMoney" series which continued to receive positive feedback, with more than 80% of participants rating the seminars as good or excellent. Since its launch in 2009, the series has covered many financial products ranging from bank deposits to insurance and investments.

As part of a longer term approach to bring financial education to Singaporeans, MoneySENSE is also working to partner an Institute of Higher Learning to set up a financial literacy institute. The financial literacy institute will take the lead in the development and running of financial education programmes to complement MoneySENSE's initiatives.

In the past year, MoneySENSE events saw over 98,000 attendees while media initiatives reached over 2 million consumers. These would not have been possible without the strong support and commitment from the various MoneySENSE partners, comprising the Financial Education Steering Committee¹, industry associations², community bodies and the media.

1 The MoneySENSE Financial Education Steering Committee consists of the Ministry of Community Development, Youth and Sports; the Ministry of Education; the Ministry of Manpower; the Central Provident Fund Board; the Monetary Authority of Singapore, the National Library Board and the People's Association.

2 The industry partners that work closely on MoneySENSE include the Association of Banks in Singapore; the Association of Financial Advisers Singapore; the Consumers Association of Singapore; the Financial Planning Association of Singapore; the General Insurance Association of Singapore; the Insurance & Financial Practitioners Association of Singapore; the Investment Management Association of Singapore; the Life Insurance Association of Singapore; the Securities Investors Association (Singapore); and the Singapore Exchange Ltd.

OUR
PEOPLE

OUR PEOPLE

Growing Expertise, Grooming Leaders

BUILDING HIGH PERFORMANCE TEAMS AND A STRONG MAS FAMILY

The past year continued to present challenges for MAS staff who kept up a high level of vigilance on all fronts to maintain stability and soundness in our financial sector. MAS staff displayed resourcefulness in dealing with difficult issues, and demonstrated dedication and commitment to their mission. To build high performance teams and strengthen our bond as “One MAS”, we continue to enhance expertise and leadership development and foster strong staff engagement through various efforts.

Expertise Development

MAS Academy

The MAS Academy offers learning programmes to address the different needs of MAS officers. The MAS Diploma in Central Banking provides younger officers with broad-based knowledge of MAS’ key functions and core values. To inculcate MAS’ values and ethics, the Diploma modules incorporate MAS’ institutional knowledge through case studies and sharing by senior MAS colleagues. Intermediate to advance level functional training, coaching and leadership programmes are targeted at senior and experienced staff. Topics for functional training are updated yearly based on the latest training needs. Following the financial crisis, training topics on complex products, credit risk and economic capital modeling, latest accounting developments and intensive financial statements analysis were delivered to enhance supervisory capabilities.

The MAS Academy continues to work closely with Peer Groups to deepen and share knowledge in specialist subject areas of importance to MAS’ work. Last year, we introduced several in-house specialist training programmes on financial reporting standards for banks and practical accounting issues in financial institutions, stress testing, as well as a practitioner’s view on structured products.

The MAS Academy also contributes to the training of the regional supervisory community. 90 regulators attended programmes such as the MAS Banking Supervisors Training Programme, the MAS-Toronto Centre Regional Leadership Programme for Securities Regulators and the MAS Information Technology Workshop for Financial Regulators. Participants were mainly from the Asia Pacific, South and Central Asia, and Middle East regions. The content of these programmes was enhanced to include important issues arising from the financial crisis.

Attachment

MAS remains committed to developing our people and creating opportunities for them to realise their potential. In addition to the comprehensive training programmes which we provide to all staff, about 3% of our eligible senior officers were attached to leading financial institutions and foreign regulatory bodies during the last financial year. Besides these attachments, MAS officers continued to participate actively in international fora and workgroups. These experiences allowed our officers to keep abreast of evolving trends and developments in the financial sector and contribute to the international standard-setting process.

Leadership Development

Young Professionals Programme

As an early-stage flagship leadership development programme, the Young Professionals Programme (YPP) helps young officers learn new skills in personal productivity and effectiveness. Besides honing leadership skills among young professionals and emerging managers in MAS, the programme also seeks to build lasting networks among staff to strengthen collaboration in the workplace.

People Leadership Programme

In its second year of implementation, the People Leadership Programme (PLP) is our second-stage leadership development programme. Targeted at early leaders, the PLP provides basic leadership training in areas such as managing role change, harnessing the strength of a team, and building high-performing teams. To complement a series of classroom trainings sequenced over an eight-month period, the programme also incorporates peer coaching and on-the-job assignments to further hone and internalise the newly acquired leadership skills.

Leadership Community Retreat

The MAS Leadership Community Retreat was held on 28 and 29 October 2010 as part of the corporate planning cycle. The retreat focused on how MAS can better understand and respond to its risk environment in the post-crisis financial landscape. In addition, the Leadership Community discussed the enhancement of MAS' resources and capabilities to achieve our priorities.

Coaching

To encourage and support continuous learning, MAS has put in place a coaching framework to equip supervisors with skills to coach their staff and teams. A group of MAS coaches has also been formally certified under a Workplace Coach Certification Programme which is recognised by the International Coach Federation. The coaching practice has led to a more supportive and engaging work relationship among supervisors and staff, as well as greater sense of achievement in the problem solving process. To assimilate new staff into the MAS working environment, a group of mentors has also been appointed to help new MAS staff get up to speed on the job more quickly and effectively.

Box 6

Honing Specialist Knowledge - The Inaugural Trainer and Peer Group Awards

Senior experienced MAS officers actively contribute to the learning of other officers in MAS. In 2010, almost half of the trainers delivering training at MAS Academy programmes were MAS staff. They share institutional knowledge and inculcate MAS' values into our training programmes. Their efforts were recognised with the inaugural awards presented to outstanding trainers at the Staff Seminar in March 2011. Awards were given to the Best New Trainer, Most Active Trainer, Best Performance (In-house Training Events), Best Performance (Regional Training Events) and Star Trainer. The Most Active Peer Group was also recognised for deepening and sharing knowledge, and its contribution to MAS' work in the specialist subject area.

Engaging Staff

MAS Staff Seminar 2011

The MAS Annual Staff Seminar held on 11 March 2011 brought together 750 staff, senior management and board members to collectively review MAS' key initiatives in the previous year and share our key priorities for the year ahead. Senior management also shared with staff their perspectives on how MAS could continue to prepare itself to meet the challenges and opportunities ahead to serve Singaporeans even better. To facilitate greater staff participation at the Staff Seminar, an in-house smart phone application was used to allow staff to provide 'live' feedback and responses to the Staff Seminar discussions.

Recognising Our People

Service Appreciation Awards

The Service Appreciation Award (SAA) recognises and celebrates the loyalty and contributions of our dedicated staff. The awards ceremony was held on 6 August 2010. In all, 164 staff received the SAA for service in MAS ranging from five years to 40 years. Six staff received the 40-year award. One of the recipients, Poon Sow Lye, Prudential Policy Department, remarked, "I am very proud to receive the Long Service Award from MAS and I am glad to have been part of the MAS family for the past 40 years." The awards ceremony also marked the first time when SAA recipients who had retired earlier in the year returned to join us for the celebrations.

National Day Awards

This year, 17 MAS staff were honoured for their contributions and service to the nation. Among the



Poon Sow Lye, SAA recipient

recipients were Assistant Managing Director Jacqueline Loh and Executive Director Tan Boon Gin, who were conferred the Public Administration (Silver) Medal and Director Diane Leong, who received the Public Administration (Bronze) Medal. We extend our heartiest congratulations to all our National Day Award recipients.

Risk Management and Infrastructure

Business Continuity Management (BCM)

In May 2010, MAS conducted an organisation-wide mobilisation exercise. The objectives of the exercise were to familiarise MAS' staff with the set up of MAS' alternate sites and to validate departments' business continuity plans. All participating departments tested the recovery operations at alternate sites. MAS also introduced a BCM awareness and training programme to familiarise staff with business continuity in MAS. The programme includes a BCM Basic Training module for all MAS staff, and a more advanced module for key department representatives.

Enterprise Risk Management

We continued to strengthen our processes and capabilities for managing risks, including operational and reputational risks. A cross-department working group was also formed to review policies relating to the management of MAS' information security. To enhance the risk management culture and raise risk awareness among staff, MAS also organised a series of talks and invited speakers from the public sector, academia and industry to share their views and experiences on relevant topics. For example, MAS jointly organised a Security Awareness Week in September 2010 with the Criminal Investigation Department to feature educational materials on terrorism and various types of improvised explosive devices. The event was well attended by MAS staff, tenants, members of the Financial District Security Programme with a good representation of local and foreign financial institutions as well as representatives from other Ministries.

FOSTERING CLOSER TIES

Closer ties within MAS

Family Day 2011

This year's MAS Family Day 2011 was held at East Coast Park. Other than the fun-filled games and activities, participants enjoyed relaxing services beside the sunny beach.

Hobby Groups

Hobby groups are catalysts that build relationships within the MAS family as they bring staff with similar interests together. They also provide an avenue for staff to pick up new hobbies. The MAS Recreation Club (MASRC) has



Family Day 2011



Hobby Group

been working to increase the number of hobby groups and the rate of participation. The latest hobby groups, such as Street Dance and Tennis, have generated strong interest from our staff.

Healthy Lifestyle

MASRC encourages healthy living and an active lifestyle in the MAS community. MASRC sponsors individual officers to participate in privately-organised marathons and fitness events. Last year, MAS officers took part in events such as the JP Morgan Corporate Chase Challenge and the Army Half-marathon.



34th Inter-Central Bank Games (ICBG) 2010



Spring Cleaning 2011

Closer ties with counterparts

Inter-Central Bank Games 2010

MAS participated in the 34th Inter-Central Bank Games (ICBG) held from 18 to 21 September 2010 in Bangkok, Thailand. The MAS athletes competed in a wide range of games including track and field, squash and chess. The annual event enabled our athletes to forge bonds with participants from other regional central banks and strengthen relationships with their colleagues.

Closer ties with community

Charity Initiatives

To spread the festive cheer of Chinese New Year, MAS staff and their families volunteered to help elderly residents living in one-room flats with their spring cleaning on 29 January 2011. The spring cleaning was jointly organised by MASRC, Strategic Planning Office of MAS, and Geylang East Home for the Aged. MAS staff also made cash donations to the elderly residents. In addition, MASRC organised "Grant-a-Wish", a gift collection drive to benefit the children of Canossville Children's Home.

"This award is a tribute to the collective contribution of the staff of MAS who had worked hard to ensure that our monetary policy stance was appropriate for the economy during the downturn and the eventual recovery; and to foster a sound and progressive financial system, which overall stood well under stress during the global financial crisis."

Mr Heng Swee Keat*

* Mr Heng received the "Central Bank Governor of the Year for Asia-Pacific" award by *The Banker* in 2011. He was MAS' Managing Director from June 2005 to April 2011.



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MAS FY2010/2011 FINANCIAL STATEMENT HIGHLIGHTS

The total assets of the Authority, including the Currency Fund, grew by \$13.85 billion to \$299.75 billion in the financial year ended 31 March 2011. The Currency Fund's external assets increased by \$4.03 billion to \$34.05 billion. The currency in circulation backing by the Currency Fund's net external assets rose to 128% from 123%, a year ago.

Total liabilities increased by \$24.79 billion to \$275.37 billion as the amounts due to the Singapore Government and financial institutions, provisions and other liabilities and the currency in circulation grew.

Most of the Authority's assets comprise official foreign reserves, intended for the conduct of monetary policy and the defence of the Singapore dollar. These are necessarily invested in a diversified range of foreign currency assets. During the year, the Singapore dollar appreciated against most currencies, including the US dollar, Euro and Sterling Pound by 9.9%, 5.5% and 4.9% respectively, but weakened against the Yen by 1.6%. Following this, the Authority recorded a net loss of \$10.94 billion, as the foreign exchange impact from the stronger Singapore dollar exceeded the interest, dividend income and valuation gains on the foreign assets held. Total expenditure rose from \$0.62 billion to \$0.87 billion, mainly due to higher investment and interest expenditure.

For this financial year, there will be no contribution to Consolidated Fund, nor return of profits to the Government.



STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

In the opinion of the directors,

- (a) the consolidated financial statements of the Authority and its wholly-owned subsidiary, Singapore Sukuk Pte Ltd, as set out on pages 62 to 85 are drawn up so as to present fairly the state of affairs of the Authority as at 31 March 2011, the results and changes in equity of the Authority for the financial year ended on that date, and of the cash flows of the Authority for the financial year then ended; and

- (b) at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

THARMAN SHANMUGARATNAM

Chairman

RAVI MENON

Managing Director

28 June 2011

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE MONETARY AUTHORITY OF SINGAPORE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

The accompanying financial statements of the Monetary Authority of Singapore (the "Authority"), its subsidiary and Currency Fund, set out on pages 62 to 85, have been audited under my direction. These financial statements comprise the consolidated balance sheet as at 31 March 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and statement of backing of currency in circulation for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) and Currency Act (Chapter 69, 2002 Revised Edition) and applicable Singapore Financial Reporting Standards as explained in Note 3.1(a) to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with the provisions of the Monetary Authority of Singapore Act and Currency Act and having regard to Singapore Standards on Auditing. Those standards require that ethical requirements be complied with, and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating, within the context of applicable laws, the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

As disclosed in Note 3.1(a) to the consolidated financial statements, the Authority, in preparing these financial statements, is allowed under section 34(3) of the Monetary Authority of Singapore Act and section 21(10) of the Currency Act to comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to its objects and functions. As also disclosed in Note 3.1(a), the Authority has considered its responsibilities for managing the Singapore dollar exchange rate and the Official Foreign Reserves and is of the view that, for effective management of Singapore's monetary policy, it would be appropriate not to meet, in some respects, the Singapore Financial Reporting Standards. The financial statements accordingly disclose less information than would be required under those Standards.

Having regard to the power given to the Authority under section 34(3) of the Monetary Authority of Singapore Act and section 21(10) of the Currency Act, in my opinion, the consolidated financial statements present fairly, based on the framework of accounting standards adopted by the Authority, the state of affairs of the Authority and its subsidiary as at 31 March 2011 and the financial transactions of the Authority and its subsidiary for the financial year ended on that date.

LIM SOO PING
AUDITOR-GENERAL
SINGAPORE

29 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March in \$ millions	Note	General Reserve Fund		Currency Fund		Total	
		2011	2010	2011	2010	2011	2010
(Loss)/Income from Foreign Operations [after transfers to/from provisions]	4	(10,362)	9,171	(42)	1,321	(10,404)	10,492
Income from Domestic and Other Operations	5	322	244	-	-	322	244
Non-operating Income	6	9	8	-	-	9	8
Total (Loss)/Income [after transfers to/ from provisions]		(10,031)	9,423	(42)	1,321	(10,073)	10,744
Less:							
Investment, Interest and Other Expenses	7	541	334	88	83	629	417
Personnel Expenditure	8	170	137	-	-	170	137
General and Administrative Expenditure	9	44	47	-	-	44	47
Depreciation/Amortisation		24	23	-	-	24	23
Total Expenditure		779	541	88	83	867	624
(Loss)/Profit for the Year [after transfers to/ from provisions]		(10,810)	8,882	(130)	1,238	(10,940)	10,120
Less:							
Contribution to Consolidated Fund	18	-	156	-	-	-	156
Net (Loss)/Profit and Total Comprehensive (Loss)/Income for the Year [after transfers to/from provisions]		(10,810)	8,726	(130)	1,238	(10,940)	9,964

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March in \$ millions	Note	2011	2010
CAPITAL AND RESERVES			
Issued and Paid-up Capital	10	17,000	17,000
General Reserve Fund	11	41	12,917
Currency Fund Reserves	12	7,340	5,404
		24,381	35,321
FINANCIAL SECTOR DEVELOPMENT FUND			
	19	1,026	1,008
		25,407	36,329
Represented by:			
ASSETS			
Cash and Bank Balances		865	811
Singapore Government Treasury Bills and Bonds		7,274	8,274
Foreign Financial Assets	13	287,722	274,238
Gold		267	296
Other Assets	14	3,460	2,104
Property and Other Fixed Assets	15	163	175
		299,751	285,898
Less:			
LIABILITIES			
Currency in Circulation		25,940	23,807
Deposits of Financial Institutions	16	17,565	14,251
Provisions and Other Liabilities	17	102,191	87,271
Amounts Due to Singapore Government	18	129,674	125,248
		275,370	250,577
NET ASSETS OF THE AUTHORITY		24,381	35,321
NET ASSETS OF FINANCIAL SECTOR DEVELOPMENT FUND		1,026	1,008
	19	25,407	36,329

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in \$ millions	Issued and Paid-up Capital	General Reserve Fund	Currency Fund Reserves	Total
Balance as at 1 April 2009	17,000	8,767	2,970	28,737
Total Comprehensive Income for the Year (after transfers to/from provisions)	-	8,726	1,238	9,964
Transfer of Reserves to Currency Fund	-	(1,196)	1,196	-
Return of Profit to Singapore Government	-	(3,380)	-	(3,380)
Balance as at 31 March 2010	17,000	12,917	5,404	35,321
Total Comprehensive Loss for the Year (after transfers to/from provisions)	-	(10,810)	(130)	(10,940)
Transfer of Reserves to Currency Fund	-	(2,066)	2,066	-
Return of Profit to Singapore Government	-	-	-	-
Balance as at 31 March 2011	17,000	41	7,340	24,381

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March in \$ millions	2011	2010
Cash Flows from Operating Activities		
(Loss)/Profit for the Year (after transfers to/from provisions)	(10,940)	10,120
Adjustments for:		
Depreciation/Amortisation of Fixed Assets and Other Assets	24	23
(Loss)/Profit before Working Capital Changes	(10,916)	10,143
(Increase)/Decrease in		
Singapore Government Treasury Bills and Bonds	1,000	(1,385)
Foreign Financial Assets	(13,484)	(19,496)
Gold	29	26
Other Assets	(1,356)	(403)
Increase/(Decrease) in		
Deposits of Financial Institutions	3,314	(48)
Provisions and Other Liabilities	14,919	6,736
Amounts Due to Singapore Government (excluding Contribution to Singapore Government and Return of Profit to Singapore Government)	7,962	2,702
Net Cash from/(used in) Operating Activities	1,468	(1,725)
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(11)	(9)
Net Cash used in Investing Activities	(11)	(9)
Cash Flows from Financing Activities		
Increase in Currency in Circulation	2,133	1,636
Contribution to Consolidated Fund	(156)	-
Return of Profit to Singapore Government	(3,380)	-
Net Cash (used in)/from Financing Activities	(1,403)	1,636
Net Increase/(Decrease) in Cash and Bank Balances	54	(98)
Cash and Bank Balances as at beginning of the year	811	909
Cash and Bank Balances as at end of the year	865	811

The accompanying notes form an integral part of these financial statements.

STATEMENT OF BACKING OF CURRENCY IN CIRCULATION

The Currency Fund is established under Section 21 of the Currency Act (Chapter 69, 2002 Revised Edition). Section 22 of the Act states that the external assets of the Currency Fund shall not be less than 100% of the face value of the Currency in Circulation.

As at 31 March in \$ millions	Note	2011	2010
The value of External Assets and the Currency in Circulation are:			
Currency in Circulation	12.2	25,940	23,807
External Assets	12.2	34,050	30,025
Less:			
Provisions and Other Liabilities	12.2	770	814
Net Assets		33,280	29,211

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1 GENERAL

- 1.1 The Monetary Authority of Singapore (the Authority) is a statutory board established in Singapore under the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) on 1 January 1971 and is located at 10 Shenton Way, MAS Building, Singapore 079117.
- 1.2 The consolidated financial statements presented relate to those of the Authority and its wholly-owned subsidiary, Singapore Sukuk Pte Ltd (SSPL). The financial statements of the Authority are not materially different from the consolidated financial statements and have not been presented separately.

2 PRINCIPAL ACTIVITIES

- 2.1 The principal activities of the Authority are:
 - a) the conduct of monetary policy, issuance of currency, management of the official foreign reserves and acting as the banker to and financial agent of the Government; and
 - b) the supervision of the banking, insurance, securities and futures industries, and development of strategies in partnership with the private sector to promote Singapore as an international financial centre.
- 2.2 The Authority's subsidiary, SSPL, is a special purpose entity incorporated in Singapore, to issue Sukuk certificates as Shariah-compliant assets to Islamic financial institutions to meet regulatory requirements.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 **Compliance with the Monetary Authority of Singapore Act, Currency Act and Singapore Financial Reporting Standards**
 - a) The consolidated financial statements of the Authority, are prepared in accordance with the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition), Currency Act (Chapter 69, 2002 Revised Edition) and applicable Singapore Financial Reporting Standards (FRS). Section 34(3) of the Monetary Authority of Singapore Act and Section 21(10) of the Currency Act provide that the Authority, in preparing its consolidated financial statements, may comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to the objects and functions of the Authority. The Authority, having considered its responsibilities for managing the Singapore dollar exchange rate and the official foreign reserves, is of the opinion that, for effective management of Singapore's monetary policy, it is appropriate not to meet, in some respects, the Singapore Financial Reporting Standards. The consolidated financial statements accordingly disclose less information than would be required under those Standards.
 - b) The preparation of consolidated financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Authority's accounting policies, having regard to the objects and functions of the Authority. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

3.2 Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention and on an accrual basis.

3.3 Basis of Consolidation

- a) A subsidiary is an entity that the Authority, directly or indirectly, has power to govern the financial and operating policies of, in order to obtain benefits from its activities. It is generally accompanied by a shareholding of more than 50% of voting rights. Potential voting rights that are exercisable or convertible are considered when determining whether an entity is considered a subsidiary.
- b) A subsidiary is consolidated from the date control is established, acquired or transferred to the Authority to the date control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.
- c) Balances and transactions between the Authority and its subsidiary, together with any unrealised profits and losses arising from these transactions are eliminated, in preparing the consolidated financial statements.

3.4 Foreign Currency Translation

- a) The consolidated financial statements are presented in Singapore dollars, the Authority's functional currency, and rounded to the nearest million, unless otherwise stated.
- b) Transactions in foreign currency are measured at the exchange rate prevailing at the date of transaction. Foreign currency gains or losses resulting from the settlement of such transactions are recognised in the consolidated statement of comprehensive income.
- c) Assets and liabilities denominated in foreign currencies are translated into Singapore dollars, at the exchange rate prevailing on the balance sheet date, except for shareholdings in Bank for International Settlements (BIS) and Society for Worldwide Interbank Financial Telecommunication (SWIFT) which are translated at the rates of exchange prevailing on the acquisition dates. Exchange differences arising from the translation are recognised in the consolidated statement of comprehensive income.

3.5 Recognition and Derecognition

Purchases and sales of investments are recognised on the trade date when the Authority commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

3.6 Income Recognition

- a) Dividend income is recognised when the right to receive payment is established.
- b) Interest income is recognised on a time-proportionate basis using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

c) Profits/losses on disposal of investments are taken to the consolidated statement of comprehensive income.

d) Licence fee income is recognised on a straight-line basis over the period of the licence.

3.7 Singapore Government Treasury Bills and Bonds

Singapore Government Treasury bills and bonds are stated at cost. Provision has been made for diminution in value, if any, based on the lower of cost and market value on an individual investment basis.

3.8 Gold

Gold is a long-term investment stated at cost. Provision for diminution in value would be made in the event of a decline other than temporary in its value.

3.9 Foreign Financial Assets

Foreign financial assets represent the Authority's investments in a global diversified portfolio and are stated at cost. Provision has been made for diminution in value, if any, based on the lower of cost and market value on an individual investment basis.

3.10 Financial Derivatives

Financial derivatives include forwards, swaps, futures and options and are included in foreign financial assets. Other than financial instruments that are subject to margin requirements which are fair valued, provision has been made for diminution in value, if any, of other financial derivatives based on the lower of cost and market value on an individual investment basis, except for forwards and currency swaps which are valued on a portfolio basis.

3.11 Repurchase and Reverse Repurchase Agreements ("Repos" and "Reverse Repos")

Reverse repos are treated as collateralised borrowing and the amounts borrowed are included in "Provisions and Other Liabilities". The securities sold under reverse repos are treated as pledged assets and remain on the consolidated balance sheet. Repos are treated as collateralised lending and the amounts lent are included in "Other Assets". The difference between the amount received and the amount paid under repos and reverse repos is recognised as interest income and interest expense respectively.

3.12 Property, Other Fixed Assets and Depreciation

a) Property and other fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the cost less residual value of the fixed assets over their estimated useful lives as follows:

	Useful lives
Leasehold Land	Period of lease
Buildings	50 years or period of lease whichever is lower
Building Improvements	10 years
Computer Hardware and Software	3 to 5 years
Furniture, Fixtures, Motor Vehicles and Other Equipment	3 to 5 years

The residual values and useful lives are reviewed and adjusted as appropriate, at each balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

- b) Computer software costs of less than \$100,000 and other assets costing \$1,000 and below are expensed off in the year of purchase. Any computer software costs not written off, are included in fixed assets.
- c) Property and other fixed assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. The impairment loss is recognised in the consolidated statement of comprehensive income for the period.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal, if any, is recognised in the consolidated statement of comprehensive income. However, the increased carrying amount of an asset due to a reversal of an impairment is recognised to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment losses been recognised for the asset in prior years.

- d) On disposal of fixed assets, the difference between the net disposal proceeds and its carrying amount is taken to the consolidated statement of comprehensive income.

3.13 Operating Leases

- a) Leases where substantially all the rewards and risks of ownership remain with the lessors are accounted for as operating leases. Rental receipts or payments under operating leases are accounted for in the consolidated statement of comprehensive income on an accrual basis according to the terms of the agreements.
- b) When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an income or expense in the period in which termination takes place.

3.14 Employees' Benefits

- a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions into entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions. The Authority's contributions to defined contribution plans are recognised in the financial year to which they relate.

- b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for annual leave as a result of services rendered by employees up to the balance sheet date.

4 INCOME/(LOSS) FROM FOREIGN OPERATIONS

Income/(Loss) from foreign operations includes interest, dividends, profit/loss on disposal of investments, foreign exchange gain/loss and write-back of/additional provision for diminution in value of investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

5 INCOME FROM DOMESTIC AND OTHER OPERATIONS

Income from domestic and other operations includes mainly interest and write-back of/additional provision for diminution in value of Singapore Government Treasury bills and bonds, licence and inspection fees, revenue from currency-related operations, custody fee and revenue from services rendered to banks and financial institutions on MAS Network and MAS Electronic Payment System which provides real-time gross settlement of payments.

6 NON-OPERATING INCOME

Non-operating income includes rental and carpark income, liquidated damages and management service fees.

7 INVESTMENT, INTEREST AND OTHER EXPENSES

Investment and interest expenses include management fees, futures/options commissions, bank, custody and other charges arising from foreign operations, and interest paid on borrowings and reverse repurchase agreements arising from domestic and other operations. Other expenses include costs of printing of currency notes and coin operations.

8 PERSONNEL EXPENDITURE

8.1 This includes the following:

in \$ millions	2011	2010
Salaries	149	116
Employer's Contribution to the Central Provident Fund	12	10
Training and Personnel Development	4	5
Staff Benefits	3	3

The Minister-in-charge of the Authority is not paid a salary by the Authority. Directors' fees for the year totalled \$0.06 million (2010: \$0.06 million). All Ministers serving on the Authority's Board of Directors do not receive directors' fees.

8.2 The key management personnel compensation is as follows:

in \$ millions	2011	2010
Salaries and Other Short-term Employee Benefits	21	13
Other Long-term Benefits	2	2

Post-employment benefits of \$0.5 million (2010: \$0.3 million) were also provided to key management personnel.

Executive Directors, Department Heads and above, are considered as key management personnel for this purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

9 GENERAL AND ADMINISTRATIVE EXPENDITURE

This includes the following:

in \$ millions	2011	2010
Information Technology Expenses	10	10
Official Trips and Conferences	4	3
Information Services	4	4
Building and Mechanical and Electrical Maintenance	3	3
Consultant and Other Advisers' Fees	2	7
Property Tax	2	1
Audit Fee	1	1

10 CAPITAL AND RESERVES

10.1 The issued and paid-up capital is wholly-owned by the Government of the Republic of Singapore.

10.2 The Authority manages its capital and reserves at an appropriate and adequate level, in pursuit of the Authority's principal objects, as set out in Section 4 of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) that is, to maintain price stability conducive to sustainable economic growth, foster a sound and reputable financial centre, grow Singapore as an internationally competitive financial centre and ensure prudent and effective management of the official foreign reserves of Singapore. In addition, the Authority has to determine and safeguard the reserves accumulated by the Authority during the term of office of the past Government as required by the Constitution of the Republic of Singapore.

10.3 Taking into consideration the Authority's capital and reserves needs for its principal objects, the Authority conducts the capital and reserves adequacy assessment regularly. It includes a comprehensive assessment of risks that the Authority is exposed to, the measurement, monitoring and stress testing of these risks and an evaluation of the adequacy of the Authority's capital and reserves in relation to these risks.

10.4 The return to the Singapore Government, from the General Reserve Fund and/or from the net profit for each financial year, is determined by the Authority and the remainder of the net profit, if any, is credited to the General Reserve Fund, in accordance with Section 6 of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition).

11 GENERAL RESERVE FUND

The General Reserve Fund is established under Section 6(1) of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

12 CURRENCY FUND RESERVES

12.1 The Currency Fund, established under Section 21 of the Currency Act (Chapter 69, 2002 Revised Edition), is maintained and managed by the Authority in the manner prescribed by the Act.

12.2 The assets and liabilities of the Currency Fund as at 31 March are as follows:

in \$ millions	Note	2011	2010
External Assets			
Gold		208	231
Foreign Investments	13.1	33,842	29,794
		34,050	30,025
Less:			
Liabilities			
Active Currency in Circulation		25,084	23,008
Currency Held by the Authority		856	799
Currency in Circulation		25,940	23,807
Provisions and Other Liabilities		770	814
		26,710	24,621
Currency Fund Reserves		7,340	5,404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

13 FOREIGN FINANCIAL ASSETS

13.1 These comprise the following:

in \$ millions	General Reserve Fund		Currency Fund		Total	
	2011	2010	2011	2010	2011	2010
Foreign Investments						
Bank Balances and Deposits	55,960	53,500	1,668	841	57,628	54,341
Securities (including Treasury bills, bonds and equities)	198,601	197,780	31,317	28,558	229,918	226,338
Other Foreign Investments	9,201	14,601	1,832	895	11,033	15,496
International Monetary Fund Assets (see note 13.2)						
Reserve Tranche	983	824	-	-	983	824
Special Drawing Rights (SDRs)	1,712	2,089	-	-	1,712	2,089
Poverty Reduction and Growth Facility - Heavily Indebted Poor Countries (PRGF-HIPC)	28	51	-	-	28	51
Shareholding in Bank for International Settlements (BIS) (see note 13.3)						
	96	96	-	-	96	96
	266,581	268,941	34,817	30,294	301,398	299,235
Foreign Currency Liabilities	(12,701)	(24,497)	(975)	(500)	(13,676)	(24,997)
Total Foreign Financial Assets	253,880	244,444	33,842	29,794	287,722	274,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

13.2 INTERNATIONAL MONETARY FUND (IMF) ASSETS

The Reserve Tranche represents the amount of the paid-up portion of the Singapore quota. Special Drawing Rights are interest-yielding balances with IMF that can be exchanged for convertible currencies. Singapore participates in the Poverty Reduction and Growth Facility-Heavily Indebted Poor Countries (PRGF-HIPC). The PRGF-HIPC outstanding balance as at 31 March 2011 is SDR14.0 million [\$28.1 million] (31 March 2010: SDR24.0 million [\$51.2 million]), including a balance of SDR4.0 million in the Post-Special Contingent Account-2 with IMF which was transferred to the PRGF-HIPC on 24 April 2001 as an interest-free deposit maturing at the end of 2018.

13.3 BANK FOR INTERNATIONAL SETTLEMENTS (BIS)

The Authority's shareholding in the BIS comprises the 25% paid-up value of 4,285 (31 March 2010: 4,285) shares with a nominal value of SDR5,000 (\$10,002) each.

14 OTHER ASSETS

These comprise the following:

in \$ millions	2011	2010
Loans, Deposits and Other Receivables	2,115	2,104
Repurchase Agreements with Singapore Government	1,345	-
	3,460	2,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

15 PROPERTY AND OTHER FIXED ASSETS

in \$ millions	Leasehold Land	Buildings	Building Improvements	Computer Hardware and Software	Furniture, Fixtures, Motor Vehicles and Other Equipment	Work-in-Progress	Total
COST							
As at 1.4.2009	48	171	93	70	22	1	405
Additions	-	-	-	6	-	4	10
Disposals	-	-	-	(2)	-	-	(2)
As at 31.3.2010	48	171	93	74	22	5	413
ACCUMULATED DEPRECIATION							
As at 1.4.2009	12	67	74	45	19	-	217
Disposals	-	-	-	(2)	-	-	(2)
Depreciation charge	1	4	4	12	2	-	23
As at 31.3.2010	13	71	78	55	21	-	238
NET BOOK VALUE AS AT 31.3.2010	35	100	15	19	1	5	175
COST							
As at 1.4.2010	48	171	93	74	22	5	413
Additions	-	-	-	7	1	4	12
Disposals	-	-	-	(1)	-	-	(1)
Transfers	-	-	-	4	-	(4)	-
As at 31.3.2011	48	171	93	84	23	5	424
ACCUMULATED DEPRECIATION							
As at 1.4.2010	13	71	78	55	21	-	238
Disposals	-	-	-	(1)	-	-	(1)
Depreciation charge	1	4	4	14	1	-	24
As at 31.3.2011	14	75	82	68	22	-	261
NET BOOK VALUE AS AT 31.3.2011	34	96	11	16	1	5	163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

16 DEPOSITS OF FINANCIAL INSTITUTIONS

in \$ millions	2011	2010
Banks	17,064	13,560
Finance Companies	218	216
Securities Companies	6	6
	17,288	13,782
International Financial Institutions	263	466
Foreign Central Banks and Others	14	3
	17,565	14,251

Deposits from banks and finance companies in Singapore include the minimum cash balances maintained by banks and finance companies with the Authority as required under the Banking Act (Chapter 19, 2008 Revised Edition) and the Finance Companies Act (Chapter 108, 2000 Revised Edition) respectively. Deposits from securities companies represent statutory deposits from holders of capital markets services licences required under the Securities and Futures (Licensing and Conduct of Business) Regulations.

17 PROVISIONS AND OTHER LIABILITIES

- 17.1 Provisions have been made for contingencies under Section 6(2) of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). Other liabilities include borrowings from banks, borrowings under reverse repurchase agreements, the Authority's allocations of Special Drawing Rights in IMF, creditors, Sukuk payable, accounts payable and accruals.
- 17.2 The Authority's allocation of Special Drawing Rights in IMF amounting to \$1,488.7 million as at 31 March 2011 (31 March 2010: \$1,585.0 million) is included in "Provisions and Other Liabilities".
- 17.3 During the financial year ended 31 March 2011, SSPL, a wholly-owned subsidiary of the Authority, issued \$105.0 million (FY09/10: \$64.4 million) Sukuk trust certificates with 1 year maturities and income distribution rates of 0.39% and 0.50% per annum. The Sukuk issuance by SSPL is structured on the sale-and-leaseback or Al Ijarah of property assets of the Authority. Under agreements with SSPL, the Authority will sell, leaseback, provide a purchase undertaking of the property assets and receive from and make periodic payments to SSPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

18 AMOUNTS DUE TO SINGAPORE GOVERNMENT

The amounts due to the Singapore Government comprise the following:

in \$ millions	2011	2010
Contribution to Consolidated Fund	-	156
Return of Profit to Singapore Government	-	3,380
Amounts due to Singapore Government, arising from Repurchase Agreements	1,345	-
Balances and Deposits of Singapore Government	128,329	121,712
	129,674	125,248

The contribution to be made to the Consolidated Fund is in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2004 Revised Edition). The contribution is based on 17% (2010: 17%) of the profit for the year.

19 FINANCIAL SECTOR DEVELOPMENT FUND

19.1 The Financial Sector Development Fund (hereinafter called the Fund) is established under Section 30A of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). It is controlled and administered by the Authority. The Authority provides administrative and accounting support to the Fund. The Fund shall be used for the objects and purposes set out in Section 30B of the Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

19.2 The financial statements of the Fund have been prepared in accordance with the provisions of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) and the Singapore Financial Reporting Standards. The assets and liabilities of the Fund as at 31 March are as follows:

in \$ thousands	Note	2011	(restated) 2010
ACCUMULATED FUND			
Capital Account		471,635	471,635
Accumulated Surplus	19.4	554,714	536,558
		1,026,349	1,008,193
Represented by:			
ASSETS			
Bank Balances and Deposits	19.5	183,344	157,950
Financial Assets at Fair Value through Profit or Loss		884,892	877,280
Loans and Receivables		13,168	14,549
		1,081,404	1,049,779
Less:			
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss		1,427	686
Accruals and Other Liabilities	19.4	53,628	40,900
		55,055	41,586
NET ASSETS		1,026,349	1,008,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

19.3 The financial results of the Fund are as follows:

in \$ thousands	Note	2011	(restated) 2010
Interest Income		27,238	29,927
Dividend Income		70,297	67,888
Gain from Financial Instruments at Fair Value through Profit or Loss		48,971	114,972
Foreign Exchange Loss		(69,657)	(41,526)
Other Income		487	710
Total Income		77,336	171,971
Less:			
Investment Expenses		4,074	2,471
Grants	19.4	55,106	41,522
Total Expenditure		59,180	43,993
Net Surplus and Total Comprehensive Income for the Year		18,156	127,978

19.4 Retrospective Restatement

For the financial year ended 31 March 2010, the Fund had under-accrued \$11.4 million of training grants expense claim applications. The financial statements for the year ended 31 March 2010 have been restated to correct this under-accrual of the training grant expenditure. The effect of the restatement of these financial statements is an increase in grant expenditure of \$11.4 million and a reduction of \$11.4 million in net surplus and total comprehensive income for the year and the accumulated surplus as at 31 March 2010.

19.5 Bank Balances and Deposits

Included in bank balances and deposits of \$183.3 million as at 31 March 2011 is US\$50.0 million (\$63.1 million) (31 March 2010: Nil) held by Singapore Exchange Ltd, a related party, in trust for a FSDF-supported market infrastructure project. The Fund reserves the right, to vary or change the amount for the project or withdraw any part of or the entire amount for this project, and recover in full, or part, any moneys disbursed if specified terms and conditions, including satisfying the project's key performance indicators, are not met or upon the occurrence of specified events.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

19.6 Related Party Transactions

- a) During the financial year, the Fund placed deposits with the Authority in the ordinary course of business and at arm's length, earning interest income disclosed below:

in \$ thousands	2011	2010
Interest Income	384	4

- b) The Fund's deposit balance with the Authority at 31 March 2011 was \$88.0 million (31 March 2010: \$81.1 million).

- 19.7 The notes to the assets and liabilities and financial results of the Fund are available on the Authority's website at <http://www.mas.gov.sg>.

20 STATUTORY DEPOSITS OF INSURANCE COMPANIES, REMITTANCE LICENSEES AND CAPITAL MARKETS SERVICES LICENSEES

The following statutory bank deposits, guarantees and Singapore Government Bonds of insurance companies, remittance licensees and capital market services licensees, are retained by the Authority under the Insurance Act (Chapter 142, 2002 Revised Edition), the Money-Changing and Remittance Businesses Act (Chapter 187, 2008 Revised Edition) and the Securities and Futures Act (Chapter 289, 2010 Revised Edition) respectively, and in the events specified, dealt with accordingly under the respective Acts.

in \$ millions	2011	2010
Insurance Companies		
Fixed Deposits	198	200
Banker's Guarantees	21	21
Singapore Government Bonds	4	4
	223	225
Remittance Licensees		
Banker's Guarantees	18	18
Capital Markets Services Licensees		
Banker's Guarantees	75	70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

21 COMMITMENTS

21.1 International Monetary Fund (IMF)

- a) The Authority has an obligation to pay \$1,863 million as at 31 March 2011 (31 March 2010: \$1,053 million) which represents the unpaid portion of the Singapore quota due to IMF under Section 4 of Article III of the Articles of Agreement.
- b) As a participant in the IMF's 'New Arrangements to Borrow' (NAB), the Authority undertakes to provide a credit line of up to SDR1,277 million (\$2,555 million) as at 31 March 2011 (31 March 2010: SDR1,277 million [\$2,719 million]) in the event of a financial emergency as specified by the NAB. For the financial year ended 31 March 2011, the Authority did not grant any loan under the NAB.

21.2 Bank for International Settlements (BIS)

The Authority has a commitment, amounting to SDR16.1 million (\$32.2 million) as at 31 March 2011 (31 March 2010: SDR16.1 million [\$34.2 million]), in respect of the uncalled portion of its shareholding in the BIS.

21.3 Repurchase Agreements with Central Banks and Monetary Authority

The Authority has entered into bilateral repurchase agreements with various Asian central banks and monetary authority to provide liquidity assistance in times of emergency. For the financial year ended 31 March 2011, there was no request for liquidity assistance from any counterpart.

21.4 Currency Swap Arrangements with Central Banks and Monetary Authority

- a) The Authority is a participant in the multilateral ASEAN Swap Arrangement (ASA) together with other ASEAN central banks and monetary authority to provide short-term foreign exchange liquidity support for member countries that may experience balance of payments difficulties. In October 2009, the ASA was renewed for an additional two years up to 16 November 2011.
- b) The Authority and the Bank of Japan, acting as the agent for the Minister of Finance of Japan, renewed their bilateral currency swap agreement under the Chiang Mai Initiative on 8 November 2008 for another three years up to 7 November 2011. Under the agreement, the Authority can swap Singapore dollars for US dollars up to US\$3,000 million (\$3,782 million) while the Bank of Japan can swap Japanese Yen for up to US\$1,000 million (\$1,261 million).
- c) The Authority is Singapore's Swap Providing / Requesting Party in the Chiang Mai Initiative Multilateralisation (CMIM) Agreement involving the ASEAN member states, China (including the Hong Kong Monetary Authority, China), Japan and Korea. The CMIM Agreement, effective from 24 March 2010, provides financial support through currency swap transactions totalling US\$120 billion, to address balance of payment and short-term liquidity difficulties in the region, and supplements existing international financial arrangements. Under the Agreement, the Authority's commitment and financial contribution is US\$4,552 million (\$5,738 million) and the Authority can swap Singapore dollars for US dollars up to 2.5 times Singapore's financial contribution.
- d) The Authority established a 3-year China-Singapore currency swap arrangement of CNY150 billion (\$30 billion) with the People's Bank of China on 23 July 2010, to promote bilateral trade and direct investment for the economic development of the two countries. This CNY/SGD swap facility allows the Authority to provide Chinese Yuan liquidity to financial institutions for trade purposes.
- e) For the financial year ended 31 March 2011, there was no request and drawdown of any of the above currency swap arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

21.5 Capital Expenditure Commitments

Capital expenditure not provided for in the consolidated financial statements is as follows:

in \$ millions	2011	2010
Amount contracted for	3	2

21.6 Leases

a) Future minimum lease payments under non-cancellable operating leases are as follows:

in \$ millions	2011	2010
Less than 1 year	1	1
1 to 5 years	2	2
More than 5 years	1	2
	4	5

b) Future minimum lease rental receipts under non-cancellable operating leases are as follows:

in \$ millions	2011	2010
Less than 1 year	6	6
1 to 5 years	8	11
	14	17

22 FINANCIAL RISK MANAGEMENT

22.1 The Risk Committee, chaired by an independent Board member, assists the Board of Directors in providing oversight and guidance over the management of risks assumed by the Authority. This encompasses the management of financial risks inherent in the Authority's investment portfolios, amongst other organisational risks faced by the Authority.

22.2 An independent risk management unit provides senior management and the Risk Committee with regular reports of the risk profiles of the Authority's investments. These reports cover risk measurement and analysis of the Authority's investment portfolios. The unit also formulates risk policies and controls, and performs independent compliance monitoring of the portfolios in accordance with the stipulated investment guidelines.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

22.3 Market Risk

- a) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes currency, interest rate and other price risks.
 - i) Currency risk is the risk of loss on foreign assets and liabilities arising from changes in foreign exchange rates.
 - ii) Interest rate risk is the risk of loss arising from changes in market interest rates. The Authority manages interest rate risks by setting duration limits on its investments.
 - iii) Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- b) Market risk is managed through regular monitoring of the market risk exposure of the Authority's investments, the diversification of the Authority's investments across different markets and currencies, and the establishment of investment risk tolerance and controls at both the aggregate and individual portfolio levels.

22.4 Credit Risk

- a) Credit risk is the risk of loss arising from a party's failure to discharge an obligation under a financial contract and includes counterparty, custodian and issuer credit risks.
- b) The Authority's credit risks are managed by transacting with well-rated entities within assigned limits. Credit risks are also mitigated by diversifying credit exposures across counterparties, custodians and issuers and through collateral arrangements with counterparties whom the Authority has signed the International Swaps and Derivatives Association (ISDA) Credit Support Annex.
- c) The Authority manages issuer credit risk by imposing minimum credit rating requirements on the investment of fixed income securities. Single issuer limits are placed to control the credit exposure to any one issuer and to mitigate the extent of loss resulting from a default.

22.5 Country Risk

The Authority is exposed to the country credit risk of the Authority's foreign assets arising from political, economic and financial events in the country of investment. Country limits are established to control the Authority's credit risk exposure to individual countries.

22.6 Liquidity Risk

Liquidity risk is the risk arising from the inability to sell a financial asset at close to its fair value at short notice due to inadequate market depth or market disruptions. The Authority manages liquidity risk by investing mostly in liquid financial instruments and markets, and imposing limits on investments to ensure sufficient diversification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

23 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

New or revised accounting standards and interpretations to accounting standards have been issued that are mandatory for accounting periods beginning on or after 1 January 2011. The Authority does not expect the following revised accounting standard that is applicable, to have a material impact on the Authority's consolidated financial statements.

Amendments to FRS 24 Related Party Disclosures

The amendments exempt government-related entities from the requirement to disclose details of all transactions with the government and other government-related entities, except that the entity shall disclose the nature of the relationship and sufficient information to understand the effects of related party transactions on its financial statements. The revised FRS 24 also clarifies and simplifies the definition of a related party.

24 AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2011 were authorised by the Board of Directors for issuance and signed by Chairman and Managing Director on 28 June 2011.



KEY ECONOMIC AND
FINANCIAL STATISTICS

KEY ECONOMIC AND FINANCIAL STATISTICS

	2006	2007	2008	2009	2010
National Income Aggregates					
Gross Domestic Product					
At Current Market Prices (S\$m)	230,922.8	267,253.5	267,951.9	266,659.2	303,652.2
Growth Rate (% change)	10.6	15.7	0.3	-0.5	13.9
At 2005 Market Prices (S\$m)	226,932.9	246,845.5	250,516.1	248,587.0	284,560.7
Growth Rate (% change)	8.7	8.8	1.5	-0.8	14.5
Gross National Income					
At Current Market Prices (S\$m)	222,567.3	258,654.5	256,203.5	260,239.9	292,431.0
Growth Rate (% change)	14.6	16.2	-0.9	1.6	12.4
Labour Force					
Unemployment Rate (%)	2.7	2.1	2.2	3.0	2.2
Productivity Growth (% change)	2.0	0.1	-7.5	-3.4	10.7
Changes in Employment ('000)	176.0	234.9	221.6	37.6	115.9
Average Monthly Earnings (% change)	3.2	6.2	5.4	-2.6	5.6
Unit Labour Cost (% change)	1.5	5.8	4.7	0.6	-2.7
Savings and Investment					
Gross National Savings (S\$m)	105,885.5	129,372.4	120,000.2	121,058.0	139,804.2
As % of GNI	47.6	50.0	46.8	46.5	47.8
Gross Domestic Capital Formation (S\$m)	48,568.5	56,311.8	80,924.0	70,289.4	72,373.4
As % of GNI	21.8	21.8	31.6	27.0	24.7
Balance of Payments (S\$m)					
Goods Balance	66,991.1	70,501.9	39,390.5	42,457.6	63,596.3
Exports of Goods	435,865.1	456,804.9	485,038.5	397,132.1	487,972.1
Growth Rate (% change)	12.5	4.8	6.2	-18.1	22.9
Imports of Goods	368,874.0	386,303.0	445,648.0	354,674.5	424,375.8
Growth Rate (% change)	12.9	4.7	15.4	-20.4	19.7
Services and Other Balances	-9,674.1	2,558.7	-314.3	8,311.0	3,834.5
Current Account Balance	57,317.0	73,060.6	39,076.2	50,768.6	67,430.8
As % of GNI	25.8	28.2	15.3	19.5	23.1
Capital and Financial Account Balance	-27,612.8	-48,473.3	-19,708.1	-39,016.2	-9,458.0
Balancing Item	-2,708.5	4,710.3	-837.0	4,703.8	-492.3
Overall Balance	26,995.7	29,297.6	18,531.1	16,456.2	57,480.5
Official Foreign Reserves	208,991.8	234,545.6	250,346.0	263,955.4	288,954.1
Inflation (% change)					
Consumer Price Index	1.0	2.1	6.6	0.6	2.8
GDP Deflator	1.8	6.4	-1.2	0.3	-0.5
Monetary Aggregates (% change)					
M1	13.4	22.4	18.4	23.5	20.3
M2	19.4	13.4	12.0	11.3	8.6
M3	19.1	14.1	11.6	10.5	8.4

	2006	2007	2008	2009	2010
Interest Rates (period average, % per annum)					
Prime Lending Rate	5.31	5.33	5.38	5.38	5.38
Banks' 3-month Fixed Deposit Rate	0.57	0.53	0.42	0.29	0.21
Banks' 3-month Domestic Interbank Rate	3.45	2.76	1.32	0.70	0.57
3-month US\$ SIBOR	5.19	5.30	2.93	0.70	0.35
Exchange Rates (period average, S\$ per)					
US Dollar	1.589	1.507	1.415	1.455	1.364
Pound Sterling	2.926	3.016	2.616	2.274	2.107
Euro	1.995	2.064	2.077	2.024	1.810
100 Japanese Yen	1.367	1.281	1.374	1.556	1.554
Malaysian Ringgit	0.433	0.438	0.425	0.413	0.423
Banking and Finance					
Commercial Banks' Assets/ Liabilities (S\$m)	508,449.9	582,859.0	668,298.4	705,759.7	781,607.4
Growth Rate (% change)	19.6	14.6	14.7	5.6	10.7
Finance Companies' Assets/ Liabilities (S\$m)	10,066.6	12,781.8	12,586.4	11,691.9	11,523.6
Growth Rate (% change)	6.6	27.0	-1.5	-7.1	-1.4
Merchant Banks' Assets/Liabilities (S\$m)	78,029.3	89,070.2	72,602.3	76,354.4	89,760.3
Growth Rate (% change)	20.3	14.1	-18.5	5.2	17.6
Asian Currency Units' Assets/ Liabilities (US\$m)	698,648.5	906,991.0	912,739.4	869,296.7	971,299.4
Growth Rate (% change)	14.3	29.8	0.6	-4.8	11.7
Insurance					
Life Insurers' Assets/Liabilities (S\$m)	99,353.0	112,451.2	99,985.7	119,895.5	131,903.7
Growth Rate (% change)	11.7	13.2	-11.1	19.9	10.0
General Insurers' Assets/Liabilities (S\$m)	14,069.4	16,326.2	15,062.0	15,905.8	17,433.3
Growth Rate (% change)	4.2	16.0	-7.7	5.6	9.6
CPF					
Excess of Contributions Over Withdrawals (S\$m)	2,089.5	6,555.1	9,265.1	9,404.4	12,374.2
Domestic Capital Market					
Net Funds Raised in Domestic Capital Market (S\$m)	40,795.0	75,474.2	42,859.4	56,566.5	61,221.5



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A1.

MONETARY STATISTICS : MONEY SUPPLY

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Money Supply (M1)	35,828.2	38,722.6	44,162.3	46,085.9	52,242.6	63,938.6	75,703.8	93,471.8	112,465.5	116,934.8
Currency in active circulation ¹	12,360.3	12,838.4	13,694.0	14,584.5	15,284.7	16,668.5	18,997.4	20,216.5	22,299.5	22,956.0
Demand deposits	23,467.9	25,884.2	30,468.3	31,501.4	36,957.9	47,270.1	56,706.4	73,255.3	90,166.0	93,978.8
Quasi-money	144,479.9	156,105.9	162,815.6	173,712.4	210,127.2	233,620.3	257,707.3	277,650.8	290,612.7	296,320.7
Fixed deposits	81,597.5	89,706.3	93,360.2	107,714.3	141,619.4	151,731.7	155,121.9	156,804.6	154,420.9	156,444.1
Savings and other deposits	62,656.8	66,111.3	68,940.4	65,588.9	68,287.0	81,822.9	102,567.4	120,846.2	136,171.8	139,856.6
S\$NCDs	225.6	288.3	515.0	409.2	220.8	65.7	18.0	-	20.0	20.0
Money Supply (M2)	180,308.1	194,828.5	206,977.9	219,798.3	262,369.8	297,558.9	333,411.1	371,122.6	403,078.2	413,255.5
Net deposits with finance companies	8,507.3	5,215.8	5,204.8	5,901.3	6,379.3	9,196.0	8,976.4	7,318.1	7,013.2	7,113.5
Money Supply (M3)	188,815.4	200,044.3	212,182.7	225,699.6	268,749.1	306,754.9	342,387.5	378,440.7	410,091.4	420,369.0

1 Figures exclude commemorative, numismatic and bullion coins issued by the Monetary Authority of Singapore and cash held by commercial banks and other financial institutions. The Board of Commissioners of Currency, Singapore, merged with the Monetary Authority of Singapore in October 2002.

A2.

MONETARY STATISTICS : OFFICIAL FOREIGN RESERVES¹

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	S\$ Million March
Total Foreign Reserves	142,621.1	163,053.5	183,464.0	192,813.0	208,991.8	234,545.6	250,346.0	263,955.4	288,954.1	295,233.3	
Gold & Foreign Exchange	141,490.3	161,745.2	182,276.8	192,044.6	208,304.2	233,913.1	249,546.1	261,374.6	286,563.3	292,738.9	
Reserve Position in the IMF	825.0	956.2	712.4	291.2	200.1	128.6	255.8	375.5	421.0	782.3	
Special Drawing Rights (SDRs)	305.8	352.1	474.8	477.2	487.5	503.9	544.1	2,205.3	1,969.8	1,712.1	
Total Foreign Reserves (US\$ million)	82,218.7	96,244.1	112,574.9	116,172.6	136,260.9	162,956.8	174,196.3	187,809.1	225,754.2	234,205.1	

1 With effect from May 1999, the book value of foreign reserve assets are translated at market exchange rates prevailing at the end of each reporting month.

A3.

MONETARY STATISTICS : EXCHANGE RATES

Period Average	S\$ Per Foreign Currency										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1st Qtr
US Dollar	1.7906	1.7422	1.6903	1.6646	1.5889	1.5071	1.4148	1.4545	1.3635	1.2780	
100 Japanese Yen	1.4309	1.5044	1.5634	1.5138	1.3667	1.2806	1.3738	1.5562	1.5543	1.5524	
Euro	1.6909	1.9703	2.1008	2.0719	1.9952	2.0638	2.0771	2.0242	1.8095	1.7465	
Pound Sterling	2.6885	2.8467	3.0963	3.0290	2.9261	3.0161	2.6162	2.2737	2.1073	2.0470	
Swiss Franc	1.1528	1.2957	1.3609	1.3383	1.2684	1.2563	1.3090	1.3407	1.3089	1.3569	
Australian Dollar	0.9737	1.1355	1.2443	1.2686	1.1967	1.2624	1.2016	1.1473	1.2524	1.2836	
100 Korean Won	0.1435	0.1463	0.1477	0.1625	0.1664	0.1622	0.1306	0.1143	0.1180	0.1142	
100 New Taiwan Dollar	5.1801	5.0639	5.0584	5.1768	4.8870	4.5870	4.4874	4.4023	4.3292	4.3626	
Hong Kong Dollar	0.2296	0.2237	0.2170	0.2140	0.2045	0.1932	0.1817	0.1876	0.1755	0.1641	
Malaysian Ringgit	0.4712	0.4585	0.4448	0.4395	0.4331	0.4384	0.4247	0.4126	0.4234	0.4193	
Thai Baht	0.0416	0.0420	0.0420	0.0414	0.0419	0.0436	0.0424	0.0424	0.0430	0.0418	
100 Indonesian Rupiah	0.0193	0.0203	0.0189	0.0172	0.0173	0.0165	0.0147	0.0140	0.0150	0.0144	

Note: Currencies quoted are those frequently requested from the Authority.

A4. MONETARY STATISTICS : DOMESTIC INTEREST RATES

Period Average	Per Cent Per Annum									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Banks ¹										
Prime Lending Rate	5.34	5.31	5.30	5.30	5.31	5.33	5.38	5.38	5.38	5.38
Fixed Deposit Rate										
3-month	0.87	0.50	0.40	0.44	0.57	0.53	0.42	0.29	0.21	0.18
6-month	1.14	0.67	0.51	0.55	0.67	0.64	0.54	0.37	0.30	0.26
12-month	1.39	0.88	0.71	0.76	0.88	0.85	0.73	0.56	0.48	0.43
Savings Deposit Rate	0.56	0.28	0.23	0.24	0.26	0.25	0.23	0.18	0.14	0.12
Finance Companies ²										
Fixed Deposit Rate										
3-month	0.98	0.52	0.48	0.66	0.94	0.75	0.49	0.29	0.22	0.17
6-month	1.19	0.75	0.69	0.83	1.39	1.09	0.59	0.33	0.27	0.24
12-month	1.42	0.99	0.99	1.25	1.85	1.57	0.90	0.62	0.54	0.52
Savings Deposit Rate	0.69	0.36	0.31	0.32	0.34	0.33	0.26	0.25	0.25	0.25
Interbank Rate ³										
1-month	0.87	0.68	0.94	2.17	3.40	2.66	1.15	0.45	0.38	0.31
3-month	0.95	0.73	1.02	2.22	3.45	2.76	1.32	0.70	0.57	0.44
US\$ SIBOR										
1-month	1.77	1.21	1.50	3.38	5.10	5.26	2.69	0.34	0.28	0.26
3-month	1.80	1.22	1.62	3.56	5.19	5.30	2.93	0.70	0.35	0.31
6-month	1.89	1.23	1.79	3.77	5.28	5.26	3.05	1.13	0.52	0.46

¹ Average of 10 leading banks.

² Average of all finance companies.

³ Closing offer rates quoted by money brokers.

Note: Interest rates for banks (except for Prime Lending Rate) and finance companies refer to average of end of month rates.

B1. FINANCIAL STRUCTURE : NUMBER OF FINANCIAL INSTITUTIONS IN SINGAPORE

End-March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Banks	120	117	115	111	108	108	113	114	120	120
Local ¹	6	5	5	5	5	5	6	6	7	6
Foreign	114	112	110	106	103	103	107	108	113	114
Full banks	22	22	23	24	24	24	24	27	25	26
Wholesale banks ²	33	31	37	35	34	36	42	41	46	50
Offshore banks	59	59	50	47	45	43	41	40	42	38
(Banking offices including head offices and main offices)	(444)	(404)	(398)	(396)	(397)	(399)	(408)	(409)*	(421)	(428)
Asian Currency Units	169	164	160	153	151	154	158	161*	162	163
Banks	115	112	110	106	104	106	111	112*	117	117
Merchant banks	54	52	50	47	47	48	47	49	45	46
Finance Companies	7	5	3	3	3	3	3	3	3	3
(Finance companies' offices including head offices)	(65)	(59)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)
Merchant Banks	55	53	51	48	48	49	49	50	46	47
Insurance Companies	144	144* ⁴	138*	140	149*	153	151	158	158	157
Direct insurers	53*	56*	55*	55	56*	61	59	62	64	63
Professional reinsurers	42*	36	32*	28	28	27	25	27	26	28
Authorised reinsurers	0	0	0	0	5	5	5	6	6	6
Captive insurers	49*	52*	51*	57	60	60	62	63	62	60
Insurance Brokers	90	57 ⁵	61	61	63	62	65	66	63	64

End-March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Representative Offices	55	51	49	45	42	43	45	36	30	34
Banks	55	51	49	45	42	43	45	36	30	34
Merchant banks	-	-	-	-	-	-	-	-	-	-
International Money Brokers	8	8	8	10	9	10	10	10	10	10
Licensed Financial Advisers	-	49	52	56	61	67	69	73	71	67
Capital Markets Services Licensees⁶	224	166	163	168	171	183	215	221	224	251
Dealing in Securities⁷	79	59	60	65	72	77	93	90	99	98
Trading in Futures Contracts⁸	39	36	31	34	38	40	46	50	48	47
Advising on Corporate Finance	-	22	26	30	33	36	37	37	34	33
Fund Management⁹	167	90	94	91	92	97	110	113	107	118
Leveraged Foreign Exchange Trading	-	11	10	11	13	14	18	19	19	19
Securities Financing	-	13	13	15	16	15	16	16	17	18
Providing Custodial Services for Securities	-	26	26	27	31	34	38	40	39	40
Real Estate Investment Trust Management¹⁰	-	-	-	-	-	-	-	1	7	22
Licensed Trust Companies¹¹	-	-	-	-	-	31	35	38	40	48

1 Local banks comprise 5 full banks and 1 wholesale bank.

2 Previously known as restricted banks.

3 Figure includes 11 companies on run-off and 1 company under scheme of transfer.

4 Figure includes 20 companies on run-off.

5 The figure includes 26 direct life brokers. The regulation of direct life brokers was transferred from the repealed Insurance Intermediaries Act to the Financial Advisers Act (FAA) when the FAA came into force on 1 October 2002.

6 In view of changes in the licensing framework with the promulgation of the Securities and Futures Act (SFA) and the FAA on 1 October 2002, the data before and after 1 October 2002 are not directly comparable.

7 The figures prior to 2003 show the number of dealers licensed under the Securities Industry Act (SIA), which was repealed on 1 October 2002.

8 The figures prior to 2003 show the number of futures brokers and futures trading advisers licensed under the Futures Trading Act (FTA), which was repealed on 1 October 2002.

9 The figures prior to 2003 show the number of investment advisers licensed under the SIA and the number of futures pool operators licensed under the FTA.

10 Regulation of real estate investment trust management came into effect on 1 August 2008.

11 Regulation of trust companies came under the purview of MAS when the Trust Companies Act came into effect on 1 February 2006.

* Revised

C1.

COMMERCIAL BANKS : ASSETS AND LIABILITIES

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
S\$ Million										
										March
2011										
Assets										
Cash in hand	1,176.1	1,210.2	1,400.7	1,349.4	1,665.4	1,772.9	1,739.8	2,024.6	2,219.9	1,913.1
Balances with MAS	6,462.8	6,592.0	6,775.0	7,466.1	8,802.0	9,530.4	13,466.0	14,004.5	15,878.7	16,893.0
S\$NCDs held	34.1	163.7	300.5	267.6	98.2	0.0	0.0	0.0	0.0	0.0
Amounts due from banks	96,807.5	97,549.3	113,856.1	133,505.2	183,989.2	194,828.8	217,089.8	226,739.4	232,272.3	224,738.7
In Singapore	17,434.6	21,357.0	32,615.8	39,004.2	51,554.4	59,924.1	52,572.1	56,345.3	77,972.8	83,064.7
ACUs	41,871.2	39,856.0	42,998.9	51,023.1	63,476.1	58,945.9	73,134.5	87,215.1	69,152.1	62,887.4
Outside Singapore	37,501.7	36,336.3	38,241.4	43,477.9	68,958.7	75,958.8	91,383.2	83,179.0	85,147.4	78,786.6
Investments	61,537.8	64,133.2	68,217.7	70,228.9	80,627.0	91,943.8	98,715.0	123,081.5	130,081.3	128,385.1
In Singapore	55,918.2	58,248.5	60,176.8	60,626.7	67,707.6	78,349.4	84,826.2	98,856.0	107,526.2	108,291.0
Government securities	42,621.2	45,555.8	45,057.5	43,750.4	50,738.3	59,934.1	66,696.1	81,436.8	84,853.4	85,043.0
Others	13,297.0	12,692.7	15,119.3	16,876.3	16,969.3	18,415.3	18,130.1	17,419.2	22,672.8	23,248.0
Outside Singapore	5,619.7	5,884.7	8,040.8	9,602.3	12,919.4	13,594.3	13,889.0	24,225.6	22,555.2	20,094.0
Loans and advances to non-bank customers	161,283.4	171,443.5	179,088.6	183,109.4	194,597.6	233,393.9	272,175.4	281,269.7	322,743.8	343,394.7
of which bills financing	3,047.7	3,889.2	5,544.8	5,308.1	6,160.2	9,035.2	9,489.7	11,308.5	20,050.4	24,235.2
Fixed and other assets	25,813.3	21,436.6	28,598.1	29,296.0	38,670.5	51,389.2	65,112.3	58,640.0	78,411.4	80,803.7
Liabilities										
Paid-up capital and reserves	30,560.9	32,724.5	35,933.0	38,161.7	39,017.4	41,436.9	51,315.7	54,956.4	62,441.7	66,446.6
Deposits of non-bank customers	180,138.4	194,231.5	206,176.3	223,718.0	272,462.6	314,985.8	347,507.4	391,397.5	433,757.8	444,814.6
S\$NCDs issued	259.8	452.0	815.5	676.7	319.0	65.7	18.0	0.0	20.0	20.0
Amounts due to banks	106,060.1	103,559.0	114,953.7	120,849.1	146,468.4	165,520.8	184,405.1	175,481.1	188,564.9	184,986.4
In Singapore	18,218.6	15,201.7	18,815.1	23,010.9	19,879.9	17,225.7	18,283.9	14,044.4	14,189.7	12,672.8
ACUs	61,777.0	63,191.4	71,774.1	67,842.2	78,840.4	95,867.3	92,313.0	112,488.6	119,350.8	115,734.5
Outside Singapore	26,064.5	25,165.9	24,364.5	29,996.0	47,748.1	52,427.8	73,808.1	48,948.1	55,024.4	56,579.1
Bills payable	606.1	578.2	521.1	620.8	998.3	1,254.3	904.0	1,030.5	1,096.3	2,026.6
Other liabilities	35,489.8	30,983.3	39,837.2	41,196.2	49,184.3	59,595.5	84,148.2	82,894.3	95,726.8	97,834.0
Total Assets/Liabilities	353,115.0	362,528.4	398,236.7	425,222.5	508,449.9	582,859.0	668,298.4	705,759.7	781,607.4	796,128.2

C2. COMMERCIAL BANKS : LOANS AND ADVANCES BY INDUSTRIAL CLASSIFICATION

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	March 2011
Agriculture, mining and quarrying	162.1	305.5	212.5	293.0	325.9	232.1	283.2	260.3	382.2	470.4	470.4
Manufacturing	10,819.2	10,595.5	9,796.9	10,108.0	10,863.2	10,225.8	11,786.1	10,547.3	10,917.6	13,381.9	13,381.9
Building and construction	23,863.0	24,029.5	23,548.8	23,031.1	26,345.5	37,508.9	50,006.6	48,940.6	53,593.9	55,938.3	55,938.3
Housing and bridging loans	44,623.6	52,155.4	58,887.1	61,954.6	63,345.1	73,139.1	79,587.0	91,408.7	112,350.2	116,885.0	116,885.0
General commerce	16,887.2	16,857.3	18,893.8	19,885.2	20,059.0	22,269.0	24,861.6	23,358.8	30,982.9	35,330.8	35,330.8
Transport, storage and communication	4,554.7	4,133.8	3,956.8	4,327.0	6,297.1	9,129.8	9,211.7	10,612.1	9,018.1	9,375.9	9,375.9
Non-bank financial institutions	22,926.8	21,633.8	22,136.9	21,993.1	23,805.6	31,360.4	33,506.1	32,465.4	37,992.5	41,137.7	41,137.7
Professional and private individuals	27,729.5	32,783.9	32,571.8	32,482.3	32,318.3	35,070.9	37,872.3	39,469.0	42,419.4	43,218.8	43,218.8
Others	9,717.3	8,948.8	9,083.9	9,035.3	11,237.9	14,458.1	25,060.6	24,207.8	25,087.2	27,885.7	27,885.7
Total	161,283.4	171,443.5	179,088.6	183,109.4	194,597.6	233,393.9	272,175.4	281,269.7	322,743.8	343,394.7	343,394.7

C3.

COMMERCIAL BANKS : TYPES OF LOANS AND ADVANCES TO NON-BANK CUSTOMERS

End of Period	S\$ Million									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	March 2011
Overdrafts	20,001.1	16,829.1	13,562.9	11,790.0	10,781.5	10,437.2	10,264.5	9,965.5	8,918.7	9,099.9
Bills discounting	3,047.7	3,889.2	5,544.8	5,308.1	6,160.2	9,035.2	9,489.7	11,308.5	20,050.4	24,235.1
Trust receipts	4,179.1	3,995.2	4,649.5	5,095.7	5,407.2	6,431.8	6,504.0	4,874.3	5,374.6	5,595.1
Term loans and others	134,055.6	146,730.0	155,331.4	160,915.6	172,248.7	207,489.8	245,917.2	255,121.3	288,400.2	304,464.7
Total	161,283.4	171,443.5	179,088.6	183,109.4	194,597.6	233,393.9	272,175.4	281,269.7	322,743.8	343,394.7

C4. COMMERCIAL BANKS : TYPES OF DEPOSITS INCLUDING S\$NCDs

End of Period	S\$ Million									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	March 2011
Demand	25,178.1	27,902.2	32,775.4	35,140.1	41,473.1	52,080.2	62,100.4	81,047.5	100,394.2	105,584.4
Fixed	87,879.2	95,729.2	99,829.5	118,496.4	158,168.3	175,421.2	175,646.9	179,653.3	185,564.8	187,687.0
Savings	66,690.8	69,861.3	72,938.3	69,306.2	71,760.9	86,496.0	109,033.5	129,815.4	146,802.5	150,429.9
S\$NCDs (net)	225.6	288.3	515.0	409.2	220.8	65.7	18.0	0.0	20.0	20.0
Others	390.4	738.8	633.0	775.4	1,060.3	988.5	726.6	881.3	996.3	1,113.4
Total	180,364.1	194,519.8	206,691.2	224,127.2	272,683.4	315,051.6	347,525.4	391,397.5	433,777.8	444,834.6

C5. COMMERCIAL BANKS : LIQUIDITY POSITION

Period Average	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	S\$ Million 1st Qtr									
Liabilities Base	185,568.9	193,473.1	202,741.5	216,346.6	242,434.1	289,744.0	343,846.6	392,473.2	413,312.8	437,567.1
Liquid Assets										
(a) Minimum Requirement	38,969.5	40,629.4	36,091.2	38,238.1	42,980.6	51,699.6	36,279.1	36,363.9	40,077.2	40,110.8
(b) Total Actual Liquid Assets	46,845.5	50,375.9	52,340.0	52,889.6	53,597.5	65,088.2	65,787.4	72,987.6	71,212.6	74,805.4
(c) Free Liquid Assets (b) - (a)	7,876.0	9,746.5	16,248.8	14,651.5	10,616.9	13,388.6	29,508.3	36,623.6	31,135.4	34,694.6
Liquidity Ratios	25.2	26.0	25.8	24.4	22.1	22.5	19.1	18.6	17.2	17.1

D1. FINANCE COMPANIES : ASSETS AND LIABILITIES

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
										SS Million March
Assets										
Reserves with MAS	252.8	155.3	160.5	187.6	203.1	274.9	274.8	220.1	215.1	217.5
Deposits with banks and other financial institutions										
Banks	1,345.7	312.3	460.7	455.1	757.1	881.7	988.5	1,809.4	1,885.0	1,874.1
Other institutions	0.0	0.0	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans and advances	10,815.9	6,657.2	6,878.9	7,869.7	7,972.2	10,179.7	9,743.1	8,092.0	8,058.2	8,217.2
Housing loans	1,547.9	756.3	952.4	1,583.3	1,681.3	1,767.1	1,587.6	1,226.4	1,485.5	1,486.6
Hire purchase	4,034.4	2,459.0	2,364.8	2,467.6	2,245.8	2,713.1	2,755.6	2,361.3	2,069.9	1,989.6
Lease finance	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	5,233.3	3,441.9	3,561.7	3,818.7	4,045.1	5,699.4	5,399.9	4,504.3	4,502.8	4,741.0
Securities and equities	1,115.8	687.4	709.4	827.3	1,008.0	1,277.7	1,456.9	1,453.7	1,259.3	1,232.4
Other assets	192.0	90.6	98.9	105.3	126.2	167.9	123.0	116.8	106.0	98.8
Liabilities										
Capital and reserves	2,111.2	1,406.3	1,442.8	1,658.4	1,693.1	1,683.3	1,713.0	1,824.9	1,926.2	1,962.8
Deposits	9,855.7	5,530.2	5,667.6	6,365.5	7,150.3	10,087.2	9,975.7	9,111.0	8,891.4	8,989.3
Fixed	9,612.0	5,373.4	5,514.1	6,240.4	7,035.3	9,939.5	9,799.7	8,861.1	8,614.6	8,720.2
Savings	222.6	149.7	145.8	121.6	108.9	140.0	162.4	238.2	266.6	260.4
Others	21.1	7.1	7.7	3.5	6.0	7.7	13.6	11.7	10.2	8.7
Borrowings	254.9	119.9	321.3	685.4	603.7	256.9	134.9	97.5	79.6	71.0
Other liabilities	1,500.5	846.4	876.8	735.7	619.5	754.5	762.8	658.5	626.4	616.8
Total Assets/Liabilities	13,722.3	7,902.7	8,308.5	9,444.9	10,066.6	12,781.8	12,586.4	11,691.9	11,523.6	11,639.9

E1. MERCHANT BANKS : CONSOLIDATED ASSETS AND LIABILITIES¹

End of Period	S\$ Million									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	March 2011
Assets										
Amounts due from banks	22,156.6	22,291.5	25,718.7	24,548.3	32,683.2	36,261.8	32,093.5	22,327.0	22,604.2	22,962.2
In Singapore	891.2	1,481.6	1,394.9	665.3	771.4	660.5	1,262.2	1,488.4	2,254.7	2,545.4
Outside Singapore ²	21,265.4	20,809.9	24,323.8	23,883.0	31,911.8	35,601.3	30,831.3	20,838.6	20,349.6	20,416.8
Loans and advances to non-bank customers	19,674.8	24,229.0	18,693.0	26,675.0	27,562.0	28,157.1	21,754.6	23,451.1	25,976.8	27,101.8
Securities and equities	9,511.3	10,109.9	11,991.1	11,209.1	15,650.2	21,072.0	13,182.7	24,484.6	36,100.0	35,359.7
Other assets	1,221.6	1,573.0	2,842.0	2,412.7	2,133.9	3,579.3	5,571.5	6,091.7	5,079.2	6,281.7
Liabilities										
Capital and reserves	7,742.7	8,232.6	7,636.0	8,374.1	8,104.5	9,164.4	8,443.2	8,855.7	9,510.2	9,725.6
Amounts due to banks	24,858.7	29,304.7	27,320.4	29,471.5	35,834.0	36,478.5	35,698.1	37,963.7	51,264.3	52,954.6
In Singapore	501.3	724.3	1,225.9	904.5	1,635.2	1,463.7	530.7	3,265.6	3,101.8	3,248.2
Outside Singapore ²	24,357.4	28,580.4	26,094.5	28,567.1	34,198.8	35,014.8	35,167.3	34,698.1	48,162.4	49,706.3
Borrowings from non-bank customers	17,729.8	18,207.0	20,406.1	23,036.8	28,859.0	36,904.2	22,781.3	23,824.0	21,249.1	21,069.6
Other liabilities	2,233.1	2,459.1	3,882.4	3,962.7	5,231.8	6,523.2	5,679.7	5,711.0	7,736.8	7,955.8
Total Assets/Liabilities	52,564.3	58,203.4	59,244.8	64,845.1	78,029.3	89,070.2	72,602.3	76,354.4	89,760.3	91,705.5

¹ Data are derived from the consolidation of merchant banks' domestic and Asian dollar operations.

² Including Asian Currency Units.

E2. MERCHANT BANKS : ASSETS AND LIABILITIES OF DOMESTIC UNIT OPERATIONS¹

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	S\$ Million March 2011
Assets											
Amounts due from banks	5,264.3	5,985.7	4,970.6	4,034.7	4,403.2	4,387.4	5,323.1	5,528.5	5,886.6	6,488.5	
In Singapore	881.9	1,479.4	1,393.0	664.2	770.6	659.6	1,261.8	1,488.4	2,254.6	2,545.2	
Outside Singapore ²	4,382.4	4,506.3	3,577.6	3,370.5	3,632.6	3,727.8	4,061.2	4,040.1	3,632.0	3,943.3	
Loans and advances to non-bank customers	809.0	768.2	688.4	685.2	715.1	1,138.5	781.7	845.6	1,917.8	1,989.6	
Securities and equities	477.3	350.7	745.1	1,137.6	1,864.0	1,641.2	1,221.1	3,067.1	3,024.9	2,835.6	
Other assets	219.0	273.0	326.9	299.8	397.2	1,170.7	1,469.6	769.0	601.1	1,017.2	
Liabilities											
Capital and reserves	4517.2	4,700.9	3,529.3	2,613.4	2,133.6	2,745.3	3,282.9	3,138.4	3,564.6	3,751.7	
Amounts due to banks	1,529.8	1,771.5	2,301.8	2,842.4	4,236.7	3,944.6	3,647.8	6,039.7	6,453.8	6,495.1	
In Singapore	501.1	724.0	831.0	904.5	1,635.2	1,449.3	527.9	1,340.2	649.2	403.1	
Outside Singapore ²	1,028.7	1,047.5	1,470.8	1,937.9	2,601.5	2,495.3	3,119.9	4,699.5	5,804.6	6,092.0	
Borrowings from non-bank customers	336.5	446.0	435.8	237.8	365.5	521.9	341.6	318.2	360.9	366.0	
Other liabilities	386.3	459.0	464.0	463.7	643.8	1,126.1	1,543.2	713.9	1,051.1	1,718.1	
Total Assets/Liabilities	6,769.7	7,377.5	6,731.0	6,157.3	7,379.6	8,337.8	8,795.5	10,210.2	11,430.4	12,330.9	

¹ Corporate financial advisory services, underwriting activities and operations in the gold market are not reflected in the data.

² Including Asian Currency Units.

F1. INSURANCE INDUSTRY : ASSETS AND PREMIUMS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Assets of Insurance Industry (End Period)	66,789.0	77,406.4	86,552.9	102,428.4	113,422.4	128,777.4	115,047.7	135,801.3	149,337.0	152,365.8
Direct Insurers	61,537.0	71,323.8	79,822.9	94,324.6	105,060.6	118,860.0	104,487.9	123,585.0	136,029.7	139,884.3
Professional Reinsurers	4,361.4	4,697.4	5,202.7	6,070.0	6,622.5	7,960.1	8,655.2	9,950.4	10,827.6	12,481.5
Captive Insurers	890.5	1,385.2	1,527.3	2,033.8	1,739.3	1,957.3	1,904.6	2,265.9	2,479.7	N.A.
General Business: Gross Premiums ¹										
Total General Business	4,756.4	4,996.2	4,902.6	5,330.7	5,481.3	6,105.4	6,829.3	7,436.2	8,583.9	2,400.3
Domestic Business	2,230.9	2,344.2	2,151.3	2,346.7	2,385.9	2,621.9	2,962.5	2,940.8	3,234.4	959.7
Offshore Business	2,525.5	2,652.0	2,751.3	2,984.0	3,095.4	3,483.5	3,866.8	4,495.4	5,349.5	1,440.6
Life Business: Premiums										
Premiums in Force (End Period)	5,417.9	5,547.9	5,869.6	6,839.8	7,181.5	7,660.8	8,347.5	9,719.1	11,375.3	11,294.7
New Business Premiums	686.7	499.8	549.8	982.9	868.8	1,121.9	1,459.2	1,840.7	3,012.6	636.5
Single Premium Policies	5,948.3	4,613.4	6,077.0	5,354.3	6,975.8	9,031.7	8,038.2	6,501.6	7,276.7	1,923.8
Life Insurance	602.6	231.6	237.7	263.1	377.4	402.9	554.2	189.4	152.2	39.6
Annuity										

¹ Figures for March 2011 does not include general captives and marine mutual insurers.
N.A.: Not available

G1. NON-BANK FINANCIAL INSTITUTIONS : CENTRAL PROVIDENT FUND BOARD

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 **	\$S million 1st qtr
Excess Of Contributions Over Withdrawals (During Period)	1,304.1	4,001.7	4,959.0	4,238.3	2,089.5	6,555.1	9,265.1	9,404.4	12,374.2	4,400.9	
Members' Contributions	16,165.7	15,870.0	15,320.1	16,105.1	16,547.1	18,185.0	20,293.6	20,186.2	22,039.0	6,877.9	
Withdrawals *	14,861.6	11,868.3	10,361.1	11,866.8	14,457.6	11,629.9	11,028.5	10,781.8	9,664.8	2,477.0	
Approved Housing Schemes ¹	8,208.1	6,909.8	6,517.0	7,364.3	8,355.0	5,867.9	5,847.0	5,836.5	4,852.7	1,730.4	
Under Section 15 ²	2,026.8	2,384.8	2,272.6	2,440.3	3,028.0	3,081.0	2,799.8	2,622.9	2,628.9	676.9	
Medical Schemes ³	763.2	722.0	779.7	903.5	996.3	1,076.7	1,302.9	1,476.4	1,645.4	336.9	
Others	3,863.5	1,851.7	791.8	1,158.7	2,078.3	1,604.3	1,078.8	846.0	537.8	-267.2	
Interest Credited to Members' Balances (During Period)	2,897.3	3,115.3	3,375.3	3,675.4	3,926.8	4,228.0	5,455.1	6,092.6	6,709.8	1,814.0	
Advanced Deposits with MAS (During Period) ⁴	3,820.2	7,130.1	11,624.5	10,091.7	1,574.4	17,874.2	14,167.3	15,408.0	18,765.9	6,214.0	
Interest Earnings from Investments (During Period)	3,054.9	3,260.5	3,523.5	3,844.1	4,114.7	4,432.1	5,651.4	6,276.3	6,978.9	1,880.9	
Holdings of Government Securities (End Period) ⁵	94,444.1	100,750.4	108,462.4	115,362.2	118,918.0	128,626.5	141,325.5	157,446.7	176,142.0	185,285.5	
Members' Balances (End Period)	96,422.6	103,539.6	111,873.8	119,787.5	125,803.8	136,556.9	151,307.1	166,804.0	185,888.0	192,102.9	

Source: Central Provident Fund Board

* Includes refunds and transfers to Reserve Account.

¹ Housing schemes include Public Housing and Residential Properties Schemes.

² Section 15 of the CPF Act allows withdrawals to be made on any of the following grounds: a) member having reached the age 55 years; b) leaving Singapore and West Malaysia; c) physical incapacity; d) unsound mind; e) death; and f) Malaysian citizen (leaving Singapore).

³ Medical Schemes include Medisave, MediShield, Private Medical Insurance and ElderShield Schemes.

⁴ Deposits placed with MAS during the year excluding: a) interest on bonds & interest on Advance Deposits retained as deposits by MAS; and b) conversion and redemption of Government Bonds.

⁵ Excludes advance deposits with MAS.

** Provisional

H1. DOMESTIC CAPITAL MARKET : NET FUNDS RAISED IN THE DOMESTIC CAPITAL MARKET

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	\$S Million 1st Qtr
A Net funds raised by Government											
1) Gross issue of Government securities ¹	7,014.9	11,661.2	14,965.8	13,056.1	3,200.2	22,837.3	17,526.1	16,793.2	22,667.4	6,737.4	
Less:											
Redemption of Government securities	22,433.8	24,906.3	31,102.2	28,299.8	19,946.1	35,930.9	38,097.7	41,201.3	60,383.4	15,814.0	
Conversion from accumulated advance deposits	15,136.8	14,524.4	17,240.0	16,700.0	13,090.3	21,022.5	21,898.7	21,180.0	36,589.0	6,278.9	
2) New advance deposits	14,033.8	6,306.3	7,712.2	6,899.8	3,555.8	9,708.4	12,699.0	17,121.3	20,194.4	9,335.1	
3) Net issues of statutory boards' securities	13,216.7	7,165.6	8,315.8	7,656.1	-1,374.8	16,222.3	13,526.1	15,164.2	18,402.4	6,117.4	
	535.0	420.0	500.0	700.0	1,275.0	1,415.0	500.0	-1,271.0	665.0	420.0	
B New capital raised by the private sector											
	3,838.0	4,014.6	5,987.2	11,680.0	11,840.1	22,650.2	9,839.0	24,452.8	12,673.4	9,258.0	
1) Public issues of shares	1,685.4	2,046.4	3,942.7	6,916.8	7,761.3	7,805.9	5,538.6	3,209.9	6,744.4	7,371.0	
2) Rights issues	1,427.8	345.3	1,110.6	2,783.5	1,317.8	6,709.6	3,365.0	17,216.2	2,143.4	911.4	
3) Private placements of listed shares	724.8	1,622.9	933.9	1,979.7	2,761.0	8,134.7	935.4	4,026.8	3,785.7	975.6	
C Issues of debt securities											
	18,034.6	18,949.8	21,237.1	20,010.3	25,754.7	29,986.7	15,494.3	15,320.5	25,880.7	5,532.0	
1) Listed bonds, debentures and loan stocks ²	7,737.9	8,139.9	6,399.5	5,074.5	8,422.0	17,940.2	8,804.0	6,816.6	17,793.0	3,130.0	
2) Unlisted bonds ³	10,296.7	10,809.9	14,837.6	14,935.8	17,332.7	12,046.5	6,690.3	8,503.9	8,087.7	2,402.0	
Total net funds raised (A+B+C)	28,887.5	34,625.6	42,190.1	44,746.4	40,795.0	75,474.2	42,859.4	56,566.5	61,221.5	21,527.4	

1 Government securities excluding treasury bills.

2 Singapore dollar-denominated bonds listed on the Singapore Exchange (SGX).

3 This includes bonds that are not listed on the SGX but listed on other exchanges.

I1. ASIAN DOLLAR MARKET : ASSETS AND LIABILITIES

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
US\$ Million										
March										
Assets										
Loans to non-bank customers	77,906.3	83,602.8	93,494.2	120,865.5	139,499.6	197,823.1	214,381.9	219,599.5	268,081.7	284,282.8
Interbank funds	335,973.7	341,917.7	385,302.2	389,485.1	434,022.9	532,674.6	498,669.6	460,470.9	501,891.4	519,210.3
In Singapore	35,599.0	37,151.2	43,932.1	40,766.4	51,409.5	66,398.3	64,140.5	80,157.2	92,720.6	91,712.6
Inter-ACU	31,415.4	29,360.2	31,428.3	29,102.0	43,628.2	53,610.7	54,620.3	42,163.1	53,762.1	48,391.9
Outside Singapore	268,959.3	275,406.3	309,941.8	319,616.7	338,985.2	412,665.5	379,908.9	338,150.6	355,408.7	379,105.7
NCDs held	3,059.6	2,167.2	3,187.4	3,367.2	5,790.8	2,520.4	1,052.5	1,187.7	1,111.3	1,271.2
Other assets	65,672.8	81,458.1	99,578.7	97,659.5	119,335.2	173,972.9	198,635.4	188,038.7	200,215.0	205,305.4
Liabilities										
Deposits of non-bank customers	126,151.6	137,116.0	150,354.2	162,834.2	216,818.1	275,256.9	262,162.1	269,171.7	273,980.3	286,172.3
Interbank funds	320,896.7	330,911.0	379,900.0	394,080.5	409,878.0	540,688.3	523,690.5	502,313.8	584,218.2	608,245.2
In Singapore	28,369.1	34,243.1	34,771.1	37,337.3	49,139.6	50,438.6	62,600.9	87,259.2	79,206.4	84,462.4
Inter-ACU	31,394.8	29,401.4	31,457.9	29,067.8	42,971.6	53,670.1	54,848.7	41,886.0	53,812.3	48,285.1
Outside Singapore	261,132.8	267,266.5	313,671.1	327,675.4	317,766.8	436,579.6	406,240.9	373,168.6	451,199.5	475,497.8
NCDs issued	1,500.9	1,690.3	2,679.4	2,952.4	4,733.1	3,652.1	1,593.9	1,416.2	1,780.4	2,806.5
Other liabilities	34,063.1	39,428.6	48,628.9	51,510.2	67,219.2	87,393.7	125,292.9	96,395.0	111,320.5	112,845.6
Total Assets/Liabilities	482,612.3	509,145.9	581,562.5	611,377.4	698,648.5	906,991.0	912,739.4	869,296.7	971,299.4	1,010,069.6

12.

ASIAN DOLLAR MARKET : MATURITY TRANSFORMATION BY ASIAN CURRENCY UNITS

End of Period	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	US\$ Billion March									
Net Position ¹										
Up to 6 months	-84.6	-80.3	-74.1	-89.5	-104.5	-162.6	-169.1	-160.8	-178.6	-184.6
Over 6 months to 1 year	16.1	18.4	20.1	27.3	19.1	27.0	21.7	15.9	28.7	34.6
Over 1 to 3 years	26.7	24.9	27.2	25.7	29.1	46.8	50.8	60.7	67.2	63.0
Over 3 years	41.8	37.0	28.8	37.8	61.6	83.9	83.4	73.0	79.6	79.3
Claims ¹										
Up to 6 months	355.4	375.1	415.5	427.5	479.2	603.3	570.3	561.5	621.7	646.8
Over 6 months to 1 year	35.0	39.2	43.5	48.5	44.4	55.3	52.4	43.0	54.4	63.0
Over 1 to 3 years	32.6	35.0	40.6	41.4	50.6	71.7	80.9	85.3	101.9	103.6
Over 3 years	59.6	59.9	48.7	59.9	87.2	117.7	117.4	105.8	122.4	125.5
Liabilities ¹										
Up to 6 months	440.0	455.4	489.6	517.0	583.7	765.9	739.4	722.3	800.3	831.4
Over 6 months to 1 year	18.9	20.8	23.4	21.2	25.3	28.3	30.7	27.1	25.7	28.4
Over 1 to 3 years	5.9	10.1	13.4	15.7	21.5	24.9	30.1	24.6	34.7	40.6
Over 3 years	17.8	22.9	19.9	22.1	25.6	33.8	34.0	32.8	42.8	46.2

¹ From 2004 onwards, data exclude those claims or liabilities with unallocated maturity periods. Therefore the sum of all the maturity categories for claims may not be equal to the sum of all the maturity categories for liabilities.



GLOSSARY



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ABS	Association of Banks in Singapore	EMV	Europay, MasterCard and VISA
ACMF	ASEAN Capital Markets Forum	ERF	Enhanced Repo Facility
AEC	ASEAN Economic Community	FATF	Financial Action Task Force
AIRM	ASEAN Insurance Regulators' Meeting	FDSP	Financial District Security Programme
AML/CFT	Anti-Money Laundering and Counter Terrorism-Financing	FICS	Financial Industry Competency Standards
AMRO	ASEAN+3 Macroeconomic Research Office	FSB	Financial Stability Board
APG	Asia/Pacific Group on Money Laundering	FX	Foreign Exchange
ASEAN	Association of Southeast Asian Nations	G20	Group of Twenty
ASEAN+3	ASEAN plus China, Japan, South Korea	G3	Group of Three
AUM	Assets Under Management	GDP	Gross Domestic Product
BCBS	Basel Committee on Banking Supervision	IA	Insurance Act
BCM	Business Continuity Management	IAIS	International Association of Insurance Supervisors
BIS	Bank for International Settlements	IBF	Institute of Banking and Finance
CACS	Client Advisor Competency Standards	ICBG	Inter-Central Bank Games
CBCA	Cross-Border Collateral Arrangement	ICBS	International Conference of Banking Supervisors
CECA	Comprehensive Economic Co-operation Agreement	ICRM	Institute of Catastrophe Risk Management
CIS	Collective Investment Schemes	ICT	Information and Communication Technology
CMIM	Chiang Mai Initiative Multilateralisation	IFCOE	Infrastructure Finance Centre of Excellence
CPF	Central Provident Fund	IMF	International Monetary Fund
CPI	Consumer Price Index	IMFC	International Monetary and Financial Committee
CPSS	Committee on Payment and Settlement Systems	INSEAD	Institut Européen d'Administration des Affaires
DI	Deposit Insurance	IOSCO	International Organisation of Securities Commissions
DI-PPF	Deposit Insurance and Policy Owners' Protection Schemes	ITF	IOSCO's Implementation Task Force
EC	European Commission	LTV	Loan-to-value
EDHEC	Ecole De Hautes Etudes Commerciales du Nord	MASRC	MAS Recreation Club
EMEAP	Executives' Meeting of East-Asia Pacific Central Banks	MBFC	Marina Bay Financial Centre
		MENA	Middle East/North Africa
		MEPS+	MAS Electronic Payment System



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MIGA	Multilateral Investment Guarantee Agency	SMX	Singapore Mercantile Exchange
MMoU	IAIS Multilateral Memorandum of Understanding	SWIFT	Society for Worldwide Interbank Financial Telecommunication
MoU	Memorandum of Understanding	WGFM	EMEAP Working Group on Financial Markets
MRF	MAS Repo Facility	YOG	Youth Olympic Games
MSCI	Morgan Stanley Capital International	YPP	Youth Professionals Programme
NUS	National University of Singapore		
NUS-RMI	National University of Singapore-Risk Management Institute		
OTC	Over-the-counter		
PB	Private Banking		
PBC	People's Bank of China		
PD	Primary Dealer		
PHS	Product Highlights Sheet		
PLP	People Leadership Programme		
PPF	Policy Owners' Protection		
PPP	Public Private Partnership		
QFII	Qualified Foreign Institutional Investor		
q-o-q SAAR	Quarter-on-Quarter Seasonally Adjusted Annualised Rate		
REIT	Real Estate Investment Trust		
RNF	Representative Notification Framework		
S\$	Singapore Dollar		
S\$NEER	S\$ Nominal Effective Exchange Rate		
SAA	MAS Service Appreciation Award		
SCE	Singapore Cooperation Enterprise		
SDIC	Singapore Deposit Insurance Corporation		
SFA	Securities and Futures Act		
SGS	Singapore Government Securities		
SGX	Singapore Exchange		
SICOM	Singapore Commodity Exchange Ltd		
SMU	Singapore Management University		

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The MAS Annual Report 2010/2011 working committee would like to thank the following colleagues for their invaluable contributions:

- Jaya do Chakarapany, Currency Department
- Chen Dan Meng, External Department
- Issac Chen, Insurance Department
- Chua Kit Theng, Monetary and Domestic Markets Management Department
- Cecil Goh, Internal Audit Department
- Cheryl Ho, Macroeconomic Surveillance Department
- Geraldine Koh, Economic Surveillance and Forecasting Department
- Koh Tsin Zhen, Economic Surveillance and Forecasting Department
- Kwan Lai Heng, Corporate Services Department
- Nelson Liu, Information Technology Department
- Loh Yin Shan, Monetary and Domestic Markets Management Department
- Benjamin Ma, Strategic Planning Office
- Florence Mok, Financial Centre Development Department
- Francis Ng, Insurance Department
- Ngoh Eng Eng, MAS Academy
- Alvin Ong, Reserve Management Department
- Ong Peck Wan, Human Resource Department
- Poon Siok Kheng, Finance Department
- Alan Tan, Risk Management Department
- Tan Beng Chun, Specialist Risk Department
- Tan Shi Min, Strategic Planning Office
- Tan Tze Leng, Banking Department
- Joevin Teo, Reserve Management Department
- Justin Teo, Prudential Policy Department
- Yap Sock Hui, Capital Markets Intermediaries Department

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Monetary Authority of Singapore
10 Shenton Way, MAS Building, Singapore 079117
www.mas.gov.sg

