

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

(Incorporated in Singapore. Registration Number: 200600593Z)

FINANCIAL STATEMENTS

*For the financial period from 13 January 2006
(date of incorporation) to 31 March 2006*

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
(Incorporated in Singapore)

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For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

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SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

DIRECTORS' REPORT

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

The directors present their report to the members together with the audited financial statements of the Company for the financial period from 13 January 2006 (the date of incorporation) to 31 March 2006.

Directors

The directors in office at the date of this report are:

James Koh Cher Siang (Chairman)
Ron Foo Siang Guan
Han Eng Juan
Hong Hai
Law Song Keng

The directors were appointed on 13 January 2006.

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement to enable the directors to acquire benefits by means of shares in, or debentures of any body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the date of this report had any interest in the share capital or debentures of the Company or related corporations during the financial period.

The Company is a company limited by guarantee and has no share capital. There were also no debentures in issue in the Company at the end of the financial period.

Dividends

In accordance with the Memorandum of Association of the Company, no dividends shall be paid to its members.

Directors' contractual benefits

During the financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in this report.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

DIRECTORS' REPORT

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

Share options

The Company is a company limited by guarantee. As such, there are no share options or unissued ordinary shares.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors



JAMES KOH CHER SIANG
Director



RON FOO SIANG GUAN
Director

31 May 2006

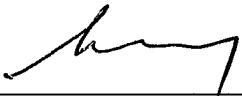
SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT BY DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 5 to 18 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2006, and the results, changes in equity and cash flows of the Company for the period from 13 January 2006 (date of incorporation) to 31 March 2006; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



JAMES KOH CHER SIANG
Director



RON FOO SIANG GUAN
Director

31 May 2006

**AUDITORS' REPORT TO THE MEMBERS OF
SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**

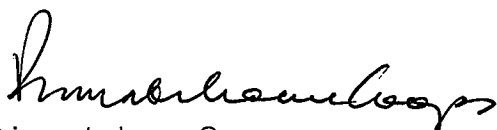
We have audited the financial statements of Singapore Deposit Insurance Corporation Limited set out on pages 5 to 18 for the financial period from 13 January 2006 (date of incorporation) to 31 March 2006. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 (the "Act"), the Deposit Insurance Act (the "DI Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2006, and the results, changes in equity and cash flows of the Company for the financial period from 13 January 2006 (date of incorporation) to 31 March 2006, and
- (b) the accounting and other records required by the Act and the DI Act to be kept by the Company have been properly kept, including records of all assets of the Company, whether purchased, donated or otherwise, in accordance with the provisions of the Act and the DI Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Company during the financial period have not been made in accordance with the provisions of the DI Act.



PricewaterhouseCoopers
Certified Public Accountants

Singapore, 31 May 2006

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

INCOME AND EXPENDITURE STATEMENT

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

	Note	For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006 \$
Income from the Fund	2.2	76,527
Expenses		
- Employee benefits	3	33,599
- Depreciation	7	5,100
- Other expenses	4	37,828
		<hr/> 76,527
Profit before income tax		-
Income tax expense	5	<hr/> -
Profit after income tax		<hr/> -

*The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 4.*

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

BALANCE SHEET

As at 31 March 2006

	Note	2006 \$
ASSETS		
Current assets		
Trade and other receivables	6	91,547
Prepayments		<u>5,082</u>
		<u>96,629</u>
Non-current assets		
Property, plant and equipment	7	<u>84,997</u>
Total assets		<u>181,626</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8	73,336
Borrowing	9	<u>108,290</u>
Total liabilities		<u>181,626</u>
NET ASSETS		<u>-</u>
EQUITY		
Share capital	10	<u>-</u>
Total equity		<u>-</u>

*The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 4.*

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

There were no movements in equity during the financial period.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

CASH FLOW STATEMENT

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

	Note	For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006 \$
Cash flows from operating activities		
Profit after income tax		-
Adjustments for:		
- Depreciation		5,100
Operating cash flow before working capital changes		<u>5,100</u>
Change in operating assets and liabilities		
- Trade and other receivables		(91,547)
- Trade and other payables		73,336
- Prepayments		(5,082)
Net cash used in operating activities		<u>(18,193)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment		(90,097)
Net cash used in investing activities		<u>(90,097)</u>
Net increase in cash and cash equivalents		(108,290)
Cash and cash equivalents at date of incorporation		-
Cash and cash equivalents at end of financial period	9	<u>(108,290)</u>

*The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 4.*

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

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

1. General

Singapore Deposit Insurance Corporation Limited (hereinafter called the Company) is the company designated by the Minister under section 12 of the Deposit Insurance Act 2005 (the DI Act) as the deposit insurance agency. The Company is incorporated under the Companies Act (Cap. 50) on 13 January 2006 as a public company limited by guarantee and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-06, MAS Building, Singapore 079117.

The principal activities of the Company are the administration of the Deposit Insurance Scheme (the Scheme) and the administration and management of the Deposit Insurance Fund (the Fund) established under the Act.

The Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with Scheme members as specified in the Act.

The Fund, established under section 9 of the Act and subject to the directions of the Minister, is controlled and administered by the Company designated by the Minister under section 12 of the Act. All premium contributions and moneys receivable under the Act are payable into the Fund and all expenditure and other moneys as authorised under the Act are payable out of the Fund.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses 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 those estimates.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

2. Significant accounting policies (continued)

2.2 Revenue recognition

Income from the Fund represents monies recoverable from the Fund for all expenditure properly incurred and authorised under the Act.

Income from the Fund is recognised in the period in which the relevant expenditure is charged in the income statement.

2.3 Property, plant and equipment

(a) *Measurement*

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2.5).

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Furniture, fittings and other office equipment	3 to 5 years
Computer equipment	3 years

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

2. Significant accounting policies (continued)

2.4 Trade and other payables, and borrowings

(a) *Trade and other payables*

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(b) *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

2.5 Impairment of assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

2. Significant accounting policies (continued)

2.6 Trade and other receivables

These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of these receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of these receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

2.7 Fair value estimation

The carrying amount of current receivables and payables approximate their fair values. The fair value of non-current financial liabilities for disclosure purposes, if any, is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

2.8 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income and expenditure statement on a straight-line basis over the period of the lease.

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.

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

2. Significant accounting policies (continued)

2.10 Employee benefits

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to the defined contribution plans are recognised in the financial period in to which they relate.

(b) *Employee leave entitlement*

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

(c) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.11 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

2. Significant accounting policies (continued)

2.11 Currency translation (continued)

(b) *Transactions and balances*

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents as at the financial period end include borrowings.

3. Employee benefits

	For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006 \$
Wages and salaries	24,378
Employer's contribution to defined contribution plan	2,591
Other benefits	6,630
	<hr/> 33,599 <hr/>

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

4. Other expenses

	For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006 \$
Rental on operating leases – Office	4,840
Telecommunication charges	1,061
Expendable furniture and fittings	5,881
Audit fees	2,800
Legal, accounting and other fees	15,199
IT expenses	4,653
Other	3,394
	<u>37,828</u>

5. Income tax expense

There is no taxable income during the current financial period.

6. Trade and other receivables

	2006 \$
Income receivable from the Fund	76,527
Refundable deposits	15,020
	<u>91,547</u>

The carrying amounts of trade and other receivables approximate their fair value.

Trade and other receivables are all denominated in Singapore dollars.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

7. Property, plant and equipment

	Furniture, fittings and other office equipment \$	Computer equipment \$	Total \$
<u>Cost</u>			
As at 13 January 2006 (date of incorporation)	-	-	-
Additions	69,238	20,859	90,097
As at 31 March 2006	<u>69,238</u>	<u>20,859</u>	<u>90,097</u>
<u>Accumulated depreciation</u>			
As at 13 January 2006 (date of incorporation)	-	-	-
Depreciation for period	3,846	1,254	5,100
As at 31 March 2006	<u>3,846</u>	<u>1,254</u>	<u>5,100</u>
 Net book value at 31 March 2006	 <u>65,392</u>	 <u>19,605</u>	 <u>84,997</u>

8. Trade and other payables

	2006
	\$
Accrual for operating expenses	<u>73,336</u>

The carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are all denominated in Singapore dollars.

9. Borrowing

During the year, the Company obtained from the Monetary Authority of Singapore an interest-free short-term borrowing facility of up to \$600,000, repayable upon demand, to finance its initial setup and operating costs until premium contributions to the Fund are collected from Scheme members.

The carrying amount of the borrowing approximate its fair value and is denominated in Singapore dollars.

At the financial period end, the cash and cash equivalents comprise the above borrowing.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

10. Share capital

The Company is a public company limited by guarantee. In the event of a winding-up of the Company, the liability of each of the 3 members of the Company is limited to such amount as may be required not exceeding the sum of \$1.

11. Commitments

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2006 \$
Not later than one year	58,080
Later than one year but not later than five years	53,240
	<u>111,320</u>

12. Related party transactions

Key management personnel compensation for the financial period is as follows:

	For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006 \$
Salaries and other short-term employee benefits	24,378
Post-employment benefits - contribution to CPF	2,591
Other benefits	1,636
	<u>28,605</u>

13. New accounting standards and FRS interpretations

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 1 April 2006. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 January 2006 (date of incorporation) to 31 March 2006

14. Comparative figures

There are no comparative figures as this is the Company's first set of financial statements since its incorporation on 13 January 2006.

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Deposit Insurance Corporation Limited on 31 May 2006.