Company Registration No. 200600593Z

Singapore Deposit Insurance Corporation Limited

Annual Financial Statements
31 March 2025

Building a better
working world

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The directors hereby present the statement to the members together with the audited financial statements of Singapore Deposit Insurance Corporation Limited (the "Company") for the financial year ended 31 March 2025.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up in accordance with the provisions of the Singapore Companies Act 1967, the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance and cash flows of the Company for the financial year ended 31 March 2025; 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.

Directors

The directors of the Company in office at the date of this statement are:

Mr. Koh Yong Guan, Chairman
Mr. Wong Yew Meng
Mrs. Hauw-Quek Soo Hoon
Mr. Paul Gwee Choon Guan
Mr. Cheng Jue Hiang Willie
Mr. Chan Ying Kuen Eric (Appointed on 11 August 2025)

Mr. Ang Peng Koon Patrick was a director of the Company until 14 June 2025.

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967.

The Company is a public company limited by guarantee and has no share capital. Three directors are also members of the Company, but they have no personal interest in the Company, which is designated under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 as the deposit insurance and policy owners' protection fund agency. There were also no debentures issued by the Company as at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept the appointment as auditor.

Koh Yong Guan
Director

Wong Yew Meng
Director

Singapore
20 August 2025

Independent auditor's report to the members of Singapore Deposit Insurance Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Deposit Insurance Corporation Limited (the "Company") which comprise the statement of financial position of the Company as at 31 March 2025, and the statement of comprehensive income, and statement of cash flows of the Company for the financial year ended 31 March 2025 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 ("the Act"), the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, and cash flows of the Company for the financial year ended 31 March 2025.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management is responsible for the other information. The other information comprises the Director's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of
Singapore Deposit Insurance Corporation Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the DI-PPF Act and FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion,

(a) the accounting and other records required by the Act and the DI-PPF Act to be kept by the Company have been properly kept in accordance with the provisions of the Act and the DI-PPF Act, including records of all assets of the Company whether purchased, donated or otherwise; and

(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Company during the financial year have been made in accordance with the provisions of the DI-PPF Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 August 2025

Singapore Deposit Insurance Corporation Limited

Statement of comprehensive income
For the financial year ended 31 March 2025

	Notes	2025 $	2024 $
Income:			
Recovery from the Deposit Insurance Fund	2.4	4,927,535	4,384,913
Recovery from the Policy Owners' Protection Life Fund	2.4	1,509,543	1,335,296
Recovery from the Policy Owners' Protection General Fund	2.4	1,441,690	1,275,225
Other Income		3,460	1,950
Total income		7,882,228	6,997,384
Expenses:			
Employee and Directors' remuneration	3	4,317,087	4,245,024
Depreciation and amortisation	8,10	1,197,417	1,285,485
Interest expense on lease liabilities	9 (a)	17,198	20,622
Other expenses	4	2,350,526	1,446,253
Total expenses		7,882,228	6,997,384
Profit before income tax		–	–
Income tax expense	5	–	–
Total comprehensive income		–	–

There is no other comprehensive income for the financial years ended 31 March 2025 and 2024.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Singapore Deposit Insurance Corporation Limited

Statement of financial position
As at 31 March 2025

	Notes	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	6	2,842,682	3,319,820
Non-trade receivables	7	152,089	646,150
Prepayments		734,699	377,874
		3,729,470	4,343,844
Non-current assets			
Property and equipment	8	1,627,735	1,436,878
Intangible assets	10	1,605,217	1,644,619
		3,232,952	3,081,497
Total assets		6,962,422	7,425,341
LIABILITIES			
Current liabilities			
Advance from the Deposit Insurance Fund	2.12	3,306,444	3,674,743
Advance from the Policy Owners' Protection Life Fund	2.12	915,346	863,471
Advance from the Policy Owners' Protection General Fund	2.12	876,012	835,217
Lease Liabilities	9 (b)	298,007	318,701
Non-trade payables	11	868,339	1,733,209
		6,264,148	7,425,341
Non-current liabilities			
Lease Liabilities	9 (b)	638,274	–
Non-trade payables	11	60,000	–
		698,274	–
Total liabilities		6,962,422	7,425,341
NET ASSETS		–	–

The Company is a public company limited by guarantee and has no share capital. The Company has no retained earnings or accumulated losses since its incorporation. As such, no statement of changes in equity is presented.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Singapore Deposit Insurance Corporation Limited

Statement of cash flows
For the financial year ended 31 March 2025

	Notes	2025 $	2024 $
Cash flows from operating activities			
Profit before income tax		–	–
Adjustments for:			
- Depreciation and amortisation	8,10	1,197,417	1,285,485
- Intangible assets written off	4	54	–
- Interest expense on lease liabilities	9 (a)	17,198	20,622
		1,214,669	1,306,107
Changes in working capital:			
- Non-trade receivables		494,061	(320,359)
- Prepayments		(356,825)	67,015
- Advance from the Deposit Insurance Fund		(368,299)	(1,127,493)
- Advance from the Policy Owners' Protection Life Fund		51,875	(234,420)
- Advance from the Policy Owners' Protection General Fund		40,795	(219,276)
- Non-trade payables		(810,870)	629,939
Net cash generated from operating activities		265,406	101,513
Cash flows from investing activities			
Purchases of property and equipment	8	(16,004)	(940,354)
Additions to intangible assets	10	(401,230)	(743,148)
Net cash used in investing activities		(417,234)	(1,683,502)
Cash flows from financing activities			
Principal repayment of lease liabilities		(308,112)	(304,688)
Interest paid	9 (b)	(17,198)	(20,622)
Net cash used in financing activities	9	(325,310)	(325,310)
Net (decrease) in cash and cash equivalents		(477,138)	(1,907,299)
Cash and cash equivalents at beginning of financial year	6	3,319,820	5,227,119
Cash and cash equivalents at end of financial year	6	2,842,682	3,319,820

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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

1. General information

Singapore Deposit Insurance Corporation Limited (the “Company”) is a public company limited by guarantee incorporated under the Companies Act 1967 on 13 January 2006 and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-08/09, MAS Building, Singapore 079117.

The Company is designated under section 56 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act") to be the deposit insurance and policy owners' protection fund agency for the purposes of the DI-PPF Act. The Company was previously designated by the Minister under section 12 of the Deposit Insurance Act Cap. 77A (the "DI Act") as the deposit insurance agency until the repeal of the DI Act on 1 May 2011. Accordingly, in the notes to the financial statements, DI-PPF Act refers collectively to the DI Act in force up to 30 April 2011; the DI-PPF Act which came into force on 1 May 2011 and the DI-PPF (Amendment) Act 2018 which came into force on 1 April 2019.

The objects of the Company are as stipulated under section 57 of the DI-PPF Act, and include the following:

(a) to administer the Deposit Insurance Scheme (the "DI Scheme") and the Policy Owners' Protection Scheme (the "PPF Scheme") in accordance with the DI-PPF Act;

(b) to administer and manage the Deposit Insurance Fund (the "DI Fund"), the Policy Owners' Protection Life Fund (the "PPF Life Fund") and the Policy Owners' Protection General Fund (the "PPF General Fund") in accordance with the DI-PPF Act;

(c) to administer and manage the insurance business of a failed PPF Scheme member; and

(d) to take such steps as may be directed by the Minister or after consultation with the Monetary Authority of Singapore (the "MAS"), to contribute to the stability of the financial system.

In order to fulfil the above objects, the Company may transfer moneys to its account from the DI Fund, the PPF Life Fund and the PPF General Fund pursuant to section 57(4) of the DI-PPF Act.

The DI Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with DI Scheme members as specified in the DI-PPF Act. The PPF Scheme was established in Singapore for the benefit of policy owners and beneficiaries in respect of their insured policies as specified in the DI-PPF Act.

1. General information (continued)

The DI Fund re-constituted under section 9 of the DI-PPF Act, and subject to the directions of the Minister, is administered and managed by the Company. All premium contributions and moneys receivable under the DI Scheme are payable into the DI Fund and all expenditure and other moneys are payable out of the DI Fund as authorised under the DI-PPF Act.

The PPF Life Fund and the PPF General Fund, established under section 34 of the DI-PPF Act, and subject to the directions of the Minister, are administered and managed by the Company. All levies and moneys receivable under the PPF Scheme from Scheme members carrying on life insurance business are payable into the PPF Life Fund, and all expenditure and other moneys are payable out of the PPF Life Fund as authorised under the DI-PPF Act. All levies and moneys receivable under the PPF Scheme from Scheme members carrying on general insurance business are payable into the PPF General Fund, and all expenditure and other moneys are payable out of the PPF General Fund as authorised under the DI-PPF Act.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967 (the "Act").

The financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policies below.

The preparation of these 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 certain critical accounting estimates and assumptions. There are no areas involving significant judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and interpretations which are effective for annual periods beginning on or after 1 April 2024. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 21: *Lack of Exchangeability*	1 January 2025
Amendments to FRS 109 and FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to FRSs – *Volume 11*	1 January 2026
Amendments to FRS 109 and FRS 107: *Contract Referencing Nature-dependent Electricity*	1 January 2026
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*	To be determined
FRS 118: *Presentation and Disclosure in Financial Statements*	1 January 2027
FRS 119: Subsidiaries without Public Accountability: Disclosures	1 January 2027

Apart from FRS 118, the management expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

FRS 118 Presentation and Disclosure in Financial Statements introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Company is still assessing the impact FRS 118 will have on the financial statements and notes to the financial statements.

2.4 Revenue recognition

Income from the DI Fund, the PPF Life Fund and the PPF General Fund (hereafter collectively referred to as the "Funds") represent moneys recoverable from the DI Fund, the PPF Life Fund and the PPF General Fund respectively for expenditure properly incurred and as authorised under the DI-PPF Act.

Income from the DI Fund, the PPF Life Fund and the PPF General Fund is recognised at point in time in the period in which the relevant expenditure is charged to the statement of comprehensive income.

2. Material accounting policy information (continued)

2.5 Other income

Other Income includes interest income and government grants.

(a) Interest income

Interest income is recognised using the effective interest rate method.

(b) Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions.

When the grant relates to an expense item, the government grants are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash at banks placed with a reputable financial institution which is subject to an insignificant risk of change in value.

2.7 Financial assets

The Company classifies its financial assets into either of the following measurement categories:

- Amortised cost,
- Fair value through other comprehensive income, or
- Fair value through profit or loss.

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets as well as the contractual cash flows characteristics of the financial assets. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Accordingly, this group of financial assets are measured at amortised cost at initial recognition.

(i) Initial recognition

With the exception of non-trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(ii) Subsequent measurement

Financial assets at amortised cost of the Company comprise cash and cash equivalents and non-trade receivables only. The Company manages its debt instruments by collecting the contractual cash flows and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired and are subject to impairment. Interest income from these financial assets is recognised using the effective interest rate method.

Gains and losses on a debt instrument are recognised in the statement of comprehensive income when the asset is derecognised, modified, or impaired.

The subsequent measurement of the non-trade receivables will follow the same as the initial recognition in paragraph 2.7(i). For non-trade receivables, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment which could affect debtors' ability to pay.

For cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECLs if there is no significant increase in credit risk since initial recognition. If there is significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Material accounting policy information (continued)

2.8 Property and equipment

(a) *Measurement*

All items of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

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

	Useful lives
Furniture, fittings and other office equipment	3 - 5 years
Computer equipment and software	3 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each financial year-end date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) *Disposal*

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

2. Material accounting policy information (continued)

2.9 Leases

<u>The Company is the lessee</u>

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within “Property and equipment”.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in paragraph 2.11.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

In addition, the lease liability shall be remeasured if there is:

a) A change in future lease payments arising from changes in an index or rate used to determine;

b) A change in the Company’s assessment of whether it will exercise an extension option; or

c) Modification in the scope (for example lease term) or the consideration of the lease that was not part of the original term.

2. Material accounting policy information (continued)

2.9 Leases (continued)

The Company is the lessee (continued)

(ii) Lease liabilities (continued)

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short-term and low-value leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to the statement of comprehensive income on a straight-line basis over the lease term.

2.10 Intangible assets

(a) *Measurement*

All items of intangible assets are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

The cost of an item of intangible asset initially recognised includes its purchase price and any cost that is directly attributable to bringing to use or to develop the specific asset.

(b) *Amortisation*

Amortisation of intangible assets is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are 3 to 5 years.

The residual values, estimated useful lives and amortisation method of intangible assets are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

Intangible assets under development are not amortised.

(c) *Subsequent expenditure*

Subsequent expenditure relating to intangible assets that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent expenditure is recognised in the statement of comprehensive income when incurred.

2. Material accounting policy information (continued)

2.10 Intangible assets (continued)

(d) *Disposal*

On disposal of an item of intangible asset, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

2.11 Impairment of non-financial assets

Property and equipment, right-of-use assets and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the 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 is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income.

An impairment loss for an asset is reversed 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 this 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 any accumulated depreciation and amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

2.12 Advances from the DI Fund, the PPF Life Fund and the PPF General Fund

Advances from the DI Fund, the PPF Life Fund and the PPF General Fund represent cash advances provided to the Company prior to the end of financial year for the purpose of covering the Company's operating and capital expenditures, which have not yet been utilised.

These advances are unsecured, non-interest bearing and have no fixed term of repayment.

2. Material accounting policy information (continued)

2.13 Non-trade payables

Non-trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Non-trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.14 Employee remuneration

Employee benefits are recognised as an expense.

(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 on a mandatory, contractual or voluntary basis. The Company 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 is recognised in the financial period to which they relate.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial year-end date.

(c) *Termination benefits*

Termination benefits are those benefits which 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. The Company may withdraw or modify a current employee's existing entitlement to receive any deferred bonus payments, remuneration or other benefits if the employment of the current employee is terminated due to misconduct, negligence or a breach of employment terms.

Benefits falling due more than 12 months after financial year-end date are discounted to their present value.

2. Material accounting policy information (continued)

2.14 Employee remuneration (continued)

(d) *Deferred bonus payments*

Deferred bonus payments consist of cash remuneration plans, including the employer's contribution to the Central Provident Fund. The expenses relating to the benefits are fully recognised in the financial period in which the benefits are awarded.

Payment is made in three annual instalments, conditional upon the recipient being in the employment of the Company on the payment date.

Deferred bonus payments that are expected to be settled within 12 months after the financial year end are classified as current liabilities while those benefits that are expected to be settled 12 months after the financial year-end are classified as non-current liabilities.

2.15 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 Company operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions denominated in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the financial year-end date are recognised in the statement of comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.16 Goods and Services Tax (GST)

Expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. Material accounting policy information (continued)

2.16 Goods and Services Tax (GST) (continued)

As for the income which relates to recovery of expenses by SDIC and the withdrawal of monies by SDIC from the Funds to pay for the common expenses and direct expenses, these are not considered as supply for GST purposes and accordingly, no GST is chargeable on such withdrawal of moneys by SDIC from the Funds. This is on the basis that such recovery by SDIC from the Funds is merely a withdrawal of money from a pool of assets that is controlled and administered by SDIC, i.e. payment arrangements in accordance with the statutory provisions under the DI-PPF Act.

3. Employee and Directors' remuneration

	2025 $	2024 $
Wages and salaries	3,815,753	3,773,525
Employer's contribution to Central Provident Fund	384,413	366,313
Directors' fees	90,967	82,000
Others	25,954	23,186
	4,317,087	4,245,024

4. Other expenses

	2025 $	2024 $
IT expenses	1,069,032	1,029,721
Publicity	831,689	3,283
Internal audit fees	140,690	152,500
Consultancy fees	122,643	79,353
Audit fees	68,800	67,000
Rental	30,454	26,504
Telecommunication charges	22,159	23,277
Office maintenance	16,110	9,294
Travel	4,415	14,045
Company secretary fees	1,993	1,930
Intangible assets written off	54	–
Other expenses	42,487	39,346
	2,350,526	1,446,253

5. Income tax

The Company administers and manages the DI Fund, the PPF Life Fund and the PPF General Fund in accordance with the DI-PPF Act on a pure cost recovery basis. All expenses of the Company are deemed as deductible business expenses and no further tax adjustments need to be made to the items of disallowable expenditure. As such, the Company does not have tax chargeable income for this financial year.

6. Cash and cash equivalents

	2025 $	2024 $
Cash at bank	2,842,682	3,319,820

Cash at bank constitutes moneys withdrawn by the Company from:

(a) the DI Fund to carry out the objects and purposes of the DI Scheme pursuant to section 10 of the DI-PPF Act; and

(b) the PPF Life Fund and the PPF General Fund to carry out the objects and purposes of the PPF Scheme pursuant to section 35 of the DI-PPF Act.

As the deposit insurance and policy owners' protection fund agency as defined in the DI-PPF Act, the Company can only utilise the money in the bank accounts for purposes as stated above. Therefore, the bank accounts are held by the Company but are specified as trust accounts for the Funds.

Cash at bank held at the end of the reporting period are interest bearing and denominated in Singapore Dollar.

7. Non-trade receivables

	2025 $	2024 $
Refundable deposits	1,000	1,000
Receivable from Comptroller of Goods and Services Tax	151,089	645,150
Total	152,089	646,150

Non-trade receivables are not secured by collateral or credit enhancements, are non-interest bearing and denominated in Singapore Dollar.

8. Property and equipment

	Property $	Furniture, fittings and other office equipment $	Computer equipment and software $	Total $
2025				
Cost				
Beginning of financial year	1,513,205	212,143	2,869,234	4,594,582
Additions	931,692	–	16,004	947,696
Disposal	–	–	(1,193,902)	(1,193,902)
End of financial year	2,444,897	212,143	1,691,336	4,348,376
Accumulated depreciation				
Beginning of financial year	1,203,328	154,036	1,800,340	3,157,704
Depreciation charge	310,035	38,232	408,572	756,839
Disposal	–	–	(1,193,902)	(1,193,902)
End of financial year	1,513,363	192,268	1,015,010	2,720,641
Net book value				
End of financial year	**931,534**	**19,875**	**676,326**	**1,627,735**

	Property $	Furniture, fittings and other office equipment $	Computer equipment and software $	Total $
2024				
Cost				
Beginning of financial year	1,513,205	212,143	1,928,880	3,654,228
Additions	–	–	940,354	940,354
End of financial year	1,513,205	212,143	2,869,234	4,594,582
Accumulated depreciation				
Beginning of financial year	893,450	114,279	1,537,706	2,545,435
Depreciation charge	309,878	39,757	262,634	612,269
End of financial year	1,203,328	154,036	1,800,340	3,157,704
Net book value				
End of financial year	309,877	58,107	1,068,894	1,436,878

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class.

9. Leases - The Company as a lessee

(a) Property

The Company leases office space for the purpose of office operations. There is no externally imposed covenant on these lease arrangements.

i. Carrying amounts

Right-of-use assets classified within Property and equipment

	2025 $	2024 $
Leasehold office space	931,533	309,877

ii. Depreciation charge during the year

	2025 $	2024 $
Leasehold office space	310,035	309,878

iii. Interest expense

	2025 $	2024 $
Interest expense on lease liabilities	17,198	20,622

iv. There was no short-term lease expense not capitalised in lease liabilities (2024: $NIL).

v. Total cash outflow for all leases in financial year ended 31 March 2025 was $325,310 (2024: $325,310).

vi. Addition of right-of-use assets during the financial year ended 31 March 2025 was $931,692 (2024: $NIL).

9. Leases - The Company as a lessee (continued)

(b) Lease liabilities

Reconciliation of liabilities arising from financing activities:

	2025 $	2024 $
Non-cash changes		
Beginning of financial year	318,701	623,389
Principal and interest payments	(325,310)	(325,310)
Interest expense	17,198	20,622
Modification	925,692	–
End of financial year	**936,281**	**318,701**
Current	298,007	318,701
Non-current	638,274	–

10. Intangible assets

	Computer software $	Software under development $	Total $
2025			
Cost			
Beginning of financial year	8,750,247	1,501,465	10,251,712
Additions	67,895	333,335	401,230
Write-off	(8,132,726)	–	(8,132,726)
Transfer	1,787,150	(1,787,150)	–
End of financial year	2,472,566	47,650	2,520,216
Accumulated amortisation			
Beginning of financial year	8,607,093	–	8,607,093
Amortisation	440,578	–	440,578
Write-off	(8,132,672)	–	(8,132,672)
End of financial year	914,999	–	914,999
Net book value			
End of financial year	1,557,567	47,650	1,605,217

10. Intangible assets (continued)

	Computer software $	Software under development $	Total $
2024			
Cost			
Beginning of financial year	8,631,865	918,997	9,550,862
Additions	34,563	708,585	743,148
Write-off	(42,298)	–	(42,298)
Transfer	126,117	(126,117)	–
End of financial year	8,750,247	1,501,465	10,251,712
Accumulated amortisation			
Beginning of financial year	7,976,175	–	7,976,175
Amortisation	673,216	–	673,216
Write-off	(42,298)	–	(42,298)
End of financial year	8,607,093	–	8,607,093
Net book value			
End of financial year	143,154	1,501,465	1,644,619

11. Non-trade payables

	2025 $	2024 $
Current:		
Non-trade payables	868,339	1,733,209
Non-current:		
Non-trade payables	60,000	–

Non-trade payables are unsecured and non-interest bearing. The current non-trade payables are repayable within 12 months after financial year-end date respectively. They are denominated in Singapore Dollar.

Total liabilities of the Company represent the total financial liabilities carried at amortised cost.

12. Goods and Services Tax ("GST")

The Ministry of Finance had granted the GST input tax remission on the premiums and levies paid by the Scheme members under the DI Scheme and PPF Scheme and all business purchases made by the Company on behalf of DI Fund, PPF Life Fund and PPF General Fund till 30 March 2024. The GST remission had lapsed on 31 March 2024.

In this regard, the Company had become a GST-registered company with effect from 31 March 2024. For GST purposes, SDIC would be regarded as providing insurance services to the Scheme members in return for the annual premiums or levies payable and would have to account for the GST collected from Scheme members as output tax in its GST returns. The Company can claim the GST incurred on the common and direct expenses made by the Company on behalf of DI Fund, PPF Life Fund and PPF General Fund as input tax in its return, subject to the input tax claims conditions.

13. Company limited by guarantee

The Company is a public company limited by guarantee and has no share capital. 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 but not exceeding the sum of $1.

14. Capital commitments

Capital expenditures contracted for at the financial year-end date but not recognised in the financial statements are as follows:

	2025 $	2024 $
Property and equipment	245,534	–
Intangible assets	54,680	313,785
	300,214	313,785

Lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2025 and 31 March 2024, except for short-term and low value leases.

15. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team establishes the detailed policies and procedures to govern the financial risk activities and ensure that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

15. Financial risk management (continued)

Financial risk factors (continued)

The Company's management team and the Board of Directors review the reports and agree policies for managing each of these risks. The information presented below is based on information received by the management team and the Board of Directors.

(a) *Market risk*

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. Market risk comprises the following types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has insignificant financial assets or liabilities that are exposed to interest rate risks as the non-trade receivables and non-trade payables are non-interest bearing.

(ii) *Currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's business operations are not exposed to foreign currency risks as it has no significant transactions denominated in foreign currencies.

(iii) *Equity price risk*

The Company has no exposure to equity price risk as it does not hold equity financial assets.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Risk management

The Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings to mitigate credit risk.

(i) *Non-trade receivables*

The Company has applied the simplified approach to measure the lifetime ECLs for non-trade receivables. The non-trade receivables of $151,089 (2024: $645,150) which represent 99% (2024: 100%) of the total are due from the Comptroller of Goods and Services Tax. The Company has no past due or impaired assets.

15. Financial risk management (continued)

Financial risk factors (continued)

(b) *Credit risk (continued)*

Risk management (continued)

(ii) *Cash and cash equivalents*

Cash and cash equivalents that are placed with major banks in Singapore are rated AA- (2024: AA-) based on Fitch Ratings and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

(i) *Liabilities-related risk*

The Company's budget is determined before the start of every period of 3 consecutive financial years in accordance with the provisions of the DI-PPF Act. The Company would ensure that each of the DI Fund, the PPF Life Fund and the PPF General Fund maintains sufficient cash and liquid assets to meet the Company's budget spending in respect of the individual Funds.

(ii) *Contingent liabilities-related risk*

The making of compensation payments pursuant to the DI Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the DI Fund or the Company. The Company will pay compensation out of the DI Fund to the insured depositors of a failed DI Scheme member when required to do so by the MAS under section 21(2) of the DI-PPF Act.

The Company may raise cash from the assets held by the DI Fund which comprises Singapore Government bonds and MAS bills. The Company may also obtain loans on behalf of the DI Fund while awaiting payments from the realisation of the assets of the failed DI Scheme member.

In this regard, the Company entered into an agreement with the MAS on 9 February 2012, and the agreement was updated on 17 May 2022. Under the agreement, the MAS may provide the Company a contingent liquidity facility of up to $20 billion (2024: $20 billion), on behalf of DI Fund, in the event a DI Scheme member fails, and liquidity is needed for compensation payments to insured depositors. As at 31 March 2025, there were no request and no drawdown on the facility (2024: $NIL).

Furthermore, the MAS may, with the concurrence of the Company, determine and raise additional premium contributions in accordance with section 15 of the DI-PPF Act.

15. Financial risk management (continued)

Financial risk factors (continued)

(c) *Liquidity risk (continued)*

(ii) *Contingent liabilities-related risk (continued)*

The making of payments pursuant to the PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF Life Fund, the PPF General Fund or the Company. When required by the MAS under section 46(2) of the DI-PPF Act, the Company will utilise the PPF Life Fund or the PPF General Fund in the following manner:

- make payment of compensation to insured policy owners or third parties;
- utilise the PPF Life Fund or the PPF General Fund to fund the transfer and/or run-off of the insurance business of a failed PPF Scheme member.

The Company may raise cash from the assets held by the PPF Life Fund or the PPF General Fund which comprises Singapore Government bonds and MAS bills. The Company may also obtain loans on behalf of the PPF Life Fund or the PPF General Fund while awaiting payments from realisation of the assets of the failed PPF Scheme member. Furthermore, the MAS may, with the concurrence of the Company, determine and raise additional levies in accordance with section 40 of the DI-PPF Act.

(iii) *Maturity analysis of lease liabilities*

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from financial year-end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2025	2024
	$	$
Less than one year	333,245	325,310
Between one and two years	333,245	–
Between two and five years	333,245	–
	999,735	325,310

(d) *Fair value measurement*

The carrying value of cash and cash equivalents, non-trade receivables and non-trade payables are carried at values which approximate their fair values at the financial year-end date due to their short-term nature.

15. Financial risk management (continued)

Financial risk factors (continued)

(e) *Capital management*

The Company does not have a share capital and does not borrow to finance day-to-day expenditures. Since expenditures are made on behalf of the Funds, the Company draws advances from the Funds to pay their respective share of capital and operating expenditures and recovers their respective share of operating expenditures and depreciation amounts by offsetting against the advances from the Funds at the end of each financial year.

To safeguard the Company's ability to continue as a going concern, the Company ensures that the Funds maintain sufficient cash and liquid assets to meet their respective share of the Company's budget for capital and operating expenditures.

16. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

Key management and Directors' remuneration

	2025	**2024**
	$	$
Wages, salaries and other short-term employee benefits	584,993	561,467
Employers' contribution to Central Provident Fund	10,542	9,262
Others	135	135
	595,670	570,864

17. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 20 August 2025.

Deposit Insurance Fund

(Established under the Deposit Insurance Act Cap. 77A and re-constituted under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011)

Annual Report
31 March 2025

Building a better working world

Deposit Insurance Fund

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Deposit Insurance Fund

Statement by Singapore Deposit Insurance Corporation Limited
For the financial year ended 31 March 2025

We, Koh Yong Guan and Wong Yew Meng, being two of the directors of Singapore Deposit Insurance Corporation Limited (the "Agency"), do hereby state that in the opinion of the directors:

(a) the financial statements of the Deposit Insurance Fund (the "DI Fund"), which is administered and managed by the Agency, are drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the DI Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the DI Fund for the financial year ended on that date; and

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

On behalf of Singapore Deposit Insurance Corporation Limited

Koh Yong Guan
Director

Wong Yew Meng
Director

Singapore
20 August 2025

Independent auditor's report to the members of
Singapore Deposit Insurance Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Deposit Insurance Fund ("DI Fund"), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the DI Fund are properly drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the DI Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the DI Fund for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the DI Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Singapore Deposit Insurance Corporation Limited's (the "Agency's") management is responsible for the other information. The other information comprises the Statement by Singapore Deposit Insurance Corporation Limited but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Agency's management and directors for the financial statements

The Agency's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the DI-PPF Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Agency's management is responsible for assessing the DI Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Agency's management either intends to liquidate the DI Fund or to cease operations, or has no realistic alternative but to do so.

The Agency's directors' responsibilities include overseeing the DI Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 DI Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Agency's management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Agency's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DI Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the DI Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Agency's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion,

(a) the accounting and other records required by the DI-PPF Act to be kept by the DI Fund have been properly kept in accordance with the provisions of the DI-PPF Act, including records of all assets of the DI Fund whether purchased, donated or otherwise; and

(b) the receipts, expenditure and investment of moneys by the DI Fund during the financial year have been made in accordance with the provisions of DI-PPF Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 August 2025

Deposit Insurance Fund

Statement of comprehensive income
For the financial year ended 31 March 2025

	Notes	2025 $	2024 $
Income:			
Premium contributions	2.4	77,186,470	61,746,244
Interest income from financial assets	2.4	16,708,180	13,875,893
Total income		93,894,650	75,622,137
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	4,927,535	4,384,913
Total expenses		4,927,535	4,384,913
Net surplus		88,967,115	71,237,224
Income tax expense	4	–	–
Total comprehensive income		88,967,115	71,237,224

There is no other comprehensive income for the financial years ended 31 March 2025 and 2024.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Deposit Insurance Fund

Statement of financial position
As at 31 March 2025

	Notes	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	5	128,517	1,070,671
Advance to the Agency	2.10	3,306,444	3,674,743
Non-trade receivables	6	3,446,453	2,609,682
Financial assets (debt instruments), at amortised cost	8	30,161,939	31,057,406
		37,043,353	38,412,502
Non-current assets			
Financial assets (debt instruments), at amortised cost	8	698,097,463	607,761,194
TOTAL ASSETS		735,140,816	646,173,696
LIABILITIES			
Current liabilities			
Non-trade payables	7	5	–
TOTAL LIABILITIES		5	–
NET ASSETS		735,140,811	646,173,696
ACCUMULATED SURPLUS	10(d)	735,140,811	646,173,696

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Deposit Insurance Fund

Statement of changes in accumulated surplus
As at 31 March 2025

	Note	2025 $	2024 $
Beginning of financial year		646,173,696	574,936,472
Total comprehensive income for the financial year		88,967,115	71,237,224
End of financial year	10(d)	735,140,811	646,173,696

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Deposit Insurance Fund

Statement of cash flows
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Net Surplus		88,967,115	71,237,224
Adjustments for:			
- Interest income from financial assets		(16,708,180)	(13,875,893)
		72,258,935	57,361,331
Change in working capital:			
- Advance to the Agency		368,299	1,127,493
- Non-trade receivables	6	–	20
- Non-trade payables	7	5	–
Net cash generated from operating activities		72,627,239	58,488,844
Cash flows from investing activities			
Purchases of financial assets, at amortised cost		(122,662,375)	(106,359,547)
Proceeds upon maturity of financial assets		31,020,000	32,810,000
Interest received from financial assets		18,072,982	15,826,577
Net cash used in investing activities		(73,569,393)	(57,722,970)
Net (decrease)/increase in cash and cash equivalents		(942,154)	765,874
Cash and cash equivalents at beginning of financial year	5	1,070,671	304,797
Cash and cash equivalents at end of financial year	5	128,517	1,070,671

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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

1. General information

The Deposit Insurance Fund (the "DI Fund") was established under section 9 of the Deposit Insurance Act Cap. 77A (the "DI Act") and re-constituted on 1 May 2011 under section 9 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act"). Accordingly, in the notes to the financial statements, DI-PPF Act refers collectively to the DI Act in force up to 30 April 2011; the DI-PPF Act which came into force on 1 May 2011 and the DI-PPF (Amendment) Act 2018 which came into force on 1 April 2019. Subject to the directions of the Minister, the DI Fund is administered and managed by Singapore Deposit Insurance Corporation Limited (the "Agency") designated by the Minister under section 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency.

The Agency is a public company limited by guarantee incorporated under the Companies Act 1967 on 13 January 2006 and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-08/09, MAS Building, Singapore 079117.

The principal activities of the Agency are the administration of the Deposit Insurance Scheme (the "DI Scheme") and the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the DI Fund, the Policy Owners' Protection Life Fund and the Policy Owners' Protection General Fund.

The DI Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with each DI Scheme member as specified in the DI-PPF Act. The maximum deposit insurance coverage had increased from $75,000 to $100,000 with effect from 1 April 2024.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed otherwise.

The financial statements are the responsibility of the Agency. The preparation of these financial statements in conformity with FRSs requires the Agency's management to exercise its judgement in the process of applying the DI Fund's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving significant judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the DI Fund has adopted all the new and revised standards and interpretations which are effective for annual periods beginning on or after 1 April 2024. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the DI Fund.

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The DI Fund has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 21: *Lack of Exchangeability*	1 January 2025
Amendments to FRS 109 and FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to FRSs – *Volume 11*	1 January 2026
Amendments to FRS 109 and FRS 107: *Contract Referencing Nature-dependent Electricity*	1 January 2026
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*	To be determined
FRS 118: *Presentation and Disclosure in Financial Statements*	1 January 2027
FRS 119: *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

Apart from FRS 118, the Agency's management expects that the other standards above will have no material impact on the financial statements in the period of initial application.

FRS 118 Presentation and Disclosure in Financial Statements introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Agency is still assessing the impact FRS 118 will have on the financial statements and notes to the financial statements.

2.4 Revenue recognition

(a) Premium contributions

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the premium contributions payable by DI Scheme members and to notify the amounts to the Agency. Premium contributions are recognised in the period in which the premium contributions are assessed and due to be received, provided that the right to receive premiums has been established by reference to the written notices given by the Agency to the DI Scheme members.

2. Material accounting policy information (continued)

2.4 Revenue recognition (continued)

(a) Premium contributions (continued)

Under the DI-PPF Act, the MAS can notify the Agency of shortfalls or refunds of premium contributions. Premium shortfalls or refunds are recognised in the period in which the premium contributions are assessed and due to be received or paid, provided that the right to receive or refund premiums has been established by reference to the written notifications received by the Agency from the MAS.

(b) Interest income from financial assets

Interest income from financial assets is recognised using the effective interest method.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash at banks placed with reputable financial institutions and the MAS which are subject to an insignificant risk of change in value.

2.6 Financial assets

The DI Fund classifies its financial assets into either of the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income or
- Fair value through profit or loss.

The classification of financial assets at initial recognition depends on the DI Fund's business model for managing the financial assets as well the contractual cash flows characteristics of the financial assets. The DI Fund reclassifies financial assets when and only when its business model for managing those assets changes.

Accordingly, this group of financial assets are measured at amortised cost at initial recognition.

(i) Initial recognition

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the DI Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

2. Material accounting policy information (continued)

2.6 Financial assets (continued)

(ii) Subsequent measurement

Financial assets at amortised cost of the DI Fund comprise cash and cash equivalents, non-trade receivables and financial assets (debt instruments), at amortised cost. There are three prescribed subsequent measurement categories, depending on the DI Fund's business model in management the assets and the cash flow characteristic of the assets. The DI Fund manages its debt instruments by collecting the contractual cash flows and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

For non-trade receivables, the DI Fund applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For debt instruments carried at amortised cost and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECLs if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

The DI Fund considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the DI Fund may also consider a financial asset to be default when internal or external information indicates that the DI Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the DI Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Trade payables

Trade payables consist of the refund of premium contributions when the Agency:

(i) receives approval from the Minister under section 17 of the DI-PPF Act to refund premium contributions; or

(ii) receives notification from the MAS under section 18 of the DI-PPF Act.

They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

2. Material accounting policy information (continued)

2.7 Trade payables (continued)

There were no trade payables recognised on the statement of financial position as at 31 March 2025 and 2024.

2.8 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the DI Fund has a present legal or constructive obligation that 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 the amount has been reliably estimated. In particular, provision for liability to make compensation payment is recognised when the Agency receives notification from the MAS under section 21 of the DI-PPF Act.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the change arises.

2.9 Currency translation

Functional and presentation currency

Items included in the financial statements of the DI Fund are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the DI Fund.

2.10 Advance to the Agency

Advance to the Agency represents cash advance to the Agency prior to the end of financial year, for the purpose of covering its operating and capital expenditures. These advances are not secured by collateral or credit enhancements, non-interest bearing and have no fixed term of repayment.

3. Net expenditure incurred by Singapore Deposit Insurance Corporation Limited

Expenditure net of grants and recoveries incurred by the Agency in carrying out the objects of the DI-PPF Act are payable from the DI Fund as provided under the DI-PPF Act.

4. Income tax

The Ministry of Finance had granted income tax remission for premium contributions collected by the DI Fund for the life of the Fund. In addition, income tax remission was granted for investment income earned by the DI Fund until end of 2028 or until the target fund size has been reached, whichever is earlier. As such, the DI Fund does not have tax chargeable income for this financial year.

5. Cash and cash equivalents

	2025 $	2024 $
Cash at bank and cash with the MAS	128,517	1,070,671

Cash at bank and cash with the MAS held at the end of the reporting period are interest-bearing and non-interest bearing respectively. Cash and cash equivalents are denominated in Singapore Dollar.

6. Non-trade receivables

	2025 $	2024 $
Accrued interest receivables	3,446,453	2,609,682

Non-trade receivables largely relate to accrued interest receivables from MAS bills and Singapore Government bonds. They are unsecured and denominated in Singapore Dollar.

7. Non-trade payables

Non-trade payables are unsecured and non-interest bearing. The current non-trade payables are repayable within 12 months after financial year-end date respectively. They are denominated in Singapore Dollar.

Total liabilities of the Company represent the total financial liabilities carried at amortised cost.

8. Financial assets (debt instruments), at amortised cost

The DI Fund's investments comprise:

	2025 $	2024 $
Current:		
MAS Bills	537,208	–
Singapore Government bonds	29,624,731	31,057,406
	30,161,939	31,057,406
Non-current:		
Singapore Government bonds	698,097,463	607,761,194
Total	728,259,402	638,818,600

The total fair value of the investments at amortised cost, measured using quoted market bid prices as at 31 March 2025 was $714,353,861 (2024: $599,580,066). The non-current investments at amortised cost have maturity dates between March 2027 and April 2042.

9. Goods and services tax ("GST")

The Ministry of Finance had granted GST remission to allow the DI Fund to exempt the premiums paid by Scheme members from GST, as well as claim input GST on all business purchases incurred by Singapore Deposit Insurance Corporation Limited on behalf of the DI Fund until 30 March 2024. The GST remission had lapsed on 31 March 2024.

In this regard, the Agency had become a GST-registered company with effect from 31 March 2024. For GST purposes, Agency would be regarded as providing insurance services to the Scheme members in return for the annual premiums or levies payable and would have to account for the GST collected from Scheme members as output tax in its GST returns.

10. Financial risk management

Financial risk factors

The DI Fund's activities expose it to market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Agency's Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the DI Fund. The Agency's management team establishes the detailed policies and procedures to govern the financial risk activities and ensure that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Agency's management team and the Board of Directors review the reports and agree to the policies for managing each of these risks. The information presented below is based on information received by the Agency's management team and the Board of Directors.

(a) *Market risk*

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. Market risk comprises the following types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

(i) *Interest rate risk*

There are two elements of interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The DI Fund's investments are not subject to cash flow interest rate risk as the interest payments are fixed.

The DI Fund's investments are subject to fair value interest rate risk. The changes in fair value due to interest rate movements are not reflected in the financial statements, as these investments are accounted for as financial assets at amortised cost. See Note 8 for details on the fair values as at year-end.

10. Financial risk management (continued)

Financial risk factors (continued)

(a) *Market risk (continued)*

(ii) *Currency risk*

The DI Fund's business operations are not exposed to foreign currency risks as all of its investments and operating transactions are denominated in Singapore Dollar.

(iii) *Equity price risk*

The DI Fund has no exposure to equity price risk as it does not hold equity financial assets.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the DI Fund.

The DI Fund adopts the policy of dealing with financial institutions and other counterparties with high credit ratings to mitigate credit risk.

The DI Fund's financial assets comprise:

(i) Investments in Singapore Government bonds and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings;

(ii) Investments in MAS bills and accrued interest receivable on such securities;

(iii) Cash held with a major bank in Singapore; and

(iv) Cash held with the MAS.

The financial assets above are considered to have low credit risk and are measured on 12-month expected credit losses and subject to immaterial credit loss. The DI Fund has no past due or impaired assets.

10. Financial risk management (continued)

Financial risk factors (continued)

(c) *Liquidity risk*

Liquidity risk is the risk that the DI Fund will encounter difficulty in meeting financial obligations due to shortage of funds.

(i) *Liabilities-related risk*

The DI Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI-PPF Act. The cash outflow required is the Agency's budget which is determined before the start of each financial year in accordance with the provisions of the DI-PPF Act.

The DI Fund's annual cash inflows are predictable, comprising:

- premium contributions which are transferred to the DI Fund by the MAS on the sixth working day after the invoice due date;
- coupons from holdings of Singapore Government bonds; and
- interest income from MAS bills.

Therefore, the DI Fund is able to provide adequate funding for the Agency's operating and capital expenditures.

(ii) *Contingent liabilities-related risk*

The making of compensation payments pursuant to the DI Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the DI Fund or the Agency. The Agency will pay compensation out of the DI Fund to the insured depositors of a failed DI Scheme member when required to do so by the MAS under section 21(2) of the DI-PPF Act. The Agency may raise cash from the assets held by the DI Fund which comprises Singapore Government bonds and MAS bills. The Agency may also obtain loans on behalf of the DI Fund while awaiting proceeds from realisation of the assets of the failed DI Scheme member.

In this regard, the Agency entered into an agreement with the MAS on 9 February 2012, and the agreement was updated on 17 May 2022. Under the agreement, the MAS may provide the Agency a contingent liquidity facility of up to $20 billion (31 March 2024: $20 billion), on behalf of DI Fund, in the event a DI Scheme member fails, and liquidity is needed for compensation payments to insured depositors. As at 31 March 2025, there were no request and no drawdown on the facility (31 March 2024: $NIL).

Furthermore, the MAS may, with the concurrence of the Agency, determine and raise additional premium contributions in accordance with section 15 of the DI-PPF Act.

10. Financial risk management (continued)

Financial risk factors (continued)

(d) *Accumulated surplus*

The management of the DI Fund's accumulated surplus is circumscribed by the DI-PPF Act. Premium contributions income is determined by the MAS which is charged under the DI-PPF Act to set the premium rates at which premium contributions are levied on DI Scheme members. As for investments, the Agency is required to invest the DI Fund's moneys with the objects of capital preservation and maintenance of liquidity. The moneys may only be invested in the types of investments prescribed in section 11 of the DI-PPF Act.

The Agency ensures that the DI Fund maintains sufficient cash and liquid assets to meet the fund's share of the Agency's budget for capital and operating expenditures.

(e) *Fair value measurement*

The carrying value of cash and cash equivalents and non-trade receivables are carried at values which approximate their fair values at the financial year-end date due to their short-term nature.

The financial assets, at amortised cost are not carried at fair value, however, the fair values are disclosed in Note 8, based on quoted market bid-prices in active markets at the financial year-end date. These fair values have been analysed according to a fair value hierarchy as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Singapore Government bonds and MAS bills held by DI Fund as disclosed in Note 8 are categorised within Level 1 of the fair value hierarchy. The DI Fund does not hold any level 2 or level 3 assets.

11. Authorisation of financial statements

The financial statements of the DI Fund for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Agency's directors on 20 August 2025.

Policy Owners' Protection Life Fund

(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011)

Annual Report
31 March 2025

Building a better working world

Policy Owners' Protection Life Fund

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Policy Owners' Protection Life Fund

Statement by Singapore Deposit Insurance Corporation Limited
For the financial year ended 31 March 2025

We, Koh Yong Guan and Wong Yew Meng, being two of the directors of Singapore Deposit Insurance Corporation Limited (the "Agency"), do hereby state that in the opinion of the directors:

(a) the financial statements of the Policy Owners' Protection Life Fund (the "PPF Life Fund"), which is administered and managed by the Agency, are drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the PPF Life Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the PPF Life Fund for the financial year ended on that date; and

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

On behalf of Singapore Deposit Insurance Corporation Limited

Koh Yong Guan
Director

Wong Yew Meng
Director

Singapore
20 August 2025

Independent auditor's report to the members of Singapore Deposit Insurance Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Policy Owners' Protection Life Fund ("PPF Life Fund"), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the PPF Life Fund are properly drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the PPF Life Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the PPF Life Fund for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the PPF Life Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Singapore Deposit Insurance Corporation Limited's (the "Agency's") management is responsible for the other information. The other information comprises the Statement by Singapore Deposit Insurance Corporation Limited but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Agency's management and directors for the financial statements

The Agency's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the DI-PPF Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Agency's management is responsible for assessing the PPF Life Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Agency's management either intends to liquidate the PPF Life Fund or to cease operations, or has no realistic alternative but to do so.

The Agency's directors' responsibilities include overseeing the PPF Life Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 PPF Life Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Agency's management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Agency's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PPF Life Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PPF Life Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Agency's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion,

(a) the accounting and other records required by the DI-PPF Act to be kept by the PPF Life Fund have been properly kept in accordance with the provisions of the DI-PPF Act, including records of all assets of the PPF Life Fund whether purchased, donated or otherwise; and

(b) the receipts, expenditure and investment of moneys by the PPF Life Fund during the financial year have been made in accordance with the provisions of DI-PPF Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 August 2025

Policy Owners' Protection Life Fund

Statement of comprehensive income
For the financial year ended 31 March 2025

	Notes	2025 $	2024 $
Income:			
Levies	2.4	45,012,872	42,717,713
Interest income from financial assets	2.4	10,760,242	9,203,217
Total income		55,773,114	51,920,930
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	1,509,543	1,335,296
Total expenses		1,509,543	1,335,296
Net surplus		54,263,571	50,585,634
Income tax expense	4	–	–
Total comprehensive income		54,263,571	50,585,634

There is no other comprehensive income for the financial years ended 31 March 2025 and 2024.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection Life Fund

Statement of financial position
As at 31 March 2025

	Notes	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	5	13,850	1,140,386
Advance to the Agency	2.10	915,346	863,471
Trade and other receivables	6	2,574,533	1,714,171
Financial assets (debt instruments), at amortised cost	7	24,893,102	9,431,591
		28,396,831	13,149,619
Non-current assets			
Financial assets (debt instruments), at amortised cost	7	482,844,638	443,828,279
TOTAL ASSETS AND NET ASSETS		511,241,469	456,977,898
ACCUMULATED SURPLUS	9(d)	511,241,469	456,977,898

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection Life Fund

Statement of changes in accumulated surplus
As at 31 March 2025

	Note	2025 $	2024 $
Beginning of financial year		456,977,898	406,392,264
Total comprehensive income for the financial year		54,263,571	50,585,634
End of financial year	9(d)	511,241,469	456,977,898

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection Life Fund

Statement of cash flows
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Net Surplus		54,263,571	50,585,634
Adjustments for:			
- Interest income from financial assets		(10,760,242)	(9,203,217)
		43,503,329	41,382,417
Change in working capital:			
- Advance to the Agency		(51,875)	234,420
- Trade and other receivables	6	(42,013)	1,667
Net cash generated from operating activities		43,409,441	41,618,504
Cash flows from investing activities			
Purchases of financial assets, at amortised cost		(65,847,715)	(66,394,959)
Proceeds upon maturity of financial assets		9,413,000	13,782,000
Interest received from financial assets		11,898,738	10,649,355
Net cash used in investing activities		(44,535,977)	(41,963,604)
Net (decrease) in cash and cash equivalents		(1,126,536)	(345,100)
Cash and cash equivalents at beginning of financial year	5	1,140,386	1,485,486
Cash and cash equivalents at end of financial year	5	13,850	1,140,386

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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

1. General information

The Policy Owners' Protection Life Fund (the "PPF Life Fund") was established under section 34 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act"). Accordingly, in the notes to the financial statements, DI-PPF Act refers to the DI-PPF Act which came into force on 1 May 2011 and the DI-PPF (Amendment) Act 2018 which came into force on 1 April 2019. Subject to the directions of the Minister, the PPF Life Fund is administered and managed by Singapore Deposit Insurance Corporation Limited (the "Agency") designated by the Minister under section 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency.

The Agency is a public company limited by guarantee incorporated under the Companies Act 1967 on 13 January 2006 and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-08/09, MAS Building, Singapore 079117.

The principal activities of the Agency are the administration of the Deposit Insurance Scheme (the "DI Scheme") and the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the Deposit Insurance Fund, the PPF Life Fund and the Policy Owners' Protection General Fund.

The PPF scheme was established in Singapore for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by PPF Scheme members and for securing the continuity of insurance for insured policy owners as far as reasonably practicable as specified in the DI-PPF Act. The guaranteed benefits covered under the PPF Scheme are subjected to caps depending on the types of policies.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed otherwise.

The financial statements are the responsibility of the Agency. The preparation of these financial statements in conformity with FRSs requires the Agency's management to exercise its judgement in the process of applying the PPF Life Fund's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving significant judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the PPF Life Fund has adopted all the new and revised standards and interpretations which are effective for annual periods beginning on or after 1 April 2024. The adoption of these standards and interpretations did not have any effect on the financial performance or position of PPF Life Fund.

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The PPF Life Fund has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 21: *Lack of Exchangeability*	1 January 2025
Amendments to FRS 109 and FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to FRSs – *Volume 11*	1 January 2026
Amendments to FRS 109 and FRS 107: *Contract Referencing Nature-dependent Electricity*	1 January 2026
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*	To be determined
FRS 118: Presentation and Disclosure in Financial Statements	1 January 2027
FRS 119: Subsidiaries without Public Accountability: Disclosures	1 January 2027

Apart from FRS 118, the Agency's management expects that the other standards above will have no material impact on the financial statements in the period of initial application.

FRS 118 Presentation and Disclosure in Financial Statements introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Agency is still assessing the impact FRS 118 will have on the financial statements and notes to the financial statements.

2.4 Revenue recognition

(a) Levies

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the levies payable by PPF Scheme members and to notify the amounts to the Agency. Levies are recognised in the period in which the levies are assessed and due to be received, provided that the right to receive levies has been established by reference to the written notices given by the Agency to the PPF Scheme members.

Under the DI-PPF Act, the MAS can notify the Agency of shortfalls or refunds of levies. Levies shortfalls or refunds are recognised in the period in which the levies are assessed and due to be received or paid, provided that the right to receive levies or refund levies has been established by reference to the written notifications received by the Agency from the MAS.

2. Material accounting policy information (continued)

2.4 Revenue recognition (continued)

(b) Interest income from financial assets

Interest income from financial assets is recognised using the effective interest method.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash placed with MAS which are subject to an insignificant risk of change in value.

2.6 Financial assets

The PPF Life Fund classifies its financial assets into either of the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income or
- Fair value through profit or loss.

The classification of financial assets at initial recognition depends on the PPF Life Fund's business model for managing the financial assets as well as the contractual cash flows characteristics of the financial assets. The PPF Life Fund reclassifies financial assets when and only when its business model for managing those assets changes.

Accordingly, this group of financial assets are measured at amortised cost at initial recognition.

(i) <u>Initial recognition</u>

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the PPF Life Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

(ii) <u>Subsequent measurement</u>

Financial assets at amortised cost of the PPF Life Fund comprise cash and cash equivalents, trade and other receivables and financial assets (debt instruments), at amortised cost. There are three prescribed subsequent measurement categories, depending on the PPF Life Fund's business model in management the assets and the cash flow characteristic of the assets. The PPF Life Fund manages its debt instruments by collecting the contractual cash flows and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

2. Material accounting policy information (continued)

2.6 Financial assets (continued)

(ii) Subsequent measurement (continued)

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

For trade and other receivables, the PPF Life Fund applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For debt instruments carried at amortised cost and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECLs if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

The PPF Life Fund considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the PPF Life Fund may also consider a financial asset to be default when internal or external information indicates that the PPF Life Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the PPF Life Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Trade payables

Trade payables consist of the refund of levies when the Agency:

(i) receives approval from the Minister under section 42 of the DI-PPF Act to refund levies; or

(ii) receives notification from the MAS under section 43 of the DI-PPF Act.

They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

There were no trade payables recognised on the statement of financial position as at 31 March 2025 and 2024.

2. Material accounting policy information (continued)

2.8 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the PPF Life Fund has a present legal or constructive obligation that 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 the amount has been reliably estimated. In particular, provision for liability to make compensation payment and payment to fund the transfer or the run-off of the insurance business of a failed PPF Scheme member are recognised when the Agency receives notification from the MAS under section 46 of the DI-PPF Act.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the change arises.

2.9 Currency translation

Functional and presentation currency

Items included in the financial statements of the PPF Life Fund are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the PPF Life Fund.

2.10 Advance to the Agency

Advance to the Agency represents cash advance to the Agency prior to the end of financial year, for the purpose of covering its operating and capital expenditures. These advances are not secured by collateral or credit enhancements, non-interest bearing and have no fixed term of repayment.

3. Net expenditure incurred by Singapore Deposit Insurance Corporation Limited

Expenditure net of grants and recoveries incurred by the Agency in carrying out the objects of the DI-PPF Act are payable from the PPF Life Fund as provided under the DI-PPF Act.

4. Income tax

The Ministry of Finance had granted income tax remission for levy contributions collected by the PPF Life Fund for the life of the Fund. In addition, income tax remission was granted for investment income earned by the PPF Life Fund until end of 2028 or until the target fund size has been reached, whichever is earlier. As such, the PPF Life Fund does not have tax chargeable income for this financial year.

5. Cash and cash equivalents

	2025 $	2024 $
Cash with the MAS	13,850	1,140,386

Cash with the MAS held at the end of the reporting period are non-interest bearing and denominated in Singapore Dollar.

6. Trade and other receivables

	2025 $	2024 $
Trade receivables	42,637	625
Accrued interest receivables	2,531,896	1,713,546
	2,574,533	1,714,171

Trade receivables are levies receivables from a PPF Life Scheme member. Other receivables relate to accrued interest receivables from MAS bills and Singapore Government bonds and are non-trade in nature. They are unsecured and denominated in Singapore Dollar.

7. Financial assets (debt instruments), at amortised cost

The PPF Life Fund's investments comprise:

	2025 $	2024 $
Current:		
MAS Bills	1,101,377	–
Singapore Government bonds	23,791,725	9,431,591
	24,893,102	9,431,591
Non-current:		
Singapore Government bonds	482,844,638	443,828,279
Total	507,737,740	453,259,870

The total fair value of the investments at amortised cost, measured using quoted market bid prices as at 31 March 2025 was $489,976,368 (2024: $418,307,777). The non-current investments at amortised cost have maturity dates between March 2027 and April 2042.

8. Goods and services tax ("GST")

The Ministry of Finance had granted GST remission to allow the PPF Life Fund to exempt the levies paid by Scheme members from GST, as well as claim input GST on all business purchases incurred by Singapore Deposit Insurance Corporation Limited on behalf of the PPF Life Fund until 30 March 2024. The GST remission had lapsed on 31 March 2024.

In this regard, the Agency had become a GST-registered company with effect from 31 March 2024. For GST purposes, Agency would be regarded as providing insurance services to the Scheme members in return for the annual premiums or levies payable and would have to account for the GST collected from Scheme members as output tax in its GST returns.

9. Financial risk management

Financial risk factors

The PPF Life Fund's activities expose it to market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Agency's Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the PPF Life Fund. The Agency's management team establishes the detailed policies and procedures to govern the financial risk activities and ensure that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Agency's management team and the Board of Directors review the reports and agrees to the policies for managing each of these risks. The information presented below is based on information received by the Agency's management team and the Board of Directors.

(a) *Market risk*

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. Market risk comprises the following types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

(i) *Interest rate risk*

There are two elements of interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The PPF Life Fund's investments are not subjected to cash flow interest rate risk as the interest payments are fixed.

The PPF Life Fund's investments are subject to fair value interest rate risk. The changes in fair value due to interest rate movements are not reflected in the financial statements, as these investments are accounted for as financial assets at amortised cost. See Note 7 for details on the fair values as at year-end.

9. Financial risk management (continued)

Financial risk factors (continued)

(a) *Market risk (continued)*

(ii) *Currency risk*

The PPF Life Fund's business operations are not exposed to foreign currency risks as all of its investments and operating transactions are denominated in Singapore Dollar.

In the event that the PPF Life Fund has a legal and constructive obligation to make compensation payment and payment to fund for the transfer or the run-off of the insurance business of a failed PPF Scheme member, such obligations may be exposed to currency risk if there are insured policies denominated in a currency other than Singapore Dollar.

However, this exposure cannot be reliably estimated at this juncture as the occurrence of such event is not within the control of the PPF Life Fund or the Agency.

(iii) *Equity price risk*

The PPF Life Fund has no exposure to equity price risk as it does not hold equity financial assets.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the PPF Life Fund.

The PPF Life Fund adopts the policy of dealing with financial institutions and other counterparties with high credit ratings to mitigate credit risk.

The PPF Life Fund's financial assets comprise:

(i) Investments in Singapore Government bonds and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings;

(ii) Investments in MAS bills and accrued interest receivable on such securities; and

(iii) Cash held with the MAS.

The financial assets above are considered to have low credit risk and are measured on 12-month expected credit losses and subject to immaterial credit loss. The PPF Life Fund has no past due or impaired assets.

9. Financial risk management (continued)

Financial risk factors (continued)

(c) *Liquidity risk*

Liquidity risk is the risk that the PPF Life Fund will encounter difficulty in meeting financial obligations due to shortage of funds.

(i) *Liabilities-related risk*

The PPF Life Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI-PPF Act. The cash outflow required is the Agency's budget which is determined before the start of each financial year in accordance with the provisions of the DI-PPF Act.

The PPF Life Fund's annual cash inflows are predictable, comprising:

- levies which are transferred to the PPF Life Fund by the MAS on the sixth working day after the invoice due date;
- coupons from holdings of Singapore Government bonds; and
- interest income from MAS bills.

Therefore, the PPF Life Fund is able to provide adequate funding for the Agency's operating and capital expenditures.

(ii) *Contingent liabilities-related risk*

The making of compensation payments pursuant to the PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF Life Fund or the Agency. The Agency will utilise the PPF Life Fund in the following manner when required to do so by the MAS under section 46(2) of the DI-PPF Act:

- make payment of compensation to insured policy owners; or
- fund the transfer and/or run-off of the insurance business of a failed PPF Scheme member.

The Agency may raise cash from the assets held by the PPF Life Fund which comprises Singapore Government bonds and MAS bills. The Agency may also obtain loans on behalf of the PPF Life Fund while awaiting proceeds from the realisation of the assets of the failed PPF Scheme member. Furthermore, the MAS may, with the concurrence of the Agency, determine and raise additional levies in accordance with section 40 of the DI-PPF Act.

9. Financial risk management (continued)

Financial risk factors (continued)

(d) *Accumulated surplus*

The management of the PPF Life Fund's accumulated surplus is circumscribed by the DI-PPF Act. Levies income is determined by the MAS which is charged under the DI-PPF Act to set the rates at which levies are levied on PPF Scheme members. As for investments, the Agency is required to invest the PPF Life Fund's moneys with the objects of capital preservation and maintenance of liquidity. The moneys may only be invested in the types of investments prescribed in section 11 of the DI-PPF Act.

The Agency ensures that the PPF Life Fund maintains sufficient cash and liquid assets to meet the fund's share of the Agency's budget for capital and operating expenditures.

(e) *Fair value measurement*

The carrying value of cash and cash equivalents and trade and other receivables are carried at values which approximate their fair values at the financial year-end date due to their short-term nature.

The financial assets, at amortised cost are not carried at fair value, however, the fair values are disclosed in Note 7, based on quoted market bid-prices in active markets at the financial year-end date. These fair values have been analysed according to a fair value hierarchy as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Singapore Government bonds and MAS bills held by PPF Life Fund as disclosed in Note 7 are categorised within Level 1 of the fair value hierarchy. The PPF Life Fund does not hold any level 2 or level 3 assets.

10. Authorisation of financial statements

The financial statements of the PPF Life Fund for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Agency's directors on 20 August 2025.

Policy Owners' Protection General Fund
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011)

Annual Report
31 March 2025

Building a better working world

Policy Owners' Protection General Fund

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Policy Owners' Protection General Fund

Statement by Singapore Deposit Insurance Corporation Limited
For the financial year ended 31 March 2025

We, Koh Yong Guan and Wong Yew Meng, being two of the directors of Singapore Deposit Insurance Corporation Limited (the "Agency"), do hereby state that in the opinion of the directors:

(a) the financial statements of the Policy Owners' Protection General Fund (the "PPF General Fund"), which is administered and managed by the Agency, are drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the PPF General Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the PPF General Fund for the financial year ended on that date; and

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

On behalf of Singapore Deposit Insurance Corporation Limited

Koh Yong Guan
Director

Wong Yew Meng
Director

Singapore
20 August 2025

Independent auditor's report to the members of
Singapore Deposit Insurance Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Policy Owners' Protection General Fund ("PPF General Fund"), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the PPF General Fund are properly drawn up in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the PPF General Fund as at 31 March 2025 and of the financial performance, changes in accumulated surplus and cash flows of the PPF General Fund for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the PPF General Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Singapore Deposit Insurance Corporation Limited's (the "Agency's") management is responsible for the other information. The other information comprises the Statement by Singapore Deposit Insurance Corporation Limited but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Agency's management and directors for the financial statements

The Agency's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the DI-PPF Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Agency's management is responsible for assessing the PPF General Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Agency's management either intends to liquidate the PPF General Fund or to cease operations, or has no realistic alternative but to do so.

The Agency's directors' responsibilities include overseeing the PPF General Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 PPF General Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Agency's management.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Agency's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PPF General Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PPF General Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Agency's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion,

(a) the accounting and other records required by the DI-PPF Act to be kept by the PPF General Fund have been properly kept in accordance with the provisions of the DI-PPF Act, including records of all assets of the PPF General Fund whether purchased, donated or otherwise; and

(b) the receipts, expenditure and investment of moneys by the PPF General Fund during the financial year have been made in accordance with the provisions of DI-PPF Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 August 2025

Policy Owners' Protection General Fund

Statement of comprehensive income
For the financial year ended 31 March 2025

	Notes	2025 $	2024 $
Income:			
Levies	2.4	3,638,125	3,401,808
Interest income from financial assets	2.4	661,207	582,800
Total income		4,299,332	3,984,608
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	1,441,690	1,275,225
Total expenses		1,441,690	1,275,225
Net surplus		2,857,642	2,709,383
Income tax expense	4	–	–
Total comprehensive income		2,857,642	2,709,383

There is no other comprehensive income for the financial years ended 31 March 2025 and 2024.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection General Fund

Statement of financial position
As at 31 March 2025

	Notes	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	5	13,150	1,227,878
Advance to the Agency	2.10	876,012	835,217
Trade and other receivables	6	148,148	97,091
Financial assets (debt instruments), at amortised cost	7	2,588,351	1,383,316
		3,625,661	3,543,502
Non-current assets			
Financial assets (debt instruments), at amortised cost	7	28,481,207	25,705,724
TOTAL ASSETS AND NET ASSETS		32,106,868	29,249,226
ACCUMULATED SURPLUS	9(d)	32,106,868	29,249,226

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection General Fund

Statement of changes in accumulated surplus
As at 31 March 2025

	Note	2025 $	2024 $
Beginning of financial year		29,249,226	26,539,843
Total comprehensive income for the financial year		2,857,642	2,709,383
End of financial year	9(d)	32,106,868	29,249,226

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Policy Owners' Protection General Fund

Statement of cash flows
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Net Surplus		2,857,642	2,709,383
Adjustments for:			
- Interest income from financial assets		(661,207)	(582,800)
		2,196,435	2,126,583
Change in working capital:			
- Advance to the Agency		(40,795)	219,276
- Trade and other receivables		(908)	–
Net cash generated from operating activities		2,154,732	2,345,859
Cash flows from investing activities			
Purchases of financial assets, at amortised cost		(5,466,850)	(3,994,645)
Proceeds upon maturity of financial assets		1,379,000	368,000
Interest received from financial assets		718,390	659,277
Net cash used in investing activities		(3,369,460)	(2,967,368)
Net (decrease) in cash and cash equivalents		(1,214,728)	(621,509)
Cash and cash equivalents at beginning of financial year	5	1,227,878	1,849,387
Cash and cash equivalents at end of financial year	5	13,150	1,227,878

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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

1. General information

The Policy Owners' Protection General Fund (the "PPF General Fund") was established under section 34 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DI-PPF Act"). Accordingly, in the notes to the financial statements, DI-PPF Act refers to the DI-PPF Act which came into force on 1 May 2011 and the DI-PPF (Amendment) Act 2018 which came into force on 1 April 2019. Subject to the directions of the Minister, the PPF General Fund is administered and managed by Singapore Deposit Insurance Corporation Limited (the "Agency") designated by the Minister under section 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency.

The Agency is a public company limited by guarantee incorporated under the Companies Act 1967 on 13 January 2006 and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-08/09, MAS Building, Singapore 079117.

The principal activities of the Agency are the administration of the Deposit Insurance Scheme (the "DI Scheme") and the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the Deposit Insurance Fund, the Policy Owners' Protection Life Fund and the PPF General Fund.

The PPF scheme was established in Singapore for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by PPF Scheme members and for securing the continuity of insurance for insured policy owners as far as reasonably practicable as specified in the DI-PPF Act. The guaranteed benefits covered under the PPF Scheme are subjected to caps depending on the types of policies.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed otherwise.

The financial statements are the responsibility of the Agency. The preparation of these financial statements in conformity with FRSs requires the Agency's management to exercise its judgement in the process of applying the PPF General Fund's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving significant judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the PPF General Fund has adopted all the new and revised standards and interpretations which are effective for annual periods beginning on or after 1 April 2024. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the PPF General Fund.

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The PPF General Fund has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 21: *Lack of Exchangeability*	1 January 2025
Amendments to FRS 109 and FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to FRSs – *Volume 11*	1 January 2026
Amendments to FRS 109 and FRS 107: *Contract Referencing Nature-dependent Electricity*	1 January 2026
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*	To be determined
FRS 118: *Presentation and Disclosure in Financial Statements*	1 January 2027
FRS 119: *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

Apart from FRS 118, the Agency's management expects that the other standards above will have no material impact on the financial statements in the period of initial application.

FRS 118 Presentation and Disclosure in Financial Statements introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Agency is still assessing the impact FRS 118 will have on the financial statements and notes to the financial statements.

2.4 Revenue recognition

(a) Levies

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the levies payable by PPF Scheme members and to notify the amounts to the Agency. Levies are recognised in the period in which the levies are assessed and due to be received, provided that the right to receive levies has been established by reference to the written notices given by the Agency to the PPF Scheme members.

2. Material accounting policy information (continued)

2.4 Revenue recognition (continued)

(a) Levies (continued)

Under the DI-PPF Act, the MAS can notify the Agency of shortfalls or refunds of levies. Levies shortfalls or refunds are recognised in the period in which the levies are assessed and due to be received or paid, provided that the right to receive levies or refund levies has been established by reference to the written notifications received by the Agency from the MAS.

(b) Interest income from financial assets

Interest income from financial assets is recognised using the effective interest method.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash placed with MAS which are subject to an insignificant risk of change in value.

2.6 Financial assets

The PPF General Fund classifies its financial assets into either of the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income or
- Fair value through profit or loss.

The classification of financial assets at initial recognition depends on the PPF General Fund's business model for managing the financial assets as well as the contractual cash flows characteristics of the financial assets. The PPF General Fund reclassifies financial assets when and only when its business model for managing those assets changes.

Accordingly, this group of financial assets are measured at amortised cost at initial recognition.

(i) *Initial recognition*

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the PPF General Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

2. Material accounting policy information (continued)

2.6 Financial assets (continued)

(ii) *Subsequent measurement*

Financial assets at amortised cost of the PPF General Fund comprise cash and cash equivalents, trade and other receivables and financial assets (debt instruments), at amortised cost. There are three prescribed subsequent measurement categories, depending on the PPF General Fund's business model in management the assets and the cash flow characteristic of the assets. The PPF General Fund manages its debt instruments by collecting the contractual cash flows and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

For trade and other receivables, the PPF General Fund applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For debt instruments carried at amortised cost and cash and cash equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECLs if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

The PPF General Fund considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the PPF General Fund may also consider a financial asset to be default when internal or external information indicates that the PPF General Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the PPF General Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Trade payables

Trade payables consist of the refund of levies when the Agency:

(i) receives approval from the Minister under section 42 of the DI-PPF Act to refund levies; or

(ii) receives notification from the MAS under section 43 of the DI-PPF Act.

They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

2. Material accounting policy information (continued)

2.7 Trade payables (continued)

There were no trade payables recognised on the statement of financial position as at 31 March 2025 and 2024.

2.8 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the PPF General Fund has a present legal or constructive obligation that 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 the amount has been reliably estimated. In particular, provision for liability to make compensation payment and payment to fund the transfer or the run-off of the insurance business of a failed PPF Scheme member are recognised when the Agency receives notification from the MAS under section 46 of the DI-PPF Act.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the change arises.

2.9 Currency translation

Functional and presentation currency

Items included in the financial statements of the PPF General Fund are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the PPF General Fund.

2.10 Advance to the Agency

Advance to the Agency represents cash advance to the Agency prior to the end of financial year, for the purpose of covering its operating and capital expenditures. These advances are not secured by collateral or credit enhancements, non-interest bearing and have no fixed term of repayment.

3. Net expenditure incurred by Singapore Deposit Insurance Corporation Limited

Expenditure net of grants and recoveries incurred by the Agency in carrying out the objects of the DI-PPF Act are payable from the PPF General Fund as provided under the DI-PPF Act.

4. Income tax

The Ministry of Finance had granted income tax remission for levy contributions collected by the PPF General Fund for the life of the Fund. In addition, income tax remission was granted for investment income earned by the PPF General Fund until end of 2028 or until the target fund size has been reached, whichever is earlier. As such, the PPF General Fund does not have tax chargeable income for this financial year.

5. Cash and cash equivalents

	2025 $	2024 $
Cash with the MAS	13,150	1,227,878

Cash with the MAS held at the end of the reporting period are non-interest bearing and denominated in Singapore Dollar.

6. Trade and other receivables

	2025 $	2024 $
Trade receivables	908	–
Accrued interest receivables	147,240	97,091
	148,148	97,091

Trade receivables are levies receivables from a PPF General Scheme member. Other receivables relate to accrued interest receivables from MAS bills and Singapore Government bonds and are non-trade in nature. They are unsecured and denominated in Singapore Dollar.

7. Financial assets (debt instruments), at amortised cost

The PPF General Fund's investments comprise:

	2025 $	2024 $
Current:		
MAS Bills	1,053,448	–
Singapore Government bonds	1,534,903	1,383,316
	2,588,351	1,383,316
Non-current:		
Singapore Government bonds	28,481,207	25,705,724
Total	31,069,558	27,089,040

7. Financial assets (debt instruments), at amortised cost (continued)

The total fair value of the investments at amortised cost, measured using quoted market bid prices as at 31 March 2025 was $29,972,354 (2024: $24,953,107). The non-current investments at amortised cost have maturity dates between September 2030 and August 2036.

8. Goods and services tax ("GST")

The Ministry of Finance had granted GST tax remission to allow the PPF General Fund to exempt the levies paid by Scheme members from GST, as well as claim GST on all business purchases incurred by Singapore Deposit Insurance Corporation Limited on behalf of PPF General Fund until 30 March 2024. The GST remission had lapsed on 31 March 2024.

In this regard, the Agency had become a GST-registered company with effect from 31 March 2024. For GST purposes, Agency would be regarded as providing insurance services to the Scheme members in return for the annual premiums or levies payable and would have to account for the GST collected from Scheme members as output tax in its GST returns.

9. Financial risk management

Financial risk factors

The PPF General Fund's activities expose it to market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Agency's Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the PPF General Fund. The Agency's management team establishes the detailed policies and procedures to govern the financial risk activities and ensure that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Agency's management team and the Board of Directors review the reports and agrees to the policies for managing each of these risks. The information presented below is based on information received by the Agency's management team and the Board of Directors.

(a) *Market risk*

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. Market risk comprises the following types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

(i) *Interest rate risk*

There are two elements of interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The PPF General Fund's investments are not subjected to cash flow interest rate risk as the interest payments are fixed.

9. Financial risk management (continued)

Financial risk factors (continued)

(a) *Market risk (continued)*

(i) *Interest rate risk (continued)*

The PPF General Fund's investments are subject to fair value interest rate risk. The changes in fair value due to interest rate movements are not reflected in the financial statements, as these investments are accounted for as financial assets at amortised cost. See Note 7 for details on the fair values as at year-end.

(ii) *Currency risk*

The PPF General Fund's business operations are not exposed to foreign currency risks as all of its investments and operating transactions are denominated in Singapore Dollar.

In the event that the PPF General Fund has a legal and constructive obligation to make compensation payment and payment to fund for the transfer or the run-off of the insurance business of a failed PPF Scheme member, such obligations may be exposed to currency risk if there are insured policies denominated in a currency other than Singapore Dollar.

However, this exposure cannot be reliably estimated at this juncture as the occurrence of such event is not within the control of the PPF General Fund or the Agency.

(iii) *Equity price risk*

The PPF General Fund has no exposure to equity price risk as it does not hold equity financial assets.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the PPF General Fund.

The PPF General Fund adopts the policy of dealing with financial institutions and other counterparties with high credit ratings to mitigate credit risk.

The PPF General Fund's financial assets comprise:

(i) Investments in Singapore Government bonds and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings;

(ii) Investments in MAS bills and accrued interest receivable on such securities; and

(iii) Cash held with the MAS.

9. Financial risk management (continued)

Financial risk factors (continued)

(b) *Credit risk (continued)*

The financial assets above are considered to have low credit risk and are measured on 12-month expected credit losses and subject to immaterial credit loss. The PPF General Fund has no past due or impaired assets.

(c) *Liquidity risk*

Liquidity risk is the risk that the PPF General Fund will encounter difficulty in meeting financial obligations due to shortage of funds.

(i) *Liabilities-related risk*

The PPF General Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI-PPF Act. The cash outflow required is the Agency's budget which is determined before the start of each financial year in accordance with the provisions of the DI-PPF Act.

The PPF General Fund's annual cash inflows are predictable, comprising:

- levies which are transferred to the PPF General Fund by the MAS on the sixth working day after the invoice due date;
- coupons from holdings of Singapore Government bonds; and
- interest income from MAS bills.

Therefore, the PPF General Fund is able to provide adequate funding for the Agency's operating and capital expenditures.

(ii) *Contingent liabilities-related risk*

The making of compensation payments pursuant to the PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF General Fund or the Agency. The Agency will utilise the PPF General Fund in the following manner when required to do so by the MAS under section 46(2) of the DI-PPF Act:

- make payment of compensation to insured policy owners; or
- fund the transfer and/or run-off of the insurance business of a failed PPF Scheme member.

The Agency may raise cash from the assets held by the PPF General Fund which comprises Singapore Government bonds and MAS bills. The Agency may also obtain loans on behalf of the PPF General Fund while awaiting proceeds from realisation of the assets of the failed PPF Scheme member. Furthermore, the MAS may, with the concurrence of the Agency, determine and raise additional levies in accordance with section 40 of the DI-PPF Act.

9. Financial risk management (continued)

Financial risk factors (continued)

(d) *Accumulated surplus*

The management of the PPF General Fund's accumulated surplus is circumscribed by the DI-PPF Act. Levies income is determined by the MAS which is charged under the DI-PPF Act to set the rates at which levies are levied on PPF Scheme members. As for investments, the Agency is required to invest the PPF General Fund's moneys with the objects of capital preservation and maintenance of liquidity. The moneys may only be invested in the types of investments prescribed in section 11 of the DI-PPF Act.

The Agency ensures that the PPF General Fund maintains sufficient cash and liquid assets to meet the fund's share of the Agency's budget for capital and operating expenditures.

(e) *Fair value measurement*

The carrying value of cash and cash equivalents and non-trade receivables are carried at values which approximate their fair values at the financial year-end date due to their short-term nature.

The financial assets, at amortised cost are not carried at fair value, however, the fair values are disclosed in Note 7, based on quoted market bid-prices in active markets at the financial year-end date. These fair values have been analysed according to a fair value hierarchy as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Singapore Government bonds and MAS bills held by PPF General Fund as disclosed in Note 7 are categorised within Level 1 of the fair value hierarchy. The PPF General Fund does not hold any level 2 or level 3 assets.

10. Authorisation of financial statements

The financial statements of the PPF General Fund for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Agency's directors on 20 August 2025.