

Statement by Management

For the financial year ended 31 March 2016

In the opinion of the Management, the financial statements of the Fund as set out on pages 1 to 29 are drawn up so as to present fairly the state of affairs of the Fund as at 31 March 2016, the results and changes in equity of the Fund for the financial year ended on that date, and of the cash flows of the Fund for the financial year then ended.

THARMAN SHANMUGARATNAM

Minister-in-Charge

Financial Sector Development Fund

RAVI MENON

Managing Director

Monetary Authority of Singapore

24 June 2016

**INDEPENDENT AUDITOR'S REPORT ON
THE AUDIT OF THE FINANCIAL STATEMENTS OF
THE FINANCIAL SECTOR DEVELOPMENT FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

The accompanying financial statements of the Financial Sector Development Fund (the "Fund"), set out on pages 1 to 29, have been audited under my direction. These financial statements comprise the balance sheet as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management of the Monetary Authority of Singapore is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Monetary Authority of Singapore Act (Cap. 186, 1999 Revised Edition) (the "Act") and Singapore Financial Reporting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In my opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2016 and the results, changes in equity and cash flows of the Fund for the financial year ended on that date.

TAN YOKE MENG WILLIE
AUDITOR-GENERAL
SINGAPORE

24 June 2016

FINANCIAL SECTOR DEVELOPMENT FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March	Note	2016 \$'000	2015 \$'000
Interest Income		28,691	29,054
Dividend Income		78,918	73,954
(Loss) / Gain from Financial Instruments at Fair Value through Profit or Loss		(34,017)	43,590
Foreign Exchange (Loss) / Gain		(25,550)	3,177
Other Income		357	211
Total Income		48,399	149,986
<u>Less:</u>			
Investment Expenses		7,817	7,927
Grants	9	33,186	31,361
Other Expenses	10	128	-
Total Expenditure		41,131	39,288
Net Surplus and Total Comprehensive Income for the Year	3	7,268	110,698

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

FINANCIAL SECTOR DEVELOPMENT FUND
BALANCE SHEET

As at 31 March	Note	2016	2015
		\$'000	\$'000
ACCUMULATED FUND			
Capital Account		471,635	471,635
Accumulated Surplus		853,703	846,435
	4	1,325,338	1,318,070
 <u>Represented by:</u>			
ASSETS			
Bank Balances and Deposits	5	195,167	256,135
Financial Assets at Fair Value through Profit or Loss		1,160,871	1,080,415
Loans and Receivables		16,899	30,010
		1,372,937	1,366,560
 <u>Less:</u>			
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss		5,455	6,144
Accruals and Other Liabilities		42,144	42,346
		47,599	48,490
NET ASSETS OF THE FUND		1,325,338	1,318,070

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

FINANCIAL SECTOR DEVELOPMENT FUND

STATEMENT OF CHANGES IN EQUITY

	Note	Capital Account \$'000	Accumulated Surplus \$'000	Total \$'000
Balance as at 1 April 2014		471,635	735,737	1,207,372
Total Comprehensive Income for the Year		-	110,698	110,698
Balance as at 31 March 2015		<u>471,635</u>	<u>846,435</u>	<u>1,318,070</u>
Total Comprehensive Income for the Year		-	7,268	7,268
Balance as at 31 March 2016	4	<u>471,635</u>	<u>853,703</u>	<u>1,325,338</u>

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

FINANCIAL SECTOR DEVELOPMENT FUND
CASH FLOW STATEMENT

For the year ended 31 March	Note	2016	2015
		\$'000	\$'000
Cash Flows from Operating Activities			
Surplus for the Year		7,268	110,698
Adjustments for:			
Interest Income		(28,691)	(29,054)
Dividend Income		(78,918)	(73,954)
(Gain) / Loss from Financial Instruments at Fair Value through Profit or Loss		34,017	(43,590)
Foreign Exchange (Gain) / Loss		25,550	(3,177)
Operating Cash Flows before Changes in Working Capital		<u>(40,774)</u>	<u>(39,077)</u>
Changes in operating assets and liabilities			
Decrease in Deposits held in Trust		7,054	-
(Increase) / Decrease in Loans and Receivables		(337)	248
Decrease in Accruals and Other Liabilities		(1,774)	(11,642)
Dividends Received on Singapore Exchange Limited Shares		74,997	69,998
Interest Received from Bank Balances and Deposits		1,227	712
Net Cash generated from Operating Activities		<u>40,393</u>	<u>20,239</u>
Cash Flows from Investing Activities			
Net Increase in Financial Instruments		(122,685)	(18,921)
Dividends Received		3,764	3,889
Interest Received		26,459	23,171
Net Cash (used in) / generated from Investing Activities		<u>(92,462)</u>	<u>8,139</u>
Net (Decrease) / Increase in Cash and Cash Equivalents		(52,069)	28,378
Cash and Cash Equivalents as at beginning of the year		187,545	158,569
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(906)	598
Cash and Cash Equivalents as at end of the year	5	<u>134,570</u>	<u>187,545</u>

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

FINANCIAL SECTOR DEVELOPMENT FUND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

1 GENERAL

The Financial Sector Development Fund (the "Fund") is established under Section 30A of the Monetary Authority of Singapore Act (Cap. 186, 1999 Revised Edition). It is controlled and administered by the Monetary Authority of Singapore ("MAS" or the "Authority"), located at 10 Shenton Way, MAS Building, Singapore 079117. The Authority provides administrative and accounting support to the Fund. The Fund shall be used for the objects and purposes set out in Section 30B of the Act, namely,

- a) the promotion of Singapore as a financial centre;
- b) the development and upgrading of skills and expertise required by the financial services sector;
- c) the development and support of educational and research institutions, research and development programmes and projects relating to the financial services sector; and
- d) the development of infrastructure to support the financial services sector in Singapore.

The Fund shall be deemed not to be a fund of the Authority for the purposes of any written law.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

- a) The financial statements have been prepared in accordance with the provisions of the Monetary Authority of Singapore Act (Cap. 186, 1999 Revised Edition) and the Singapore Financial Reporting Standards (FRS) and on an accrual basis.
- b) The following new or revised FRSs relevant to the Fund are applicable in the current financial year.

Effective for annual periods beginning on or after 1 July 2014

Amendments to FRS 24 Related Party Disclosures

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Amendments to FRS 113 Fair Value Measurement

The amendments clarify that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis if the exposure to either the market or credit risks are managed that way, applies to all contracts within the scope of FRS 39. This is regardless of whether they meet the definitions of financial assets or liabilities in FRS 32 Financial Instruments: Presentation.

There is no significant impact on the Fund's financial statements from the adoption of the new or revised FRSs.

- c) The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Fund's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.
- d) The financial statements are presented in Singapore dollars, the Fund's functional currency, and rounded to the nearest thousand, unless otherwise stated.

2.2 Income Recognition

a) Interest income

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

b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Financial Assets

a) Classification

The Fund's investments in financial assets are classified as financial assets at fair value through profit or loss and loans and receivables.

- i) Financial assets at fair value through profit or loss are financial derivatives or financial assets other than loans and receivables, designated by management as such on initial recognition as it results in more relevant information, because they are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information is provided internally on that basis to MAS management. They include fixed income securities, equities, commodities and an infrastructure fund.
- ii) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) Recognition and Derecognition

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

c) Initial and Subsequent Measurements

Financial assets at fair value through profit or loss are initially recognised and subsequently measured at fair value with changes in fair value and profit/loss on disposal included in the statement of comprehensive income in the period in which they arise. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses on the transaction dates. Loans and receivables are carried at amortised cost.

d) Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that an impairment loss on loans and receivables has been incurred. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Impairment losses, if any, are recognised in the statement of comprehensive income for the period.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for loans and receivables no longer exist or have decreased. The reversal, if any, is recognised in the statement of comprehensive income. However, the increase in the carrying amount of loans and

receivables due to a reversal of an impairment is recognised to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation) had no impairment losses been recognised for the loans and receivables in prior years.

2.4 Financial Liabilities

The Fund classifies its financial liabilities in the following categories: (a) financial derivatives and (b) accruals and other liabilities. Financial derivatives - liabilities, classified as fair value through profit or loss, are carried at fair value, with changes in fair value recognised in fair value gain/loss through profit or loss in the statement of comprehensive income. Accruals and other liabilities are carried at amortised cost using the effective interest method.

A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.5 Offsetting of Financial Assets/Liabilities and Income/Expenditure

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, there is a legally enforceable right to set off the amounts and an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Income and expenditure are netted only when permitted by the accounting standards.

2.6 Foreign Currency Translation

Transactions in a foreign currency are measured using the exchange rate prevailing at the date of the transaction. Foreign exchange gain/loss resulting from the settlement of such transactions and the translation of assets and liabilities denominated in foreign currencies, into Singapore dollars, at the exchange rate prevailing at the balance sheet date, are recognised in the statement of comprehensive income.

3 INCOME AND EXPENDITURE

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
3.1 Net Income/(Loss) from		
i) Financial Assets at Fair Value through Profit or Loss		
Held for Trading - Financial Derivatives	(15,442)	(3,792)
Financial Assets Designated as Fair Value through Profit or Loss at Initial Recognition	(19,693)	65,549
ii) Loans and Receivables	407	3,710
iii) Accruals and Other Liabilities	33	(27)
iv) Singapore Exchange Limited Shares held	74,997	69,998
	40,302	135,438
3.2 Interest Income from Financial Assets not at Fair Value through Profit or Loss		
i) Bank Balances and Deposits	1,268	721
Total Net Income from Financial Assets and Liabilities	<u>41,570</u>	<u>136,159</u>
3.3 Grants	(33,186)	(31,361)
3.4 Other Net Income / (Expenditure)	(1,116)	5,900
Total Comprehensive Income for the Year	<u>7,268</u>	<u>110,698</u>

4 CAPITAL AND ACCUMULATED SURPLUS

4.1 The capital and accumulated surplus of the Fund comprise:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Capital Account	471,635	471,635
Accumulated Surplus	853,703	846,435
Accumulated Fund as at 31 March	<u>1,325,338</u>	<u>1,318,070</u>

4.2 The Fund's Capital Account consists of the net sale proceeds of the Singapore Exchange Limited's (SGX) shares, in accordance with Section 30A (2) of the Monetary Authority of Singapore Act (Cap. 186, 1999 Revised Edition).

4.3 As at 31 March 2016, SEL Holdings Pte Ltd (SEL) holds 249,991,184 SGX shares for the benefit of the Fund as stipulated under Section 11(2) of the Exchanges (Demutualisation and Merger) Act (Cap. 99B, 2000 Revised Edition). These SGX shares held have a market valuation of \$1.99 billion as at 31 March 2016 (31 March 2015: \$2.03 billion). In the event of a sale, net sale proceeds of these shares (after deducting expenses allowed under Section 10(1) and the par value of those shares) shall be paid by SEL into the Fund under Section 10(2) of the Exchanges (Demutualisation and Merger) Act (Cap. 99B, 2000 Revised Edition).

4.4 The Fund's capital management policy is to preserve the capital value of the Fund in line with inflation, whilst taking into consideration, the Fund's desired return and risk tolerance, so that income from the investment of moneys in the Fund can be applied to the objects and expenditure of the Fund and meet all of its commitments under Section 30B of the Monetary Authority of Singapore Act (Cap. 186, 1999 Revised Edition).

4.5 The capital management process includes periodic reviews of the adequacy of the Fund's capital and grant commitments, in relation to all material risks, commensurate with the desired returns. Regular updates are provided to the MAS management and the Minister-in-Charge.

5 BANK BALANCES AND DEPOSITS

5.1 These comprise the following:

	<u>Note</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Cash and Cash Equivalents		134,570	187,545
Bank Balances and Deposits held by Singapore Exchange Limited in trust for the Fund	5.2	60,597	68,590
		<u>195,167</u>	<u>256,135</u>

- 5.2 Included in bank balances and deposits of \$195.2 million as at 31 March 2016 is US\$45.0 million (\$60.6 million) (31 March 2015: US\$50.0 million [\$68.6 million]) held by Singapore Exchange Ltd, in trust for a Fund-supported market infrastructure project. The Fund reserves the right, to vary or change the amount for the project or withdraw any part of or the entire amount for this project, and recover in full, or part, any moneys disbursed if specified terms and conditions, including satisfying the project's key performance indicators, are not met or upon the occurrence of specified events.

6 FINANCIAL RISK MANAGEMENT

- 6.1 The MAS Management Investment Committee manages the Fund's investment and risk management strategies.
- 6.2 The Fund's investments are mainly in financial instruments, which are exposed to various specific risks outlined below. These risks are managed by establishing specific controls at the aggregate and individual portfolio levels, through diversification and regular monitoring.
- 6.3 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 and includes currency, interest rate, equity, commodity and other price risks. Market risks are managed through the diversification of the Fund's investments across various asset classes, countries, regions and sectors.

The Fund is managed by external fund managers, who assess the macroeconomic outlook and market developments in formulating investment strategies.

Sensitivity analysis is performed for reasonably possible movements in each key variable with all other variables held constant, to demonstrate the impact on profit or loss and equity resulting from the change in each key variable. The correlation of variables will have a significant effect in determining the ultimate fair values and/or amortised costs of financial assets.

	<u>Profit or Loss and Equity Impact</u>	
Change in Market Risk:	<u>2016</u> \$'000	<u>2015</u> \$'000
a) Foreign Currency		
USD by 5%	16,228	16,243
EUR by 5%	19	-
BRL by 5%	2,262	1,990
HKD by 5%	1,837	2,630
ZAR by 5%	2,003	1,945
b) Interest Rate		
by 1%	49,510	42,805
c) Equity		
by 10%	31,200	41,625
d) Commodity		
by 10%	3,119	3,015

6.3a) **Currency Risk**

i) Currency risk is the risk of loss from foreign assets and liabilities due to changes in foreign exchange rates. The carrying amounts of the Fund's assets and liabilities are denominated in the following currencies:

As at 31 March								2016
	SGD	USD	EUR	BRL	HKD	ZAR	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS								
Bank Balances and Deposits	87,603	99,491	(561)	566	1,774	1,143	5,151	195,167
Financial Assets at Fair Value through Profit or Loss								
Financial Derivatives Receivable	383,196	(327,778)	3,909	-	73	-	(46,034)	13,366
Fixed Income Securities	131,090	382,100	91,662	25,981	-	24,061	293,221	948,115
Fixed Income Securities pledged as collateral for financial derivatives	-	4,170	-	-	-	-	-	4,170
Equities	-	77,197	-	18,546	3,488	14,738	25,402	170,771
Infrastructure Fund (Unquoted)	-	24,449	-	-	-	-	-	24,449
	514,286	160,138	95,571	44,527	34,961	38,799	272,589	1,160,871
Loans and Receivables								
Other Receivables	1,790	5,627	1,768	148	-	594	3,830	13,757
Financial assets pledged as collateral (receivables)	299	343	-	-	-	-	-	642
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	-	-	2,500
	4,589	5,970	1,768	148	-	594	3,830	16,899
TOTAL ASSETS	606,478	265,599	96,778	45,241	36,735	40,536	281,570	1,372,937
LIABILITIES								
Financial Liabilities at Fair Value through Profit or Loss								
Financial Derivatives Payable	(87,933)	(67,703)	92,421	-	-	467	68,203	5,455
Accruals and Other Liabilities								
Accounts Payable - Grants	25,431	-	-	-	-	-	-	25,431
Other Payables	3,241	8,738	3,981	-	-	-	753	16,713
	28,672	8,738	3,981	-	-	-	753	42,144
TOTAL LIABILITIES	(59,261)	(58,965)	96,402	-	-	467	68,956	47,599
NET ASSETS	665,739	324,564	376	45,241	36,735	40,069	212,614	1,325,338

6.3a) Currency Risk (continued)

As at 31 March								2015
	SGD	USD	EUR	BRL	HKD	ZAR	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS								
Bank Balances and Deposits	134,527	114,910	(294)	901	1,763	1,270	3,058	256,135
Financial Assets at Fair Value through Profit or Loss								
Financial Derivatives Receivable	133,509	71,883	(103,263)	(2,418)	60	(1,014)	(92,543)	6,214
Fixed Income Securities	120,610	360,157	101,839	17,575	-	18,487	242,642	861,310
Fixed Income Securities pledged as collateral for financial derivatives	-	2,945	-	-	-	-	-	2,945
Equities	-	71,811	-	23,156	50,625	19,937	29,942	195,471
Infrastructure Fund (Unquoted)	-	14,475	-	-	-	-	-	14,475
	254,119	521,271	(1,424)	38,313	50,685	37,410	180,041	1,080,415
Loans and Receivables								
Other Receivables	7,425	10,911	1,241	1,362	151	221	6,199	27,510
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	-	-	2,500
	9,925	10,911	1,241	1,362	151	221	6,199	30,010
TOTAL ASSETS	398,571	647,092	(477)	40,576	52,599	38,901	189,298	1,366,560
LIABILITIES								
Financial Liabilities at Fair Value through Profit or Loss								
Financial Derivatives Payable	(315,253)	317,524	(1,022)	(467)	-	-	5,362	6,144
Accruals and Other Liabilities								
Accounts Payable - Grants	27,316	-	-	-	-	-	-	27,316
Other Payables	4,368	4,698	549	1,250	-	-	4,165	15,030
	31,684	4,698	549	1,250	-	-	4,165	42,346
TOTAL LIABILITIES	(283,569)	322,222	(473)	783	-	-	9,527	48,490
NET ASSETS	682,140	324,870	(4)	39,793	52,599	38,901	179,771	1,318,070

- ii) Financial derivative receivable and payable include currency forwards, i.e. the purchase and sale of currencies on a specified future date. These currency forwards are carried at fair value at individual contract level. The receivables and payables of each contract in various currencies are classified as assets when the fair value of the contract is net positive and as liabilities when the fair value is net negative.
- iii) Other currencies include mainly Malaysian ringgit, Mexican peso, Turkish Lira and Polish zloty (31 March 2015 : Other currencies include mainly Malaysian ringgit, Mexican peso, Polish zloty and Indonesian rupiah).
- iv) The carrying amounts of loans and receivables and accruals and other liabilities approximate their fair value.

6.3b) Interest Rate Risk

Interest rate risk is the risk of loss from a financial instrument due to changes in market interest rates. The Fund manages interest rate risks by setting duration limits on its investments. The table below summarises the Fund's exposure to interest rate re-pricing risks, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 March						2016
	Non-Interest Bearing	Earlier of Repricing/Contractual Maturity Date				Total
		Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Bank Balances and Deposits	59,570	92,506	43,091	-	-	195,167
Financial Assets at Fair Value through Profit or Loss						
Financial Derivatives Receivable	13,260	44	62	-	-	13,366
Fixed Income Securities	-	146,745	23,667	271,728	505,975	948,115
Fixed Income Securities pledged as collateral for financial derivatives	-	4,170	-	-	-	4,170
Equities	170,771	-	-	-	-	170,771
Infrastructure Fund (Unquoted)	24,449	-	-	-	-	24,449
	208,480	150,959	23,729	271,728	505,975	1,160,871
Loans and Receivables						
Other Receivables	13,757	-	-	-	-	13,757
Financial assets pledged as collateral (receivables)	-	642	-	-	-	642
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	2,500
	16,257	642	-	-	-	16,899
TOTAL ASSETS	284,307	244,107	66,820	271,728	505,975	1,372,937
LIABILITIES						
Financial Liabilities at Fair Value through Profit or Loss						
Financial Derivatives Payable	4,473	982	-	-	-	5,455
Accruals and Other Liabilities						
Accounts Payable - Grants	25,431	-	-	-	-	25,431
Other Payables	14,424	2,289	-	-	-	16,713
	39,855	2,289	-	-	-	42,144
TOTAL LIABILITIES	44,328	3,271	-	-	-	47,599
NET ASSETS	239,979	240,836	66,820	271,728	505,975	1,325,338

6.3b) Interest Rate Risk (continued)

As at 31 March						2015
	Non-Interest Bearing	Earlier of Repricing/Contractual Maturity Date				Total
		Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Bank Balances and Deposits	61,545	161,667	32,923	-	-	256,135
Financial Assets at Fair Value through Profit or Loss						
Financial Derivatives Receivable	6,140	17	57	-	-	6,214
Fixed Income Securities	-	162,482	44,934	229,090	424,804	861,310
Fixed Income Securities pledged as collateral for financial derivatives	-	2,945	-	-	-	2,945
Equities	195,471	-	-	-	-	195,471
Infrastructure Fund (Unquoted)	14,475	-	-	-	-	14,475
	216,086	165,444	44,991	229,090	424,804	1,080,415
Loans and Receivables						
Other Receivables	23,669	3,841	-	-	-	27,510
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	2,500
	26,169	3,841	-	-	-	30,010
TOTAL ASSETS	303,800	330,952	77,914	229,090	424,804	1,366,560
LIABILITIES						
Financial Liabilities at Fair Value through Profit or Loss						
Financial Derivatives Payable	5,873	270	1	-	-	6,144
Accruals and Other Liabilities						
Accounts Payable - Grants	27,316	-	-	-	-	27,316
Other Payables	12,780	2,250	-	-	-	15,030
	40,096	2,250	-	-	-	42,346
TOTAL LIABILITIES	45,969	2,520	1	-	-	48,490
NET ASSETS	257,831	328,432	77,913	229,090	424,804	1,318,070

6.4 Credit Risk

- a) Credit risk is the risk of loss arising from a party's failure to discharge an obligation under a financial contract and includes counterparty and issuer credit risk.
- b) The Fund's credit risks are managed by transacting with entities of acceptable creditworthiness within assigned limits. Credit risks are also mitigated by diversifying credit exposures across counterparties and issuers.
- c) The Fund enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to set off the transactions is conditional upon default. These netting arrangements include derivative master agreements such as International Swaps and Derivatives Association (ISDA) Master Agreement and Global Master Repurchase Agreements (GMRA).

The cash and collateral such as marketable securities received and posted under these agreements are subject to terms that are in accordance with market practice. In these agreements, the counterparty is typically allowed to sell or re-pledge these non-cash collateral (i.e. securities) transferred, but has an obligation to return the securities at maturity. If the securities received decrease in value, the Fund may, in certain circumstances, call for additional collateral.

- d) The Fund manages issuer credit risk by imposing minimum credit rating requirements on the investment of its fixed income securities. Single issuer limits are placed to control the credit exposure to any one issuer and to mitigate the extent of loss resulting from a default.
- e) The total carrying amounts of bank balances, deposits, financial derivatives, fixed income securities, loans and receivables and infrastructure fund represent the Fund's maximum credit exposure.

6.4f) Credit Risk (continued)

The credit exposure by rating of financial assets including fixed income securities held by the Fund under total assets is analysed below.

As at 31 March	Credit Ratings			2016
	AAA	AA+ to BBB-	Unrated and Others	Total
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Bank Balances and Deposits	732	194,435	-	195,167
Financial Assets at Fair Value through Profit or Loss				
Financial Derivatives Receivable	-	-	13,366	13,366
Fixed Income Securities	252,504	563,137	132,474	948,115
Fixed Income Securities pledged as collateral for financial derivatives	-	4,170	-	4,170
Infrastructure Fund (Unquoted)	-	-	24,449	24,449
	252,504	567,307	170,289	990,100
Loans and Receivables				
Other Receivables	1,496	8,543	3,718	13,757
Financial assets pledged as collateral (receivables)	-	642	-	642
Receivables from SEL Holdings Pte Ltd	-	-	2,500	2,500
	1,496	9,185	6,218	16,899
	254,732	770,927	176,507	1,202,166

As at 31 March	Credit Ratings			2015
	AAA	AA+ to BBB-	Unrated and Others	Total
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Bank Balances and Deposits	126,419	129,716	-	256,135
Financial Assets at Fair Value through Profit or Loss				
Financial Derivatives Receivable	-	-	6,214	6,214
Fixed Income Securities	281,166	515,707	64,437	861,310
Fixed Income Securities pledged as collateral for financial derivatives	-	2,945	-	2,945
Infrastructure Fund (Unquoted)	-	-	14,475	14,475
	281,166	518,652	85,126	884,944
Loans and Receivables				
Other Receivables	1,449	18,082	7,979	27,510
Receivables from SEL Holdings Pte Ltd	-	-	2,500	2,500
	1,449	18,082	10,479	30,010
	409,034	666,450	95,605	1,171,089

6.4g) Credit Risk (continued)

The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Fund's balance sheet but are subject to enforceable master netting arrangement or similar agreement that covers similar financial instruments. The disclosures enable the evaluation of the potential effect of netting arrangements on the Fund's financial position.

As at 31 March 2016	Gross amounts on balance sheet	Gross amounts subject to netting arrangements but not set off in the balance sheet	Related amounts not set off in the balance sheet		Net amount
			Financial instruments	Cash collateral	
			\$'000 (B)	\$'000 (C)	
	\$'000	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (A)-(B)-(C)=(D)
Financial Assets					
Financial Assets at Fair Value through Profit or Loss	1,160,871				
Financial Derivatives		3,913	236	2,289	1,388
Loans and Receivables	16,899				
Repurchase Agreements		-	-	-	-
		3,913	236	2,289	1,388
Financial Liabilities					
Financial Liabilities at Fair Value through Profit or Loss	5,455				
Financial Derivatives		1,294	236	642	416
		1,294	236	642	416

As at 31 March 2015	Gross amounts on balance sheet	Gross amounts subject to netting arrangements but not set off in the balance sheet	Related amounts not set off in the balance sheet		Net amount
			Financial instruments	Cash collateral	
			\$'000 (B)	\$'000 (C)	
	\$'000	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (A)-(B)-(C)=(D)
Financial Assets					
Financial Assets at Fair Value through Profit or Loss	1,080,415				
Financial Derivatives		2,093	688	1,405	-
Loans and Receivables	30,010				
Repurchase Agreements		3,841	3,841	-	-
		5,934	4,529	1,405	-
Financial Liabilities					
Financial Liabilities at Fair Value through Profit or Loss	6,144				
Financial Derivatives		1,185	688	-	497
		1,185	688	-	497

h) *Securities Pledged and Transferred*

The Fund enters into transactions like repurchase agreements and securities lending arrangements where financial assets are sold or transferred to counterparties under terms that are in accordance with normal market practice.

The Fund retains substantially all the risks and rewards of these securities and has not derecognised them. In these transactions, the counterparty is typically allowed to sell or re-pledge those securities lent or transferred, but has an obligation to return securities at maturity. If the securities lent decrease in value, the Fund may be required to pledge additional collateral.

For repurchase agreements and securities lending transactions, the securities transferred and lent respectively, are classified as “fair value through profit or loss”.

i) *Financial Assets that are neither past due nor impaired*

The Fund’s balances and deposits with banks, receivables and other investments that are neither past due nor impaired, are mainly with banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

j) *Financial Assets that are past due and/or impaired*

There are no financial assets that are past due and/or impaired as at 31 March 2016 and 31 March 2015.

6.5 Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in selling a financial asset at close to its fair value at short notice to meet liabilities when they fall due. Limits are imposed on investments to ensure adequate diversification of cash flow sources. The table below analyses the financial assets and liabilities of the Fund based on undiscounted cash flows by remaining contractual maturities.

As at 31 March

	2016					Total
	No Specific Maturity	Contractual Maturity Date				
		Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Bank Balances and Deposits	59,570	75,000	-	60,597	-	195,167
Financial Assets at Fair Value through Profit or Loss						
Financial Derivatives Receivable						
Net Settled Derivatives	-	4,542	269	236	13	5,060
Gross Settled Derivatives						
Outflow	-	(388,479)	-	-	-	(388,479)
Inflow	-	396,771	-	-	-	396,771
Fixed Income Securities	46,436	88,340	51,135	382,115	632,862	1,200,888
Fixed Income Securities pledged as collateral for financial derivatives	-	4,170	-	-	-	4,170
Equities	170,771	-	-	-	-	170,771
Infrastructure Fund (Unquoted)	24,449	-	-	-	-	24,449
	241,656	105,344	51,404	382,351	632,875	1,413,630
Loans and Receivables						
Other Receivables	1,866	4,299	-	-	-	6,165
Financial assets pledged as collateral (receivables)	642	-	-	-	-	642
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	2,500
	5,008	4,299	-	-	-	9,307
TOTAL ASSETS	306,234	184,643	51,404	442,948	632,875	1,618,104
LIABILITIES						
Financial Liabilities at Fair Value through Profit or Loss						
Financial Derivatives Payable						
Net Settled Derivatives	-	1,463	462	600	3	2,528
Gross Settled Derivatives						
Outflow	-	191,410	-	-	-	191,410
Inflow	-	(188,889)	-	-	-	(188,889)
	-	3,984	462	600	3	5,049
Accruals and Other Liabilities						
Accounts Payable - Grants	25,431	-	-	-	-	25,431
Other Payables	2,434	14,279	-	-	-	16,713
	27,865	14,279	-	-	-	42,144
TOTAL LIABILITIES	27,865	18,263	462	600	3	47,193
NET ASSETS	278,369	166,380	50,942	442,348	632,872	1,570,911

6.5 Liquidity Risk (continued)

As at 31 March	2015					Total
	No Specific Maturity	Contractual Maturity Date				
		Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Bank Balances and Deposits	61,545	126,000	68,590	-	-	256,135
Financial Assets at Fair Value through Profit or Loss						
Financial Derivatives Receivable						
Net Settled Derivatives	-	1,423	603	313	17	2,356
Gross Settled Derivatives						
Outflow	-	(218,072)	-	-	-	(218,072)
Inflow	-	222,027	-	-	-	222,027
Fixed Income Securities	76,021	73,837	71,598	321,174	541,671	1,084,301
Fixed Income Securities pledged as collateral for financial derivatives	-	2,945	-	-	-	2,945
Equities	195,471	-	-	-	-	195,471
Infrastructure Fund (Unquoted)	14,475	-	-	-	-	14,475
	285,967	82,160	72,201	321,487	541,688	1,303,503
Loans and Receivables						
Other Receivables	1,489	19,383	-	-	-	20,872
Receivables from SEL Holdings Pte Ltd	2,500	-	-	-	-	2,500
	3,989	19,383	-	-	-	23,372
TOTAL ASSETS	351,501	227,543	140,791	321,487	541,688	1,583,010
LIABILITIES						
Financial Liabilities at Fair Value through Profit or Loss						
Financial Derivatives Payable						
Net Settled Derivatives	-	1,940	2,437	153	(303)	4,227
Gross Settled Derivatives						
Outflow	-	361,543	-	-	-	361,543
Inflow	-	(360,343)	-	-	-	(360,343)
	-	3,140	2,437	153	(303)	5,427
Accruals and Other Liabilities						
Accounts Payable - Grants	27,316	-	-	-	-	27,316
Other Payables	2,282	12,748	-	-	-	15,030
	29,598	12,748	-	-	-	42,346
TOTAL LIABILITIES	29,598	15,888	2,437	153	(303)	47,773
NET ASSETS	321,903	211,655	138,354	321,334	541,991	1,535,237

6.6 Concentration Risk

Concentration risk is the risk of loss arising due to a disproportionate exposure to specific countries, regions and sectors. Investment limits are set to provide diversification of financial assets across countries, regions and sectors to mitigate concentration risk. The table below summarises the Fund's exposure to concentration risk.

As at 31 March	2016				
	North America	Developed Europe	Asia Pacific	Emerging Countries and Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>FIXED INCOME SECURITIES</u>					
Government	129,525	73,290	126,110	238,486	567,411
Government Related	10,320	10,302	26,625	8,211	55,458
Corporates	142,880	74,634	30,813	6,449	254,776
Others	21,154	6,037	1,029	46,420	74,640
Total	303,879	164,263	184,577	299,566	952,285
<u>EQUITIES</u>					
Financials	-	-	2,260	32,224	34,484
Information Technology	-	2,186	-	42,626	44,812
Consumer Staples	-	-	-	25,903	25,903
Consumer Discretionary	-	-	-	13,676	13,676
Industrials	-	-	6,362	10,572	16,934
Telecommunication Services	-	-	-	28,451	28,451
Utilities	-	-	-	6,511	6,511
Total	-	2,186	8,622	159,963	170,771
TOTAL	303,879	166,449	193,199	459,529	1,123,056
<u>As at 31 March</u>					
2015					
	North America	Developed Europe	Asia Pacific	Emerging Countries and Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>FIXED INCOME SECURITIES</u>					
Government	98,298	85,224	85,281	179,313	448,116
Government Related	8,544	5,871	34,199	9,675	58,289
Corporates	131,451	82,970	32,832	6,032	253,285
Others	18,217	8,933	1,397	76,018	104,565
Total	256,510	182,998	153,709	271,038	864,255
<u>EQUITIES</u>					
Energy	-	2,818	-	-	2,818
Financials	-	-	-	36,557	36,557
Information Technology	-	2,981	-	50,536	53,517
Consumer Staples	-	1,871	-	23,558	25,429
Consumer Discretionary	-	6,532	-	9,499	16,031
Industrials	-	-	9,243	13,174	22,417
Telecommunication Services	-	-	-	27,633	27,633
Utilities	-	-	-	11,069	11,069
Total	-	14,202	9,243	172,026	195,471
TOTAL	256,510	197,200	162,952	443,064	1,059,726

6.7 Fair Values of Financial Assets and Liabilities

- a) The Fund measures the fair values of its financial assets and liabilities at the following different levels of inputs:
- i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;
 - ii) 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). Where the fair value of the financial instrument is measured by a valuation technique that uses independently sourced broker, dealer quotes and observable market parameters such as foreign exchange rates, yield curves and volatilities, it is disclosed at this level; and
 - iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Where no market data can be observed and judgement is required, the valuation of the financial instrument takes into account factors such as the illiquidity and price volatility of the asset class and adjustments are made for uncertainties in the input parameters and modelling methods.

6.7b) **Assets and Liabilities Measured at Fair Value**

The following table summarises the financial assets and liabilities recorded at fair value by level of the fair value hierarchy.

As at 31 March	2016			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets at Fair Value through Profit or Loss				
Financial Derivatives Receivable	1,873	11,493	-	13,366
Fixed Income Securities	296,605	651,510	-	948,115
Fixed Income Securities pledged as collateral for financial derivatives	4,170	-	-	4,170
Equities	170,771	-	-	170,771
Infrastructure Fund (Unquoted)	-	-	24,449	24,449
	473,419	663,003	24,449	1,160,871
Financial Liabilities at Fair Value through Profit or Loss				
Financial Derivatives Payable	1,559	3,896	-	5,455
	1,559	3,896	-	5,455
NET ASSETS	471,860	659,107	24,449	1,155,416
As at 31 March				
2015				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets at Fair Value through Profit or Loss				
Financial Derivatives Receivable	1,555	4,659	-	6,214
Fixed Income Securities	280,297	581,013	-	861,310
Fixed Income Securities pledged as collateral for financial derivatives	2,945	-	-	2,945
Equities	195,471	-	-	195,471
Infrastructure Fund (Unquoted)	-	-	14,475	14,475
	480,268	585,672	14,475	1,080,415
Financial Liabilities at Fair Value through Profit or Loss				
Financial Derivatives Payable	3,795	2,349	-	6,144
	3,795	2,349	-	6,144
NET ASSETS	476,473	583,323	14,475	1,074,271

6.7c) **Transfers from/to Level 1 and 2**

There are no transfers from/to Level 1 and 2 within the fair value hierarchy during the financial years ended 31 March 2016 and 2015.

6.7d) **Assets Measured at Fair Value under Level 3**

Movements in the Fund's Level 3 financial assets are as follows:

As at 31 March	2016	2015
	Infrastructure Fund (Unquoted)	Infrastructure Fund (Unquoted)
	\$'000	\$'000
Financial Assets at Fair Value through Profit or Loss		
Balance as at 1 April	14,475	8,842
Total Gains or Losses recognised in Profit/(Loss)	(2,189)	1,136
Purchases	12,163	4,497
Balance as at 31 March	24,449	14,475

From the year ended 31 Mar 2016, Total Gains or Losses recognised in Profit/(Loss) that were previously presented as part of Purchases are presented separately. Comparative amounts for the year ended 31 Mar 2015 have been restated. The change has no impact on the statement of comprehensive income.

Financial assets are transferred into Level 3 when their valuation inputs are no longer based on observable market data. Transfers of financial assets out of Level 3 are made when their valuation inputs can be based on observable market data.

6.7e) **Effect of Changes in Significant Unobservable Inputs of Level 3 Financial Instruments**

Financial Assets at Fair Value through Profit or Loss	Fair Value as at 31 March 2016 \$'000	Fair Value as at 31 March 2015 \$'000	Valuation Technique	Unobservable Input	Range of Inputs
Infrastructure Fund (Unquoted)	24,449	14,475	Net asset value	Adjusted net asset value of the Fund	N/A
Total	24,449	14,475			

The fair value of the investment in the unquoted infrastructure fund has been estimated by the Fund's share of the net asset value of the infrastructure fund.

7 FINANCIAL DERIVATIVES: ASSETS/LIABILITIES

Derivative financial instruments are financial instruments whose values fluctuate in response to changes in the values of the underlying assets, interest or exchange rates or indices and include forwards, futures, options and swaps. These instruments allow the Fund to transfer, modify or reduce their foreign exchange and interest rate risks.

Forward foreign exchange contracts are agreements to purchase or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Foreign exchange futures are exchange-traded agreements to purchase or sell a standard amount of a specified currency at an agreed rate of exchange on a specified future date.

Interest rate futures are exchange-traded agreements to purchase or sell a standard amount of a specified fixed income security or time deposit at an agreed interest rate on a specified future date.

Interest rate swaps are agreements to exchange the interest obligations with a counterparty for a specified period without exchanging the underlying (or notional) principal.

Equity-related futures are exchange-traded agreements to purchase or sell a standard amount of a specified equity index at an agreed price or level on a specified future date.

Equity-related swaps are agreements to exchange payments based on an equity-linked return against a reference interest rate for a specified period.

Commodity-related futures are exchange-traded agreements to purchase or sell a standard amount of a specified commodity or commodity index at an agreed price on a specified future date.

Credit default swaps involve the transfer of credit risk of a reference asset from the protection buyer to the protection seller. The protection buyer makes one or more payments to the seller in exchange for the seller's obligation to make a payment to the buyer contingent upon the occurrence of a pre-defined credit event related to a specified reference entity.

- 7.1 The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instrument and, therefore, do not indicate the Fund's exposure to credit or price risks. The fair values of derivative instruments are normally zero or negligible at inception and the subsequent change in value is favourable (derivative assets) or unfavourable (derivative liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate notional amount of derivative financial instruments, the extent to which the instruments are favourable and unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

7.2 The notional amounts of the derivative financial instruments and their corresponding gross positive (derivative receivable) and negative (derivative payable) fair values at balance sheet date, are analysed below. The following table summarises the notional amounts of derivative financial instruments held at the balance sheet date:

	2016			2015		
	Notional	Fair Value		Notional	Fair Value	
	Amount \$'000	Receivable \$'000	Payable \$'000	Amount \$'000	Receivable \$'000	Payable \$'000
Foreign exchange contracts						
Forwards	589,031	8,356	2,566	593,755	4,163	1,672
Futures purchased	11,037	66	-	9,940	24	118
Futures sold	8,609	-	119	21,971	172	-
Interest rate contracts						
Futures purchased	67,245	136	125	63,519	856	-
Futures sold	58,035	70	410	69,169	22	524
Swaps	41,656	107	982	27,067	74	271
Equity-related contracts						
Futures purchased	18,186	161	117	26,731	109	150
Futures sold	26,609	84	175	4,261	7	23
Swaps	100,903	2,717	-	106,536	117	-
Commodity-related contracts						
Futures purchased	38,433	1,221	459	37,481	217	2,877
Futures sold	7,243	134	154	7,332	147	103
Other derivatives						
Credit default swaps purchased	2,244	249	10	7,674	68	265
Credit default swaps sold	4,234	65	338	5,653	238	141
	<u>973,465</u>	<u>13,366</u>	<u>5,455</u>	<u>981,089</u>	<u>6,214</u>	<u>6,144</u>

8 RELATED PARTY TRANSACTIONS

- 8.1 The Fund maintains a non-interest bearing current account with the Authority to facilitate grant disbursements. The Fund's current account balance with the Authority as at 31 March 2016 was \$0.7 million (31 March 2015: \$0.4 million).
- 8.2 The Fund also placed deposits with the Authority, in the ordinary course of business and at arm's length, earning interest income disclosed below:

	<u>2016</u> \$'000	<u>2015</u> \$'000
Interest Income	<u>557</u>	<u>282</u>

The Fund's deposit balance with the Authority as at 31 March 2016 was \$nil (31 March 2015: \$126.0 million).

9 GRANTS

- 9.1 The Managing Director of the Monetary Authority of Singapore, the Authority which controls and administers the Fund, is the Chairman of the Institute of Banking and Finance (IBF) Council, which provides guidance on the strategic direction of IBF to ensure that it remains relevant and adds value to the financial industry.
- 9.2 During the financial year, \$6.4 million additional grants (31 March 2015: \$14.2 million) were committed to IBF to develop an integrated e-service information technology system and review the Financial Industry Competency Standards. About \$6.2 million of the grants (31 March 2015: \$3.4 million) to IBF were expensed in the current financial year, \$0.7 million (31 March 2015: \$1.7 million) grant commitments expired, with \$9.0 million outstanding commitments to IBF remaining as at 31 March 2016 (31 March 2015: \$9.5 million).

10 OTHER EXPENSES

- 10.1 Other Expenses include audit fees amounting to \$0.11 million (31 March 2015: \$nil) payable by the Fund. In prior years, the audit of the Fund was conducted together with that of the Authority.

11 COMMITMENTS

- 11.1 The Fund has outstanding grant commitments, totalling to \$56.8 million as at 31 March 2016 (31 March 2015: \$57.7 million).
- 11.2 As at 31 March 2016, the Fund has remaining commitment to invest up to US\$29.6 million (\$39.9 million) (31 March 2015: US\$38.6 million [\$53.0 million]) in an infrastructure fund.

12 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

New or revised accounting standards and interpretations to existing standards have been issued that are relevant for accounting periods beginning after 1 April 2015 or later periods and which the Fund has not early adopted. The following new or revised standards that are applicable, are not expected to have a significant impact on the Fund's financial statements except for FRS 109 which is under review and assessment of its impact.

Effective for annual periods beginning on or after 1 January 2016

Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to FRS 1 clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Effective for annual periods beginning on or after 1 January 2017

Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative

The amendments to FRS 7 require additional disclosures to enable the user of financial statements to evaluate changes in liabilities arising from financing activities, such as providing a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities, and its link to the statement of cash flows.

Effective for annual periods beginning on or after 1 January 2018

FRS 109 Financial Instruments

FRS 109 replaces the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments and introduces a new expected credit loss model for impairment of financial assets as well as new requirements for general hedge accounting.

13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2016 were authorised by the Minister-in-Charge for issuance and signed by the Minister and Managing Director of Monetary Authority of Singapore on 24 June 2016.