Central Provident Fund Board

FINANCIAL STATEMENTS

Statement by the Members of the Board

In our opinion, the accompanying financial statements of the funds managed by the Central Provident Fund Board (the "Board") as set out on pages 8 to 89 are drawn up so as to present fairly, in all material respects of the net assets of the funds managed by the Board as at 31 December 2024, and the changes in these fund balances and cash flows for the financial year then ended.

On behalf of the Board

Yong Ying-I
Chairman

Melissa Khoo
Chief Executive Officer

13 May 2025

Central Provident Fund Board

Independent Auditor's Report

For the financial year ended 31 December 2024
Independent auditor's report to the members of the Board

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the funds managed by the Central Provident Fund Board (the "Board"), which comprise the statement of net assets of funds managed by the Board as at 31 December 2024, the statement of changes in fund balances and the statement of cash flows of the funds for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "PSG Act"), the Central Provident Fund Act 1953 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the net assets of the funds managed by the Board as at 31 December 2024 and the changes in these fund balances and cash flows for the 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 Board 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

Management is responsible for the other information contained in the annual report. The other information is defined as all other information in the annual report other than the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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 management and Board members for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the PSG Act, the Act and SB-FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Board'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 there is intention to wind up the Board or to cease operations.

The Board members are responsible for overseeing the Board'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 Board's internal control.

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

- 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 Board'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 Board 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 Board members 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.

Other matter

The financial statements of the Board for the financial year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 8 May 2024.

Report on other legal and regulatory requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board; and

(b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Compliance Audit* section of our report. We are independent of the Board in accordance with the 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 on management's compliance.

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditors' responsibility for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board. Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliance may nevertheless occur and not be detected.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
13 May 2025

Statement of Net Assets of Funds
As at 31 December 2024

	Note	2024 S$'000	2023 S$'000
Central Provident Fund			
Total assets			
Property, plant and equipment	3	132,304	138,016
Right-of-use assets	4	139,274	165,538
Intangible assets	5	140,423	179,181
Investments	6	602,898,656	564,796,057
Debtors and other receivables	7	6,981,844	6,667,531
Cash and cash equivalents	8	6,864,291	3,834,976
		617,156,792	575,781,299
Total liabilities			
Deferred capital grant	9	5,806	16,013
Creditors, accruals and provisions	10	1,060,214	1,035,295
Lease liabilities	4	148,491	173,070
		1,214,511	1,224,378
Net assets of the Central Provident Fund	17	615,942,281	574,556,921
Insurance Funds			
Net assets			
Home Protection Fund	20	**853,982**	**711,878**
MediShield Life Fund	20	**3,307,643**	**3,494,375**
Lifelong Income Fund	20	**–**	**–**
CareShield Life and ElderShield Insurance Fund	20	**–**	**–**
Other Funds			
Net assets of Trust Funds	21	**5,009,915**	**20,718**

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

Statement of Changes in Fund Balances

For the financial year ended 31 December 2024

	Note	2024 S$'000	2023 S$'000
Central Provident Fund			
Fund balances as at 1 January		574,556,921	548,121,124
Add:			
Contributions (net of refunds) by members	11	48,697,942	45,851,366
Government grants to members	12	7,025,811	3,193,549
Dividends from Special Discounted Shares		125,975	100,120
Net income from investments	13	22,751,125	21,296,224
Net change in fair value of equity investments at fair value through other comprehensive income		(41,352)	28,678
Net change in fair value of debt investments at fair value through other comprehensive income		46,297	85,713
Interest income from bank deposits		271,380	151,023
Other operating income	14	268,727	229,383
		79,145,905	70,936,056
Less:			
Withdrawals (net of refunds) by members	15	37,153,607	43,932,029
General and administrative expense		4,503	5,078
Other operating expenses	16	597,376	559,416
Interest on lease liabilities	4	5,059	3,736
		37,760,545	44,500,259
Net increase in the Central Provident Fund		41,385,360	26,435,797
Fund balances as at 31 December		615,942,281	574,556,921
Represented by:			
Members' accounts	17	609,461,628	571,043,979
General moneys of the Fund	17	2,919,155	224,755
Accumulated surplus	17	3,574,057	3,305,691
Fair value reserve	17	(12,559)	(17,504)
		615,942,281	574,556,921

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

Statement of Cash Flows

For the financial year ended 31 December 2024

	Note	2024 S$'000	2023 S$'000
Central Provident Fund			
Cash flows from operating activities			
Net increase in the Central Provident Fund		41,385,360	26,435,797
Adjustments for:			
Net income from investments	13	(22,751,125)	(21,296,224)
Net change in fair value of equity investments at fair value through other comprehensive income		41,352	(28,678)
Net change in fair value of debt investments at fair value through other comprehensive income		(46,297)	(85,713)
Interest income from bank deposits		(271,380)	(151,023)
Depreciation and amortisation	16	122,550	115,880
Interest on lease liabilities	4	5,059	3,736
Government grants	14	(10,207)	(10,048)
Gain from sale of property, plant and equipment and leases		(239)	(3)
Property, plant and equipment written off		18	9
Intangible assets written off		129	31
Cash generated before changes in operating assets and liabilities		18,475,220	4,983,764
Changes in operating assets and liabilities:			
Decrease/(increase) in debtors and other receivables		83,269	(77,255)
(Decrease)/increase in creditors, accruals and provisions		(7,123)	172,806
Increase in net acquisition of special issues of Singapore Government securities		(33,236,606)	(18,872,767)
Increase in net placement of advance deposits		(4,635,658)	(4,119,982)
Cash flows used in operations		(19,320,898)	(17,913,434)
Interest received from special issues of Singapore Government securities, advance deposits and bank deposits		22,503,880	20,883,345
Grants received from Government		–	24,514
Interest expense on lease liabilities		(5,059)	(3,736)
Net cash flows generated from operating activities		3,177,923	2,990,689
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(16,795)	(14,208)
Payments for purchase of intangible assets		(53,293)	(52,581)
Acquisition of debt and equity investments		(802,469)	(662,715)
Proceeds from sale of property, plant and equipment		3,516	2
Proceeds from sale of investments		391,791	179,484
Redemption of investments and capital reduction by issuer		194,298	412,708
Interest received from debt investments		80,928	75,170
Dividends received		31,105	25,857
Net cash flows used in investing activities		(170,919)	(36,283)
Cash flows from financing activity			
Payment for principal portion of lease liabilities		(23,107)	(23,757)
Net cash flows used in financing activity		(23,107)	(23,757)
Net increase in cash and cash equivalents		2,983,897	2,930,649
Cash and cash equivalents as at 1 January		3,708,793	778,144
Cash and cash equivalents as at 31 December	8	6,692,690	3,708,793

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

Notes to the Financial Statements

For the year ended 31 December 2024

1. Domicile and activities

Central Provident Fund Board (the "Board") is a statutory board established under the Central Provident Fund Act 1953 (the "Act") under the purview of the Ministry of Manpower. As a statutory board, the Board is subject to the directions of the Ministry of Manpower and is required to implement policies as determined by the Ministry of Manpower and other Government ministries such as the Ministry of Finance from time to time.

The office address of the Board is 238B Thomson Road, #08-00 Tower B Novena Square, Singapore 307685.

Funds managed by the Board

As set out in the Act, the Board is the trustee of the Central Provident Fund ("CPF") and the administrator of the Home Protection Fund and Lifelong Income Fund. The Board also administers the MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund which are established under the MediShield Life Scheme Act 2015 and CareShield Life and Long Term Care Act 2019 respectively, on behalf of the Ministry of Health.

The Home Protection Fund, MediShield Life Fund, Lifelong Income Fund and the CareShield Life and ElderShield Insurance Fund are collectively known as the "Insurance Funds". Details of the Insurance Funds are disclosed in Note 20 to the financial statements.

The principal activities of the Board include the collection of CPF contributions, the processing of withdrawals of CPF savings by members under the various schemes and the administration of the Insurance Funds.

The Board is also appointed as the trustee of, and administers the Deferment Bonus Fund, Majulah Package Fund and other trust funds received from the Government (collectively known as "Trust Funds"). Details of the Trust Funds are disclosed in Note 21 to the financial statements.

Central Provident Fund

The Central Provident Fund is established by the Act. It is the national social security savings scheme of Singapore, jointly supported by employees, employers and the Government. All contributions authorised under the Act are paid into the CPF and all payments authorised under the Act are paid out of the CPF.

Insurance Funds

(a) The **Home Protection Fund** is set up under section 33 of the Act to account for premiums received, claims paid for home mortgage insurance cover and operating expenses incurred under the Home Protection Insurance Scheme.

(b) The **MediShield Life Fund** is set up under section 7(1) of the MediShield Life Scheme Act 2015. The MediShield Life Fund accounts for premiums and government grants received, claims paid for medical insurance cover and operating expenses incurred under the MediShield Life Scheme.

(c) The **Lifelong Income Fund** is set up under section 27N of the Act to account for premiums received, monthly payouts made and operating expenses incurred under the Lifelong Income Scheme. The Lifelong Income Scheme is designed to provide the insured member a monthly payout, starting from the annuity payout start age of the insured member, for as long as the member is alive. Investment of moneys in the Lifelong Income Fund is governed by section 27N(3) of the Act.

(d) The **CareShield Life and ElderShield Insurance Fund** is set up under section 35 of the CareShield Life and Long-Term Care Act 2019 to account for premiums and government grants received, claims paid for severe disability insurance cover and operating expenses incurred under the CareShield Life Scheme and ElderShield Scheme.

The assets and liabilities of the Insurance Funds are subjected to the requirements of the relevant Acts and Regulations governing the Insurance Funds. These assets and liabilities are segregated from each other, and from those of the CPF, and can only be withdrawn in accordance with the relevant legislation.

2. Material accounting policy information

2.1 *Basis of preparation*

In its capacity as trustee of the CPF and administrator of the respective funds, all operating expenses of the Board pertaining to the funds and schemes administered are charged against the respective funds. Consequently, all the financial transactions of the Board are reported under the respective funds accordingly. The Board does not separately have any assets or liabilities.

The financial statements of the funds managed by the Board have been prepared in accordance with the provisions of the Act, the Public Sector (Governance) Act 2018 (the "PSG Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). SB-FRS include Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General. The presentation of the financial statements of the Board is in accordance with SB-FRS 26 *Accounting and Reporting by Retirement Benefit Plans*.

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

The financial statements are presented in Singapore Dollars ("S$") which is the functional currency of the funds managed by the Board. All financial information presented in Singapore Dollars has been rounded to the nearest thousand ("S$'000"), except when otherwise stated.

The preparation of financial statements in conformity with SB-FRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in material adjustment within the next financial year are included in the following notes:

Note 19 and 20.11	–	Impairment loss on investments measured at amortised cost and debt investments at FVOCI
Note 19.1 and 20.12	–	Valuation of financial instruments
Note 20.4	–	Impairment loss on premium receivables
Note 20.10	–	Valuation of insurance contract liabilities

Assumptions and estimates made by management are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of management. Such changes are reflected in the assumptions when they occur.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial years, except that in the current financial year, the Board has adopted all the new and amended standards which are relevant to the Board and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Board.

2.3 *Standards issued but not yet effective*

The following SB-FRS applicable and with potential impact to the Board has been issued but not yet effective for the reporting period ended 31 December 2024:

Description	Effective for annual periods beginning on or after
SB-FRS 118: Presentation and Disclosure in Financial Statements	1 January 2027

SB-FRS 118 is a new standard that replaces SB-FRS 1 Presentation of Financial Statements. SB-FRS 118 introduces new categories of subtotals in the statement of profit or loss. 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, wherein 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 the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to SB-FRS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SB-FRS 118 will apply retrospectively.

The amendments may have impact on the disclosure in the financial statements but not on the measurement or recognition of items in the Board's financial statements.

2.4 *Basis of recognition of contributions, withdrawals, government grants to members, interest, net income from investments and other operating income*

Based on the Act and CPF Regulations:

(a) Contributions, government grants to members and dividends from Special Discounted Shares are recognised when received and credited directly to the members' accounts.
(b) Withdrawals by members are recognised when authorised and debited from the members' accounts.
(c) Penalty interest on late contributions is recognised when received.
(d) Interest payable to members is recognised as it accrues.

Interest income from investments and interest income from bank deposits are recognised as they accrue, using the effective interest method.

Dividends from investments are recognised when the shareholder's right to receive payments has been established.

Agency fees and income from other services provided are recognised when the services have been rendered.

Rental income arising from operating leases on property, plant and equipment is accounted for on a straight-line basis over the terms of the leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income is recognised as 'other operating income'.

2.5 *Operating expenses*

All operating expenses incurred by the Board and relating to the CPF and Insurance Funds, are charged to the respective funds when incurred unless paid by the Government.

All operating expenses of trust funds are taken up in the respective trust funds when paid.

2.6 *Insurance contracts*

Insurance contracts issued under the Insurance Funds work on the principle of risk transfer. Insurance contracts are those contracts under which the Insurance Funds accept significant insurance risks from the insured member by agreeing to compensate the insured member or other beneficiary on occurrence of an insured event.

The Board is not required to unbundle any insurance contract as the accounting policy recognises all insurance premiums, claims and benefit payments, expenses and valuation of actuarial liabilities, through the changes in fund balances of the Insurance Funds.

2.7 *Basis of recognition and measurement of insurance premiums, claims, benefits incurred and insurance contract liabilities*

(a) ***Premiums***

Premiums from insured members are recognised on their respective due dates. Premiums for cover given to insured members but not received on the due date are recognised as revenue with the corresponding outstanding premiums receivable reported in the statement of net assets of the Insurance Funds.

(b) ***Claims and benefits incurred***

Claims include surrenders, death claims and claims incurred under other claim events. Surrenders are recorded when the obligation to make the payouts arises. Death claims and payments on other claim events are recorded when notified. Annuity payouts from the Lifelong Income Fund are recognised when due.

(c) ***Insurance contract liabilities***

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined using assumptions considered appropriate for the policies in force. The actuarial valuation basis is determined by the Board based on the advice of the independent actuarial advisers to the Board.

2.8 *Property, plant and equipment*

Property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenses incurred that are directly attributable to the acquisition of the asset. Costs of dismantlement, removal or restoration are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of an item of property, plant and equipment below S$15,000 is recognised as an expense in the statement of changes in fund balances during the year in which the cost is incurred.

Subsequent costs incurred for an asset are recognised in the carrying amount of the asset, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the funds managed by the Board and the cost of the item can be measured reliably. Costs of day-to-day servicing of property, plant and equipment are recognised as an expense when incurred.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at the end of each year and adjusted prospectively, if appropriate, to ensure that they reflect the expected economic benefits derived from these assets.

Property, plant and equipment are depreciated on a straight-line basis, over their estimated useful lives as follows:

	Estimated useful life
Leasehold land	period of the lease
Buildings	50 years or period of the lease, whichever is shorter
Building renovation and improvement	remaining life of the building
Machinery and equipment	4 to 10 years
Furniture and fittings	8 years
Data processing equipment	3 to 5 years

Depreciation is based on the cost of an asset less its residual value and is recognised from the date that the property, plant and equipment are installed and are ready for use. Assets classified as work-in-progress are not depreciated, as these assets are not available for use.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use. Any gain or loss on derecognition of the asset is included in the statement of changes in fund balances in the year the asset is derecognised.

2.9 *Intangible assets*

Intangible assets consist of computer software and application system, including those under development. They are measured at cost less accumulated amortisation and any accumulated impairment losses. Cost includes expenses incurred directly to bring the asset to use or to develop the computer software or application system.

The cost of an intangible asset below S$15,000 is recognised as an expense in the statement of changes in fund balances during the year in which the cost is incurred.

Subsequent costs which enhance or extend the performance of computer software or application system beyond its original specifications and which can be reliably measured are recognised as capital improvements and recognised in the carrying amount of the asset. Costs associated with the support and maintenance of computer software and application systems are recognised as an expense when incurred.

The residual values, useful lives and amortisation methods of intangible assets are reviewed at the end of each year and adjusted prospectively, if appropriate, to ensure that they reflect the expected economic benefits derived from these assets.

Amortisation is calculated based on the cost of the asset, less its residual value. Intangible assets are amortised on a straight-line basis, over their estimated useful lives ranging from 3 to 5 years from the date they are available for use.

Intangible assets under development are not amortised, as these assets are not available for use.

The carrying amount of intangible assets is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An intangible asset is derecognised upon disposal or when no future economic benefit is expected from its use. Any gain or loss on derecognition of the asset is included in the statement of changes in fund balances in the year the asset is derecognised.

2.10 *Impairment of non-financial assets*

The Board assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, the Board makes an estimate of the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, the value in use, of the asset, is used as the recoverable amount.

Central Provident Fund Board

In assessing value in use, the estimated future cash flows expected to be generated by the continuing use of the asset and from its ultimate disposal are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of changes in fund balances.

The Board also assesses at each reporting date as to whether there is an indication that an asset previously assessed to be impaired, may no longer be so. If any indication exists, the Board makes an estimate of the recoverable amount of the asset. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of changes in fund balances unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Leases*

At inception of a contract, the Board assesses whether a contract is, or contains, a lease. A contract is, or 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.

(a) *As a lessor*

At inception or on modification of a contract that contains a lease component, the Board allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Board acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Board makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. Leases is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership. Assets leased out under operating leases include property, plant and equipment.

If an arrangement contains lease and non-lease components, then the Board applies SB-FRS 115 to allocate the consideration in the contract.

(b) *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Board allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Board recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Board by the end of the lease term or the cost of the right-of-use asset reflects that the Board will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Board uses the Government's borrowing rate as an estimate of its incremental borrowing rate.

Lease payments to be included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Board is reasonably certain to exercise, lease payments in an optional renewal period if the Board is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Board is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when:

- there is a change in future lease payments arising from a change in an index or rate;
- there is a change in the Board's estimate of the amount expected to be payable under a residual value guarantee;
- the Board changes its assessment of whether it will exercise a purchase, extension or termination option; or
- there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of changes in fund balances if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Board has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Board recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.12 *Financial instruments*

(a) ***Non-derivative financial assets***

Recognition and initial measurement

Debtors and other receivables are recognised initially on the date that they originated. All other financial assets are initially recognised when the Board, as trustee and administrator of the funds, becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. In the case of financial assets not at fair value through profit or loss, they are initially measured at fair value plus directly attributable transaction costs.

Assessment whether contractual cash flows are solely payments of principal and interest

'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Board considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that the condition would not be met. In making this assessment, the Board considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features; and
- prepayment and extension features.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as financial assets at amortised cost, debt investments at fair value through other comprehensive income, equity investments at fair value through other comprehensive income or financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless there are changes to business model for managing the financial assets. Upon change in business model, all affected financial assets are to be reclassified from the first day of the first reporting period.

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through profit or loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, impairment and any gain or loss on derecognition are recognised in the statement of changes in fund balances.

(ii) Debt investments at fair value through other comprehensive income ("FVOCI")

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt investments at FVOCI are measured at fair value. Any gains and losses from changes in fair value of the debt investments are recognised in the statement of changes in fund balances and presented in the fair value reserve.

Impairment losses, foreign exchange gains and losses, and interest calculated using the effective interest method, are recognised in the statement of changes in fund balances.

On derecognition, gains and losses accumulated in fair value reserve are reclassified to the statement of changes in fund balances.

(iii) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Board may irrevocably elect to designate the investment at FVOCI. The election to designate investment is made on an investment-by-investment basis.

Subsequent to initial recognition, equity investments at FVOCI are measured at fair value, and the changes are recognised in the statement of changes in fund balances and presented in the fair value reserve.

Dividends are recognised in the statement of changes in fund balances unless the dividend clearly represents a recovery of part of the cost of the investment.

Central Provident Fund Board

(iv) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

After initial recognition, these assets are measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of changes in fund balances.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset has expired, or when the rights to receive the contractual cash flows on the financial asset are transferred in a transaction, in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial assets that is created or retained is recognised as a separate asset or liability.

(b) *Non-derivative financial liabilities*

Initial recognition and measurement

Financial liabilities are initially recognised on the trade date, which is the date that the Board, as trustee and administrator of the funds, become a party to the contractual provisions of the financial instrument.

Non-derivative financial liabilities comprise creditors and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, or is cancelled, or expires.

(c) *Derivative financial instruments*

The Insurance Funds hold derivative financial instruments to hedge their foreign currency risk and interest rate risk exposures. Hedge accounting is not adopted.

Derivatives are recognised initially at fair value, attributable transaction costs are recognised as an expense when incurred.

Subsequent to initial recognition, derivatives are measured at fair value, and the changes are recognised in the statement of changes in fund balances.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of net assets when, and only when, there are legal rights to offset the amounts, and intention to either settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.13 *Fair value of assets and liabilities*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

(a) ***Fair value measurement of financial instruments***

The fair value of an instrument is measured using quoted prices in an active market for that instrument, where available. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, its fair value is established using a valuation technique.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument, that is, without modification, or based on a valuation technique whose variables include only data from observable markets.

(b) ***Fair value hierarchy***

The Board categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets for individual assets or liabilities.

Level 2 – Valuation techniques on observable inputs either directly, that is, as prices, or indirectly, that is, derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Central Provident Fund Board

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and unobservable inputs have a significant effect on the valuation of the instrument. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

2.14 *Impairment of financial assets*

The Board recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and debt investments measured at FVOCI.

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Board applies the simplified approach to provide for ECLs for debtors and other receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Board applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Board assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Board considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Board's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Board considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Board in full, without recourse by the Board to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Board is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Board in accordance with the contract and the cash flows that the Board expects to receive).

Credit impaired financial assets

At each reporting date, the Board assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of net assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. For debt investments at FVOCI, loss allowances are recognised in the statement of changes in fund balances.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Board determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Board's procedures for recovery of amounts due.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and bank deposits. Cash at banks managed by the Board on behalf of trust funds and Government ministries is excluded from cash and cash equivalents in the statement of cash flows.

2.16 *Foreign currency transactions and balances*

Transactions in foreign currencies are measured and are recorded on initial recognition in Singapore Dollars at exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are translated to Singapore Dollars at the exchange rate at the end of the year.

Foreign currency exchange gains or losses on monetary items is the difference between the amortised costs of the monetary items, reported in Singapore Dollars, at the start of the year, adjusted for effective interest and payments during the year, and the amortised costs of the monetary items, translated from foreign currency to Singapore Dollars, at the exchange rate at the end of the year.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the year are recognised in the statement of changes in fund balances.

Non-monetary assets and non-monetary liabilities measured at fair value in foreign currencies are translated to Singapore Dollars using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions.

2.17 *Provisions*

Provisions are recognised using the best estimate of the expenditure required to settle the obligations, taking into consideration the time value of money.

Provisions are reviewed at the end of each year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.18 *Employee benefits*

(a) *Defined contribution plans*

Contributions on the remuneration of the employees of the Board are made to the CPF as required by law. The CPF contributions are recognised as expenses in the period when the employees rendered their services.

(b) *Short-term employee benefits*

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related benefits are provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Board has a present legal or constructive obligation to pay the amount as a result of past service rendered by the employee and the obligation can be reliably estimated.

(c) *Employees' leave entitlements*

Employees' entitlements to annual leave are recognised when they accrue to the employees. A liability is recognised for leave earned by the employees as a result of services rendered up to the reporting date.

2.19 *Trust Funds*

Trust Funds are funds to which the Board acts as trustee, administrator or agent but does not exercise control over the funds.

The assets and liabilities of these funds held in trust are presented as a line item at the bottom of the statement of net assets with additional disclosures in Note 21 to the financial statements, as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*.

The receipts and disbursements relating to these funds are accounted for directly in these funds on a cash basis, in which funds received are accounted for when received, instead of when earned, and funds disbursed are accounted for when paid, instead of when incurred, and recognised in the statement of receipts and disbursements accordingly as set out in Notes 21.1 to 21.3 to the financial statements.

2.20 *Government grants*

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grant. Deferred capital grant is amortised and recognised as income over the respective useful life of the assets to match the annual depreciation charge of these assets. When the asset is disposed or written off, the remaining balance of the deferred grant not yet amortised will be credited to income.

Government grants received by the Board to meet operating expenses are recognised as income in the year these operating expenses are incurred.

3. Property, plant and equipment

Non-current assets	Leasehold land S$'000	Buildings S$'000	Building renovation and improvement S$'000	Machinery and equipment S$'000	Furniture and fittings S$'000	Data processing equipment S$'000	Work-in-progress S$'000	Total S$'000
Cost								
At 1 January 2023	62,741	74,278	7,357	43,376	22,843	84,048	–	294,643
Additions	–	–	–	140	245	6,347	443	7,175
Disposals/written-off	–	–	–	(244)	(28)	(4,910)	–	(5,182)
Reclassification	–	–	–	(182)	182	–	–	–
At 31 December 2023 and 1 January 2024	62,741	74,278	7,357	43,090	23,242	85,485	443	296,636
Additions	–	–	–	–	119	13,092	3,584	16,795
Disposals/written-off	–	–	–	(169)	(345)	(22,253)	–	(22,767)
Reclassification	–	–	–	1,433	656	699	(2,788)	–
At 31 December 2024	62,741	74,278	7,357	44,354	23,672	77,023	1,239	290,664
Accumulated depreciation								
At 1 January 2023	12,987	30,139	2,096	30,443	12,234	53,018	–	140,917
Depreciation for the year	719	1,985	225	2,818	2,724	14,293	–	22,764
Disposals/written-off	–	–	–	(255)	(17)	(4,789)	–	(5,061)
At 31 December 2023 and 1 January 2024	13,706	32,124	2,321	33,006	14,941	62,522	–	158,620
Depreciation for the year	719	1,985	225	2,929	1,995	11,152	–	19,005
Disposals/written-off	–	–	–	(124)	(342)	(18,799)	–	(19,265)
At 31 December 2024	14,425	34,109	2,546	35,811	16,594	54,875	–	158,360
Net carrying amount								
At 31 December 2023	49,035	42,154	5,036	10,084	8,301	22,963	443	138,016
At 31 December 2024	48,316	40,169	4,811	8,543	7,078	22,148	1,239	132,304

Depreciation charges amounting to S$425,000 (2023: S$410,000) and S$9,000 (2023: S$11,000) were allocated to Home Protection Fund and CareShield Life and ElderShield Insurance Fund respectively. The remaining depreciation charge of S$18,571,000 (2023: S$22,343,000) was accounted for under the Central Provident Fund.

4. Leases

(i) Leases when the Board is the lessee

The Board leases commercial properties under non-cancellable lease agreements. The leases have varying fixed terms, with an option to renew the lease after that date. Lease payments are renegotiated at every renewal to reflect market rentals.

The Board leases equipment with contract terms of varying years. For those leases that are of low value, the Board has elected not to recognise right-of-use assets and lease liabilities.

Information about leases for which the Board is a lessee is presented below.

Right-of-use assets

	Buildings S$'000	Data processing equipment S$'000	Total S$'000
Cost			
At 1 January 2023	148,994	160	149,154
Additions	123,411	3,159	126,570
Derecognition	–	(80)	(80)
At 31 December 2023 and 1 January 2024	272,405	3,239	275,644
Derecognition	(14,748)	(80)	(14,828)
At 31 December 2024	257,657	3,159	260,816
Accumulated depreciation			
At 1 January 2023	86,441	75	86,516
Depreciation*	23,337	308	23,645
Derecognition	–	(55)	(55)
At 31 December 2023 and 1 January 2024	109,778	328	110,106
Depreciation*	23,955	1,044	24,999
Derecognition	(13,508)	(55)	(13,563)
At 31 December 2024	120,225	1,317	121,542
Net carrying amount			
At 31 December 2023	162,627	2,911	165,538
At 31 December 2024	137,432	1,842	139,274

* Depreciation of right-of-use assets is recognised under other operating expenses.

Central Provident Fund Board

Depreciation of right-of-use assets amounting to S$91,000 (2023: S$189,000) was allocated to CareShield Life and ElderShield Insurance Fund. The remaining depreciation of right-of-use assets S$24,908,000 (2023: S$23,456,000) was accounted for under the Central Provident Fund.

Lease liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities 2024 S$'000	Lease liabilities 2023 S$'000
Balance as at 1 January	173,070	70,282
Payment for principal portion of lease liabilities	(23,107)	(23,757)
Payment for interest portion of lease liabilities	(5,059)	(3,736)
Additions	–	126,570
Lease modification	(1,472)	(25)
Interest on lease liabilities	5,059	3,736
Balance as at 31 December	148,491	173,070
Current	20,821	22,694
Non-current	127,670	150,376
	148,491	173,070

Amounts recognised in statement of changes in fund balances

	2024 S$'000	2023 S$'000
Depreciation of right-of-use assets	24,999	23,645
Interest on lease liabilities	5,059	3,736
Expenses relating to short-term leases and low-value assets*	2,080	2,760
Gains from lease termination	(207)	–
	31,931	30,141

* Expenses related to short-term leases and low-value assets are recognised under general and administrative expense.

Amounts recognised in statement of cash flows

	2024 S$'000	2023 S$'000
Total cash outflow for leases	25,187	26,517

Renewal options

Some leases contain renewal options exercisable by the Board before the end of the non-cancellable contract period. Where practicable, the Board seeks to include renewal options in new leases to provide operational flexibility. The renewal options held are exercisable only by the Board and not by the lessors. The Board assesses at lease commencement date whether it is reasonably certain to exercise the renewal options. The Board also reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Board has estimated that the potential future lease payments, should it exercise the renewal option, would amount to S$107,000,000 (2023: S$107,000,000).

(ii) Leases when the Board is a lessor

The Board leases out the space in buildings under property, plant and equipment. These leases are classified as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Board during the year amounted to S$7,646,000 (2023: S$6,334,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2024 S$'000	2023 S$'000
- Less than one year	9,165	7,157
- One to two years	7,477	5,412
- Two to three years	4,426	3,678
- Three to four years	5,361	2,015
	26,429	18,262

5. Intangible assets

Non-current assets	Computer software and application system S$'000	Computer software and application system under development S$'000	Total S$'000
Cost			
At 1 January 2023	387,899	15,359	403,258
Additions	8,443	40,079	48,522
Disposals/written off	(1,232)	–	(1,232)
Reclassification	28,825	(28,825)	–
At 31 December 2023 and 1 January 2024	423,935	26,613	450,548
Additions	8,916	44,377	53,293
Disposals/written off	(24,124)	–	(24,124)
Reclassification	60,669	(60,669)	–
At 31 December 2024	469,396	10,321	479,717
Accumulated amortisation			
At 1 January 2023	194,623	–	194,623
Amortisation charge for the year	77,945	–	77,945
Disposals/written-off	(1,201)	–	(1,201)
At 31 December 2023 and 1 January 2024	271,367	–	271,367
Amortisation charge for the year	91,922	–	91,922
Disposals/written-off	(23,995)	–	(23,995)
At 31 December 2024	339,294	–	339,294
Net carrying amount			
At 31 December 2023	152,568	26,613	179,181
At 31 December 2024	130,102	10,321	140,423

Amortisation charges amounting to S$497,000 (2023: S$351,000), S$9,380,000 (2023: S$5,234,000), S$2,722,000 (2023: S$2,173,000) and S$252,000 (2023: S$106,000) were allocated to MediShield Life Fund, Home Protection Fund, Lifelong Income Fund and CareShield Life and ElderShield Insurance Fund respectively. The remaining amortisation charge of S$79,071,000 (2023: S$70,081,000) was accounted for under the Central Provident Fund.

6. Investments

	Note	2024 S$'000	2023 S$'000
Financial assets at amortised cost			
Special issues of Singapore Government securities:			
- Floating rate	(a)	577,714,449	440,063,510
- Fixed rate	(b)	–	104,414,333
		577,714,449	544,477,843
Advance deposits	(c)	21,994,861	17,359,203
		599,709,310	561,837,046
Debt investments at FVOCI			
Singapore Government securities		275,917	252,859
Statutory Board bonds		365,397	429,882
Corporate bonds		1,654,328	1,460,504
		2,295,642	2,143,245
Debt investments at FVTPL			
Corporate bonds		178,358	168,548
Equity investments at FVOCI	(d)	715,346	647,218
		602,898,656	564,796,057

(a) The floating rate special issues of Singapore Government securities are bonds issued specifically to the Board to meet its interest and other obligations. They do not have quoted market values and the Board cannot trade them in the market. The interest rates on these securities are within the range of 2.50% to 6.14% (2023: 2.50% to 6.04%) per annum which are pegged to the rates at which the Board pays interest to the members of CPF. The effective interest rates for the securities approximate the interest rates quoted above.

(b) With effect from 1st January 2024, the investments in special issues of Singapore Government Securities issued for the Retirement Accounts of members was fully redeemed and CPF's share of the proceeds were reissued into floating rate special issues of Singapore Government securities (similar to (a) above) to meet its interest and other obligations for Retirement Accounts of members. The effective interest rates for the securities approximate the interest rates quoted in (a) above.

(c) The advance deposits are deposits placed with the Accountant-General through the Monetary Authority of Singapore to purchase special issues of Singapore Government securities. The interest rate of 2.50% (2023: 2.50%) per annum on the advance deposits is pegged to the rate at which the Board pays interest for the Ordinary Accounts of members.

(d) Equity investments designated as FVOCI

The Board designated the equity investments shown below as FVOCI because these equity investments are intended to be held for long-term for strategic purposes.

Equity investments held as at 31 December 2024	Fair value at 31 December 2024 S$'000	Dividend income recognised during 2024 S$'000
Preference shares	339,328	12,624
Singapore Real Estate Investment Trusts (S-REIT)	376,018	19,116
	715,346	31,740

Equity investments held as at 31 December 2023	Fair value at 31 December 2023 S$'000	Dividend income recognised during 2023 S$'000
Preference shares	284,240	7,818
Singapore Real Estate Investment Trusts (S-REIT)	362,978	15,259
	647,218	23,077

There was no equity investments redeemed or sold during the year (2023: S$80,354,000). The equity investments were redeemed or sold in 2023 to keep the investments within the portfolio guidelines, as well as to participate in better investment opportunities. Relating to these equity investments disposed, dividend income of S$2,780,000 was recognised in 2023. There is a transfer of cumulative gain of S$662,000 in 2023 from fair value reserves to accumulated surplus on disposal.

7. Debtors and other receivables

	Note	2024 S$'000	2023 S$'000
Debtors – schemes	(a)	19,126	67,106
Interest receivables			
- Special issues of Singapore Government securities and advance deposits		6,879,799	6,484,503
- Other investments		21,069	19,495
Deposits paid		7,028	7,033
Prepayments		17,955	18,746
Other receivables		36,867	70,648
		6,981,844	6,667,531

(a) Debtors – schemes include all receivable amounts linked to the various CPF schemes.

At the reporting date, the debtors and other receivables are usually settled within 6 months from the date of invoice.

The Board assessed that no allowance for estimated credit losses is required for debtors and other receivables as these are mainly due from Government ministries.

8. Cash and cash equivalents

	Note	2024 S$'000	2023 S$'000
Cash at banks		6,864,291	3,834,976
Cash and cash equivalents		6,864,291	3,834,976
Less:			
- Grant payables		(171,601)	(109,196)
- Cash at banks managed by the Board on behalf of trust funds and Government ministries	21.3	–	(16,987)
Cash and cash equivalents in the statement of cash flows		6,692,690	3,708,793

Cash at banks earn interest based on daily floating rate.

9. Deferred capital grant

	2024 S$'000	2023 S$'000
At 1 January	16,013	24,269
Received/receivable during the year	–	1,792
Amortisation charge for the year	(10,207)	(10,048)
At 31 December	5,806	16,013
Current	5,806	10,048
Non-current	–	5,965
	5,806	16,013

Deferred capital grant is provided by the Government to enhance the application system for the CareShield Life Scheme. There are no unfulfilled conditions or contingencies attached to this grant.

10. Creditors, accruals and provisions

	Note	2024 S$'000	2023 S$'000
Cash at banks managed by the Board on behalf of trust funds and Government ministries	8	–	16,987
Creditors – schemes	(a)	676,175	720,215
Security, renovation and rental deposits received		1,687	1,390
Accrued expenses		18,542	14,934
Provisions	(b)	77,553	81,990
Grant payables		171,601	109,196
Other payables		114,656	90,583
		1,060,214	1,035,295

(a) Creditors - schemes include all payable amounts linked to the various CPF schemes.

(b) Provisions include potential claims and operating expenses of S$9,126,000 (2023: S$10,239,000) transferred from the dissolved Dependants' Protection Residual Fund to meet future liabilities and expenditure before the Dependents' Protection Residual Fund was dissolved in December 2013. Payments on claims are made as and when it is received by the Board.

Creditors and other payables are usually paid within 6 months from the date of invoice.

11. Contributions (net of refunds) by members

	Note	2024 S$'000	2023 S$'000
Contributions credited in the year		48,768,176	45,932,489
Less: Refund of contributions	(a)	(70,234)	(81,123)
		48,697,942	45,851,366

(a) Refunds of contributions refer to refunds made under regulation of the CPF (Refunds) Regulations 2019.

12. Government grants to members

	Note	2024 S$'000	2023 S$'000
CPF Housing Grant Scheme		1,243,031	1,265,999
Home Ownership Plus Education Scheme		1,268	1,607
MediSave Grant Schemes	(a)	622,965	765,415
Workfare Income Supplement Scheme		643,711	630,433
Deferment Bonus		–	616
National Service Housing, Medical and Education Award		201,443	213,435
MediSave Grant for Newborns		126,195	123,259
Post-Secondary Education Account		121,547	126,629
Matched Retirement Savings Scheme		65,216	66,156
MediSave Bonus and Retirement Savings Bonus	(b)	4,000,435	–
		7,025,811	3,193,549

(a) This includes MediSave Grants for Pioneer Generation, Merdeka Generation and Assurance Package.
(b) Pertains to one-off CPF Top-up in December 2024 for MediSave Bonus and Retirement Savings Bonus under the Majulah Package for Singaporeans born in 1973 or earlier and MediSave Bonus for Singaporeans born in 1974 to 2003 (inclusive).

13. Net income from investments

	2024 S$'000	2023 S$'000
Interest income from investments at amortised cost:		
- Special issues of Singapore Government securities	22,339,166	20,936,498
- Advance deposits	288,630	248,449
	22,627,796	21,184,947
Interest income from debt investments at FVOCI:		
- Singapore Government securities	6,139	5,749
- Statutory Board bonds	9,706	11,971
- Corporate bonds	59,844	51,972
	75,689	69,692
Interest income from debt investments at FVTPL:		
- Corporate bonds	6,813	5,725
Dividend income from equity investments at FVOCI	31,740	25,857
Net (loss)/gain on disposal of:		
- debt investments at FVOCI	(722)	(752)
- equity investments at FVOCI	–	662
	(722)	(90)
Net change in fair value of debt investments at FVTPL	9,809	10,093
	22,751,125	21,296,224

14. Other operating income

	Note	2024 S$'000	2023 S$'000
Agency, consultancy and data processing fees		193,546	170,622
Miscellaneous revenue		38,668	25,698
Penalty interest on late contributions		17,089	15,230
Government grants	9	10,207	10,048
Rent, service charges and car park receipts		9,217	7,785
		268,727	229,383

15. Withdrawals (net of refunds) by members

	Note	2024 S$'000	2023 S$'000
Sections 15 and 25 of CPF Act	(a)	14,617,318	11,993,057
Amount restored from general moneys of the Fund	(b)	11	12
Approved Housing Schemes		7,500,000	8,546,576
Home Protection Insurance Scheme		125,252	122,984
Residential Properties Scheme		6,093,351	6,290,812
MediSave Scheme		1,434,192	1,317,045
Retirement Sum Scheme		3,045,293	2,518,127
Dependants' Protection Insurance Scheme		207,344	196,817
Education Scheme		42,301	40,023
MediShield Life Scheme		2,066,849	1,972,043
Private Medical Insurance Scheme		1,055,914	1,006,844
Lifelong Income Scheme		3,633,481	3,227,724
Non-residential Properties Scheme		(19,300)	(13,865)
Investment Schemes		(3,863,487)	5,802,484
CareShield Life and ElderShield Schemes		1,249,698	926,243
Special Discounted Shares Scheme		(34,610)	(14,897)
		37,153,607	43,932,029

(a) Withdrawals under sections 15 and 25 of the CPF Act mainly refer to withdrawals by members who have attained the age of 55 years and by members who have left or are about to leave Singapore and West Malaysia permanently, as well as on grounds of death.
(b) The amount restored and paid out from general moneys of the Fund refers to the amount restored to members' CPF subsidiary accounts and subsequently paid out to members/ other persons entitled to the moneys (e.g. members' nominees) upon application made under the CPF Act.

16. Other operating expenses

	Note	2024 S$'000	2023 S$'000
Salaries and staff benefits	(a)	312,820	280,055
Depreciation and amortisation		122,550	115,880
Computer software and supplies		104,105	111,874
Professional and other charges	(b)	21,067	20,786
Maintenance of buildings and equipment		19,023	15,995
Publicity and campaigns		11,521	8,393
Public utilities		2,620	3,173
Printing and postage		2,232	2,145
Property tax		1,438	1,115
		597,376	559,416

(a) Included in salaries and staff benefits are the following items:

	2024 S$'000	2023 S$'000
Employer's CPF contributions	35,247	31,644
Staff welfare and training	5,776	5,804
Allowances for members of the Board	313	300

(b) Included in professional and other charges are the following items:

	2024 S$'000	2023 S$'000
Audit fees		
- Auditors of the Board	660	695
Non-audit fees		
- Auditors of the Board	137	480
- Other auditors – network firms	–	4

17. Movements in net assets of the Central Provident Fund

	Note	Members' accounts S$'000	General moneys of the Fund S$'000	Accumulated surplus S$'000	Fair value reserve S$'000	Total S$'000
At 1 January 2023		544,823,702	215,941	3,213,376	(131,895)	548,121,124
Contributions (net of refunds) by members	11	45,851,366	–	–	–	45,851,366
Government grants to members	12	3,193,549	–	–	–	3,193,549
Dividends from Special Discounted Shares		100,120	–	–	–	100,120
Net income from investments	13	–	–	21,296,224	–	21,296,224
Transferred to statement of changes in fund balances on disposal of debt investments at FVOCI		–	–	–	3,605	3,605
Change in fair value						
- equity investments at FVOCI		–	–	–	28,678	28,678
- debt investments at FVOCI		–	–	–	82,108	82,108
Interest income from bank deposits		–	–	151,023	–	151,023
Other operating income	14	–	–	229,383	–	229,383
Withdrawals (net of refunds) by members	15	(43,932,029)	–	–	–	(43,932,029)
General and administrative expense		–	–	(5,078)	–	(5,078)
Other operating expenses	16	–	–	(559,416)	–	(559,416)
Interest on lease liabilities	4	–	–	(3,736)	–	(3,736)
Interest credited to members		21,016,085	–	(21,016,085)	–	–
Transferred to general moneys of the Fund (net)		(8,814)	8,814	–	–	–
At 31 December 2023		571,043,979	224,755	3,305,691	(17,504)	574,556,921

	Note	Members' accounts S$'000	General moneys of the Fund S$'000	Accumulated surplus S$'000	Fair value reserve S$'000	Total S$'000
At 1 January 2024		571,043,979	224,755	3,305,691	(17,504)	574,556,921
Contributions (net of refunds) by members	11	48,697,942	–	–	–	48,697,942
Government grants to members	12	7,025,811	–	–	–	7,025,811
Dividends from Special Discounted Shares		125,975	–	–	–	125,975
Net income from investments	13	–	–	22,751,125	–	22,751,125
Transferred to statement of changes in fund balances on disposal of debt investments at FVOCI		–	–	–	1,145	1,145
Change in fair value						
- equity investments at FVOCI		–	–	–	(41,352)	(41,352)
- debt investment at FVOCI		–	–	–	45,152	45,152
Interest income from bank deposits		–	–	271,380	–	271,380
Other operating income	14	–	–	268,727	–	268,727
Withdrawals (net of refunds) by members	15	(37,153,607)	–	–	–	(37,153,607)
General and administrative expense		–	–	(4,503)	–	(4,503)
Other operating expenses	16	–	–	(597,376)	–	(597,376)
Interest on lease liabilities	4	–	–	(5,059)	–	(5,059)
Interest credited to members		22,415,928	–	(22,415,928)	–	–
Transferred to general moneys of the Fund (net)		(2,694,400)	2,694,400	–	–	–
At 31 December 2024		609,461,628	2,919,155	3,574,057	(12,559)	615,942,281

Members' accounts

Members' accounts refer to moneys of the Fund standing to the members' credit, that are accounted for in subsidiary accounts, which are specifically designated and maintained for members, for any purposes of the CPF Act.

General moneys of the Fund

The Reserve Account of the Fund is set up under the CPF Regulations (Rg 15). With the amendment to CPF Act and related subsidiary legislation which took effect from 1 January 2011, Reserve Account of the Fund is currently known as the general moneys of the Fund, pursuant to section 2(1) of the CPF Act.

All unclaimed moneys which satisfy the conditions stipulated under the CPF Act and CPF Regulations were transferred from members' balances to this account. The balance in this account is refundable to members or their nominees upon application made under the relevant legislation.

Accumulated surplus

Accumulated surplus comprises the cumulative excess of fund flows into and out of the Fund. This forms part of the reserves that is used to generate income to fund the operating expenses to service CPF members. It includes a sum that the Board has set aside, by way of a legally binding arrangement, for the modernisation of the Board's IT systems. In accordance with the treatment of accumulated surplus for statutory boards listed under the Fifth Schedule of the Constitution, the earmarked sum does not form part of CPF Board's past reserves to be protected.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and debt investments at FVOCI held until they are impaired or derecognised.

18. Commitments

Capital expenditure approved by the Board but not provided for in the financial statements is as follows:

	2024 S$'000	2023 S$'000
Amount approved and contracted for	39,334	51,874
Amount approved but not contracted for	41,926	65,118
	81,260	116,992

19. Financial risk management of the CPF

Overview

Risk management is integral to the operation of the CPF managed by the Board. The Board has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the risk management process of CPF to ensure that an appropriate balance between risk and control is achieved. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the activities of the fund.

Market risk

Market risk refers to changes in market prices that will affect the income of CPF or the value of its holdings of financial instruments. Market risk comprises risks arising from changes in interest rates, equity prices and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Equity price risk

Sensitivity analysis

The analysis below is performed for reasonably possible movements in equity prices with all other variables remaining constant.

	Impact on fund balance	
	2024	**2023**
	S$'000	S$'000
Change in variable		
Equity prices		
+10%	71,535	64,722
-10%	(71,535)	(64,722)

Interest rate risk

The CPF is exposed to interest rate risk as a result of investments in debt securities and interest payable on members' accounts placed with the CPF. In the management of the interest rate risk of the CPF, the interest rates of the investments in special issues of Singapore Government securities and advance deposits are pegged to the rates at which the Board pays interest to its members. These interest rates are affected by changes in the market interest rates and reset every quarter. With effect from 1 January 2024, the interest rates of the investments in special issues of Singapore Government securities issued for the Retirement Accounts of members is also reset every quarter. Before 2024, the fixed interest rate for the Retirement Accounts of members was reset yearly. The Ordinary Account of members is subject to an interest rate floor of 2.50% per annum, while the Special Account, MediSave Account and Retirement Account ("SMRA") are subject to an interest rate floor of 4.00% per annum. All other investments are in fixed rate debt securities such as Singapore Government securities and statutory board bonds, and the interest rate risks are mitigated by diversifying the portfolio to include high quality credits as well as managing portfolio duration.

Sensitivity analysis

The analysis below is performed for reasonably possible movements in interest rate with all other variables remaining constant.

	Impact on fund balance	
	2024	**2023**
	S$'000	S$'000
Change in variable		
Interest rate		
+50bps	(74,226)	(67,764)
-50bps	73,601	69,922

The interest rates, carrying amounts and maturities of the financial assets are shown in the following table.

	Interest rate (per annum)		Years to maturity: Not later than one year (Current)		Later than one year and not later than five years		Later than five years	
	2024 %	2023 %	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Special issues of Singapore Government securities	2.50 – 6.14	2.50 – 6.04	20,013,170	16,862,851	86,930,735	71,464,310	470,770,544	456,150,682
Advance deposits	2.50	2.50	21,994,861	17,359,203	–	–	–	–
Singapore Government securities	0.50 – 3.50	0.50 – 3.50	44,136	35,816	89,136	111,582	142,645	105,461
Statutory Board bonds	0.64 – 3.99	0.64 – 3.99	6,015	–	108,971	94,307	250,411	335,575
Corporate bonds	1.88 – 5.30	1.88 – 5.30	75,915	106,878	457,747	511,521	1,299,024	1,010,653
Cash and cash equivalents	0.38 – 3.06	0.20 – 3.78	6,864,291	3,834,976	–	–	–	–
			48,998,388	38,199,724	87,586,589	72,181,720	472,462,624	457,602,371

Foreign currency risk

The monetary assets and monetary liabilities of the CPF are denominated primarily in Singapore Dollars. Accordingly, CPF does not have any significant foreign currency risk exposure as at the reporting date.

Liquidity risk

A maturity analysis for financial assets of the fund that shows the remaining contractual maturities is shown in the table under interest rate risk. These financial assets can be readily sold or redeemed when the need arises.

In addition, management monitors and maintains adequate bank balances to finance its operations and mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of lease liabilities. The amounts are gross and undiscounted and exclude the impact of netting agreements:

	Carrying amount S$'000	Contractual cash flows S$'000	Less than 1 year S$'000	1-2 years S$'000	2-3 years S$'000	3-4 years S$'000	4-5 years S$'000	More than 5 years S$'000
2024								
Non-derivative financial liabilities								
Lease liabilities	148,491	164,768	25,201	24,324	24,262	24,262	24,262	42,457
2023								
Non-derivative financial liabilities								
Lease liabilities	173,070	194,433	28,860	26,007	24,324	24,262	24,261	66,719

Credit risk

The maximum credit risk exposure at the end of the year, in relation to each class of financial assets, is the carrying amount of those assets at the reporting date. The Board does not hold collateral in respect of its financial assets.

The Board has performed an analysis on the credit risk exposure investment measured at amortised cost and debt investment at FVOCI based on 12 months probabilities of default published by Bloomberg and assessed that no impairment loss was required to be recognised.

The CPF is exposed mainly to sovereign risk, as most of the investments are in non-tradeable special issues of Singapore Government securities, and majority of receivable balances at the reporting date is made up of interest receivable arising from the special issues of Singapore Government securities.

Other than investments in special issues of Singapore Government securities, the CPF is also exposed to credit risk that arises from bank deposits, investments in fixed deposits and debt securities. Financial loss may materialise should the issuer default on the debt securities. Those financial assets have low credit risk as the financial assets are rated AAA to BBB based on internal and external credit ratings of the debt issuers and securities.

Cash and fixed deposits are placed with banks and financial institutions which are regulated by the Monetary Authority of Singapore which are rated Aa1 to A1, based on Moody's ratings.

The Board manages credit risk actively through the setting of minimum credit rating requirements and investment limits for issuers within the approved investment guidelines. These limits are reviewed regularly with ongoing monitoring and reporting undertaken at various levels.

	AAA* S$'m	AA* S$'m	A* S$'m	BBB* S$'m	Not rated** S$'m	Total S$'m
2024						
Special issues of Singapore Government securities	–	–	–	–	577,714	577,714
Advance deposits	–	–	–	–	21,995	21,995
Singapore Government securities	40	–	–	–	236***	276
Statutory Board bonds	204	–	–	–	161***	365
Corporate bonds	32	15	489	522	775***	1,833
	276	15	489	522	600,881	602,183
2023						
Special issues of Singapore Government securities	–	–	–	–	544,478	544,478
Advance deposits	–	–	–	–	17,359	17,359
Singapore Government securities	66	–	–	–	187***	253
Statutory Board bonds	287	–	–	–	143***	430
Corporate bonds	91	50	297	414	777***	1,629
	444	50	297	414	562,944	564,149

* Based on public bond credit ratings assigned by external credit rating agencies Standard & Poor's, Moody's and Fitch.
** No rating was performed by external credit rating agencies.
*** Based on internal bond credit ratings, and holdings are rated equivalent to Standard & Poor's bond credit ratings of "AAA to BBB".

19.1 Fair value of assets and liabilities

The Board has assessed that the carrying amounts of financial assets and financial liabilities are a reasonable approximation of their fair values.

(a) Assets carried at fair value

Financial assets carried at fair value comprise equity investments at FVOCI, debt investments at FVOCI and FVTPL. These investments are quoted and classified under Level 1 and Level 2 in the fair value hierarchy Note 2.12(b) to the financial statements.

(b) Financial assets and financial liabilities that are not carried at fair value, and whose carrying amounts are reasonable approximates of their fair values

The carrying amount of advance deposits is estimated to approximate their fair value at the end of the year because of their short-term nature.

The carrying amount of special issues of Singapore Government securities approximate their fair value at the end of the year due to the investment arrangements made with the Singapore Government.

The carrying amounts of other financial assets and financial liabilities, including cash and cash equivalents, debtors and other receivables, creditors, accruals and provisions are estimated to approximate their fair values at the end of the year because of their short periods of maturities.

Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the year.

	Note	Level 1 S$'000	Level 2 S$'000	Total S$'000
2024				
Assets measured at fair value				
Debt investments at FVOCI	6	275,917	2,019,725	2,295,642
Debt investments at FVTPL	6	–	178,358	178,358
Equity investments at FVOCI	6	715,346	–	715,346
Total financial assets		991,263	2,198,083	3,189,346
2023				
Assets measured at fair value				
Debt investments at FVOCI	6	252,859	1,890,386	2,143,245
Debt investments at FVTPL	6	–	168,548	168,548
Equity investments at FVOCI	6	647,218	–	647,218
Total financial assets		900,077	2,058,934	2,959,011

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Debt securities

Debt securities are valued using valuation techniques that reflect market participants' assumptions, maximising the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. To reflect current market conditions, the evaluated pricing applications incorporate market information obtained throughout the trading day from market sources and integrated relative credit rating information, observed market movements, and sector news.

20. Statements of net assets of Insurance Funds

	Note	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
		2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Total assets									
Investments	20.3	1,200,470	1,076,011	15,207,100	13,826,600	20,745,959	17,652,817	7,036,700	5,976,100
Premium and other receivables	20.4	87,288	12,529	203,385	183,852	95,082	65,990	73,856	77,755
Interest receivables		7,793	5,283	181,515	163,089	271,818	264,307	82,073	67,844
Cash and cash equivalents	20.5	86,357	83,132	117,263	28,035	–	–	440,305	269,555
		1,381,908	1,176,955	15,709,263	14,201,576	21,112,859	17,983,114	7,632,934	6,391,254
Total liabilities									
(i) Insurance contract liabilities									
At 1 January		449,670	427,997	10,625,454	9,671,245	17,981,838	14,992,943	6,337,078	5,511,246
Valuation premium		118,600	115,918	2,574,040	1,795,356	–	–	876,457	732,323
Liabilities released for payments on death and other terminations		(6,816)	(7,339)	107,026	(161,557)	(183,851)	(114,291)	9,659	–
Accretion of interest		13,013	12,807	412,653	89,596	860,835	730,420	241,710	202,788
Other movements		(33,577)	(28,534)	(20,778)	1,007,946	(25,846)	(23,594)	(98,072)	(148,764)
Change in reserves due to policy switches		–	–	–	–	–	–	40,240	103,263
Expected claims		(109,663)	(108,707)	(1,948,695)	(1,808,176)	(944,983)	(625,106)	(49,539)	(39,011)
New business		17,576	17,300	12,599	11,754	3,423,191	3,021,466	65,045	131,809
Change in valuation basis		(41,778)	13,014	458,849	18,591	–	–	(87,448)	(3,564)
Effect of minimum values on reserves		(1,049)	1,578	5,519	699	–	–	(1)	(17)
Impact of premium rebate on reserves		–	–	–	–	–	–	2	(152,995)
Change in incurred but not reported claims		864	5,636	101,039	–	–	–	113,891	–
At 31 December		406,840	449,670	12,327,706	10,625,454	21,111,184	17,981,838	7,449,022	6,337,078

	Note	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
		2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
(i) Insurance contract liabilities									
Current portion		49,845	64,939	602,536	544,104	1,418,204	1,029,202	(762,635)	(688,892)
Non-current portion		356,995	384,731	11,725,170	10,081,350	19,692,980	16,952,636	8,211,657	7,025,970
		406,840	449,670	12,327,706	10,625,454	21,111,184	17,981,838	7,449,022	6,337,078
(ii) Claims intimated or admitted but not paid									
At 1 January		15,040	15,415	18,857	16,198	–	–	546	315
Claims paid		(77,408)	(82,333)	(1,575,371)	(1,381,545)	(114,426)	(88,995)	(37,842)	(31,700)
Claims incurred		71,781	81,958	1,563,095	1,384,204	114,426	88,995	37,689	31,931
At 31 December		9,413	15,040	6,581	18,857	–	–	393	546
(iii) Other payables	20.6	111,673	367	67,333	62,890	1,675	1,276	183,519	53,630
		527,926	465,077	12,401,620	10,707,201	21,112,859	17,983,114	7,632,934	6,391,254
Net assets		853,982	711,878	3,307,643	3,494,375	–	–	–	–

20.1 Statements of changes in fund balances of Insurance Funds

	Note	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
		2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Fund balances as at 1 January		711,878	636,412	3,494,375	2,874,835	–	–	–	–
Add:									
Insurance premiums	(a)	133,850	131,855	2,520,458	2,470,966	3,382,958	3,004,312	927,624	828,590
Net investment gain	20.7	81,771	88,531	575,243	515,178	860,835	730,449	261,126	219,974
Interest income from bank deposits		730	780	3,804	3,260	–	–	1,214	1,308
Other income		–	–	1,220	1,699	–	–	122	–
		216,351	221,166	3,100,725	2,991,103	4,243,793	3,734,761	1,190,086	1,049,872
Less:									
Claims		71,781	81,958	1,563,095	1,384,204	114,426	88,995	37,689	31,931
Surrenders		8,597	8,870	–	–	34,812	12,266	–	–
Payouts		–	–	–	–	944,983	625,106	–	–
Premium rebates	(b)	–	–	–	–	–	–	(3)	152,995
Professional and other charges		18,464	18,702	22,868	21,280	14,318	14,544	20,855	16,437
Salaries and staff benefits	(c)	6,135	5,360	7,004	5,416	3,031	2,293	4,512	4,155
Depreciation and amortisation		9,805	5,644	497	351	2,722	2,173	352	307
General and administrative expense		1,439	1,444	(11,766)	3,129	3	3	3,508	694
Computer software and supplies		723	1,963	3,334	2,847	72	411	11,107	17,421
Printing and postage		133	86	173	127	80	75	117	97
Other expenses		–	–	–	–	–	–	5	3
Net change in insurance contract liabilities		(42,830)	21,673	1,702,252	954,209	3,129,346	2,988,895	1,111,944	825,832
		74,247	145,700	3,287,457	2,371,563	4,243,793	3,734,761	1,190,086	1,049,872
Net increase / (decrease)		142,104	75,466	(186,732)	619,540	–	–	–	–
Fund balances as at 31 December		853,982	711,878	3,307,643	3,494,375	–	–	–	–

(a) Insurance premiums

Insurance premiums of MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund include premium subsidies and grants provided by the Government to help Singapore Citizens and Permanent Residents with their respective premiums and extend coverage to those with pre-existing conditions.

(b) CareShield Life and ElderShield Insurance Fund Premium Rebates

Due to lower than projected ElderShield claims experience, the Board distributed ElderShield premium rebates in 2023. Over 735,000 members received the premium rebate in their CPF MediSave Account.

(c) Salaries and staff benefits

Included in salaries and staff benefits is the following:

	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Employer's CPF contributions	778	695	969	751	399	325	579	530

20.2 Statements of cash flows of Insurance Funds

	Note	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
		2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Cash flows from operating activities									
Net increase/(decrease) in funds		142,104	75,466	(186,732)	619,540	–	–	–	–
Adjustments for:									
Interest and dividend income		(29,234)	(25,124)	(579,041)	(518,433)	(860,835)	(730,449)	(262,340)	(221,282)
		112,870	50,342	(765,773)	101,107	(860,835)	(730,449)	(262,340)	(221,282)
Changes in operating assets and liabilities:									
Investments		(124,459)	(108,169)	(1,380,500)	(1,620,000)	(3,093,142)	(2,921,185)	(1,060,600)	(924,400)
Premium and other receivables		(74,919)	(1,137)	(19,533)	(24,054)	(29,092)	(25,020)	3,899	(36,910)
Insurance contract liabilities		(42,830)	21,673	1,702,252	954,209	3,129,346	2,988,895	1,111,944	825,832
Claims intimated or admitted but not paid		(5,627)	(375)	(12,276)	2,659	–	–	(153)	231
Other payables		111,306	(4,027)	(22,963)	29,827	399	(967)	5,929	10,505
Cash used in operations		(23,659)	(41,693)	(498,793)	(556,252)	(853,324)	(688,726)	(201,321)	(346,024)
Interest received		19,960	19,330	560,615	498,933	853,324	688,726	248,111	210,611
Dividends received		6,924	6,344	–	–	–	–	–	–
Net cash flows generated from/(used in) operating activities		3,225	(16,019)	61,822	(57,319)	–	–	46,790	(135,413)
Net increase/(decrease) in cash and cash equivalents		3,225	(16,019)	61,822	(57,319)	–	–	46,790	(135,413)
Cash and cash equivalents as at 1 January		83,132	99,151	21,785	79,104	–	–	268,664	404,077
Cash and cash equivalents as at 31 December	20.5	86,357	83,132	83,607	21,785	–	–	315,454	268,664

20.3 Investments

	Home Protection Fund 2024 S$'000	Home Protection Fund 2023 S$'000
Debt securities		
Denominated in Singapore Dollars	379,036	382,785
Denominated in US Dollars	271,899	159,222
Denominated in other currencies	211,298	112,814
	862,233	654,821
Equity securities		
Denominated in Singapore Dollars	778	1,028
Denominated in US Dollars	253,110	286,191
Denominated in other currencies	87,846	129,799
	341,734	417,018
Derivatives		
Futures contracts		
- with positive fair value	1,033	389
- with negative fair value	(944)	(1,832)
Foreign exchange forward contracts		
- with positive fair value	6,415	7,063
- with negative fair value	(12,348)	(4,577)
Other derivatives		
- with positive fair value	5,033	4,720
- with negative fair value	(2,686)	(1,591)
	(3,497)	4,172
	1,200,470	1,076,011

Derivative transactions were entered with various counterparties and the funds have a legally enforceable right to set off the balances and have the intention to realise the derivative assets and settle the derivative liabilities simultaneously when needed. The gross amounts of the derivative assets and liabilities are presented in the above table.

Debt securities in Home Protection Fund are designated as financial assets at FVTPL because this designation eliminates or significantly reduces the accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains and losses on them on different bases. Equity securities that Home Protection Fund also invest in are measured at FVTPL.

	MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
Special issues of Singapore Government securities	15,207,100	13,826,600	20,480,686	17,652,626	7,036,700	5,976,100
Advance deposits	–	–	265,273	191	–	–
	15,207,100	13,826,600	20,745,959	17,652,817	7,036,700	5,976,100

The Lifelong Income Fund invests jointly with the Central Provident Fund in special issues of Singapore Government securities. The effective interest rate on special issues of Singapore Government securities paying Life Account rate is within the range of 4.00% to 6.08% (2023: 4.00% to 6.00%) per annum.

MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are invested in special issues of Singapore Government securities that pay interest rate within the range of 4.00% to 4.08% (2023: 4.00%) per annum.

The special issues of Singapore Government securities are issued specifically to the Board to meet interest and other obligations of the respective funds. They do not have quoted market values and cannot be traded in the open market.

The advance deposits are deposits placed with the Accountant-General through the Monetary Authority of Singapore to purchase special issues of Singapore Government securities. The effective interest rate on advance deposits is 2.50% (2023: 2.50%) per annum.

The investment in special issues of Singapore Government securities and advance deposits are accounted for as financial assets at amortised cost.

Under the current investment arrangement with the Singapore Government, the carrying amounts of special issues of Singapore Government securities and advance deposits recorded at the reporting date are not expected to be significantly different from the values that would eventually be received. Investments in these securities are readily redeemable. In view of this, the carrying amounts of these investments approximate their fair values.

20.4 Premium and other receivables

	Home Protection Fund		MediShield Life Fund		Lifelong Income Fund		CareShield Life and ElderShield Insurance Fund	
	2024	2023	2024	2023	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Premium receivables	–	–	72,773	91,542	–	–	76,016	78,036
Allowance for impairment loss	–	–	(15,296)	(28,353)	–	–	(2,527)	(682)
	–	–	57,477	63,189	–	–	73,489	77,354
Prepayments	–	–	–	–	95,082	65,990	340	401
Other receivables	87,288	12,529	145,908	120,663	–	–	27	–
	87,288	12,529	203,385	183,852	95,082	65,990	73,856	77,755

The ageing of premium receivables at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	S$'000	S$'000	S$'000	S$'000
MediShield Life Fund				
Past due 1 year or less	40,237	1,752	50,800	4,416
Past due more than 1 year	32,536	13,544	40,742	23,937
	72,773	15,296	91,542	28,353
CareShield Life and ElderShield Insurance Fund				
Past due 1 year or less	70,006	493	72,559	–
Past due more than 1 year	6,010	2,034	5,477	682
	76,016	2,527	78,036	682

CareShield Life is open to all eligible Singapore Citizens and Permanent Residents born in 1979 or earlier from 1 December 2021. The premiums for this cohort were collected in early 2022.

The movement in the allowance for impairment in respect of premium receivables during the year was as follows:

	MediShield Life Fund		CareShield Life and ElderShield Insurance Fund	
	2024	2023	2024	2023
	S$'000	S$'000	S$'000	S$'000
At 1 January	28,353	26,284	682	1,258
Allowance/(reversal) for the year	(12,214)	2,692	1,845	(576)
Allowance utilised for the year	(843)	(623)	–	–
At 31 December	15,296	28,353	2,527	682

The Board evaluates whether there is any objective evidence that premium receivables are impaired and determines the amount of impairment loss based on ability of recovering premiums from members. The Board made the assessment by evaluating the ageing of the premium receivables and overall recovery experience of the respective schemes. Estimates were made based on the average recovery rates by duration of outstanding premiums. While some premium receivables may be impaired, all outstanding premiums will continue to be recovered from members.

Other receivables, which comprise penalty and interest receivables, amounting to S$162,000 was written off in 2024 (2023: S$118,000) for MediShield Life Fund. For the remaining balances, the Board assessed that no impairment allowance is necessary as these balances are not past due.

20.5 Cash and cash equivalents

	Note	Home Protection Fund 2024 S$'000	Home Protection Fund 2023 S$'000	MediShield Life Fund 2024 S$'000	MediShield Life Fund 2023 S$'000	Lifelong Income Fund 2024 S$'000	Lifelong Income Fund 2023 S$'000	CareShield Life and ElderShield Insurance Fund 2024 S$'000	CareShield Life and ElderShield Insurance Fund 2023 S$'000
Cash at banks		53,426	39,368	117,263	28,035	–	–	440,305	269,555
Bank deposits		32,931	43,764	–	–	–	–	–	–
Cash and cash equivalents		86,357	83,132	117,263	28,035	–	–	440,305	269,555
Less: Cash at banks managed by the Board on behalf of Government ministries	(a)	–	–	(33,656)	(6,250)	–	–	(124,851)	(891)
Cash and cash equivalents in the statement of cash flows		86,357	83,132	83,607	21,785	–	–	315,454	268,664

(a) This refers to other funds held by MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund received from the Government ministries for payment of premiums and subsidies.

Central Provident Fund Board

20.6 Other payables

	Note	Home Protection Fund 2024 S$'000	Home Protection Fund 2023 S$'000	MediShield Life Fund 2024 S$'000	MediShield Life Fund 2023 S$'000	Lifelong Income Fund 2024 S$'000	Lifelong Income Fund 2023 S$'000	CareShield Life and ElderShield Insurance Fund 2024 S$'000	CareShield Life and ElderShield Insurance Fund 2023 S$'000
Cash at banks managed by the Board on behalf of Government ministries	20.5	–	–	33,656	6,250	–	–	124,851	891
Other payables		111,673	367	33,677	56,640	1,675	1,276	58,668	52,739
		111,673	367	67,333	62,890	1,675	1,276	183,519	53,630

20.7 Net investment gain/(loss)

	Home Protection Fund 2024 S$'000	Home Protection Fund 2023 S$'000	MediShield Life Fund 2024 S$'000	MediShield Life Fund 2023 S$'000	Lifelong Income Fund 2024 S$'000	Lifelong Income Fund 2023 S$'000	CareShield Life and ElderShield Insurance Fund 2024 S$'000	CareShield Life and ElderShield Insurance Fund 2023 S$'000
Interest income	21,741	17,878	575,237	515,173	860,835	730,449	261,126	219,974
Dividend income	6,763	6,466	–	–	–	–	–	–
Net fair value (loss)/gain on:								
- financial asset designated as FVTPL	(5,721)	13,646	–	–	–	–	–	–
- financial asset at FVTPL	61,007	51,822	–	–	–	–	–	–
Net foreign currency exchange gain/(loss)	266	112	(3)	1	–	–	–	–
Miscellaneous revenue	18	27	9	4	–	–	–	–
Fund management fees	(2,303)	(1,420)	–	–	–	–	–	–
	81,771	88,531	575,243	515,178	860,835	730,449	261,126	219,974

The net fair value gain or loss includes both the realised and unrealised fair value gain or loss and foreign currency exchange gain or loss for investments classified at FVTPL. Net foreign currency exchange gain or loss for investments that are not classified as FVTPL is separately disclosed under "Net foreign currency exchange gain/(loss)".

20.8 Financial derivatives

Notional principal of the financial derivatives are as follows:

	Home Protection Fund 2024 S$'000	Home Protection Fund 2023 S$'000
Futures contracts:		
- future contracts purchased	160,810	71,090
- future contracts short	(74,549)	(106,176)
Foreign exchange forward contracts	1,496,872	1,330,433
Other derivatives	575,138	292,654

Home Protection Fund uses these derivatives for hedging and efficient portfolio management.

20.9 Risk management of insurance contracts

Home Protection Fund

(i) The risks arising from insurance policies issued under the Home Protection Insurance Scheme are death, terminal illness and total permanent disability risks of a relatively homogeneous portfolio of mortgage reducing term insurance policies. These risks do not vary significantly in relation to the location of the risk insured by the Home Protection Fund.

The objectives in managing these risks are to ensure that:

(a) all legitimate claims of insured members are met;
(b) the Home Protection Fund is financially solvent at all times; and
(c) the Home Protection Fund is operated in accordance with the Act, the Home Protection Insurance Scheme regulations and the operating policies of the Home Protection Insurance Scheme.

(ii) The policies, processes and methods for managing insurance risks are to:

(a) maintain a relatively large portfolio. Experience shows that the larger the portfolio of similar insurance policies, the smaller the relative variability in the expected outcome;
(b) manage the Home Protection Fund and insurance contract portfolio in accordance with sound actuarial, financial and accounting principles;
(c) adopt an underwriting strategy to recognise and select the insurance risks accepted so that the claim experience is unlikely to deteriorate;
(d) ensure that regular reviews of the Home Protection Fund's experience, fund solvency, premium adequacy and reserves are being performed by the independent actuarial adviser, based on the regulatory standards issued by the Monetary Authority of Singapore for the valuation of liabilities and establishment of capital requirement rules for insurers;
(e) retain sufficient surplus to allow for volatility of results; and
(f) exclude claims arising from war or any warlike operations or participation in any riot.

(iii) The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows of the Home Protection Fund are:

(a) mortality, terminal illness and total permanent disability risks. The Home Protection Fund is exposed to the risk of the experience being worse than what was assumed; and
(b) epidemics such as Coronavirus Disease 2019 ("COVID-19"), Acquired Immune Deficiency Syndrome ("AIDS") and Severe Acute Respiratory Syndrome ("SARS") or widespread changes in lifestyle that could result in earlier and/or more claims than expected.

(iv) The Home Protection Fund has no major exposure to concentration of risks, other than that the insured members are residing in Singapore.

MediShield Life Fund

(i) The risks arising from insurance policies issued under the MediShield Life Scheme are those of a relatively homogeneous portfolio of health insurance policies.

The objectives in managing these risks are to ensure that:

(a) all legitimate claims of insured members are met;
(b) the MediShield Life Fund is solvent at all times; and
(c) the MediShield Life Fund is operated in accordance with the MediShield Life Scheme Act 2015, regulations and the operating policies of the MediShield Life Scheme.

(ii) The policies, processes and methods for managing insurance risks are to:

(a) manage the MediShield Life Fund and insurance contract portfolio in accordance with sound actuarial, financial and accounting principles;
(b) adopt an underwriting strategy to recognise Additional Premiums required to mitigate the insurance risks of new members with serious pre-existing medical conditions in accordance with guidelines for risk loading;
(c) ensure that regular reviews of the MediShield Life Fund's experience, solvency, premium adequacy and reserves are being performed by the independent actuarial adviser, based on the regulatory standards issued by the Monetary Authority of Singapore for the valuation of liabilities and establishment of capital requirement rules for insurers;
(d) retain sufficient surplus to allow for volatility of results; and
(e) adjust future claims payouts and / or premiums as appropriate to ensure that the MediShield Life Scheme remains sustainable.

(iii) The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows of the MediShield Life Fund are:

(a) the provision of indemnity benefits for medical and hospitalisation conditions specified by the policies. The amount payable depends on the cost incurred by the insured member in respect of any particular event or treatment and the specified upper limits;
(b) the guaranteed renewal of each insurance policy until the insured member passes on, unless the insured member's cover is discontinued by the Board in circumstances specified in the legislation or by the Minister charged with the responsibility of the MediShield Life Scheme; and

(c) premium rebates which are offered to insured members, as provided for in the MediShield Life Scheme Regulations 2015.

(iv) Insurance risks are concentrated on specified individual health risks applicable to residents of Singapore. This concentration is a direct result of the MediShield Life Scheme consisting of a single medical insurance product. The shared characteristics of the risks insured by the MediShield Life Fund include:

(a) hospitalisation as the prime insured event;
(b) all insured events occurring within Singapore; and
(c) benefit payments being made in Singapore Dollars.

(v) For inpatient treatments, the amount of almost all claims are known within one year of the event occurring. For outpatient treatments, each individual claim amount can be reliably estimated within a year, but liabilities to pay for the further treatments may continue for several years.

Lifelong Income Fund

(i) The risks arising from insurance policies issued under the Lifelong Income Scheme are mortality and interest rate risks of a relatively homogeneous portfolio of annuities. These risks do not vary significantly in relation to the location of the risk insured by the Lifelong Income Fund.

The objectives in managing these risks are to ensure that:

(a) all legitimate payments of insured members are met;
(b) the Lifelong Income Fund is financially solvent at all times; and
(c) the Lifelong Income Fund is operated in accordance with the Act, Lifelong Income Scheme regulations and the operating policies of the Lifelong Income Scheme.

(ii) The policies, processes and methods for managing insurance risks are to:

(a) adjust payouts to insured members as appropriate so that the pool of policies bears all mortality risk and interest rate risk;
(b) invest in special issues of Singapore Government securities that earn an appropriate interest rate to cover expenditure and interest credits for insured members;
(c) ensure that regular reviews of the Lifelong Income Fund's experience and fund sustainability are performed by the independent actuarial adviser, based on the regulatory standards issued by the Monetary Authority of Singapore for the valuation of liabilities; and
(d) retain sufficient cash float to allow for volatility in death claims.

(iii) The terms and conditions of insurance contracts that have a material effect on the amount, timing, and uncertainty of future cash flows of the Lifelong Income Fund are:

(a) the provision that monthly payouts to a member be made while members are alive after the member's payout age, and cease when the member dies;

(b) the provision for net investment returns from the assets of the scheme to be allocated among members; and
(c) the provision under some contracts for a benefit to be paid to the member's beneficiaries on death.

(iv) The Lifelong Income Fund has no major exposure to concentration risk other than that the vast majority of insured members are residing in Singapore.

CareShield Life and ElderShield Insurance Fund

(i) The risks arising from insurance policies issued under the CareShield Life Scheme and ElderShield Scheme are severe disability and longevity risks of a relatively homogeneous portfolio of long-term care insurance policies.

The objectives in managing these risks are to ensure that:

(a) all legitimate claims of insured members are met;
(b) the CareShield Life and ElderShield Insurance Fund is solvent at all times; and
(c) the CareShield Life and ElderShield Insurance Fund is operated in accordance with the CareShield Life and Long-Term Care Act 2019, regulations and the operating policies of the CareShield Life Scheme and ElderShield Scheme.

(ii) The policies, processes and methods for managing insurance risks are to:

(a) manage the CareShield Life and ElderShield Insurance Fund and insurance contract portfolio in accordance with sound actuarial, financial and accounting principles;
(b) ensure that regular reviews of the CareShield Life and ElderShield Insurance Fund's experience, fund solvency, premium adequacy and reserves are being performed by the independent actuarial adviser, based on the regulatory standards issued by the Monetary Authority of Singapore for the valuation of liabilities and establishment of capital requirement rules for insurers; and
(c) adjust future claim payouts and / or premiums as appropriate to ensure that the CareShield Life Scheme and ElderShield Scheme remain sustainable.

(iii) The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows of the CareShield Life and ElderShield Insurance Fund are:

(a) the provision of monthly claim payouts to the insured members with severe disability. The total amount payable for CareShield Life Scheme depends on the claim eligibility year and duration that the insured member remains severely disabled. Total amount payable for ElderShield Scheme depends on the plan type, and duration that the insured member remains severely disabled or the maximum claim payout period; and
(b) the guaranteed renewal of each insurance policy until the insured member passes on, unless the insured member's cover is discontinued by the Board in circumstances specified in the legislation.

(iv) Insurance risks are concentrated on specified individual disability and longevity risks applicable mainly to residents of Singapore. This concentration is a direct result of the CareShield Life Scheme and ElderShield Scheme consisting of a long-term care insurance product. The shared characteristics of the risks insured by the CareShield Life and ElderShield Insurance Fund include:

(a) severe disability as the prime insured event;
(b) all insured events occurring within Singapore; and
(c) claim payouts being made in Singapore Dollars.

(v) All claims for CareShield Life Scheme are paid for as long as insured member remains severely disabled. Claims for ElderShield Scheme are paid when the insured members remain severely disabled till the end of the payout period.

20.10 Insurance contract liabilities

The insurance contract liabilities of the Home Protection Fund, MediShield Life Fund, Lifelong Income Fund and the CareShield Life and ElderShield Insurance Fund are determined by the Board based on the advice of the independent actuarial advisers of the Board. The valuation of insurance contract liabilities is determined according to the Insurance (Valuation and Capital) Regulations 2004 and Notice 133 Valuation and Capital Framework for Insurers issued by the Monetary Authority of Singapore.

The insurance contract liabilities under the Home Protection Fund, MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are based on the gross premium valuation method, where current best estimate assumptions from experience studies and appropriate discount rates are applied to future cash flows. Additional provision is required in the valuation assumptions to allow for any adverse deviation from the best estimate assumptions. The level of additional provision is reviewed periodically by the independent actuarial advisers to assess its appropriateness and sufficiency. For the CareShield Life and ElderShield Insurance Fund, the insurance contract liabilities is set as the highest of the minimum condition liabilities (guaranteed policy liabilities only), the gross premium valuation (guaranteed and non-guaranteed policy liabilities) and policy assets.

The Lifelong Income Scheme is designed to distribute 100% of its net assets to the insured members via monthly payouts starting from the annuity payout start age of each individual insured member for as long as the member lives. All risks are shared by the insured members. Therefore, for the insurance contracts issued under the Lifelong Income Fund, the insurance contract liabilities are valued as the total net assets held in the Lifelong Income Fund for the benefit of insured members.

Home Protection Fund

The key assumptions used are:

(a) Mortality, terminal illness and total permanent disability rates

Mortality, terminal illness and total permanent disability rates are set based on experience studies carried out on the Home Protection Fund.

(b) Expense loadings

Expense assumptions are set based on an analysis of expense experience of the Home Protection Fund. Such a study is conducted on an annual basis. Consideration is also given to the expense budget that is approved for the following year.

(c) Lapse rates

Lapse rates are set based on experience studies carried out on the Home Protection Fund. Such a study is conducted on an annual basis.

(d) Premium rates

To maintain the competitiveness of the Home Protection Insurance Scheme premium rates, a premium rate adjustment was made on 1 July 2021. Consequently, future premium projections were derived based on the revised rates.

(e) Valuation discount rate

The valuation discount rates are prescribed by the Monetary Authority of Singapore in a three segment approach:

(1) First 20 years: based on market information on government bonds;
(2) Next 40 years: based on extrapolated forward rate; and
(3) Thereafter: based on a prescribed ultimate forward rate.

(f) The following table presents the sensitivity of the value of the insurance contract liabilities to movements in the assumptions used:

	2024		2023	
	Change in variable %	Increase in liability S$'000	Change in variable %	Increase in liability S$'000
Home Protection Fund				
Worsening of base expense level	+10	17,866	+10	22,540
Change in lapse rates	-10	20,351	-10	20,456
Worsening of claim rates	+10	72,635	+10	85,794
Shift in risk-free yield curve	-0.5	13,011	-0.5	15,865

MediShield Life Fund

The key assumptions used are:

(a) mortality and lapse rates;
(b) claim frequency per person covered;
(c) average claim amount per claim;
(d) impact of inflation of healthcare costs on claim amounts;
(e) cessation rates for patients with outpatient claims in payments;
(f) expense;
(g) premium rates; and
(h) valuation discount rate.

Data used to determine assumptions regarding claim amount, claim frequency, cessation of outpatient treatment, lapse and mortality are sourced from annual reviews of the experience of the MediShield Life Fund, augmented by periodic reviews of Singapore hospitalisation data carried out in conjunction with premium and benefit reviews. Data used to support assumptions regarding claim inflation are sourced from general economic published material, augmented by the experience of the MediShield Life Fund. Data to determine the discount rate assumed are based on the yields of the special issues of Singapore Government securities held by the MediShield Life Fund.

(a) Mortality and lapse rates

The mortality assumptions are based on applying the experience of the MediShield Life Fund to the published Singapore mortality table "Complete Life Tables 2013-2014 for Singapore Resident Population" with some allowance for reductions to the mortality rate in line with expected future trends. Lapse and mortality assumptions are reviewed each year to reflect the scheme rules, underlying trends as well as the latest available and relevant experience.

(b) and (c) Claim frequency and average claim size

Claims assumptions are generally based on past hospitalisation and outpatient treatment experience data, modified for expected future inflation of these costs and by the claim benefits under the MediShield Life Scheme.

(d) Claim inflation

Future trends in healthcare inflation and healthcare utilisation growth are combined into an assumption of claim inflation. The judgment of this assumption is based on published Singapore economic information, experience information from other countries, where relevant, analysis of past experience, and identification of the forces that may operate in the future to affect this outcome.

(e) Cessation rates for outpatient treatment

The cessation rates are based on an analysis of the experience of the Singapore population and of the MediShield Life Scheme over at least the past three years. The cessation rates vary by the duration that the claimant has been receiving outpatient treatment.

(f) Expense

Expense assumptions are set based on an analysis of expense experience of the MediShield Life Fund. Such a study is conducted on an annual basis. Consideration is also given to the expense budget that is approved for the following year.

(g) Premium rates

Premiums are assumed not to increase until experience requires it. The MediShield Life Fund has no shareholders, and all assets of the MediShield Life Fund are for the purpose of providing benefits to MediShield Life members in accordance with the MediShield Life Scheme. All benefits and premiums for MediShield Life Scheme are set out from time to time in relevant laws and regulations, and can be changed by those laws and regulations.

(h) Valuation discount rate

The valuation discount rate is set based on the expected earning rate of the risk-free assets held to support the liabilities. This is determined with reference to the fixed yields of the special issues of Singapore Government securities held at the valuation date. These securities are non-tradeable bonds issued primarily to meet the investment needs of the MediShield Life Scheme.

Central Provident Fund Board

The following table presents the sensitivity of the value of the insurance contract liabilities to movements in the assumptions used:

	2024		2023	
	Change in variable %	**Increase in liability** S$'000	**Change in variable** %	**Increase in liability** S$'000
MediShield Life Fund				
Decrease in mortality	-5	1,002	-5	1,612
Change in lapse rates	-50	1,906	-50	1,553
Increase in average new claim size	+10	720,611	+10	712,223
Increase in new claim frequency	+10	720,611	+10	712,223
Increase in inflation of claim costs	+1 p.a.	142,711	+1 p.a.	140,294
Reduction in cessation rates of outpatient claims	-10	252,648	-10	274,310
Shift in risk-free yield curve	-0.5 p.a.	87,121	-0.5 p.a.	81,037

CareShield Life and ElderShield Insurance Fund

The key assumptions are applicable for the valuation of actuarial liabilities:

(a) Disability rates

Disability rates are set based on experience studies that are conducted for CareShield Life Scheme and ElderShield Scheme.

(b) Mortality rates

Mortality rates are set based on experience studies that are conducted for CareShield Life Scheme and ElderShield Scheme.

(c) Disability recovery rates

Disability recovery rates are set based on experience studies that are conducted for CareShield Life Scheme and ElderShield Scheme.

(d) Expense

Expense assumptions are set based on an analysis of expense experience of the CareShield Life and ElderShield Insurance Fund. Such a study is conducted on an annual basis. Consideration is also given to the expense budget that is approved for the following year.

(e) Valuation discount rate

The valuation discount rate is set equal to the expected earning rate of the risk-free assets held to support the liabilities. This is determined with reference to the fixed yields of the special issues of Singapore Government securities held at the valuation date. These securities are non-tradeable bonds issued primarily to meet the investment needs of the CareShield Life Scheme and ElderShield Scheme.

The following table presents the sensitivity of the value of the insurance contract liabilities to movements in the assumptions used:

	2024		2023	
	Change in variable %	Increase in liability S$'000	Change in variable %	Increase in liability S$'000
CareShield Life and ElderShield Insurance Fund				
Higher disability rates	+10	961,881	+10	834,325
Lower mortality rates	-10	1,491,046	-10	1,397,274
Shift in risk-free yield curve	-0.5	2,100,235	-0.5	1,952,575

20.11 Financial risk management of Insurance Funds

Market risk

Market risk refers to changes in market prices that will affect the value of investments in global and local debt securities, equities and derivatives. Market risk comprises risks arising from changes in interest rates, equity prices and foreign exchange rates. Given the duration of policy liabilities and uncertainty of cash flows of the Home Protection Fund, MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund, it is not possible to hold assets that will perfectly match the policy liabilities.

Given the nature of the Lifelong Income Scheme where there is no minimum payout guarantees and payouts are adjusted in response to changes in interest rates, all market risk is borne by the insured members. Accordingly, there is no exposure to market risk for the Lifelong Income Fund.

Asset-liability decisions are considered by the Board with an objective of limiting the extent to which solvency can be affected by adverse market and interest rate movements. Market risk is actively managed through the setting of investment policy and asset allocation within the approved risk tolerance limits. The investment policy includes certain restrictions on currency, credit, concentration, borrowing and counterparty risks. Market risk is diversified by investing the assets of the Home Protection Fund in different asset classes and various markets. The MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are invested in special issues of Singapore Government securities, and Singapore Dollar cash and cash equivalents, except for a small residual amount of receivables, cash and cash equivalents in foreign currencies for the MediShield Life Fund. The Lifelong Income Fund is invested in special issues of Singapore Government securities, advance deposits, cash and cash equivalents. The Board regularly monitors the exposure of the Home Protection Fund to different asset classes to ensure that these exposures are within the approved ranges.

Derivatives are financial contracts whose values are derived from the value of underlying assets. They are used for hedging purposes to manage portfolio risk and for efficient portfolio management to improve risk-adjusted performance. The major classes of derivatives are as follows:

- Futures / forwards contracts to buy or sell an asset on or before a future date at a price specified at the time of entry;
- Options contracts that give the owner the right to buy or sell an asset at the strike price, specified at the time of entry and lapsing on the maturity date; and
- Swaps contracts to exchange cash on or before a specified future date based on the underlying value of interest rates or other assets.

Approved guidelines detail the permissible derivative instruments and their risk limits. Ongoing monitoring and reporting are undertaken at various levels to ensure that investment activities are in accordance with the investment guidelines.

Interest rate risk

The fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Home Protection Fund is exposed to fair value interest rate risk as a result of investments in fixed rate debt securities. The interest rates on these investments are determined based on prevailing market rates. Exposure of the Lifelong Income Fund to interest rate risk is entirely borne by the insured members.

The investments in debt securities are as follows:

	Carrying amount (at fair value)		Percentage of total investment	
	2024 S$'000	2023 S$'000	2024 %	2023 %
Home Protection Fund	862,233	654,821	71.8	60.9

The interest rates, carrying amounts and maturities of debt securities are shown in the following table:

	Interest rate (per annum)		Years to maturity: Not later than one year (Current)		Later than one year and not later than five years		Later than five years	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
At fair value								
Denominated in SGD								
Home Protection Fund	0.50 – 3.50	0.50 – 3.50	14,712	1,657	92,680	75,282	271,644	305,846
Denominated in USD								
Home Protection Fund	0.01 – 9.02	0.01 – 9.02	11,230	4,220	75,153	48,418	185,516	106,584
Denominated in other currencies								
Home Protection Fund	0.00 – 7.75	0.00 – 7.75	32,832	27,487	69,877	35,046	108,589	50,281

The interest rates, carrying amounts and maturities of cash and cash equivalents are shown in the following table:

	Interest rate (per annum)		Years to maturity less than 1 year	
	2024	2023	2024	2023
	%	%	S$'000	S$'000
Denominated in SGD				
Home Protection Fund	0.00 – 3.00	0.00 – 3.91	77,871	77,890
MediShield Life Fund	0.00 – 3.05	0.00 – 3.78	117,263	28,035
CareShield Life and ElderShield Insurance Fund	0.00 – 3.05	0.00 – 3.65	440,305	269,555
Denominated in USD				
Home Protection Fund	0.00	0.00	3,269	5,608
Denominated in other currencies				
Home Protection Fund	0.00	0.00	5,217	(366)

Foreign currency risk

The Home Protection Fund is exposed to foreign exchange risk as a result of global investments. Hedging policies are put in place to mitigate these risks, where necessary. The sensitivity analysis for possible movements in key currencies with all other variables held constant is detailed in the sensitivity analysis below. The Lifelong Income Fund, and CareShield and ElderShield Insurance Fund are not exposed to any foreign exchange risk. The MediShield Life Fund is also not exposed to any foreign exchange risk except for a small residual amount of receivables, cash and cash equivalents in foreign currencies.

The following table presents gross major currency exposures of the Home Protection Fund (excluding the effect of derivatives used for hedging) as of the date of the financial statements, expressed in Singapore Dollars equivalent.

	Home Protection Fund	
	2024	2023
	S$'000	S$'000
US Dollar	530,503	451,130
Euro	100,104	67,869
Japanese Yen	72,560	57,647
Sterling Pound	24,825	19,964
Canadian Dollar	22,609	15,260

Equity price risk

The Home Protection Fund is exposed to equity price risk arising from its investment in equity securities which are classified as financial assets at FVTPL. The market values of these investments are affected by, amongst others, changes in market prices as a result of changes in the global economic conditions, macro and micro economic factors affecting the country where the investments are quoted, and factors specific to the investee corporations.

The fluctuations in market prices due to the above factors are unforeseen. To manage the price risk arising from investments in equity, the Home Protection Fund diversifies its portfolio across different markets and industries whenever it is appropriate.

The Lifelong Income Fund, MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are not exposed to equity price risk as the funds only invest in cash and cash equivalents with banks, and special issues of Singapore Government securities with the Monetary Authority of Singapore.

Sensitivity analysis

The analysis below is presented for reasonably possible movements in key variables with all other variables remaining constant.

	Home Protection Fund	
	2024 S$'000	**2023** S$'000
Change in variables:		
Equity prices		
+10%	34,173	41,702
Foreign currency		
+5%		
US Dollar	26,525	22,556
Euro	5,005	3,393
Japanese Yen	3,628	2,882
Sterling Pound	1,241	998
Canadian Dollar	1,130	763
Interest rate		
+50 bps	(28,776)	(24,298)
-50 bps	30,226	25,545

A decrease in equity prices or foreign currencies with the same % would have an equal but opposite effect.

Central Provident Fund Board

Concentration risk

Concentration of the investments of Home Protection Fund are analysed as follows:

			Percentage of investments	
	2024 S$'000	**2023** S$'000	**2024** %	**2023** %
Home Protection Fund				
Debt securities				
Singapore	380,210	383,244	32	36
United States	231,554	140,280	19	13
Japan	58,487	37,936	5	4
United Kingdom	26,988	11,373	2	1
Canada	23,990	8,746	2	1
Germany	17,846	15,652	1	1
France	15,830	8,260	1	1
China	15,568	8,123	1	1
Spain	9,238	2,528	1	0
Others	82,522	38,679	7	4
Equity securities				
United States	221,273	248,329	18	23
Luxembourg	23,577	27,046	2	2
Japan	13,258	19,367	2	2
United Kingdom	8,155	12,042	1	1
Canada	7,542	10,564	1	1
Others	67,929	99,670	5	9
Derivatives				
United States	1,996	(737)	–	–
Others	(5,493)	4,909	–	–

The investments of the Lifelong Income Fund, MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are concentrated in special issues of Singapore Government securities, advance deposits or cash and cash equivalents held with a number of financial institutions.

Credit risk

The maximum credit risk exposure at the end of the year, in relation to each class of financial assets, is the carrying amount of those assets at the end of the year.

The Home Protection Fund is exposed to credit risk through (i) investments in cash (including fixed deposits) placed with financial institutions and debt securities; and (ii) exposure to counterparty's credit in derivative transactions. For the two types of exposures, financial loss may materialise as a result of credit default by the debt issuer or bank counterparty. For investments in debt securities, financial loss may also materialise as a result of the widening of credit spread or a downgrade of credit rating. The Lifelong Income Fund, MediShield Life Fund and the CareShield Life and ElderShield Insurance Fund are exposed to minimal credit risk in respect of investments in cash, special issues of Singapore Government securities and/or advance deposits with the Monetary Authority of Singapore.

Swaps, interest rate options, foreign exchange, currency options, over the counter options and other derivative positions are covered by International Swaps and Derivative Association master agreements. Derivative positions are marked to market daily, and the market value is considered to be the amount in the money. Collaterals may be provided or requested to or from counterparties dependent upon whether the derivative positions are out or in the money.

The Board manages credit risk actively through the setting of minimum credit rating requirements and investment limits for issuers and counterparties within the approved investment guidelines. These limits are reviewed as and when necessary. Ongoing monitoring and reporting are undertaken at various levels to ensure that all investment activities are in accordance with the investment guidelines.

Central Provident Fund Board

Exposure of the Home Protection Fund to credit risk relating to its debt securities and financial derivatives are presented below (in millions of Singapore Dollars):

	AAA* S$'m	**AA*** S$'m	**A*** S$'m	**BBB*** S$'m	**Not rated**** S$'m	**Total** S$'m
Home Protection Fund						
2024						
Singapore Government securities	67.1	–	–	–	311.9	379.0
Other Government bonds	95.6	18.3	11.9	9.3	135.4	270.5
Corporate bonds	19.7	1.9	46.6	49.8	–	118.0
Government-backed Agency Mortgage Backed Security	–	0.1	–	–	73.3	73.4
Non-Agency Mortgage Backed Securities	11.5	–	1.4	–	8.4	21.3
Financial derivatives (counterparty)	–	–	(3.5)	–	–	(3.5)
	193.9	20.3	56.4	59.1	529.0	858.7
2023						
Singapore Government securities	363.7	–	–	–	19.1	382.8
Other Government bonds	22.9	82.6	8.1	5.2	50.4	169.2
Corporate bonds	6.5	0.7	17.8	27.4	–	52.4
Government-backed Agency Mortgage Backed Security	–	48.7	–	–	–	48.7
Non-Agency Mortgage Backed Securities	1.7	–	–	–	–	1.7
Financial derivatives (counterparty)	–	–	4.2	–	–	4.2
	394.8	132.0	30.1	32.6	69.5	659.0

* Based on public credit ratings assigned by external credit rating agencies Standard & Poor's, Moody's and Fitch.

** Based on internal credit ratings, and holdings are rated equivalent to Standard & Poor's credit ratings of "AAA to BBB".

Financial assets that are neither past due nor impaired

For the Home Protection Fund, the cash is placed as short term deposits with financial institutions which have good credit ratings. The debt securities and approved counterparties of Home Protection Fund must meet stringent credit rating criteria. None of the financial assets are past due nor impaired.

Liquidity risk

In the management of liquidity risk of the Insurance Funds, the Board seeks to ensure that even under adverse conditions, the Insurance Funds have access to the funds necessary to cover for claims and surrenders. Management monitors and maintains adequate cash and bank balances to finance the operations of the Insurance Funds and mitigate the effects of fluctuations in cash flows. In addition, the financial assets of the Insurance Funds can be readily sold or redeemed when the need arises.

The following tables show undiscounted financial liabilities with the remaining contractual maturity periods of the Insurance Fund. For liabilities arising from insurance contracts, the disclosure is the estimated timing of net cash outflows resulting from recognised insurance liabilities i.e. on a discounted basis.

	Not later than one year S$'000	Later than one year and not later than five years S$'000	Later than five years S$'000	Total S$'000
Home Protection Fund				
2024				
Insurance contract liabilities	49,845	85,812	271,183	406,840
Claims intimated or admitted but not paid	9,413	–	–	9,413
Other payables	111,673	–	–	111,673
	170,931	85,812	271,183	527,926
2023				
Insurance contract liabilities	64,939	95,427	289,304	449,670
Claims intimated or admitted but not paid	15,040	–	–	15,040
Other payables	367	–	–	367
	80,346	95,427	289,304	465,077
MediShield Life Fund				
2024				
Insurance contract liabilities	602,536	2,491,427	9,233,743	12,327,706
Claims intimated or admitted but not paid	6,581	–	–	6,581
Other payables	67,333	–	–	67,333
	676,450	2,491,427	9,233,743	12,401,620
2023				
Insurance contract liabilities	544,104	2,076,952	8,004,398	10,625,454
Claims intimated or admitted but not paid	18,857	–	–	18,857
Other payables	62,890	–	–	62,890
	625,851	2,076,952	8,004,398	10,707,201

	Not later than one year S$'000	Later than one year and not later than five years S$'000	Later than five years S$'000	Total S$'000
Lifelong Income Fund				
2024				
Insurance contract liabilities	1,418,204	5,705,714	13,987,266	21,111,184
Other payables	1,675	–	–	1,675
	1,419,879	5,705,714	13,987,266	21,112,859
2023				
Insurance contract liabilities	1,029,202	4,826,549	12,126,087	17,981,838
Other payables	1,276	–	–	1,276
	1,030,478	4,826,549	12,126,087	17,983,114
CareShield Life and ElderShield Insurance Fund				
2024				
Insurance contract liabilities	(762,635)	(2,480,444)	10,692,101	7,449,022
Claims intimated or admitted but not paid	393	–	–	393
Other payables	183,519	–	–	183,519
	(578,723)	(2,480,444)	10,692,101	7,632,934
2023				
Insurance contract liabilities	(688,892)	(2,252,179)	9,278,149	6,337,078
Claims intimated or admitted but not paid	546	–	–	546
Other payables	53,630	–	–	53,630
	(634,716)	(2,252,179)	9,278,149	6,391,254

20.12 Fair value of assets and liabilities

The Board has assessed that the carrying amounts of financial assets and financial liabilities are a reasonable approximation of their fair values.

Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the year :

Fair value measurements at the end of the year

	Level 1 S$'000	Level 2 S$'000	Total S$'000
Home Protection Fund			
Recurring fair value measurements			
Financial assets:			
Financial assets measured at fair value			
Equity securities at FVTPL	341,734	–	341,734
Debt securities designated as FVTPL	562,175	300,058	862,233
Total financial assets through profit or loss	903,909	300,058	1,203,967
Derivatives			
- Futures contracts	1,033	–	1,033
- Foreign exchange forward contracts	–	6,415	6,415
- Other derivatives	–	5,033	5,033
Total derivatives	1,033	11,448	12,481
Financial assets as at 31 December 2024	904,942	311,506	1,216,448
Financial liabilities:			
Derivatives			
- Futures contracts	(944)	–	(944)
- Foreign exchange forward contracts	–	(12,348)	(12,348)
- Other derivatives	–	(2,686)	(2,686)
Financial liabilities as at 31 December 2024	(944)	(15,034)	(15,978)

	Level 1 S$'000	Level 2 S$'000	Total S$'000
Home Protection Fund			
Recurring fair value measurements			
Financial assets:			
Financial assets measured at fair value			
Equity securities at FVTPL	417,018	–	417,018
Debt securities designated as FVTPL	510,776	144,045	654,821
Total financial assets through profit or loss	927,794	144,045	1,071,839
Derivatives			
- Futures contracts	389	–	389
- Foreign exchange forward contracts	–	7,063	7,063
- Other derivatives	–	4,720	4,720
Total derivatives	389	11,783	12,172
Financial assets as at 31 December 2023	928,183	155,828	1,084,011
Financial liabilities:			
Derivatives			
- Futures contracts	(1,832)	–	(1,832)
- Foreign exchange forward contracts	–	(4,577)	(4,577)
- Other derivatives	–	(1,591)	(1,591)
Financial liabilities as at 31 December 2023	(1,832)	(6,168)	(8,000)

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy :

Debt securities

Debt securities are valued using valuation techniques that reflect market participants' assumptions, maximising the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. To reflect current market conditions, the evaluated pricing applications incorporate market information obtained throughout the trading day from market sources and integrated relative credit rating information, observed market movements, and sector news.

Equity securities

Equity securities classified under the Level 2 pricing hierarchy are unquoted securities due to their trading status being unlisted, delisted, suspended, or warrants and rights, or illiquid owing to various types of corporate actions. The underlying securities are priced at the last bid price.

Derivatives

Interest rate swaps, interest rate options and currency swaps and foreign exchange forwards are used to manage interest rate exposures, hedge against exposure to exchange rate risks and manage volatility exposures.

Interest rate swap contracts are valued by applying forward pricing and swap models, using present value calculations. The models incorporate market observable inputs, including the credit quality of counterparties, foreign exchange spot rates, foreign exchange forward rates, interest rate curves and forward rate curves.

Foreign exchange forward pricing is calculated based on the spot rate and the interest rate differentials between the two currencies for the tenor of the forward. It does not include any market sentiments or forecasts of where future exchange rates will be.

Credit default swaps are valued based on credit spread curves derived by market and details of the trades.

Central Provident Fund Board

21 Net assets of Trust Funds

	Note	2024 S$'000	2023 S$'000
Deferment Bonus Fund	21.1	–	3,731
Majulah Package Fund	21.2	5,009,915	–
Other Trust Funds	21.3	–	16,987
Net assets		5,009,915	20,718

Details of the trust funds set out below have been prepared from the records of the trust funds, and reflect only transactions handled by the Board.

21.1 Deferment Bonus Fund

The Deferment Bonus Fund was set up and constituted under a trust deed in 2008 for the purpose of a scheme which provides for bonus payouts to help CPF members cope with the later drawdown age for the minimum sum and to encourage CPF members to voluntarily defer their drawdown age.

The Board is appointed as the trustee of the Deferment Bonus Fund, with effect from 29 June 2011, by the Government under the Deferment Bonus Fund Trust Deed and relevant Supplementary Deeds.

The Deferment Bonus Fund receives funds from the Government and interest income on special issues of Singapore Government securities and bank deposits. The Fund pays Deferment Bonus to eligible CPF members, and operating expenses incurred for the administration of the Deferment Bonus Fund.

The trust period of the Deferment Bonus Fund ended on 31 January 2024. Pursuant to the Trust Deed – Deferment Bonus Fund dated 22 April 2008, Supplementary Deeds to the Deferment Bonus Fund dated 4 December 2009, 29 June 2011 and 18 February 2013, the Board notified Ministry of Finance and Accountant-General's Department on the closure of the Deferment Bonus Fund on 31 December 2024 and had returned all remaining assets of the Deferment Bonus Fund to the Government as of this date.

	Note	2024 S$'000	2023 S$'000
Fund balance		–	3,731
Represented by:			
Cash		–	3,731
Net assets	21	–	3,731
Receipts			
Interest income		131	5,533
Disbursements			
Payment of Deferment Bonus to members		–	(615)
Agency fee paid to CPF Board		(28)	(366)
Professional fees		(14)	(3)
Funds returned to Government		(3,820)	(217,487)
		(3,862)	(218,471)
Net disbursements during the year		(3,731)	(212,938)
Fund balance as at 1 January		3,731	216,669
Fund balance as at 31 December	21	–	3,731

21.2 Majulah Package Fund

The Majulah Package Fund was set up and constituted under a trust deed in 2024 for the purpose of schemes which provide for bonus payouts to support Singaporeans born in 1973 or earlier to bolster their retirement and healthcare adequacy.

The Board is appointed as the trustee of the Majulah Package Fund, with effect from 6 February 2024, by the Government under the Majulah Package Fund Trust Deed.

The Majulah Package Fund invests in special issues of Singapore Government securities after setting aside adequate cash float for operational needs.

The Majulah Package Fund receives funds from the Government and interest income on special issues of Singapore Government securities and bank deposits. The Fund pays annual Earn and Save Bonus, one-off Retirement Savings Bonus and one-off MediSave Bonus to eligible CPF members, and operating expenses incurred for the administration of the Majulah Package Fund.

All remaining assets of the Fund shall be returned to the Government pursuant to the Majulah Package Fund Trust Deed when the trust deed is terminated.

	Note	2024 S$'000
Fund balance		5,009,915
Represented by:		
Special issues of Singapore Government securities		4,867,676
Cash		142,239
Net assets	21	5,009,915
Receipts		
Funds from Government		8,285,890
Interest income		132,534
		8,418,424
Disbursements		
Payment of MediSave Bonus to members		(2,333,282)
Payment of Retirement Savings Bonus to members		(1,069,933)
Agency fee paid to CPF Board		(5,294)
		(3,408,509)
Net receipts during the year		5,009,915
Fund balance as at 1 January		–
Fund balance as at 31 December	21	5,009,915

21.3 Other Trust Funds

Other Trust Funds are funds received from the Government which the Board acts as an administrator, and the funds are held in trust and managed by the Board on behalf of the respective Government ministries.

	Note	2024 S$'000	2023 S$'000
Fund balance		–	16,987
Represented by:			
Cash at banks held in trust by CPF Board	8	–	16,987
Net assets	21	–	16,987
Receipts			
Funds received from Government ministries		3,403,215	1,851,682
Interest income		–	1,295
		3,403,215	1,852,977
Disbursements			
Disbursements to CPF members		(3,403,215)	(1,848,767)
Net receipts during the year		–	4,210
Less: Reclassification to Grant payables		(16,987)	–
Net balance after reclassification		(16,987)	4,210
Fund balance as at 1 January		16,987	12,777
Fund balance as at 31 December	21	–	16,987

22. Related party transactions

Definition of related party

The Board is a statutory board established under the CPF Act. Government ministries including statutory boards under their purview are deemed related parties to the Board.

Key management compensation

Key management personnel of the Board are those persons having the authority and responsibility for planning, directing and controlling the activities of the Board. The core management of the Board are considered key management personnel.

Compensation of key management personnel comprises:

	2024 S$'000	2023 S$'000
Salaries and other short-term employee benefits	8,564	10,185
CPF contributions	359	435
Post-employment benefits	4	38

Other related party transactions

Other than disclosed elsewhere in the financial statements, the significant transactions with related parties based on terms agreed between the parties involved are as follows:

Central Provident Fund

(i) Expenses incurred for services rendered

	2024 S$'000	2023 S$'000
Statutory boards	51,583	42,277

(ii) Agency fees income

The Board handles agency work on behalf of various Government ministries. These agency income are included as part of agency, consultancy and data processing fees disclosed in note 14.

	2024 S$'000	2023 S$'000
Government ministries	105,760	90,334
Statutory boards	5,233	3,162

(iii) Special issues of Singapore Government securities

Transactions in special issues of Singapore Government securities are as follows:

	2024 S$'000	2023 S$'000
Net placement	33,236,606	18,872,767

Insurance Funds

(iv) Trading of debt securities

Trading of debt securities issued by the Singapore Government and Government ministries are as follows:

	2024 S$'000	2023 S$'000
Home Protection Fund		
Sales	26,953	118,974
Purchases	25,009	85,492

(v) Special issues of Singapore Government securities

Transactions in special issues of Singapore Government securities are as follows:

	2024 S$'000	2023 S$'000
Net Placement		
Lifelong Income Fund	2,828,060	2,921,506
MediShield Life Fund	1,380,500	1,620,000
CareShield Life and ElderShield Insurance Fund	1,060,600	924,400

23. Comparative information

The financial statements for the financial year end 31 December 2023 were audited by another firm of Chartered Public Accountants.

24. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue by the members of the Board on 13 May 2025.

ANNEX

Annex: Details on Corporate Governance

Board Meetings

Board meetings are scheduled quarterly for the purpose of, among other things, approving the annual budget, audited financial statements, CPF Rules amendments and major projects. Board by-laws allow Board Members to take part in meetings in person or via any means, provided all members who wish to participate in the meeting have access to the technology needed to participate, and a quorum of Board Members can simultaneously communicate with each other throughout the meeting. Urgent matters requiring decisions are circulated via e-mail by the Board Secretariat. The Board met four times in 2024.

Board Members are provided with any information necessary for them to effectively discharge their responsibilities at each Board meeting. This includes regular reports on CPF contributions and developments on CPF schemes. Significant operational highlights and financial statements are provided on a regular basis for the Board's information. Board Members may request additional information where necessary. Minutes of Board meetings are documented for record, with Matters Arising promptly followed up and reported back at the following Board meeting.

Audit Committee

The Audit Committee assists the Board in overseeing activities conducted by Management, independent auditors and internal auditors relating to internal controls, financial reporting, compliance with rules, regulations, corporate policies and procedures, as well as risk management. It also oversees the Board's whistle-blowing programme.

The Audit Committee comprises non-executive and independent Board Members nominated for their pertinent expertise and experience. Ms Tan Su Shan chaired the Committee from 1 July 2020 to 30 June 2024. Ms Tan Su Shan left the Committee when she completed her service as Chairman of the Audit Committee and Mr Sarjit Singh was appointed in her stead from 1 July 2024. Three additional members – Professor Chong Tow Chong, Ms Rachel Eng and Mr Sanjeev Tiwari concluded their service on 30 June 2024. From 1 July 2024, Mr Kenny Tan, Ms Toh Hwee Tin and Mr Chan Hiang Tiak joined the committee. Mr Chan was co-opted to enhance the Committee's expertise.

The Audit Committee met thrice in 2024, and urgent matters were approved by circulation.

Human Resource Committee

The Human Resource Committee is the approving authority for key human resource and remuneration policies as well as the appointment and promotion of senior executives.

The Human Resource Committee was chaired by Ms Yong Ying-I. Six other members served on the Human Resource Committee in 2024 – Ms Melissa Khoo, Mr Chan Yeng Kit, Mr Aje Kumar Saigal, Ms Liew Tzu Mi, Mr Sarjit Singh and Mr Tan Hee Teck. Mr Chan Yeng Kit, Mr Aje Kumar Saigal and Mr Tan Hee Teck completed their service in 2024.

The Human Resource Committee met thrice in 2024, and urgent matters were approved by circulation.

Investment Committee

The Investment Committee, on behalf of the Board, oversees investment matters relating to funds managed by the Board. It advises the Board in setting the overall investment policy and strategic asset allocation, and has decision-making authority over the investment management strategy and structure, appointment of investment consultants, custodians, external fund managers and other third parties, overall approach to risk management, rebalancing guidelines, as well as the implementation of tactical asset allocation and the performance reporting framework.

The Investment Committee was chaired by Mr Aje Kumar Saigal up to 30 June 2024 and Ms Liew Tzu Mi from 1 July 2024. Five other members served on the Investment Committee – Ms Melissa Khoo, Mr Titus Lee, Mr Hou Wey Fook, Mr Bernard Wee and Mr Ooi Boon Peng. Mr Hou Wey Fook, Mr Bernard Wee and Mr Ooi Boon Peng were co-opted to augment the investment expertise of the Committee. Mr Aje Kumar Saigal left the Committee when he completed his service as Chairman of the Investment Committee.

The Investment Committee met four times in 2024.

Insurance Schemes Committee

The Insurance Schemes Committee oversees the management of the Home Protection, MediShield Life, CareShield Life, ElderShield and CPF LIFE schemes. The Committee reviews the annual valuation and actuarial studies of the various schemes. It also manages the solvency and liquidity of the respective insurance funds based on the return objectives, risk tolerance levels and risk management framework established for each fund and in accordance with guidelines set by the Minister overseeing each scheme.

The Insurance Schemes Committee was chaired by Mr Chan Yeng Kit from 1 January 2024, and Ms Lai Wei Lin was subsequently appointed as Chairman from 1 December 2024. Seven other members served on the Insurance Schemes Committee – Ms Melissa Khoo, Ms Ho Hern Shin, Mr Kenny Tan, Ms Toh Hwee Tin, Ms K Thanaletchimi, Ms Jessica Tan and Ms Goh Ser Kee. Ms Goh Ser Kee was co-opted to augment the expertise of the Committee. Mr Kenny Tan and Ms Toh Hwee Tin left the Committee when they completed their service as members of the Insurance Schemes Committee. Ms K Thanaletchimi and Ms Jessica Tan were appointed in their stead.

The Insurance Schemes Committee met thrice in 2024.

Risk Management Committee

The Risk Management Committee assists the Board in overseeing CPF Board's enterprise risk management framework. It ensures that Management has fully identified and assessed the key risks that CPF Board faces, and has established a risk management infrastructure capable of addressing these risks. The Committee supports the Board in overseeing Board-level risks in conjunction with other Board Committees.

The Risk Management Committee was chaired by Mr Tan Hee Teck in 2024. Six other members served on the Risk Management Committee – Ms Melissa Khoo, Ms Kohe Hasan, Mr Anthony Lim, Mr Muthukrishnan Ramaswami and Professor Chong Tow Chong. Mr Ramaswami was co-opted to augment the expertise of the Committee. Professor Chong Tow Chong left the Committee when he completed his service as a member of the Risk Management Committee and Mr Anthony Lim was appointed in his stead.

The Risk Management Committee met twice in 2024.

Technology & Resilience Committee

The Technology & Resilience Committee was set up in 2023 to provide oversight and governance of CPF Board's information and communication technology (ICT) matters. The Committee advises on CPF Board's Enterprise Architecture, major ICT investments and oversees policies, strategies, and resourcing for the internal control environment with consideration on ICT security, performance, risk and resilience.

The Technology & Resilience Committee was chaired by Ms Yong Ying-I in 2024. Six other members served on the Technology & Resilience Committee – Ms Melissa Khoo, Mr Tan Hee Teck, Ms Rowena Yeo, Ms Gayle Chan, Mr Chua Kuan Seah and Mr George Wang. Ms Gayle Chan, Mr Chua Kuan Seah and Mr George Wang were co-opted to augment the expertise of the Committee. Board Member Ms Ho Hern Shin also sat in as an attendee to provide advisory and strategic insights in 2024.

The Technology & Resilience Committee met thrice in 2024.

Risk Management

The CPF Board has an established Board-wide risk management framework. This is based on the ISO 31000 Risk Management Standard and entails a rigorous and systematic process for managing risks. Annual risk assessments are conducted, with significant risks monitored by Management and the Risk Management Committee.

The Board has sought assurances from Management and is satisfied that internal controls relating to financial, operational, IT and risk management systems are adequate and effective.

Accountability

The CPF Board is a Statutory Board specified in Part I of the Fifth Schedule of the Singapore Constitution. Under Article 22B(1)(a) and (b) of the Singapore Constitution, the Board must present its annual budget, including any supplementary budget, to the President for approval, together with a declaration as to whether the budget is likely to draw on past reserves.

Likewise, under Article 22B(6) of the Singapore Constitution, the Board must inform the President if any other proposed transaction by the Board is likely to draw on past reserves.

The Board is also required under Article 22B(1)(c) of the Singapore Constitution to present to the President, within six months after the close of each financial year, the audited financial statements and a declaration as to whether the statements show any draw on past reserves.

The budget, when approved by the President, is published in the Government Gazette. The full year financial results of the CPF Board are made available to CPF members and the general public on the CPF website.

Professional and Ethical Conduct

Staff of the CPF Board are to maintain the highest standards of behaviour and professionalism. This includes safeguarding official information under the relevant Acts and CPF Board's Code of Conduct (CoC). Staff of the CPF Board must abide by the CoC, which includes guidelines on receiving gifts and entertainment from vendors and members of the public with whom staff are in contact with during official duties, and the avoidance of situations where a conflict of interest may arise.

Attendance at meetings is set out in the following table:

Board Members	No. of Meetings Held and Attended													
	Board		Audit Committee		Human Resource Committee		Insurance Schemes Committee		Investment Committee		Risk Management Committee		Technology & Resilience Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms Yong Ying-I (Chairman) *First Appointed in 2021*	4	4			3	3							3	2
Ms Melissa Khoo *First Appointed in 2023*	4	4			3	3	3	3	4	4	2	2	3	3
Ms Lai Wei Lin[1]	2	2					1	1						
Mr Titus Lee *First Appointed in 2022*	4	3							4	4				
Mr Kenny Tan *First Appointed in 2023*	4	4	2	2			1	0						
Ms Kohe Hasan *First Appointed in 2023*	4	2									2	1		
Mr Tan Hee Teck *First Appointed in 2018*	4	3			3	3					2	2	3	2

[1] Ms Lai Wei Lin was invited by Chairman to attend Board Meetings as an observer between 1 August and 30 November 2024.

Board Members	No. of Meetings Held and Attended													
	Board		Audit Committee		Human Resource Committee		Insurance Schemes Committee		Investment Committee		Risk Management Committee		Technology & Resilience Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms K Thanaletchimi *First Appointed in 2024*	2	2					2	2						
Ms Toh Hwee Tin *First Appointed in 2021*	4	4	2	2			1	1						
Ms Ho Hern Shin *First Appointed in 2017*	4	3					3	3					3	3
Ms Liew Tzu Mi *First Appointed in 2019*	4	3			3	2			4	4				
Mr Anthony Lim *First Appointed in 2024*	2	2									1	0		
Mr Sarjit Singh *First Appointed in 2024*	2	2	2	2	3	2								
Ms Jessica Tan *First Appointed in 2024*	2	1					2	1						
Ms Rowena Yeo *First Appointed in 2024*	2	2											3	3

Board Members whose terms ended in 2024:

Board Members[2]	No. of Meetings Held and Attended													
	Board		Audit Committee		Human Resource Committee		Insurance Schemes Committee		Investment Committee		Risk Management Committee		Technology & Resilience Committee	
Mr Chan Yeng Kit (Deputy Chairman) *First Appointed in 2020*	3	3			3	2	2	2						
Professor Chong Tow Chong *First Appointed in 2020*	2	1	1	1							1	1		
Ms Rachel Eng *First Appointed in 2018*	2	2	1	1										
Mr Aje Kumar Saigal *First Appointed in 2018*	2	2			3	1			2	2				
Ms Tan Su Shan *First Appointed in 2020*	2	2	1	1										

[2] Tenure of Service:
Mr Chan Yeng Kit – 1 April 2020 to 30 September 2024
Professor Chong Tow Chong – 1 July 2020 to 30 June 2024
Ms Rachel Eng – 1 July 2018 to 30 June 2024
Mr Aje Kumar Saigal – 1 July 2018 to 30 June 2024
Ms Tan Su Shan – 1 July 2020 to 30 June 2024
Mr Sanjeev Tiwari – 1 July 2020 to 30 June 2024

Board Members[2]	No. of Meetings Held and Attended													
	Board		Audit Committee		Human Resource Committee		Insurance Schemes Committee		Investment Committee		Risk Management Committee		Technology & Resilience Committee	
Mr Sanjeev Tiwari *First Appointed in 2020*	2	2	1	1										

Remuneration matters

Under the CPF Act, allowances of Board Members are determined by the Minister and paid in line with the Public Service Division's guidelines on the payment of allowances by Statutory Boards to its Board Members.

Annex: Sustainability Governance

CPF Board's Environmental Sustainability Targets and Performance

The Board of Directors provides strategic oversight for CPF Board's sustainability efforts, ensuring environmental considerations are integrated into our decision-making processes. Our governance approaches include:
- Regular review and refinement of sustainability strategies and goals
- Incorporation of climate-related risks into our Enterprise Risk Management framework
- Clear accountability for environmental performance at senior management levels
- Strict compliance with relevant environmental regulations and standards
- Regular stakeholders' engagement to enhance our sustainability practices

This governance approach reinforces our commitment to responsible environmental stewardship and ensures that sustainability remains a core focus in our long-term strategy and day-to-day operations.

Environmental Sustainability Targets and Performance

The Board is committed to progressively reducing our environmental footprint. We have identified greenhouse gas emissions, energy consumption, water usage and waste disposal as key parameters in our sustainability journey.

Sustainability Dashboard FY2024

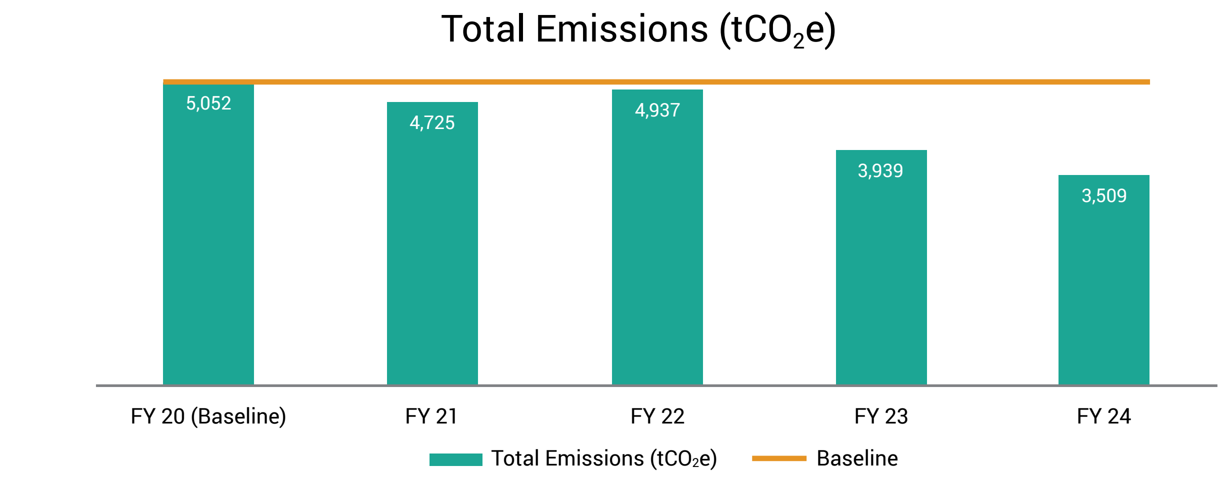
Parameter	Target	Progress against baseline
Greenhouse Gas Emissions	Net Zero by 2045	31% reduction
Energy Utilisation	10% by 2030	36% reduction
Water Efficiency	10% by 2030	4% reduction
Waste Disposal new	30% by 2030	26% increase

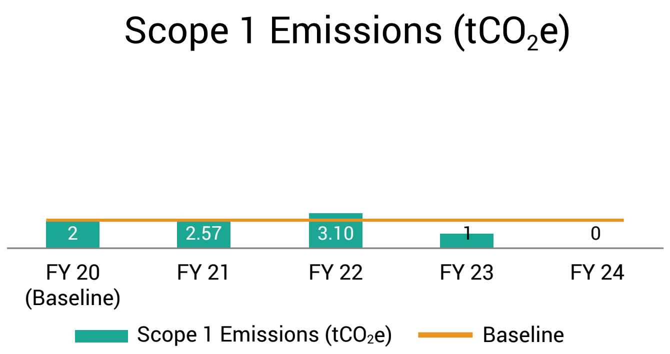
Greenhouse Gas Emissions

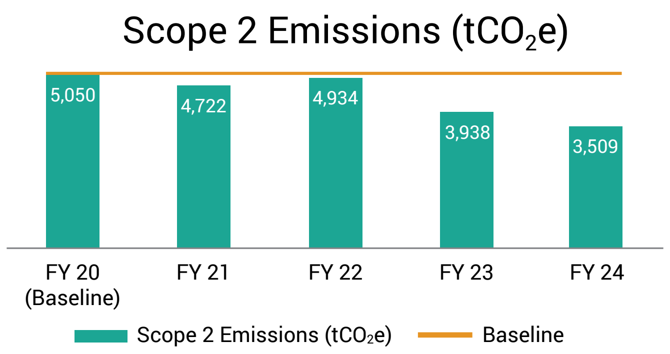
Our target is to achieve net zero emissions around 2045.

FY2024 Performance

- Total emissions (Scope 1 and 2): 3,509 tonnes of CO_2
- Change from baseline: 31% reduction







Analysis of Change

The significant improvement in our greenhouse gas emissions reduction from 21% in FY2023 to 31% in FY2024 can be attributed to several factors:

1. Scope 1 emissions have been reduced to zero following the sale of the corporate vehicle and cessation of petrol consumption.

2. Reduction in Scope 2 emission through the following initiatives:
   - Enhanced Energy Efficiency: The implementation of energy-saving measures across our facilities has led to a substantial decrease in indirect emissions.
   - Operational Optimisation: Continued refinement of our operational processes has resulted in reduced energy consumption and, consequently, lower emissions.
   - Technology Upgrades: The ongoing transition to more energy-efficient equipment and systems has played a crucial role in reducing our overall emissions.

This progress demonstrates the effectiveness of our multi-faceted approach to emissions reduction and puts us on a strong trajectory towards our 2045 net zero target.

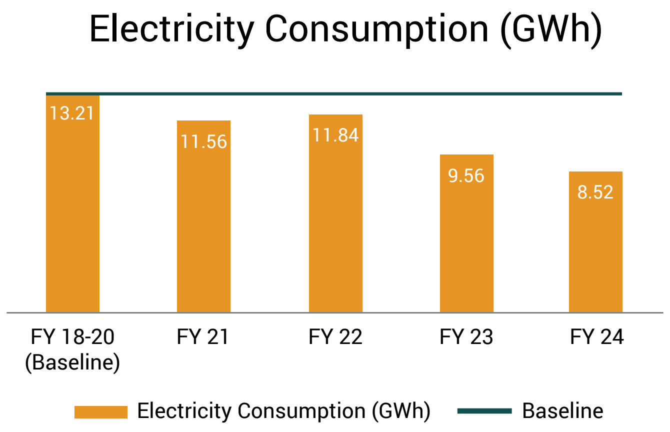
Energy Management

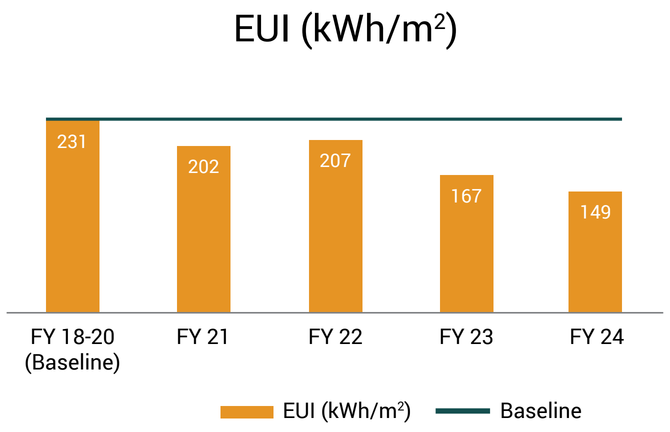
Our target is to reduce our Energy Utilisation Index (EUI) by 10% by 2030, compared to the average levels from FY2018 to FY2020.

FY2024 Performance

In FY2024, CPF Board continued the momentum to reduce our energy consumption, achieving significant progress:

- Electricity consumption: 8.52 GWh
- Energy Utilisation Index (EUI): 149 kWh/m²
- Change from baseline: 36% reduction





Analysis of Change

The substantial improvement in our energy management performance from FY2023 to FY2024 can be attributed to several key initiatives:

1. Continued Implementation of Energy Conservation Measures: We have expanded and intensified our energy-saving initiatives across all facilities, significantly reducing electricity consumption.

2. Technological Advancements: Adopting more energy-efficient technologies and systems has contributed to the lowering of our EUI.

3. Behavioural Changes: Ongoing awareness programmes and engagement initiatives have led to more energy-conscious behaviour among our staff, contributing to overall energy savings.

The 36% reduction from baseline significantly exceeds our 2030 target of 10%, demonstrating the effectiveness of our energy management strategies. This achievement not only contributes to our sustainability goals but also resulted in substantial cost savings for the organisation.

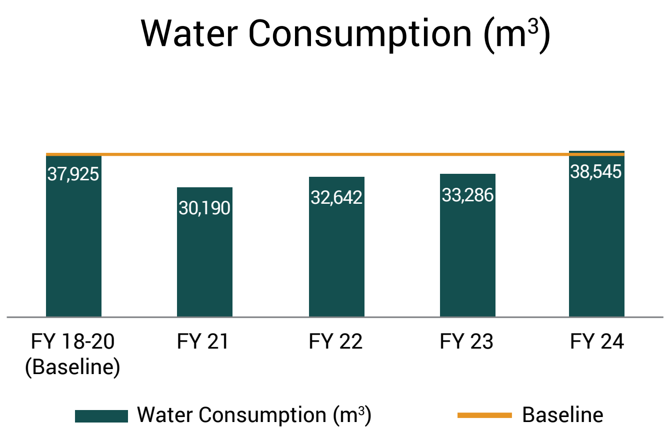
Water Management

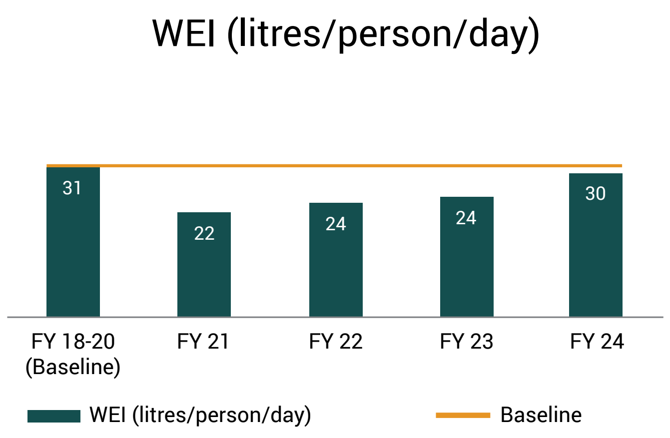
Our target is to reduce our Water Efficiency Index (WEI) by 10% by 2030, compared to the baseline.

FY2024 Performance

In FY2024, CPF Board's water management metrics demonstrated notable progress and challenges:

- Water consumption: 38,546 m³
- Water Efficiency Index (WEI): 30 litres/person/day
- Change from baseline: 4%





Analysis of Change

The changes in our water consumption metrics for FY2024 reflect two key factors:

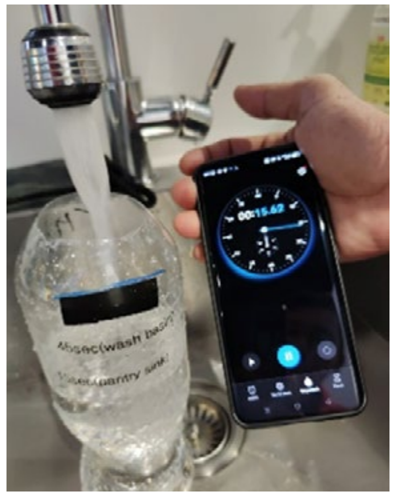
1. Preparation for District Cooling System: The increase in water consumption is primarily due to preparation activities for the new District Cooling System in our Tampines building, scheduled for commissioning in Q1 2025. The one-off preparation phase has temporarily impacted our overall WEI, resulting in a 4% reduction from the baseline.

2. Ongoing Water Conservation Efforts: Importantly, when excluding the water usage related to the District Cooling System preparation, our water conservation initiatives could have yielded an 11% reduction in WEI. This demonstrates the effectiveness of our continued water-saving practices across our operations.

While the overall WEI shows a smaller reduction compared to FY2023, it is crucial to note that our core water conservation efforts remain strong. The inevitable increase in water usage is a necessary step towards implementing a more energy-efficient cooling system, which aligns with our broader sustainability goals.

Ongoing Initiatives

We remain committed to our water conservation goals and the WEI is expected to normalise in 2025. Since FY2023, we have been implementing water-saving practices within our buildings, including:



- Installation of water-efficient fittings
- Regular maintenance to prevent leaks
- Employee awareness programmes on water conservation
- Adopting the Water Efficient Building (WEB) programme recommended flow rates/flush volumes for our pantry sink taps and toilets

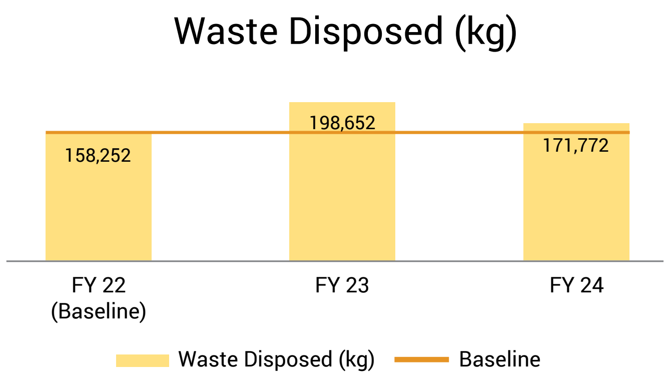
Waste Management

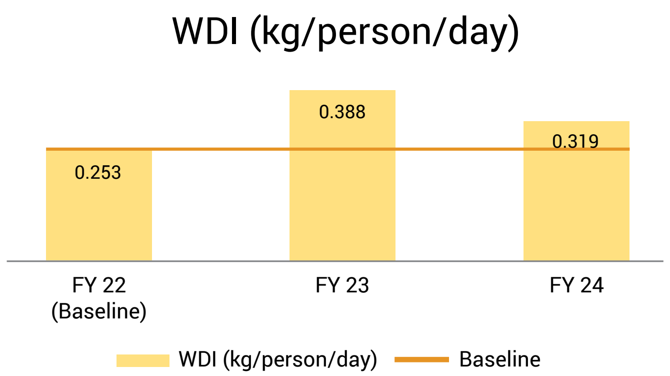
Our target is to reduce our Waste Disposal Index (WDI) by 30% by 2030, compared to the FY2022 baseline.

FY2023 and FY2024 Performance

CPF Board's waste management for the past two fiscal years is as follows:

Metric	FY2024	FY2023
Waste Disposed	171,772 kg	198,652 kg
Waste Disposal Index (WDI)	0.319 kg/person/day	0.388 kg/person/day
Change from FY2022 baseline	26% above	53% above





Analysis of FY2024 Performance

1. Our waste reduction initiatives are yielding positive results as demonstrated by the significant reduction in both total waste and Waste Disposal Index (WDI) from FY2023 to FY2024.

2. Enhanced Recycling Efforts: In FY2024, we intensified our recycling programmes across all facilities. We implemented segregated waste collection points, conducted awareness campaigns, and partnered with recycling vendors to ensure proper disposal of recyclable materials. These efforts have contributed to a decrease in overall waste sent to landfills.

3. Paperless Initiatives: We have made significant strides in reducing paper waste by introducing paperless processes across various operations. This includes digitising documents, encouraging electronic communications, and implementing digital signature systems. These efforts not only reduce waste but also improve operational efficiency.

4. Continuous Improvement: Despite the challenges of measuring waste disposal across a multi-tenant building, we remain committed to driving down our waste footprint. We are actively engaging with all building occupants to promote sustainable waste management practices and exploring innovative solutions to further reduce waste generation. We will continue to leverage data-driven insights and best practices to enhance our waste management performance across all areas within our influence.

Looking Forward

We recognise that further efforts are needed to achieve our 2030 target. We will:

1. Enhance employee education and engagement in waste reduction initiatives.

2. Step up recycling efforts, ensuring only waste meant for landfills are disposed.

3. Moving up the value chain to explore cutting down on waste production through responsible resource management in building operations.

This year's improvement in our waste management performance is encouraging, but also highlights the need to continue and intensify efforts. We remain committed to significantly reducing our environmental impact and will strive to exceed our waste reduction targets in the coming years.

Exploring Waste Management Innovation

On 10 October 2024, a team from CPF Board visited the Senoko Waste to Energy Plant, gaining valuable insights into Singapore's waste management practices. This experience supports our ongoing commitment to environmental sustainability and efficient resource management.

Incorporating Sustainability into Procurement Practices

Building on our 2023 initiatives, we further strengthened the inclusion of environmental sustainability in our procurement processes throughout 2024. Our ongoing efforts encompass:
- Specifying eco-friendly requirements in tenders, such as mandating the use of certified recycled paper
- Actively encouraging suppliers to propose sustainable products and practices as part of their solutions

We continued to nudge the inclusion of environmental sustainability criteria in our evaluation process, expanding upon successful implementations from the previous year.

These sustained and enhanced measures demonstrate our unwavering commitment to promoting environmentally responsible practices across our supply chain. By consistently integrating sustainability considerations into our procurement decisions, we aim to drive positive environmental impact through our operations and partnerships.

Overall Assessment and Future Initiatives

In FY2024, CPF Board continued to make significant progress in our sustainability efforts:

- Greenhouse Gas Emissions: 31% reduction from baseline, an improvement from 21% in FY2023
- Energy Utilisation Index (EUI): 36% reduction from baseline, exceeding our 10% target
- Water Efficiency Index (WEI): 4% reduction from baseline, progress towards our 10% target

Central Provident Fund Board

Continuous Improvement and Future Initiatives

While we have made substantial progress, particularly in emissions reduction and energy efficiency, we remain committed to further enhancing our performance across all sustainability parameters. Our ongoing and planned initiatives include:

S/N	Project / Initiative	Impact
1	Adoption of District Cooling System at CPF Tampines Building	• Status: In progress • Official commissioning: Q1 2025 • Focus: Finalising implementation plans and optimisation strategies to balance energy efficiency with water conservation
2	Green Mark Certification and Energy Efficiency Improvements	• Continuing efforts at CPF Jurong Building and other facilities
3	Implementation of Green Mark Data Centre	• Aiming for significant reduction in IT infrastructure energy consumption
4	LED Lighting Retrofit	• Expanding to more facilities for increased energy savings
5	Community Garden Project	• Enhancing biodiversity and employee engagement in sustainability efforts
6	Water Conservation Strategies	• Developing new approaches to improve WEI performance
7	Waste Management Initiatives	• Implementing and monitoring new waste reduction and recycling programmes
8	Optimisation of Building Management Systems	• Fine-tuning of our building management systems has allowed for more efficient control of energy-consuming equipment

Looking Forward

Our FY2024 performance demonstrates significant progress, particularly in emissions reduction and energy efficiency. We recognise the need for continued effort in water conservation and our newly added focus on waste management.

We will:

- Operationalise the District Cooling System in 2025, ensuring optimal balance between energy efficiency and water conservation.
- Explore innovative technologies and practices to further reduce our environmental footprint.
- Enhance employee engagement in our sustainability initiatives.
- Refine our strategies based on ongoing performance assessments.

We remain strongly committed to environmental stewardship as we work towards our long-term goals, including net zero emissions by 2045 and continued improvements in energy and water efficiency. The upcoming District Cooling System represents a major step in this journey, and we are dedicated to ensuring its successful implementation and optimisation in the coming year.

Greenhouse Gas Emissions

Performance			Assessment
Scope 1 emissions	2020 (Baseline)	2 tonnes CO_2e	Total Scope 1 and 2 carbon emissions of 31% reduction from Baseline.
	2021	3 tonnes CO_2e	
	2022	3 tonnes CO_2e	
	2023	1 tonnes CO_2e	
	2024	0 tonnes CO_2e	
Scope 2 emissions	2020 (Baseline)	5,050 tonnes CO_2e	
	2021	4,722 tonnes CO_2e	
	2022	4,934 tonnes CO_2e	
	2023	3,938 tonnes CO_2e	
	2024	3,509 tonnes CO_2e	
Total Scope 1 & 2 emissions	2020 (Baseline)	5,052 tonnes CO_2e	
	2021	4,725 tonnes CO_2e	
	2022	4,937 tonnes CO_2e	
	2023	3,939 tonnes CO_2e	
	2024	3,509 tonnes CO_2e	

Notes:
1. Scope 1 emissions refer to direct emissions that occur from sources owned or controlled by CPF Board.
2. Scope 2 emissions refer to indirect emissions that result from the use of purchased electricity, heat, and steam.
3. Methodology and Assumptions Used in Calculating Greenhouse Gas Emissions:

Greenhouse Gas Emissions

The methodology for Scope 1 and 2 emissions computation is aligned with the Greenhouse Gas ("GHG") Protocol. We have set our organisational boundary taking reference from the GHG Protocol's 'Operational Control' approach. Under this approach, a reporting entity has control over an operation if the former or one of its subsidiaries has full authority to introduce and implement operating policies.

In line with the 'Operational Control' approach, our reporting scope covers buildings and premises that are owned, occupied, and/or operated by the Board.

Scope 1 Emissions

Scope 1 emissions relate to the direct burning of non-renewable fuel on site. This entails combustion of natural gas, town gas, petrol and diesel amongst others.

If actual fuel consumption data for any operation or period is not available, an estimate is made based upon the best available information (i.e. using the consumption from a similar period as a proxy).

Scope 2 Emissions

Scope 2 emissions relate to purchased electricity consumed.

Emission Factors

The emission factors for Scope 1 emissions were obtained from the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines Volume 2 Chapters 2 and 3 except for town gas where a country-specific emission factor was used.[1] On the other hand, Net Calorific Values ("NCVs") were derived based on the GHG Protocol's Emissions Factor for Cross-Sector Tools.

To calculate Scope 2 GHG emissions, the latest GEF data was obtained from the Energy Market Authority's website.[2]

The emission factors used in our calculations are as follows:

Table: Scope 1 Emission Factors

Fuel Type	Carbon Dioxide (CO_2)	Methane (CH_4)	Nitrous Oxide (N_2O)
Units	(tC/TJ)[3,4]	(kg/TJ)	(kg/TJ)
Town Gas	15.2	5	0.1
Natural Gas	15.3	1	0.1
Diesel	18.9	25	8
Petrol	20.2	3.9	3.9
Jet Kerosene	19.5	0.5	2
Aviation Gasoline	19.1	0.5	2
Diesel (Marine)	20.2	7	2

Gas	Global Warming Potential
CO_2	1
CH_4	28
N_2O	265

[1] 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 2 Ch 2, 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 2 Ch 3
[2] SES Chapter 2: Energy Transformation, EMA.
[3] 1996 IPCC Guidelines on Net Calorific Values and Emission Factors for Oils - Table 1
[4] TC/TJ is tonnes of Carbon per Terajoule. For further conversion to CO_2, it needs to be multiplied by a factor of 44/12. TJ is in net calorific value basis.

Table: Scope 2 Emission Factors

Year	GEF (kg CO_2/kWh)
2024	0.4120
2023	0.4120
2022	0.4168
2021	0.4085
2020	0.4074

Electricity Consumption

Performance			Assessment
Electricity consumption	2018-2020 (Baseline)	13,210,940 kWh	EUI: 36% reduction from Baseline
	2021	11,560,575 kWh	
	2022	11,838,696 kWh	
	2023	9,558,344 kWh	
	2024	8,518,094 kWh	
EUI	2018-2020 (Baseline)	231 kWh/m²	
	2021	202 kWh/m²	
	2022	207 kWh/m²	
	2023	167 kWh/m²	
	2024	149 kWh/m²	

Notes:
1. EUI is defined as the total electricity consumed by a facility in one year divided by its total gross floor area (GFA).
2. The formula used to calculate the EUI is as follows:

$$\frac{\textit{Total electricity used in Year X}}{\textit{Total GFA in Year X}}$$

3. Baseline EUI is calculated using the following formula:

$$\frac{\Sigma\ \textit{Total electricity used between FY2018 and FY2020}}{\Sigma\ \textit{Total GFA between FY2018 and FY2020}}$$

4. Where utility account numbers are available, electricity use data is obtained from GovTech Trusted Centre for Sensor Data.

Central Provident Fund Board

Water Consumption

Performance			Assessment
Water consumption	2018-2020 (Baseline)	37,925 m³	WEI: 4% reduction from Baseline
	2021	30,190 m³	
	2022	32,642 m³	
	2023	33,286 m³	
	2024	38,546 m³	
WEI	2018-2020 (Baseline)	31 litres/person/day	
	2021	22 litres/person/day	
	2022	24 litres/person/day	
	2023	24 litres/person/day	
	2024	30 litres/person/day	

Notes:
1. WEI is defined as the water consumption per day divided by the total number of occupants including visitors to the premises.
2. The formula used to calculate WEI is as follows:

$$\frac{\textit{Total water used in Year X}}{\textit{No.of operational days in Year X} \times (\textit{Avg.no.of occupants per day} + 0.25\ (\textit{Avg.no.of visitors per day})\ \textit{in Year X})}$$

3. For the calculation of the Baseline WEI performance:

$$\frac{\Sigma\ \textit{Total water used between FY2018 and FY2020}}{(\textit{Avg.no.of operational days x}\ \Sigma\ (\textit{Avg.no.of occupants per day} + 0.25\ (\textit{Avg.no.of visitors per day})\textit{between FY2018 and FY2020})}$$

4. Water use data is either obtained from GovTech Trusted Centre for Sensor Data using utility account numbers. The water use data includes both potable water and NEWater.

5. The occupancy and visitor number data is generally estimated based on the number of occupants (such as staff, students and tenants) and number of visitors physically present in the respective premises. Visitors include persons who are in the premises for short periods of time. As it is assumed that their average water use is 25% that of premises' occupants, a factor of 0.25 is also applied to the WEI calculation.

6. For the calculation of the 2024 performance: Average number of operational days is taken to be 278 days. Average number of occupants per day is taken to be 3675. Average number of visitors per day is taken to be 3876.

Central Provident Fund Board

Waste Disposed

Performance			Assessment
Waste Disposed	2022 (Baseline)	158,252 kg	WDI: 26% increase from Baseline
	2023	198,652 kg	
	2024	171,665 kg	
WDI	2022 (Baseline)	0.253 kg/person/day	
	2023	0.388 kg/person/day	
	2024	0.319 kg/person/day	

Notes:

1. WDI is defined as the total waste disposed of per day divided by the total number of public officer headcount including visitors to the premises.

2. The formula used to calculate WDI is as follows:

$$\frac{\Sigma \text{ Total amount of waste disposed of for all Agency premises in Year N}}{\text{Average number of operational days in Year N} \times \Sigma \text{ (Average number of occupants per day for all Agency premises} + (0.25 \times \text{Average number of visitors per day for all Agency premises))}}$$

3. For the calculation of the 2024 performance: Average number of operational days is taken to be 278 days. Average number of occupants per day is taken to be 1166. Average number of visitors per day is taken to be 3099.

4. This indicator excludes CPF Novena, Woodlands, and Maxwell offices. At these locations, waste is disposed of in the landlord's bins and is therefore not accounted for in our measurements.