

Saving for a rainy day

NTUC Thrift & Loan Co-operative Limited

Annual Report 2008/2009

Saving for a rainy day



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Annual Report 2008/2009



NTUC Thrift & Loan Co-operative Ltd | Marina Boulevard #15-08 NTUC Centre Singapore 018989



 **THRIFT**
ntuc



our mission

to promote and support financial security building:

- With save-as-you-earn and regular savings plans,*
- Interest premiums to stretch members' savings and term deposit investments,*
- Provide loans on competitive terms.*

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Chairman's statement

Dear members,

Much has been written about the unprecedented global financial crisis, leading to the collapse or near-collapse of several established institutions. Thrift was not spared the ravages of this financial fallout.

However, there are early signs the global recession may be ending soon, and that the worst is behind us. Global financial markets have recovered strongly from their lowest levels reached in the first quarter of this year. It is against this backdrop that I present to you our Annual Report for the Financial Year ended 31 March 2009.

Business Review

We continued with the deployment of a part of our funds in alternative assets, primarily in financial instruments comprising of equity and bonds which until the financial meltdown, served us well. Members may recall my statements in past Annual Reports that the financial performance of Thrift will closely mirror the performance of the financial market in Singapore.

The financial tsunami and the contagion effect wield a severe influence on Thrift's profitability and capital position. Thrift recorded a net deficit before contributions and diminution in the fair value of the assets held.

Although efforts were made to pare down the investments in equities and bonds as the global financial crisis unfolded, the Co-operative's investments were not spared the diminution.

Thrift recorded a net deficit of \$18.3 million before contributions and diminution in asset value, compared with a surplus of \$13.1 million in the previous year. After provision for impairment and changes in fair value of financial assets, there

was a FRS 39 loss of \$44.1 million.

In the final quarter, we pared down our equity portfolio and incurred a loss of \$21.0 million compared with \$7.3 million profit in the previous year.

The Co-operative also suffered \$24 million losses on its bond investments through diminution in fair value.

In view of the changes in the operating environment, the Board reviewed its business model and took a conscious decision to reduce its deposit book. Consequently, deposits were pared down by \$192 million to \$424 million.

With the strong support of NTUC, our Founder member and NTUC Club, additional capital was injected to re-capitalise Thrift as a going concern.

Dividend

As a result of the operating loss, the Co-operative is not in a position to declare a dividend for the financial year.

Membership

Membership enrolment grew strongly with 10,086 new members, reaching 86,467.

Our en-bloc recruitment and savings programme was also well received with 9,102 new members recruited. We now have in excess of 55,000 members, an increase of 20 percent over the period.

Social Mission

The value of our social mission is measured in terms of the direct monetary benefit of interest

I am confident the performance of the Co-operative is on the mend and is likely to return to profitability.

premium on members' savings and deposits, the interest savings on loans taken by members. It also includes the contributions the Co-operative makes to social and charitable programmes.

Given our financial position, we had to pare down our efforts in delivering on this mission.

Outlook

There is growing confidence that the worst is behind us, and we support this optimism. Based on the results of the first quarter of the new financial year, I am confident the performance of the Co-operative is on the mend and is likely to return to profitability.

Conclusion

I am both heartened and grateful that in the most difficult of times, we continued to receive the steadfast support of our unions and sister Co-operatives.

I want to thank my colleagues on the Board and the staff of Thrift for their support, commitment and diligence in this difficult environment. I ask for their continued support so we can together, re-engineer and turn the Co-operative around.

Chua Cher Choon

Chairman
14 September 2009



Be prepared for inclement weather

Weather changes are more frequent and unexpected. Global warming intensifies the effects of the weather. In the tropics, weather conditions can change day to day. To guard against unpredictable weather, have an umbrella ready when you leave the house.

Financial emergencies are unpredictable too. To guard against unexpected financial emergencies, we need an “umbrella” of accumulated savings to tide us over periods of financial lack.

At NTUC Thrift and Loan Co-operative Limited we promote the good habit of saving for a rainy day.

Start early and grow your savings “umbrella” with a regular savings plan. It’s good to know you are prepared for financial emergencies.



Who moved my rice bowl?

The global financial crisis of 2008/2009 was nothing short of a financial downpour. Millions of jobs were lost in this economic downturn and caused many families to lose their “rice bowl”. In Singapore, the jobs landscape has changed with many jobs in sunset industries being wiped out for good.

Lifetime employment is a thing of the past. The “iron rice bowl” is now just a dream.

It is more crucial to save for a rainy day now that the future may be more uncertain.

It will help you tide over these difficult times and build your financial security. All you need is a little discipline and Thrift will help you on your journey to greater financial security. Every journey begins with a first step. Take that first step and we will journey with you.



are special

Thrift offers the Enbloc Saving Scheme specially tailored for members from the Ordinary Branch. This Scheme promotes regular monthly savings at attractive rates.

Thrift supports an inclusive Labour Movement with its offering of financial products for the family and for all ages.

- Thrift Junior Fixed Deposit and Savings
- Thrift Senior Fixed Deposit
- Bonus Savers



Board of Directors



Mr Chua Cher Choon, joined the Board in 2003 and was appointed Chairman in September 2004. He is concurrently the Chairman of NTUC Healthcare Co-operative Ltd. Mr Chua brings with him his extensive experience gained in the senior management positions he held at Chemical Bank (now known as JP Morgan Chase), Dow Jones Markets & Thomson Financial. He retired as the Managing Director of Thomson Financial for South Asia & Pacific. He also serves on several professional bodies.



Mr K Karthikeyan, 50, joined the Board in 2005. He is the chairman of the Audit Committee and member of Compensation, Remuneration Sub-Committee. He is presently a Central Committee Member of NTUC and General Secretary of United Workers of Petroleum industry. Mr Karthikeyan also serves on the board of Singapore Workforce Development Agency and Singapore Shell Employees' Union Co-operative.



Mr Kuah Boon Wee, 43, joined the board in 2007. He is the chairman of the Credit, Risk and Investment Management Committee and a member of Audit Committee. Mr Kuah is also the CEO of PSA Southeast Asia & Singapore Terminals.



Mr Leong Horn Kee, 57, joined the Board in 1998 at Thrift's inception. He is an EXCO member and member of the Credit, Risk and Investment Management Committee. Mr Leong is the Chairman/CEO of CapitalCorp Partners Pte Ltd, a consultancy and financial services company. He has experience in the public sector in economic planning, trade and investments, and in the private sector in corporate finance, venture capital, merchant banking, hotels, property development and food & beverage. Mr Leong served as a Member of Parliament for 22 years from 1984 to 2006. He was appointed Singapore's Non-Resident Ambassador to Mexico in 2006, and a member of the Securities Industry Council in 2008. Mr Leong holds a Production Engineering (First class Hons) degree from Loughborough University, UK; an Economics (Honours) degree from the University of London, UK; a Chinese Language and Literature degree from Beijing Normal University, China; and an MBA from INSEAD, France.



Mr Ng Soo Nam, 44, joined the Board in 2009. He is a member of the Credit, Risk and Investment Management Committee. Mr Ng is currently the Managing Director and Chief Investment Officer of Nikko Asset Management S'pore Ltd. He was in the civil service prior to joining the fund management industry in 1995.



Mr Ryan Cheong, 38, joined the board in 2007. He is the chairman of Compensation, Remuneration Sub-Committee and member of Audit Committee. Mr Cheong is the CEO of NTUC Link Pte Ltd since May 2003. He is concurrently the CEO of NTUC Healthcare since July 2009. Mr Cheong graduated from University of Cambridge, UK, in Natural Sciences, Physics with an Honours degree in 1993. Thereafter he was conferred his Master degree in 1996. In 2006, Ryan achieved his Masters in Business Administration, awarded by the University of Manchester.



Mr Thomas Tay, 60, joined the Board in 1998 at Thrift's inception. He is an EXCO member and member of Credit, Risk and Investment Management Committee. He is presently Vice-President of NTUC and General Secretary of Singapore Maritime Officers' Union. Mr Tay is also a Chairman of Wavelink Co-operative and as Director of other NTUC Co-operatives including Choice Homes and Foodfare.



Mr Yeo Khee Leng joined the Board in 2008. He is also Member of the Audit Committee and Compensation and Remuneration Sub-Committee. Currently the Chief Executive Officer of the NTUC Club, Chairman of Resorts Concept Pte Ltd, Leisurequest Pte Ltd, Quebec Leisure International Pte Ltd, Mr Yeo is also Competency Director for International Affairs Department at the National Trades Union Congress as well as Director of Pasir Ris Resort Pte Ltd, SLF Leisure Enterprises Pte Ltd, Sky Tower Pte Ltd, NCI Golf Pte Ltd, and Family Leisure Pte Ltd.



Ms Adeline Sum joined the Board in 2007. She is also Member of the EXCO and Credit, Risk and Investment Management Committee. Ms Sum is currently the Chief Executive Officer of the Singapore Labour Foundation. She is also Competency Director (Group Development), National Trades Union Congress.

Board Committees
Chairperson and Members of the Committees

Executive Committee (EXCO)	Audit Committee (AC)	Credit, Risk and Investment Management Committee (CRIMCO)	Compensation and Remuneration Sub-Committee (CARs)
Chua Cher Choon* Leong Horn Kee Thomas Tay Adeline Sum	Karthikeyan R.K.* Ryan Cheong Kuah Boon Wee Yeo Khee Leng	Kuah Boon Wee* Chua Cher Choon Leong Horn Kee Thomas Tay Adeline Sum Ng Soo Nam ¹	Ryan Cheong* Karthikeyan R. K. Yeo Khee Leng Chua Cher Choon+

* Chairperson of the Committee
+ Ex-Officio
¹ Appointed on 15 April 2009

CO-OPERATIVE GOVERNANCE
BOARD COMMITTEE MEETINGS - ATTENDANCE LIST (August 08 - July 09)

Name of Director	Annual General Meeting		Board of Directors	
	No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended
Chua Cher Choon	1	1	3	3
Leong Horn Kee	1	-	3	2
Lim Eng Lee ⁽¹⁾	1	1	NA	NA
K Karthikeyan	1	1	3	2
Thomas Tay	1	1	3	2
Kuah Boon Wee	1	1	3	3
Ryan Cheong	1	-	3	1
Adeline Sum ⁽²⁾	1	-	3	3
Yeo Khee Leng ⁽³⁾	1	1	3	3
Ng Soo Nam ⁽⁴⁾	NA	NA	1	1

Name of Director	Audit Committee		Credit, Risk and Investment Management Committee (CRIMCO)	
	No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended
Chua Cher Choon	NA	NA	11	11
Leong Horn Kee	NA	NA	11	6
Lim Eng Lee ⁽¹⁾	NA	NA	1	1
K Karthikeyan	2	2	NA	NA
Thomas Tay	NA	NA	11	4
Kuah Boon Wee	2	2	11	10
Ryan Cheong	2	2	NA	NA
Adeline Sum ⁽²⁾	NA	NA	10	9
Yeo Khee Leng ⁽³⁾	2	1	NA	NA
Ng Soo Nam ⁽⁴⁾	NA	NA	3	3

⁽¹⁾ Stepped down on 12 September 2008
⁽²⁾ Appointed to CRIMCO on 26 September 2008
⁽³⁾ Appointed on 12 September 2008
⁽⁴⁾ Appointed on 15 April 2009

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

(Co-operative registration number: S98CS0224E)

FINANCIAL STATEMENTS

31 MARCH 2009

BDO RAFFLES

Public Accountants and Certified Public Accountants

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

REPORT OF THE DIRECTORS

The Directors present their report to the members together with the audited financial statements of the Co-operative for the financial year ended 31 March 2009.

1. Directors

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

Chua Cher Choon
Leong Horn Kee
Karthikeyan R. K.
Thomas Tay Jwee Hwa
Kuah Boon Wee
Adeline Sum Wai Fun
Cheong Kwok Leong
Yeo Khee Leng (Appointed on 12 September 2008)
Ng Soo Nam (Appointed on 15 April 2009)

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Co-operative a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Co-operative or any other body corporate.

3. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Co-operative, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Co-operative and its related corporations.

4. Directors' contractual benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or by a related corporation with the Director, or with a firm of which he is a member, or with a Co-operative in which he has a substantial financial interest, except as disclosed in the financial statements.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

REPORT OF THE DIRECTORS (Continued)

5. Share options

There were no share options granted by the Co-operative during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Co-operative.

There were no unissued shares of the Co-operative under options as at the end of the financial year.

6. Auditors

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

On behalf of the Board of Directors

Chua Cher Choon
Director

Karthikeyan R. K.
Director

Singapore
12 August 2009

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

- (a) the accompanying financial statements comprising the balance sheet, income statement, statement of changes in equity and cash flow statement together with the notes thereon are drawn up in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Co-operative as at 31 March 2009 and of the results, changes in equity and cash flows of the Co-operative for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Chua Cher Choon
Director

Karthikeyan R. K.
Director

Singapore
12 August 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

We have audited the accompanying financial statements of NTUC Thrift & Loan Co-operative Limited (the "Co-operative"), which comprise the balance sheet as at 31 March 2009, the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

We draw attention to Note 9 of the financial statements which explains the rights and obligations to the holders of shares and the method of presentation of the members' share as paid-up share capital of the Co-operative.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NTUC THRIFT & LOAN CO-OPERATIVE LIMITED (Continued)

Qualified opinion

In our opinion, except for the presentation of the paid-up share capital as equity, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Co-operative as at 31 March 2009 and of the results, changes in equity and cash flows of the Co-operative for the financial year ended on that date.

Opinion on accounting and other records

- (a) the accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and
- (b) the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Co-operative during the financial year have been in accordance with the By-Laws of the Co-operative and the provisions of the Act.

BDO Raffles
Public Accountants and
Certified Public Accountants

Singapore
12 August 2009

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 \$	2008 \$
Non-current assets			
Plant and equipment	4	129,995	186,812
Loans to members	5	33,572,020	40,738,317
		<u>33,702,015</u>	<u>40,925,129</u>
Current assets			
Loans to members	5	8,132,716	5,976,730
Other financial assets	6	224,896,137	475,831,309
Other receivables	7	3,163,827	3,853,174
Cash and cash equivalents	8	160,537,853	136,031,812
		<u>396,730,533</u>	<u>621,693,025</u>
Total assets		<u>430,432,548</u>	<u>662,618,154</u>
Capital and reserves			
Share capital	9	48,075,594	21,725,594
Fair value account	10	(10,300,226)	(300,456)
Statutory reserve fund	11	2,459,991	2,459,991
Accumulated (losses)/profits		(38,948,825)	5,166,463
		<u>1,286,534</u>	<u>29,051,592</u>
Non-current liabilities			
Amounts owing to members	12	34,214,903	69,573,909
Current liabilities			
Amounts owing to members	12	389,316,993	545,680,154
Other payables	13	5,614,118	18,312,499
		<u>394,931,111</u>	<u>563,992,653</u>
Total capital and reserves and liabilities		<u>430,432,548</u>	<u>662,618,154</u>

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 \$	2008 \$
Interest income	14	13,390,816	14,687,325
Interest expense	15	(10,951,429)	(12,887,874)
Net interest income		2,439,387	1,799,451
Other income	16	3,606,788	14,036,933
Rental expenses		(209,522)	(190,432)
Write back of allowance for loans to members no longer required	5	28,903	40,279
Allowance for doubtful other receivables	7	-	(109,000)
Depreciation of plant and equipment	4	(62,616)	(63,146)
IT expenses		(253,237)	(271,778)
Marketing and promotional expenses		(76,421)	(158,371)
Net fair value changes on equity securities held-for-trading		(1,776,958)	(18,369,140)
Loss from disposals of equity securities held-for-trading		(20,967,567)	-
Loss from disposals of available-for-sale financial assets		(1,434,530)	-
Impairment in value of available-for-sale financial assets	6	(24,033,972)	-
Staff costs	17	(870,727)	(1,343,907)
Other expenses		(506,816)	(620,970)
Loss before income tax	18	(44,117,288)	(5,250,081)
Income tax expense	19	-	-
Loss after income tax but before contributions		(44,117,288)	(5,250,081)
Contributions to:			
- Central Co-operative Fund	20	-	-
- Singapore Labour Foundation	21	-	-
Loss for the financial year		<u>(44,117,288)</u>	<u>(5,250,081)</u>

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Share capital	Fair value account	Statutory reserve fund	Accumulated profits/(losses)	Total
	\$	\$	\$	\$	\$
Balance at 1 April 2008	21,725,594	(300,456)	2,459,991	5,166,463	29,051,592
Net fair value changes on available-for-sale financial assets	-	(9,999,770)	-	-	(9,999,770)
Net loss for the financial year	-	-	-	(44,117,288)	(44,117,288)
Total recognised expenses for the financial year	-	(9,999,770)	-	(44,117,288)	(54,117,058)
Issue of shares	26,350,000	-	-	-	26,350,000
Forfeiture of unclaimed dividends declared in prior financial years	-	-	-	2,000	2,000
Balance at 31 March 2009	48,075,594	(10,300,226)	2,459,991	(38,948,825)	1,286,534

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

	Share capital	Fair value reserve/(account)	Statutory reserve fund	Accumulated profits	Total
	\$	\$	\$	\$	\$
Balance at 1 April 2007	17,747,833	924,449	2,459,991	11,895,422	33,027,695
Net fair value changes on available-for-sale financial assets	-	(1,224,905)	-	-	(1,224,905)
Net loss for the financial year	-	-	-	(5,250,081)	(5,250,081)
Total recognised expenses for the financial year	-	(1,224,905)	-	(5,250,081)	(6,474,986)
Issue of shares	3,977,761	-	-	-	3,977,761
Payments relating to appropriations approved by members of the Co-operative:					
- Directors' honoraria	-	-	-	(26,555)	(26,555)
- Dividends	-	-	-	(1,452,323)	(1,452,323)
Balance at 31 March 2008	21,725,594	(300,456)	2,459,991	5,166,463	29,051,592

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Loss before income tax		(44,117,288)	(5,250,081)
Adjustments for:			
Allowance for doubtful other receivables	7	-	109,000
Impairment in value of available-for-sale financial assets	6	24,033,972	-
Loans to members written off	18	-	10,920
Depreciation of plant and equipment	4	62,616	63,146
Dividend income	16	(3,572,582)	(4,710,274)
Net fair value changes on equity securities held-for-trading		1,776,958	18,369,140
Loss/(Gain) from disposal of available-for-sale financial assets		1,434,530	(1,991,933)
Loss/(Gain) from disposal of equity securities held-for trading		20,967,566	(7,310,043)
Interest expense		10,951,429	12,887,874
Interest income		(13,390,816)	(14,687,325)
Other receivables written off	18	108,692	75,000
Plant and equipment written off	18	75	-
Allowance for loans to members written off	5	(28,903)	(40,279)
Operating cash flows before working capital changes		(1,773,751)	(2,474,855)
Changes in working capital:			
Loans to members		5,039,214	4,661,862
Amounts owing to members		(191,722,167)	266,588,814
Other receivables		2,430,450	4,418,889
Other payables		(15,153,460)	7,384,504
Cash (absorbed by)/generated from operations		(201,179,713)	280,579,214
Directors' honoraria paid		-	(26,555)
Interest paid		(8,496,350)	(10,674,868)
Interest received		11,541,021	13,368,069
Net cash (used in)/from operating activities		(198,135,042)	283,245,860

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

	Note	2009 \$	2008 \$
Cash flows from investing activities			
Dividends received		3,572,583	4,710,274
Proceeds from disposals of equity securities held-for-trading		36,912,554	103,836,958
Proceeds from disposals and redemptions of available-for-sale debt securities		299,142,333	185,003,506
Purchases of plant and equipment	4	(5,874)	(6,223)
Purchases of equity securities held-for-trading		(23,036,012)	(123,279,646)
Purchases of available-for-sale debt securities	6	(120,296,500)	(391,984,956)
Net cash from/(used in) investing activities		196,289,084	(221,720,087)
Cash flows from financing activities			
Dividends forfeited		2,000	-
Dividends paid		-	(1,452,323)
Proceeds from issue of shares	9	26,350,000	3,977,761
Net cash from financing activities		26,352,000	2,525,438
Net change in cash and cash equivalents		24,506,041	64,051,211
Cash and cash equivalents at beginning of financial year		136,031,812	71,980,601
Cash and cash equivalents at end of financial year	8	160,537,853	136,031,812

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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

1. General corporate information

The financial statements of NTUC Thrift & Loan Co-operative Limited (the "Co-operative") for the financial year ended 31 March 2009 were authorised for issue in accordance with a Directors' resolution dated 12 August 2009.

The Co-operative is incorporated in the Republic of Singapore with its registered office address at 1 Marina Boulevard, # 15-08, NTUC Centre, Singapore 018989.

The principal activities of the Co-operative are to provide loans to and receive deposits from members.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Co-operative Societies Act, Chapter 62 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The Co-operative incurred a net loss attributable to members of \$44,117,288 and had net operating cash outflows of \$198,135,042 for the financial year ended 31 March 2009. The management is of the view that the financial statements of the Co-operative would be able to meet its capital requirements and service debt obligations as and when they fall due based on its forecasted cash flows. The financial statements have been prepared on the assumptions that the Co-operative will continue to operate as a going concern. Should the Co-operative be unable to continue in business as a going concern, adjustments would have to be made to restate the values of assets to their respective recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. These adjustments have not been reflected in the financial statements.

The preparation of financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Co-operative's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the financial year, the Co-operative adopted the new or revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. Changes to the Co-operative's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Co-operative's accounting policies and has no material effect on the amounts reported for the current financial year and prior financial year. FRS 107 and amended FRS 1 introduced new disclosures relating to financial instruments and capital management respectively.

FRS and INT FRS issued but not yet effective

The Co-operative has not adopted the following FRS and INT FRS that have been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
FRS 1 : Presentation of Financial Statements (Revised Presentation)	1 January 2009
: Amendments to FRS 1 - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23 : Borrowing Costs (Revised)	1 January 2009
FRS 27 : Amendments to FRS 27 - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 32 : Financial Instruments: Presentation - Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 39 : Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107, Financial Instruments: Disclosures - Reclassification of Financial Assets	1 July 2008
: Amendments to FRS 39 Financial Instruments - Recognition and Measurement - Eligible Hedge Items	1 July 2009
: Amendments to FRS 39 Financial Instruments - Embedded Derivatives	30 June 2009
FRS 101 : Amendments to FRS 101 - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102 : Share-based Payment - Vesting Conditions and Cancellations	1 January 2009
FRS 107 : Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1 January 2009

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

		Effective date (Annual periods beginning on or after)
FRS 108	: Operating Segments	1 January 2009
INT FRS 109	: Amendments to INT FRS 109: Embedded Derivatives	30 June 2009
INT FRS 113	: Customer Loyalty Programmes	1 July 2008
INT FRS 116	: Hedges of a Net Investment in a Foreign Operation	1 October 2008
INT FRS 117	: Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	: Transfer of Assets from Customers	1 July 2009

The Co-operative expects that the adoption of the above pronouncements, if applicable, will have no material impact on the financial statements in the year of initial application, except for the FRS 1 as indicated below.

FRS 1, Presentation of Financial Statements - Revised Presentation

FRS 1 (revised 2008) requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative year following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

The Co-operative will apply FRS 1, Presentation of Financial Statements - Revised Presentation from financial year beginning 1 April 2009.

2.2 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment in value, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.2 Plant and equipment (Continued)

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

Depreciation is provided using the straight-line method so as to write off the cost of the plant and equipment over their estimated useful lives as follows:

	Years
Office equipment	8
Furniture and fittings	5
Renovation	3 to 5
Computer equipment	3

The residual values, useful lives and depreciation method are reviewed at each balance sheet date to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

2.3 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in value and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment in value is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment in value is recognised in the income statement, unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.3 Impairment of non-financial assets (Continued)

An assessment is made at each balance sheet date as to whether there is any indication that an impairment in value recognised in prior years for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment in value recognised in prior years is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment in value was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment in value is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment in value has been recognised. Reversals of impairment in value are recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment in value recognised in the income statement in prior years is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.4 Financial assets

The Co-operative classifies its financial assets as loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the balance sheet date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "loans to members", "other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Financial assets at fair value through profit or loss

This category has two sub-categories, financial assets held-for-trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other categories. Available-for-sale financial assets are classified within "other financial assets" on the balance sheet.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.4 Financial assets (Continued)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Co-operative commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Co-operative has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the carrying amount and the net sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to the asset is also recognised in the income statement.

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs, if any.

After initial recognition, loans and receivables are carried at amortised cost using the effective interest rate method, less impairment in value, if any.

Gains or losses arising from changes in fair value of the "financial assets at fair value through profit or loss" are recognised in the income statement in the financial year in which the changes in fair value arise.

After initial recognition, available-for-sale financial assets are re-measured at fair value with gains or losses recognised in the fair value reserve until the assets are derecognised, or determined to be impaired, at which time the cumulative gains or losses previously reported in equity are transferred to the income statement.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instruments, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit and loss".

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.4 Financial assets (Continued)

Impairment

The Co-operative assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment in value of loans and receivables is recognised when there is objective evidence that the Co-operative will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent year, the amount of the impairment in value decreases and the decrease can be related objectively to an event occurring after the impairment in value was recognised, the previously recognised impairment in value is reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment in value is recognised in the income statement, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment) and its current fair value, less any impairment in value previously recognised in equity, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the income statement. Reversals of impairment in value on debt instruments are reversed through the income statement if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment in value was recognised in the income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of change in value.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.6 Financial liabilities

The accounting policies adopted for specific financial liabilities are set out below:

(i) Amounts owing to members and other payables

Amounts owing to members and other payables are recognised initially at cost which represents the fair value and are subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Recognition and derecognition

Financial liabilities are recognised on the balance sheet when, and only when, the Co-operative becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the income statement.

2.7 Share capital

All paid-up shares are classified as equity, although they do not all qualify as equity based on presentation requirements of Singapore FRS 32. Shareholders are entitled to redeem shares in excess of the prescribed minimum number at the par value or the net assets value of the Co-operative based on the last balance sheet date, whichever is lower. At the balance sheet date, the prescribed minimum number of shares for the Founder Members and each Institutional Member are 150,000 and 10,000 shares respectively.

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of business of the Co-operative. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is presented, net of rebates, discounts and sales related taxes.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders' right to receive is established.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.9 Operating leases

Co-operative as a lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2.10 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

2.11 Finance costs

Interest expenses and similar charges are expensed in the income statement in the financial year in which they are incurred. Interest expense is recognised on a time-proportion basis in the income statement using the effective interest method.

2.12 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.13 Foreign currencies

The financial statements are presented in Singapore dollar, the currency of the primary economic environment in which the entity operates ("functional currency").

In preparing the financial statements, transactions in currencies other than the Co-operative's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

2. Summary of significant accounting policies (Continued)

2.13 Foreign currencies (Continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are included in the income statement for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in the income statement for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the Co-operative's accounting policies

In the process of applying the Co-operative's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Impairment of financial assets

The Co-operative follows the guidance of FRS 39 on determining when financial asset is impaired. This determination requires significant judgement. The Co-operative evaluates, among other factors, the duration and extent to which the fair value of financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year are discussed below.

(i) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 8 years. The carrying amount of plant and equipment as at 31 March 2009 was \$129,995 (2008: \$186,812). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Allowance for doubtful loans to members

The management establishes allowance for doubtful loans to members on a case-by case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its members' financial position. If the financial conditions of loans to members were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amount of loans to members as at 31 March 2009 was \$41,704,736 (2008: \$46,715,047).

4. Plant and equipment

	Office equipment \$	Furniture and fittings \$	Renovation \$	Computer equipment \$	Total \$
Cost					
Balance at 1 April 2008	24,314	130,790	176,869	593,454	925,427
Additions	-	-	-	5,874	5,874
Written off	(150)	-	-	(28,809)	(28,959)
Balance at 31 March 2009	<u>24,164</u>	<u>130,790</u>	<u>176,869</u>	<u>570,519</u>	<u>902,342</u>
Accumulated depreciation					
Balance at 1 April 2008	14,484	60,065	78,782	585,284	738,615
Depreciation for the financial year	2,340	22,283	30,792	7,201	62,616
Written off	(75)	-	-	(28,809)	(28,884)
Balance at 31 March 2009	<u>16,749</u>	<u>82,348</u>	<u>109,574</u>	<u>563,676</u>	<u>772,347</u>
Net book value					
Balance at 31 March 2009	<u>7,415</u>	<u>48,442</u>	<u>67,295</u>	<u>6,843</u>	<u>129,995</u>

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

4. Plant and equipment (Continued)

	Office equipment \$	Furniture and fittings \$	Renovation \$	Computer equipment \$	Total \$
Cost					
Balance at 1 April 2007	37,678	130,790	176,869	601,527	946,864
Additions	3,801	-	-	2,422	6,223
Written off	(14,405)	-	-	(10,495)	(24,900)
Disposals	(2,760)	-	-	-	(2,760)
Balance at 31 March 2008	<u>24,314</u>	<u>130,790</u>	<u>176,869</u>	<u>593,454</u>	<u>925,427</u>
Accumulated depreciation					
Balance at 1 April 2007	29,579	37,727	47,990	587,833	703,129
Depreciation for the financial year	2,070	22,338	30,792	7,946	63,146
Written off	(14,405)	-	-	(10,495)	(24,900)
Disposals	(2,760)	-	-	-	(2,760)
Balance at 31 March 2008	<u>14,484</u>	<u>60,065</u>	<u>78,782</u>	<u>585,284</u>	<u>738,615</u>
Net book value					
As at 31 March 2008	<u>9,830</u>	<u>70,725</u>	<u>98,087</u>	<u>8,170</u>	<u>186,812</u>

5. Loans to members

	2009 \$	2008 \$
Loans to members	41,744,128	46,783,342
Allowance for doubtful loans to members	(39,392)	(68,295)
	<u>41,704,736</u>	<u>46,715,047</u>

The loans to members are presented in the balance sheet as follows:

	2009 \$	2008 \$
Non-current	33,572,020	40,738,317
Current	8,132,716	5,976,730
	<u>41,704,736</u>	<u>46,715,047</u>

Loans to members bear effective interest rate of 3.67% (2008: 3.8%) per annum. Loans to members are repayable within a period of six months up to twenty years.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

5. Loans to members (Continued)

Included in loans to members are amounts owing by other NTUC institutions as follows:

	2009	2008
	\$	\$
NTUC Club	2,482,851	5,665,611
NTUC Investment Co-operative Ltd	<u>5,016,250</u>	<u>2,007,083</u>
	<u>7,499,101</u>	<u>7,672,694</u>

Movement in allowance for doubtful loans to members is as follows:

	2009	2008
	\$	\$
Balance at beginning of financial year	68,295	108,574
Write back of allowance no longer required	<u>(28,903)</u>	<u>(40,279)</u>
Balance at end of financial year	<u>39,392</u>	<u>68,295</u>

The write-back of allowance for doubtful loan to members no longer required of \$28,903 (2008: \$40,279) was recognised in the income statement subsequent to a debt recovery assessment performed during the financial year.

Loans to members are denominated in Singapore dollar.

6. Other financial assets

	2009	2008
	\$	\$
Unquoted debt securities (available-for-sale)		
Balance at beginning of financial year	418,294,967	210,546,489
Additions	120,296,500	391,984,956
Disposals	(202,326,863)	(94,283,176)
Redeemed upon maturity	(98,250,000)	(88,728,397)
Fair value loss transferred to equity	(9,999,770)	(1,224,905)
Impairment in value charged to income statement	<u>(24,033,972)</u>	<u>-</u>
Balance at end of financial year	<u>203,980,862</u>	<u>418,294,967</u>
Other financial assets, at fair value through profit or loss		
Balance at beginning of financial year	57,536,342	49,152,751
Additions	23,036,011	123,279,646
Disposals	(57,880,120)	(96,526,915)
Net fair value changes recognised in income statement	<u>(1,776,958)</u>	<u>(18,369,140)</u>
Balance at end of financial year	<u>20,915,275</u>	<u>57,536,342</u>
	<u>224,896,137</u>	<u>475,831,309</u>

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

6. Other financial assets (Continued)

The investments in unquoted debt securities have average effective interest rate of 3.15% (2008: 3.38%) per annum and maturity dates ranging from 1 to 6 (2008: 1 to 5) years. The fair values of these securities are based on closing trading market prices from various financial institutions having the same debt portfolio on the last market day of the financial year.

The investments in quoted equity securities held-for-trading have no fixed maturity date nor coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Other financial assets are denominated in the following currencies:

	2009	2008
	\$	\$
	221,920,940	470,000,420
Singapore dollar	777,685	3,633,377
United States dollar	<u>2,197,512</u>	<u>2,197,512</u>
Ringgit Malaysia	<u>224,896,137</u>	<u>475,831,309</u>

7. Other receivables

	2009	2008
	\$	\$
Interest receivables	1,734,117	3,583,912
Dividend income receivables	-	104,328
Deposits	40,249	40,059
Prepayments	14,330	15,947
Other receivables	<u>1,375,131</u>	<u>217,928</u>
	<u>3,163,827</u>	<u>3,962,174</u>
Allowance for doubtful other receivables	-	(109,000)
	<u>3,163,827</u>	<u>3,853,174</u>

Interest receivables pertains to uncollected interest earned from bank fixed deposits and unquoted debt securities.

Dividend income receivables are the dividends earned from equity securities held for trading.

Other receivables substantially pertain to amount due from investment broker for the sale of equity securities held-for-trading.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

7. Other receivables (Continued)

Movement in allowance for doubtful other receivables is as follows:

	2009 \$	2008 \$
Balance at beginning of financial year	109,000	-
Allowance made during the financial year	-	109,000
Write-off against allowance during the financial year	(109,000)	-
Balance at end of financial year	<u>-</u>	<u>109,000</u>

During the financial year, the Co-operative carried out a review on the recoverable amount of its other receivables. The review led to the recognition of an allowance for doubtful other receivables of \$Nil (2008:\$109,000) that has been recognised in the income statement.

Other receivables are denominated in Singapore dollar.

8. Cash and cash equivalents

	2009 \$	2008 \$
Fixed deposits	157,000,000	121,700,000
Cash and bank balances	<u>3,537,853</u>	<u>14,331,812</u>
	<u>160,537,853</u>	<u>136,031,812</u>

Fixed deposits placed in financial institutions mature on varying dates within three months (2008: three months) from the financial year end and the effective interest rate on the fixed deposits is 0.26% (2008: 1.02%) per annum.

Cash and cash equivalents are denominated in Singapore dollar.

9. Share capital

	2009 \$	2008 \$
Issued and fully-paid		
21,725,594 (2008: 17,747,833) ordinary shares at beginning of financial year	21,725,594	17,747,833
Issue of shares	<u>26,350,000</u>	<u>3,977,761</u>
48,075,594 (2008: 21,725,594) ordinary shares at end of financial year	<u>48,075,594</u>	<u>21,725,594</u>

In accordance with the By-laws of the Co-operative, the Co-operative issued fully-paid share capital through the issue and allotment of 26,350,000 (2008: 3,977,761) ordinary shares for cash during the financial year.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

9. Share capital (Continued)

NTUC Thrift & Loan Co-operative Limited Members and their rights

Members of the Co-operative consist of:

- The Singapore National Trades Union Congress (NTUC) which is designated as the Founder Member;
- Trade Unions and Registered Societies as may be accepted by the Board of Directors; and the Singapore Labour Foundation, which are designated Institutional Members;
- Any person over the age of 18 years who is from the affiliated trade unions and co-operative societies of NTUC, and who at the time of proposal was a resident in Singapore, is designated as Ordinary Member; and
- Any person from the NTUC Group, or any other organisations or persons as determined by the Board of Directors subject to the Registrar's approval is designated as an Associate Member.

Any member, excluding the Associate Member, of the Co-operative may vote at any General Meeting of the Co-operative. Ordinary Members having one vote each, Institutional Members having one vote for every multiple of 5,000 shares held, and the Founder Members having total number of votes at the disposal of Institutional and Ordinary Members who are registered in the books of the Co-operative as at the date of the General Meeting and one additional vote.

Any Institutional and Ordinary Member may withdraw his/her shares, subject that the shares are held for a period of at least one year, or such other limitations as the Board of Directors may decide in accordance with the Rules and By-Laws. The members withdrawing shall be entitled on the expiry of his notice to receive as the value of his shares, not more than what he/she paid for them, nor more than their value, as disclosed by the last balance sheet prepared by the Co-operative.

In the event of the winding up of the Co-operative, the assets, including the reserve fund, shall be applied first to the cost of liquidation, then to the discharge of the liabilities of the Co-operative, then to the payment of the share capital or subscription capital, and then, provided that the By-Laws of the Co-operative permit, to the payment of a dividend or patronage refund at a rate not exceeding that laid down in the Rules or in the By-Laws.

Any monies remaining after the application of the funds to the purposes specified in the above paragraph (section 88 of Co-operative Societies Act) and any sums unclaimed after two years under Section 89(2) (which relates to claims of creditors), shall not be divided among the Members but shall be carried to the Co-operative Societies Liquidation Account kept by the Registrar.

A sum carried to the Co-operative Societies Liquidation Account shall be kept in this Account for at least two years. Out of the Co-operative Societies Liquidation Account such sums may be transferred to the Central Co-operative Fund, or applied generally for the furtherance of Co-operative principles in such manner, as the Minister may determine from time to time.

The shares are presented as equity on the balance sheet. The redemption rights of the shareholders, and the requirements of FRS 32, are described in Note 2.7.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

10. Fair value account

Fair value account includes the cumulative net change in the fair values of available-for-sale financial assets until they are derecognised. Movement in the fair value reserve is set out in the statement of changes in equity.

11. Statutory reserve fund

Pursuant to Section 70(3) of the Co-operative Societies Act, Chapter 62, every Co-operative shall pay into the statutory reserve fund of at least 20% of the profit before contributions and distributions resulting from the operations of the Co-operative during the financial year, provided that when the statutory reserve fund has reached an amount equal to 10% of its paid-up share capital, such Co-operative shall transfer 5% of its profit before contributions and distributions to the statutory reserve fund.

Pursuant to section 70(4) of the Co-operative Societies Act, Chapter 62, the statutory reserve fund is indivisible to all members. Movement of the statutory reserve fund is set out in the statement of changes in equity.

With effect from 20 October 2008, the statutory reserve fund has been abolished from the Co-operative Societies Act, Chapter 62. The Co-operative may consider seeking the approval of the members, subject to the Registrar's approval, the transfer of the statutory reserve fund to accumulated profits. Accordingly, no transfers have been made as at the balance sheet date.

12. Amounts owing to members

	2009	2008
	\$	\$
Term deposits	323,182,676	519,734,930
Savings deposits	87,644,379	63,603,761
Refundable subscriptions	12,704,841	31,915,372
	<u>423,531,896</u>	<u>615,254,063</u>

Term deposits due to members are unsecured, bear effective interest rate of 1.57% (2008: 2.4%) per annum and with maturity period ranging from one month to five years (2008: one month to five years).

Savings deposits from members are unsecured, bear effective interest rate of 1.67% (2008: 2.4%) per annum and repayable on demand.

Refundable subscriptions are members' deposits to their subscription capital account which represent their "share" in the Co-operative as ordinary members. These are non-interest bearing and repayable on demand.

Amounts owing to members are presented in the balance sheet as follows:

	2009	2008
	\$	\$
Non-current	34,214,903	69,573,909
Current	389,316,993	545,680,154
	<u>423,531,896</u>	<u>615,254,063</u>

Amounts owing to members are denominated in Singapore dollar.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

13. Other payables

	2009	2008
	\$	\$
Accrued operating expenses	207,549	540,575
Interest payable	4,561,784	7,016,863
Dividend payable	4,360	6,360
Other payables	840,425	10,748,701
	<u>5,614,118</u>	<u>18,312,499</u>

In the previous financial year, other payables substantially pertain to amount due to investment broker for the purchase of equity securities held-for-trading.

Other payables are denominated in Singapore dollar.

14. Interest income

	2009	2008
	\$	\$
Interest income:		
- loans to members	1,680,085	1,806,567
- other financial assets	10,832,620	11,475,442
- fixed deposits placed with financial institutions	878,111	1,405,316
	<u>13,390,816</u>	<u>14,687,325</u>

Interest income comprises interest arising from various types of lending activities and includes interest and the amortisation and accretion of premiums and discounts on debt securities using the effective interest rate method.

15. Interest expense

Interest expense comprises all interest incurred on term and savings deposits from members.

16. Other income

	2009	2008
	\$	\$
Dividend income	3,572,582	4,710,274
Gain from disposals of available-for-sale financial assets	-	1,991,933
Gain from disposals of equity securities held-for-trading	-	7,310,043
Penalty interest	9,779	12,841
Processing fees	10,945	6,569
Others	13,482	5,273
	<u>3,606,788</u>	<u>14,036,933</u>

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

17. Staff costs		
	2009	2008
	\$	\$
Salaries and wages	780,522	1,206,976
Contributions to defined contribution plan	90,205	136,931
	<u>870,727</u>	<u>1,343,907</u>

Included in the staff costs were key management remuneration of \$200,611 (2008: \$237,103).

18. Loss before income tax		
The above is arrived at after charging:		
	2009	2008
	\$	\$
<i>Other expenses</i>		
Donations	9,000	127,000
Audit fees	35,004	33,000
Loans to members written off	-	10,920
Other receivables written off	108,692	75,000
Printing of annual statement of accounts	33,915	35,748
Plant and equipment written off	<u>75</u>	<u>-</u>

19. Income tax expense
The Co-operative is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

20. Central Co-operative Fund
Section 71 of the Co-operative Societies Act, Chapter 62, stipulates that the Co-operative shall contribute 5% of the first \$500,000 of its profits before contributions and distributions during the preceding financial year to the Central Co-operative Fund. During the financial year, no contribution was made as the Co-operative has a loss before income tax of \$44,117,288 (2008: \$5,250,081).

21. Singapore Labour Foundation
Section 71 of the Co-operative Societies Act, Chapter 62, stipulates that the Co-operative shall contribute 20% of the profit before contributions and distributions in excess of \$500,000 to either the Central Co-operative Fund or Singapore Labour Foundation. During the financial year, no contribution was made as the Co-operative has a loss before income tax of \$44,117,288 (2008: \$5,250,081).

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

22. Directors' honoraria and dividends		
	2009	2008
	\$	\$
Directors' honoraria	<u>-</u>	<u>26,555</u>

None of the Directors received remuneration for the services rendered to the Co-operative.

	2009	2008
	\$	\$
Dividends:		
- final dividend declared and paid of Nil% (2008: 5%) and loyalty dividend declared and paid of Nil% (2008: 2%) for the previous financial year	-	1,452,323
Unclaimed dividends declared in prior years	<u>(2,000)</u>	<u>-</u>
	<u>(2,000)</u>	<u>1,452,323</u>

In the previous financial year, the Board of Directors proposed the Directors' honoraria and dividend, subject to the approval of the members at the Annual General Meeting and to be account in this financial year. However, the proposal is withdrawn in the Annual General Meeting due to unfavourable results for the financial year ended 31 March 2008.

23. Commitments		
	2009	2008
	\$	\$
<i>Loan commitments</i>		
Undrawn credit lines	<u>31,675,164</u>	<u>2,385,663</u>

Undrawn credit lines pertain to approved loans but were not yet disbursed by the Co-operative to the members at the balance sheet date.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

23. Commitments (Continued)

Lease commitments

As at the balance sheet date, there were operating lease commitments for rental payable in subsequent accounting years as follows:

	2009	2008
	\$	\$
Within one financial year	164,465	152,797
After one financial year but within five financial years	<u>197,552</u>	<u>328,696</u>
	<u>362,017</u>	<u>481,493</u>

The above operating lease commitments are based on existing rental rates. The operating lease agreements provide for periodic revision of such rates in the future. The Co-operative leases office premise under non-cancellable operating lease agreement. This lease has varying terms and renewal rights.

24. Financial instruments, financial risk and capital management

The Co-operative's activities expose it to credit risk, market risk and liquidity risk. The Co-operative's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Co-operative's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Co-operative. The Co-operative's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

24.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Co-operative. The Co-operative has adopted a policy of only dealing with creditworthy counterparties. The Co-operative performs ongoing credit evaluation of its counterparties' financial condition.

The Co-operative has no significant concentration of credit risk except for loan to the two members amounting to \$7,499,101 (2008: \$7,672,694) which accounts for 18% (2008: 16%) to the total loans to members. In addition, as at balance sheet date, bank balances and fixed deposits amounting to \$99,888,579 (2008: \$75,683,552) which accounts for 62% (2008: 56%) to the total cash and cash equivalents have been placed in a single financial institution.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial instruments, financial risk and capital management (Continued)

24.1 Credit risk (Continued)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Co-operative's maximum exposure to credit risk.

The Co-operative's major classes of financial assets are bank deposits, loans to members, other receivables and other financial assets.

The Co-operative believes that no impairment in value is necessary in respect of the past due loans to members as the management has a credit policy in place to monitor the exposure to credit risk on an ongoing basis. These loans are mainly arising from members that have a good collection track record with the Co-operative.

The age analysis of loans to members that are past due but not impaired is as follows:

	Gross receivables 2009	Impairment 2009	Gross receivables 2008	Impairment 2008
	\$	\$	\$	\$
Past due 0 to 1 months	594	-	2,321	-
Past due 1 to 2 months	856	-	348	-
Past due over 3 months	<u>48,874</u>	<u>39,392</u>	<u>77,878</u>	<u>68,295</u>

24.2 Market risk

(i) Foreign exchange risk management

Currency risk arises from transactions denominated in currencies other than the functional currency of the Co-operative. The currency that gives rise to this risk is primarily United States dollar and Ringgit Malaysia.

The Co-operative monitors its foreign currency exchange risks closely and ensures that these transactions are minimal. Currency translation risk arises when commercial transactions are denominated in a currency that is not the entity's functional currency.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial instruments, financial risk and capital management (Continued)

24.2 Market risk (Continued)

The Co-operative only maintains foreign currency denominated assets with carrying amounts at the balance sheet date as follows:

	2009	2008
	\$	\$
United States dollar	777,685	3,633,377
Ringgit Malaysia	<u>2,197,512</u>	<u>2,197,512</u>

Foreign currency sensitivity analysis

The Co-operative's exposure to foreign currency risks are mainly in United States dollar and Ringgit Malaysia.

The following table details the Co-operative's sensitivity to a 5% change in United States dollar and Ringgit Malaysia against the Singapore dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the balance sheet date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in United States dollar and Ringgit Malaysia are included in the analysis.

	Income statement	
	2009	2008
	\$	\$
<i>United States dollar</i>		
Strengthens against Singapore dollar	38,884	181,669
Weakens against Singapore dollar	<u>(38,884)</u>	<u>(181,669)</u>
<i>Ringgit Malaysia</i>		
Strengthens against Singapore dollar	109,876	109,876
Weakens against Singapore dollar	<u>(109,876)</u>	<u>(109,876)</u>

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial instruments, financial risk and capital management (Continued)

24.2 Market risk (Continued)

(ii) *Interest rate risk management*

The Co-operative's exposure to market risk for changes in interest rates relates primarily to the Co-operative's loans to members, debt securities, fixed deposits and amounts owing to members.

The Co-operative's results are affected by changes in interest rates due to the impact of such changes on interest income from loans to members, debt securities and fixed deposits and interest expenses from amounts owing to members which are at floating interest rates. It is the Co-operative's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Co-operative.

The following tables indicate the effective interest rates at the balance sheet date of interest-bearing financial assets and interest-bearing financial liabilities, and the periods in which they re-price and mature.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial risk management (Continued)

24.2 Market risk (Continued)

(ii) Interest rate risk management (Continued)

	Note	Effective interest rate %	Total \$	Less than 1 month \$	1 to 3 months \$	3 to 6 Months \$	6 to 12 months \$	1 to 5 years \$
2009								
Financial assets								
Loans to members	5	3.67	41,744,128	41,738,430	547	1,453	3,698	-
Unquoted debt securities (available-for-sale)	6	3.15	203,980,862	40,007,550	54,770,000	22,521,150	4,936,200	81,745,962
Fixed deposits	8	0.26	157,000,000	85,000,000	72,000,000	-	-	-
			402,724,990	166,745,980	126,770,547	22,522,603	4,939,898	81,745,962
Financial liabilities								
Amounts owing to members	12	1.59	410,827,055	85,202,793	61,808,730	86,502,811	143,097,818	34,214,903
Total interest rate repricing gap			(8,102,065)	81,543,187	64,961,817	(63,980,208)	(138,157,920)	47,531,059
Cumulative interest repricing gap			(8,102,065)	81,543,187	146,505,004	82,524,796	(55,633,124)	(8,102,065)

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial risk management (Continued)

24.2 Market risk (Continued)

(ii) Interest rate risk management (Continued)

	Note	Effective interest rate %	Total \$	Less than 1 month \$	1 to 3 months \$	3 to 6 months \$	6 to 12 months \$	1 to 5 years \$
2008								
Financial assets								
Loans to members	5	3.8	46,783,342	46,645,870	23,575	16,762	54,813	42,322
Unquoted debt securities (available-for-sale)	6	3.38	418,294,967	34,565,700	74,321,441	39,290,550	73,220,167	196,897,109
Fixed deposits	8	1.02	121,700,000	101,700,000	20,000,000	-	-	-
			586,778,309	182,911,570	94,345,016	39,307,312	73,274,980	196,939,431
Financial liabilities								
Amounts owing to members	12	2.4	583,338,691	76,708,188	86,654,328	96,703,160	228,043,089	95,229,926
Total interest rate repricing gap			3,439,618	106,203,382	7,690,688	(57,395,848)	(154,768,109)	101,709,505
Cumulative interest repricing gap			3,439,618	106,203,382	113,894,070	56,498,222	(98,269,887)	3,439,618

The Co-operative's interest-bearing financial assets and interest-bearing financial liabilities are at variable rates. If the interest rates increase/decrease by 0.5% (2008: 0.5%) with all other variables being held constant, the loss after tax will change by approximately \$41,000 (2008: \$17,000) as a result of fluctuations of cumulative interest expense/income on these financial assets and liabilities.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial risk management (Continued)

24.2 Market risk (Continued)

(iii) Equity price risk

The Co-operative is exposed to equity risks arising from debt securities investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than for trading purposes. The Co-operative does not actively trade available-for-sale investments.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the balance sheet date.

The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the balance sheet date, with all variables held constant.

	Equity 2009 \$	Equity 2008 \$
Available-for-sale financial assets		
- increased by 10%	20,398,086	41,829,497
- decreased by 10%	<u>(20,398,086)</u>	<u>(41,829,497)</u>

24.3 Liquidity risk

Liquidity risk refers to the risk in which the Co-operative encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Co-operative actively manages its operating cash flows so as to ensure that all repayment needs are met. As part of its overall prudent liquidity management, the Co-operative maintains sufficient levels of cash to meet its working capital requirements. The Co-operative also derives liquidity from holding liquid investment portfolios.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (Continued)

24. Financial risk management (Continued)

24.4 Capital management policies and objectives

The Co-operative manages its capital to ensure that it will be able to continue as going concern and to maintain an optimal capital structure so as to maximise value.

The Co-operative may, in the future, strategise its liquid investment portfolios or obtain borrowings so as to achieve an optimal capital structure.

24.5 Fair value of financial assets and financial liabilities

The carrying amounts of the current financial assets and current financial liabilities approximate their fair values as at the balance sheet date due to the relatively short period of maturity of these financial instruments. The fair values of non-current financial assets and non-current financial liabilities were not materially different from the carrying amounts at the balance sheet date. The bases of arriving at their fair values are as follows:

(i) Loans to members

The estimated fair value of loans to members is based on the discounted cash flows using the relevant market interest rates and credit spread by product types.

(ii) Amounts owing to members

The estimated fair value of amounts owing to members is based on discounted cash flows using the prevailing interest rates with similar remaining maturity.

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

SHAREHOLDER LIST AS AT 31 MARCH 2009

No.	Name	No of Shares	No.	Name	No of Shares
1	National Trades Union Congress	20,533,889	36	Union of ITE Training Staff	59,600
2	NTUC Club	16,000,000	37	Public Utilities Board Employees' Union	59,502
3	Singapore Shell Employees' Union Co-operative Ltd	2,446,533	38	Air-Transport Executive Staff Union	59,050
4	The A.U.P.E. Multi-Purpose Co-operative Society Limited	1,527,311	39	Singapore Organisation of Seaman	57,982
5	The Singapore Manual & Mercantile Workers' Union	803,000	40	SIA Engineering Company Engineers & Executives Union	52,944
6	Singapore Maritime Officers' Union	700,000	41	SATU Multi-Purpose Co-Operative Society Ltd.	50,500
7	Singapore Insurance Employees' Union	600,000	42	The Singapore Port Workers' Union	50,000
8	Amalgamated Union of Public Employees	535,000	43	Development Bank of Singapore Staff Union	43,911
9	Singapore Industrial and Services Employees' Union	521,530	44	Comfort Taxi Operators' Association	24,012
10	NTUC Choice Homes Co-operative Ltd.	500,000	45	Singapore Press Holdings Employees' Union	23,786
11	United Workers of Electronic and Electrical Industries	500,000	46	Singapore Urban Redevelopment Authority Workers' Union	22,601
12	Amalgamated Union of Statutory Board Employees	211,435	47	Singapore Airlines Staff Union	20,000
13	Singapore Shell Employees' Union	210,000	48	Staff Union of NTUC-ARU (SUN)	20,000
14	United Workers of Petroleum Industry	200,000	49	CityCab Operators Association	11,852
15	Singapore Chinese Teachers' Union	185,000	50	SMRT Taxi Operators' Association	11,842
16	Union of Security Employees	150,000	51	Seacare Co-operative Ltd	11,568
17	Food Drinks and Allied Workers' Union	134,452	52	Singapore Tamil Teachers Union	11,500
18	Union of Power and Gas Employees' Union	111,581	53	Amalgamated Union of Public Daily Rated Workers	11,347
19	ExxonMobil Singapore Employees Union	111,000	54	NTUC Healthcare Co-operative Limited	11,247
20	Building Construction and Timber Industries Employees' Union	110,000	55	Keppel Employees' Union	11,170
21	Shipbuilding and Marine Engineering Employees' Union	110,000	56	NTUC Eldercare Co-operative Limited	11,103
22	NTUC Fairprice Co-operative Ltd	107,100	57	NTUC Club Staff Union	10,700
23	Changi International Airport Services Employees Union	100,000	58	Singapore Teachers Union	10,678
24	HDB Staff Union	100,000	59	SPRING Singapore Staff Union	10,633
25	Singapore Bank Employees' Union	100,000	60	Wavelink Co-operative Limited	10,589
26	UTES Multi-Purpose Co-Operative Society Ltd.	100,000	61	Reuters Local Employees' Union	10,544
27	Union of Telecoms Employees of Singapore	75,000	62	NTUC Foodfare Co-operative Ltd	10,000
28	Natsteel Employees' Union	74,734	63	NTUC Investment Co-operative Limited	10,000
29	Trustees of Education Services Union	71,523	64	NTUC Media Co-operative Limited	10,000
30	Metal Industries Workers' Union	70,000	65	Sembawang Shipyard Employees' Union	10,000
31	IRAS Staff Union	64,564	66	Singapore Bank Officers' Association	10,000
32	Healthcare Services Employees' Union	63,281	67	Singapore Labour Foundation	10,000
33	Chemical Industries Employees' Union	60,000	68	Singapore Stevedores Union	10,000
34	National Transport Workers' Union	60,000	69	Singapore Union of Broadcasting Employees	10,000
35	Singapore Airport Terminal Services Workers' Union	60,000		Total share capital	48,075,594

NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

1 MARINA BOULEVARD, #15-08, NTUC CENTRE, SINGAPORE 018989

NOTICE OF MEETING

To: MEMBERS OF NTUC THRIFT & LOAN CO-OPERATIVE LIMITED

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting of NTUC Thrift & Loan Co-operative Limited is convened on Tuesday, 29 September 2009 at 5.00 p.m. at NTUC Centre, Room 801, Level 8, One Marina Boulevard, Singapore 018989.

AGENDA

- To confirm the minutes of the 11th Annual General Meeting held on Friday, 12 September 2008.
- To receive and adopt the audited accounts for the financial year ended 31 March 2009 ("Audited Accounts"), the Report of the Directors and the Auditors' Report.
- To elect members to the Board of Directors.
- To re-appoint BDO Raffles as Auditors of the Co-operative for the year ending 31 March 2010 and authorise the Board of Directors to fix their remuneration.
- To approve the payment of honoraria and attendance allowance to the Directors for the year ended 31 March 2009.
- To declare an annual dividend for financial year ended 31 March 2009.
- To transact any other business not included in this notice of which at least seven days' notice in writing prior to the date of the General Meeting shall have been given to the Secretary in accordance with By-Law 11.9.

BY ORDER OF THE BOARD

Daniel Tseng
Secretary
14th September 2009

Note:

- Registration of attendance will start at 4.00pm. Members are advised to be early.
- Copies of the Annual Report 2009 will be available for inspection and/or collection by members at NTUC Thrift & Loan Co-operative Ltd, Head Office. A soft copy of the Annual Report may be found at www.ntucthrift.com.sg
- The office of the Society will be closed from 1.00pm on 29 September 2009.