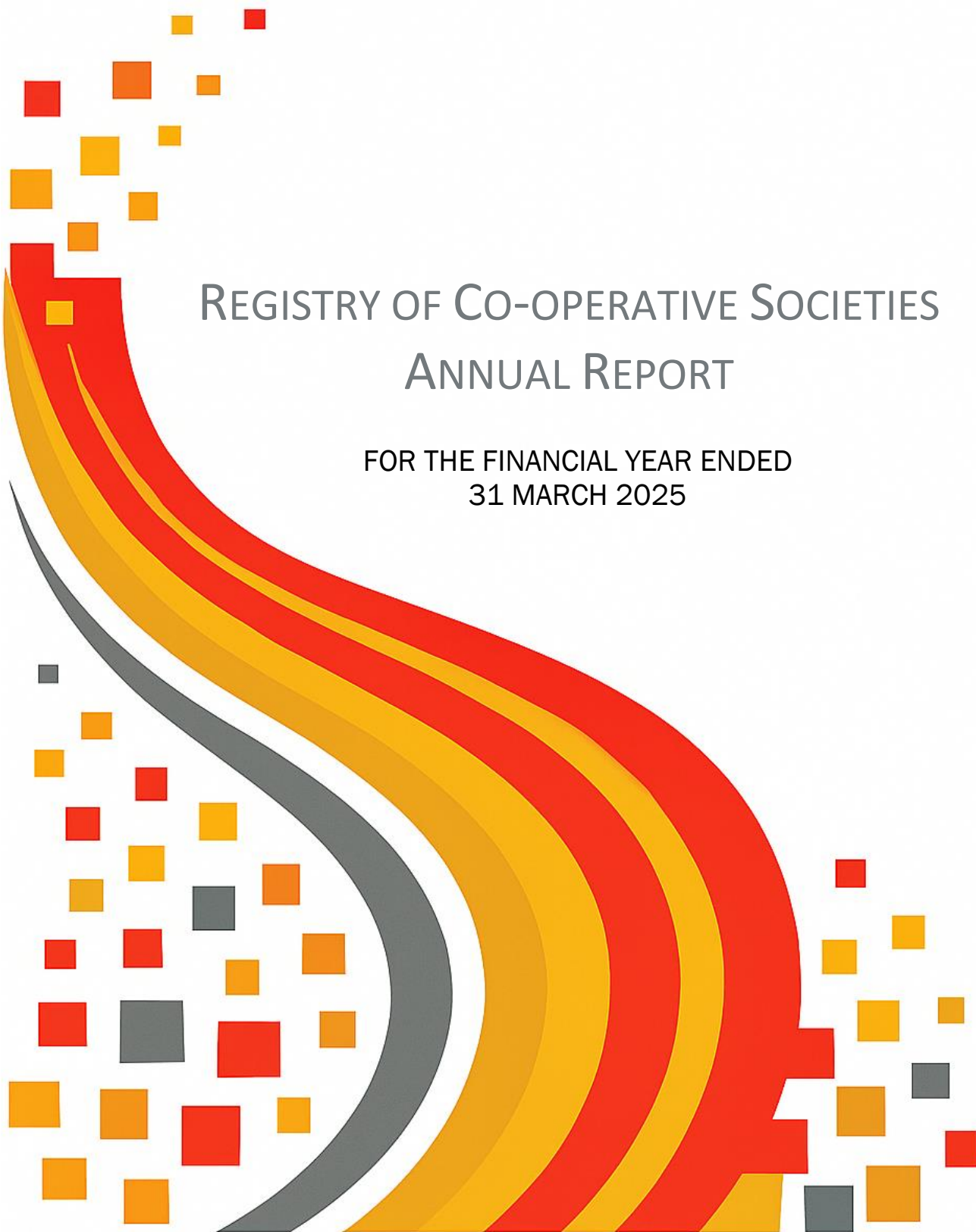




Ministry of Culture, Community and Youth

REGISTRY OF CO-OPERATIVE SOCIETIES ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2025



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MESSAGE FROM EXECUTIVE DIRECTOR, REGISTRY OF CO-OPERATIVE SOCIETIES

2025 marks a momentous milestone for Singapore's co-op movement as we celebrate 100 years in Singapore. This significant anniversary is made even more meaningful as three of our co-ops also celebrate their centenary, Singapore marks its 60th year of independence, and the United Nations declares 2025 as the International Year of Cooperatives.



2. As we honour the past, we are shaping a bold and resilient future. The Registry of Co-operative Societies ("the Registry") has strengthened its regulatory framework, refreshed sector capabilities, and deepened collaboration with the Singapore National Co-operative Federation ("SNCF"). These include the following:

- a. New legislative changes have provided co-ops with greater flexibility, such as allowing approved use of reserves for dividends and honorariums. In addition, the waiver of first-tier Central Co-operative Fund ("CCF") contributions provided financial relief, enabling co-ops to innovate and amplify their impact.

- b. Several forward-looking initiatives were launched, including a \$1 million Empowering Communities Fund to support ground-up efforts that help vulnerable groups.
- c. The Co-op 10-Year Transformation Roadmap, shaped through extensive engagement with over 1,200 stakeholders, charts an ambitious path towards a modern, resilient, and purpose-driven movement.
- d. Digital enhancements, such as the RCS Co-op Portal, will further improve efficiency and enable data-driven insights to guide future planning.
- e. Strong governance remains the foundation of a trusted co-op sector. The Registry and SNCF have expanded training and resources, including Environmental, Social and Governance (“ESG”) programmes, equipping co-op leaders with the knowledge and confidence to excel in a rapidly changing landscape.

3. Co-ops must continue to serve as engines of community empowerment by uniting people, strengthening social bonds, and delivering meaningful impact. These efforts ensure co-ops remain a key pillar of our social fabric – purposeful, resilient and responsive to the needs of our communities.

4. We also welcome Ms Cheng Min as the new Registrar from 1 December 2025. Together and with the dedication of co-op officers, members, and partners, we will continue to lay a robust foundation for a brighter, more inclusive future. The momentum we have built today positions co-ops not just to respond to change, but to lead it, ensuring the

movement remains a source of purpose, progress, and pride for generations to come.

Desmond Chin

Executive Director, Registry of Co-operative Societies

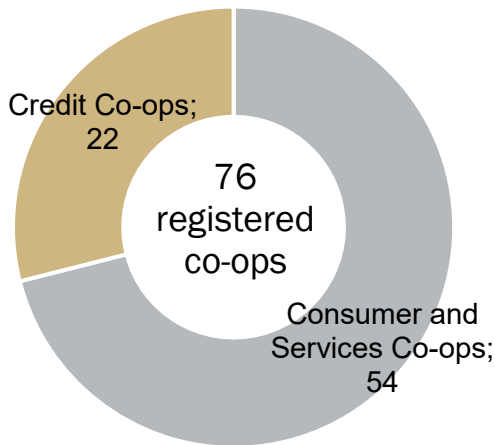
December 2025



CO-OPERATIVE SOCIETIES STATISTICS

1. This Annual Report presents an overview of the co-op sector in Singapore. It highlights the key statistics, sectoral developments, and the Registry's strategic initiatives.
2. Co-ops are member-owned businesses founded on the principles of self-help and mutual assistance. They are formed when individuals voluntarily collaborate to address shared economic or social needs, through a jointly owned and democratically controlled organisation. Co-ops must maintain both financial sustainability and professional management standards to effectively serve their members' interests and fulfil their social missions.
3. Singapore's co-ops operate under the Registry's regulatory supervision and are governed under the Co-operative Societies Act 1979 ("Co-op Act") and the relevant subsidiary legislation.
4. Consumer and services co-ops offer goods and non-financial services tailored to their members needs. Some of these co-ops provide employment opportunities or serve vulnerable groups such as the elderly and persons with special needs.
5. Credit co-ops provide financial services such as taking in deposits or giving loans to members within a pre-existing common bond. Their members are generally from the same community, industry or organisation. Credit co-op officers maintain fiduciary responsibilities to exercise prudent oversight of members' deposits.

Key Statistics of FY2025



Co-ops' Compliance with Statutory Due Dates¹

Audited Financial Statements ("AFS")	79% [52/66]
Annual General Meeting ("AGM")	83% [54/65]

980,000 members
\$15.8 billion² in total assets
as at 31 March 2025 ("FY2024")

3 co-ops deregistered during the year

Credit Co-ops' Compliance with Prudential ratios

Minimum Liquid Assets ("MLA")	100%
Capital Adequacy Ratio ("CAR")	84%
Restricted Investments ("RI")	100%

Consumer and Services Co-ops

47³ active consumer and services co-ops,



\$14.8 billion in total assets
852,000 members

Training for the sector

800 attendees
10 curated training courses



Credit Co-ops

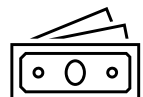
19⁴ active credit co-ops,



\$1.1 billion in total assets
128,000 members

Grants to co-ops

\$844,000 in CCF grants
were disbursed to co-ops



¹ In FY2023, 65 co-ops were required to hold their AGM and 66 were required to submit their AFS for the financial year ended 31 Dec 2023 / 31 Mar 2024. SNCF conducts Triennial General Meetings, of which the last was in 2023, while the remaining co-ops were undergoing liquidation and are not required to submit AFS/hold AGM. The statutory deadline is 6 months from the financial year end, or such longer period as the Registrar had approved.

² Data derived from co-ops' latest submission of their Audited Financial Statements ("AFS").

³ Seven consumer and services co-ops were undergoing dissolution as at financial year end.

⁴ Three credit co-ops were undergoing dissolution as at financial year end.



OVERVIEW OF CREDIT CO-OPS

6. Credit co-ops deliver value to members through their thrift and loan services. In FY2024, the sector held \$1 billion in total assets. They have provided financial support to their members through loans amounting to \$215 million as at the financial year end. The sector also held \$800 million in deposits from members, which reflects the sector’s success in encouraging thrift and financial prudence.

7. Prudential requirements for credit co-ops strengthen risk management standards and prudence in operations (refer to Annex). In FY2024, there were 18 credit co-ops subject to prudential ratios⁵.

8. All co-ops complied with the Minimum Liquid Assets (“MLA”) requirement and the Restricted Investments (“RI”) limit. The sector has remained financially stable and is able to meet members’ withdrawal.

9. Majority of the credit co-ops remain compliant with the Capital Adequacy Ratio (“CAR”) requirement. The Registry has been actively engaging the remaining 3 credit co-ops who have not met the CAR requirement and will continue to monitor their CAR.

Credit co-ops that do not meet the CAR requirement must actively increase institutional capital through measures such as reducing operational expenses, dividends and deposit interest rates.

Credit co-ops that do not meet the CAR requirement must seek the Registrar’s written approval for proposed dividends to members.

⁵ Out of the 22 registered credit co-ops, 4 co-ops are not subject to prudential ratios – 1 does not take in deposits and 3 are undergoing liquidation.

ACTIVITIES IN 2024 & 2025

Co-operative Societies (Amendment) Act 2024

10. The Registry conducted a public consultation on proposed amendments to the Co-operative Societies Act between 20 December



2023 and 10 January 2024. These legislative changes aimed to facilitate co-ops' operations, provide legal clarity on specified provisions and make technical amendments to update the Act. The Registry carefully reviewed all feedback received during the

consultation period, incorporating improvements to certain provisions for clarity, whilst noting areas requiring additional research for future legislative reviews.

11. The Co-operative Societies (Amendment) Act 2024 took effect on 18 July 2024⁶. The Registry then issued revised model by-laws to assist co-ops in aligning their governing documents with the updated legislation. A significant change introduced was the provision enabling co-ops to utilise reserves for member dividend distributions or Committee of Management ("COM") honoraria payments, subject to Registrar approval.

⁶ The Second Reading of the Co-operative Societies (Amendment) Bill on 2 April 2024 is available at <https://www.mccy.gov.sg/about-us/news-and-resources/speeches/2024/Apr/Second-Reading-of-the-Co-Operative-Societies-Amendment-Bill>.

The Closing Speech on 3 April 2024 is available at <https://www.mccy.gov.sg/about-us/news-and-resources/speeches/2024/Apr/Closing-Speech-of-the-Co-Operative-Societies-Amendment-Bill>

This was in response to feedback and concerns raised by co-ops that members' interests may be affected in years with less profits. To support co-ops with more guidance and clarity on the process to seek the Registrar's approval, the "*Guidelines for Payment of Dividends and/or Honoraria from Reserves*" was published on 18 July 2024.

Empowering Communities Fund ("ECF")

12. During the Co-op Movement Night in August 2024 organised by SNCF, the then Minister of State for Culture, Community and Youth, Mr Alvin Tan, highlighted the importance of co-ops maintaining relevance and leadership renewal. He also reaffirmed the Registry's and SNCF's continued support for the sector.



Then Minister of State for Culture, Community and Youth, Mr Alvin Tan (eighth from right), SNCF CEO, Mr Ang Hin Kee (fourth from right), and other co-operators during Co-op Movement Night, August 2024

13. Minister of State Alvin

Tan also announced that a \$1 million Empowering Communities Fund ("ECF") would be launched in 2025, being a year of triple celebration – SG60, the 100th anniversary of the co-op movement and the United Nations' designation of 2025 as the International Year of Co-operatives. The ECF was jointly established by SNCF and MCCY, with funding support from the CCF, Government and Singapore Labour Foundation ("SLF"). The ECF has supported more than 16 ground-up projects led by co-ops that benefit various vulnerable communities, such as the elderly, persons with special needs, and caregivers. It also complements the Government's efforts in strengthening Singapore's social compact.

Governance Initiatives

14. The Registry and SNCF are also collaborating on the Governance Initiatives project which was announced in August 2024. It aims to support co-ops in navigating evolving business environments and member expectations whilst maintaining exemplary governance standards.

15. Between 24 March and 8 April 2025, the Registry conducted a survey on the Code of Governance for Credit Co-ops and received 22 responses from participating credit co-ops. Following analysis of the survey results, the Registry and SNCF embarked on the development of a new Code of Governance applicable to both credit and non-credit co-ops. In addition, a set of recommended policies and procedures with sample templates, and an induction kit for new key officers would also be introduced to further strengthen co-ops' governance.

11

Waiver of First-Tier CCF Contributions

16. Minister of State Alvin Tan announced on 10 March 2025 at the Committee of Supply Debate that MCCY would waive the first tier CCF contributions for the co-ops in 2025. This measure was introduced to level the playing field for co-ops, in line with broader government support packages for individuals and businesses to address cost pressures. The waiver applied to co-ops' surpluses relating for financial year ending between 31 December 2024 and 30 September 2025, and co-ops could redirect the savings towards their social mission or to better cope with rising costs.

Co-op 10-year Transformation Roadmap

17. At the Committee of Supply 2025 debates, MCCY announced plans to develop a Co-op 10-year Transformation Roadmap for the sector, in partnership with SNCF, and through consultations with co-ops and stakeholders. The Transformation Roadmap envisions a rejuvenated co-op



Then Minister of State for Culture, Community and Youth, Mr Alvin Tan (in white shirt), with youths from the Singapore Co-operative Movement, National Youth Council, NTUC Youth, and People's Association Youth Movement, at the Hustle with Heart dialogue with Youths, organised by SNCF, May 2025

movement, and resilient and professionally run co-ops which are effective in delivering purposeful impact. SNCF, with the support from the Registry, organised engagement sessions and a public survey which consulted over 1,200 stakeholders including co-op leaders, youths, union representatives, and everyday Singaporeans.

Key consultation findings:

Low public awareness of the sector – Co-ops could do more to showcase the good work done by the sector.

Value in careers with meaningful social mission, job stability and a competitive salary – Co-ops could do more to attract talent, especially through sharpening the co-ops' value proposition in offering a purposeful career.

Importance of good governance and improved efficiency – Co-ops called for more support in training and capability-building in these areas.


18. Following the consultations, SNCF and MCCY worked on the Co-op 10-year Transformation Roadmap. It aims to strengthen the sector's capabilities and long-term sustainability. During the Singapore Co-operative Centennial Night event organised by SNCF on 19 September 2025, Minister of State Dinesh Vasu Dash shared on the four strategic pillars of the Transformation Roadmap, and announced three initiatives aimed at growing a trusted pool of professional and value-driven leaders in the sector. The initiatives include an enhanced Emerging Leaders Programme, and two new initiatives, namely the Co-operative Leaders Programme and the Singapore Co-operative Movement Mentor Fellowship Programme.



Opening Speech by Minister of State for Culture, Community and Youth, Mr Dinesh Vasu Dash, at the Singapore Co-op Movement Centennial Night, September 2025

The Co-op 10-year Transformation Roadmap comprises of four strategic pillars:

- Pillar 1: Talent & Leadership
- Pillar 2: Governance & Stewardship
- Pillar 3: Operational Excellence & Scale-Up; and
- Pillar 4: Community Outreach & Impact



DEVELOPMENT AND PROMOTION OF THE SECTOR

Contributions from Co-ops

19. Under the Co-op Act, co-ops are required to contribute 5% of the first \$500,000 of their annual operating surplus to the CCF, and 20% of any operating surplus in excess of \$500,000 to either the CCF or the SLF.

20. The CCF is a fund set up under the Co-op Act. It is administered as a trust fund under the Minister for Culture, Community and Youth. The CCF can be used to further co-op education, training, research, audit, and the general development of the co-op movement in Singapore through the provision of CCF grants. Eligible co-ops can apply and obtain grants under the CCF Grant Framework (“the Framework”). The Registry and SNCF regularly review the Framework to ensure that the available grants meet the evolving needs of the sector.

21. Co-ops’ contributions to the SLF are used to support initiatives of the Labour Movement’s unions and co-operatives to enhance the welfare of union members and their families in Singapore.

22. For the financial year ended 31 March 2025, co-op contributions to the CCF were **\$3.2 million** while the contributions to the SLF were **\$76.9 million**.

CCF Committee

23. The Minister for Culture, Community and Youth appoints the CCF Committee for the purpose of overseeing the CCF. The current Committee is serving a three-year term effective from 1 March 2024.

24. The Committee comprises of the following individuals:

Position in Committee	Name	Designation, Organisation
Chairman	Mr Vernon Khoo	Chairman and CEO, Flagship Ecosystems Investments Pte Ltd
Members	Mr Desmond Chin	Executive Director, Registry of Co-operative Societies
	Ms Sim Hwee Hoon	Board Director, Income Insurance Limited & Singapore Labour Foundation
	Mr Tng Ah Yiam	Chairman, SNCF
	Mr Yeo Chun Fing	Former Chairman, AUPE Credit Co-operative Ltd
	Dr Wilson Chew (effective 1 December 2025)	Chairman (Non-Executive), J.P. Wilson Pte Ltd & Director, W. K. Eli Pte Ltd

25. CCF's income is derived from sector contributions and investment gains. Consumer and services co-ops contributed \$578,000, while credit co-ops contributed \$2.6 million.

26. The CCF maintains its dedication to enhancing sector capabilities and broadening outreach activities. During the year, CCF expenses totalled \$4.7 million, with \$4.6 million allocated to grants to co-ops, SNCF operations, and other project expenses.

27. SNCF serves as the Secretariat to the CCF, delivering services that include training, shared services, CCF grants and networking opportunities. It also acts as the collective voice representing the Singapore Co-op Movement on local and international platforms.

28. Throughout the year, SNCF undertook several initiatives aimed at promoting and developing the sector which are outlined below.

16

Capability Building

29. **Training and Development** – SNCF organises quarterly Mandatory Induction Courses that equips new credit co-op key officers with essential knowledge of regulatory requirements and governance best practices. Additionally, SNCF conducted a COM Onboarding session to orientate and empower newly appointed leaders. SNCF and the Registry worked together to co-create the Audit Committee Essentials course, which enhanced the participants' understanding of governance responsibilities and strengthening internal controls through effective audit function.

30. Building on previous efforts and coaching sessions to help co-ops achieve recognition as progressive employers, SNCF organised a briefing

session by the Tripartite Alliance for Fair & Progressive Employment Practices (“TAFEP”) in June 2024. This aimed to help co-ops understand the new requirements and outlined steps to adopt Tripartite Standards. In addition, there were on-site clinic sessions at selected co-ops offices to provide more support.

31. SNCF has also continued to partner the Singapore University of Social Sciences (“SUSS”) to launch a comprehensive three-part ESG training series. To further enhance the understanding of practical application of sustainability principles, NTUC FairPrice Co-operative facilitated a Sustainability Learning Journey at its flagship sustainability store for fellow co-ops, to reinforce the importance of embedding sustainable practices within both organisational operations and workplace culture.

32. **Emerging Leaders Programme (“ELP”)** – A key component of



SNCF officers and ELP participants for 2025
Photo credit: SNCF

SNCF’s leadership development strategy is the ELP, designed to cultivate the next generation of co-op leaders and strengthen succession planning

across in co-ops. SNCF initiated the ELP to groom emerging leaders and enhance leadership succession in the sector. The ELP was developed in collaboration with Republic Polytechnic and with inputs from leaders in the sector. The emerging leaders have opportunities to engage with stakeholders and facilitate discussions at events. This year, the ELP is in its third run and sees the largest intake of participants, with 19 participants across 14 co-ops.

33. Advisory and Support to co-ops – SNCF proactively reaches out to co-ops to engage their leaders and staff to better understand their needs, gather feedback and share learning points. This allows SNCF to better understand co-ops’ practices, challenges and aspirations, which in turn enables the development of practical tools are targeted support schemes.

34. A pilot consultancy programme was launched to assist co-ops in developing or revising their purchasing policies, and seven co-ops received dedicated five-man-day consultations. SNCF also assists co-ops in their by-law amendments, familiarise with AGM requirements, and interpretation of the Code of Governance.

35. Conferences and Events organised by SNCF – SNCF organised



Singapore Co-op Forum 2024: (left to right) SNCF CEO Mr Ang Hin Kee, NTUC Trustee Lim Swee Say, SNCF Executive Council Member Raen Lim, and AUPE Credit Co-op Chairman Yeo Chun Fing.
Photo credit: SNCF

the Singapore Co-operative Forum 2024 in May 2024 which saw 130 co-operators in attendance. The Forum was the first event of the year, setting the stage for deeper discussions at subsequent events. SNCF invited Mr Lim Swee Say to share on the “Flow-In, Flow-Up, and Flow-On”

leadership succession model, embedded the culture of leadership development and succession planning, and invited discussions among co-operators. Following the Forum, over 6 credit co-op representatives took part in the Credit Sector Discussion which covered matters specific to credit co-ops.

36. SNCF held the annual Co-operative Movement Night in August 2024, themed “A Toast to Our Leaders”. The event, graced by Minister of State Alvin Tan, celebrated the achievements and contributions of 48 exemplary co-op leaders from 24 co-ops who were nominated by their peers across the sector for their strong leadership, innovating thinking, impactful initiatives for the community and commitment to sustainable growth of their co-ops.



Co-operative Movement Night 2024 brought together over 300 co-operators and guests.
Photo credit: SNCF

37. SNCF also organised the Annual Co-operative Leaders’ Conference (“ACLC”) for 130 co-operators, which was held in Penang, Malaysia, from 6 to 9 November 2024. Its theme, “Doing the Right Things, Doing Things Right” furthered ongoing efforts to develop talent, enhance capability, and succession planning.

38. The conference topics included media consumption trends and digital branding, equipping the co-ops with strategies to better engage new and younger members. A panel discussion featuring Dr Wilson Chew from the Singapore Institute of Directors (“SID”) and Ms Crystal Du, Registrar of Co-operative Societies, provided insightful views on institutionalising resilience and leveraging compliance for competitive

advantage. The Registrar also emphasised the fundamentals of good governance, the criticality of leadership renewal, and the importance of maintaining regulatory compliance. She also reaffirmed the Government's ongoing commitment to supporting co-ops and acknowledged their contributions to Singapore's social fabric.



CCF Grants

39. **Grants to co-ops** – In FY2024, \$844,000 in grants were disbursed. Most of the grants were to assist co-ops with their technology and productivity solutions, specialist services (e.g. accountant, internal auditors), statutory audit fee, and the Progressive Workplace Grant.

Awareness Efforts

40. **Singapore Co-operative Movement (“SCM”) centennial logo** – The SCM 100 logo was specially designed to commemorate the centennial



SCM centennial logo.
Credit: SNCF

anniversary of the Movement. It features the numeral “1” in an upward

arrow symbolising a forward momentum, and two interconnected circles to reflect partnership and solidarity. The red represents leadership, orange for unity and green for growth. The tagline, “Empowering Communities Since 1925” reinforces the message of empowering communities, championing social causes, and fostering a strong and resilient Movement.

41. Promotion of the Co-op Sector – SNCF actively shares SCM initiatives, co-operator profiles, and co-op activities through social media outlets, social media, SNCF website and newsletters. These aim to educate the public on co-ops and share how Singapore’s co-ops impact their communities and society. SNCF ran a social media campaign, titled “Co-op of the Day” or #COTD, to raise awareness of co-ops in Singapore. The four-month campaign ran from December 2024 to March 2025 on Facebook and Instagram, and featured a series of videos to educate and engage audiences.

21

42. International Representation – SNCF and other co-ops actively participate in regional and international conferences which provide opportunities to strengthen global links, enable collaboration and the exchange of best practices from international counterparts. The international representation also allows SNCF to contribute to policy dialogue and showcase the contributions of the SCM.

43. The Singapore co-operators attended international conferences such as (i) the World Credit Union Conference in July 2024 in Boston, USA, (ii) the Asian Credit Union (“ACCU”) Forum in September 2024 in Bali, Indonesia, and (iii) the Global Cooperative Conference organised by the International Cooperative Alliance (“ICA”) in November 2024 in New Delhi, India. These conferences exposed co-operators to global developments, best practices, and innovative policies. The ELP participants also had the opportunity to attend both the ACCU Forum and ACCU Regulators’ Conference, where they networked with fellow co-operators and presented on Singapore’s co-op landscape.



The Singapore delegations at the World Credit Union Conference, July 2024 (left) and the Asian Credit Union Forum, September 2024 (right)
Photos credit: SNCF



2025 AND BEYOND

Legislative Amendments

44. The Registry is conducting reviews of co-op legislation to ensure they remain relevant and effective. We are also studying the feedback and concerns co-ops have shared with a view to ensure regulations remain relevant towards co-ops' operations while protecting members' interests. The Registry will conduct public consultations to seek feedback on proposed legislative amendments when ready.

Governance Initiatives

45. The Registry and SNCF are continuing work on the Governance Initiatives project. In the coming months, a working group will be formed comprising co-operators, with focused group discussions conducted to co-develop the materials. This collaborative approach will incorporate feedback from the co-operators in creating governance tools and resources that are practical and relevant to operational needs.

23

RCS Co-op Portal

46. The Registry is advancing digital solutions for co-ops' submissions and internal processes to enhance service excellence, improve operational efficiency and transparency, and to facilitate data analytics to identify and address emerging trends and risks in the landscape. During the year, 9 representatives from 6 co-ops contributed to developing the RCS Co-op Portal by participating in 3 User Acceptance Testing ("UAT")

sessions. The Registry appreciates their time and feedback, which helped ensure that the portal will meet the operational needs of the sector.

Pro-Enterprise Survey (Social) (“PESS”)

47. In 2024, the Ministry of Social and Family Development commissioned an independent PESS to collect feedback and sentiments from social entities, including co-ops, to assess the performance of Government agencies and enhance the effectiveness of initiatives aimed at building a pro-organisation regulatory environment in Singapore's social sector. Surveys and focus group discussions were conducted with more than 40 co-operators. These engagements gathered useful insights into the current regulatory landscape, areas where the Registry did well and areas where it can do better. The Registry has reviewed the feedback received and is actively examining policies and enhancing service delivery mechanisms to address the concerns and suggestions raised by the co-ops.

24

Conclusion

48. As the centennial anniversary celebrations come to a close, co-ops must look ahead and plan for the future. Co-ops must continue to build their capabilities and competencies, maintain relevance and serve their members and society. The Registry is committed to supporting the co-op sector through legislation that facilitates the development and operations of co-ops, and initiatives that strengthen co-ops' leadership competencies and governance standards. The Registry will continue to work with our partners, the CCF Committee and SNCF, to support co-ops and co-operators in their journey ahead.

ANNEX – PRUDENTIAL REQUIREMENT FOR CREDIT CO-OPERATIVES

The Written directions on prudential requirements are available at <https://www.mccy.gov.sg/sectors/co-ops/prudential-requirements-for-credit-co-ops/>. The issuance and effective dates of the Written Directions are indicated below:

Written Direction on Prudential Requirement	Issue Date	Effective Date
Capital Adequacy and Restriction on Dividend	21 Apr 2011 Revised: 21 May 2020	30 Jun 2011 Revised: 21 May 2020
Minimum Liquid Assets	12 Mar 2010 Revised: 29 Jun 2016	31 Mar 2010 Revised: 1 Jul 2016
Investments	31 May 2010 Revised: 12 Jul 2023	30 Jun 2010 Revised: 1 Aug 2023
Provisions for Bad and Doubtful Loans, and Impairment Loss for Investments	26 Nov 2010 Revised: 18 Dec 2018	1 Jan 2011 Revised: 21 Dec 2018
Secured Loan Limits	29 Aug 2011	1 Nov 2011
Unsecured Loan Limits	31 Oct 2011 Revised: 23 Jun 2021	1 Apr 2012 Revised: 25 Jun 2021
Submission of Financial Returns	2 Feb 2012 Revised: 7 May 2013 [Submission Template was last updated on 12 July 2023]	6 Feb 2012 Revised: 10 May 2013

Capital Adequacy Ratio and Restriction on Dividends

The Capital Adequacy Ratio (“CAR”) ensures that credit co-ops have sufficient institutional capital to absorb operational losses. It is calculated as:

$$\text{CAR (\%)} = \frac{\text{institutional capital}}{\text{total assets}} \times 100$$

“Institutional capital” is the sum of the following:

- a) the credit society’s accumulated surplus/deficit or unappropriated surplus;
- b) the credit society’s general reserves or general funds (excluding reserves and funds established for specific purposes, such as, common good, scholarship, fair value or revaluation, loan default, or provisions for bad and doubtful loans);
- c) cash donations.

26

Credit co-ops with less than the CAR requirement as at financial year end and which intend to distribute dividends from that year’s surplus must seek the Registrar’s written approval for the proposed dividends.

Minimum Liquid Assets

Minimum Liquid Assets (“MLA”) ensures that credit co-ops which receive deposits have sufficient liquid assets at any given time to meet day-to-day and higher than usual withdrawals by their members. It is calculated as:

$$\text{MLA (\%)} = \frac{\text{liquid assets}}{\text{total deposits}} \times 100$$

“Liquid assets” refer to cash, Singapore dollar deposits in Financial Institutions and Singapore Government Securities that are free from prior encumbrances.

“Total deposits” means the sum of the following which are held by the credit society: all moneys in the current accounts and deposit accounts, and subscription capital.

Investments

“Restricted Investments” or “RI” means any form or type of investment other than –

- a) bonds issued by any statutory board in Singapore;
- b) Singapore Dollar deposits in financial institutions licensed by the Monetary Authority of Singapore;
- c) Singapore Government Securities; and
- d) capital-guaranteed investment funds or products managed by financial institutions licensed by the Monetary Authority of Singapore, where the issuer(s) guarantee the return of 100% of the capital invested at a predetermined date in the future.

Credit co-ops are allowed to invest up to 10% of their total assets into RI. Credit co-ops may seek members’ approval for a 20% RI limit, or members’ and Registrar’s approval to invest up to 30%, subject to conditions.

Provisions for Bad and Doubtful Loans, and Impairment for Investments

Credit co-ops must make the relevant provisions and impairments in accordance with FRS109 at least half-yearly.

Secured and Unsecured Loan Limits

Credit co-ops may grant secured and unsecured loans in accordance with the limits prescribed by the Registry, which vary according to loan type.

Depending on a credit co-op's CAR and MLA, and if the borrower has salary check-off or qualified sureties, credit co-ops may grant unsecured general loans to each borrower up to the applicable loan limit. Any amount of the unsecured general loan above the applicable loan limit of a borrower is considered as an "exceptional unsecured loan".

All credit co-ops are subject to an "exceptional unsecured loan allowance", which is the maximum amount of exceptional unsecured loans a credit co-op may grant in a financial year. The exceptional unsecured loan allowance is calculated as 5% of either:

- a) The total amount of unsecured general loans granted in the previous financial year; or
- b) The average per financial year of the total amount of unsecured general loans granted in the previous two financial years.