

NTUC INCOME INSURANCE
CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
- NTUC INCOME FUNDS

FINANCIAL STATEMENTS

For the financial year ended 31 December 2007


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STATEMENT BY THE DIRECTOR

NTUC INCOME FUNDS

On behalf of the Board, the financial statements set out on Pages 3 to 48 present fairly, in all material respects, the state of affairs of the NTUC Income Funds of NTUC Income Insurance Co-operative Limited as at 31 December 2007 and increase or decrease in net assets for the period then ended, in accordance with the stated accounting policies.


TAN SUEE CHIEH
Principal Officer

Singapore, 25 MAR 2008

**INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS
NTUC INCOME INSURANCE CO-OPERATIVE LIMITED**

We have audited the financial statements of NTUC Income Funds (set out in note 1) of NTUC Income Insurance Co-operative (the "Co-operative") set out on pages 3 to 48, which comprise the Balance Sheets at 31 December 2007, Capital and Income Accounts for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Co-operative's management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies. 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 capital and income accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's 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 as to 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 accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the state of affairs of the respective NTUC Income Funds as at 31 December 2007, and the movements in their respective net assets for the year then ended in accordance with the accounting policies set out in note 2.

The financial statements for the preceding financial year were reported on by auditors other than PricewaterhouseCoopers. The auditors' report dated 23 March 2007 issued by the predecessor auditors on the financial statements for the financial year ended 31 December 2006 was unqualified.



PricewaterhouseCoopers
Public Accountants and
Certified Public Accountants

Singapore, 25 MAR 2008

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Prime Fund 2007		Prime Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	424,860,679	193,327,645	361,433,115	188,801,949
Premiums	-	24,488,727	-	12,580,606
Surrenders	-	(36,610,683)	-	(38,965,141)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	(12,121,956)	-	(26,384,535)
Net investment income	78,126,149	33,084,687	67,053,366	32,680,927
Management fees and other charges	(4,556,832)	(1,938,240)	(3,625,802)	(1,770,696)
	73,569,317	19,024,491	63,427,564	4,525,696
Value of fund at 31 December	498,429,996	212,352,136	424,860,679	193,327,645

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Trust Fund 2007		Trust Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	165,246,909	77,361,126	136,975,524	71,593,726
Premiums	-	36,194,527	-	11,244,438
Surrenders	-	(23,456,833)	-	(19,219,238)
Injections by Cooperative	-	-	-	-
Net creation/(cancellation)	-	12,737,694	-	(7,974,800)
Net investment income	20,181,307	8,661,167	29,918,199	14,558,312
Management fees and other charges	(1,748,142)	(870,098)	(1,646,814)	(816,112)
	18,433,165	20,528,763	28,271,385	5,767,400
Value of fund at 31 December	183,680,074	97,889,889	165,246,909	77,361,126

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Enhanced Fund 2007		Enhanced Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	133,094,059	71,458,562	111,601,453	72,794,766
Premiums	-	33,906,128	-	10,445,826
Surrenders	-	(17,460,151)	-	(24,422,779)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	16,445,977	-	(13,976,953)
Net investment income	26,073,612	12,081,914	22,882,330	13,439,953
Management fees and other charges	(1,459,590)	(785,602)	(1,389,724)	(799,204)
	24,614,022	27,742,289	21,492,606	(1,336,204)
Value of fund at 31 December	157,708,081	99,200,851	133,094,059	71,458,562

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Takaful Fund 2007		Takaful Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	62,699,857	29,774,467	54,738,975	30,266,007
Premiums	-	1,429,236	-	792,384
Surrenders	-	(8,081,395)	-	(5,357,066)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	(6,652,159)	-	(4,564,682)
Net investment income	11,111,257	4,975,616	8,378,441	4,287,061
Management fees and other charges	(630,241)	(262,998)	(417,559)	(213,919)
	10,481,016	(1,939,541)	7,960,882	(491,540)
Value of fund at 31 December	73,180,873	27,834,926	62,699,857	29,774,467

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Global Equity Fund 2007		Global Equity Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	860,820,009	40,075,315	769,052,651	37,545,378
Premiums	-	8,792,286	-	7,053,217
Surrenders	-	(11,034,120)	-	(9,018,662)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	(2,241,834)	-	(1,965,445)
Net investment income	308,460	(175,454)	103,179,741	5,038,910
Management fees and other charges	(13,782,653)	(623,046)	(11,412,383)	(543,528)
	(13,474,193)	(3,040,334)	91,767,358	2,529,937
Value of fund at 31 December	847,345,816	37,034,981	860,820,009	40,075,315

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Singapore Bond Fund 2007		Singapore Bond Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	1,405,959,186	18,732,385	982,288,488	20,670,184
Premiums	-	4,010,372	-	3,057,660
Surrenders	-	(1,719,117)	-	(5,683,063)
Injectons by Cooperative	160,000,000	-	378,000,000	-
Net creation/(cancellation)	160,000,000	2,291,255	378,000,000	(2,625,403)
Net investment income	56,256,770	1,034,239	51,286,895	783,821
Management fees and other charges	(7,856,515)	(107,930)	(5,616,197)	(96,217)
	208,400,255	3,217,564	423,670,689	1,937,799
Value of fund at 31 December	1,614,359,441	21,949,949	1,405,959,186	18,732,385

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

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For the financial year ended 31 December 2007

	Technology Fund 2007		Technology Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	221,627,482	117,422,432	233,059,432	143,394,381
Premiums	-	5,944,592	-	19,975,748
Surrenders	-	(47,908,281)	-	(41,878,523)
Injectons by Cooperative	-	-	-	-
Net created/(cancellation)	-	(41,963,689)	-	(21,902,775)
Net investment income	34,881,382	16,141,002	(7,558,782)	(2,097,993)
Management fees and other charges	(3,632,705)	(1,544,531)	(3,873,168)	(1,971,181)
	31,248,677	(27,367,218)	(11,431,950)	(25,971,949)
Value of fund at 31 December	252,876,159	90,055,214	221,627,482	117,422,432

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

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For the financial year ended 31 December 2007

	Japan Equity Fund 2007		Japan Equity Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	20,602,724	15,038,701	22,399,041	9,131,791
Premiums	-	881,762	-	12,634,174
Surrenders	-	(8,002,059)	-	(5,986,835)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	(7,120,297)	-	6,647,339
Net investment income	(2,737,807)	(1,208,445)	(1,418,473)	(545,127)
Management fees and other charges	(303,096)	(151,688)	(377,844)	(195,302)
	(3,040,903)	(8,480,430)	(1,796,317)	5,906,910
Value of fund at 31 December	17,561,821	6,558,271	20,602,724	15,038,701

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2007

	Europe Equity Fund 2007		Europe Equity Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	142,291,853	3,981,000	114,441,826	3,414,125
Premiums	-	3,615,975	-	1,612,469
Surrenders	-	(1,411,040)	-	(1,886,941)
Injectons by Cooperative	-	-	-	-
Net creation/(cancellation)	-	2,204,935	-	(274,472)
Net investment income	4,205,255	(74,069)	29,947,990	904,450
Management fees and other charges	(1,955,727)	(72,742)	(2,097,963)	(63,103)
	2,249,528	2,058,124	27,850,027	566,875
Value of fund at 31 December	144,541,381	6,039,124	142,291,853	3,981,000

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2007

	Singapore Equity Fund 2007		Singapore Equity Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	896,796,258	18,451,891	705,054,058	7,292,608
Premiums	-	78,901,987	-	16,293,444
Surrenders	-	(12,074,004)	-	(9,046,614)
Withdrawal by Cooperative	-	-	(20,500,000)	-
Net creation/(cancellation)	-	66,827,983	(20,500,000)	7,246,830
Net investment income	194,360,321	3,524,632	217,417,595	3,994,771
Management fees and other charges	(6,206,507)	(300,177)	(5,175,395)	(82,318)
	<u>188,153,814</u>	<u>70,052,438</u>	<u>191,742,200</u>	<u>11,159,283</u>
Value of fund at 31 December	1,084,950,072	88,504,329	896,796,258	18,451,891

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Global Bond Fund 2007		Global Bond Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	1,141,378,960	5,309,868	1,333,319,014	5,873,222
Premiums	-	1,388,387	-	1,763,136
Surrenders	-	(1,482,513)	-	(2,349,809)
Withdrawal by Cooperative	-	-	(200,000,000)	-
Net creation/(cancellation)	-	(94,126)	(200,000,000)	(586,673)
Net investment income	31,824,298	105,676	18,711,437	72,900
Management fees and other charges	(11,226,140)	(62,098)	(10,651,518)	(49,581)
	<u>20,598,158</u>	<u>(50,548)</u>	<u>(191,940,081)</u>	<u>(563,354)</u>
Value of fund at 31 December	1,161,977,118	5,259,320	1,141,378,960	5,309,868

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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For the financial year ended 31 December 2007

	Growth Fund 2007		Growth Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	250,885,500	221,229,540	185,366,005	136,600,075
Premiums	-	112,896,983	-	104,080,146
Surrenders	-	(60,352,178)	-	(41,564,795)
Injection by Cooperative	-	-	40,000,000	-
Net creation/(cancellation)	-	52,544,805	40,000,000	62,515,351
Net investment income	35,392,706	6,054,042	27,889,360	24,129,705
Management fees and other charges	(3,206,199)	(2,848,656)	(2,369,865)	(2,015,591)
	32,186,507	55,750,191	65,519,495	84,629,465
Value of fund at 31 December	283,072,007	276,979,731	250,885,500	221,229,540

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Balanced Fund 2007		Balanced Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	235,550,764	189,353,887	177,069,303	139,965,016
Premiums	-	73,490,455	-	66,905,186
Surrenders	-	(44,045,503)	-	(32,644,998)
Injection by Cooperative	-	-	40,000,000	-
Net creation/(cancellation)	-	29,444,952	40,000,000	34,260,188
Net investment income	10,662,630	6,152,703	20,567,553	16,851,381
Management fees and other charges	(2,712,225)	(2,190,529)	(2,086,092)	(1,722,698)
	7,950,405	33,407,126	58,481,461	49,388,871
Value of fund at 31 December	243,501,169	222,761,013	235,550,764	189,353,887

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Conservative Fund 2007		Conservative Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	66,902,069	12,659,877	63,254,918	10,831,873
Premiums	-	3,931,387	-	4,217,436
Surrenders	-	(2,678,781)	-	(3,114,640)
Injection by Cooperative	-	-	-	-
Net creation/(cancellation)	-	1,252,606	-	1,102,796
Net investment income	2,632,471	403,550	4,265,482	838,754
Management fees and other charges	(710,490)	(144,759)	(618,331)	(113,546)
	1,921,981	1,511,397	3,647,151	1,828,004
Value of fund at 31 December	68,824,050	14,171,274	66,902,069	12,659,877

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Amanah Bond Fund 2007		Amanah Bond Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	215,007,248	4,457,728	104,313,624	3,637,270
Premiums	-	2,209,742	-	1,817,310
Surrenders	-	(2,340,583)	-	(1,215,623)
Injection by Cooperative	-	-	100,121,031	-
Net creation/(cancellation)	-	(130,841)	100,121,031	601,687
Net investment income	7,266,374	109,736	12,154,779	253,281
Management fees and other charges	(1,802,611)	(42,437)	(1,582,186)	(34,510)
	5,463,763	(63,542)	110,693,624	820,458
Value of fund at 31 December	220,471,011	4,394,186	215,007,248	4,457,728

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Amanah Equity Fund 2007		Amanah Equity Fund 2006	
	Total S\$	P Policyholders S\$	Total S\$	P Policyholders S\$
Value of fund at 1 January	234,341,415	22,068,110	222,140,606	21,732,126
Premiums	-	4,064,235	-	10,127,297
Surrenders	-	(10,500,174)	-	(11,098,098)
Injection by Cooperative	-	-	-	-
Net creation/(cancellation)	-	(6,435,939)	-	(970,801)
Net investment income	24,062,194	1,835,758	14,687,184	1,572,023
Management fees and other charges	(2,528,518)	(190,784)	(2,486,375)	(265,238)
	21,533,676	(4,790,965)	12,200,809	335,984
Value of fund at 31 December	255,875,091	17,277,145	234,341,415	22,068,110

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

CAPITAL AND INCOME ACCOUNTS

For the financial year ended 31 December 2007

	Money Market Fund 2007		Money Market Fund 2006	
	Total S\$	ILP Policyholders S\$	Total S\$	ILP Policyholders S\$
Value of fund at 1 January	365,621,220	15,984,939	305,674,626	-
Premiums	-	61,489,763	-	18,609,695
Surrenders	-	(13,200,528)	-	(2,655,894)
Injection by Cooperative	-	-	50,000,000	-
Net creation/(cancellation)	-	48,289,235	50,000,000	15,953,801
Net investment income	11,059,656	(6,682,408)	10,549,976	48,033
Management fees and other charges	(933,254)	(102,228)	(603,382)	(16,895)
	10,126,402	41,504,599	59,946,594	15,984,939
Value of fund at 31 December	375,747,622	57,489,538	365,621,220	15,984,939

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Prime Fund 2007		Prime Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
Financial assets					
Equities		302,769,265	128,992,437	252,321,224	114,815,680
Debt securities		164,331,672	70,012,203	149,035,987	67,816,999
Loans		-	-	-	-
Financial derivatives	4(e)	180,088	76,725	116,643	53,078
Other receivables and assets		1,292,975	550,862	1,415,478	644,096
Cash and cash equivalents		32,856,251	13,998,144	21,971,347	9,997,792
Total assets		501,430,251	213,630,371	424,860,679	193,327,645
LIABILITIES					
Financial liabilities					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		3,000,255	1,278,235	-	-
		3,000,255	1,278,235	-	-
Value of Fund		498,429,996	212,352,136	424,860,679	193,327,645
Units in Issue		84,550,117	36,021,907	84,550,117	38,473,494
Net assets per unit		5.895	5.895	5.025	5.025

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Trust Fund 2007		Trust Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		109,064,971	58,124,747	99,959,805	46,796,658
Debt securities		61,002,735	32,510,608	51,150,957	23,946,563
Loans		-	-	-	-
Financial derivatives	4(e)	68,721	36,624	41,732	19,537
Other receivables and assets		857,208	456,838	1,058,309	495,453
Cash and cash equivalents		13,829,665	7,370,339	13,036,106	6,102,915
Total assets		184,823,300	98,499,156	165,246,909	77,361,126
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		1,143,226	609,267	-	-
		1,143,226	609,267	-	-
Value of Fund		183,680,074	97,889,889	165,246,909	77,361,126
Units in Issue		85,909,833	45,784,514	85,909,833	40,219,096
Net assets per unit		2.138	2.138	1.923	1.923

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Enhanced Fund 2007		Enhanced Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		108,983,339	68,552,226	90,740,933	48,719,055
Debt securities		39,669,439	24,952,698	34,026,562	18,268,953
Loans		-	-	-	-
Financial derivatives	4(e)	45,793	28,804	27,805	14,928
Other receivables and assets		476,987	300,032	588,645	316,045
Cash and cash equivalents		9,516,053	5,985,746	7,710,114	4,139,581
Total assets		158,691,611	99,819,506	133,094,059	71,458,562
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		983,530	618,655	-	-
		983,530	618,655	-	-
Value of Fund		157,708,081	99,200,851	133,094,059	71,458,562
Units in Issue		95,407,800	60,013,013	95,407,800	51,224,707
Net assets per unit		1.653	1.653	1.395	1.395

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

	Note	Takaful Fund 2007		Takaful Fund 2006	
		Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		64,594,896	24,569,182	60,116,101	28,547,512
Debt securities		-	-	-	-
Loans		-	-	-	-
Financial derivatives	4(e)	-	-	-	-
Other receivables and assets		179,912	68,431	166,143	78,897
Cash and cash equivalents		8,899,232	3,384,894	2,417,613	1,148,058
Total assets		73,674,040	28,022,507	62,699,857	29,774,467
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		493,167	187,581	-	-
		493,167	187,581	-	-
Value of Fund		73,180,873	27,834,926	62,699,857	29,774,467
Units in Issue		97,390,666	37,043,309	97,390,666	46,248,196
Net assets per unit		0.751	0.751	0.644	0.644

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Global Equity Fund 2007		Global Equity Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		838,233,073	36,636,690	850,068,830	39,574,796
Debt securities		-	-	-	-
Loans		-	-	-	-
Financial derivatives	4(e)	3,399	149	1,347	63
Other receivables and assets		1,773,103	77,497	1,358,782	63,257
Cash and cash equivalents		15,951,250	697,182	9,392,293	437,256
Total assets		855,960,825	37,411,518	860,821,252	40,075,372
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	15	1	1,243	57
Other payables and liabilities		8,614,994	376,536	-	-
		8,615,009	376,537	1,243	57
Value of Fund		847,345,816	37,034,981	860,820,009	40,075,315
Units in Issue		345,543,196	15,102,673	345,543,196	16,086,699
Net assets per unit		2.452	2.452	2.491	2.491

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Singapore Bond Fund 2007		Singapore Bond Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		-	-	-	-
Debt securities		1,553,399,398	21,121,094	1,399,341,886	18,644,219
Loans		-	-	-	-
Financial derivatives	4(e)	2,243,321	30,502	1,646,516	21,937
Other receivables and assets		10,171	138	-	-
Cash and cash equivalents		64,149,301	872,218	9,757,608	130,007
Total assets		1,619,802,191	22,023,952	1,410,746,010	18,796,163
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		5,442,750	74,003	4,786,824	63,778
		5,442,750	74,003	4,786,824	63,778
Value of Fund		1,614,359,441	21,949,949	1,405,959,186	18,732,385
Units in Issue		1,243,686,704	16,910,045	1,134,696,198	15,118,195
Net assets per unit		1.298	1.298	1.239	1.239

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

	Technology Fund 2007		Technology Fund 2006	
Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS				
<i>Financial assets</i>				
Equities	252,392,454	89,882,956	218,920,806	115,988,384
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	4(e)	-	-	-
Other receivables and assets	1,417,081	504,656	-	-
Cash and cash equivalents	3,950,113	1,406,729	3,870,395	2,050,608
Total assets	257,759,648	91,794,341	222,791,201	118,038,992
LIABILITIES				
<i>Financial liabilities</i>				
Financial derivatives	4(e)	-	-	-
Other payables and liabilities	4,883,489	1,739,127	1,163,719	616,560
	4,883,489	1,739,127	1,163,719	616,560
Value of Fund	252,876,159	90,055,214	221,627,482	117,422,432
Units in Issue	929,904,820	331,161,126	929,904,820	492,681,163
Net assets per unit	0.272	0.272	0.238	0.238

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

	Japan Equity Fund 2007		Japan Equity Fund 2006	
Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS				
<i>Financial assets</i>				
Equities	17,094,016	6,383,574	20,259,037	14,787,831
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	4(e)	-	-	-
Other receivables and assets	5,951	2,222	-	-
Cash and cash equivalents	639,374	238,767	460,104	335,847
Total assets	17,739,341	6,624,563	20,719,141	15,123,678
LIABILITIES				
<i>Financial liabilities</i>				
Financial derivatives	4(e)	-	-	-
Other payables and liabilities	177,520	66,292	116,417	84,977
	177,520	66,292	116,417	84,977
Value of Fund	17,561,821	6,558,271	20,602,724	15,038,701
Units in Issue	20,943,579	7,821,142	20,943,579	15,287,504
Net assets per unit	0.839	0.839	0.984	0.984

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Europe Equity Fund 2007		Europe Equity Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		143,558,231	5,998,047	141,909,593	3,970,305
Debt securities		-	-	-	-
Loans		-	-	-	-
Financial derivatives	4(e)	-	-	-	-
Other receivables and assets		211,928	8,854	123,136	3,445
Cash and cash equivalents		4,321,375	180,553	259,124	7,250
Total assets		148,091,534	6,187,454	142,291,853	3,981,000
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		3,550,153	148,330	-	-
		3,550,153	148,330	-	-
Value of Fund		144,541,381	6,039,124	142,291,853	3,981,000
Units in issue		120,214,971	5,022,736	120,214,971	3,363,339
Net assets per unit		1.202	1.202	1.184	1.184

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Singapore Equity Fund 2007		Singapore Equity Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		1,022,873,451	83,440,456	856,155,602	17,615,695
Debt securities		-	-	-	-
Loans		-	-	-	-
Financial derivatives	4(e)	-	-	-	-
Other receivables and assets		8,155,174	665,256	10,285,057	211,619
Cash and cash equivalents		58,598,508	4,780,148	30,355,599	624,577
Total assets		1,089,627,133	88,885,860	896,796,258	18,451,891
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		4,677,061	381,531	-	-
		4,677,061	381,531	-	-
Value of Fund		1,084,950,072	88,504,329	896,796,258	18,451,891
Units in Issue		380,245,854	31,018,411	380,245,854	7,823,689
Net assets per unit		2.853	2.853	2.358	2.358

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Global Bond Fund 2007		Global Bond Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		-	-	-	-
Debt securities		1,231,773,042	5,575,228	1,304,551,831	6,068,973
Loans		-	-	-	-
Financial derivatives	4(e)	30,060,526	53,938	33,346,222	155,132
Other receivables and assets		80,573,457	364,690	-	-
Cash and cash equivalents		48,774,667	220,763	7,417,041	34,505
Total assets		1,391,181,692	6,214,619	1,345,315,094	6,258,610
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	18,675,899	2,409	15,844,431	73,711
Other payables and liabilities		210,528,675	952,890	188,091,703	875,031
		229,204,574	955,299	203,936,134	948,742
Value of Fund		1,161,977,118	5,259,320	1,141,378,960	5,309,868
Units in Issue		1,026,879,116	4,647,841	1,026,879,116	4,777,197
Net assets per unit		1.132	1.132	1.112	1.112

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Growth Fund 2007		Growth Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		196,061,508	191,841,872	181,436,017	159,989,344
Debt securities		85,150,573	83,317,963	71,886,039	63,388,738
Loans		-	-	-	-
Financial derivatives	4(e)	1,523,099	1,490,319	1,302,520	1,148,555
Other receivables and assets		4,664,587	4,564,196	-	-
Cash and cash equivalents		8,858,527	8,667,874	3,430,692	3,025,167
Total assets		296,258,294	289,882,224	258,055,268	227,551,804
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	924,178	904,288	606,720	535,003
Other payables and liabilities		12,262,109	11,998,205	6,563,048	5,787,261
		13,186,287	12,902,493	7,169,768	6,322,264
Value of Fund		283,072,007	276,979,731	250,885,500	221,229,540
Units in Issue		160,864,908	157,402,796	147,794,421	130,324,358
Net assets per unit		1.760	1.760	1.698	1.698

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Balanced Fund 2007		Balanced Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		120,988,086	110,682,954	126,245,714	101,486,050
Debt securities		123,803,817	113,258,856	117,296,061	94,291,628
Loans		-	-	-	-
Financial derivatives	4(e)	2,275,330	2,081,529	2,215,728	1,781,174
Other receivables and assets		6,379,834	5,836,434	-	-
Cash and cash equivalents		8,251,551	7,548,727	2,745,932	2,207,392
Total assets		261,698,618	239,408,500	248,503,435	199,766,244
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	1,384,204	1,266,305	1,034,928	831,955
Other payables and liabilities		16,813,245	15,381,182	11,917,743	9,580,402
		18,197,449	16,647,487	12,952,671	10,412,357
Value of Fund		243,501,169	222,761,013	235,550,764	189,353,887
Units in Issue		155,708,762	142,446,306	155,708,762	125,170,722
Net assets per unit		1.564	1.564	1.513	1.513

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Conservative Fund 2007		Conservative Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		20,941,127	4,311,900	22,332,746	4,226,025
Debt securities		49,003,256	10,090,056	48,587,913	9,194,290
Loans		-	-	-	-
Financial derivatives	4(e)	902,008	185,730	933,766	176,697
Other receivables and assets		2,435,973	501,581	-	-
Cash and cash equivalents		2,514,876	517,828	634,213	120,012
Total assets		75,797,240	15,607,095	72,488,638	13,717,024
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	548,868	113,015	436,624	82,622
Other payables and liabilities		6,424,322	1,322,806	5,149,945	974,525
		6,973,190	1,435,821	5,586,569	1,057,147
Value of Fund		68,824,050	14,171,274	66,902,069	12,659,877
Units in Issue		50,000,000	10,295,283	50,000,000	9,461,499
Net assets per unit		1.376	1.376	1.338	1.338

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Amanah Bond Fund 2007		Amanah Bond Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		-	-	-	-
Debt securities		207,989,567	4,145,419	212,101,688	4,397,487
Loans		-	-	-	-
Financial derivatives	4(e)	-	-	-	-
Other receivables and assets		3,739	75	-	-
Cash and cash equivalents		14,079,753	280,622	6,189,407	128,324
Total assets		222,073,059	4,426,116	218,291,095	4,525,811
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	447,084	8,911	2,960,906	61,388
Other payables and liabilities		1,154,964	23,019	322,941	6,695
		1,602,048	31,930	3,283,847	68,083
Value of Fund		220,471,011	4,394,186	215,007,248	4,457,728
Units in Issue		199,504,073	3,976,296	199,504,073	4,136,302
Net assets per unit		1.105	1.105	1.078	1.078

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

	Amanah Equity Fund 2007		Amanah Equity Fund 2006	
Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS				
<i>Financial assets</i>				
Equities	255,308,139	17,238,863	232,005,773	21,848,160
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	4(e)	-	-	-
Other receivables and assets	616,748	41,644	-	-
Cash and cash equivalents	2,341,429	158,098	2,352,048	221,495
Total assets	258,266,316	17,438,605	234,357,821	22,069,655
LIABILITIES				
<i>Financial liabilities</i>				
Financial derivatives	4(e)	-	-	-
Other payables and liabilities	2,391,225	161,460	16,406	1,545
	2,391,225	161,460	16,406	1,545
Value of Fund	255,875,091	17,277,145	234,341,415	22,068,110
Units in Issue	203,025,218	13,708,624	203,025,218	19,119,039
Net assets per unit	1.260	1.260	1.154	1.154

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

BALANCE SHEETS

As at 31 December 2007

		Money Market Fund 2007		Money Market Fund 2006	
	Note	Total \$	ILP Policyholders \$	Total \$	ILP Policyholders \$
ASSETS					
<i>Financial assets</i>					
Equities		-	-	-	-
Debt securities		378,805,468	57,957,389	328,269,966	14,351,944
Loans		-	-	-	-
Financial derivatives	4(e)	-	-	-	-
Other receivables and assets		5,674	868	10,001,155	437,250
Cash and cash equivalents		631,506	96,621	27,350,099	1,195,745
Total assets		379,442,648	58,054,878	365,621,220	15,984,939
LIABILITIES					
<i>Financial liabilities</i>					
Financial derivatives	4(e)	-	-	-	-
Other payables and liabilities		3,695,026	565,340	-	-
		3,695,026	565,340	-	-
Value of Fund		375,747,622	57,489,538	365,621,220	15,984,939
Units in Issue		348,402,711	53,305,740	348,402,711	15,232,146
Net assets per unit		1.078	1.078	1.049	1.049

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

These notes form an integral part of the financial statements.

1. General

The NTUC Income Funds of NTUC Income Insurance Co-operative Limited comprise:

	Launch Date	
Prime Fund	2 August 1973	
Trust Fund	1 May 1994	
Enhanced Fund	1 September 1995	
Takaful Fund	1 September 1995	
Global Equity Fund	1 April 1999	Core Fund
Singapore Bond Fund	1 March 2000	Core Fund
Technology Fund	1 August 2000	
Japan Equity Fund	1 August 2000	
Europe Equity Fund	1 August 2000	
Dynamic Guaranteed Fund	4 October 2001	
Singapore Equity Fund	2 January 2003	Core Fund
Global Bond Fund	2 January 2003	Core Fund
Growth Fund	2 January 2003	Combined Fund
Balanced Fund	2 January 2003	Combined Fund
Conservative Fund	2 January 2003	Combined Fund
Amanah Bond Fund	25 May 2005	
Amanah Equity Fund	25 May 2005	
Money Market Fund	1 May 2006	

A policyholder may invest directly in any of the above Funds. The Combined Funds only invest in units issued by the Core Funds.

Prime Fund

The Prime Fund is an open ended investment linked fund that invests in the equity markets of Singapore, Hong Kong and Thailand as well as regional bonds. The fund is managed by NTUC Income.

Trust Fund

The Trust Fund is an open ended investment linked fund that invests in Singapore equities and bonds. The fund is managed by NTUC Income.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

1. General (continued)

Enhanced Fund

The Enhanced Fund is an open ended investment linked fund that invests in Singapore bonds and the equity markets of Singapore, Hong Kong and Thailand. The fund is managed by NTUC Income.

Takaful Fund

The Takaful Fund is an open ended investment linked fund that invests in a diversified global portfolio of equities of companies whose businesses are in compliance with Islamic guidelines. Approximately 49% (2006: 44%) of the fund is managed internally by NTUC Income, while approximately 51% (2006: 56%) of the fund is invested into Hegira Global Equity Fund, which is an Islamic Fund managed by Wellington International Management Company.

Global Equity Fund (Core Fund)

The Global Equity Fund is an open ended investment linked fund that invests in global equities. The fund is jointly managed by Capital International Management, MFS Investment Management and Alliance Bernstein.

Singapore Bond Fund (Core Fund)

The Singapore Bond Fund is an open ended investment linked fund that invests in Singapore dollar denominated corporate and sovereign bonds. The fund is managed by NTUC Income.

Technology Fund

The Technology Fund is an open ended investment linked fund that invests in technology-related equities globally. The fund is jointly managed by the Trust Company of the West (TCW) and Baron Capital and Columbia Management.

Japan Equity Fund

The Japan Equity Fund is an open ended investment linked fund that invests in Japanese equities. The fund is managed by UOB Asset Management.

Europe Equity Fund

The Europe Equity Fund is an open ended investment linked fund that invests in European equities. The fund is managed by State Street Global Advisors.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

1. General (continued)

Dynamic Guaranteed Fund

The Dynamic Guaranteed Fund is a closed ended fund and had matured in March 2007. The fund was managed by SG Asset Management (Singapore) Ltd (the "fund manager"). In accordance with MAS Notice 307 (Amendment) 2007, financial statements need not be prepared for the fund.

Singapore Equity Fund (Core Fund)

The Singapore Equity Fund is an open ended investment linked fund that invests in Singapore equities. Approximately 65% (2006: 65%) of the fund is invested into StreetTracks Straits Times Index Fund, which is managed by State Street Global Advisors. The balance of the fund is jointly managed by NTUC Income and DBS Asset Management.

Global Bond Fund (Core Fund)

The Global Bond Fund is an open ended investment linked fund that invests in global government bonds, corporate bonds, mortgage-backed securities and asset-backed securities. The fund is jointly managed by Fischer Francis, PIMCO and Wellington Management Company.

Growth Fund (Combined Fund)

The Growth Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (15%), Global Equity Fund (55%), Singapore Bond Fund (10%) and Global Bond Fund (20%).

Balanced Fund (Combined Fund)

The Balanced Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (10%), Global Equity Fund (40%), Singapore Bond Fund (15%) and Global Bond Fund (35%).

Conservative Fund (Combined Funds)

The Conservative Fund is an open ended investment linked fund that invests in NTUC Income's Core Funds in the following proportions: Singapore Equity Fund (5%), Global Equity Fund (25%), Singapore Bond Fund (20%) and Global Bond Fund (50%).

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

1. General (continued)

Amanah Bond Fund

The Amanah Bond Fund is an open ended investment linked fund that invests in a diversified global portfolio of fixed income instruments that are in compliance with Islamic guidelines. The fund is jointly managed by RHB Asset Management Sdn Bhd and CIMB-Principal Asset Management Berhad.

Amanah Equity Fund

The Amanah Equity Fund is an open ended investment linked fund that invests in a diversified global portfolio of equities of companies whose businesses are in compliance with Islamic guidelines. The fund is managed by State Street Global Advisors.

Money Market Fund

The Money Market Fund is an open ended investment linked fund that invests in short-term fixed income instruments to achieve a return that is better than short-term deposits while maintaining liquidity and security of capital.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements of the NTUC Income Funds, which are expressed in Singapore dollars, have been prepared on the historical cost basis, except for investments and derivatives which are stated at fair value.

b. Recognition of income and expenses

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

Interest income on bank deposits is recognized on a time-proportionate basis using the effective interest method.

Expenses are recognised on an accrual basis.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

2. Significant Accounting Policies (continued)

c. Investments

All purchases of investments are recognised on their trade dates, the date the commitment exists to purchase the investments. The investments are initially recorded at fair value, being the consideration given and excluding acquisition charges associated with the investments. After initial recognition, the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The bid price has been adopted for all investments. Unquoted fixed income securities are valued at bid prices quoted by banks, inclusive of accrued interest.

d. Realised gains/losses from sale of investments

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments.

Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

e. Foreign currency transactions

Foreign currency transactions are translated into Singapore dollars at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences are recognised in the Capital and Income Account.

f. Derivative financial instruments

Derivative financial instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in the Capital and Income Account. Transaction costs incurred in buying and selling derivative instruments are recognised in the Capital and Income Account when incurred. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The fair value of a derivative financial instrument is determined by reference to its quoted price if quoted prices are regularly available from an exchange, dealer, or broker and there are regularly recurring market transactions in the instrument.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

3. Net Asset Value, Units in Issue and Net Asset Value per unit

For the purpose of the per unit Net Asset Value ("NAV") calculation for issuance and redemption of units, investments are stated at the last available-traded price. In accordance with the accounting policies of the Funds, the investments are valued at current bid prices.

The effect of the changes on the NAV of each Fund in relation to the change in valuation basis from last known traded price to bid price at the balance sheet date is given below:

		Units in Issue	NAV per unit (S\$)
Prime Fund	S\$		
NAV (at last done price)	500,789,969	84,550,117	5.923
Less: Effect of adopting bid prices as fair value	(2,359,973)		
NAV (at bid price)	<u>498,429,996</u>		
Trust Fund	S\$		
NAV (at last traded price)	184,137,316	85,909,833	2.143
Less: Effect of adopting bid prices as fair value	(457,242)		
NAV (at bid price)	<u>183,680,074</u>		
Enhanced Fund	S\$		
NAV (at last traded price)	158,659,245	95,407,800	1.663
Less: Effect of adopting bid prices as fair value	(951,164)		
NAV (at bid price)	<u>157,708,081</u>		
Takaful Fund	S\$		
NAV (at last traded price)	73,095,059	97,390,666	0.751
Less: Effect of adopting bid prices as fair value	85,814		
NAV (at bid price)	<u>73,180,873</u>		
Global Equity Fund	S\$		
NAV (at last traded price)	848,839,477	345,543,196	2.457
Less: Effect of adopting bid prices as fair value	(1,493,661)		
NAV (at bid price)	<u>847,345,816</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

3. Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

	S\$	Units in Issue	NAV per unit (S\$)
<i>Singapore Bond Fund</i>			
NAV (at last traded price)	1,614,359,441	1,243,686,704	1.298
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>1,614,359,441</u>		
<i>Technology Fund</i>			
NAV (at last traded price)	253,126,639	929,904,820	0.272
Less: Effect of adopting bid prices as fair value	(250,480)		
NAV (at bid price)	<u>252,876,159</u>		
<i>Japan Equity Fund</i>			
NAV (at last traded price)	17,618,796	20,943,579	0.841
Less: Effect of adopting bid prices as fair value	(56,975)		
NAV (at bid price)	<u>17,561,821</u>		
<i>Europe Equity Fund</i>			
NAV (at last traded price)	144,792,251	120,214,971	1.204
Less: Effect of adopting bid prices as fair value	(250,870)		
NAV (at bid price)	<u>144,541,381</u>		
<i>Singapore Equity Fund</i>			
NAV (at last traded price)	1,088,274,758	380,245,854	2.862
Less: Effect of adopting bid prices as fair value	(3,324,686)		
NAV (at bid price)	<u>1,084,950,072</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

3. Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

		Units in Issue	NAV per unit (S\$)
Global Bond Fund	S\$		
NAV (at last traded price)	1,161,977,118	1,026,879,116	1.132
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>1,161,977,118</u>		
Growth Fund	S\$		
NAV (at last traded price)	283,487,100	160,864,908	1.762
Less: Effect of adopting bid prices as fair value	(415,093)		
NAV (at bid price)	<u>283,072,007</u>		
Balanced Fund	S\$		
NAV (at last traded price)	243,754,762	155,708,762	1.564
Less: Effect of adopting bid prices as fair value	(253,593)		
NAV (at bid price)	<u>243,501,169</u>		
Conservative Fund	S\$		
NAV (at last traded price)	68,867,271	50,000,000	1.377
Less: Effect of adopting bid prices as fair value	(43,211)		
NAV (at bid price)	<u>68,824,060</u>		
Amanah Bond Fund	S\$		
NAV (at last traded price)	220,471,011	199,504,073	1.105
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>220,471,011</u>		
Amanah Equity Fund	S\$		
NAV (at last traded price)	256,329,184	203,025,218	1.263
Less: Effect of adopting bid prices as fair value	(454,093)		
NAV (at bid price)	<u>255,875,091</u>		

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

3. Net Asset Value, Units in Issue and Net Asset Value per unit (continued)

<i>Money Market Fund</i>	<i>S\$</i>	<i>Units in Issue</i>	<i>NAV per unit (S\$)</i>
NAV (at last traded price)	375,747,622	348,402,711	1.078
Less: Effect of adopting bid prices as fair value	-		
NAV (at bid price)	<u>375,747,622</u>		

4 Other notes on Investment-Linked Policies

a. Premiums

Premiums represent the net amount received from the policyholder less initial charges (including the bid-offer spread) and for the purchase of units in the NTUC Income Funds.

b. Surrenders

Surrenders represent the net asset values (bid price) of the units paid to policyholders when they surrender their unit-linked policies.

c. Fees and charges

Management fees

The annual management charges for each Fund are accrued on a daily basis and payable to the Life Insurance Par Fund.

The annual management charges payable to the Life Insurance Par Fund include the risk premium to provide for a minimum guaranteed benefit payments exceeding the net asset value of the policy upon death of the policyholder.

Policy fees

An initial policy fee is deducted for administration and policy setup costs.

An annual renewal policy is deducted at each policy anniversary. It is waived if the net premium paid exceeds a specific amount, currently set at S\$8,000. The net premium is the sum of all premiums paid less total withdrawals less total rider premiums paid.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

4 Other notes on Investment-Linked Policies (continued)

c. Fees and charges (continued)

Bid-Offer spread

Bid-offer spread is set at 3.5% of all funds except for Money Market Fund which is set at 0%. This is the difference between bid and offer price of a unit. The bid-offer spread covers the selling expenses incurred by NTUC Income.

Advisory fee

For regular premium investment linked policy, an advisory fee is charged to policyholders to cover the commission paid to advisors. The advisory fee is deducted on the policy anniversary date from the policyholder's fund balance.

The advisory fee for regular premium investment linked policies offered by the Co-operative are as follows:

Regular premium investment linked policies	Advisory fees
Ideal Plan (ID2)	15% (of the annualised regular premiums for the first three year)
Ideal Plan (ID6)	20% (of the monthly premium for the first three years)

d. Taxation

No provision for taxation is made in the financial statements as NTUC Income Insurance Co-operative is exempt from income tax under Section 13(1) (f) (ii) of the Income Tax Act, Cap. 134.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

4 Other notes on Investment-Linked Policies (continued)

e. Derivative financial instruments

Derivative contracts are entered for the purposes of hedging foreign currency and interest risk exposures and efficient portfolio management. The derivative contracts traded include foreign exchange forward contracts, interest rate swaps, swaptions, bond forwards and currency options.

	Notional Amount S\$	Fair Value	
		Receivable S\$	Payable S\$
<u>As at 31 December 2007</u>			
Prime			
Cross Currency Swap	963,329	180,088	-
Trust			
Cross Currency Swap	367,601	68,721	-
Enhanced			
Cross Currency Swap	244,955	45,793	-
Global Equity			
Forward Foreign Exchange Contract	257,082	3,399	15
Singapore Bond Fund			
Cross Currency Swap	12,000,000	2,243,321	-
Global Bond			
Forward Foreign Exchange Contract	2,580,096,330	22,946,211	11,029,329
Interest Rate Swap	1,254,760,580	7,114,315	7,646,570
Growth			
Forward Foreign Exchange Contract	127,722,319	1,136,105	545,788
Cross Currency Swap	186,917	34,943	-
Interest Rate Swap	62,091,731	352,051	378,390
Balanced			
Forward Foreign Exchange Contract	191,258,298	1,701,091	817,463
Cross Currency Swap	251,128	46,947	-
Interest Rate Swap	92,999,139	527,292	566,741
Conservative			
Forward Foreign Exchange Contract	75,831,824	674,436	324,142
Cross Currency Swap	98,900	18,489	-
Interest Rate Swap	36,876,246	209,083	224,726
Amanah Bond			
Forward Foreign Exchange Contract	196,000,000		447,084

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NTUC INCOME FUNDS

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2007

4 Other notes on Investment-Linked Policies (continued)

e. Derivative financial instruments (continued)

		Fair Value	
	Notional Amount S\$	Receivable S\$	Payable S\$
<u>As at 31 December 2006</u>			
Prime Fund			
Cross Currency Swaps	850,110	116,643	-
Trust Fund			
Cross Currency Swaps	304,151	41,732	-
Enhanced Fund			
Cross Currency Swaps	202,644	27,805	-
Global Equity Fund			
Forward Foreign Exchange Contracts	1,648,849	1,347	1,243
Singapore Bond Fund			
Cross Currency Swaps	12,000,000	1,646,516	-
Global Bond Fund			
Forward Foreign Exchange Contracts	2,711,016,373	28,783,552	11,064,627
Interest Rate Swaps	531,319,842	2,218,490	1,861,094
Swaptions	249,720,360	451,147	452,944
Bond Forwards	320,840,001	1,893,033	2,465,766
Growth Fund			
Forward Foreign Exchange Contracts	104,049,208	1,102,038	423,753
Interest Rate Swaps	20,388,567	84,922	71,241
Swaptions	9,559,128	17,270	17,338
Bond Forwards	12,281,540	72,464	94,388
Cross Currency Swaps	188,220	25,826	-
Balanced Fund			
Forward Foreign Exchange Contracts	177,247,137	1,879,978	722,765
Interest Rate Swaps	34,699,886	144,887	121,546
Swaptions	16,308,949	29,464	29,581
Bond Forwards	20,953,690	123,632	161,036
Cross Currency Swaps	275,249	37,767	-
Conservative Fund			
Forward Foreign Exchange Contracts	73,738,494	793,168	304,915
Interest Rate Swaps	14,640,649	61,131	51,283
Swaptions	6,881,106	12,431	12,481
Bond Forwards	8,840,825	52,163	67,945
Cross Currency Swaps	108,400	14,873	-
Amanah Bond Fund			
Forward Foreign Exchange Contracts	186,000,000	-	2,960,906