

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED

Financial Statements NTUC Income Funds

Year ended 31 December 2006



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NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Prime Fund (Total) S\$	Prime Fund (ILP Policyholders) S\$	Prime Fund (Total) S\$	Prime Fund (ILP Policyholders) S\$
Net assets at 1 January	361,433,115	188,801,949	327,847,305	202,214,427
Premiums	4 (a) -	12,580,606	-	6,836,707
Surrenders	4 (b) -	(38,965,141)	-	(39,458,404)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	(26,384,535)	-	(32,621,697)
Net investment income	67,053,366	32,680,927	35,878,309	20,590,191
Management fees and other charges	4 (c) (3,625,802)	(1,770,696)	(2,292,499)	(1,380,972)
	<u>63,427,564</u>	<u>4,525,696</u>	<u>33,585,810</u>	<u>(13,412,478)</u>
Net assets at 31 December 2006	<u>424,860,679</u>	<u>193,327,645</u>	<u>361,433,115</u>	<u>188,801,949</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	252,321,224	114,815,680	224,540,703	117,293,410
Debt securities	149,035,987	67,816,999	101,734,601	53,143,141
Loans	-	-	105,000	54,849
Financial derivatives	116,643	53,078	10,862	5,674
Other receivables and assets	1,415,478	644,096	968,876	506,112
Cash and cash equivalents	<u>21,971,347</u>	<u>9,997,792</u>	<u>34,073,073</u>	<u>17,798,763</u>
Total assets	<u>424,860,679</u>	<u>193,327,645</u>	<u>361,433,115</u>	<u>188,801,949</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net assets of Fund

Units in Issue	<u>84,550,117</u>	<u>38,473,494</u>	<u>84,550,117</u>	<u>44,166,476</u>
Net assets per unit	<u>5.025</u>	<u>5.025</u>	<u>4.275</u>	<u>4.275</u>

Attributable to:

- Investment-Linked Policyholders	193,327,645	45.50%	188,801,949	52.24%
- Life Insurance Par Fund	<u>231,533,034</u>	<u>54.50%</u>	<u>172,631,166</u>	<u>47.76%</u>
	<u>424,860,679</u>	100.00%	<u>361,433,115</u>	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Trust Fund (Total) S\$	Trust Fund (ILP Policyholders) S\$	Trust Fund (Total) S\$	Trust Fund (ILP Policyholders) S\$
Net assets at 1 January	136,975,524	71,593,726	122,114,486	67,920,837
Premiums	4 (a) -	11,244,438	-	6,395,230
Surrenders	4 (b) -	(19,219,238)	-	(10,612,727)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	(7,974,800)	-	(4,217,497)
Net investment income	29,918,199	14,558,312	16,284,967	8,639,709
Management fees and other charges	4 (c) (1,646,814)	(816,112)	(1,423,929)	(749,323)
	<u>28,271,385</u>	<u>5,767,400</u>	<u>14,861,038</u>	<u>3,672,889</u>
Net assets at 31 December 2006	<u>165,246,909</u>	<u>77,361,126</u>	<u>136,975,524</u>	<u>71,593,726</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	99,959,805	46,796,658	86,034,337	44,968,026
Debt securities	51,150,957	23,946,563	38,670,095	20,211,904
Loans	-	-	30,000	15,680
Financial derivatives	41,732	19,537	5,431	2,839
Other receivables and assets	1,058,309	495,453	729,086	381,075
Cash and cash equivalents	13,036,106	6,102,915	11,506,575	6,014,202
Total assets	<u>165,246,909</u>	<u>77,361,126</u>	<u>136,975,524</u>	<u>71,593,726</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets of Fund	<u>165,246,909</u>	<u>77,361,126</u>	<u>136,975,524</u>	<u>71,593,726</u>

Units in Issue	85,909,833	40,219,096	85,909,833	44,902,950
Net assets per unit	<u>1.923</u>	<u>1.923</u>	<u>1.594</u>	<u>1.594</u>

Attributable to:

- Investment-Linked Policyholders	77,361,126	46.82%	71,593,726	52.27%
- Life Insurance Par Fund	87,885,784	53.18%	65,381,798	47.73%
	<u>165,246,909</u>	100.00%	<u>136,975,524</u>	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

	Note	2006		2005	
		Enhanced Fund (Total) S\$	Enhanced Fund (ILP Policyholders) S\$	Enhanced Fund (Total) S\$	Enhanced Fund (ILP Policyholders) S\$
Net assets at 1 January		111,601,453	72,794,766	100,453,525	74,994,430
Premiums	4 (a)	-	10,445,826	-	7,167,816
Surrenders	4 (b)	-	(24,422,779)	-	(17,265,259)
Injection by Cooperative		-	-	-	-
Net new units created (cancelled)		-	(13,976,953)	-	(10,097,443)
Net investment income		22,882,330	13,439,953	12,323,695	8,709,905
Management fees and other charges	4 (c)	(1,389,724)	(799,204)	(1,175,767)	(812,126)
		<u>21,492,606</u>	<u>(1,336,204)</u>	<u>11,147,928</u>	<u>(2,199,664)</u>
Net assets at 31 December 2006		<u>133,094,059</u>	<u>71,458,562</u>	<u>111,601,453</u>	<u>72,794,766</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	90,740,933	48,719,055	80,037,678	52,206,525
Debt securities	34,026,562	18,268,953	21,994,086	14,346,178
Loans	-	-	15,000	9,784
Financial derivatives	27,805	14,928	2,716	1,771
Other receivables and assets	588,645	316,045	433,021	282,449
Cash and cash equivalents	7,710,114	4,139,581	9,118,952	5,948,059
Total assets	<u>133,094,059</u>	<u>71,458,562</u>	<u>111,601,453</u>	<u>72,794,766</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net assets of Fund

	<u>133,094,059</u>	<u>71,458,562</u>	<u>111,601,453</u>	<u>72,794,766</u>
Units in Issue	95,407,800	51,224,707	95,407,800	62,232,062
Net assets per unit	<u>1.395</u>	<u>1.395</u>	<u>1.170</u>	<u>1.170</u>

Attributable to:

- Investment-Linked Policyholders	71,458,562	53.69%	72,794,766	65.23%
- Life Insurance Par Fund	61,635,497	46.31%	38,806,687	34.77%
	<u>133,094,059</u>	100.00%	<u>111,601,453</u>	100.00%

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NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Takaful Fund (Total) S\$	Takaful Fund (ILP Policyholders) S\$	Takaful Fund (Total) S\$	Takaful Fund (ILP Policyholders) S\$
Net assets at 1 January	54,738,975	30,266,007	48,162,274	29,978,531
Premiums	4 (a) -	792,384	-	508,426
Surrenders	4 (b) -	(5,357,066)	-	(4,088,355)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	(4,564,682)	-	(3,579,929)
Net investment income	8,378,441	4,287,061	7,061,215	4,166,226
Management fees and other charges	4 (c) (417,559)	(213,919)	(484,514)	(298,821)
	<u>7,960,882</u>	<u>(491,540)</u>	<u>6,576,701</u>	<u>287,476</u>
Net assets at 31 December 2006	<u>62,699,857</u>	<u>29,774,467</u>	<u>54,738,975</u>	<u>30,266,007</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	60,116,101	28,547,512	45,164,507	24,972,138
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	166,143	78,897	17,551	9,705
Cash and cash equivalents	<u>2,417,613</u>	<u>1,148,058</u>	<u>9,556,917</u>	<u>5,284,164</u>
Total assets	<u>62,699,857</u>	<u>29,774,467</u>	<u>54,738,975</u>	<u>30,266,007</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net assets of Fund

	<u>62,699,857</u>	<u>29,774,467</u>	<u>54,738,975</u>	<u>30,266,007</u>
Units in Issue	<u>97,390,666</u>	<u>46,248,196</u>	<u>97,390,666</u>	<u>53,848,772</u>
Net assets per unit	<u>0.644</u>	<u>0.644</u>	<u>0.562</u>	<u>0.562</u>

Attributable to:

- Investment-Linked Policyholders	<u>29,774,467</u>	47.49%	<u>30,266,007</u>	55.29%
- Life Insurance Par Fund	<u>32,925,390</u>	52.51%	<u>24,472,968</u>	44.71%
	<u>62,699,857</u>	100.00%	<u>54,738,975</u>	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

	Note	2006		2005	
		Global Equity Fund (Total) S\$	Global Equity Fund (ILP Policyholders) S\$	Global Equity Fund (Total) S\$	Global Equity Fund (ILP Policyholders) S\$
Net assets at 1 January		769,052,651	37,545,378	692,972,796	35,229,781
Premiums	4 (a)	-	7,053,217	-	3,710,854
Surrenders	4 (b)	-	(9,018,662)	-	(5,671,899)
Injection by Cooperative		-	-	(9,588,922)	-
Net new units created (cancelled)		-	(1,965,445)	(9,588,922)	(1,961,045)
Net investment income		103,179,741	5,038,910	95,908,070	4,782,413
Management fees and other charges	4 (c)	(11,412,383)	(543,528)	(10,239,293)	(505,771)
		<u>91,767,358</u>	<u>2,529,937</u>	<u>76,079,855</u>	<u>2,315,597</u>
Net assets at 31 December 2006		<u>860,820,009</u>	<u>40,075,315</u>	<u>769,052,651</u>	<u>37,545,378</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	850,068,830	39,574,796	753,638,362	36,792,848
Debt securities	-	-	7,045,457	343,961
Loans	-	-	-	-
Financial derivatives	1,347	63	177,352	8,658
Other receivables and assets	1,358,782	63,257	-	-
Cash and cash equivalents	9,392,293	437,256	8,709,097	425,181
Total assets	<u>860,821,252</u>	<u>40,075,372</u>	<u>769,570,268</u>	<u>37,570,648</u>

Liabilities

Financial liabilities

Financial derivatives	1,243	57	177,442	8,663
Other payables and liabilities	-	-	340,175	16,607
Total liabilities	<u>1,243</u>	<u>57</u>	<u>517,617</u>	<u>25,270</u>

Net assets of Fund

Net assets of Fund	<u>860,820,009</u>	<u>40,075,315</u>	<u>769,052,651</u>	<u>37,545,378</u>
Units in Issue	345,543,196	16,086,699	345,543,196	16,869,521
Net assets per unit	<u>2.491</u>	<u>2.491</u>	<u>2.226</u>	<u>2.226</u>

Attributable to:

- Investment-Linked Policyholders	40,075,315	4.65%	37,545,378	4.88%
- Combined Growth Fund	142,694,150	16.58%	105,229,887	13.68%
- Combined Balanced Fund	101,170,424	11.75%	73,907,886	9.61%
- Combined Conservative Fund	18,676,124	2.17%	16,685,164	2.17%
- Life Insurance Par Fund	510,466,851	59.30%	493,036,190	64.11%
- General Insurance Fund	47,737,145	5.55%	42,648,146	5.55%
	<u>860,820,009</u>	100.00%	<u>769,052,651</u>	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
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Capital and Income Account for the year ended 31 December 2006

	Note	2006		2005	
		Singapore Bond Fund (Total) S\$	Singapore Bond Fund (ILP Policyholders) S\$	Singapore Bond Fund (Total) S\$	Singapore Bond Fund (ILP Policyholders) S\$
Net assets at 1 January		982,288,488	20,670,184	936,058,079	23,975,327
Premiums	4 (a)	-	3,057,660	-	1,389,418
Surrenders	4 (b)	-	(5,683,063)	-	(4,622,865)
Injection by Cooperative		378,000,000	-	52,853,388	-
Net new units created (cancelled)		378,000,000	(2,625,403)	52,853,388	(3,233,447)
Net investment income		51,286,895	783,821	(1,674,532)	40,740
Management fees and other charges	4 (c)	(5,616,197)	(96,217)	(4,948,447)	(112,436)
		<u>423,670,698</u>	<u>(1,937,799)</u>	<u>46,230,409</u>	<u>(3,305,143)</u>
Net assets at 31 December 2006		<u>1,405,959,186</u>	<u>18,732,385</u>	<u>982,288,488</u>	<u>20,670,184</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	-	-	-	-
Debt securities	1,399,341,886	18,644,219	942,990,650	19,843,244
Loans	-	-	-	-
Financial derivatives	1,646,516	21,937	532,479	11,205
Other receivables and assets	-	-	-	-
Cash and cash equivalents	9,757,608	130,007	38,779,433	816,031
Total assets	<u>1,410,746,010</u>	<u>18,796,163</u>	<u>982,302,562</u>	<u>20,670,480</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	4,786,824	63,778	14,074	296
Total liabilities	<u>4,786,824</u>	<u>63,778</u>	<u>14,074</u>	<u>296</u>

Net assets of Fund

	<u>1,405,959,186</u>	<u>18,732,385</u>	<u>982,288,488</u>	<u>20,670,184</u>
Units in Issue	1,134,696,198	15,118,195	823,178,990	17,322,061
Net assets per unit	<u>1.239</u>	<u>1.239</u>	<u>1.193</u>	<u>1.193</u>

Attributable to:

- Investment-Linked Policyholders	18,732,385	1.33%	20,670,184	2.10%
- Combined Growth Fund	22,052,463	1.57%	17,532,508	1.78%
- Combined Balanced Fund	32,249,070	2.29%	25,394,547	2.59%
- Combined Conservative Fund	12,700,444	0.90%	12,231,242	1.25%
- Life Insurance Par Fund	112,206,777	7.98%	116,497,415	11.86%
- Life Insurance Non-Par Fund	136,697,139	9.72%	106,577,990	10.85%
- General Insurance Fund	413,987,380	29.46%	276,340,138	28.13%
- Shareholders' Fund	262,297,926	18.66%	193,792,005	19.73%
- Eldersshield Fund	236,056,164	16.79%	178,185,261	18.14%
- Prime Fund	99,601,708	7.08%	20,038,399	2.04%
- Trust Fund	35,635,276	2.53%	10,019,199	1.02%
- Enhanced Fund	23,742,454	1.69%	5,009,600	0.51%
	<u>1,405,959,186</u>	<u>100.00%</u>	<u>982,288,488</u>	<u>100.00%</u>

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
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Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Technology Fund (Total) S\$	Technology Fund (ILP Policyholders) S\$	Technology Fund (Total) S\$	Technology Fund (ILP Policyholders) S\$
Net assets at 1 January	233,059,432	143,394,381	222,360,131	165,182,211
Premiums	4 (a) -	19,975,748	-	14,472,400
Surrenders	4 (b) -	(41,878,523)	-	(43,895,114)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	(21,902,775)	-	(29,422,714)
Net investment income	(7,558,782)	(2,097,993)	13,792,859	9,782,311
Management fees and other charges	4 (c) (3,873,168)	(1,971,181)	(3,093,558)	(2,147,427)
	(11,431,950)	(25,971,949)	10,699,301	(21,787,830)
Net assets at 31 December 2006	221,627,482	117,422,432	233,059,432	143,394,381

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	218,920,806	115,988,384	232,881,405	143,284,846
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	-	-	-	-
Cash and cash equivalents	3,870,395	2,050,608	618,392	380,478
Total assets	222,791,201	118,038,992	233,499,797	143,665,324

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	1,163,719	616,560	440,365	270,943
Total liabilities	1,163,719	616,560	440,365	270,943

Net assets of Fund

	221,627,482	117,422,432	233,059,432	143,394,381
Units in Issue	929,904,820	492,681,163	929,904,820	572,142,155
Net assets per unit	0.238	0.238	0.251	0.251
Attributable to:				
- Investment-Linked Policyholders	117,422,432	52.98%	143,394,381	61.53%
- Life Insurance Par Fund	104,205,050	47.02%	89,665,051	38.47%
	221,627,482	100.00%	233,059,432	100.00%

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NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
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Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Japan Equity Fund (Total) S\$	Japan Equity Fund (ILP Policyholders) S\$	Japan Equity Fund (Total) S\$	Japan Equity Fund (ILP Policyholders) S\$
Net assets at 1 January	22,399,041	9,131,791	17,150,490	6,050,374
Premiums	4 (a) -	12,634,174	-	3,897,377
Surrenders	4 (b) -	(5,986,835)	-	(2,422,737)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	6,647,339	-	1,474,640
Net investment income	(1,418,473)	(545,127)	5,593,047	1,730,800
Management fees and other charges	4 (c) (377,844)	(195,302)	(344,496)	(124,023)
	(1,796,317)	5,906,910	5,248,551	3,081,417
Net assets at 31 December 2006	20,602,724	15,038,701	22,399,041	9,131,791

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	20,259,037	14,787,831	22,212,659	9,055,805
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	-	-	40,407	16,474
Cash and cash equivalents	460,104	335,847	145,975	59,512
Total assets	20,719,141	15,123,678	22,399,041	9,131,791

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	116,417	84,977	-	-
Total liabilities	116,417	84,977	-	-

Net assets of Fund

	20,602,724	15,038,701	22,399,041	9,131,791
Units in Issue	20,943,579	15,287,504	20,943,579	8,538,419
Net assets per unit	0.984	0.984	1.069	1.069

Attributable to:

- Investment-Linked Policyholders	15,038,701	72.99%	9,131,791	40.77%
- Life Insurance Par Fund	5,564,023	27.01%	13,267,250	59.23%
	20,602,724	100.00%	22,399,041	100.00%

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Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Europe Equity Fund (Total) S\$	Europe Equity Fund (ILP Policyholders) S\$	Europe Equity Fund (Total) S\$	Europe Equity Fund (ILP Policyholders) S\$
Net assets at 1 January	114,441,826	3,414,125	102,382,235	3,237,826
Premiums	4 (a) -	1,612,469	-	618,213
Surrenders	4 (b) -	(1,886,941)	-	(825,121)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	(274,472)	-	(206,908)
Net investment income	29,947,990	904,450	13,804,352	436,676
Management fees and other charges	4 (c) (2,097,963)	(63,103)	(1,744,761)	(53,469)
	27,850,027	566,875	12,059,591	176,299
Net assets at 31 December 2006	142,291,853	3,981,000	114,441,826	3,414,125

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	141,909,593	3,970,305	113,995,284	3,400,804
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	123,136	3,445	30,345	905
Cash and cash equivalents	259,124	7,250	416,197	12,416
Total assets	142,291,853	3,981,000	114,441,826	3,414,125

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	-	-	-	-

Net assets of Fund

Net assets of Fund	142,291,853	3,981,000	114,441,826	3,414,125
Units in Issue	120,214,971	3,363,339	120,214,971	3,586,354
Net assets per unit	1.184	1.184	0.952	0.952
Attributable to:				
- Investment-Linked Policyholders	3,981,000	2.80%	3,414,125	2.98%
- Life Insurance Par Fund	138,310,853	97.20%	111,027,701	97.02%
	142,291,853	100.00%	114,441,826	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Dynamic Guaranteed Fund (Total) S\$	Dynamic Guaranteed Fund (ILP Policyholders) S\$	Dynamic Guaranteed Fund (Total) S\$	Dynamic Guaranteed Fund (ILP Policyholders) S\$
Net assets at 1 January	178,538,900	172,120,533	207,216,228	200,878,422
Premiums	4 (a) -	-	-	-
Surrenders	4 (b) (148,676,850)	(148,676,850)	(28,992,673)	(28,992,673)
Withdrawal by Cooperative	(6,288,972)	-	-	-
Net new units created (cancelled)	(154,965,822)	(148,676,850)	(28,992,673)	(28,992,673)
Net investment income	4,923,473	4,329,159	1,002,306	897,049
Management fees and other charges	4 (c) (581,850)	(567,073)	(686,961)	(662,265)
	(150,624,199)	(144,914,764)	(28,677,328)	(28,757,889)
Net assets at 31 December 2006	27,914,701	27,205,769	178,538,900	172,120,533

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	-	-	-	-
Debt securities	27,862,156	27,154,558	170,604,384	164,471,258
Loans	-	-	-	-
Financial derivatives	-	-	5,322,953	5,131,596
Other receivables and assets	-	-	-	-
Cash and cash equivalents	1,133,035	1,104,260	2,611,563	2,517,679
Total assets	28,995,191	28,258,818	178,538,900	172,120,533

Liabilities

Financial liabilities

Financial derivatives	1,080,490	1,053,049	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	1,080,490	1,053,049	-	-

Net assets of Fund

27,914,701	27,205,769	178,538,900	172,120,533
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Units in Issue	25,808,087	25,152,655	170,265,696	164,144,746
Net assets per unit	1.082	1.082	1.049	1.049

Attributable to:

- Investment-Linked Policyholders	27,205,769	97.46%	172,120,533	96.41%
- Life Insurance Par Fund	708,932	2.54%	6,313,508	3.53%
- SIAA DG/ DPS	-	0.00%	104,859	0.06%
27,914,701	100.00%	178,538,900	100.00%	

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

	Note	2006		2005	
		Singapore Equity Fund (Total) S\$	Singapore Equity Fund (ILP Policyholders) S\$	Singapore Equity Fund (Total) S\$	Singapore Equity Fund (ILP Policyholders) S\$
Net assets at 1 January		705,054,058	7,292,608	608,589,516	2,215,512
Premiums	4 (a)	-	16,293,444	-	6,259,576
Surrenders	4 (b)	-	(9,046,614)	-	(1,694,263)
Withdrawal by Cooperative		(20,500,000)	-	-	-
Net new units created (cancelled)		(20,500,000)	7,246,830	-	4,565,313
Net investment income		217,417,595	3,994,771	101,890,605	543,757
Management fees and other charges	4 (c)	(5,175,395)	(82,318)	(5,426,063)	(31,974)
		<u>191,742,200</u>	<u>11,159,283</u>	<u>96,464,542</u>	<u>5,077,096</u>
Net assets at 31 December 2006		<u>896,796,258</u>	<u>18,451,891</u>	<u>705,054,058</u>	<u>7,292,608</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	856,155,602	17,615,695	676,101,607	6,993,143
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	10,285,057	211,619	4,246,892	43,927
Cash and cash equivalents	30,355,599	624,577	24,705,559	255,538
Total assets	<u>896,796,258</u>	<u>18,451,891</u>	<u>705,054,058</u>	<u>7,292,608</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net assets of Fund	<u>896,796,258</u>	<u>18,451,891</u>	<u>705,054,058</u>	<u>7,292,608</u>
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Units in Issue	380,245,854	7,823,689	390,823,770	4,042,420
Net assets per unit	<u>2.358</u>	<u>2.358</u>	<u>1.804</u>	<u>1.804</u>

Attributable to:

- Investment-Linked Policyholders	18,451,891	2.06%	7,292,608	1.03%
- Combined Growth Fund	42,447,666	4.73%	26,802,538	3.80%
- Combined Balanced Fund	27,589,127	3.08%	17,257,534	2.45%
- Combined Conservative Fund	4,074,524	0.45%	3,116,657	0.44%
- Life Insurance Par Fund	804,233,050	89.68%	650,584,721	92.28%
	<u>896,796,258</u>	100.00%	<u>705,054,058</u>	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Global Bond Fund (Total) S\$	Global Bond Fund (ILP Policyholders) S\$	Global Bond Fund (Total) S\$	Global Bond Fund (ILP Policyholders) S\$
Net assets at 1 January	1,333,319,041	5,873,222	1,309,899,770	5,510,286
Premiums	4 (a) -	1,763,136	-	1,779,353
Surrenders	4 (b) -	(2,349,809)	-	(1,530,297)
Withdrawal by Cooperative	(200,000,000)	-	-	-
Net new units created (cancelled)	(200,000,000)	(586,673)	-	249,056
Net investment income	18,711,437	72,900	35,681,113	166,224
Management fees and other charges	4 (c) (10,651,518)	(49,581)	(12,261,842)	(52,344)
	(191,940,081)	(563,354)	23,419,271	362,936
Net assets at 31 December 2006	1,141,378,960	5,309,868	1,333,319,041	5,873,222

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	-	-	-	-
Debt securities	1,304,551,831	6,068,973	1,491,754,786	6,571,125
Loans	-	-	-	-
Financial derivatives	33,346,222	155,132	3,453,462,684	15,212,378
Other receivables and assets	-	-	-	-
Cash and cash equivalents	7,417,041	34,505	7,180,985	31,632
Total assets	1,345,315,094	6,258,610	4,952,398,455	21,815,135

Liabilities

Financial liabilities

Financial derivatives	15,844,431	73,711	3,251,730,578	14,323,755
Other payables and liabilities	188,091,703	875,031	367,348,836	1,618,158
Total liabilities	203,936,134	948,742	3,619,079,414	15,941,913

Net assets of Fund

	1,141,378,960	5,309,868	1,333,319,041	5,873,222
Units in Issue	1,026,879,116	4,777,197	1,208,367,319	5,322,814
Net assets per unit	1.112	1.112	1.103	1.103

Attributable to:

- Investment-Linked Policyholders	5,309,868	0.47%	5,873,222	0.44%
- Combined Growth Fund	43,691,220	3.83%	35,801,072	2.69%
- Combined Balanced Fund	74,542,143	6.53%	60,509,337	4.54%
- Combined Conservative Fund	31,450,977	2.76%	31,221,856	2.34%
- Life Insurance Par Fund	986,384,752	86.41%	1,199,913,556	89.99%
	1,141,378,960	100.00%	1,333,319,041	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Growth Fund (Total) S\$	Growth Fund (ILP Policyholders) S\$	Growth Fund (Total) S\$	Growth Fund (ILP Policyholders) S\$
Net assets at 1 January	185,366,005	136,600,075	122,073,947	47,485,400
Premiums	4 (a) -	104,080,146	-	91,900,783
Surrenders	4 (b) -	(41,564,795)	-	(12,881,071)
Injection by Cooperative	40,000,000	-	50,000,000	-
Net new units created (cancelled)	40,000,000	62,515,351	50,000,000	79,019,712
Net investment income	27,889,360	24,129,705	14,888,919	11,177,885
Management fees and other charges	4 (c) (2,369,865)	(2,015,591)	(1,596,861)	(1,082,922)
	65,519,495	84,629,465	63,292,058	89,114,675
Net assets at 31 December 2006	250,885,500	221,229,540	185,366,005	136,600,075

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	181,436,017	159,989,344	128,822,655	94,932,102
Debt securities	71,886,039	63,388,738	57,850,374	42,631,147
Loans	-	-	-	-
Financial derivatives	1,302,520	1,148,555	92,763,014	68,358,999
Other receivables and assets	-	-	-	-
Cash and cash equivalents	3,430,692	3,025,167	3,015,827	2,222,425
Total assets	258,055,268	227,551,804	282,451,870	208,144,673

Liabilities

Financial liabilities

Financial derivatives	606,720	535,003	87,336,795	64,360,305
Other payables and liabilities	6,563,048	5,787,261	9,749,070	7,184,293
Total liabilities	7,169,768	6,322,264	97,085,865	71,544,598

Net assets of Fund

	250,885,500	221,229,540	185,366,005	136,600,075
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Units in Issue	147,794,421	130,324,358	122,004,608	89,907,740
Net assets per unit	1.698	1.698	1.519	1.519

Attributable to:

- Investment-Linked Policyholders	221,229,540	88.18%	136,600,075	73.69%
- Life Insurance Par Fund	29,655,960	11.82%	48,765,930	26.31%
	250,885,500	100.00%	185,366,005	100.00%

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

	Note	2006		2005	
		Balanced Fund (Total) S\$	Balanced Fund (ILP Policyholders) S\$	Balanced Fund (Total) S\$	Balanced Fund (ILP Policyholders) S\$
Net assets at 1 January		177,069,303	139,965,016	117,222,199	58,234,453
Premiums	4 (a)	-	66,905,186	-	86,065,795
Surrenders	4 (b)	-	(32,644,998)	-	(12,596,072)
Injection by Cooperative		40,000,000	-	50,000,000	-
Net new units created (cancelled)		40,000,000	34,260,188	50,000,000	73,469,723
Net investment income		20,567,553	16,851,381	11,255,458	9,347,031
Management fees and other charges	4 (c)	(2,086,092)	(1,722,698)	(1,408,354)	(1,086,191)
		<u>58,481,461</u>	<u>49,388,871</u>	<u>59,847,104</u>	<u>81,730,563</u>
Net assets at 31 December 2006		<u>235,550,764</u>	<u>189,353,887</u>	<u>177,069,303</u>	<u>139,965,016</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	126,245,714	101,486,050	88,975,402	70,330,901
Debt securities	117,296,061	94,291,628	92,755,233	73,318,681
Loans	-	-	-	-
Financial derivatives	2,215,728	1,781,174	156,757,542	123,909,516
Other receivables and assets	-	-	-	-
Cash and cash equivalents	2,745,932	2,207,392	2,770,115	2,189,647
Total assets	<u>248,503,435</u>	<u>199,766,244</u>	<u>341,258,292</u>	<u>269,748,745</u>

Liabilities

Financial liabilities

Financial derivatives	1,034,928	831,955	147,588,680	116,661,960
Other payables and liabilities	11,917,743	9,580,402	16,600,309	13,121,769
Total liabilities	<u>12,952,671</u>	<u>10,412,357</u>	<u>164,188,989</u>	<u>129,783,729</u>

Net assets of Fund

	<u>235,550,764</u>	<u>189,353,887</u>	<u>177,069,303</u>	<u>139,965,016</u>
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Units in Issue	155,708,762	125,170,722	127,319,833	100,640,383
Net assets per unit	<u>1.513</u>	<u>1.513</u>	<u>1.391</u>	<u>1.391</u>

Attributable to:

- Investment-Linked Policyholders	189,353,887	80.39%	139,965,016	79.05%
- Life Insurance Par Fund	46,196,877	19.61%	37,104,287	20.95%
	<u>235,550,764</u>	<u>100.00%</u>	<u>177,069,303</u>	<u>100.00%</u>

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Conservative Fund (Total) S\$	Conservative Fund (ILP Policyholders) S\$	Conservative Fund (Total) S\$	Conservative Fund (ILP Policyholders) S\$
Net assets at 1 January	63,254,918	10,831,873	60,194,913	6,935,869
Premiums	4 (a) -	4,217,436	-	5,193,869
Surrenders	4 (b) -	(3,114,640)	-	(1,838,441)
Injection by Cooperative	-	-	-	-
Net new units created (cancelled)	-	1,102,796	-	3,355,428
Net investment income	4,265,482	838,754	3,665,135	630,886
Management fees and other charges	4 (c) (618,331)	(113,546)	(605,130)	(90,310)
	<u>3,647,151</u>	<u>1,828,004</u>	<u>3,060,005</u>	<u>3,896,004</u>
Net assets at 31 December 2006	<u>66,902,069</u>	<u>12,659,877</u>	<u>63,254,918</u>	<u>10,831,873</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	22,332,746	4,226,025	19,339,413	3,311,712
Debt securities	48,587,913	9,194,290	46,826,659	8,018,672
Loans	-	-	-	-
Financial derivatives	933,766	176,697	80,878,980	13,849,845
Other receivables and assets	-	-	-	-
Cash and cash equivalents	634,213	120,012	949,188	162,540
Total assets	<u>72,488,638</u>	<u>13,717,024</u>	<u>147,994,240</u>	<u>25,342,769</u>

Liabilities

Financial liabilities

Financial derivatives	436,624	82,622	76,148,463	13,039,784
Other payables and liabilities	5,149,945	974,525	8,590,859	1,471,112
Total liabilities	<u>5,586,569</u>	<u>1,057,147</u>	<u>84,739,322</u>	<u>14,510,896</u>

Net assets of Fund

Net assets of Fund	<u>66,902,069</u>	<u>12,659,877</u>	<u>63,254,918</u>	<u>10,831,873</u>
Units in Issue	50,000,000	9,461,499	50,000,000	8,562,079
Net assets per unit	<u>1.338</u>	<u>1.338</u>	<u>1.265</u>	<u>1.265</u>
Attributable to:				
- Investment-Linked Policyholders	12,659,877	18.92%	10,831,873	17.12%
- Life Insurance Par Fund	54,242,192	81.08%	52,423,045	82.88%
	<u>66,902,069</u>	<u>100.00%</u>	<u>63,254,918</u>	<u>100.00%</u>

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Amanah Bond Fund (Total) S\$	Amanah Bond Fund (ILP Policyholders) S\$	Amanah Bond Fund (Total) S\$	Amanah Bond Fund (ILP Policyholders) S\$
Net assets at 1 January	104,313,624	3,637,270	-	-
Premiums	4 (a) -	1,817,310	-	3,909,015
Surrenders	4 (b) -	(1,215,623)	-	(303,614)
Injection by Cooperative	100,121,031	-	101,920,222	-
Net new units created (cancelled)	100,121,031	601,687	101,920,222	3,605,401
Net investment income	12,154,779	253,281	3,148,178	43,937
Management fees and other charges	4 (c) (1,582,186)	(34,510)	(754,776)	(12,068)
	<u>110,693,624</u>	<u>820,458</u>	<u>104,313,624</u>	<u>3,637,270</u>
Net assets at 31 December 2006	<u>215,007,248</u>	<u>4,457,728</u>	<u>104,313,624</u>	<u>3,637,270</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	-	-	-	-
Debt securities	212,101,688	4,397,487	100,009,834	3,487,202
Loans	-	-	-	-
Financial derivatives	-	-	87,000,000	3,033,568
Other receivables and assets	-	-	-	-
Cash and cash equivalents	6,189,407	128,324	4,192,300	146,180
Total assets	<u>218,291,095</u>	<u>4,525,811</u>	<u>191,202,134</u>	<u>6,666,950</u>

Liabilities

Financial liabilities

Financial derivatives	2,960,906	61,388	86,716,355	3,023,677
Other payables and liabilities	322,941	6,695	172,155	6,003
Total liabilities	<u>3,283,847</u>	<u>68,083</u>	<u>86,888,510</u>	<u>3,029,680</u>

Net assets of Fund

	<u>215,007,248</u>	<u>4,457,728</u>	<u>104,313,624</u>	<u>3,637,270</u>
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Units in Issue

	<u>199,504,073</u>	<u>4,136,302</u>	<u>101,920,222</u>	<u>3,553,815</u>
Net assets per unit	<u>1.078</u>	<u>1.078</u>	<u>1.023</u>	<u>1.023</u>

Attributable to:

- Investment-Linked Policyholders	4,457,728	2.07%	3,637,270	3.49%
- Life Insurance Par Fund	210,549,520	97.93%	100,676,354	96.51%
	<u>215,007,248</u>	<u>100.00%</u>	<u>104,313,624</u>	<u>100.00%</u>

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Amanah Equity Fund (Total) S\$	Amanah Equity Fund (ILP Policyholders) S\$	Amanah Equity Fund (Total) S\$	Amanah Equity Fund (ILP Policyholders) S\$
Net assets at 1 January	222,140,606	21,732,126	-	-
Premiums	4 (a) -	10,127,297	-	22,294,752
Surrenders	4 (b) -	(11,098,098)	-	(1,195,927)
Injection by Cooperative	-	-	203,025,218	-
Net new units created (cancelled)	-	(970,801)	203,025,218	21,098,825
Net investment income	14,687,184	1,572,023	21,522,570	740,404
Management fees and other charges	4 (c) (2,486,375)	(265,238)	(2,407,182)	(107,103)
	<u>12,200,809</u>	<u>335,984</u>	<u>222,140,606</u>	<u>21,732,126</u>
Net assets at 31 December 2006	<u>234,341,415</u>	<u>22,068,110</u>	<u>222,140,606</u>	<u>21,732,126</u>

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	232,005,773	21,848,160	220,229,931	21,545,203
Debt securities	-	-	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	-	-	752,050	73,574
Cash and cash equivalents	<u>2,352,048</u>	<u>221,495</u>	<u>1,158,625</u>	<u>113,349</u>
Total assets	<u>234,357,821</u>	<u>22,069,655</u>	<u>222,140,606</u>	<u>21,732,126</u>

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	<u>16,406</u>	<u>1,545</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,406</u>	<u>1,545</u>	<u>-</u>	<u>-</u>

Net assets of Fund	<u>234,341,415</u>	<u>22,068,110</u>	<u>222,140,606</u>	<u>21,732,126</u>
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<i>Units in Issue</i>	<u>203,025,218</u>	<u>19,119,039</u>	<u>203,025,218</u>	<u>19,862,058</u>
Net assets per unit	<u>1.154</u>	<u>1.154</u>	<u>1.094</u>	<u>1.094</u>

Attributable to:

- Investment-Linked Policyholders	22,068,110	9.42%	21,732,126	9.78%
- Life Insurance Par Fund	<u>212,273,305</u>	<u>90.58%</u>	<u>200,408,480</u>	<u>90.22%</u>
	<u>234,341,415</u>	<u>100.00%</u>	<u>222,140,606</u>	<u>100.00%</u>

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

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
FINANCIAL STATEMENTS - 31 DECEMBER 2006

Capital and Income Account for the year ended 31 December 2006

Note	2006		2005	
	Money Market Fund (Total) S\$	Money Market Fund (ILP Policyholders) S\$	Money Market Fund (Total) S\$	Money Market Fund (ILP Policyholders) S\$
Net assets at 1 January	305,674,626	-	-	-
Premiums	4 (a) -	18,609,695	-	-
Surrenders	4 (b) -	(2,655,894)	-	-
Injection by Cooperative	50,000,000	-	-	-
Net new units created (cancelled)	50,000,000	15,953,801	-	-
Net investment income	10,549,976	48,033	-	-
Management fees and other charges	4 (c) (603,382)	(16,895)	-	-
	<u>59,946,594</u>	<u>15,984,939</u>	-	-
Net assets at 31 December 2006	<u>365,621,220</u>	<u>15,984,939</u>	-	-

Balance Sheet as at 31 December 2006

Assets

Financial assets

Equities	-	-	-	-
Debt securities	328,269,966	14,351,944	-	-
Loans	-	-	-	-
Financial derivatives	-	-	-	-
Other receivables and assets	10,001,155	437,250	-	-
Cash and cash equivalents	27,350,099	1,195,745	-	-
Total assets	<u>365,621,220</u>	<u>15,984,939</u>	-	-

Liabilities

Financial liabilities

Financial derivatives	-	-	-	-
Other payables and liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net assets of Fund

Net assets of Fund	<u>365,621,220</u>	<u>15,984,939</u>	<u>-</u>	<u>-</u>
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Units in Issue	348,402,711	15,232,146	-	-
Net assets per unit	<u>1.049</u>	<u>1.049</u>	<u>0.000</u>	<u>0.000</u>

Attributable to:

- Investment-Linked Policyholders	15,984,939	4.37%	-	-
- Life Insurance Par Fund	135,579,055	37.08%	-	-
- Life Insurance Non-Par Fund	19,746,234	5.40%	-	-
- General Insurance Fund	19,303,860	5.28%	-	-
- Shareholders' Fund	15,741,319	4.31%	-	-
- Eldersshield Fund	27,063,121	7.40%	-	-
- DPS	132,202,692	36.16%	-	-
	<u>365,621,220</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>

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 - 31 December 2006

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.

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.

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
Notes to the financial statements - 31 December 2006

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 44% (2005: 40%) of the fund is managed internally by NTUC Income, while approximately 56% (2005: 60%) 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.

Dynamic Guaranteed Fund

The Dynamic Guaranteed Fund is a closed ended fund with an original maturity period of five years ending 2007. The fund is managed by SG Asset Management (Singapore) Ltd (the "fund manager"). Upon maturity, Societe Generale, the holding company of the fund manager, will guarantee the initial capital invested and 50% of the locked-in profits, determined by the difference between the initial Net Asset Value ("NAV") of the Fund and the highest NAV of the fund during the five years period.

Singapore Equity Fund (Core Fund)

The Singapore Equity Fund is an open ended investment linked fund that invests in Singapore equities. Approximately 65% (2005: 67%) 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%).

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

Income and expenses are accounted for on an accrual basis, dividends being credited to income when equities are quoted ex-date.

(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 cost, being fair value of 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.

(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 retranslated to the functional currency at the exchange rate at the reporting date.

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

(f) Derivative financial instruments

Derivative financial instruments are held for trading and are classified as financial assets and liabilities at fair value through profit or loss. 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.

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 - 31 December 2006

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

The effect of the changes on the Net Asset Value ("NAV") of each Fund in relation to the change in valuation basis from last known transacted price to bid price at the balance sheet date is given below:

	S\$	Units in Issue	NAV per unit (S\$)	Percentage holdings of policyholders
Prime Fund				
NAV (at last done price)	425,925,472	84,550,117	5.038	45.50%
Less: Adjustment to NAV	<u>(1,064,793)</u>			
NAV (at bid price)	<u>424,860,679</u>			
Trust Fund				
NAV (at last done price)	165,660,755	85,909,833	1.928	46.8%
Less: Adjustment to NAV	<u>(413,846)</u>			
NAV (at bid price)	<u>165,246,909</u>			
Enhanced Fund				
NAV (at last done price)	133,494,454	95,407,800	1.399	53.7%
Less: Adjustment to NAV	<u>(400,395)</u>			
NAV (at bid price)	<u>133,094,059</u>			
Takaful Fund				
NAV (at last done price)	62,794,534	97,390,666	0.645	47.5%
Less: Adjustment to NAV	<u>(94,677)</u>			
NAV (at bid price)	<u>62,699,857</u>			
Global Equity Fund				
NAV (at last done price)	861,884,253	345,543,196	2.494	4.7%
Less: Adjustment to NAV	<u>(1,064,244)</u>			
NAV (at bid price)	<u>860,820,009</u>			
Singapore Bond Fund				
NAV (at last done price)	1,405,838,178	1,134,696,198	1.239	1.3%
Less: Adjustment to NAV	<u>121,008</u>			
NAV (at bid price)	<u>1,405,959,186</u>			

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
Notes to the financial statements - 31 December 2006

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

	S\$	Units in Issue	NAV per unit (S\$)	Percentage holdings of policyholders
Technology Fund				
NAV (at last done price)	221,895,854	929,904,820	0.239	53.0%
Less: Adjustment to NAV	<u>(268,372)</u>			
NAV (at bid price)	<u>221,627,482</u>			
Japan Equity Fund				
NAV (at last done price)	20,634,057	20,943,579	0.985	73.0%
Less: Adjustment to NAV	<u>(31,333)</u>			
NAV (at bid price)	<u>20,602,724</u>			
Europe Equity Fund				
NAV (at last done price)	142,336,276	120,214,971	1.184	2.8%
Less: Adjustment to NAV	<u>(44,423)</u>			
NAV (at bid price)	<u>142,291,853</u>			
Dynamic Guaranteed Fund				
NAV (at last done price)	27,903,632	25,808,087	1.081	97.5%
Less: Adjustment to NAV	<u>11,069</u>			
NAV (at bid price)	<u>27,914,701</u>			
Singapore Equity Fund				
NAV (at last done price)	898,135,042	380,245,854	2.362	2.1%
Less: Adjustment to NAV	<u>(1,338,784)</u>			
NAV (at bid price)	<u>896,796,258</u>			
Global Bond Fund				
NAV (at last done price)	1,141,884,452	1,026,879,116	1.112	0.5%
Less: Adjustment to NAV	<u>(505,492)</u>			
NAV (at bid price)	<u>1,141,378,960</u>			

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
Notes to the financial statements - 31 December 2006

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

	S\$	Units in Issue	NAV per unit (S\$)	Percentage holdings of policyholders
<i>Growth Fund</i>				
NAV (at last done price)	251,144,676	147,794,421	1.699	88.2%
Less: Adjustment to NAV	<u>(259,176)</u>			
NAV (at bid price)	<u>250,885,500</u>			
<i>Balanced Fund</i>				
NAV (at last done price)	235,749,418	155,708,762	1.514	80.4%
Less: Adjustment to NAV	<u>(198,654)</u>			
NAV (at bid price)	<u>235,550,764</u>			
<i>Conservative Fund</i>				
NAV (at last done price)	66,944,789	50,000,000	1.339	18.9%
Less: Adjustment to NAV	<u>(42,720)</u>			
NAV (at bid price)	<u>66,902,069</u>			
<i>Amanah Bond Fund</i>				
NAV (at last done price)	214,957,290	199,504,073	1.078	2.07%
Less: Adjustment to NAV	<u>49,958</u>			
NAV (at bid price)	<u>215,007,248</u>			
<i>Amanah Equity Fund</i>				
NAV (at last done price)	234,557,963	203,025,218	1.155	9.4%
Less: Adjustment to NAV	<u>(216,548)</u>			
NAV (at bid price)	<u>234,341,415</u>			
<i>Money Market Fund</i>				
NAV (at last done price)	365,525,932	348,402,711	1.049	4.4%
Less: Adjustment to NAV	<u>95,288</u>			
NAV (at bid price)	<u>365,621,220</u>			

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
Notes to the financial statements - 31 December 2006

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.

Bid-Offer spread

Bid-offer spread is set at 3.5% of all funds except for Money Market Fund which is set at 0.25%. 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 directors. 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)

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED
NTUC INCOME FUNDS
Notes to the financial statements - 31 December 2006

(d) Taxation

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

(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.

		Fair Value	
	Notional Amount	Receivable	Payable
	S\$	S\$	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	-
Dynamic Guaranteed Fund			
Forward Foreign Exchange Contracts	63,129,725	-	1,080,490
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	-

	Notional Amount S\$	Fair Value	
		Receivable S\$	Payable S\$
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
<u>As at 31 December 2005</u>			
Prime Fund			
Cross Currency Swaps	583,173	10,862	-
Trust Fund			
Cross Currency Swaps	122,398	5,431	-
Enhanced Fund			
Cross Currency Swaps	61,199	2,716	-
Global Equity Fund			
Forward Foreign Exchange Contracts	177,663	177,352	177,442
Singapore Bond Fund			
Cross Currency Swaps	12,000,000	532,479	-
Dynamic Guaranteed Fund			
Forward Foreign Exchange Contracts	174,315,268	5,272,658	-
Interest Rate Swaps	170,000,000	50,295	-
Global Bond Fund			
Forward Foreign Exchange Contracts	3,298,831,802	3,264,056,499	3,247,532,860
Interest Rate Swaps	381,647,530	-	3,991,647
Swaptions	50,694,050	538,997	206,071
Bond Forwards	190,917,261	188,857,987	-
Currency Options	7,443,280	9,201	-


	Notional Amount S\$	Fair Value	
		Receivable S\$	Payable S\$
Growth Fund			
Forward Foreign Exchange Contracts	88,601,544	87,667,747	87,224,082
Interest Rate Swaps	10,247,653	-	107,180
Swaptions	1,361,191	14,473	5,533
Bond Forwards	5,126,337	5,071,043	-
Currency Options	199,860	247	-
Cross Currency Swaps	214,184	9,504	-
Balanced Fund			
Forward Foreign Exchange Contracts	149,726,272	148,148,051	147,398,177
Interest Rate Swaps	17,320,115	-	181,151
Swaptions	2,300,622	24,461	9,352
Bond Forwards	8,664,301	8,570,846	-
Currency Options	337,795	418	-
Cross Currency Swaps	310,229	13,766	-
Conservative Fund			
Forward Foreign Exchange Contracts	77,251,421	76,437,093	76,050,167
Interest Rate Swaps	8,936,904	-	93,471
Swaptions	1,187,084	12,622	4,825
Bond Forwards	4,470,641	4,422,420	-
Currency Options	174,297	215	-
Cross Currency Swaps	149,421	6,630	-
Amanah Bond Fund			
Forward Foreign Exchange Contracts	87,000,000	87,000,000	86,716,355

NTUC INCOME INSURANCE CO-OPERATIVE LIMITED

STATEMENT BY DIRECTORS

NTUC INCOME FUNDS

On behalf of the Board, the financial statements set out on pages 1 to 29 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 2006 and the increase or decrease in net assets for the period then ended, in accordance with the stated accounting policies.



Tan Suee Chieh
Principal Officer

Singapore, 23 March 2007



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AUDITORS' REPORT TO NTUC INCOME INSURANCE CO-OPERATIVE LIMITED

We have audited the financial statements of NTUC Income Funds of NTUC Income Insurance Co-operative (the "Co-operative") (set out on pages 1 to 29), which comprise the Balance Sheet as at 31 December 2006, Capital and Income Account for the period from 1 January 2006 (or date of commencement of the respective NTUC Income Funds, whichever is later) to 31 December 2006, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 29.

Directors' responsibility for the financial statements

The Co-operative's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements of NTUC Income Funds 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 accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Other Matters

In our opinion, the financial statements of NTUC Income Funds present fairly, in all material respects, the state of affairs of NTUC Income Funds as at 31 December 2006 and the increase or decrease in net assets for the period ended on that date, in accordance with the stated accounting policies.

Our report is intended solely for the use of the Co-operative and our duties are owed solely to the Co-operative. We do not accept responsibility and we expressly disclaim liability for loss occasioned to any third party acting or refraining from acting as a result of our report.

This report relates solely to the financial statements of NTUC Income Funds and does not extend to the financial statements of the Co-operative as a whole.



KPMG
Certified Public Accountants

Singapore, 23 March 2007