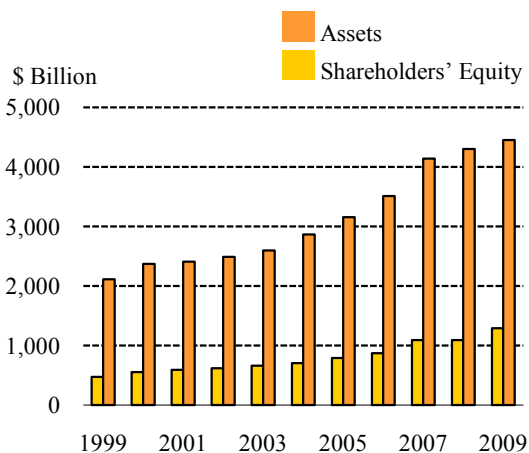


Size and Composition of the Corporate Sector

Singapore's corporate sector expanded in 2009. The amount of shareholders' equity in the corporate sector rose 18 per cent from \$1,092 billion as at end 2008 to \$1,292 billion as at end 2009. Total assets increased 3.5 per cent from \$4,299 billion to \$4,450 billion over the same period (Chart 1).

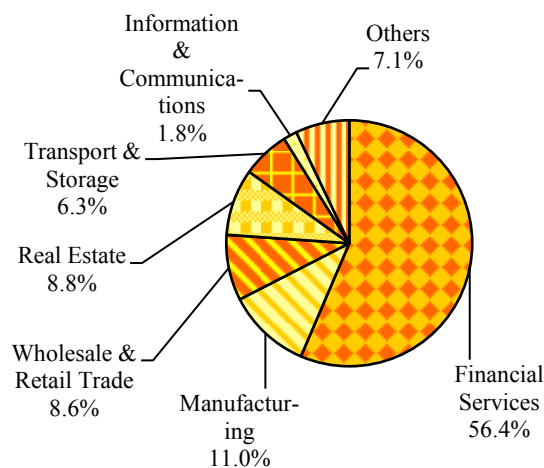
Chart 1: Shareholders' Equity and Total Assets (As at end period)



Shareholders' Equity

Overall, the financial services sector had the largest amount of shareholders' equity, amounted to \$729 billion or 56 per cent of total shareholders' equity in the corporate sector as at end 2009 (Chart 2). This was followed by the manufacturing (\$142 billion or 11 per cent), real estate activities (\$113 billion or 8.8 per cent) and wholesale & retail trade (\$112 billion or 8.6 per cent) sectors.

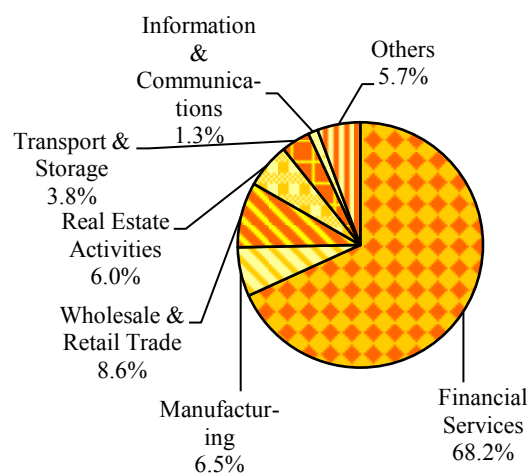
Chart 2: Sectoral Distribution of Shareholders' Equity (As at end 2009)



Total Assets

Financial services accounted for the bulk of the assets in the corporate sector. As at end 2009, the financial services sector held 68 per cent or \$3,036 billion of total assets in the corporate sector (Chart 3). The wholesale and retail trade sector was the second largest sector with 8.6 per cent of total assets, followed by the manufacturing (6.5 per cent) and real estate activities (6.0 per cent) sectors.

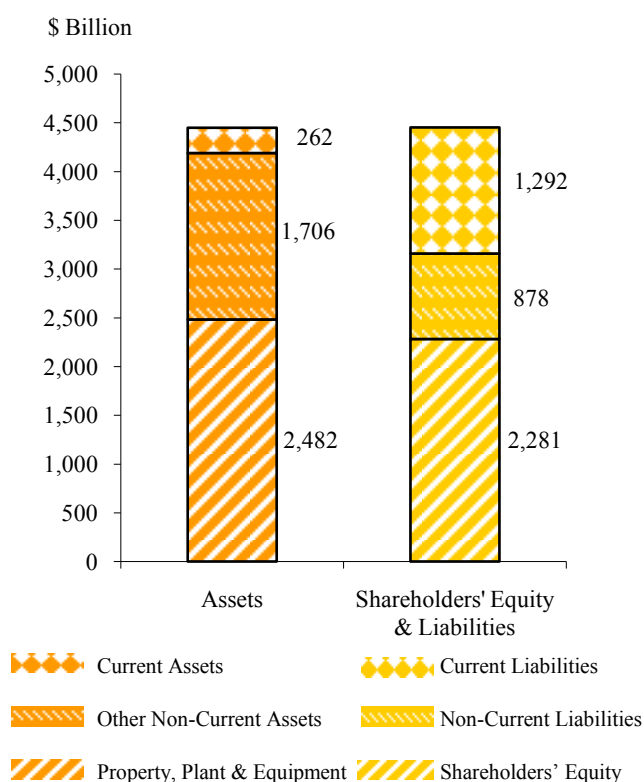
Chart 3: Sectoral Distribution of Total Assets (As at end 2009)



Composition of Balance Sheet

Assets in the corporate sector are categorized into these three main classes: current assets; property, plant & equipment and other non-current assets. As at end 2009, majority of assets consisted of current assets (56 per cent), while non-current assets and property, plant & equipment constituted 38 per cent and 5.9 per cent of total assets respectively (Chart 4).

Chart 4: Composition of Balance Sheet
(As at end 2009)



As at end 2009, shareholders' equity contributed more than a quarter (29 per cent) of total assets in the corporate sector. The remaining 71 per cent were funded through current liabilities (51 per cent) and non-current liabilities (20 per cent).

Detailed Industrial Composition

Financial Services

Shareholders' equity in the financial services sector increased from \$603 billion as at end 2008 to \$729 billion as at end 2009 (Table 1). The bulk of equity capital in financial services was contributed by investment holding companies (84 per cent or \$613 billion) and banks (9.8 per cent or \$71 billion).

Table 1: Shareholders' Equity in Financial Services (Stock as at end period)

	2008 (\$ bil)	2009 (\$ bil)	2009 Share (%)
Financial Services	603.0	729.1	100.0
Investment Holdings	503.2	613.2	84.1
Banks	61.4	71.2	9.8
Insurance Services	10.9	11.7	1.6

Total assets of the financial services sector amounted to \$3,036 billion as at end 2009 (Table 2). Within the financial services sector, the share of assets attributed to banks (55 per cent) was significantly higher than their share of shareholders' equity (9.8 per cent). This was mainly due to banks holding large amount of liquid assets due to its nature of business, and the presence of branches of foreign banks in Singapore which has no shareholder' equity but considerable amount of assets.

Table 2: Assets in Financial Services
(Stock as at end period)

	2008 (\$ bil)	2009 (\$ bil)	2009 Share (%)
Financial Services	3,026.6	3,035.6	100.0
Investment Holdings	981.1	1,087.5	35.8
Banks	1,805.5	1,671.3	55.1
Insurance Services	115.5	135.5	4.5

As at end 2009, the investment holding and insurance services sectors contributed 36 per cent and 4.5 per cent of financial services assets respectively.

Manufacturing

The manufacturing sector recorded double-digit growths in equity capital and assets to reach \$143 billion and \$288 billion as at end 2009 respectively (Tables 3 and 4).

Table 3: Shareholders' Equity in Manufacturing
(Stock as at end period)

	2008 (\$ bil)	2009 (\$ bil)	2009 Share (%)
Manufacturing	120.1	142.5	100.0
Computer, Electronic & Optical Products	37.5	41.1	28.8
Pharmaceutical Products	31.5	32.6	22.9
Machinery & Equipment	8.9	12.7	8.9
Chemicals & Chemical Products	10.0	11.8	8.3
Petroleum Products	8.5	11.4	8.0
Motor Vehicles & other Transport Equipment	8.4	9.8	6.9

Within the manufacturing sector, shareholders' equity was mainly concentrated in the electronics (29 per

cent or \$41 billion) and pharmaceutical (23 per cent or \$33 billion) industries. Machinery & equipment (\$13 billion), chemicals (\$12 billion) and petroleum (\$11 billion) were other manufacturing industries with significant equity capital.

Table 4: Assets in Manufacturing
(Stock as at end period)

	2008 (\$ bil)	2009 (\$ bil)	2009 Share (%)
Manufacturing	260.6	288.0	100.0
Computer, Electronic & Optical Products	79.7	82.1	28.5
Pharmaceutical Products	40.5	44.8	15.6
Machinery & Equipment	32.1	30.1	10.4
Chemicals & Chemical Products	18.8	21.8	7.6
Petroleum Products	28.1	34.7	12.1
Motor Vehicles & other Transport Equipment	25.5	25.6	8.9

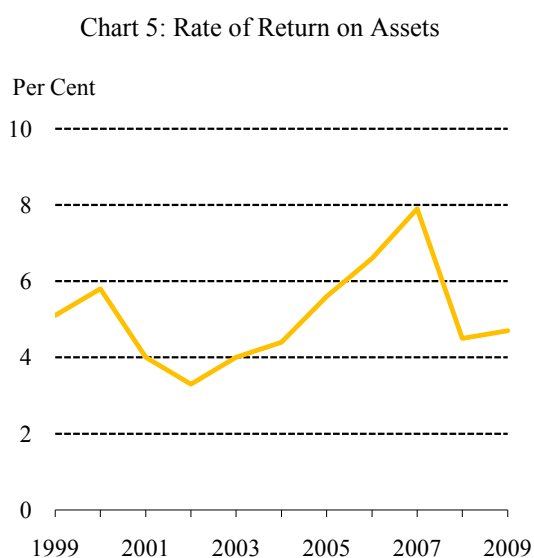
The bulk of manufacturing assets were contributed by the electronics (\$82 billion or 29 per cent) and pharmaceutical (\$45 billion or 16 per cent) industries. This was followed by the petroleum (\$35 billion or 12 per cent), machinery & equipment (\$30 billion or 10 per cent) and motor vehicles & other transport equipment (\$26 billion or 8.9 per cent) industries.

Performance of the Corporate Sector

Return on Total Assets (ROA)

The rate of return on total assets* (ROA) measures how efficient resources are being utilised by companies.

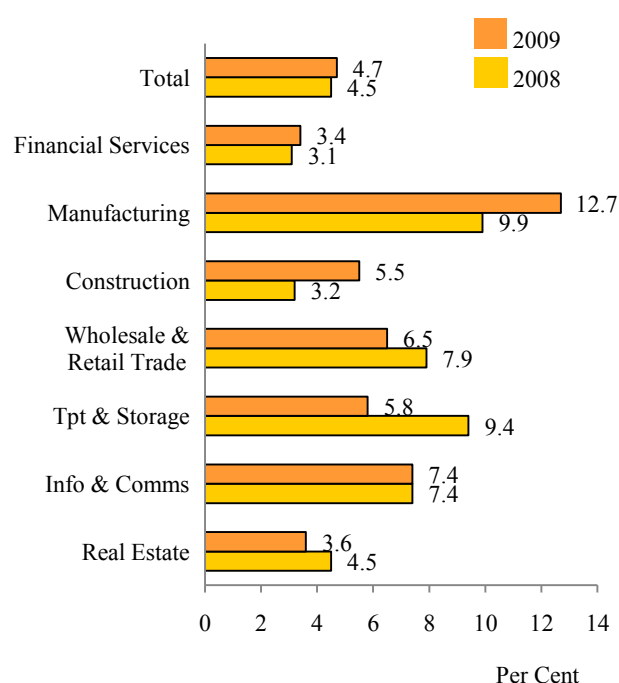
Overall ROA improved from 4.5 per cent in 2008 to 4.7 per cent in 2009 (Charts 5 & 6).



Among major sectors, financial services and manufacturing sectors generated higher ROAs in 2009. ROA of financial services rose from 3.1 per cent in 2008 to 3.4 per cent in 2009, while manufacturing ROA increased from 9.9 per cent to 12.7 per cent during the same period.

In contrast, transport & storage ROA eased from 9.4 per cent in 2008 to 5.8 per cent in 2009 while wholesale & retail recorded ROA of 6.5 per cent in 2009, lower than the 7.9 per cent registered a year ago.

Chart 6: Rate of Return on Assets by Sector



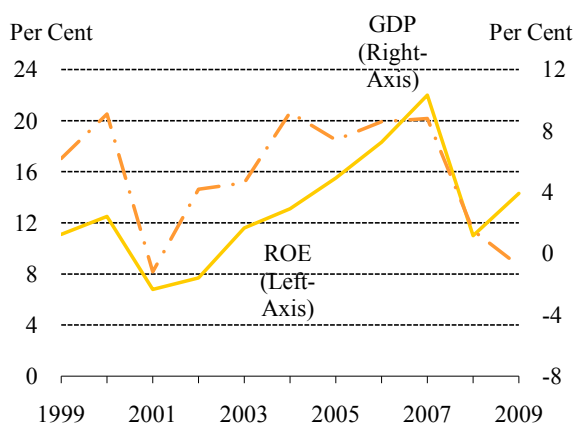
Return on Total Equity (ROE)

Return on total equity* (ROE) measures the profitability of shareholders' capital in companies.

Singapore's corporate sector recorded higher ROE of 14 per cent in 2009, compared to 11 per cent in 2008 (Charts 7 & 8).

*The definitions and formulae for Return on Asset (ROA) and Return on Equity (ROE) can be found in the Technical Note.

Chart 7: Rate of Return on Equity



The financial services, manufacturing and construction sectors generated higher ROE in 2009 (Chart 8). ROE in financial services improved from 5.7 per cent in 2008 to 12 per cent in 2009 while manufacturing ROE rose from 19 per cent to 25 per cent. Construction ROE improved further to 31 per cent in 2009 from 20 per cent in 2008

In terms of ROE, profitability in wholesale & retail trade and transport & storage fell in 2009. Wholesale & retail trade ROE decreased from 24 per cent in

2008 to 20 per cent in 2009. ROE in transport & storage declined to 11 per cent, from 19 per cent a year earlier.

Chart 8: Rate of Return on Equity by Sector

