

The past is gone, and therefore cannot be changed.  
The present will disappear in a moment but  
there will always be a tomorrow to be shaped as you wish.

S Rajaratnam, founding Foreign Minister of Singapore  
Speech at the Opening of the National Youth Conference, 16 July 1982

## 1959

### A HUMBLE BEGINNING



The first self-government of Singapore faced a daunting budget deficit of S\$14 million inherited from their British predecessors.

By year-end, the newly elected leaders delivered a surplus of S\$1 million.

Their creed was to live within their means and not to burden future generations with debt.

This shaped the Singapore DNA of integrity and courage.

## 1965

### FIGHTING FOR SURVIVAL



A newly independent Singapore found itself bereft of a hinterland overnight.

Another shock soon followed – British troops would withdraw by 1971.

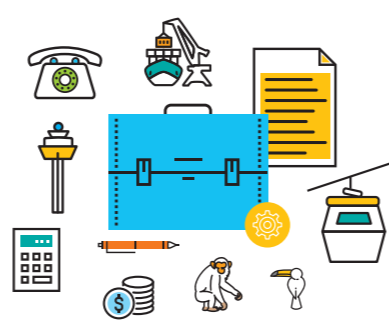
Singapore strove mightily for investments and jobs.

Meanwhile, an Air Pollution Unit was set up in 1970, followed by an annual Tree Planting Day in 1971.

Thus was born Singapore, delivering growth and a clean environment, as home for her people.

## 1974

### AN UNPLANNED EXPERIMENT



To focus on its roles as policymaker and regulator, the Government decided to entrust the ownership of enterprise to a separate entity.

An eclectic collection of 35 companies was spun out to form Temasek.

Temasek was set up as a commercial company, to hold and shape its portfolio independently.

44 years later, this separation of roles between Temasek and the Government continues to serve us well.

## INS & OUTS OF TEMASEK

We own and manage our assets with integrity and courage as an active investor, a forward looking institution, and a trusted steward

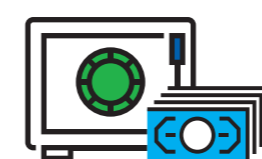
### OUR SOURCES OF FUNDS



#### Divestments

Net proceeds from asset sales are a major source of funds for us.

Our divestments have averaged about S\$18 billion annually over the last five years.



#### Bank Borrowings

We may borrow from banks to meet specific needs.



#### Our Shareholder

The Minister for Finance<sup>1</sup>, as our shareholder, may inject fresh capital or assets<sup>2</sup>.



#### Dividends & Distributions

Our portfolio companies are a source of dividends, while investments in funds distribute their returns mostly in cash.

Our dividends have averaged S\$8 billion annually over the last five years.

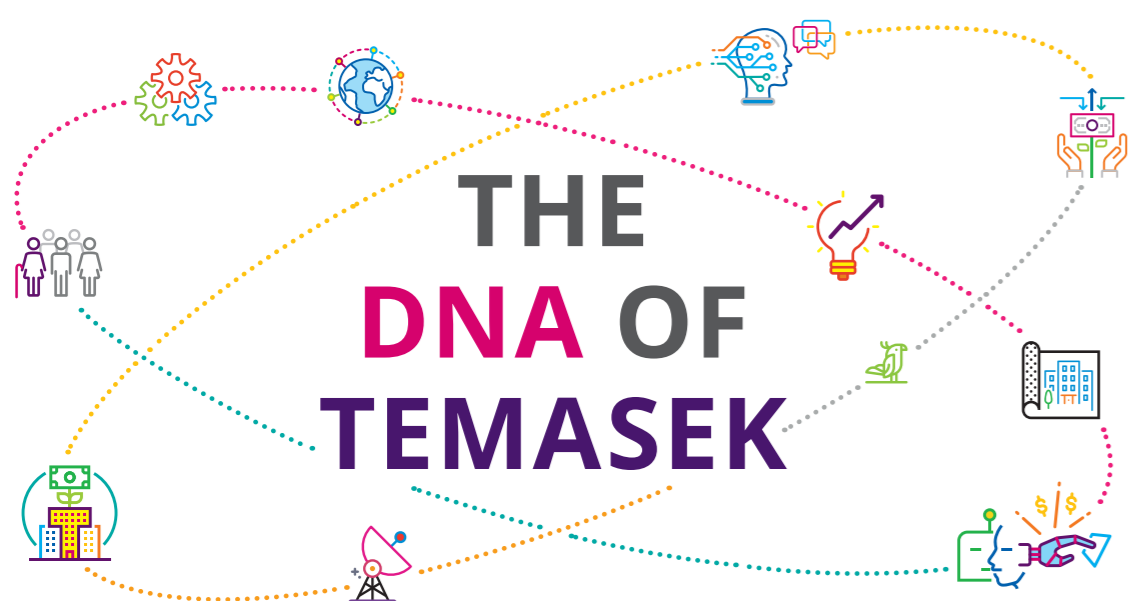


#### Debt Instruments

Our Temasek Bonds give us access to long term funds while we tap our Euro-commercial Paper for short term needs.

TEMASEK

## THE DNA OF TEMASEK



The decisive factor is not knowledge but the determination and courage to act upon them.

S Rajaratnam, founding Foreign Minister of Singapore  
Speech at the Singapore Association for the Advancement of Science Seminar  
20 December 1979

Peering into an uncertain future, we defended the discipline of the market, debated our rightful role and charted our own path.

Those were the early years of Temasek, when our values were shaped by pioneers within and outside of Temasek.

Girding our journey is the steel of the Singapore DNA.

### Our Roots, Our Core

The DNA of Temasek is shaped by the founding years of Singapore:

- Live within our means and be financially disciplined
- Invest in our people and act with integrity
- Do things today with tomorrow in mind



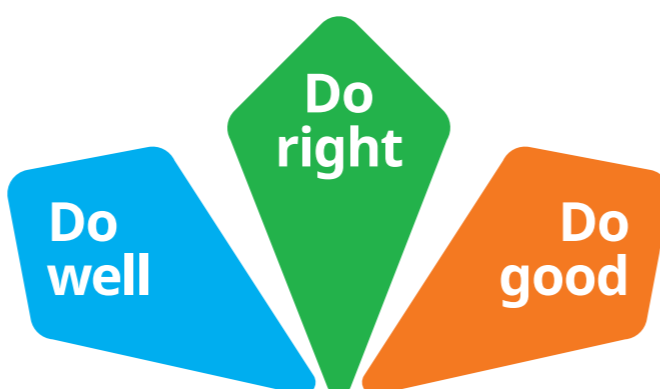
### Our Temasek Heartbeat

Integrity, Meritocracy, and Excellence are core to our DNA.

We are trusted stewards.

We own the reputation and future of Temasek.

We care that our people can grow and contribute as part of our wider community.



Investor Institution Steward

### Our Triple Bottom Line

Temasek is more than an investment company. We do well and do right in order to do good.

We actively promote an ABC World as our common home and heritage for humanity:

- An Active Economy of jobs, opportunities and hope
- A Beautiful Society of peace, justice and inclusion
- A Clean Earth of fresh air, clean waters and fertile land



Scan to discover more about Temasek's DNA or visit [www.temasekreview.com.sg/dna\\_bt](http://www.temasekreview.com.sg/dna_bt)

### Investments & Associated Costs<sup>3</sup>

We invest into long term trends that contribute to a better, smarter and more connected world.

In the last five years, our investments have averaged about S\$26 billion every year.



### OUR USE OF FUNDS



#### Taxes

We pay taxes<sup>4</sup> in various countries. Such taxes help fund public services in the respective jurisdictions or add to their surpluses and reserves.



#### Endowments for Communities

We invest in our communities, through endowment gifts and donations.

### Dividends to Shareholder

We pay dividends to our shareholder, the Minister for Finance<sup>1</sup>, as part of our financial discipline.

Between 2000 and 2015, up to 50% of our dividends, also known as NII<sup>5</sup>, may be spent by the Singapore Government.

Such contributions helped fund the 2014 Pioneer Generation Package.



### OUR FUNDS COME MAINLY FROM OUR PORTFOLIO

WE DO NOT MANAGE



Singapore CPF savings



Singapore Government reserves



Singapore foreign reserves



### NII<sup>5</sup>/NIR<sup>6</sup> Contributions<sup>7</sup>

From 2016 onwards, Temasek was moved to the NIR<sup>6</sup> framework. Up to half of our expected long term returns, less inflation, may be used by the Singapore Government for budget spending.

NII/NIR Contributions are now the largest source for budget spending at 18% of the 2018 Government Budget.



Scan to explore Temasek's Ins and Outs or visit [www.temasekreview.com.sg/insandouts\\_bt](http://www.temasekreview.com.sg/insandouts_bt)

<sup>1</sup> Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate, which owns shares in companies on behalf of the Singapore Government.

<sup>2</sup> This includes the initial S\$354 million portfolio of 35 companies to form Temasek in 1974.

<sup>3</sup> Associated costs include operating and financing expenses; transaction costs such as due diligence, legal, audit, advisory and other fees; fund management fees for funds; and other business costs.

<sup>4</sup> Temasek pays taxes like any normal profitable company, unlike sovereign wealth funds, which may claim sovereign exemption from taxes.

<sup>5</sup> NII is Net Investment Income comprising actual dividends and interest income.

<sup>6</sup> NIR is Net Investment Returns based on expected long term rate of return from net assets, less inflation.

<sup>7</sup> MAS and GIC have been included in the NIR framework since 2009.