

ANNEX C

Computation of CPF RA interest rate for 1 January 2019 to 31 December 2019

RA monies credited in 2019 will be invested in newly-issued Special Singapore Government Securities (SSGS) which will earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for the year, or the current floor rate of 4% per annum, whichever is higher.

The average yield of the 10YSGS plus 1% from November 2017 to October 2018 is 3.38% per annum. As this is below the current floor rate of 4% per annum, new SSGS issued in the year of 2019 will pay a fixed coupon of 4%.

The interest rate earned by RA monies is the weighted average interest rate of the entire portfolio of these SSGS, which is adjusted in January each year to take into account the coupon rates payable by the new SSGS issuance.