Singapore financial sector growth doubles in 2024; assets managed cross $6 trillion in a first: MAS

The Singapore financial services sector's growth was broad-based across segments, including banking, fund management, insurance, and more.
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SINGAPORE – Singapore's financial services sector in 2024 more than doubled the growth rate of the preceding year. But the Monetary Authority of Singapore (MAS) warns that the pace of the last few years is unlikely to persist as the industry braces itself for slower global growth amid tariff uncertainties.

The financial services sector grew 6.8 per cent in 2024 compared with 3.1 per cent in 2023. It accounted for about 14 per cent of Singapore's gross domestic product (GDP), Deputy Prime Minister and MAS chairman Gan Kim Yong said in the central bank's annual report released on July 15.

Growth was broad-based across segments, including banking, fund management, insurance and activities auxiliary to financial services, which largely comprise payments firms, he said.

MAS managing director Chia Der Jiun said at a media conference on July 15 that the sector's average growth rate stood at 4.7 per cent from 2021 to 2024, keeping it firmly on track to meet the Industry Transformation Map (ITM) 2025 target of 4 per cent to 5 per cent growth per annum over 2021 to 2025.

Job creation in the financial sector is also on track to meet the ITM 2025 target of 3,000 to 4,000 net jobs created per annum.

The average annual net jobs created for 2021 to 2024 was 4,400, with more than 90 per cent of these going to local workers.

MAS deputy managing director for markets and development Leong Sing Chiong said new jobs were created in different roles from tech-related to non-tech ones including business, portfolio and relationship management.

The banking sector growth remained resilient, with total assets growing at a compound annual growth rate of 6.8 per cent over

2021 to 2024.

The insurance industry expanded, with total assets increasing by 3.6 per cent in 2024 over 2023 to $456.4 billion.

The foreign exchange average daily traded volumes surpassed $1.5 trillion in 2024.

The corporate debt market registered strong growth in 2024, with total issuance increasing more than 30 per cent from the previous year to exceed $300 billion.

Assets under management (AUM) in Singapore grew 12.2 per cent year on year to $6.07 trillion. This marks the first time that Singapore's AUM exceeded $6 trillion, Mr Chia said.

The growth was contributed by both traditional and alternative sectors, namely private equity, venture capital, hedge funds, real estate and real estate investment trusts.

Net inflows into Singapore grew 50 per cent in 2024 from 2023, as fund-raising activities recovered amid improving investment sentiment. The number of fund management companies reached 1,298 by end-2024.

The wealth management sector also experienced strong growth, as the Republic continues to be a "trusted and attractive wealth management centre underpinned by high standards of regulation".

Looking ahead, Mr Chia said "we do not expect financial sector growth to continue at the pace of the last few years", which had witnessed "unusually strong" growth.

"There is still too much uncertainty. There are still a lot of things that we do not know at this point," he said. These included uncertainties over trade deals, tariffs and potential trade conflicts.

The trade shock in April after the US imposed sweeping tariffs has created complex effects on global inflation and growth, varying by country, he said.

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Although tariff deadlines were delayed and businesses advanced orders, this front-loading is temporary and will lead to softer consumption and investment ahead, Mr Chia added.

The outlook is cautious, with expectations of slower global growth and subdued inflation in the second half of 2025, he said.

Singapore's GDP growth for 2025 is projected to slow to a range of 0 per cent to 2 per cent amid rising global uncertainties, from a 4.4 per cent expansion in 2024.

Mr Chia said MAS' mandate to secure medium-term price stability will provide an anchor of stability for the Singapore economy in times of uncertainty and fundamental change.

He warned that because financial markets are not fully reflecting the risks facing the global economy, they could suddenly drop and become very unstable if those risks actually happen.

The triggers could include an escalation of trade conflict, geopolitical conflict, and heightened concerns from investors over financial and fiscal policy, he said.

The MAS is vigilant to the risks in global markets transmitting to Singapore, Mr Chia said.

In 2025, it has applied a more severe scenario in stress-testing the stability of the financial system. This includes a sharp tightening in global financial conditions alongside heightened financial market volatility, a trade shock and persistent elevated levels of policy uncertainty.

Mr Chia said the imposition of $27.45 million in composition penalties against nine financial institutions for anti-money laundering breaches reflects the regulator's expectation that financial institutions uphold sound and risk-proportionate practices.

The nine financial institutions, which included the former Credit Suisse, UOB, UBS, Citi and Julius Baer in Singapore, were linked to persons of interest in a $3 billion money laundering scandal in 2023.

Mr Chia said the regulator is working with financial institutions to improve their practices so that they are sound, effective and efficient.

"Our financial ecosystem will be tough on suspicious and illegitimate monies, but welcoming and efficient to legitimate wealth. This will provide a strong and sustainable basis for the continued growth of the wealth management sector," he said.

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Mr Gan said more measures to revitalise the market are being considered by the Equities Market Review Group chaired by MAS deputy chairman Chee Hong Tat, who is Minister for National Development.

The group is studying other proposals, and expects to make further announcements before end-2025, he said.

Angela Tan is senior correspondent at The Straits Times' business desk.

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