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THE ROLE OF FOREIGN BANKS IN SINGAPORE'S CREDIT SYSTEM

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The credit system is an integral component of the economic infrastructure of each state, playing a key role in its development and stability [1]. It is a mechanism that ensures the flow of financial resources from lenders to borrowers, which facilitates the realization of investments, supports entrepreneurial activity and stimulates economic growth. The importance of the credit system for the country is not limited to economic aspects, it also has social significance, providing accessibility of financial services to the general population and contributing to the improvement of living standards.

The structure of the credit system includes various components:

Central Bank, commercial banks, investment banks, credit cooperatives and credit unions, financial institutions, capital markets, credit agencies [1].

Considering the credit structure of economically developed countries of the world, we can highlight its example in Singapore. This city-state, being an integral part of the financial life of the world community, must have a stable and well-structured credit system. The peculiarity of this system in Singapore is that the majority of banks are foreign, namely there are 114 of them, while there are only 7 local banks.

The credit structure of this Asian country is as follows:

1. Monetary Authority of Singapore (MAS): MAS plays a key role in regulating and supervising Singapore's financial sector. It sets monetary policy and regulates
2. banks and other financial institutions [2]. On January 1, 1971, the Monetary Authority began its operations [3].
3. Commercial banks in Singapore are represented by DBS Bank, United Overseas Bank (UOB), Oversea-Chinese Banking Corporation (OCBC) and Standard Chartered
4. Bank. These banks provide a wide range of banking services including loans, deposits, account services and other financial products [4].
5. Financial companies in Singapore may include Aviva, Great Eastern, Prudential and others that provide insurance and investment products as well as asset management services [4].
6. Singapore has some microfinance organizations such as Credit Counselling Singapore (CCS) that provide small loans and financial advice to small businesses and individuals [4].
7. Investment banks active in Singapore include Goldman Sachs, J.P. Morgan, Citibank and Credit Suisse. These banks specialize in arranging securities offerings, financial transaction advisory and other investment services [4].
8. The Singapore Exchange operates as a capital market. It is the main trading platform for stocks, bonds, derivatives and other financial instruments. SGX provides access to capital for companies and investors from around the world [4].

According to the above information, in all divisions of the credit system we see the presence of both local banks, which regulate the financial processes of the country, and foreign representatives who offer their services to the population of Singapore.

Table – Total assets, capital and country of origin of banks in Singapore (2022-2023)

Bank	Total assets (billion, USD)	Equinty (billion, USD)	Country of origin
DBS Bank	560.48	54.643	Singapore
Oversea Chinese Bank	426.26	49.662	Singapore
United Overseas Bank	304.339	41.131	Singapore
Standard Chartered	819.992	50.729	Great Britain
Citibank	2,432.675	56.9	USA
Goldman Sachs	1,641.327	44.537	USA

The table provides information on banks' total assets and capital for the period 2022-2023, as well as the location of their headquarters. Based on the data presented in the second column on the total assets of each institution, we can scale the banks according to their quantitative presence and, as a consequence, their importance for the country's economy. Capital ratios indicate the reliability and credibility of the campaign. The fourth pillar shows the interests of which countries each bank represents, depending on the location of its head office and its relation to the economic policy of a particular country.

Therefore, we can conclude that the credit system of Singapore has a diverse composition of participants, including both local and foreign banks, which contributes to the versatile development of the financial sector and provides access to a wide range of financial services for the population. In addition, local banks dominate, while foreign banks create competition by offering a wide range of services.

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