

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2004

These notes form an integral part of and should be read in conjunction with the accompanying accounts.

### 1 GENERAL

The Authority is established under the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) and is located at 10 Shenton Way, MAS Building, Singapore 079117.

### 2 PRINCIPAL ACTIVITIES

The principal activities of the Authority are:

- a) the conduct of monetary policy, issuance of currency, management of the official foreign reserves and acting as the banker to and financial agent of the Government; and
- b) the supervision of the banking, insurance, securities and futures industries, and development of strategies in partnership with the private sector to promote Singapore as an international financial centre.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Compliance with the Monetary Authority of Singapore Act, Currency Act and Singapore Financial Reporting Standards

- a) The financial statements of the Authority, expressed in Singapore dollars, are prepared in accordance with the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition), Currency Act (Chapter 69, 2002 Revised Edition) and applicable Singapore Financial Reporting Standards (FRS). The financial statements disclose less information than would be required under the accounting standards. Section 34(3) of the Monetary Authority of Singapore Act and Section 21(10) of the Currency Act provide that the Authority, in preparing its financial statements, may comply with accounting standards to the extent that it is, in the opinion of the Authority, appropriate to do so, having regard to the objects and functions of the Authority. The Authority, having considered its responsibilities for managing the Singapore dollar exchange rate and the Official Foreign Reserves, is of the opinion that, for effective management of Singapore's monetary policy, it is appropriate not to meet, in some respects, the accounting standards.
- b) In addition, due to information system constraints, the Authority recognises interest income on a straight-line basis instead of on an effective yield basis as required by FRS 18. Premiums and discounts are also amortised on a straight-line basis over the remaining life of the securities, except for discounts on zero-coupon bonds that are amortised on an effective interest rate basis as required by this standard. Based on the Authority's estimation, the financial impact of the departure from FRS 18 is immaterial.
- c) FRS replace the Singapore Statements of Accounting Standards (SAS) for financial statements covering periods beginning on or after 1 January 2003. The transition from SAS to FRS does not have material impact on the accounting policies and figures presented in the financial statements for the financial year ended 31 March 2004.

#### 3.2 Basis of Accounting

The accounts are prepared in accordance with the historical cost convention and on an accrual basis. Purchases and sales of investments are recognised on a settlement date basis.

### 3.3 Foreign Currency Translation

Assets and liabilities in foreign currencies have been translated into Singapore dollars at the rates of exchange ruling on the balance sheet date, except for shareholdings in Bank for International Settlements (BIS) and Society for Worldwide Interbank Financial Telecommunication (SWIFT) which are translated into Singapore dollars at the rates of exchange prevailing on the acquisition dates. Transactions in foreign currencies during the year have been translated into Singapore dollars at the rates of exchange prevailing on the transaction dates. Exchange differences are taken to the income and expenditure statement.

### 3.4 Income Recognition

- a) Interest income, licence fees and rental income are recognised on an accrual basis.
- b) Dividends from equities are recognised in the financial year in which they are declared payable.
- c) Premiums and discounts are amortised on a straight-line basis over the remaining life of the securities, except for discounts on zero-coupon bonds that are amortised on an effective interest rate basis. Premiums and discounts are recognised as interest expense and interest income respectively.
- d) Profits and losses on disposal of investments are taken to the income and expenditure statement.

### 3.5 Singapore Government Treasury Bills and Bonds

Singapore Government Treasury bills and bonds are stated at cost. Provision has been made for diminution in value, if any, based on the lower of cost and market value on an individual investment basis.

### 3.6 Gold and Foreign Assets

Gold and foreign assets are stated at cost. Provision has been made for diminution in value, if any, based on the lower of cost and market value on an individual investment basis, except for shareholdings in BIS and SWIFT. Foreign assets represent the Authority's investments in a global diversified portfolio.

### 3.7 Repurchase and Reverse Repurchase Agreements ("Repos" and "Reverse Repos")

Reverse Repos are treated as collateralised borrowing and the amounts borrowed are included in "Provisions and Other Liabilities" and "Gold and Foreign Assets – Foreign Currency Liabilities". The securities sold under reverse repos are treated as pledged assets and remain on the balance sheet as assets. Repos are treated as collateralised lending and the amounts lent are included in "Other Assets" and "Gold and Foreign Assets – Other Foreign Investments". The difference between the amount received and the amount paid under repos and reverse repos is recognised as interest income and interest expense respectively on a straight-line basis.

### 3.8 Derivative Instruments

Off-balance sheet financial derivatives include forwards, swaps, futures and options. Provision has been made for diminution in value, if any, based on the lower of cost and market value on an individual investment basis, except for forwards and currency swaps which are valued on a portfolio basis.

### 3.9 Operating Lease

- a) Leases where substantially all the rewards and risks of ownership remain with the lessors are accounted for as operating leases. Rental receipts or payments under operating leases are accounted for in the income and expenditure statement based on an accrual basis according to the receipts or payments due.
- b) When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an income or expense in the period in which termination takes place.

### 3.10 Employees' Benefits

Employees' benefits including leave entitlement are recognised on an accrual basis.

### 3.11 Fixed Assets and Depreciation

- a) Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives as follows:

Leasehold Land	Period of lease
Buildings	50 years or period of lease whichever is lower
Building Improvements and Renovation	10 years
Mechanical and Electrical Installations	10 years
Computer Equipment and Software	3 to 5 years
Furniture, Fixtures, Motor Vehicles and Other Equipment	3 to 5 years

- b) Computer software costs of less than \$100,000 and other assets costing not more than \$1,000 are expensed off in the year of purchase.
- c) When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income and expenditure statement for the period.

## 4 INCOME FROM FOREIGN OPERATIONS

Income from foreign operations includes interest, dividends, realised capital gains/losses, exchange gains/losses and writeback of/additional provision for diminution in value of investment, based on the lower of cost and market value.

## 5 INCOME FROM DOMESTIC AND OTHER OPERATIONS

Income from domestic and other operations includes mainly interest and writeback of/additional provision for diminution in value of Singapore Government Treasury bills and bonds, licence and inspection fees, revenue from currency-related operations, custody fee and revenue from services rendered to banks and financial institutions on MAS Network and MAS Electronic Payment System which provides real-time gross settlement of payments.

## 6 NON-OPERATING INCOME

Non-operating income includes rental and carpark income, interest on loans to staff and management service fees.

## 7 INVESTMENT, INTEREST AND OTHER EXPENSES

Foreign investment expenses include management fees and bank, custody and other charges. Interest and other expenses comprise mainly interest paid on borrowings and reverse repurchase agreements and the cost of coin operations.

## 8 PERSONNEL EXPENDITURE

8.1 This includes the following:

	2004 \$'000	2003 \$'000
Salaries	80,412	73,636
Employer's Contribution to the Central Provident Fund	9,124	9,843
Training and Personnel Development	5,806	5,445
Staff Benefits	2,915	3,285
Directors' Fee	31	27

8.2 The number of directors whose remuneration package falls within the following bands is:

	2004	2003
Below \$750,000	–	–
\$750,000 – \$1,000,000	1	1
Above \$1,000,000	–	–

8.3 As at 31 March 2004, the Authority has 979 (31 March 2003: 969) employees.

## 9 GENERAL AND ADMINISTRATIVE EXPENDITURE

This includes the following:

	2004 \$'000	2003 \$'000
Information Technology Expenses	11,065	10,419
Building and Mechanical and Electrical Maintenance	2,898	2,069
Official Trips and Conferences	1,418	1,812
Property Tax and Quit Rent	1,060	1,393
Consultancy and Other Fees	1,007	2,878
IT Operating Lease Charges	660	1,019
Audit Fee	550	500
Entertainment	105	113

## 10 ISSUED AND PAID-UP CAPITAL

The issued and paid-up capital of \$100 million is wholly-owned by the Government of the Republic of Singapore.

## 11 GENERAL RESERVE FUND

The General Reserve Fund is established under Section 6(1) of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). Movements in the General Reserve Fund are set out in the statement of changes in equity.

## 12 CURRENCY FUND RESERVES

12.1 The Currency Fund, established under Section 21 of the Currency Act (Chapter 69, 2002 Revised Edition), is maintained and managed by the Authority in the manner prescribed by the Act.

12.2 The assets and liabilities of the Currency Fund as at 31 March 2004 are as follows:

	Note	2004 \$'000	2003 \$'000
<b>External Assets</b>			
Gold	14.1	277,049	291,750
Foreign Assets	14.1	15,858,594	15,693,982
		16,135,643	15,985,732
Less:			
<b>Liabilities</b>			
Active Currency in Circulation		14,382,185	13,774,559
Currency Held by the Authority		178,241	65,597
Currency in Circulation		14,560,426	13,840,156
Provisions and Other Liabilities		80,693	440,461
		14,641,119	14,280,617
<b>Currency Fund Reserves</b>		1,494,524	1,705,115

## 13 FINANCIAL SECTOR DEVELOPMENT FUND

13.1 The Financial Sector Development Fund (hereinafter called the Fund) is established under Section 30A of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). It is controlled and administered by the Authority. The Fund shall be used for the objects and purposes set out in Section 30B of the Act.

13.2 The assets and liabilities of the Fund as at 31 March 2004 are as follows:

	Note	2004 \$'000	2003 \$'000
<b>Accumulated Fund</b>			
Capital Account	13.6	471,635	471,635
Accumulated Surplus		140,514	19,835
		612,149	491,470
Represented by:			
<b>Assets</b>			
Cash and Deposits		126,830	58,146
Interest and Dividend Receivable		29,675	10,412
Receivable from SEL Holdings Pte Ltd		2,500	–
Funds managed by Fund Managers	13.3	459,538	431,663
		618,543	500,221
Less:			
<b>Liabilities</b>			
Accounts Payable		6,394	8,751
<b>Net Assets</b>		612,149	491,470

13.3 Details of Funds managed by Fund Managers are as follows:

	2004 \$'000	2003 \$'000
Bank Balances and Deposits	90,070	53,011
Treasury Bills, at cost	1,800	24,356
Fixed Income Securities, at cost	268,960	271,669
Less: Provision for Diminution in Value	(446)	(257)
(Market Value – 2004: \$274,714)	268,514	271,412
(Market Value – 2003: \$283,789)		
Equities, at cost	99,217	97,063
Less: Provision for Diminution in Value	(2,377)	(17,526)
(Market Value – 2004: \$113,013)	96,840	79,537
(Market Value – 2003: \$80,841)		
Provision for Diminution in Value of Futures	(194)	–
(Market Value – 2004: -\$112)		
(Market Value – 2003: \$ -)		
Provision for Diminution in Value of Forwards	–	(380)
(Market Value – 2004: \$977)		
(Market Value – 2003: -\$367)		
Prepayment and Other Receivables	3,587	4,187
Accrued Expenses and Other Payables	(1,079)	(460)
	459,538	431,663
(Total Market Value – 2004: \$482,969)		
(Total Market Value – 2003: \$445,357)		

13.4 The financial results of the Fund are as follows:

	2004 \$'000	2003 \$'000
<b>Funds managed by Fund Managers</b>		
Interest Income	8,143	10,334
Dividend Income	1,419	1,126
Realised Exchange (Loss)/Gain	(1,011)	69
Realised Capital Gain/(Loss)	4,012	(12,898)
Investment Expenses	(1,992)	(1,845)
Net Realised Portfolio Investment Income/(Loss)	10,571	(3,214)
Foreign Currency Translation Gain	2,124	7,971
Writeback of/(Additional) Provision for Diminution in Value	15,146	(9,085)
<b>Net Investment Income/(Loss)</b>	<b>27,841</b>	<b>(4,328)</b>
Interest Income from Bank Deposits	341	238
Dividend on SGX Shares	100,818	18,489
Writeback of Over-provisions for Accruals	1,280	1,048
	<b>130,280</b>	<b>15,447</b>
<b>Less:</b>		
Manpower Development Grants	1,940	1,381
Non-manpower Development Grants	7,661	9,197
	<b>9,601</b>	<b>10,578</b>
<b>Net Surplus for the year</b>	<b>120,679</b>	<b>4,869</b>
Accumulated Surplus as at beginning of the year	19,835	14,966
Accumulated Surplus as at end of the year	<b>140,514</b>	<b>19,835</b>

13.5 **Significant Accounting Policies**

- a) The accounts are prepared in accordance with the historical cost convention. The Fund's investment assets are stated at the lower of cost and market value. Provision has been made for diminution in value, if any, on an individual investment basis, except for forwards which are valued on a portfolio basis.
- b) Quoted bid, mid or last market prices are used as a measure of market values. Where unavailable, market prices from independent brokers are used.

13.6 The Capital Account is funded from the net sale proceeds of the Singapore Exchange Limited's (SGX) shares.

13.7 As at 31 March 2004, SEL Holdings Pte Ltd (SEL) holds 249,991,184 SGX shares for the benefit of the Fund as stipulated under Section 11(2) of the Exchanges (Demutualisation and Merger) Act (Chapter 99B, 2000 Revised Edition). These SGX shares held have a total market valuation of \$415 million as at 31 March 2004 (31 March 2003: \$312 million). The net sale proceeds of these shares (after deducting expenses allowed under Section 10(1) and the par value of those shares) shall be paid by SEL into the Fund under Section 10(2) of the Act.

- 13.8 The non-manpower development grants include the Innovation in Financial Technology & Infrastructure Grant Scheme that was set up in November 2001 to encourage the development of innovation in technology and/or infrastructure in financial services. The scheme is co-funded by the Singapore Government and the Fund for selected projects. Grants accrued under the Scheme as at 31 March 2004 are as follows:

	<b>2004</b>	<b>2003</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants to be borne by		
Singapore Government	166	219
Financial Sector Development Fund	2,370	1,197
	<u>2,536</u>	<u>1,416</u>
<b>Total grants since inception</b>	<u>3,952</u>	<u>1,416</u>

- 13.9 The Fund has outstanding commitments, amounting to \$40.2 million in respect of grants approved but not accrued as at 31 March 2004 (31 March 2003: \$22.2 million).

## 14 GOLD AND FOREIGN ASSETS

14.1 These comprise the following:

	General Reserve Fund		Currency Fund		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Gold</b>	77,798	81,926	277,049	291,750	354,847	373,676
<b>Foreign Investments</b>						
Securities (including Treasury bills, bonds and equities)	135,433,636	117,503,606	16,365,101	15,041,884	151,798,737	132,545,490
Bank Balances, Deposits and Negotiable Certificates of Deposit	16,714,495	11,862,404	124,902	535,748	16,839,397	12,398,152
Other Foreign Investments	2,296,648	1,117,132	107,089	118,084	2,403,737	1,235,216
Foreign Currency Liabilities	(70,161)	(386,921)	(738,498)	(1,734)	(808,659)	(388,655)
	154,452,416	130,178,147	16,135,643	15,985,732	170,588,059	146,163,879
<b>International Monetary Fund Assets (see note 14.2)</b>						
Reserve Tranche	1,091,479	1,019,537	–	–	1,091,479	1,019,537
Special Drawing Rights (SDRs)	452,868	321,005	–	–	452,868	321,005
Poverty Reduction and Growth Facility (PRGF)	109,488	97,023	–	–	109,488	97,023
Poverty Reduction and Growth Facility – Heavily Indebted Poor Countries (PRGF-HIPC)	–	106,835	–	–	–	106,835
Accrued Income	4,065	5,666	–	–	4,065	5,666
Currency Adjustment	(11,243)	(67,342)	–	–	(11,243)	(67,342)
	1,646,657	1,482,724	–	–	1,646,657	1,482,724
<b>Shareholding in BIS (see note 14.3)</b>	54,670	54,670	–	–	54,670	54,670
<b>Shareholding in SWIFT</b>	2	2	–	–	2	2
<b>Total Gold and Foreign Assets</b>	156,153,745	131,715,543	16,135,643	15,985,732	172,289,388	147,701,275

#### 14.2 **International Monetary Fund (IMF) Assets**

- a) The Reserve Tranche represents the amount of the paid-up portion of the Singapore quota. Special Drawing Rights are interest yielding balances with IMF that can be exchanged for convertible currencies. Singapore participated in the IMF's PRGF (previously known as Enhanced Structural Adjustment Facility) with an initial loan of SDR40 million disbursed over four years from 1988 and another SDR40 million in 1994. The period of the loan is ten years from the date of disbursement. The first SDR40 million has been rolled over for another ten years upon maturity under the PRGF-HIPC. The second SDR40 million was repaid by IMF on 1 March 2004. The Authority's balance of SDR4,045,647 in the Post-Special Contingent Account-2 with IMF was transferred to the PRGF-HIPC on 24 April 2001 as an interest-free deposit maturing at the end of 2018.
- b) The Authority's allocations of Special Drawing Rights in IMF amounting to \$41 million as at 31 March 2004 (31 March 2003: \$40 million) is included in "Provisions and Other Liabilities".

#### 14.3 **Shareholding in Bank for International Settlements (BIS)**

- a) The Authority's shareholding in the BIS comprises the 25% paid-up value of 3,000 shares with a nominal value of SDR5,000 each.
- b) On 1 April 2003, the BIS shares were redenominated from Swiss gold francs into Special Drawing Rights (SDRs). The value of the Authority's shareholding was not affected by this change.

### 15 **FINANCIAL RISK MANAGEMENT**

15.1 To assist the Board in its risk management responsibilities, a Risk Committee, chaired by an independent Board member, has been set up to provide oversight and guidance over the management of risks assumed by the Authority. This will encompass the management of financial risks inherent in the Authority's investment portfolios, amongst other organisational risks faced by the Authority.

15.2 An independent risk management unit provides senior management and the Risk Committee, with regular reports of the risk profiles of the Authority's investments. These reports cover risk measurement and analysis of the Authority's investment portfolios. The unit also formulates risk policies and controls, and performs independent compliance monitoring of the portfolios in accordance with the stipulated investment guidelines.

#### 15.3 **Interest Rate and Credit Risks**

- a) Interest rate risk is the risk of loss arising from changes in market interest rates.
- b) Credit risk is the risk of loss arising from counterparty's failure to discharge its obligations under a financial contract. The Authority's credit exposures arise mainly from its business relationships with counterparties and custodians. These risks are managed by dealing only with highly-rated entities and assigning comprehensive credit limit to each of them. Credit risks are also mitigated by diversifying credit exposures across multiple entities.
- c) As the Authority invests mainly in high quality investment grade securities, issuer credit risk is minimal. The Authority's credit exposure at the end of the financial year, in relation to each class of recognised financial assets, is the carrying amount of those assets in the books.

**16 OTHER ASSETS**

16.1 These comprise the following:

	2004 \$'000	2003 \$'000
Loans, Deposits and Other Receivables	481,625	141,482
Corporate Club Memberships, at cost	653	722
Less: Amount amortised	(196)	(172)
	457	550
Staff Loans		
Amount repayable within 12 months	218	546
Amount repayable after 12 months	993	2,558
	1,211	3,104
	483,293	145,136

16.2 Staff loans include housing, conveyance, renovation and personal computer loans. The period ranges from 3 years for computer loans to 30 years for housing loans. The interest rates vary, ranging from 0% for personal computer loans to 1% below DBS Bank's housing loan rate (subject to a floor of 5% per annum) for the portion of housing loans exceeding \$750,000.

## 17 FIXED ASSETS

	Leasehold Land \$'000	Buildings \$'000	Building Improvements and Renovation \$'000	Mechanical and Electrical Installations \$'000	Computer Equipment and Software \$'000	Furniture, Fixtures, Motor Vehicles and Other Equipment \$'000	Work-in- Progress \$'000	Total \$'000
<b>COST</b>								
As at 1.4.2003	48,070	170,901	30,782	41,390	20,414	15,928	2,125	329,610
Additions	–	–	72	91	2,618	341	6,309	9,431
Disposals	–	–	–	–	(215)	(13)	–	(228)
Transfers	–	–	–	–	1,745	–	(1,745)	–
Adjustments	–	–	–	–	8	–	–	8
As at 31.3.2004	48,070	170,901	30,854	41,481	24,570	16,256	6,689	338,821
<b>ACCUMULATED DEPRECIATION</b>								
As at 1.4.2003	5,594	40,058	5,176	36,249	14,532	8,110	–	109,719
Additions	1,092	4,349	3,802	645	3,527	3,241	–	16,656
Disposals	–	–	–	–	(187)	(13)	–	(200)
Adjustments	–	–	–	–	1	–	–	1
As at 31.3.2004	6,686	44,407	8,978	36,894	17,873	11,338	–	126,176
Depreciation for FY 2002/2003	1,092	4,350	4,282	1,024	3,173	2,368	–	16,289
<b>NET BOOK VALUE</b>								
As at 31.3.2004	41,384	126,494	21,876	4,587	6,697	4,918	6,689	212,645
As at 31.3.2003	42,476	130,843	25,606	5,141	5,882	7,818	2,125	219,891

## 18 DEPOSITS OF FINANCIAL INSTITUTIONS

	2004 \$'000	2003 \$'000
Banks	6,284,565	6,394,213
Finance Companies	157,240	249,993
Securities Companies	4,500	6,100
	6,446,305	6,650,306
International Financial Institutions	310,805	63,891
Foreign Central Banks	385	324
	6,757,495	6,714,521

**18 DEPOSITS OF FINANCIAL INSTITUTIONS (CONT'D)**

Deposits from banks and finance companies in Singapore represent the minimum cash balances maintained by banks and finance companies with the Authority as required under the Banking Act (Chapter 19, 2003 Revised Edition) and the Finance Companies Act (Chapter 108, 2000 Revised Edition) respectively. Deposits from securities companies represent statutory deposits from holders of capital market services licences required under the Securities and Futures Act (Chapter 289, 2002 Revised Edition).

**19 AMOUNTS DUE TO SINGAPORE GOVERNMENT**

	2004 \$'000	2003 \$'000
Contribution to Consolidated Fund	1,096,743	224,161
Return of Profit to Singapore Government	2,195,700	500,000
	3,292,443	724,161

The contribution to be made to the Consolidated Fund is in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2000 Revised Edition). The contribution is based on 22% (2003: 22%) of the profit for the year.

**20 PROVISIONS AND OTHER LIABILITIES**

Provisions have been made for contingencies under Section 6(2) of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). Other liabilities include borrowings from banks, borrowings under reverse repurchase agreements, the Authority's allocations of Special Drawing Rights in IMF, creditors, accounts payable and accruals.

**21 STATUTORY DEPOSITS OF INSURANCE COMPANIES, REMITTANCE LICENSEES AND CAPITAL MARKET SERVICES LICENSEES**

The following statutory deposits of insurance companies held by the Authority under the Insurance Act (Chapter 142, 2002 Revised Edition), the remittance licensees under the Money-Changing and Remittance Businesses Act (Chapter 187, 1996 Revised Edition) and the capital market services licensees under the Securities and Futures Act (Chapter 289, 2002 Revised Edition) are not included in the balance sheet:

	2004 \$'000	2003 \$'000
<b>Insurance Companies</b>		
Fixed Deposits	78,720	55,623
Bank Covenants	24,500	31,500
Singapore Government Bonds	7,450	7,550
	110,670	94,673
<b>Remittance Licensees</b>		
Bank Guarantees	16,800	17,700
<b>Capital Market Services Licensees</b>		
Bank Guarantees	200	—

## **22 COMMITMENTS**

### **22.1 International Monetary Fund**

- a) The Authority has an obligation to pay \$1,053 million (31 March 2003: \$1,073 million) which represents the unpaid portion of the Singapore quota due to IMF under Section 4 of Article III of the Articles of Agreement.
- b) As a participant in the IMF's 'New Arrangements to Borrow' (NAB), the Authority undertakes to provide a credit line of up to SDR340 million [\$845 million] (31 March 2003: \$825 million) in the event of a financial emergency as specified by the NAB. During the year, the Authority did not grant any loan under the NAB.

### **22.2 Bank for International Settlements**

The Authority has a commitment, amounting to SDR11.3 million [\$28.0 million] as at 31 March 2004 (31 March 2003: \$31.3 million), in respect of the uncalled portion of its shareholding in the BIS.

### **22.3 Currency Swap Agreement**

The Authority participated in a financing package organised for Thailand by the IMF. The financing package is in the form of a Currency Swap Agreement between the Bank of Thailand (BOT) and a number of Asian central banks and multinational institutions, including the Authority. Under the Agreement, the Authority entered into swap transactions to exchange US dollars for Thai Baht up to a maximum of US\$1.0 billion for a maximum period of 5 years. As at 31 March 2004, the outstanding principal due from BOT has been fully repaid (31 March 2003: US\$79.3 million [\$140 million]).

### **22.4 Repurchase Agreements with Other Central Banks**

The Authority has entered into bilateral repurchase agreements with various Asian central banks to provide liquidity assistance in times of emergency. For the financial year ended 31 March 2004, there was no request for liquidity assistance from any counterpart.

### **22.5 ASEAN Swap Arrangement**

The Authority has participated in the multilateral swap arrangement together with other ASEAN central banks and monetary authorities to provide short-term foreign exchange liquidity support for member countries that experience balance of payments difficulties. For the financial year ended 31 March 2004, there was no request for liquidity support from any member country.

### **22.6 Bilateral Swap Agreement**

The Authority signed a bilateral swap agreement (BSA) with the Bank of Japan, an agent for Japan's Minister of Finance, in November 2003. The Japan-Singapore BSA is a one-way US dollar swap amounting to US\$1.0 billion (\$1.7 billion) under which Japan will provide the swap facility to Singapore. The terms are consistent with the framework agreed to by the ASEAN+3 member countries under the Chiang Mai Initiative. For the financial year ended 31 March 2004, there was no request to activate the facility.

### **22.7 Circulation Coin Operations and Management**

A company has been appointed to undertake the coin management functions under a five-year contract from 1 October 1999. On expiry of the contract, the Authority would buy back from the company the balance of the coin stock purchased previously, up to a maximum value of \$3.8 million.

## 22.8 Capital Commitments

Capital expenditure not provided for in the accounts is as follows:

	2004 \$'000	2003 \$'000
Amount contracted for	23,966	775

## 22.9 Leases

a) Future minimum lease payments under non-cancellable operating leases are as follows:

	2004 \$'000	2003 \$'000
Less than 1 year	313	489
1 to 5 years	381	119
	694	608

b) Future minimum lease rental receipts under non-cancellable operating leases are as follows:

	2004 \$'000	2003 \$'000
Less than 1 year	2,226	2,172
1 to 5 years	469	1,961
	2,695	4,133

## 23 COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the presentation in the current year.