

Annual Accounts

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Highlights of the Accounts

ASSETS

Total assets of the Authority as at 31 March 2002 were S\$129,745 million, compared to S\$129,523 million a year ago.

Holdings of Singapore Government Securities (SGS) rose from S\$5,557 million to S\$6,393 million over the year. The increase was in line with the Authority's policy to build up its portfolio of SGS for more active use in repurchase transactions as part of money market operations.

Holdings of gold and foreign assets, which accounted for 95% of total assets, decreased by S\$778 million during the year to S\$122,956 million. Foreign assets included the Authority's reserve position in the International Monetary Fund (IMF) and Special Drawing Rights (SDRs) of S\$1,386 million. As at 31 March 2002, Singapore's quota in the IMF was SDR862.5 million, the same as at 31 March 2001.

LIABILITIES

Deposits of banks and financial institutions increased by S\$95 million to S\$7,310 million. With the statutory reserve ratios for banks and finance companies remaining unchanged in Year 2001/2002, the higher balances reflected a growth in deposits in the financial sector.

The allocation of Special Drawing Rights to Singapore remained unchanged at SDR16.5 million or S\$38 million.

Provisions and other liabilities decreased by S\$10,311 million over the year to S\$25,214 million, due largely to the reduction in the Authority's borrowings from banks as part of its money market operations.

Deposits placed by the Singapore Government with the Authority grew by S\$11,796 million to S\$82,585 million, reflecting mainly increased issuance of SGS through the Authority and larger placement of advance deposits by the Central Provident Fund Board with the Government for the purchase of future issues of Singapore Government Bonds.

PROFIT APPROPRIATION

After meeting all expenditure and transfers to/from provisions, the net profit for the year was S\$641 million. The decrease of S\$1,426 million compared to the previous year's profit was attributable mainly to lower interest income and general unfavourable performance of the financial markets.

In accordance with Section 3 of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2000 Revised Edition), 24.5% of the net profit or S\$157 million will be paid into the Government's Consolidated Fund. The balance of S\$484 million shall be paid to the Government under Section 6(3) of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). In addition, as approved by the Board, another S\$1,959 million will be drawn from the General Reserve Fund for payment to the Government in relation to its funds placed with the Authority.

FINANCIAL SECTOR DEVELOPMENT FUND (FSDF)

The Authority's Annual Accounts also include assets of S\$487 million under the FSDF which was established under Section 30A of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition).

With the release of sale proceeds of the Singapore Exchange Limited's shares previously held by SEL Holdings Pte Ltd to meet outstanding expenses allowed under Section 10(1) of the Exchanges (Demutualisation and Merger) Act (Chapter 99B), the Fund's capital account increased by S\$5 million to S\$472 million as at 31 March 2002.

Over the year, the Fund recorded a net surplus of S\$5 million after issuing grants of S\$10 million.

Report on the Audit of the Accounts of The Monetary Authority of Singapore

FOR THE YEAR ENDED 31 MARCH 2002

The accounts of the Monetary Authority of Singapore set out on pages 64 to 77 have been examined under my direction and in accordance with the provisions of the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition). I have obtained all the information and explanations I have required.

In my opinion, the accompanying accounts show fairly the state of affairs of the Authority as at 31 March 2002 and the financial transactions of the Authority for the year ended on that date.

CHUANG KWONG YONG

AUDITOR-GENERAL

SINGAPORE

29 JUNE 2002

Income and Expenditure Statement FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002 S\$'000	2001 S\$'000
Income from Foreign Operations (after transfers to/from provisions)	4	664,416	2,434,820
Income from Domestic Operations	5	271,201	178,727
Total Operating Income (after transfers to/from provisions)		935,617	2,613,547
LESS:			
Investment, Interest and Other Expenses	6	164,460	441,243
Net Operating Income (after transfers to/from provisions)		771,157	2,172,304
Non-operating Income	7	10,516	10,715
Total Income (after transfers to/from provisions)		781,673	2,183,019
LESS:			
Personnel Expenditure	8	105,057	88,153
General and Administrative Expenditure	9	23,204	19,990
Non-recurrent Expenditure		2,687	1,202
Depreciation/Amortisation		9,778	6,776
		140,726	116,121
Profit for the Year (after transfers to/from provisions)		640,947	2,066,898
LESS:			
Contribution to Consolidated Fund		157,032	413,379
Net Profit for the Year (after transfers to/from provisions)		483,915	1,653,519

Balance Sheet AS AT 31 MARCH 2002

	Note	2002 S\$'000	2001 S\$'000
Capital and General Reserve			
Authorised Capital		100,000	100,000
Issued and Paid-up Capital	10	100,000	100,000
General Reserve Fund	11	11,897,723	13,856,776
		11,997,723	13,956,776
Financial Sector Development Fund			
	12	486,601	476,333
		12,484,324	14,433,109
REPRESENTED BY:			
Assets			
Cash and Bank Balances		120,574	4,334
Singapore Government Treasury Bills		507,036	1,697,980
Singapore Government Bonds		5,886,372	3,858,523
Foreign Assets	13	122,870,800	123,650,516
Gold		85,579	83,797
Other Assets	15	160,850	120,570
Fixed Assets	16	113,656	107,241
		129,744,867	129,522,961
LESS:			
Liabilities			
Deposits of Banks and Financial Institutions	17	7,310,119	7,215,000
Contribution to Consolidated Fund	18	157,032	413,379
Return of Profit to Singapore Government		2,442,968	1,586,621
Allocation of Special Drawing Rights in IMF		37,732	37,171
Provisions and Other Liabilities	19	25,213,823	35,524,776
Deposits of Singapore Government		82,585,470	70,789,238
		117,747,144	115,566,185
Net Assets of the Authority		11,997,723	13,956,776
Net Assets of Financial Sector Development Fund	12	486,601	476,333
		12,484,324	14,433,109

The accompanying notes form part of the accounts.

LEE HSIEN LOONG
CHAIRMAN
MONETARY AUTHORITY OF SINGAPORE
SINGAPORE
29 JUNE 2002

KOH YONG GUAN
MANAGING DIRECTOR
MONETARY AUTHORITY OF SINGAPORE
SINGAPORE
29 JUNE 2002

Statement of Changes in Equity FOR THE YEAR ENDED 31 MARCH 2002

	Issued and Paid-up Capital	General Reserve Fund	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2000	100,000	13,789,878	13,889,878
Net Profit for the Year (after transfers to/from provisions)	-	1,653,519	1,653,519
Return of Profit to Singapore Government	-	(1,586,621)	(1,586,621)
Balance as at 31 March 2001	100,000	13,856,776	13,956,776
Net Profit for the Year (after transfers to/from provisions)	-	483,915	483,915
Return of Profit to Singapore Government	-	(2,442,968)	(2,442,968)
Balance as at 31 March 2002	100,000	11,897,723	11,997,723

Cash Flow Statement FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002	2001
		S\$'000	S\$'000
Cash Flows from Operating Activities			
Profit for the Year (after transfers to/from provisions)		640,947	2,066,898
ADJUSTMENTS FOR:			
Depreciation/Amortisation			
Fixed Assets	16	9,754	6,774
Others		17	17
(Gain)/Loss from Sale of Fixed Assets/Other Assets		(6)	1
Profit before Working Capital Changes		650,712	2,073,690
Decrease/(Increase) in Singapore Government Treasury Bills		1,190,944	(801,012)
Increase in Singapore Government Bonds		(2,027,849)	(2,511,922)
Decrease/(Increase) in Foreign Assets	13	779,716	(12,046,903)
Increase in Gold		(1,782)	(4,741)
Increase in Other Assets	15	(40,305)	(58,164)
Increase in Deposits of Banks and Financial Institutions	17	95,119	396,744
Increase/(Decrease) in Allocation of Special Drawing Rights in IMF		561	(555)
Decrease in Provisions and Other Liabilities	19	(10,311,758)	(153,287)
Increase in Deposits of Singapore Government		11,796,232	14,673,155
Net Cash from Operating Activities		2,131,590	1,567,005
Cash Flows from Investing Activities			
Purchase of Fixed Assets		(15,366)	(9,510)
Proceeds from Sale of Fixed Assets/Other Assets		16	1
Net Cash used in Investing Activities		(15,350)	(9,509)
Cash Flows from Financing Activities			
Contribution to Consolidated Fund	18	(413,379)	(719,530)
Return of Profit to Singapore Government		(1,586,621)	(1,080,470)
Net Cash used in Financing Activities		(2,000,000)	(1,800,000)
Net Increase/(Decrease) in Cash and Bank Balances		116,240	(242,504)
Cash and Bank Balances as at beginning of the year		4,334	246,838
Cash and Bank Balances as at end of the year		120,574	4,334

The accompanying notes form part of the accounts.

Notes to the Accounts FOR THE YEAR ENDED 31 MARCH 2002

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) to conduct monetary policy and to manage the official foreign reserves and the issuance of government securities; and
- b) to supervise the banking, insurance, securities and futures industries, and develop strategies in partnership with the private sector to promote Singapore as an international financial centre.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Compliance with Statements of Accounting Standard

The financial statements of the Authority are prepared in accordance with the Monetary Authority of Singapore Act (Chapter 186, 1999 Revised Edition) and comply with Singapore Statements of Accounting Standard to the extent that it is appropriate to do so having regard to the Authority's mission and principal activities, in particular, its responsibility to conduct monetary policy based on managing the Singapore dollar exchange rate within a trade-weighted policy band.

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. Transactions in foreign currencies during the year have been translated into Singapore dollars at the rates of exchange prevailing on transaction dates. Exchange differences are taken to the income and expenditure statement.

3.4 Income Recognition

Interest income is recognised on an accrual basis.

Dividends from equities are recognised in the financial year in which they are declared payable.

Premiums and discounts are amortised on the straight-line basis over the remaining life of the securities and recognised as interest expense or interest income accordingly.

Profits and losses on disposal of investments are taken to the income and expenditure statement.

Licence fees and rental income are recognised on an accrual basis.

3.5 Singapore Government Bonds and Treasury Bills

Singapore Government bonds and Treasury bills are stated at cost. Provision has been made for diminution in value, if any, 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, on an individual investment basis. 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 other 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. The difference between the amount received and the amount paid under repos, and reverse repos is amortised as interest income and interest expense respectively on the straight-line basis.

3.8 Derivative Instruments

Off-balance sheet financial derivatives include forwards, swaps, futures and options. Provision is made for diminution in value, if any, using the lower of cost and market value.

3.9 Operating Lease

Leases where substantially all the rewards and risks of ownership remain with the leasing companies are accounted for as operating leases. Rental receipts/payments under operating leases are accounted for in the income and expenditure statement on the straight-line basis over the period of the relevant leases.

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/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

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on the 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
Building Improvements and Renovation	10 years
Mechanical and Electrical Installations	10 years
Computer Equipment and Software	3 to 5 years
Furniture, Fixtures and Other Equipment	3 to 5 years

Assets costing not more than S\$1,000 are charged to the income and expenditure statement in the year of purchase.

4 INCOME FROM FOREIGN OPERATIONS

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

5 INCOME FROM DOMESTIC OPERATIONS

Income from domestic operations comprises licence fees, interest and capital gain from Singapore Government Bonds and Treasury bills, and revenue from services rendered to banks and financial institutions on MASNET and MAS Electronic Payment System which provides real time gross settlement of payments.

6 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.

Notes to the Accounts FOR THE YEAR ENDED 31 MARCH 2002 (con't)

7 NON-OPERATING INCOME

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

8 PERSONNEL EXPENDITURE

This includes the following:

	2001/02	2000/01
	S\$'000	S\$'000
Salaries	82,571	69,946
Employer's Contribution to the Central Provident Fund	10,730	7,193
Training and Personnel Development	5,150	4,904
Staff Benefits	2,543	2,296
Directors' Fees	36	45

As at 31 March 2002, MAS has 870 (FY2000/2001: 823) employees.

9 GENERAL AND ADMINISTRATIVE EXPENDITURE

This includes the following:

	2001/02	2000/01
	S\$'000	S\$'000
Information Technology Expenses	8,869	7,077
Official Trips and Conferences	1,921	2,285
Building and Mechanical and Electrical Maintenance	1,612	1,543
Property Tax	1,426	1,554
Rental Expense - Operating Leases	805	203
Audit Fee	350	310
Entertainment	115	119

10 ISSUED AND PAID-UP CAPITAL

The issued and paid-up capital of S\$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). The movement in the General Reserve Fund relates to the amounts transferred to the Fund in accordance with Section 6(3) of the Act.

Material movements in the General Reserve Fund are set out in the statement of changes in equity.

12 FINANCIAL SECTOR DEVELOPMENT FUND

(a) 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.

(b) The assets and liabilities of the Fund as at 31 March 2002 are as follows:

	Note	2001/02	2000/01
		S\$'000	S\$'000
Accumulated Fund			
Capital Account	12(f)	471,635	466,102
Accumulated Surplus		14,966	10,231
		486,601	476,333

REPRESENTED BY:

Assets

Cash and Deposits		77,372	468,147
Accrued Interest and Dividend Receivable		11,975	9,033
Portfolio Investments	12(c)	404,968	-
		494,315	477,180

LESS:

Liabilities

Accounts Payable		7,714	847
Net Assets		486,601	476,333

(c) Details of portfolio investments are as follows:

	2001/02	2000/01
	S\$'000	S\$'000
Bank Balances and Deposits	72,993	-
Fixed Income Securities, at cost	255,279	-
Less: Provision for Diminution in Value	(2,893)	-
(Market Value - 2001/02: S\$253,212)	252,386	-
Equities, at cost	82,275	-
Less: Provision for Diminution in Value	(6,186)	-
(Market Value - 2001/02: S\$82,155)	76,089	-
Receivables and Other Investments, at cost	3,900	-
(Market Value - 2001/02: S\$4,430)		
Accrued Expenses and Other Payables	(400)	-
	404,968	-

Notes to the Accounts FOR THE YEAR ENDED 31 MARCH 2002 (con't)

12 FINANCIAL SECTOR DEVELOPMENT FUND (con't)

(d) The financial results of the Fund are as follows:

	2001/02	2000/01
	S\$'000	S\$'000
Portfolio Investments		
Interest Income	9,471	-
Dividend Income	729	-
Realised Exchange Loss	(1,096)	-
Realised Capital Loss	(4,297)	-
Investment Expenses	(1,628)	-
Net Realised Portfolio Investment Income	3,179	-
Translation Gain	1,844	-
Provision for Diminution in Value	(9,079)	-
Net Portfolio Investment Loss	(4,056)	-
Interest Income from Bank Deposits	662	3,675
Dividend on Warehoused SGX Shares	18,249	7,500
	14,855	11,175
LESS:		
Manpower Development Grants		
Global Enrichment Initiatives	158	-
Executive Development Scheme	988	-
Training Infrastructure Enhancement Scheme	22	-
	1,168	-
Non-manpower Development Grants		
Infrastructure	8,736	-
Studies for Development of Singapore Financial Market	-	847
Investor Education	204	-
Other Projects	12	97
	8,952	944
	10,120	944
Net Surplus for the year	4,735	10,231
Accumulated Surplus as at beginning of the year	10,231	-
Accumulated Surplus as at end of the year	14,966	10,231

(e) Significant Accounting Policies

The accounts are prepared in accordance with the historical cost convention. The Fund's investment assets are valued at the lower of cost and market value.

(f) The Capital Account is funded from the net sale proceeds of the Singapore Exchange Limited's (SGX) shares. The increase in capital as at 31 March 2002 was due to the transfer of funds previously held by SEL Holdings Pte Ltd (SEL) to meet outstanding expenses and fees allowed under Section 10(1) of the Exchanges (Demutualisation and Merger) Act (Chapter 99B).

(g) As at 31 March 2002, 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). These SGX shares held have a total market valuation of S\$325 million as at 31 March 2002 (FY2000/2001: S\$282 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.

(h) The fund has outstanding commitments, amounting to S\$5.9 million in respect of grants approved but not paid out as at 31 March 2002.

13 FOREIGN ASSETS

13.1 These comprise the following:

	2001/02	2000/01
	S\$'000	S\$'000
Foreign Investments		
Securities (including Treasury bills, bonds and equities)	105,486,813	108,139,152
Bank Balances, Deposits and Negotiable Certificates of Deposit	15,265,643	14,343,640
Other Reserve Assets/Liabilities	677,794	(189,764)
	121,430,250	122,293,028
International Monetary Fund		
Reserve Tranche	902,822	873,456
Holdings of Special Drawing Rights (SDRs)	278,558	245,964
Poverty Reduction and Growth Facility (PRGF)	91,609	112,809
Poverty Reduction and Growth Facility -		
Heavily Indebted Poor Countries (PRGF-HIPC)	100,875	67,686
Accrued Income	5,737	7,535
Currency Adjustment	6,277	(4,634)
	1,385,878	1,302,816
Shareholding in Bank for International Settlements	54,670	54,670
Shareholding in SWIFT	2	2
	122,870,800	123,650,516

13.2 International Monetary Fund (IMF) Assets

The Reserve Tranche represents the amount of the paid-up portion of the Singapore quota. Changes in SDR Holdings are due to, among other things, interest receipts and payments of charges as well as transactions with other member countries. 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 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.

13.3 Shareholding in Bank for International Settlements

The Authority's investment in the Bank for International Settlements comprises 3,000 shares at 2,500 gold francs per share (25% paid).

Notes to the Accounts FOR THE YEAR ENDED 31 MARCH 2002 (con't)

14 FINANCIAL RISK MANAGEMENT

To foster a sound risk-controlled investment environment in MAS, a Risk Committee, chaired by an independent Board member, has been set up to assist the Board of Directors in the management of financial risks inherent in MAS' investment portfolios. This Committee is responsible for strategic risk management issues as well as ensuring that appropriate risk methodologies and effective risk measurement systems are established. In addition, the Committee reviews and recommends portfolio benchmarks, based on MAS' defined risk tolerance, for approval by the MAS Board.

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

14.1 Interest Rate and Credit Risks

Interest rate risk is the risk of loss arising from changes in market interest rates.

Credit risk is the risk of loss arising from counterparty's failure to discharge its obligations under a financial contract. MAS' maximum 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.

As MAS invests mainly in high quality investment grade securities, issuer credit risk is minimal. MAS' credit exposure at the end of the financial year, in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the balance sheet.

15 OTHER ASSETS

These comprise the following:

	2001/02	2000/01
	S\$'000	S\$'000
Loans, Deposits and Other Receivables	153,126	109,794
Corporate Club Membership		
Cost	500	508
Less: Amount amortised	(151)	(134)
	349	374
Staff Loans		
Amount repayable within 12 months	846	899
Amount repayable after 12 months	6,529	9,503
	7,375	10,402
	160,850	120,570

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 S\$750,000.

16 FIXED ASSETS

	Leasehold Land	Buildings	Building Improvements and Renovation	Mechanical and Electrical Installations	Computer Equipment and Software	Furniture Fixtures and Other Equipment	Work-in- Progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COST								
As at 1.4.2001	25,449	105,950	1,757	35,309	14,774	3,767	4,586	191,592
Additions	-	-	742	811	3,541	11,437	652	17,183
Disposals	-	-	-	-	(323)	(6)	-	(329)
Transfers	-	-	1,426	165	219	1,767	(3,577)	-
Adjustments	-	-	-	-	(9)	12	(1,009)	(1,006)
As at 31.3.2002	25,449	105,950	3,925	36,285	18,202	16,977	652	207,440
ACCUMULATED DEPRECIATION								
As at 1.4.2001	4,237	33,583	502	35,099	8,661	2,269	-	84,351
Additions	265	2,125	392	126	3,354	3,491	-	9,753
Disposals	-	-	-	-	(321)	(6)	-	(327)
Adjustments	-	-	-	-	(1)	8	-	7
As at 31.3.2002	4,502	35,708	894	35,225	11,693	5,762	-	93,784
Depreciation for FY 2000/2001	265	2,127	176	30	3,263	913	-	6,774
NET BOOK VALUE								
As at 31.3.2002	20,947	70,242	3,031	1,060	6,509	11,215	652	113,656
As at 31.3.2001	21,212	72,367	1,255	210	6,113	1,498	4,586	107,241

17 DEPOSITS OF BANKS AND FINANCIAL INSTITUTIONS

	2001/02	2000/01
	S\$'000	S\$'000
Banks	6,789,466	6,593,521
Finance Companies	284,591	293,670
Securities Companies	6,800	6,400
	7,080,857	6,893,591
International Financial Institutions	228,857	320,982
Foreign Central Banks	405	427
	7,310,119	7,215,000

Deposits from banks and financial institutions in Singapore represent mainly the minimum cash balances maintained by banks and finance companies with the Authority as required under the Banking Act (Chapter 19, 1999 Revised Edition) and the Finance Companies Act (Chapter 108, 2000 Revised Edition) respectively and statutory deposits of securities companies under the Securities Industry Act (Chapter 289, Revised Edition 1985).

18 CONTRIBUTION TO CONSOLIDATED FUND

This represents the contribution to be made to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A, 2000 Revised Edition). The rate of contribution was changed from 20% to 24.5% of the profit for the year (after transfers to/from provisions) with effect from FY2001/2002.

Notes to the Accounts FOR THE YEAR ENDED 31 MARCH 2002 (con't)

19 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, creditors, accounts payable and accruals.

20 STATUTORY DEPOSITS OF INSURANCE COMPANIES AND REMITTANCE LICENSEES

The following statutory deposits of insurance companies held by the Authority under the Insurance Act (Chapter 142, 2000 Revised Edition) and the remittance licensees under the Money-Changing and Remittance Businesses Act (Chapter 187, 1996 Revised Edition) are not included in the balance sheet:

	2001/02	2000/01
	S\$'000	S\$'000
Insurance Companies		
Bank Covenants	33,500	41,500
Fixed Deposits	38,479	29,917
Singapore Government Bonds	7,350	6,800
	79,329	78,217
Remittance Licensees		
Bank Guarantees	20,300	18,000

21 COMMITMENTSInternational Monetary Fund

In addition to the Reserve Position and Holdings of Special Drawing Rights disclosed in Note 13, the Authority has an obligation to pay an amount of S\$1,073 million (FY2000/2001: S\$1,073 million) which represents the unpaid quota due to IMF under Section 4 of Article III of the Articles of Agreement.

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 [S\$779 million] (FY2000/2001: S\$767 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.

Bank for International Settlements

The Authority has a commitment, amounting to S\$29.3 million as at 31 March 2002 (FY2000/2001: S\$24.2 million), in respect of the uncalled portion of its investment in the Bank for International Settlements. The amount is based on the nominal value (in gold francs) of the uncalled portion and gold price as at the balance sheet date.

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 and the IMF. 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 [S\$1.8 billion] for a maximum period of 5 years. As at 31 March 2002, the outstanding principal due from BOT under the Agreement amounted to US\$402.5 million [S\$742 million] (FY2000/2001: US\$762 million [S\$1,376 million]).

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. As at 31 March 2002, there was no request for liquidity assistance from any counterpart.

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. As at 31 March 2002, there was no request for liquidity support from any member country.

Committed Contracts not yet Settled

The committed aggregate long positions in forwards in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps) are as follows:

	2001/02	2000/01
	S\$'000	S\$'000
Long positions	350,000	3,950,000

Capital Commitments

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

	2001/02	2000/01
	S\$'000	S\$'000
Amount approved and contracted for	13,822	21,450
Amount approved and not contracted for	24,177	17,205
	37,999	38,655

Leases

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

	2001/02	2000/01
	S\$'000	S\$'000
Within 1 year	937	436
Within 2 to 5 years	400	329
	1,337	765

22 SUBSEQUENT EVENT

On 23 January 2002, the Government announced its decision to merge the Board of Commissioners of Currency, Singapore, with the Monetary Authority of Singapore by 31 March 2003. The merger is subject to the approval of Parliament.

23 COMPARATIVE FIGURES

The presentation and classification of items in the income and expenditure statement and the balance sheet have been changed in the following aspects:

- "Investment, Interest and Other Expenses" is shown separately from the Income from Foreign Operations and Income from Domestic Operations in the income and expenditure statement;
- Cash and Bank Balances, Singapore Government Treasury Bills and Singapore Government Bonds have been removed from "Other Assets" and shown as separate items on the balance sheet;
- Shareholding in Bank for International Settlements and SWIFT have been reclassified from "Other Assets" to "Foreign Assets"; and
- "Deposits of Banks and Other Financial Institutions" and "Deposits of International Financial Institutions" have been grouped together and shown as "Deposits of Banks and Financial Institutions" on the balance sheet.

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