

1 BALANCE SHEET

1.1 Every merchant bank in Singapore to which this Appendix applies should disclose the following minimum information in the balance sheet or in the notes to the financial statements:

Capital & Reserves

Share capital (authorised and issued and fully paid)

Reserves (to analyse into the various types of reserves)

Liabilities

Deposits and balances of banks

Deposits of non-bank customers

Debt securities issued

Provision for taxation

Bills payable

Other liabilities (to provide a breakdown of major items)

Due to holding company

Due to subsidiaries

Assets

Cash and balances with central banks

Singapore Government treasury bills and securities

Other government treasury bills and securities

Dealing securities held (to analyse into equity or debt and quoted or unquoted)

Balances and placements with, and loans to, banks

Bills receivable

Loans and Advances to customers less individual impairment provisions and collective impairment provisions

Investment securities held (to analyse into equity or debt and quoted or unquoted)

Other assets (to provide a breakdown of major items)

Due from holding company

Due from subsidiaries (to analyse into equity or debt and quoted or unquoted)

Investments in associates (to analyse into equity or debt securities and quoted or unquoted)

Fixed Assets (in accordance with the requirements of the Companies Act)

1.2 The merchant bank should disclose the amount of each type of reserves at the beginning and end of the financial year, and the amount of any transfers to or from each type of reserves during the year.

1.3 For debt securities issued by the merchant bank with an original maturity of more than one year, merchant banks should disclose the interest rate (for fixed rate securities) or interest fixing method (for floating-rate securities) and repayment date.

1.4 The merchant bank should disclose the market value of quoted investments and investment properties.

1.5 The merchant bank should provide a movement schedule showing the balance of impairment provisions at the beginning of the year, the amount charged/released to profit or loss account during the year, the amount utilised to write off bad loans during the year and the balance at the end of the year in respect of:

- individual impairment provisions for loans, investments and other assets
- collective impairment provisions for loans and other banking risks

1.6 Assets pledged to third parties as security for liabilities, together with the aggregate amount of the related secured liabilities, should be disclosed.

1.7 Current liabilities and current assets shall be clearly distinguished from other liabilities and assets.

2 PROFIT OR LOSS STATEMENT

Every merchant bank in Singapore to which this Appendix applies should disclose the following minimum information in the profit or loss statement or in the notes to the financial statements:

Interest income

Interest expense

Net interest income

Other operating income

- Gains (losses) from trading/dealing activities (to analyse into income from trading in foreign exchange, securities and other financial instruments separately)
- Fees and commissions
- Dividends (to analyse into dividend income from subsidiaries, associates and other investments separately)
- Rental
- Gains (losses) on disposal of investment securities
- Others

Other operating expenses

- Staff costs
- Directors' fees and remuneration
- Auditors' remuneration
- Depreciation
- Amortisation
- Maintenance and hire of fixed assets
- Premises expenses
- Others

Operating profit

Individual impairment provisions for loans, investments and other assets and collective impairment provisions for loans and other banking risks

Share of profits (less losses) of associates

Taxation

Unappropriated profit brought forward from previous year

Transfer to general reserves

Unappropriated profit carried forward

3 CASH FLOW STATEMENT

Every merchant bank in Singapore to which this Appendix applies should prepare a cash flow statement.

4 OFF-BALANCE SHEET ITEMS

Every merchant bank in Singapore to which this Appendix applies should disclose the following off-balance sheet items under three categories:

- Contingent liabilities. Disclose the contract amount for each of the items below or for each of the items under similar classification:
 - Direct credit substitutes
 - Transaction-related contingencies
 - Trade-related contingencies
 - Other contingent liabilities

- Commitments. Disclose the committed amount for each of the items below:
 - Undrawn credit lines and other commitments to extend credit
 - Undrawn note issuance facilities and revolving underwriting facilities
 - Forward asset purchase/sale and forward deposits placed
 - Other commitments

- Financial derivatives covering foreign exchange, interest rates, equity and equity indices, bullion and other commodities, and other related contracts. They include forward sales and purchases of currencies and securities, interest rate and currency swaps, forward rate agreements, and futures and options. Where material, merchant banks should disclose the contract amount, the gross positive and negative mark-to-market value and the effect of legally enforceable netting arrangements for each of the items. Where material, the same information should be provided for commodity and credit derivatives.

5 ACCOUNTING POLICIES

Every merchant bank in Singapore to which this Appendix applies should disclose significant accounting policies which have been adopted in the preparation of and presentation of the financial statements. Disclosure of accounting policies should include the following:-

- Basis of recognition of each principal source of income

- Basis for individual impairment provisions and collective impairment provisions for credit or other banking risks

- Valuation methods of investment securities, dealing securities and financial derivatives

- Depreciation of fixed assets

- Basis of consolidation

- Translation of foreign currency assets and liabilities.