

**Balance Sheet**

as at 31st December 1981

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	Note	The Bank		The Group	
		1981	1980	1981	1980
		(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
<b>Share Capital</b>					
Authorised					
500,000,000 shares of S\$1/- each		500,000	500,000	500,000	500,000
Issued and fully paid					
228,518,520 shares of S\$1/- each	2	228,519	228,519	228,519	228,519
<b>Reserves</b>					
Share premium account	3	242,980	242,980	242,980	242,980
Capital reserve		—	—	1,100	1,100
Reserve fund	4	155,130	103,530	159,552	105,860
Profit & Loss account		65,895	37,507	93,412	58,731
		464,005	384,017	497,044	408,671
<b>Total Capital &amp; Reserves</b>		692,524	612,536	725,563	637,190
<b>Deferred Taxation</b>		24,223	20,727	29,040	22,926
<b>Long-Term Borrowings</b>	5				
S\$7½% Convertible Unsecured					
Loan Stock 1991	5.1	228,519	—	228,519	—
S\$ Guaranteed Floating Rate					
Notes 1986	5.2	—	—	75,000	—
US\$8½% Guaranteed Bonds 1982	5.3	—	8,334	—	8,334
Other borrowings due after					
twelve months	5.4	1,792,333	1,241,677	1,793,834	1,243,730
		2,020,852	1,250,011	2,097,353	1,252,064
<b>Subsidiary Companies</b>	6				
Amounts owing		42,796	3,229	—	—
<b>Current Liabilities</b>					
US\$8½% Guaranteed Bonds 1982					
due within twelve months	5.3	8,149	2,500	8,149	2,500
Borrowings due within twelve months	5.4	212,834	140,553	212,926	140,662
Accounts payable, provisions and					
accrued charges		247,054	147,544	279,320	169,107
Bills payable		260,110	434,134	260,110	434,134
Deposits and other accounts					
of customers		3,160,047	2,306,190	3,443,267	2,424,969
Deposits and balances of banks					
and agents		1,122,179	614,959	1,178,609	614,959
Proposed dividend (net)		10,969	10,969	10,969	10,969
		5,021,342	3,656,849	5,393,350	3,797,300
		7,801,737	5,543,352	8,245,306	5,709,480
<b>Acceptances, Guarantees and</b>					
<b>Other Obligations as</b>					
<b>per Contra</b>	11	3,088,647	1,476,519	3,025,888	1,473,031
		10,890,384	7,019,871	11,271,194	7,182,511

US\$/S\$ exchange rate as at 31st December  
(See notes on pages 34 to 41, which form part  
of these accounts)

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	Note	The Bank		The Group	
		1981	1980	1981	1980
		(S\$'000)		(S\$'000)	
<b>Current Assets</b>					
Cash, deposits and balances with banks and agents		2,183,479	1,537,770	2,229,024	1,547,303
Money at call and short notice		318,527	103,238	330,209	103,238
Singapore Government Treasury bills and securities	7	56,980	70,383	57,080	70,483
Other Government Treasury bills and securities	7	109,462	115,153	110,904	117,369
Bills receivable		301,742	260,349	301,742	260,349
Loans and advances due within twelve months		2,013,397	1,414,392	2,136,014	1,457,640
Accounts receivable		161,013	128,581	166,883	132,508
Quoted bonds and loan stocks	7	105,517	106,927	105,805	107,328
		5,250,117	3,736,793	5,437,661	3,796,218
<b>Subsidiary Companies</b>					
Shares	6	118,649	49,269	—	—
Amounts owing	6.2	172,043	128,276	—	—
		290,692	177,545	—	—
<b>Loans, Equity &amp; Other Investments</b>					
Loans due after twelve months		2,009,801	1,379,309	2,377,083	1,574,126
Quoted shares	7	66,659	55,632	66,659	55,632
Unquoted shares		81,308	96,711	123,363	97,251
Leasehold properties and equipment on lease	8	—	—	51,275	34,935
		2,157,768	1,531,652	2,618,380	1,761,944
<b>Real Estate</b>					
	9	—	—	46,290	23,376
<b>Fixed Assets</b>					
	10	103,160	97,362	142,975	127,942
<b>Acceptances, Guarantees and Other Obligations as per Contra</b>					
		7,801,737	5,543,352	8,245,306	5,709,480
	11	3,088,647	1,476,519	3,025,888	1,473,031
		10,890,384	7,019,871	11,271,194	7,182,511

Signature of person authorised under S407(1)(C) of the Companies Act 1948

dated the 29th day of June 1982.

*Herbert Wong*

# Profit and Loss Account

for the year ended 31st December 1981

	Note	The Bank		The Group	
		1981	1980	1981	1980
		(\$'000)		(\$'000)	
<b>Income</b>					
Interest earned	12.1	755,066	458,647	791,871	476,621
Dividends	12.2	42,219	32,017	41,514	31,507
Rental	12.3	36,298	26,905	43,473	32,837
Other operating income	12.4	48,501	33,289	66,096	51,940
<b>Total operating income</b>		<b>882,084</b>	<b>550,858</b>	<b>942,954</b>	<b>592,905</b>
<b>Expenses</b>					
Interest expense	12.5	611,461	373,292	634,571	387,081
Other operating expenses	12.6	67,985	50,909	88,460	66,046
Provision for possible loan losses and diminution in value of other assets		29,947	20,652	31,565	21,153
<b>Total operating expenses</b>		<b>709,393</b>	<b>444,853</b>	<b>754,596</b>	<b>474,280</b>
<b>Net profit before taxation</b>		<b>172,691</b>	<b>106,005</b>	<b>188,358</b>	<b>118,625</b>
Less: Taxation		69,600	43,500	75,622	49,047
<b>Net profit after taxation</b>		<b>103,091</b>	<b>62,505</b>	<b>112,736</b>	<b>69,578</b>
Add: Unappropriated profits brought forward		37,507	26,183	58,731	41,039
Less: Dividend paid less income tax		—	513	—	513
		<b>37,507</b>	<b>25,670</b>	<b>58,731</b>	<b>40,526</b>
		<b>140,598</b>	<b>88,175</b>	<b>171,467</b>	<b>110,104</b>
Less: Transfer to reserve fund	4	51,600	31,300	53,692	32,005
Balance of convertible loan stock and floating rate note issues expenses	12.7	1,165	—	2,425	—
		<b>52,765</b>	<b>31,300</b>	<b>56,117</b>	<b>32,005</b>
<b>Amount available for distribution</b>		<b>87,833</b>	<b>56,875</b>	<b>115,350</b>	<b>78,099</b>
Interim dividend paid less income tax		10,969	8,399	10,969	8,399
Proposed final dividend less income tax		10,969	10,969	10,969	10,969
		<b>21,938</b>	<b>19,368</b>	<b>21,938</b>	<b>19,368</b>
<b>Unappropriated profits carried forward</b>		<b>65,895</b>	<b>37,507</b>	<b>93,412</b>	<b>58,731</b>

US\$/S\$ exchange rate as at 31st December  
(See notes on pages 34 to 41 which form part of these accounts)

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# Statement of Changes in Financial Position

for the year ended 31st December 1981

	The Group	
	1981 (S\$'000)	1980 (S\$'000)
<b>Sources of Funds</b>		
Net profit after taxation	112,736	69,578
Non-cash items:		
Provision for diminution in value of assets	31,565	21,153
Depreciation	18,670	14,745
	50,235	35,898
Increase in share capital and share premium arising from:		
(1) Rights issue	—	136,947
(2) Conversion of US\$6¼% Convertible Bonds	—	123,807
	—	260,754
Increase in customer deposits	1,018,298	805,438
Increase in deposits and balances of banks and agents	563,650	178,562
Increase in long-term borrowings	845,289	405,263
Increase in other liabilities	22,098	45,071
Decrease in bonds and loan stocks	1,877	—
	2,614,183	1,800,564
<b>Application of Funds</b>		
Increase in cash, deposits and balances with banks and agents and money at call and short notice	908,692	460,643
Increase in loans and advances	1,512,699	1,292,153
Increase in bonds and loan stocks	—	7,031
Increase in other current assets	56,725	57,696
Increase in equity and other investments	53,205	43,231
Increase in real estate and fixed assets	58,499	11,093
Dividend paid	21,938	18,717
Convertible loan stock and floating rate note issues expenses	2,425	—
	2,614,183	1,800,564

## Notes to the Accounts

### 1 Principal Accounting Policies

The following are the principal accounting policies applied by the Bank and its subsidiaries and are consistent with those applied in the previous year.

#### 1.1 Basis of consolidation

The consolidated profit and loss account and balance sheet include the results and assets and liabilities of the Bank and all its subsidiaries made up to 31st December 1981. These subsidiaries are companies in which the Bank had an interest of over 50% in the issued share capital at balance sheet date.

#### 1.2 Foreign Currencies

Foreign currency assets and liabilities have been converted into Singapore dollars at the rates of exchange approximating those ruling at balance sheet date. Exchange differences arising from such conversion are included in the profit and loss account with the exception of exchange differences on long-term borrowings and long-term loans which are included in the profit and loss account as and when realised.

#### 1.3 Basis of valuation of loans, advances and investments

##### 1.3.1 Loans and advances

Loans and advances are stated at cost less provisions for possible losses which comprise specific provisions against certain loans and advances and a general provision on the remaining loans and advances. Specific provision is based on the borrower's debt servicing ability and adequacy of security.

##### 1.3.2 Equity and other investments

- (1) Investments in unquoted shares are stated at cost less provisions which comprise specific provisions against certain investments and a general provision on the remaining investments. Specific provision is based on the earning capacity of the companies and on their net tangible asset backing.
- (2) Investments in quoted shares, bonds and loan stocks are stated at the lower of total cost less provision and total market value at year end. The provision is based on the earning capacity of the companies and their net tangible asset backing.
- (3) Government securities are stated at the lower of total cost and total market value at year end.
- (4) Shares in subsidiary companies are stated at cost less provision. The provision is based on the earning capacity of the companies and on their net tangible asset backing.

#### 1.4 Basis of valuation of current assets

Provision has been made against other current assets not covered by 1.3 above so as to reduce them to their estimated realisable values.

#### 1.5 Depreciation

Assets are stated at cost less accumulated depreciation. The basis of depreciation is as follows:

- 1.5.1 Leasehold land where the balance of the leasehold period is 100 years or less, is amortised over the remaining period of the lease. No amortisation is made on freehold land and on leasehold land where the unexpired lease period is more than 100 years.
- 1.5.2 Buildings, excluding plant and machinery installed therein, are depreciated on a straight-line basis over their useful lives estimated at 50 years or over the period of the respective leases, whichever is the shorter.
- 1.5.3 Equipment on lease is depreciated over the period of the respective leases.

1.5.4 Other assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Plant and machinery	10 — 15 years
Office equipment	10 years
Furniture and fittings	5 years

1.5.5 No provision for depreciation is made for properties in the course of development.

## 1.6 Leasing and hire purchase transactions

1.6.1 Lease rentals are taken wholly as income and have been included as other operating income in the profit and loss account.

1.6.2 Hire purchase instalments received are apportioned into principal and interest in the ratio of principal to total interest computed at the commencement of the hire purchase agreement.

## 1.7 Real estate transactions

1.7.1 Profits are recognised on issue of the temporary occupation licence on the individual units sold up to the percentage of the contract price due from the purchaser.

1.7.2 Properties in the course of development are stated at cost, which includes interest on borrowings used to finance the purchase and construction of specific projects and other direct expenditure and related overheads incurred during the construction period, less the proportionate cost of units sold. Development is considered complete on issue of the temporary occupation licence. When completed, units held for investments are classified as fixed assets and units held for resale are classified as real estate.

## 1.8 Taxation

The taxation charged to the profit and loss account represents income tax at the current rate based on profits earned during the year. Deferred taxation in the balance sheet represents tax at current rates on the timing differences between accounting income and taxable income. Timing differences are principally in respect of provision for diminution in value of assets, depreciation and certain classes of accrued income.

## 2 Issued Share Capital

	1981	1980
	(S\$'000)	
Balance at 1st January	228,519	130,739
Conversion of US\$6½% Convertible Bonds 1991	—	35,871
Rights issue	—	34,394
Bonus issue	—	27,515
Balance at 31st December	<u>228,519</u>	<u>228,519</u>

## 3 Share Premium Account

	1981	1980
	(S\$'000)	
Balance at 1st January	242,980	80,006
Share premium arising from conversion of US\$6½% Convertible Bonds 1991	—	87,936
Share premium arising from rights issue less expenses connected therewith	—	102,553
Capitalization by way of bonus issue	—	(27,515)
Balance at 31st December	<u>242,980</u>	<u>242,980</u>

#### 4 Reserve Fund

The movements in this account during the year were as follows:

	The Bank		The Group	
	1981 (S\$'000)	1980	1981 (S\$'000)	1980
Balance at 1st January	103,530	72,230	105,860	73,855
Appropriation from profit and loss account	51,600	31,300	53,692	32,005
Balance at 31st December	<u>155,130</u>	<u>103,530</u>	<u>159,552</u>	<u>105,860</u>

The amounts transferred to the reserve fund comply with the Banking Act, Cap 182 and the Finance Companies Act, Cap 191.

#### 5 Long-term Borrowings

##### 5.1 S\$7½% Convertible Unsecured Loan Stock 1991

The S\$228,518,520 Convertible Unsecured Loan Stock issued in May 1981, are convertible into fully paid shares of S\$1.00 each in the Bank from 1st January 1982 to 31st May 1991 at the price of S\$8.00 per share subject to adjustment in accordance with the provisions of the Trust Deed.

The Bank may at any time purchase the Loan Stock in the open market or by tender available to the holders at any price or by private treaty at a price not exceeding 110 per cent of the nominal value of the Loan Stock.

The Bank may, on or after 1st June 1982, redeem some or all of the outstanding Loan Stock at specified rates of premium up to 31st May 1989 and at par thereafter, provided, however, that the Loan Stock may not be so redeemed prior to 31st December 1984 unless the average market price of the shares for a stated period fulfils certain conditions.

Unless previously redeemed or converted, the Loan Stock will be redeemed at par on 1st June 1991.

##### 5.2 S\$75m Guaranteed Floating Rate Notes 1986

The Notes, issued in April 1981 by Singapore Factory Development Limited, a wholly-owned subsidiary, are guaranteed by the Bank.

The interest, payable semi-annually, is determined every three months at the rate of ¼ of one per cent per annum above the three-month inter-bank offered rate for Singapore dollar deposits, subject to a minimum rate of 6% per annum.

The Company, the Guarantor or any of its subsidiaries may at any time purchase the Notes in the open market or otherwise at any price. The Company may, on any interest payment date, redeem the whole or any part (being S\$1,000,000 or multiples thereof) of the Notes at par. Unless previously redeemed, the Notes will be redeemed at par on 4th April 1986.

##### 5.3 US\$8½% Guaranteed Bonds 1982

The US\$10 million Bonds, issued in 1972, are guaranteed by the Government of Singapore and have been totally redeemed. Up to 15th January 1981 an amount of US\$6 million was redeemed while the balance of US\$4 million was redeemed on 15th January 1982.

Of the amount totally redeemed US\$4,986,000 were redeemed from the Bank's own holdings of these Bonds.

## 5.4 Other borrowings

5.4.1 The periods and amounts of borrowings due for repayment under the various lines of credit granted by the Government of Singapore and financial institutions at 31st December are tabulated below:

	1981			1980		
	Due Within 12 Months (S\$'000)	Due After 12 Months (S\$'000)	Total (S\$'000)	Due Within 12 Months (S\$'000)	Due After 12 Months (S\$'000)	Total (S\$'000)
Government of Singapore	191,700	1,568,717	1,760,417	139,372	1,087,880	1,227,252
Foreign Institutions	1,134	33,616	34,750	1,181	43,797	44,978
Local Institutions	20,000	190,000	210,000	—	110,000	110,000
Borrowings of the Bank	212,834	1,792,333	2,005,167	140,553	1,241,677	1,382,230
Borrowings of Subsidiaries	92	1,501	1,593	109	2,053	2,162
Borrowings of the Group	<u>212,926</u>	<u>1,793,834</u>	<u>2,006,760</u>	<u>140,662</u>	<u>1,243,730</u>	<u>1,384,392</u>

5.4.2 As at 31st December, out of the long-term lines of credit to the Bank, an amount of S\$58.9 million (1980 S\$98.3 million) was drawable but not drawn. The requirement for such funds has in the meantime been met by funds from other sources.

5.4.3 Out of the amount of S\$2,006.8 million (1980 S\$1,384.4 million) outstanding on total borrowings of the Group at 31st December, an amount of S\$625.6 million (1980 S\$454.4 million) was due for repayment after five years.

## 6 Subsidiary Companies

6.1 The following are the subsidiaries of the Bank all of which are wholly owned:—

	Place of Incorporation	Principal Activities
Cluny Hill (Private) Limited	Singapore	Real estate development
DBS Asia Limited	Hong Kong	Deposit-taking company
DBS Finance Limited	Singapore	Finance company
DBS Land Limited	Singapore	Investment holding
DBS Nominees (Private) Limited	Singapore	Nominee services
DBS Private Limited	Singapore	Inactive
DBS Realty (Private) Limited	Singapore	Real estate investment and development
DBS Trading (Private) Limited	Singapore	Gold trading
DBS Trustee Limited	Singapore	Trustee services
General Warehousing (Private) Limited	Singapore	Development of warehouses
Ladyhill (Private) Limited	Singapore	Real estate development
National Engineering Services (Private) Limited	Singapore	Engineering services
Property Management (Private) Limited	Singapore	Real estate management and consultancy
Raffles Centre (Private) Limited	Singapore	Real estate investment
Singapore Bankers Club (Private) Limited	Singapore	Inactive
Singapore Factory Development Limited	Singapore	Group financing
Swiss Club Park (Private) Limited	Singapore	Real estate development



	Place of Incorporation	Principal Activities
Thomson Plaza (Private) Limited	Singapore	Real estate investment and development
Wan Tien Realty (Private) Limited	Singapore	Real estate development
Warehousing Investment (Private) Limited	Singapore	Development of warehouses

## 6.2 Amounts owing by subsidiaries

These amounts comprise secured loans and advances to subsidiary companies.

## 7 Government Treasury Bills and Securities, Quoted Shares, Bonds and Loan Stocks

The cost and market value of these investments at 31st December were as follows:

	The Bank				The Group			
	1981	1980	1981	1980	1981	1980	1981	1980
	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Singapore Government Treasury bills and securities	58,444	56,980	72,184	70,383	58,544	57,080	72,284	70,483
Other Government Treasury bills and securities	115,751	109,462	121,676	115,153	117,294	110,904	124,001	117,369
Quoted bonds and loan stocks	109,807	105,517	110,739	106,927	110,130	105,805	111,156	107,328

	The Bank				The Group			
	1981	1980	1981	1980	1981	1980	1981	1980
	Cost less Provision	Market Value	Cost less Provision	Market Value	Cost less Provision	Market Value	Cost less Provision	Market Value
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Quoted shares	66,659	237,023	55,632	205,232	66,659	237,023	55,632	205,232

## 8 Leasehold Properties and Equipment on Lease

The cost and accumulated depreciation of these assets at 31st December were as follows:

	The Group	
	1981	1980
	(S\$'000)	
At cost	69,074	47,950
Accumulated depreciation	17,799	13,015
	<u>51,275</u>	<u>34,935</u>

The tenant of a leasehold property of a subsidiary company holds an option to purchase the property at a fair market value.

## 9 Real Estate

The net book value of these assets at 31st December was as follows:

	The Group	
	1981	1980
	(S\$'000)	
<b>Properties in the course of development</b>		
Freehold properties	17,403	11,784
Leasehold properties	14,232	5,533
	<u>31,635</u>	<u>17,317</u>
<b>Properties completed</b>		
Freehold properties	14,331	6,011
Leasehold properties	324	48
	<u>14,655</u>	<u>6,059</u>
<b>Total net book value</b>	<u>46,290</u>	<u>23,376</u>

## 10 Fixed Assets

10.1 The cost and accumulated depreciation of these assets at 31st December were as follows:

	The Bank		The Group	
	1981	1980	1981	1980
	(S\$'000)		(S\$'000)	
<b>(1) Leasehold properties</b>				
DBS Building				
At cost	59,179	58,331	59,179	58,331
Accumulated depreciation	15,414	13,312	15,414	13,312
	<u>43,765</u>	<u>45,019</u>	<u>43,765</u>	<u>45,019</u>
<b>Other Properties</b>				
At cost	2,098	2,031	37,821	29,827
Accumulated depreciation	562	427	2,909	1,307
	<u>1,536</u>	<u>1,604</u>	<u>34,912</u>	<u>28,520</u>
<b>(2) Freehold properties</b>				
Plaza Singapura				
At cost	50,726	50,596	50,726	50,596
Accumulated depreciation	10,556	8,945	10,556	8,945
	<u>40,170</u>	<u>41,651</u>	<u>40,170</u>	<u>41,651</u>
<b>Other properties</b>				
At cost	6,848	2,281	9,369	4,746
Accumulated depreciation	583	517	820	633
	<u>6,265</u>	<u>1,764</u>	<u>8,549</u>	<u>4,113</u>
<b>(3) Office equipment, furniture and fittings and other fixed assets</b>				
At cost	21,635	14,626	29,108	16,350
Accumulated depreciation	10,211	7,302	13,529	7,711
	<u>11,424</u>	<u>7,324</u>	<u>15,579</u>	<u>8,639</u>
<b>(4) Total Cost</b>	<u>140,486</u>	<u>127,865</u>	<u>186,203</u>	<u>159,850</u>
<b>Accumulated depreciation</b>	<u>37,326</u>	<u>30,503</u>	<u>43,228</u>	<u>31,908</u>
<b>Total Net Book Value</b>	<u>103,160</u>	<u>97,362</u>	<u>142,975</u>	<u>127,942</u>

10.2 At 31st December 1981, the market value of the properties owned by the Group included under "Fixed Assets" was estimated at S\$694 million (1980 S\$416 million).

# 11 Acceptances, Guarantees and Other Obligations (Contra)

The amounts outstanding at 31st December comprise the following:

	The Bank		The Group	
	1981	1980	1981	1980
	(S\$'000)		(S\$'000)	
(1) Bills for collection including letters of credit	313,423	280,122	313,423	280,122
(2) Guarantees	800,935	505,856	723,179	503,295
(3) Acceptances, endorsements, forward exchange contracts and other obligations	1,974,289	690,541	1,989,286	689,614
	<u>3,088,647</u>	<u>1,476,519</u>	<u>3,025,888</u>	<u>1,473,031</u>

# 12 Profit and Loss Account

## Operating Income

12.1 Interest earned comprises interest arising from various types of lending activities and includes interest on securities.

12.2 Dividends from investment in shares include for the Bank, gross dividends of S\$0.7 million (1980 S\$0.5 million) from subsidiary companies.

12.3 Rental represents income on the tenanted areas of the building owned by the Bank and its subsidiaries.

12.4 Other operating income comprises commission, profits on exchange, profits on sale of investments and real estate, merchant banking fees, lease rentals and all other income not reflected under any of the aforementioned items of income.

## Operating expenses

12.5 Interest expense comprises all interest incurred on deposits, bonds and borrowings from the Singapore Government and other sources.

12.6 Other operating expenses comprise amounts incurred in the maintenance and service of buildings owned by the Bank and its subsidiaries, general administration and other expenses.

The following expenses have been included in this item:

	The Bank		The Group	
	1981	1980	1981	1980
	(S\$'000)		(S\$'000)	
(1) Directors' fees				
Directors of the Bank	48	48	48	74
Other directors of subsidiary companies	—	—	—	47
(2) Directors' remuneration	211	159	211	159
(3) Auditors' remuneration	255	200	373	281
(4) Depreciation	6,940	6,062	18,670	14,745
Bank premises and other properties	3,985	3,839	4,980	4,549
Leasehold properties and equipment on lease	—	—	10,115	7,693
Office equipment, furniture and fittings and other fixed assets	2,955	2,223	3,575	2,503
(5) Rent of land and buildings	2,761	2,015	2,838	1,757
(6) Hire of equipment	784	532	781	526

### 12.7 Convertible Unsecured Loan Stock and Floating Rate Note Issues Expenses

The expenses on the issue of the S\$ Convertible Unsecured Loan Stock by the Bank amounted to S\$1,747,000. Although the life of the loan stock can extend up to 10 years, having regard to the type of the loan stock issued, it was considered appropriate to amortise the issue expenses over three years. Accordingly, S\$582,000 has been charged to other operating expenses. Since the Banking Act, Cap 182 prohibits the Bank from paying any dividend on its shares until all items of expenditure not represented by tangible assets have been written off, the balance of S\$1,165,000 has been written off before arriving at the profits available for distribution.

The expenses on the issue of the S\$ Floating Rate Notes by Singapore Factory Development Limited, which amounted to S\$1,482,000 are amortised over a period of five years. In the consolidated accounts, an amount of S\$222,000 has been charged to other operating expenses while the balance of S\$1,260,000 has been written off before arriving at consolidated profits available for distribution.

### 13 Capital and Other Commitments

Commitments not included in the accounts at balance sheet date were as follows:

	The Bank		The Group	
	1981	1980	1981	1980
	(S\$ Million)		(S\$ Million)	
(1) Capital expenditure	10.4	3.8	71.9	13.5
(2) Commitments to grant term loans and to purchase shares including calls not yet due	1,240.8	828.5	1,220.2	895.4

## Statement by the Directors

We, J Y M Pillay and C W G Endacott, two of the directors of The Development Bank of Singapore Limited, state that in the opinion of the directors, the accompanying balance sheets, profit and loss accounts, and the consolidated statement of changes in financial position, together with the notes thereon as set out on pages 30 to 41 are drawn up so as to give a true and fair view of the state of affairs of the Bank and of the Group, consisting of the Bank and its Subsidiaries, at 31st December 1981, the results of the business of the Bank and of the Group and the changes in financial position of the Group for the year ended on that date.

On behalf of the Board



J Y M PILLAY



C W G ENDACOTT

9th March 1982  
Singapore

## Declaration by the Officer Responsible for the Accounting Records

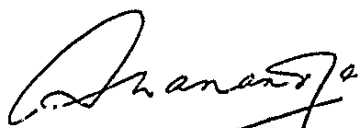
I, Tan Bee Leng, Officer responsible for the accounting records of The Development Bank of Singapore Limited, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts, and the consolidated statement of changes in financial position, together with the notes thereon as set out on pages 30 to 41 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1835.



TAN BEE LENG (MJS)  
Manager  
Finance and Tax Department

Subscribed and solemnly declared by the above-named  
in Singapore on 8th March 1982.

Before me



N. SIVANANDAN  
Commissioner for Oaths  
Judiciary, Singapore.

# Auditors' Report

To the Members of The Development Bank of Singapore Limited.

In our opinion:

- (a) the accounts set out on pages 30 to 41 are properly drawn up in accordance with the provisions of the Companies Act, Cap 185, with certain modifications and exceptions as have been determined by the Monetary Authority of Singapore and on such basis give a true and fair view of:
  - (i) the state of affairs of the Bank and of the Group as at 31st December 1981, the results of the Bank and of the Group and the changes in financial position of the Group for the year ended on that date; and
  - (ii) the other matters required by Section 169 of the Act to be dealt with in the accounts and consolidated accounts;
- (b) the accounting and other records and the registers required by the Act to be kept by the Bank and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and auditors' report of the following subsidiaries of which we have not acted as auditors, being accounts that have been included in the consolidated accounts:

DBS Asia Limited	— audited by our associate firm
National Engineering Services (Private) Limited	— audited by another firm

We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the accounts of the subsidiaries were not subject to any qualifications, and did not include any comment made under sub-section (3) of Section 174 of the Act.



PRICE WATERHOUSE  
Public Accountants  
Singapore

9th March 1982  
Singapore