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THE DEVELOPMENT BANK OF SINGAPORE LIMITED

Incorporated in the Republic of Singapore

DBS Building, Shenton Way, Singapore 0106

Telephone: 2201111 Cable: DEVBANK Swift Dest: DBSSSGSG Telex: RS 24455

The Development Bank Of Singapore Limited

Incorporated in the Republic of Singapore

Board of Directors

J Y M Pillay
(Chairman) Alternate: Francis J D'Costa

Lien Ying Chow
(Deputy Chairman) Alternate: Lee Hee Seng

Chua Kim Yeow
(President)

R A S Lane Alternate: C W G Endacott

John A Lucchesi Alternate: C A Banducci

Ngiam Tong Dow

Sim Kee Boon

Tan Boon Teik

Tan Chok Kian

Wee Cho Yaw Alternate: Tan Puay Hee

F Otto Wendt Alternate: Rolf E Willi

Executive Committee

J Y M Pillay Alternate: Francis J D'Costa
(Chairman)

Chua Kim Yeow
(Deputy Chairman)

Ngiam Tong Dow

Tan Puay Hee

Secretary & Registrar
Lim Sean Teck

Auditors
Price Waterhouse & Co
Chartered Accountants
Public Accountants
Singapore

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the shareholders of the Company will be held in the Board Room, 45th Floor, DBS Building, 6 Shenton Way, Singapore 0106 on Tuesday, 5th May 1981, at 11 a.m. to transact the following business:-

1. To receive and consider the Directors' Report and Accounts for the year ended 31st December 1980 and the Auditors' Report thereon.
2. To declare a Second and Final Dividend of 8% less income tax for the year ended 31st December 1980.
3. To sanction the amount proposed as Directors' Fees.
4. To re-elect directors.
5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, Cap 185:

That Mr Lien Ying Chow, a Director, who retires pursuant to the terms of appointment, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting.

6. To appoint Auditors and fix their remuneration.

7. Any Special Business

To consider and, if thought fit, to pass the following Resolution as ORDINARY RESOLUTION:

ORDINARY RESOLUTION

"That pursuant to Section 132D of the Companies Act, Cap 185, approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10 per centum of the issued share capital of the Company for the time being."

8. Any Other Business.

BY ORDER OF THE BOARD

LIM SEAN TECK
SECRETARY

3rd April 1981
Singapore

NOTES:

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his stead. A Proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office at least 48 hours before the Meeting.

Financial Highlights

	The Group 1980	1979	Percent Increase
For the year			
Operating profit (S\$ million)	139.8	91.6	52.6
Net profit after taxation (S\$ million)	69.6	48.5	43.6
At year end			
Paid-up capital (S\$ million)	228.5	130.7	74.8
Total capital and reserves (S\$ million)	637.2	326.7	95.0
Total borrowings and deposits (S\$ million)	4,435.2	3,058.6	45.0
Total loans and advances (S\$ million)	3,031.8	1,832.5	65.4
Total assets excluding contra* (S\$ million)	5,709.5	3,968.7	43.9
Total assets including contra* (S\$ million)	7,182.5	5,488.7	30.9
Financial ratios			
Total loans and advances to Total deposits and borrowings	0.68	0.60	
Return on shareholders' equity after tax (%)	14.44	19.14	
Return on total funds employed after tax (%)	1.44	1.36	
Per Share			
Earnings per share after tax (S\$)**	0.35	0.32	
Dividend per share (%)	15.00	12.50	
Dividend cover (number of times)	3.59	4.70	
Net tangible asset backing per share (S\$)	2.79	2.50	

*Contra refers to acceptances, guarantees and other obligations.

**Earnings per share after tax has been adjusted for the rights and bonus issues in 1980 and shares arising from conversion of the US\$6½% Convertible Bonds 1991.

Financial Calendar

1979 dividend paid
1980 interim dividend paid
Financial year end
Announcement of half-year results 1980
Announcement of full year results 1980
Annual General Meeting
Proposed payment date of 1980 final dividend
Announcement of half-year results 1981
Announcement of full year results 1981

26th April 1980
19th September 1980
31st December 1980
14th August 1980
11th March 1981
5th May 1981
11th May 1981
August 1981
March 1982

Chairman's Statement

The major international economies performed less satisfactorily in 1980 than in the preceding year. But Asean economies fared reasonably well. Singapore's performance for 1980 was better than expected, the growth rate of 10.2% being the best achieved since the oil crisis of 1973. Against this favourable economic background, the banking and finance industry performed well; banks, as a whole, had a good year although there was no let up in the severity of competition.

The DBS Group made satisfactory progress, expanding its activities in all areas. Group assets, excluding acceptances, guarantees and other obligations, reached S\$5,709.5 million, a growth of S\$1,740.8 million or 43.9%. Group after-tax profit increased by S\$21.1 million or 43.6% to reach S\$69.6 million. For the first time, an interim dividend was paid, at a rate of 7%, less income tax at 40%. The Directors have recommended a second and final dividend of 8% less income tax at 40%. This will make a total of 15% for the year, compared to 12½% the previous year.

The Bank's issued and paid-up capital increased by 97.8 million shares to 228.5 million shares during the year. Rights and bonus issues accounted for 61.9 million shares, while 35.9 million shares were issued to holders of the Bank's US\$ 6½% convertible bond who opted for equity conversion. Shareholders' funds of the Group increased by S\$310.5 million to reach S\$637.2 million at the end of the year.

The Bank plans to issue a 10-year convertible unsecured loan stock which will raise S\$228.5 million to finance the Group's expansion. An extraordinary general meeting will be convened on 5th May 1981 to consider and approve the issue.

We have reviewed our corporate objectives, taking into account the changing environment in which we operate, both nationally and internationally. We shall continue as a universal bank. Increased emphasis will be placed on the core activities of the Bank: development financing, commercial

banking and treasury operations. We shall expand our international activities by establishing more overseas offices and by participating more actively in international lending. Our investment banking capabilities will be sharpened generally, with attention focussed on funds management. In real estate activities, we shall continue to seek new opportunities, tempered with prudence, for development and investment.

The Group has been restructured. DBS Land Ltd, which assembles under one umbrella all the Group's property interests and activities, will be the Group's vehicle in real estate. DBS Finance Ltd (DBSF) and Singapore Factory Development Ltd (SFDL) were merged through DBSF absorbing the financing operations of SFDL.

Within the Bank, a new organisation became effective in January 1981. Functions have been streamlined and there is now greater specialisation. This has led to the segregation of our activities into the following areas: wholesale, investment and consumer banking; international operations; treasury services; and a management services group which encompasses most of the supporting services.

Greater efforts will be made to improve our operating systems and increase the use of electronic technology, the goal being to minimise costs and further enhance customer service. Training, career development and welfare schemes to raise the skills, productivity and morale of our staff will be stepped up.

To strengthen the bond between employees and the organisation, a share ownership scheme, unique in the local banking scene, was launched in August last year. This scheme provides an opportunity for the Group's staff to pool their resources for the purchase of DBS shares in the open market. Participation in the scheme is voluntary. Members may subscribe up to a maximum of 10% of their basic salary, with the Group contributing an additional 50% of the subscriptions. Through the scheme, staff now have a bigger stake in the Group's well-being, and share in the

profitability to which their collective effort is contributing.

Changes in the evolution of Singapore's dynamic financial sector are only to be expected. As a major financial institution in Singapore, DBS should be well placed to seize whatever opportunities may arise to better serve the needs of our customers and enhance our performance.

Staff members of the Group have once again given dedicated service to the growing demands of our operations. On behalf of the Board, I thank them for their contributions.



J Y M PILLAY
Chairman

12th March 1981

Economic Review

International

For the world economy, 1980 was a year of generally high and rising inflation, heightened strains on the balance of payments and a marked slowdown in economic growth. In the OECD region, growth fell from more than 3% in 1979 to 1% in 1980. Sharp increases in oil prices were a major factor behind these developments, underlining the international economy's continued vulnerability to the instabilities and political pressures in the oil market.

ASEAN

The oil problem and the industrial world's recessionary trends affected the ASEAN economies in varying degrees. For some countries, double-digit inflation and large current account deficits presented growing difficulties. But by international standards, the region's growth performance was generally buoyant. Favourable export demand for a range of key commodity products helped support economic activity in ASEAN's four primary-producing members, particularly in the oil-exporting countries of Indonesia and Malaysia.

Singapore

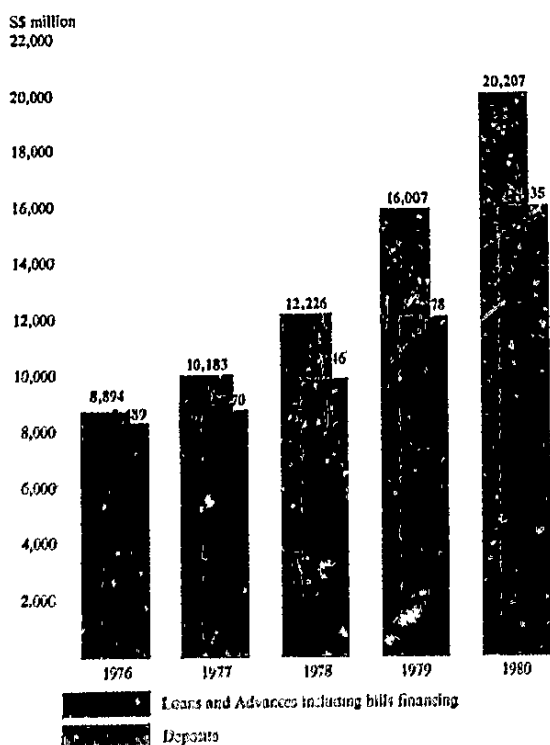
Growth in Singapore was better than expected. At 10.2% compared with 9.3% in 1979, real GDP growth in 1980 reached double-digit figures for the first time since 1973. Singapore's high rate of growth was achieved in the context of intensified efforts to restructure and upgrade economic activities in the country. The Government maintained its policy of higher wage increases, designed to stimulate more efficient use of manpower. While this contributed to a slowdown in employment growth, the unemployment rate declined further, to reach 3.0% in 1980. Some measure of the success of the economic restructuring programme was provided by the increase in labour productivity which, at 5.0% in 1980, was nearly double the previous year's rate and surpassed the rate of 4.0% p.a. averaged during the 1970s. Another encouraging feature was the record of S\$1.4 billion in net manufacturing investment commitments in 1980, an increase of 53.2% against the previous year's 16.1%. These investment commitments showed a shift towards industries with higher capital-intensity and value-added per worker.

While the main impetus to economic expansion came from the manufacturing and the financial and business services sectors, which grew by 11.9% and 16.6% respectively, all sectors of the economy registered rapid growth. The commerce sector grew by 7.2% in 1980, largely maintaining the previous year's pace of activity. In current price terms, total external trade recorded a growth rate of 34.0% compared with 31.7% in 1979, and reached a value of S\$92.8 billion in 1980. Domestic trade remained buoyant in 1980, supported by increased domestic consumption and a robust tourist industry. Tourist arrivals by air and sea rose by 14.2% against 9.4% in 1979 while hotels averaged an occupancy rate of 86.1% in 1980.

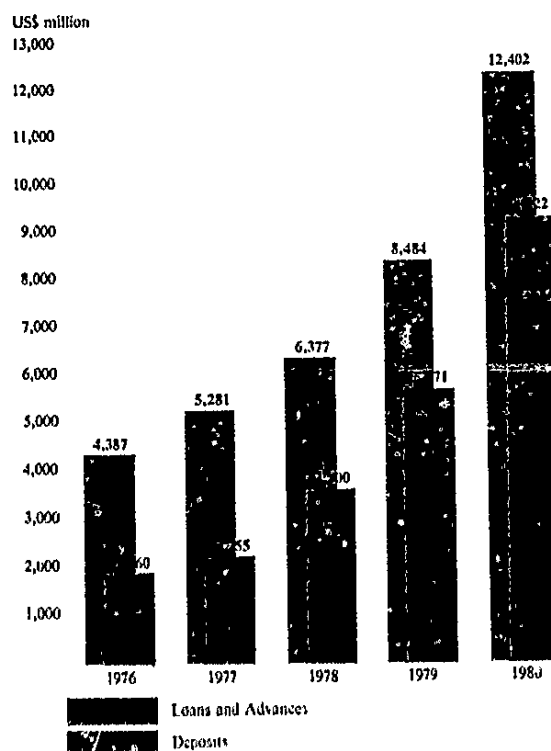
The recovery in the construction sector continued with a 10.0% rate of expansion compared with 7.0% in 1979. Both the private and public sectors contributed to the high level of construction activity.

In line with price trends abroad, inflation in Singapore accelerated. From a rate of 14.4% in 1979, wholesale prices rose by 19.6% in 1980, with mineral fuels accounting for more than

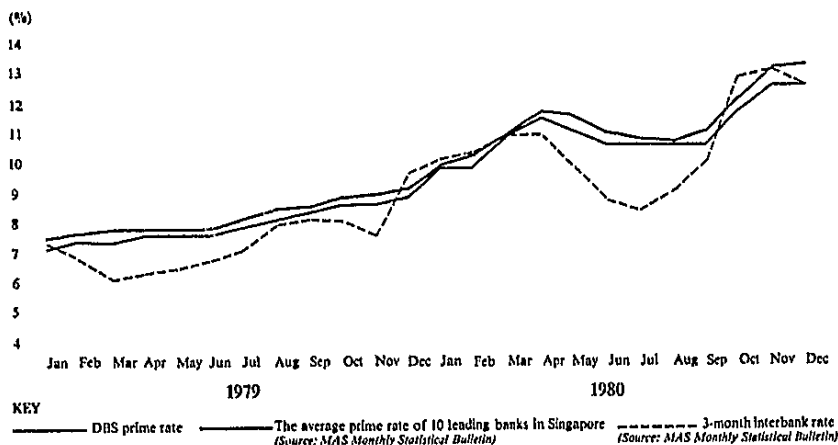
Commercial Banks' S\$ Loans and Advances and Deposits



Asian Dollar Market Loans and Advances and Deposits



Comparative Interest Rates



half the increase. Consumer price inflation rose from 4.0% in 1979 to 8.5% in 1980, largely due to higher prices for food, housing and transport and communication. But a favourable development was the decline in inflationary pressures in the later part of the year. By December 1980, the year-on-year increase in the Consumer Price Index and General Wholesale Price Index was 6.0% and 11.2% respectively. Compared with inflationary trends abroad, Singapore's 1980 price performance continued to be satisfactory. This, together with the country's S\$1.4 billion overall balance of payments surplus and the 9.5% increase in international reserves, helped maintain the general strength and stability of the Singapore dollar.

Money supply (M1) growth averaged 14.2% against 13.1% in the previous year. However, apart from the second quarter of the year, the short-term interbank market tightened over much of 1980. Against a background of rising interest rates abroad, strong domestic credit demand and heightened inflation, the average prime lending rate of ten leading banks rose from 9.5% as at end-1979 to 13.6% as at end-1980.

Reflecting Singapore's rapid pace of economic expansion, banking activity increased markedly. Commercial banks' total assets/liabilities reached S\$33.3 billion by end-1980, an increase of 24.6% against 26.1% in 1979. Non-bank loans and advances excluding bills financing rose by 34.0% compared with 28.3% in the previous year. Bills financing, however, registered little expansion. As at end-1980, total bank credit rose to

S\$20.2 billion from the previous year's level of S\$16.0 billion, with 31.0% and 14.8% of the increase accounted for by the commerce and manufacturing sectors respectively. Non-bank deposits expanded strongly in 1980, recording an increase of 31.7% against 21.2% in 1979.

Finance companies also saw a significant expansion of activity in 1980, with assets/liabilities increasing by 24.4%. Loans and advances increased by 29.5%, largely maintaining the rapid growth rate of 1979, while deposits rose by 17.0% against 20.0% in 1979.

The buoyancy in the Asian Dollar Market continued in 1980. Reaching US\$54.4 billion by year-end, gross assets/liabilities rose by 42.5% in 1980, slightly higher than the previous year's rate of growth. Non-bank activity increased considerably with loans and advances rising by 46.2% while deposits rose by 61.5%. The corresponding rates in 1979 were 33.0% and 60.3% respectively. 1980 was another year of rapid expansion in the market for floating rate US dollar Certificates of Deposit. Thirty-two issues aggregating US\$685 million were floated during the year compared with 31 issues valued at US\$578 million in 1979. Activity in the Asian Dollar Bond market increased sharply in 1980, with 18 new issues amounting to US\$664 million compared with eight issues and US\$358 million in 1979.

The Stock Exchange of Singapore saw an upsurge in investor interest, with total turnover in 1980 more than doubling in volume to reach 2.2 billion units and more than tripling in value to S\$7.8

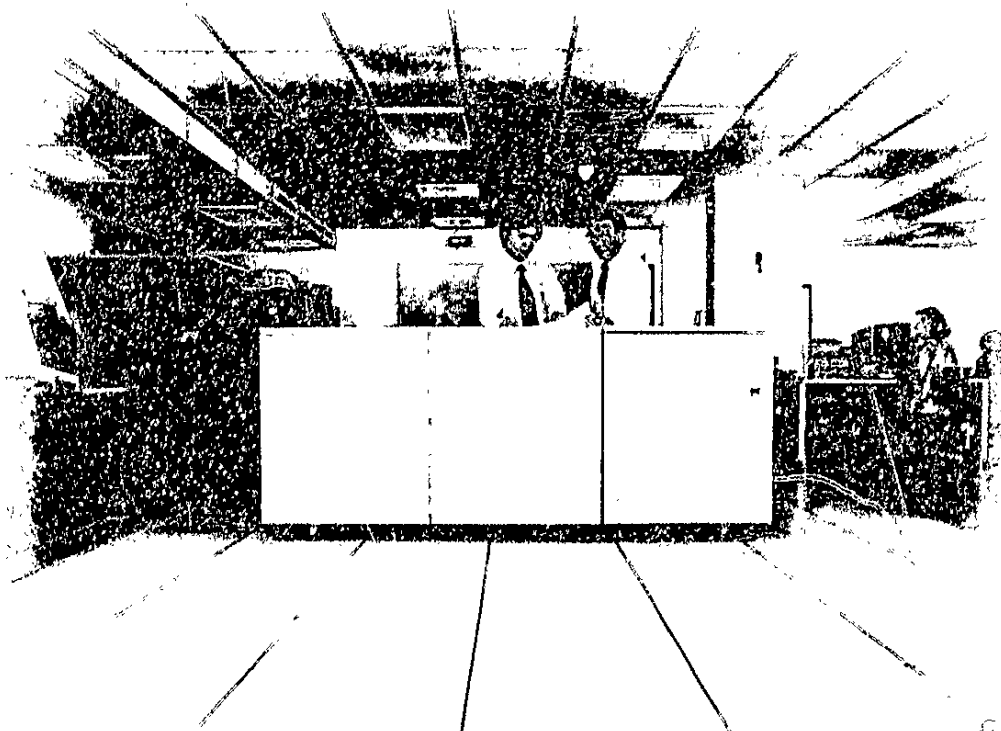
billion. The SES Industrial and Commercial Index rose to a historical high of 628 points in November 1980, before closing the year on a slightly lower level.

Gold prices soared to record levels of more than US\$800 per ounce in January 1980. But over 1980 as a whole, the previous year's strong upward trend in gold prices was less in evidence while trading volume on the Gold Exchange of Singapore moderated.

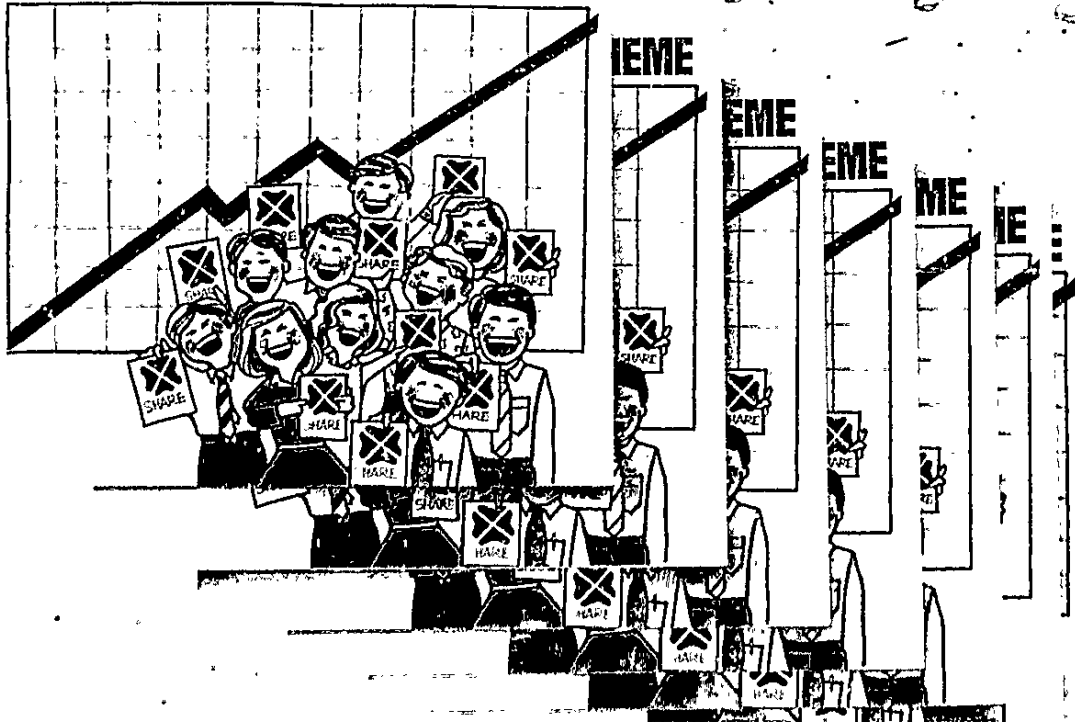
Economic Outlook

Prospects for the developed economies in 1981 remain poor. With the momentum of inflation still high, scope for expansionary economic policies will be severely constrained. The outlook is further clouded by the protracted problems in the oil market and 1981 is expected to be another year of sluggish economic growth, averaging about 1% in the OECD region. This will affect the ASEAN and other developing countries, which will have to contend with continued protectionism and slow expansion in their major export markets. Nevertheless, Singapore, Indonesia and Malaysia will probably see comparatively buoyant levels of economic activity.

Singapore's economic performance in 1980 — an acceleration in growth with a continued balance of payments surplus and reasonable control over price pressures — was noteworthy given the deterioration in the international environment, and has highlighted the resilience and strength of the domestic economy. Investment activity is likely to provide continuing support for economic expansion, and Singapore's growth in 1981 is expected to remain satisfactory, albeit more moderate than in 1980.



✕DBS SHARE OWNERSHIP SCHEME



Corporate Affairs

DBS' evolution from a development financing institution to a universal bank has been partly shaped by a changing environment. To meet the needs of a fast growing industrial and financial centre, DBS expanded into new areas of activities, not only in banking but in real estate as well.

Having reviewed its corporate objectives, DBS has reaffirmed its position as a universal bank. In line with this, DBS will maintain its leading role in development financing. The Bank's international activities will be stepped up with the establishment of more overseas offices and more active participation in international lending. DBS' investment banking capabilities will be expanded and sharpened generally, with attention focussed on funds management. DBS will continue to seek opportunities for the expansion of its real estate activities.

A restructuring of the Group has been effected. The Group's real estate operations on the one hand, and its banking and finance operations on the other, are now undertaken by two distinct groups. The Group's real estate investments are held principally through a wholly-owned investment holding company, DBS Land Ltd. The subsidiaries of DBS Land, in turn, are responsible for the Group's real estate operations, ranging from property development and investment to management and consultancy.

The operations of Singapore Factory Development Ltd (SFDL) and DBS Finance Ltd (DBSF) were merged, with DBSF taking over the lending operations of SFDL. DBSF now provides a wider range of specialised financing services. Recently, SFDL completed a S\$75 million Guaranteed Floating Rate Notes 1986 issue.

In keeping with its philosophy of providing a full-banking service, DBS' business in the 1980s will be focussed on the following main areas: wholesale banking which includes the provision of development financing; investment banking; consumer banking; international banking; and treasury operations. To meet the competition and to better service its customers, the Bank was reorganised in January 1981. The wholesale, investment and consumer banking functions have been grouped under Corporate and Consumer Banking while the international banking and treasury functions have been grouped under International and Treasury. A

Management Services group has been established and the service departments rationalised to enhance the support for the operating departments.

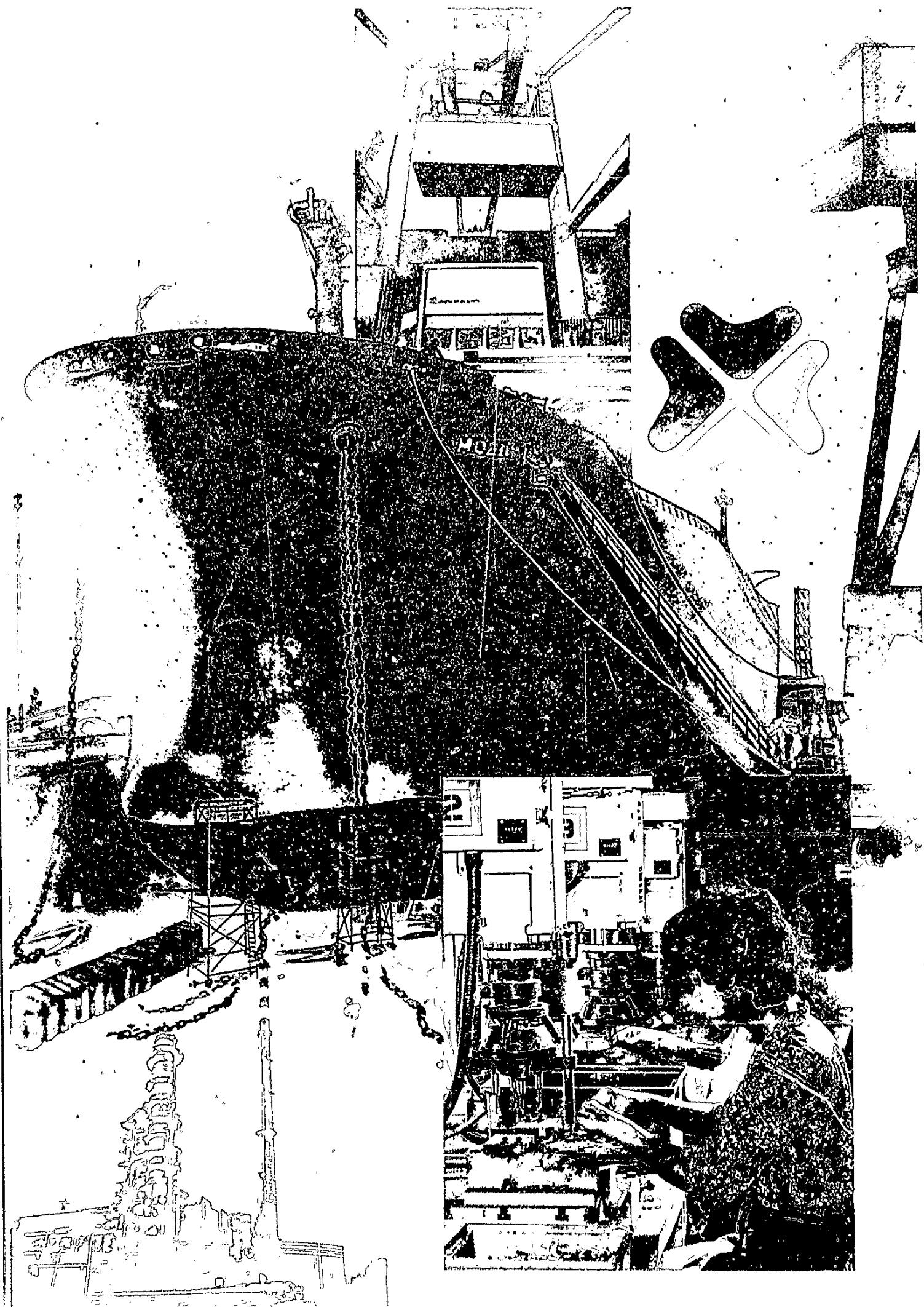
In a highly competitive environment, it is necessary that DBS sharpens the skills of its staff and further improves the efficiency of its operations. More in-house courses were conducted during the year and an increasing number of staff were sent for technical and general management courses locally as well as abroad. Training and career development will be stepped up.

Staff development was matched by efforts in promoting staff welfare. In August 1980, DBS established a landmark in employee benefits among local banks when it introduced the DBS Share Ownership Scheme for the Group's staff. Requiring a minimum contribution of S\$20 per month, the Scheme enables staff to pool their resources in a fund for the purchase of DBS shares in the open market. Thus, with comparatively small outlays, the Group's staff are given the opportunity to hold a stake in DBS by acquiring units of DBS shares through the fund. Participation in the Scheme is voluntary. Members can contribute up to 10% of their basic salary with the Group contributing an additional 50% of the subscriptions. Response to the Scheme has been favourable and to date, more than half of the Group's staff have joined the Scheme. The value of each of the units has risen from S\$1.00 as at 1 November 1980 to S\$1.58 as at 2 March 1981.

Greater efforts have also been placed on improving operating systems and procedures. In 1980, DBS acquired more computing capability. More operations were computerised and automated with the objectives of improving customer service and minimising costs. DBS will continue to explore the opportunities offered by electronic technology to achieve these objectives. In May 1980, DBS was elected Chairman bank of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) Singapore User Group.

During the year under review, staff relations continued to be cordial. Supporting the expansion in DBS' operations, staff strength grew further. As at end-1980, the staff strength of the Group and the Bank reached 1,587 and 1,215 representing an increase of 19.1% and 19.9% respectively. With the large

and rising numbers of DBS personnel, whose work places are widespread over Singapore as well as internationally, efforts to improve and expand on the means of communication among staff have become increasingly important. With this in view, an in-house journal, "Banknotes", was launched in June 1980.



Marketing And Services

Although competition remained strong, DBS was able to seize the opportunities presented to record another year of satisfactory progress.

Wholesale Banking

The Bank substantially expanded its lending operations. From 34.0% in 1979, the growth rate of DBS' S\$ loans and advances accelerated to 67.5% in 1980. This was markedly higher than the industry's growth rate of 34.0%, and DBS' market share rose further over the year.

DBS continued to be active in development financing. There were more opportunities for the provision of venture capital and project financing. The Bank participated in the equity of the centre company and two of the downstream companies of the S\$2 billion petrochemical complex. DBS also co-managed the syndication of a guarantee facility on behalf of the centre company for the purchase of plant and machinery, and participated in a similar facility for one of the downstream companies. In addition, DBS participated in the equity of an oil storage terminal project, to meet the growing demand for the bulk storage of petroleum products, chemicals and edible oils. As at end-1980, total net equity investments outstanding increased by 18.6% over the previous year's level to reach S\$152.3 million.

DBS stepped up its activities under the Small Industries Finance Scheme (SIFS), maintaining a dominant role among the three participating financial institutions. During the year, the Bank's loan commitments under SIFS more than doubled to reach S\$30.8 million and by end-1980, DBS accounted for S\$58.1 million or 71.5% of the total loans committed under the Scheme. The bulk of DBS' new commitments in 1980 were to the metal and plastics industries which are among those identified as essential supporting industries for Singapore's industrial base. Finance was also made available to professionals who turned entrepreneurs. With the financing support extended under SIFS, a number of clients have substantially expanded their operations to the extent that they are now no longer dependent on financing under the Scheme.

DBS continued to be the only Singapore bank participating in the Government's Ship Financing Scheme, and played an active role as both agent and lender under the Scheme. With the

improvement in the shipping market and the upsurge in offshore oil drilling activities, demand for financing remained brisk and the amount of funds available under the Scheme was increased in 1980.

Satisfactory progress was also achieved in other areas of lending. In 1980, DBS co-managed a S\$100 million syndicated facility for a local shopping-cum-office complex. To date, this facility has been Singapore's largest S\$ syndicated loan. DBS further expanded its activities in trade financing; bills financing increased by 47.3% in 1980 with a substantial increase in documentary credits and money transfers.

In keeping with its policy of further internationalising its operations, DBS was active in a number of offshore syndicated loans. These included the US\$350 million 7-year loan to Banco Nacional de Comercio Exterior S A (Bancomext) Mexico and the US\$600 million 8-year loan to Korea Development Bank, in both of which the Bank held the position of lead manager. The Bank is further expanding its activities in offshore lending, especially in the Asia-Pacific region. DBS will also be participating in the equity of the Asean Finance Corporation.

Investment Banking

In 1980, DBS maintained an active role in the area of investment banking.

In the domestic capital market, DBS participated in all the three new equity issues which were publicly floated in 1980. These raised a total of S\$143.1 million. Of the three, the issue by Tat Lee Bank of 15 million ordinary shares at S\$2.50 per share was lead managed and underwritten by DBS. In addition, DBS co-lead managed as well as underwrote the issue by Keppel Shipyard Limited of 30 million ordinary shares at S\$3.30 per share; this was the largest public issue ever launched in the Singapore market. The Bank also took part in several rights issues during the year under review. DBS also co-lead managed the year's only S\$ fixed rate corporate bond issue. This issue raised a total of S\$50 million.

In the Asian Dollar Bond market, DBS lead or co-managed five issues which raised a total of US\$225 million, and acted as underwriter for another five issues totalling US\$125 million. In the Eurodollar Bond market, DBS held an underwriting position in 23 issues.

In funds management, the size of the portfolios managed by DBS rose by 67.2% in 1980. The efforts to promote

Industrial Distribution of the Bank's Equity Investments

INDUSTRY	As At 31.12.80		As At 31.12.79	
	S\$'000	% of Total	S\$'000	% of Total
Primary	28	0.1	340	0.3
Manufacturing	56,666	37.2	72,396	56.3
Food & beverage	—	—	—	—
Textile & clothing	190	0.1	—	—
Wood & wood products	2,560	1.7	2,553	2.0
Printing & publishing	439	0.3	317	0.2
Chemical & chemical products	19,685	12.9	17,507	13.6
Metal & metal products	17,838	11.7	15,254	11.9
Non-metallic mineral products	2,123	1.4	4,785	3.7
Transport equipment	13,333	8.8	14,584	11.4
Other manufacturing	498	0.3	17,396	13.5
Services	86,756	56.9	52,259	40.7
Hotels	6,145	4.0	6,060	4.7
General commerce	2,426	1.6	2,367	1.8
Transport, storage & communication	2,082	1.3	2,391	1.9
Financial institutions	76,103	50.0	41,441	32.3
Others	8,893	5.8	3,493	2.7
Building & construction	8,544	5.6	3,401	2.6
Miscellaneous	349	0.2	92	0.1
TOTAL	152,343	100.0	128,488	100.0

Singapore as a regional funds management centre will provide new opportunities for DBS in this area of activity.

DBS continued to expand its trustee and custodian services. In 1980, DBS was appointed the securities depository in Singapore for the Euroclear Clearance System. During the year, DBS became the first locally incorporated company to have a facility established for the issue of American Depositary Receipts (ADRs) in respect of its shares. This facility has enhanced the American public's access to DBS shares. The Bank is acting as custodian for the DBS shares which back each ADR.

Consumer Banking

During the year, DBS registered significant growth in its consumer banking activities. Sharp increases were recorded in both consumer deposits and financing.

In 1980, DBS launched AUTOSAVE, a facility unique in Singapore. DBS AUTOSAVE provides for the automatic transfer of funds between a current account and a savings account. Customers thus enjoy the convenience of checking facilities coupled with the interest-earning benefits of a savings account. Response to DBS AUTOSAVE has been very favourable.

The Bank's network of domestic branches increased to 18 with the establishment of two new branches at Woodlands and Clementi Town Centres. More banking outlets will be established to provide greater convenience to customers, and automated teller machines will be installed to complement the network of conventional brick and mortar branches. To further improve customer service, the Bank created the new positions of Regional Branch Managers, each of which has responsibility over a number of domestic branches.

Demand for consumer financing was brisk in 1980. With the buoyant property market, there was strong demand for mortgage financing, in particular of residential properties. Demand for the financing of consumer durables was also strong.

The spectrum of consumer banking services will be expanded where necessary to meet the needs of the public and in line with DBS' objective of providing a full-banking service.

International Banking

DBS' international operations continued to expand: the Bank's Tokyo

Branch has grown to become the largest Singapore bank in Japan; the New York Agency, officially opened in May 1980, has progressed very satisfactorily notwithstanding its relatively short period of operations; DBS Asia Ltd, the wholly-owned deposit-taking company in Hongkong, has recently commenced operations; and the London Representative Office will be upgraded. With the upgrading of the London Representative Office, DBS will have a 24-hour coverage in its international banking services.

To further improve its international banking services, DBS will expand its network of overseas offices and correspondents. Currently, the Bank has close to 400 international correspondents in more than 60 countries.

Treasury Operations

DBS achieved marked success in expanding its S\$ deposit base. The number of S\$ non-bank deposit accounts increased by 89.1% in 1980 and in value terms, deposits rose by 74.6% compared with 32.5% in 1979. With the industry-wide figure increasing at less than half DBS' rate in 1980, the Bank's market share rose to a new high. DBS continued to be a leading participant in the local money market.

1980 was another active year for DBS' Asian Currency Unit with the ACU book-size increasing substantially. Deposits registered significant increases partly due to the yield premiums offered by the US dollar over the Singapore dollar. Response to DBS' ACU deposit facilities in Special Drawing Rights (SDRs) has been favourable. With the SDR currency basket recently reduced from 16 to five currencies, further interest in SDR deposits is likely to be generated.

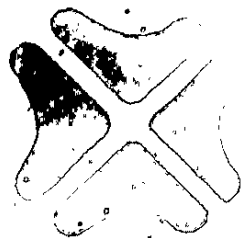
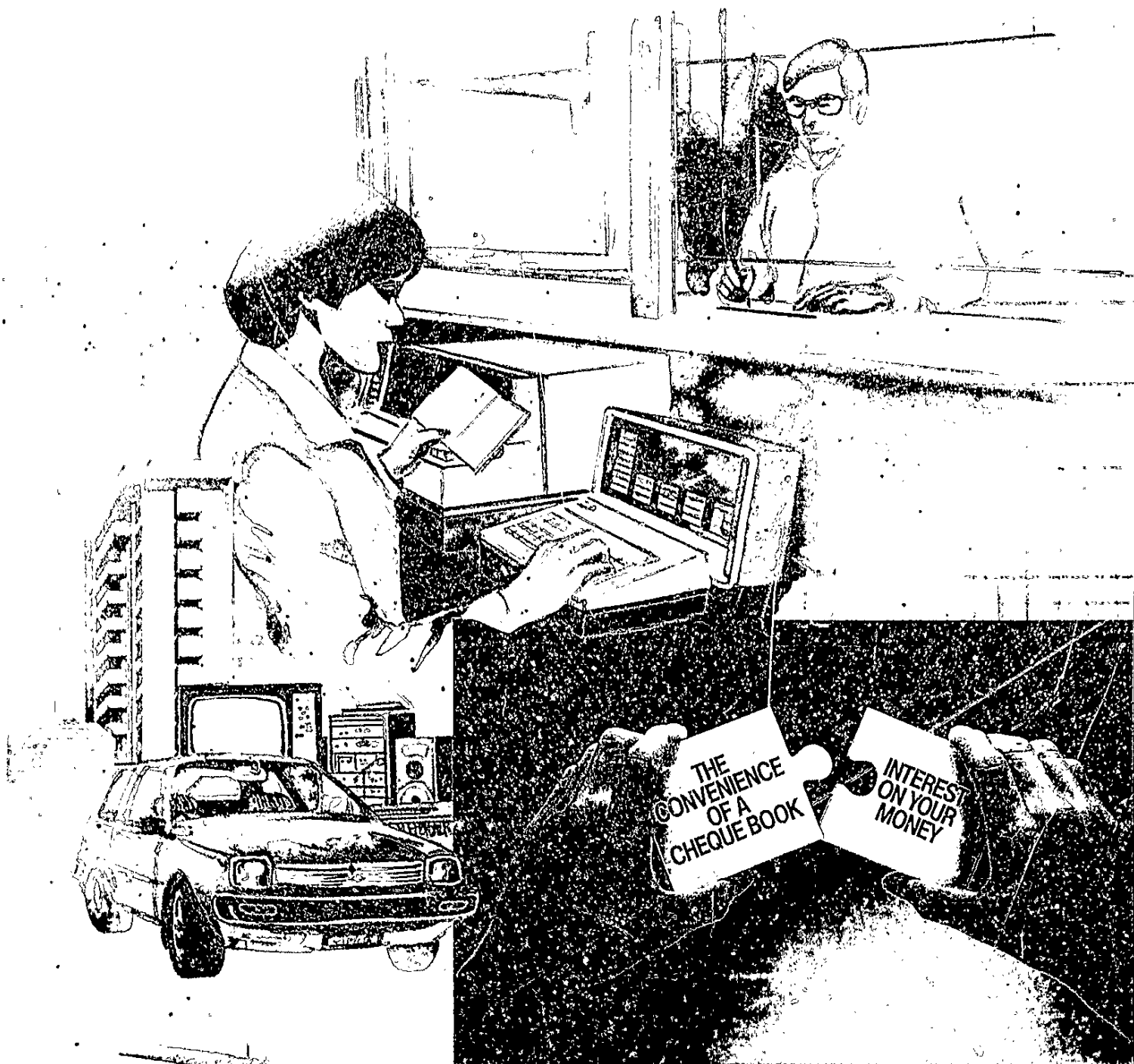
The Bank's foreign exchange turnover rose by 23.7% in 1980. Non-bank foreign exchange transactions rose by 42.5%, reflecting DBS' growing edge in a very competitive market. During the year under review, DBS began trading in the financial futures market.

The Bank continued to promote the development of Singapore's gold futures market. In line with this, DBS established direct representation on the floor of the Gold Exchange of Singapore in 1980. Non-bank transactions in kilobar futures grew by 25.3%.

Further diversifying its activities, DBS commenced silver trading in 1980, participating in both the physical and futures market.

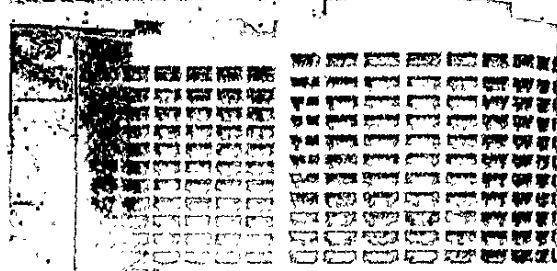
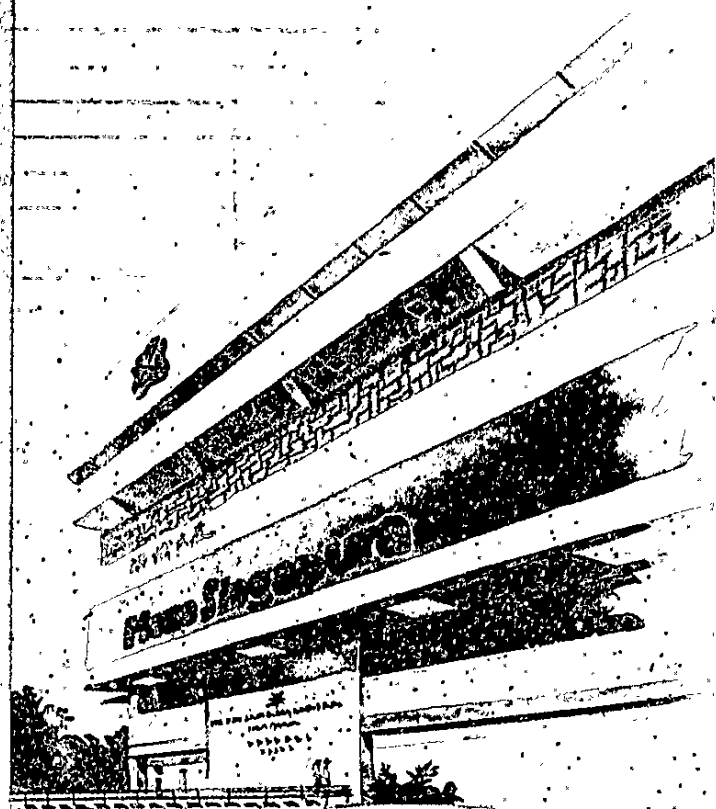
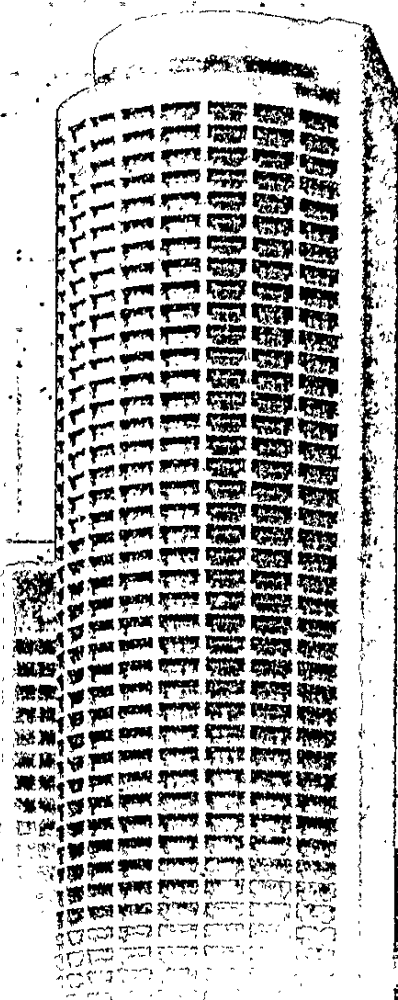
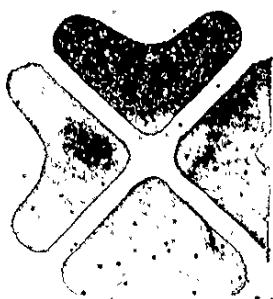
Industrial Distribution of the Bank's Loans & Advances

INDUSTRY	As At 31.12.80		As At 31.12.79	
	S\$'000	% of Total	S\$'000	% of Total
Primary	70,939	2.0	5,545	0.9
Manufacturing	796,306	28.5	536,243	31.9
Food & beverage	24,057	0.9	10,613	0.6
Textile & clothing	20,232	0.7	19,921	1.2
Wood & wood products	55,371	2.0	45,598	2.7
Printing & publishing	19,684	0.7	14,147	0.8
Chemical & chemical products	212,215	7.6	112,772	6.7
Metal & metal products	219,791	7.9	144,307	8.6
Non-metallic mineral products	58,996	2.1	6,961	0.4
Transport equipment	90,362	3.2	118,417	7.1
Other manufacturing	95,568	3.4	63,507	3.8
Services	1,534,259	54.9	840,932	50.1
Hotels	156,404	5.6	105,986	6.3
General commerce	271,530	9.7	156,341	9.3
Transport, storage & communication	693,018	24.8	348,474	20.8
Financial institutions	413,307	14.8	230,131	13.7
Others	392,197	14.0	297,680	17.7
Building & construction	180,775	6.4	136,740	8.1
Miscellaneous	211,422	7.6	160,940	9.6
TOTAL	2,793,701	100.0	1,680,400	100.0



DBS
華展銀行





Properties

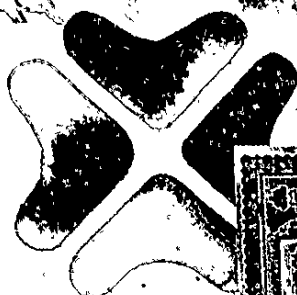
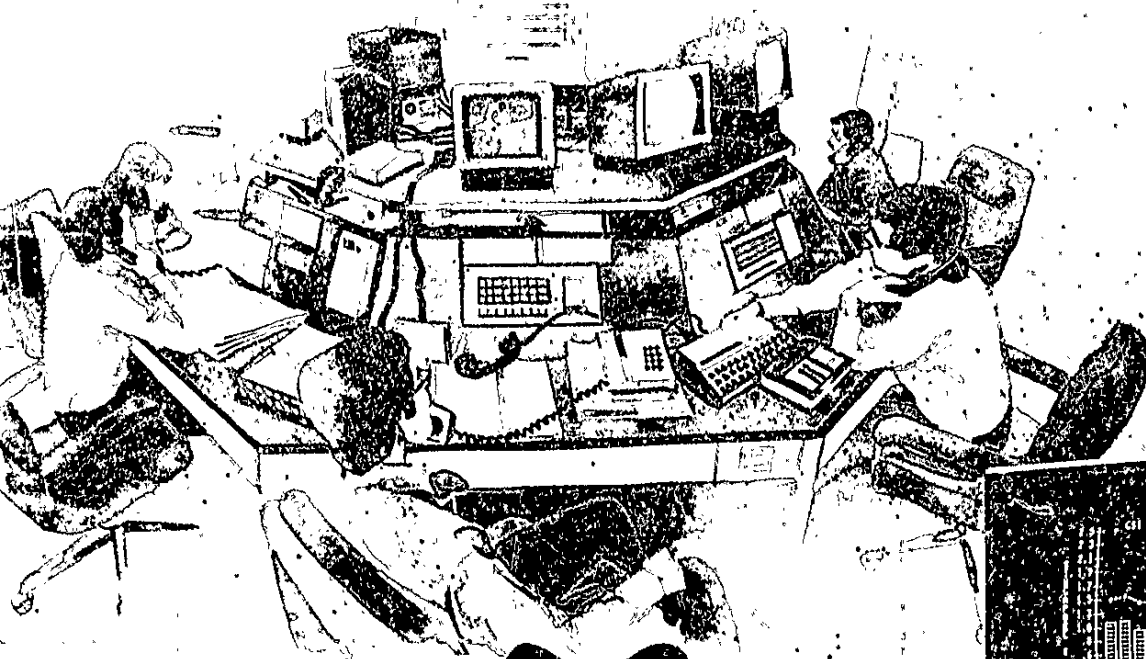
1980 witnessed the commencement of construction work on the Raffles City project. To commemorate this event, a Ground Breaking Ceremony officiated by the Honourable Minister for Finance, Mr Hon Sui Sen, was held on 14 August 1980. Site excavation is currently in progress and is expected to be completed in the third quarter of 1981. This will be followed by foundation and basement works. Superstructure works is expected to commence in 1983 and is scheduled for completion in 1985/86.

Plans are being drawn up for the operation of the 2,000 room hotel, convention, office and shopping facilities. The interior layout and design as well as the operating systems of the facilities in the complex are being finalised. The marketing programme for the facilities, and recruitment and training of staff will be implemented well in advance of the opening of the complex.

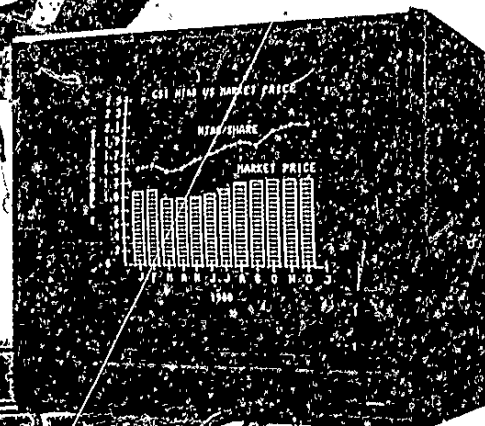
DBS launched a new residential property project in 1980. Comprising eight luxury detached bungalows in Swiss Club Road, this project is targeted for completion by 1982. Construction work on another project, the development of nine luxury detached bungalows at Cluny Hill, is scheduled to begin by mid-1981. In the field of industrial property development, DBS in 1980 commenced Phase II of its factory development at Hillview Industrial Estate. This comprises 23 factory units, and is scheduled for completion in mid-1982. In 1980, Chin Swee Tower was sold and the proceeds channelled to fund further expansion of the Group's real estate operations.

Against the background of a buoyant property market, DBS' commercial properties continued to enjoy generally high levels of occupancy. The Group's gross rental income rose significantly in 1980.

DBS will continue to purchase more properties for development and investment. In this regard, in addition to seeking privately-owned properties, DBS has tendered for sites offered by the Urban Redevelopment Authority.



Euro-cle



Financial Review

The Group's total operating income grew by 57.0% to reach S\$592.9 million, an increase of S\$215.2 million compared to 1979.

The major portion of the increase was contributed by interest income which grew by S\$200.6 million due to an increased volume of interest earning assets and higher prevailing interest rates.

Dividend and rental income increased by S\$10.3 million and S\$6.2 million respectively.

Operating expenses also increased during the period to total S\$453.1 million, an increase of S\$167.0 million. This was contributed mainly by the increase in interest expenses of S\$153.9 million.

The net after-tax profit of the Group grew by 43.6% to reach S\$69.6 million in 1980. This growth was achieved despite the Group making higher provision for possible loan losses and diminution in value of other assets of S\$21.2 million as against S\$9.7 million in 1979. Following the increase in operating profit, the Group made a higher provision for taxation of S\$49.0 million as compared with S\$33.5 million in 1979.

During the year, the Bank's issued capital increased by 97.8 million shares to 223.5 million shares. The Rights and Bonus Issues during the year resulted in the issue of a total of 61.9 million shares. Consequently the conversion price of the Bank's US\$6½% Convertible Bonds was adjusted from S\$4.10 to S\$3.30 per share. 35.9 million shares were issued during the year when holders of another US\$50,756,000 of the Bonds opted to convert their holdings to equity, bringing the total amount of Bonds converted to equity to US\$59,418,000. The remaining Bonds totalling US\$582,000 were redeemed on 29th October 1980 at 103% of the principal amount of the Bonds. Total shareholders' funds of the Group increased by S\$310.5 million to reach S\$637.2 million at the end of the year.

The increase in shareholders' funds resulted in a decline in the return on shareholders' equity from 19.1% in 1979 to 14.4% in 1980. However, after-tax earnings per share, after adjustment for the Rights and Bonus Issues in 1980 and shares arising from conversion of the US\$ 6½% Convertible Bonds 1991, increased from 31.5 cents to 34.7 cents and net tangible asset backing per share increased from S\$2.50 as at 31st Decem-

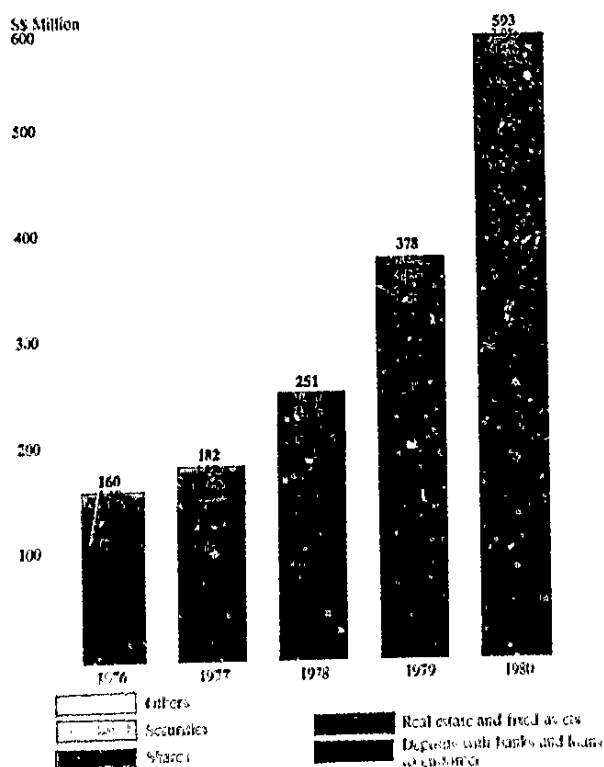
ber 1979 to S\$2.79 as at 31st December 1980.

The Group's total assets (including acceptances, guarantees and other obligations) increased by S\$1,693.8 million to reach S\$7,182.5 million as at 31st December 1980. Excluding the contra items, total assets increased by 43.9% to reach S\$5,709.5 million. Loans and advances, including bills receivable, amounted to \$3,292.1 million, an increase of 59.9% over 1979 while total borrowings and deposits including bills payable increased by 40.7% to reach S\$4,869.3 million.

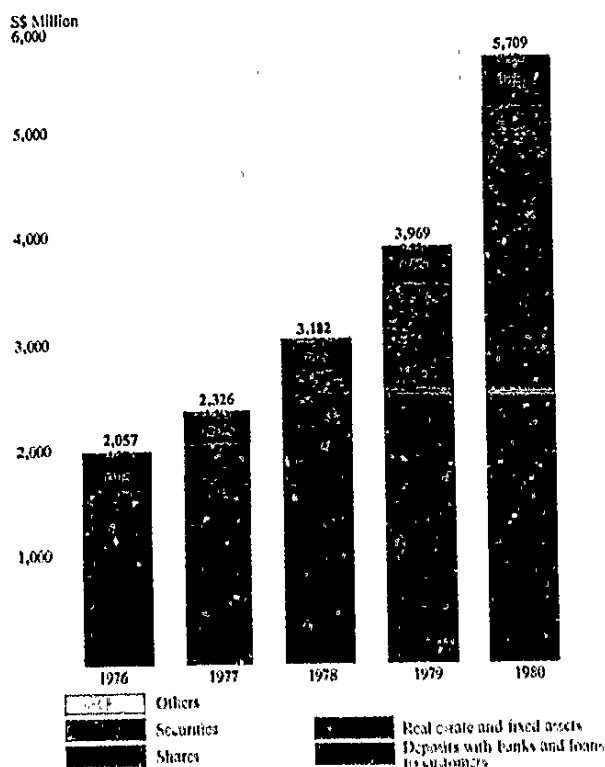
In accordance with statutory obligations, S\$31.3 million of the Bank's profits were transferred to the reserve fund bringing the total in this fund to S\$103.5 million.

During the year, the Bank declared an interim dividend of 7% less income tax at 40%. The Directors have proposed a final dividend of 8% less income tax at 40%.

Distribution of Gross Income of the Group by Activity

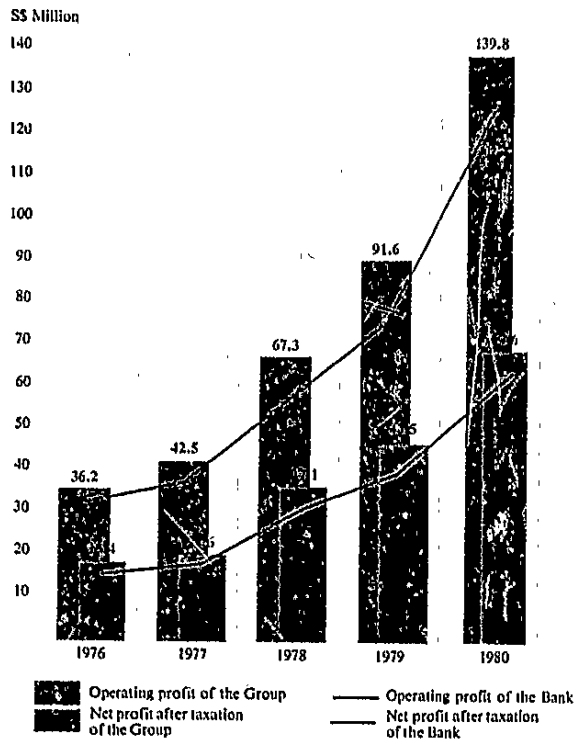


Distribution of Assets of the Group by Activity (excluding acceptances, guarantees and other obligations)

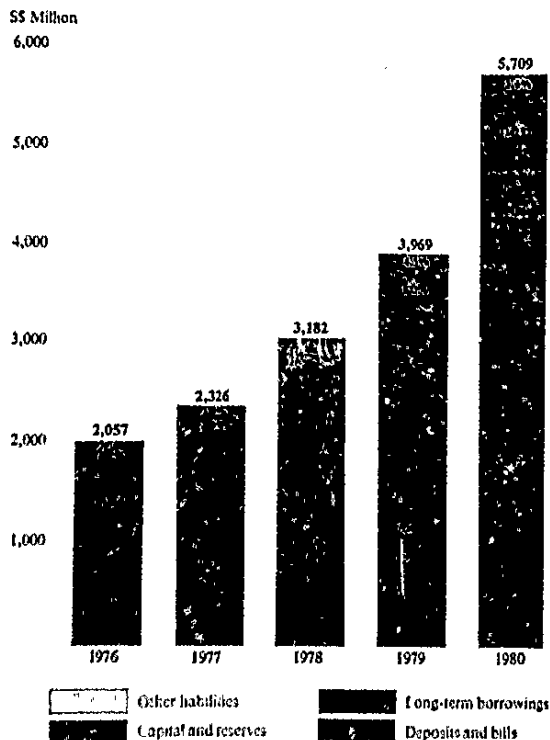


Prospects

Growth in Profits of the Bank and Group



Financing of Assets of the Group
(excluding acceptances, guarantees and other obligations)

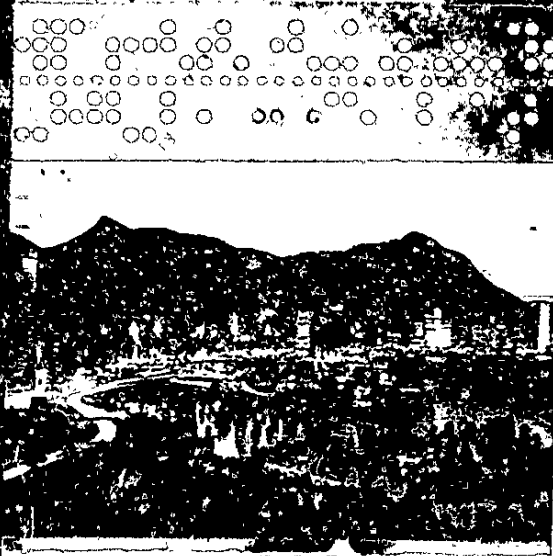
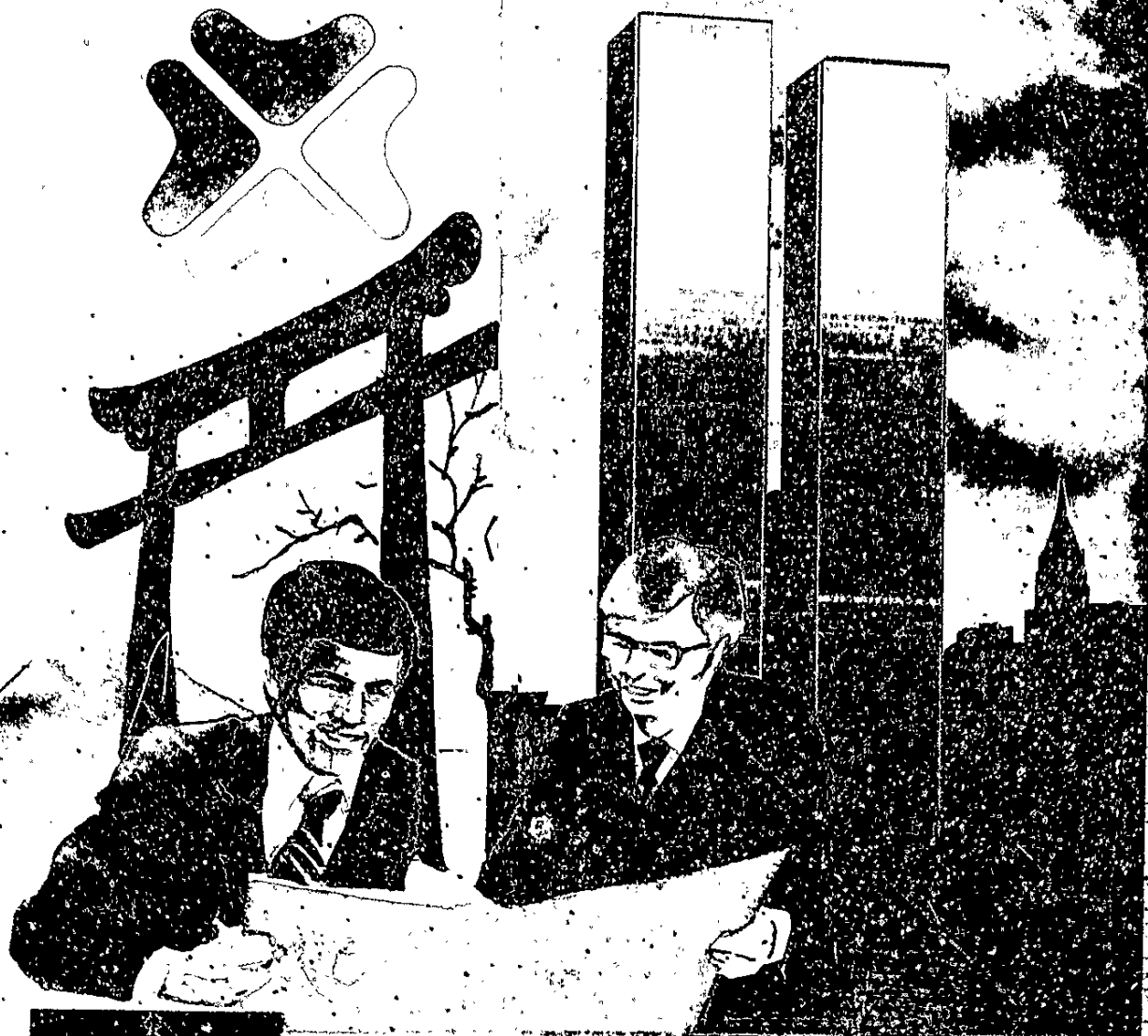


In line with the outlook for domestic economic activity, growth in credit demand may moderate in 1981. But demand for financing will show disparate trends across the economy's various sectors. Low productivity manufacturing activities, such as those in the textiles, garments, footwear and wood industries, will have to contend with higher wage costs and may also be adversely affected by increased protectionism and sluggish export demand. In contrast, prospects in some of the engineering and chemical processing industries appear brighter. In 1981, the construction sector is expected to be comparatively buoyant while transport and communication is likely to remain an important growth sector.

As a major source of development finance, DBS is relatively well placed for further business. Government efforts to shift the economy towards higher technology and higher value-added activities have, to date, shown encouraging results. As economic upgrading gains momentum, demand for development finance is likely to strengthen.

Greater internationalisation of the Bank's operations, including the expansion and upgrading of its overseas network of offices, will also provide opportunities for tapping new areas of business and strengthening DBS' position in overseas markets.

The years ahead will see the promotion of further sophistication and development in Singapore's financial sector. The banking sector is likely to remain keenly competitive but, for a dynamic and innovative bank, scope for further progress is expected to be good.



THE DEVELOPMENT BANK OF SINGAPORE LIMITED AND ITS SUBSIDIARY COMPANIES

Directors' Report

The directors have pleasure in submitting their report to the members together with the audited accounts of the Bank and of the Group, consisting of the Bank and its subsidiaries, for the year ended 31st December 1980.

Results for the financial year

	The Bank (S\$'000)	The Group (S\$'000)
Net profit before taxation	106,005	118,625
Less: Taxation	43,500	49,047
Net profit after taxation	62,505	69,578
Add: Unappropriated profits brought forward	26,183	41,039
Less: Dividend paid less income tax	513	513
	25,670	40,526
	88,175	110,104
	31,300	32,005
Transfer to reserve fund	56,875	78,099
Amount available for distribution	8,399	8,399
Interim dividend paid less income tax	10,969	10,969
Proposed final dividend less income tax	19,368	19,368
	37,507	58,731
Unappropriated profits carried forward		

The results of the operations of the Bank and the Group during the year have not been substantially affected by any item, transaction or event of a material and unusual nature.

The directors propose that a final dividend of 8% less income tax, amounting to S\$10,969,000 be paid.

A final dividend of 12½% less income tax amounting to S\$10,318,000 declared out of 1979's profits was paid in 1980. The dividend paid included an amount of S\$513,000 on shares issued on conversion of the US\$6½% Convertible Bonds subsequent to 31st December 1979 not provided for in the accounts of that year.

An interim dividend of 7% less income tax amounting to S\$8,399,000 was paid in 1980.

Information regarding the Bank and the Group during and as at the end of the financial year

The principal activities of the Bank and of the Group consist of the business of banking and development financing, lease and hire purchase financing, real estate investment and development and corporate advisory services to business enterprises in Singapore. There have been no significant changes in the nature of these activities during the year.

In May 1980, the Bank issued:

- 27,514,834 shares of S\$1.00 each, fully paid, by way of a bonus issue of one share for every five shares held; and
- 34,393,542 shares of S\$1.00 each, fully paid, by way of a rights issue of one share at the price of S\$4.00 payable in cash, for every four shares held, to further support the continuing growth of the Bank.

Holders of the US\$60 million 6½% Convertible Bonds 1991 of the Bank had the option to convert the Bonds into fully paid shares of S\$1.00 each in the Bank at the price of S\$3.30 per share after adjustment for issue of shares subsequent to the issue of the Bonds. For the purpose of this conversion, the exchange rate used was fixed at US\$1.00 to S\$2.44. During the year, US\$50,756,000 6½% Convertible Bonds 1991 were converted to 35,871,533 shares of S\$1.00 each, fully paid in the Bank and US\$582,000 of the Bonds were redeemed at 103% of their principal amounts.

Following the aforesaid, the whole of the US\$60 million 6½% Convertible Bonds 1991 has now been converted or redeemed.

During the year, the following wholly-owned subsidiaries increased their issued and paid-up capitals:

- (a) DBS Finance Limited issued 3.2 million ordinary shares of S\$1.00 each fully paid at the price of S\$5.00 each in cash for the purpose of taking over the net assets of another wholly-owned subsidiary, Singapore Factory Development Limited.
- (b) DBS Land Limited issued 10 million ordinary shares of S\$1.00 each fully paid in cash for its equity investment in Thomson Plaza (Private) Limited.
- (c) Thomson Plaza (Private) Limited issued 9 million ordinary shares of S\$1.00 each fully paid in cash for the purpose of providing working capital.
- (d) Cluny Hill (Private) Limited issued 99,998 ordinary shares of S\$1.00 each fully paid in cash for the purpose of providing working capital.
- (e) Swiss Club Park (Private) Limited issued 99,998 ordinary shares of S\$1.00 each fully paid in cash for the purpose of providing working capital.

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps:

- (a) to ascertain the action taken in regard to writing off and providing for bad and doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts, and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

No contingent or other liability has become enforceable or likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Bank or the Group to meet their obligations when they fall due.

Information regarding the Bank and the Group from the end of its financial year to the date of this report

The directors are not aware of any circumstances which would render:

- (a) the amounts written off or provided for bad and doubtful debts in the accounts of the Bank and of the Group inadequate to any material extent, or
- (b) the values attributed to current assets in the accounts of the Bank and of the Group misleading.

In the opinion of the directors no item, transaction or event of a material and unusual nature has arisen which would affect substantially the results of the operations of the Bank and of the Group for the current financial year.

Information regarding the Bank and the Group as at the date of this report

There does not exist any:

- (a) charge on the assets of the Bank or of the Group which has arisen since the end of the financial year which secures the liability of any other person, or
- (b) contingent liability which has arisen since the end of the financial year, other than those normally undertaken in the course of the activities of the Bank or of the Group.

The directors are not aware of any circumstances not otherwise dealt with in the report or accounts which would render any amount stated in the accounts misleading.

Information regarding the Directors of the Bank

The directors in office at the date of this report are:

(a) Directors

J Y M Pillay	—	Chairman
Lien Ying Chow	—	Deputy Chairman
Chua Kim Yeow	—	President
R A S Lane		
John A Lucchesi		
Ngiam Tong Dow		
Sim Kee Boon		
Tan Boon Teik		
Tan Chok Kian		
Wee Cho Yaw		
F Otto Wendt		

(b) Alternate Directors

Francis J D'Costa	—	Alternate to J Y M Pillay
C A Banducci	—	Alternate to John A Lucchesi
C W G Endacott	—	Alternate to R A S Lane
Lee Hee Seng	—	Alternate to Lien Ying Chow
Tan Puay Hee	—	Alternate to Wee Cho Yaw
Rolf E Willi	—	Alternate to F Otto Wendt

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed by Section 169(8) of the Companies Act, Cap 185.

Pursuant to the DBS Share Ownership Scheme, the following director participated and as at 31st December 1980, had an interest in the following number of units in the Scheme:

	Number of Units in the Scheme
Chua Kim Yeow	2,103

The total number of units in the Scheme is computed in accordance with Clause 23 of the Scheme, and the position as at 31st December 1980 was as follows:

Total Number of Units	Total Number of DBS Shares of S\$1.00 each held
193,876	36,000

During and as at the end of the financial year, the Bank was not a party to any arrangement other than the aforesaid DBS Share Ownership Scheme, whose object is to enable the directors to acquire benefits through the acquisition of shares or debentures in the Bank or any other body corporate.

According to the register of directors' shareholdings, the undermentioned persons who were directors of the Bank at the end of the financial year had an interest in shares and debentures of the Bank and related companies as detailed below:

Name of Director	Holdings registered in name of Director		Holdings in which Director/ Spouse/Associate is deemed to have an interest	
	Number of DBS shares of S\$1 each		Number of DBS shares of S\$1 each	
	As at 31.12.79	As at 31.12.80	As at 31.12.79	As at 31.12.80
Lien Ying Chow	6,500	9,425	4,108,006	5,957,008
Ngiam Tong Dow	—	—	2,500	3,625
Tan Chok Kian	3,000	5,000	—	—
Wee Cho Yaw	—	—	2,600,000	1,750,000
Tan Puay Hee	—	—	67,000	98,550

Directorate

In accordance with Articles 95 and 96, the following directors retire and, being eligible, offer themselves for re-election:

J Y M Pillay
Chua Kim Yeow
Tan Boon Teik

Lien Ying Chow retires pursuant to Section 129(2) of the Companies Act, Cap 185 and, being eligible, offers himself for re-appointment as Director under the provisions of Section 129(6) of the said Companies Act, to hold office until the next Annual General Meeting of the Bank.

Auditors

Price Waterhouse & Co have expressed their willingness to accept re-appointment.

On behalf of the Directors



J Y M PILLAY



C W G ENDACOTT
Directors

10th March 1981
Singapore

Balance Sheet

as at 31st December 1980

	Note	The Bank		The Group	
		1980	1979	1980	1979
		(S\$'000)		(S\$'000)	
Share Capital					
Authorised					
500,000,000 shares of \$1/- each	2.1	<u>500,000</u>	<u>200,000</u>	<u>500,000</u>	<u>200,000</u>
Issued and fully paid					
228,518,520 shares of \$1/- each	2.2	<u>228,519</u>	<u>130,739</u>	<u>228,519</u>	<u>130,739</u>
Reserves					
Share premium account	3	242,980	80,006	242,980	80,006
Capital reserve		—	—	1,100	1,100
Reserve fund	4	103,530	72,230	105,860	73,855
Profit & Loss account		<u>37,507</u>	<u>26,183</u>	<u>58,731</u>	<u>41,039</u>
		<u>384,017</u>	<u>178,419</u>	<u>408,671</u>	<u>196,000</u>
Total of Capital & Reserves		612,536	309,158	637,190	326,739
Deferred Taxation		20,727	11,982	22,926	13,693
Long-Term Borrowings					
5					
US\$6½% Convertible Bonds 1991	5.1	—	119,488	—	119,488
US\$8½% Guaranteed Bonds 1982					
due after twelve months	5.2	8,334	11,280	8,334	11,280
Other borrowings due after					
twelve months	5.3	<u>1,241,677</u>	<u>713,949</u>	<u>1,243,730</u>	<u>716,033</u>
		<u>1,250,011</u>	<u>844,717</u>	<u>1,252,064</u>	<u>846,801</u>
Subsidiary Companies					
Amounts owing	6	3,229	12,410	—	—
Current Liabilities					
US\$8½% Guaranteed Bonds 1982					
due within twelve months	5.2	2,500	2,603	2,500	2,603
Borrowings due within twelve months	5.3	140,553	153,132	140,662	153,229
Accounts payable, provisions and					
accrued charges		147,544	126,695	169,107	156,866
Bills payable		434,134	402,992	434,134	402,992
Deposits and other accounts of customers		2,306,190	1,514,972	2,424,969	1,619,531
Deposits and balances of banks					
and agents		614,959	436,397	614,959	436,397
Proposed dividend (net)	12.7	<u>10,969</u>	<u>9,805</u>	<u>10,969</u>	<u>9,805</u>
		<u>3,656,849</u>	<u>2,646,596</u>	<u>3,797,300</u>	<u>2,781,423</u>
		<u>5,543,352</u>	<u>3,824,863</u>	<u>5,709,480</u>	<u>3,968,656</u>
Acceptances, Guarantees and Other					
Obligations as per Contra	11	<u>1,476,519</u>	<u>1,538,099</u>	<u>1,473,031</u>	<u>1,520,081</u>
		<u>7,019,871</u>	<u>5,362,962</u>	<u>7,182,511</u>	<u>5,488,737</u>

US\$/S\$ exchange rate as at 31st December

2.08

2.17

(See notes on page 28 to 34, which form part of these accounts)

	Note	The Bank 1980 (S\$'000)	1979	The Group 1980 (S\$'000)	1979
Current Assets					
Cash, deposits and balances with banks and agents		1,537,770	1,103,632	1,547,303	1,114,653
Money at call and short notice		103,238	75,245	103,238	75,245
Singapore Government Treasury bills and securities	7	70,383	75,780	70,483	77,821
Other Government Treasury bills and securities	7	115,153	86,301	117,369	88,760
Bills receivable		260,349	225,685	260,349	225,685
Loans and advances due within twelve months		1,414,392	874,622	1,457,640	896,428
Accounts receivable		128,581	129,861	132,508	129,943
Quoted bonds and loan stocks	7	106,927	102,867	107,328	103,209
		<u>3,736,793</u>	<u>2,671,133</u>	<u>3,796,218</u>	<u>2,711,744</u>
Subsidiary Companies	6				
Shares		49,269	23,269	—	—
Amounts owing		<u>128,276</u>	<u>95,546</u>	<u>—</u>	<u>—</u>
		177,545	118,815	—	—
Loans, Equity & Other Investments					
Loans due after twelve months		1,379,309	807,778	1,574,126	936,111
Quoted shares	7	55,632	53,446	55,632	53,446
Unquoted shares		96,711	75,042	97,251	75,062
Leasehold properties and equipment on lease	8	—	—	34,935	32,238
		<u>1,531,652</u>	<u>936,266</u>	<u>1,761,944</u>	<u>1,096,857</u>
Real Estate	9	—	—	23,376	35,803
Fixed Assets	10	97,362	98,649	127,942	124,252
		<u>5,543,352</u>	<u>3,824,863</u>	<u>5,709,480</u>	<u>3,968,656</u>
Acceptances, Guarantees and Other Obligations as per Contra	11	<u>1,476,519</u>	<u>1,538,099</u>	<u>1,473,031</u>	<u>1,520,081</u>
		<u>7,019,871</u>	<u>5,362,962</u>	<u>7,182,511</u>	<u>5,488,737</u>

(See notes on page 28 to 34, which form part of these accounts)

THE DEVELOPMENT BANK OF SINGAPORE LIMITED AND ITS SUBSIDIARY COMPANIES

Profit And Loss Account

for the year ended 31st December 1980

	Note	The Bank		The Group	
		1980	1979	1980	1979
		(S\$'000)		(S\$'000)	
Income					
Interest earned	12.1	458,647	268,967	476,621	276,020
Dividends	12.2	32,017	26,193	31,507	21,168
Rental income	12.3	26,905	22,791	32,837	26,670
Other operating income	12.4	33,289	25,770	51,940	53,877
Total operating income		<u>550,858</u>	<u>343,721</u>	<u>592,905</u>	<u>377,735</u>
Expenses					
Interest expense	12.5	373,292	227,405	387,081	233,178
Other operating expenses	12.6	50,909	39,714	66,046	52,935
Total operating expenses		<u>424,201</u>	<u>267,119</u>	<u>453,127</u>	<u>286,113</u>
Operating profit for the year		<u>126,657</u>	<u>76,602</u>	<u>139,778</u>	<u>91,622</u>
Less: Provision for possible loan losses and diminution in value of other assets		<u>20,652</u>	<u>9,138</u>	<u>21,153</u>	<u>9,711</u>
Net profit before taxation		<u>106,005</u>	<u>67,464</u>	<u>118,625</u>	<u>81,911</u>
Less: Taxation		<u>43,500</u>	<u>27,893</u>	<u>49,047</u>	<u>33,456</u>
Net profit after taxation		<u>62,505</u>	<u>39,571</u>	<u>69,578</u>	<u>48,455</u>
Add: Unappropriated profits brought forward		<u>26,183</u>	<u>16,389</u>	<u>41,039</u>	<u>22,645</u>
Less: Dividend paid less income tax	12.7	<u>513</u>	<u>182</u>	<u>513</u>	<u>182</u>
		<u>25,670</u>	<u>16,207</u>	<u>40,526</u>	<u>22,463</u>
		<u>88,175</u>	<u>55,778</u>	<u>110,104</u>	<u>70,918</u>
Less: Transfer to reserve fund	4	<u>31,300</u>	<u>19,790</u>	<u>32,005</u>	<u>20,074</u>
Amount available for distribution		<u>56,875</u>	<u>35,988</u>	<u>78,099</u>	<u>50,844</u>
Interim dividend paid less income tax		<u>8,399</u>	<u>—</u>	<u>8,399</u>	<u>—</u>
Proposed final dividend less income tax	12.7	<u>10,969</u>	<u>9,805</u>	<u>10,969</u>	<u>9,805</u>
		<u>19,368</u>	<u>9,805</u>	<u>19,368</u>	<u>9,805</u>
Unappropriated profits carried forward		<u>37,507</u>	<u>26,183</u>	<u>58,731</u>	<u>41,039</u>
US\$/S\$ exchange rate as at 31st December		2.08	2.17		

Statement Of Changes In Financial Position

for the year ended 31st December 1980

	The Group	
	1980 (S\$'000)	1979 (S\$'000)
Sources of Funds		
Net profit after taxation	69,578	48,455
Non-cash items:		
Provision for diminution in value of assets	21,153	9,711
Depreciation	<u>14,745</u>	<u>12,296</u>
Increase in share capital and share premium arising from:		
(1) Rights issue	136,947	89,609
(2) Conversion of US\$6½ % Convertible Bonds	<u>123,807</u>	<u>19,077</u>
Increase in customer deposits	805,438	237,537
Increase in deposits and balances of banks and agents	178,562	86,754
Increase in long-term borrowings	405,263	197,827
Increase in other liabilities	45,071	116,290
Decrease in real estate and fixed assets	<u>—</u>	<u>30,445</u>
	<u>1,800,564</u>	<u>848,001</u>
Application of Funds		
Increase in cash, deposits and balances with banks and agents and money at call and short notice	460,643	224,177
Increase in loans and advances	1,202,153	411,627
Increase in bonds and loan stocks	7,031	41,808
Increase in other current assets	57,696	152,230
Increase in equity and other investments	43,231	10,441
Increase in real estate and fixed assets	11,093	—
Dividend paid	<u>18,717</u>	<u>7,718</u>
	<u>1,800,564</u>	<u>848,001</u>

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 1980. 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 possible loan losses and diminution in value of other assets, depreciation and certain classes of accrued income.

2. Share Capital

2.1 Authorised

The authorised share capital of the Bank was increased on 9th April 1980 from S\$200,000,000 to S\$500,000,000 divided into 500,000,000 shares of S\$1 each.

2.2 Issued

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

	1980	1979
	(S\$'000)	
Balance at 1st January	130,739	100,479
Conversion of US\$6½% Convertible Bonds 1991	35,871	4,535
Rights issue	34,394	25,725
Bonus issue	27,515	—
Balance at 31st December	<u>228,519</u>	<u>130,739</u>

3. Share Premium Account

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

	1980	1979
	(S\$'000)	
Balance at 1st January	80,006	1,580
Share premium arising from conversion of US\$6½% Convertible Bonds 1991	87,936	14,542
Share premium arising from rights issue less expenses connected therewith	102,553	63,884
Capitalization by way of bonus issue	(27,515)	—
Balance at 31st December	<u>242,980</u>	<u>80,006</u>

4. Reserve Fund

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

	The Bank		The Group	
	1980	1979	1980	1979
	(S\$'000)		(S\$'000)	
Balance at 1st January	72,230	52,440	73,855	53,781
Appropriation from profit and loss account	31,300	19,790	32,005	20,074
Balance at 31st December	<u>103,530</u>	<u>72,230</u>	<u>105,860</u>	<u>73,855</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 US\$6½% Convertible Bonds 1991

The US\$60 million Bonds, issued in 1976, are convertible into fully paid shares of S\$1.00 each in the Bank from 15th December 1976 to 29th September 1991 at the price of S\$3.30 per share after adjustment for issue of shares subsequent to the issue of the Bonds. For the purpose of this conversion, the exchange rate used is fixed at S\$2.44 to US\$1.00.

Since 15th December 1976, Bonds totalling US\$59,418,000 were converted. The remaining Bonds totalling US\$82,000 were redeemed on 29th October 1980 at 103% of the principal amount of the Bonds.

5.2 US\$8½% Guaranteed Bonds 1982

The US\$10 million Bonds, issued in 1972, are guaranteed by the Government of Singapore and have been redeemed or are redeemable according to the following schedule:

	US\$	US\$
Amounts redeemed on:		
15th January 1976	800,000	
15th January 1977	800,000	
15th January 1978	800,000	
15th January 1979	1,200,000	
15th January 1980	1,200,000	
15th January 1981	<u>1,200,000</u>	6,000,000
Amount redeemable on:		
15th January 1982		<u>4,000,000</u>
		<u>10,000,000</u>

Bonds totalling US\$4,240,000 were redeemed from the Bank's own holdings of these Bonds.

5.3 Other borrowings

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

	1980			1979		
	Due Within 12 Months (\$'000)	Due After 12 Months (S\$'000)	Total (S\$'000)	Due Within 12 Months (\$'000)	Due After 12 Months (S\$'000)	Total (S\$'000)
Government of Singapore	139,372	1,087,880	1,227,252	120,210	600,921	721,131
Foreign institutions	1,181	43,797	44,978	22,922	3,028	25,950
Local institutions	—	110,000	110,000	10,000	110,000	120,000
Borrowings of the Bank	140,553	1,241,677	1,382,230	153,132	713,949	867,081
Borrowings of Subsidiaries	109	2,053	2,162	97	2,084	2,181
Borrowings of the Group	140,662	1,243,730	1,384,392	153,229	716,033	869,262

5.3.2 As at 31st December, out of the long-term lines of credit to the Bank, an amount of S\$98.3 million (1979 S\$140.3 million) was drawable but not drawn. The requirement for such funds has in the meantime been met by funds from other sources.

5.3.3 Out of the amount of S\$1,384.4 million (1979 S\$869.3 million) outstanding on total borrowings of the Group at 31st December, an amount of S\$454.4 million (1979 S\$286.5 million) was due for repayment after five years.

6. Subsidiary Companies

6.1 List of subsidiary companies

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

	Place of Incorporation	Principal Activities
Chin Swee Tower (Private) Limited	Singapore	Real estate investment
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
Ladyhill (Private) Limited	Singapore	Real estate development
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
Thomson Plaza (Private) Limited	Singapore	Real estate investment and development
Wan Tien Realty (Pte) Ltd	Singapore	Real estate development

* This company previously carried the name of General Properties (Private) Limited.

6.2 Amounts owing by subsidiary companies

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			
	1980		1979		1980		1979	
	Cost (S\$'000)	Market Value	Cost (S\$'000)	Market Value	Cost (S\$'000)	Market Value	Cost (S\$'000)	Market Value
Singapore Government Treasury bills and securities	72,184	70,383	78,372	75,780	72,284	70,483	80,492	77,821
Other Government Treasury bills and securities	121,676	115,153	90,377	86,301	124,001	117,369	92,836	88,760
Quoted bonds and loan stocks	110,739	106,927	105,799	102,807	111,156	107,328	106,201	103,209

	The Bank				The Group			
	1980		1979		1980		1979	
	Cost less Provision (S\$'000)	Market Value	Cost less Provision (S\$'000)	Market Value	Cost less Provision (S\$'000)	Market Value	Cost less Provision (S\$'000)	Market Value
Quoted shares	55,632	205,232	53,446	116,938	55,632	205,232	53,446	116,938

8. Leasehold Properties and Equipment on Lease

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

	The Group	
	1980 (S\$'000)	1979
At cost	47,950	43,485
Accumulated depreciation	13,015	11,247
	<u>34,935</u>	<u>32,238</u>

The tenants of a leasehold property of a subsidiary company hold options to purchase the property at a price not less than the net book value. The net book value of the property at 31st December 1980 was S\$12.1 million (1979 S\$12.1 million).

9. Real Estate

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

	The Group	
	1980 (S\$'000)	1979
Properties in the course of development		
Freehold properties	11,784	10,016
Leasehold properties	5,533	4,449
	<u>17,317</u>	<u>14,465</u>
Properties completed		
Freehold properties	6,011	12,591
Leasehold properties	48	8,747
	<u>6,059</u>	<u>21,338</u>
Total net book value	<u>23,376</u>	<u>35,803</u>

10. Fixed Assets

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

	The Bank		The Group	
	1980	1979	1980	1979
	(S\$'000)		(S\$'000)	
(1) Leasehold properties				
DBS Building				
At cost	58,331	58,065	58,331	58,065
Accumulated depreciation	13,312	11,211	13,312	11,211
	<u>45,019</u>	<u>46,854</u>	<u>45,019</u>	<u>46,854</u>
Other properties				
At cost	2,031	1,802	29,827	24,606
Accumulated depreciation	427	337	1,307	709
	<u>1,604</u>	<u>1,465</u>	<u>28,520</u>	<u>23,897</u>
(2) Freehold properties				
Plaza Singapura				
At cost	50,596	50,344	50,596	50,344
Accumulated depreciation	8,945	7,348	8,945	7,348
	<u>41,651</u>	<u>42,996</u>	<u>41,651</u>	<u>42,996</u>
Other properties				
At cost	2,281	2,168	4,746	4,929
Accumulated depreciation	517	459	633	534
	<u>1,764</u>	<u>1,709</u>	<u>4,113</u>	<u>4,395</u>
(3) Office equipment, furniture and fittings and other fixed assets				
At cost	14,626	10,775	16,350	11,425
Accumulated depreciation	7,302	5,150	7,711	5,315
	<u>7,324</u>	<u>5,625</u>	<u>8,639</u>	<u>6,110</u>
Total net book value	<u>97,362</u>	<u>98,649</u>	<u>127,942</u>	<u>124,252</u>

10.2 At 31st December 1980, the market value of the properties owned by the Group included under "Fixed Assets" was estimated at S\$416 million (1979 S\$282 million).

11. Acceptances, Guarantees and Other Obligations (Contra)

The amounts outstanding at 31st December comprise the following:

	The Bank		The Group	
	1980	1979	1980	1979
	(S\$'000)		(S\$'000)	
(1) Bills for collection including letters of credit	280,122	272,645	280,122	272,645
(2) Guarantees	505,856	482,756	503,295	454,820
(3) Acceptances, endorsements, forward exchange contracts and other obligations	690,541	782,698	689,614	792,616
	<u>1,476,519</u>	<u>1,538,099</u>	<u>1,473,031</u>	<u>1,520,081</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\$0.5 million (1979 S\$5.0 million) from subsidiary companies.

12.3 Rental income represents income on the tenanted areas of the buildings 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	
	1980	1979	1980	1979
	(S\$'000)		(S\$'000)	
(1) Directors' fees				
Directors of the Bank	48	35	74	55
Other directors of subsidiary companies	—	—	47	83
(2) Directors' remuneration	159	137	159	137
(3) Auditors' remuneration	200	137	281	190
(4) Depreciation	6,062	5,721	14,745	12,296
Bank premises and other properties	3,839	3,960	4,549	4,321
Leasehold properties and equipment on lease	—	—	7,693	6,150
Office equipment, furniture and fittings and other fixed assets	2,223	1,761	2,503	1,825
(5) Rent of land and buildings	2,015	1,197	1,757	1,197
(6) Hire of equipment	532	591	526	581

12.7 Dividend

The proposed dividend is based on the issued share capital at balance sheet date. Dividends payable on shares issued on conversion of the US\$6½% Convertible Bonds subsequent to balance sheet date and up to the date of closure of the Share Transfer Books and Register of Members are included in the profit and loss account when paid.

13. Capital and Other Commitments

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

	The Bank		The Group	
	1980	1979	1980	1979
	(S\$ Million)		(S\$ Million)	
(1) Capital expenditure	3.8	1.3	13.5	1.4
(2) Commitments to grant term loans and to purchase shares including call not yet due	828.5	566.0	895.4	552.7

14. Comparative Figures

Certain of the comparative figures have been restated to conform with the current year's treatment.

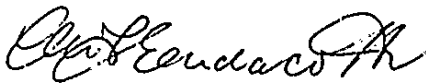
Statement By The Directors

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 statement of changes in financial position, together with the notes thereon, 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 1980, 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

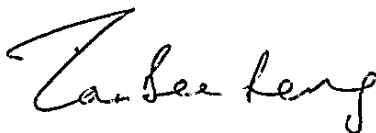


C W G ENDACOTT

10th March 1981
Singapore.

Declaration By The Officer Responsible For The Accounting Records

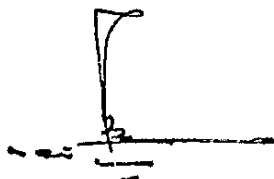
I, Tan Bee Leng, Officer responsible for the accounting records of The Development Bank of Singapore Limited, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts and the statement of changes in financial position of the Group, together with the notes thereon, 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 (MISS)
Manager
Finance and Tax Department

Subscribed and solemnly declared by the above-named
in Singapore on 10th March 1981

Before me



SAID BIN MOHAMAD
Commissioner for Oaths
Judiciary, Singapore.

Auditors' Report

To the Members of The Development Bank of Singapore Limited.

In our opinion:

- (a) the accounts set up on pages 24 to 34 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 1980, 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 subsidiary, DBS Asia Limited which have been audited by our associate firm, being accounts that have been included in the consolidated accounts.

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 qualification, and did not include any comment made under sub-section (3) of Section 174 of the Act.



PRICE WATERHOUSE & CO
Public Accountants
Singapore

10th March 1981
Singapore

Shareholdings Statistics

as at 31st December 1980

AUTHORISED SHARE CAPITAL — S\$500,000,000
 FULLY PAID AND ISSUED SHARES — S\$228,518,520
 CLASS OF SHARES — ORDINARY SHARES OF S\$1.00
 EACH FULLY PAID

Breakdown of Shareholdings according to size

Size of Holdings	No. of Holders	No. of Shares	%
1 — 1,000	1,234	956,579	0.4
1,001 — 5,000	4,066	9,815,443	4.3
5,001 — 10,000	770	5,570,922	2.4
10,001 — 50,000	416	8,374,839	3.7
50,001 — 100,000	54	3,794,142	1.7
100,001 AND ABOVE	105	199,996,595	87.5
TOTAL	6,645	228,518,520	100.0

Breakdown of Shareholdings by Country of Residence

Country of Residence	No. of Shareholders	No. of Shares	%
Singapore	4,679	211,029,704	92.3
Malaysia (Including Sabah & Sarawak)	1,846	7,432,781	3.3
Overseas (Including Brunei)	120	10,056,035	4.4
TOTAL	6,645	228,518,520	100.0

Ten Largest Shareholders

	No. of Shares	%
1. Temasek Holdings Pte Ltd*	111,213,631	48.7
2. Hongkong & Shanghai Bank (S) Nominees Pte Ltd	10,995,893	4.8
3. Post Office Savings Bank of Singapore**	9,405,388	4.1
4. Raffles Nominees (Private) Limited	4,347,200	1.9
5. J M Sassoon & Co Nominees Pte Ltd	4,015,635	1.8
6. United Overseas Bank Nominees (Pte) Ltd	3,851,289	1.7
7. DBS Nominees (Private) Limited	3,757,395	1.6
8. Overseas Union Insurance Ltd	3,480,008	1.5
9. Overseas Union Bank Limited	2,465,000	1.1
10. National Iron & Steel Mills Limited	2,446,875	1.1

*Temasek Holdings Pte Ltd is a company wholly owned by the Government of Singapore

**Post Office Savings Bank of Singapore is a statutory board of the Government of Singapore

Five-Year Summary Of Operations Of The Bank

	1980	1979	1978	1977	1976
Income (S\$'000)					
Operating profit	126,657	76,602	58,724	37,523	32,432
Net profit before taxation	106,005	67,464	46,625	30,245	24,903
Net profit after taxation	62,505	39,571	32,675	18,145	15,603
Selected Balance Sheet Data					
Assets (S\$'000)					
Total assets excluding contra ¹	5,543,352	3,824,863	3,070,729	2,271,174	2,018,597
Total assets including contra ¹	7,019,871	5,362,962	4,230,983	3,391,820	3,194,162
Total loans and advances	2,793,701	1,680,400	1,310,370	946,222	878,649
Investment in quoted and unquoted securities and shares	444,806	393,376	371,284	343,887	365,859
Liabilities (S\$'000)					
Deposits	2,921,149	1,951,369	1,650,919	1,199,724	964,691
Long-term borrowings	1,393,064	1,000,452	800,687	769,520	828,917
Capital & Reserves (S\$'000)					
Paid-up capital	228,519	130,739	100,479	100,000	100,000
Total capital and reserves	612,536	309,158	170,888	147,790	135,045
Growth Rates Over Previous Year (%)					
Total assets excluding contra ¹	44.9	24.6	35.2	12.5	20.1
Total assets including contra ¹	30.9	26.8	24.7	6.2	37.3
Total loans and advances	66.3	28.2	38.5	7.7	7.7
Deposits	49.7	18.2	37.6	24.4	27.8
Long-term borrowings	39.2	24.9	4.1	(7.2)	16.5
Total capital and reserves	98.1	80.9	15.6	9.4	7.3
Operating profit	65.3	30.4	56.5	15.7	44.4
Net profit before taxation	57.1	44.7	54.2	21.5	78.2
Net profit after taxation	58.0	21.1	80.1	16.3	36.4
Selected Ratios					
Dividend per share (%)	15.00	12.50	12.50	9.00	8.00
Dividend cover (number of times)	3.23	3.84	4.23	3.36	3.25
Earnings per share after tax (S\$) ²	0.31	0.26	0.25	0.14	0.12
Net tangible asset backing per share (S\$)	2.68	2.36	1.70	1.48	1.35
Return on shareholders' equity after tax (%)	13.56	16.49	20.51	12.83	11.96
Return on total funds employed after tax (%)	1.33	1.15	1.22	0.85	0.84
Total loans and advances to Total deposits and long-term borrowings	0.65	0.57	0.53	0.48	0.49
Liquid assets ³ to Total deposits	0.63	0.69	0.69	0.51	0.50
Risk assets ⁴ to Total assets including contra ¹	0.52	0.44	0.43	0.46	0.45
Operating profit to Total operating income	0.23	0.22	0.25	0.22	0.21
US\$/S\$ exchange rate as at 31st December	2.08	2.17	2.17	2.34	2.44

NOTES:

1. Contra refers to acceptances, guarantees and other obligations.
2. Earnings per share after tax has been adjusted for the rights and bonus issues in 1980 and shares arising from conversion of the US\$6½% Convertible Bonds 1991.
3. Liquid assets comprise cash, deposits and balances with banks and agents, money at call and short notice and Government Treasury bills and securities.
4. Risk assets comprise all assets except cash, deposits and balances with banks and agents, money at call and short notice, Government Treasury bills and securities, fixed assets and contra¹.

Five-Year Summary Of Operations Of The Group

	1980	1979	1978	1977	1976
Income (S\$'000)					
Operating profit	139,778	91,622	67,305	42,495	36,219
Net profit before taxation	118,625	81,911	54,903	34,415	29,030
Net profit after taxation	69,578	48,455	37,071	20,575	18,435
Selected Balance Sheet Data					
Assets (S\$'000)					
Total assets excluding contra ¹	5,709,480	3,968,656	3,181,966	2,325,621	2,056,940
Total assets including contra ¹	7,182,511	5,488,737	4,318,806	3,446,267	3,232,505
Total loans and advances	3,031,766	1,832,539	1,419,552	1,036,358	951,637
Real estate and fixed assets	151,318	160,055	203,977	203,000	178,060
Investment in quoted and unquoted securities and shares	448,063	398,298	373,420	359,088	380,412
Liabilities (S\$'000)					
Deposits	3,039,928	2,055,928	1,731,637	1,239,130	990,766
Long-term borrowings	1,395,226	1,002,633	802,765	771,810	832,207
Capital & Reserves (S\$'000)					
Paid-up capital	228,519	130,739	100,479	100,000	100,000
Total capital and reserves	637,190	326,739	179,585	153,025	137,850
Growth Rates Over Previous Year (%)					
Total assets excluding contra ¹	43.9	24.7	36.8	13.1	20.9
Total assets including contra ¹	30.9	27.1	25.3	6.6	37.8
Total loans and advances	65.4	29.1	37.0	8.9	10.3
Deposits	47.9	18.7	39.7	25.1	29.1
Long-term borrowings	39.2	24.9	4.0	(7.3)	16.3
Total capital and reserves	95.0	81.9	17.4	11.0	9.5
Operating profit	52.6	36.1	58.4	17.3	49.5
Net profit before taxation	44.8	49.2	59.5	18.5	97.5
Net profit after taxation	43.6	30.7	80.2	11.6	58.9
Selected Ratios					
Dividend per share (%)	15.00	12.50	12.50	9.00	8.00
Dividend cover (number of times)	3.59	4.70	4.80	3.81	3.84
Earnings per share after tax (S\$) ²	0.35	0.32	0.28	0.16	0.14
Net tangible asset backing per share (S\$)	2.79	2.50	1.79	1.53	1.38
Return on shareholders' equity after tax (%)	14.44	19.14	22.29	14.15	13.98
Return on total funds employed after tax (%)	1.44	1.36	1.35	0.94	0.98
Total loans and advances to Total deposits and long-term borrowings	0.68	0.60	0.56	0.52	0.52
Liquid assets ³ to Total deposits	0.60	0.66	0.66	0.50	0.49
Risk assets ⁴ to Total assets including contra ¹	0.52	0.45	0.45	0.47	0.45
Operating profit to Total operating income	0.24	0.24	0.27	0.23	0.23

NOTES:

1. Contra refers to acceptances, guarantees and other obligations.
2. Earnings per share after tax has been adjusted for the rights and bonus issues in 1980 and shares arising from conversion of the US 6½% Convertible Bonds 1991.
3. Liquid assets comprise cash, deposits and balances with banks and agents, money at call and short notice and Government Treasury bills and securities.
4. Risk assets comprise all assets except cash, deposits and balances with banks and agents, money at call and short notice, Government Treasury bills and securities, fixed assets and contra¹.

Calendar Of Events

January

DBS launched AUTOSAVE, an innovative and unique service which provides for the automatic transfer of funds between a checking and a savings account.

DBS was accepted as a member of the Association of Banks in Singapore.

DBS co-lead managed the Nippon Credit Bank (Curacao) Finance NV US\$30 million Guaranteed FRNs which are due in January 1987.

February

Junior and Senior staff councils were established to serve as a channel of communications between management and staff on matters relating to staff welfare.

Woodlands Branch opened on 25 February.

April

DBS cut over to live operations on SWIFT.

DBS co-lead managed a S\$30 million loan for the Industrial Finance Corporation of Thailand.

A computerised cheque clearing system was installed. DBS was the first Singapore bank to do so.

DBS lead-managed and underwrote Tat Lee Bank's public issue of 15 million new shares.

DBS co-managed the Credit Lyonnais US\$30 million FRNs.

May

DBS New York Agency was officially opened.

June

DBS co-managed the US\$100 million Floating Rate Debenture Issue by Ente Nazionale Per L'Energia Elettrica.

"Banknotes", DBS' in-house journal, was launched.

July

American Depository Receipts for DBS shares were established by Morgan Guaranty Trust Company of New York.

DBS was appointed the Singapore depository for EUROCLEAR.

DBS was the co-manager in the arrangement of a US\$40,391,400 guarantee facility to PT Perusahaan Pelayaran Samudra "Trihora Lloyd".

August

To mark the commencement of work on Raffles City, a Ground Breaking Ceremony was held on 14 August.

Clementi Branch opened on 14 August.

DBS launched a Share Ownership Scheme for its staff, the first Singapore bank with such a scheme.

September

DBS co-lead managed and underwrote Keppel Shipyard's public issue of 30 million new shares, the biggest issue ever done in Singapore.

DBS co-managed the US\$25 million FRN issue by the Long-Term Credit Bank of Japan Finance NV (Curacao).

DBS co-managed the US\$20 million FRCD issue by Svenska Handelsbanken.

DBS co-lead managed and underwrote the Nanyang Siang Pau rights issue of 5,197,636 shares.

October

DBS was one of the lead managers of a jumbo syndicated loan for Banco Nacional de Comercio Exterior SA for US\$350 million.

DBS co-lead managed the S\$50 million bonds issue by Chartered Financial Services Singapore Limited.

DBS US\$ 6½% Convertible Bonds 1991 were redeemed.

December

DBS was a co-lead manager in the US\$600 million consortium loan to the Korea Development Bank. This was the biggest loan ever arranged with a Singapore bank as a co-lead manager.

DBS co-managed a guarantee facility of ¥42.6 billion on behalf of the Petrochemical Corporation of Singapore (Private) Limited.

DBS co-managed the US\$22.5 million consortium loan to PT Ratu Sayang International.

Principal Officers

as at 31 March 81

Chua Kim Yeow,
President

Patrick Yeoh Khwai Hoh,
Executive Vice President

Lau Chan Sin,
*Senior Vice President & General Manager,
Raffles City (Private) Limited*

Lim Yong Wah,
Senior Vice President, Properties

Lock Sai-Hung,
*Senior Vice President, Corporate &
Consumer Banking*

Ng Kee Choe,
*Senior Vice President, Management
Services*

Oliver Tan Kok Kheng,
*Senior Vice President, International &
Treasury*

Lim Sean Teck
*Vice President
Group Secretary & Registrar*

CORPORATE & CONSUMER BANKING

Vice Presidents

Credit
Chiang See Poh
Gan Kim Kok
Ong Lay Khiam

Investment Banking
Tan Soo Nan

Operations & Domestic Branches
Soh Kim Soon

Domestic Branches
Ong Hean Beng

Assistant Vice Presidents

Credit
Frank Chu
Ho Bee Lian (Mrs)
Lim Kim Quee
Quek Soo Boon (Miss)
John Tai
Tan Keng Hock
Thum Lay Chwan (Mrs)

Investment Banking
Chan Mun Seng
Chong Kie Cheong
Tan Soek Bee (Miss)

Operations & Domestic Branches
Chan Choon Meng
Elsie Foh (Mrs)
V V Giri
Rosalind Goh (Mrs)
Ng Chik Hwa (Mrs)
V Siva Subramaniam
Anthony Tan Swee Tee

INTERNATIONAL & TREASURY

Vice Presidents

Chan Toh Pew
N Ganesan
Kuo How Nam

Assistant Vice Presidents

Chan Ping Sum
Ho Kum Koon
Kong See Wah
Lim Yin Kiat
Tan-Yeoh Chee Koon (Mrs)
Peter Tan
Philip Tan
Ronnie Teo
Herbert Wong
Yeoh Oon Chye

MANAGEMENT SERVICES

Vice Presidents

Ng Chow Tsun
K C Selvadurai
Thomas Wong

Assistant Vice Presidents

Chia Hock Jin
Han-Teng Soon Lang (Mrs)
Heng Hong Ngoh (Miss)
Ho Hai Yian (Mrs)
Koh Kum Loon (Miss)
Loo Peng Chew
Kenneth Seah
Tan Bee Leng (Miss)
Tong Chi Lian (Mrs)
Wee Wun Hua (Mrs)

SECRETARIAL & LEGAL SERVICES

Vice Presidents

Secretarial & Legal Services
Lim Sean Teck

Legal

Shirley Loo-Lim (Mrs)

Assistant Vice Presidents

Pang Kum Poh
Regina Teo (Mrs)

AUDIT DEPARTMENT

Assistant Vice President

Tan Oei Kim (Mrs)

DBS LAND LIMITED & ITS SUBSIDIARIES

Property Management (Private) Limited

General Manager
Tan Soon Ann

Deputy General Manager
Loh Soo Eng

Assistant General Managers
Lim Joke Mui (Mrs)
Tan Ah Bah

Managers

Chua Tik Ngwen
Kiong Kee Heng, Henry
Kong Chan Wan
Kwan Lye Cheng, Linda (Mrs)
Loe Weng Wah
Ng Kwang Yeow, James
Phang Kok Wai
Quah Siew Choon, Jan
Yip Chan Wa

*Raffles City (Private) Limited
(associated company)*

General Manager
Lau Chan Sin

Managers

Maureen Leong (Mrs)
Tan Aik Hong

DBS FINANCE LIMITED

General Manager
Ng Kim Leong

Managers

Neo Poh Kiat
Shu Ting Hoe
Penny Teo (Mrs)

Officers on attachment to subsidiaries & associated companies

Lau Chan Sin,
Senior Vice President
Loh Soo Eng,
Vice President
Ng Kim Leong,
Vice President

The Development Bank Of Singapore Limited

Incorporated in the Republic of Singapore

HEAD OFFICE
 DBS Building, Shenton Way, Singapore 0106. Tel: 2201111. Cable: DEVBANK. Swift Code: DBSSSGSG. Telex: RS 24455

DOMESTIC BRANCHES

Regional Branch Manager: Anthony Tan Swee Tee

Buona Vista

Manager: Theresa Chia (Mrs)
 Address: 53/55 Block 43
 Holland Drive
 Singapore 1027
 Tel: 637833

Clementi

Manager: Florence Lee (Miss)
 Address: 293/295 Block 450
 Clementi Avenue 3
 Singapore 0512
 Tel: 7775788

Jurong

Manager: Kenneth Wong
 Meng Kum
 Address: NES Building
 Corporation Road
 Singapore 2261
 Tel: 2653977

Woodlands

Manager: Andrew Chong
 Choon Cheong
 Address: 180 Block 5A
 Woodlands
 Centre Road
 Singapore 2573
 Tel: 2691011

Regional Branch Manager: Ng Chik Hwa (Mrs)

Queensway

Manager: Choo Yew Meng
 Address: Queensway Shopping Centre
 Queensway/Alexandra Road
 Singapore 0314
 Tel: 625522

Shenton Way

Manager: Wan Mei Ling (Miss)
 Address: DBS Building
 Shenton Way
 Singapore 0106
 Tel: 2201111

Tanjong Pagar

Manager: Ching Poh Wah (Mrs)
 Address: 41-44 Tanjong Pagar Plaza
 Tanjong Pagar Road
 Singapore 0208
 Tel: 2213488

Regional Branch Manager: Lam Kwong Chew

Havelock

Manager: Wee Siew Noi (Mrs)
 Address: 107-113 Block 51
 Chin Swee Road
 Singapore 0316
 Tel: 917277

Pickering

Manager: Ng Jwee Seng
 Address: 25 Block 3
 Upper Pickering Street
 Singapore 0105
 Tel: 94373

Rochor

Manager: Lam Kwong Chew
 Address: Rochor Centre
 544 Rochor Road
 Singapore 0718
 Tel: 2930714

Regional Branch Manager: Lim-Chew Chai Doan (Mrs)

Bedok

Manager: Lim Mui Cheng (Mrs)
 Address: 707 Block 210
 New Upper Changi Road
 Singapore 1646
 Tel: 4411122

Katong

Manager: Janice Goh Lin Ai (Mrs)
 Address: GRTH Building
 66/68 East Coast Road
 Singapore 1542
 Tel: 4466344

Regional Branch Manager: Ng Bok Lai (Miss)

Bukit Timah

Manager: Wee Thiem Ting
 Address: UG20 Bukit Timah Plaza
 1 Jalan Anak Bukit
 Singapore 2158
 Tel: 4682455

Orchard Road

Manager: S Vijayakumar
 Address: Plaza Singapura
 68 Orchard Road
 Singapore 0923
 Tel: 3362244

World Trade Centre

Manager: Anne Chia Yuet Sin (Miss)
 Address: G56 World Trade Centre
 1 Maritime Square
 Singapore 0409
 Tel: 2729366

Regional Branch Manager: Ng Yong Hwa

Ang Mo Kio

Manager: Gan Siok Loon (Miss)
 Address: 2573/2575 Block 705
 Ang Mo Kio Avenue 8
 Singapore 2057
 Tel: 4525556

Thomson

Manager: Chua Whee Gek (Mrs)
 Address: G45 Thomson Plaza
 301 Upper Thomson Road
 Singapore 2057
 Tel: 4547511

Toa Payoh

Manager: Jan Pang Saw Choo (Mrs)
 Address: 346/348 Block 187
 Toa Payoh Central
 Singapore 1231
 Tel: 2551422

OVERSEAS OFFICES

Japan

Tokyo Branch

General Manager: N. Ganesan

Deputy General Manager: Kong See Wah

Address: 708 Yurakucho Denki Building

7-1 Yurakucho 1-Chome

Chiyoda-Ku

Tokyo 100 Japan

Tel: (03)-213-4411

Cable: DBSPORE

Telex: J25869 DBS TOKYO

United States of America

New York Agency

Agent: Chan Toh Pew

Deputy Agent: Peter Tan

Address: Suite 9057

One World Trade Center

New York NY 10048

United States of America

Tel: (212)-4699031

Telex: 235617/429656 DBS NY UR

United Kingdom

London Representative Office

Chief Representative: Herbert Wong

Address: 36 Great St Helen's

London EC3A 6AP

United Kingdom

Tel: 01-283 2247/8

Telex: 8814274 DBSLDN G

Hong Kong

DBS Asia Limited

General Manager: Chan Ping Sum

Deputy General Manager: Yuen

Sang Seng

Address: Unit 702B, 7th Floor

Admiralty Centre

Tower 1, 18 Harcourt Road

Hong Kong

Tel: 5-291720

Cable: DBSASIALTD

Telex: 75389 DBSHK HKX

PRINCIPAL SUBSIDIARIES

DBS Finance Limited

Address: Podium G7/107/132

DBS Building, Shenton Way

Singapore 0106

Tel: 2230355

Telex: RS 24455

Cable: DEVBANK

Property Management (Private) Limited

Address: DBS Building, Shenton Way

Singapore 0106

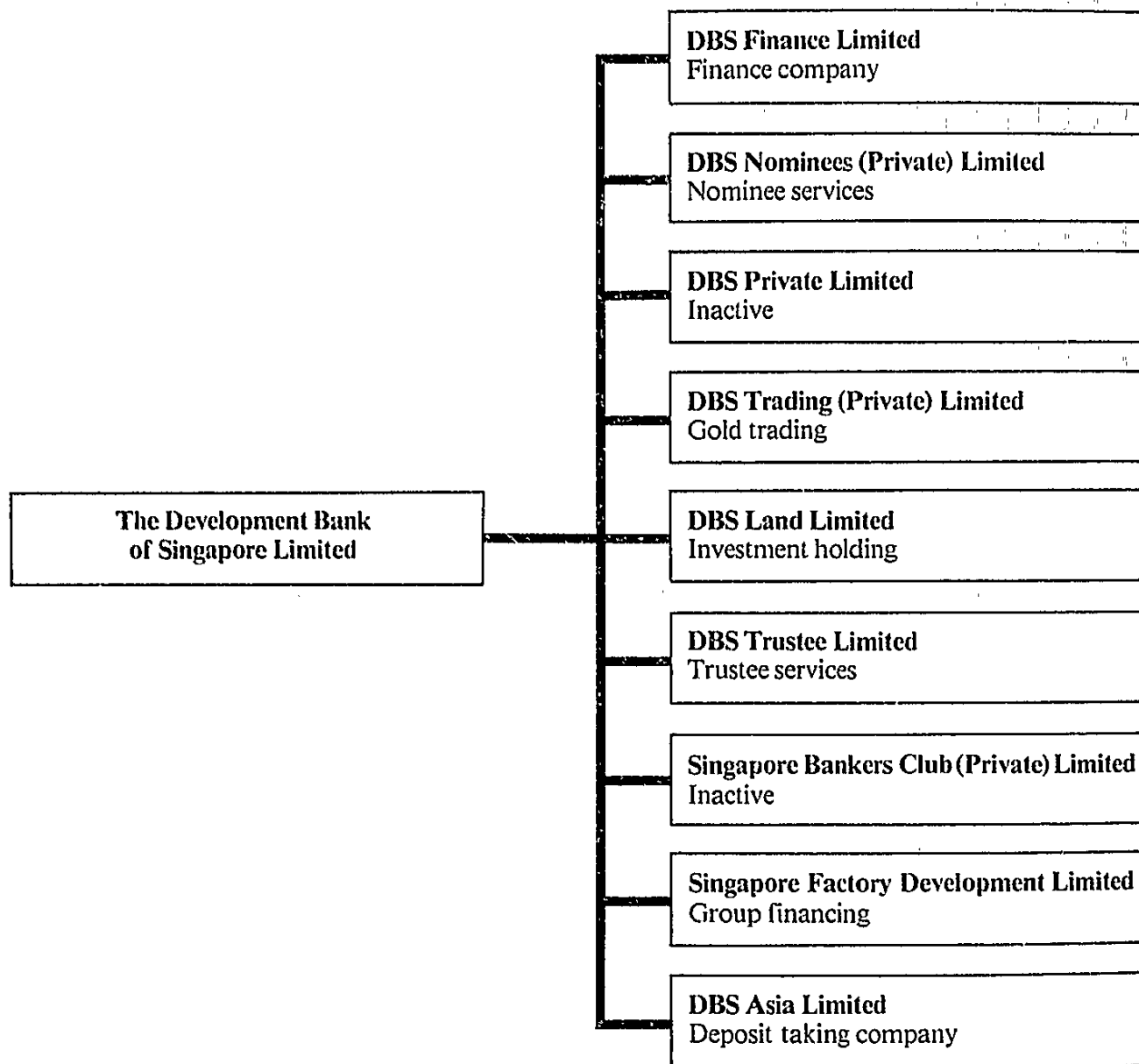
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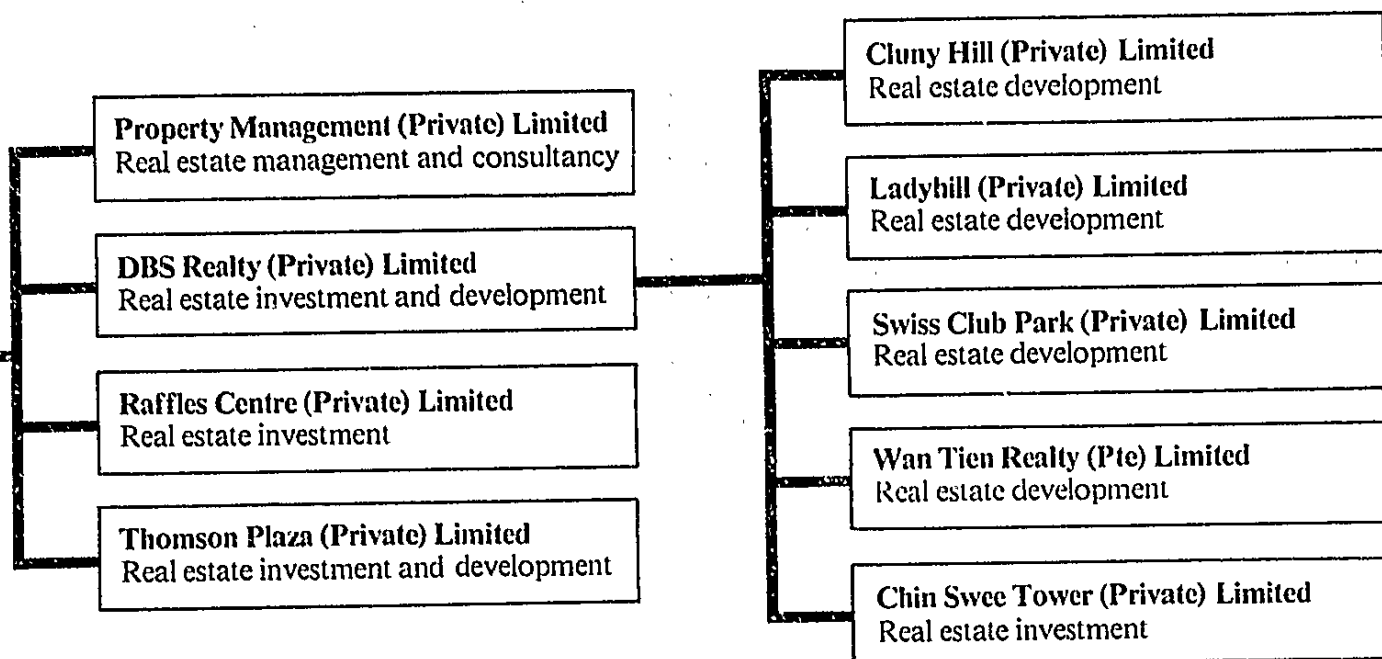
Telex: RS 20222 LANDBS

Cable: LANDBS

The Development Bank Of Singapore Limited And Its Subsidiary Companies

as at 31 March 1981





Proxy Form

I/We, _____

of _____

being a Member(s) of The Development Bank of Singapore Limited, hereby

appoint _____

of _____

or, failing him, _____

of _____

as my/our proxy, to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the said Company to be held on Tuesday, the 5th of May 1981 and at any adjournment thereof.

As witness my hand this _____ day of _____ 1981.

Signature of Shareholder
or Common Seal

Please affix
25 cents
Revenue
Stamp here

THE DEVELOPMENT BANK OF SINGAPORE LIMITED

NOTES:

1. A proxy need not be a member of the Company.
2. If the appointor is a corporation, this proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. This proxy must be deposited at the Registered Office of the Company, DBS Building, Shenton Way, Singapore 0106 not less than 48 hours before the time for holding the Meeting.