

The supplementary financial statements of The Development Bank of Singapore Ltd ("DBS Bank") are extracted from the Audited Statutory Accounts of DBS Bank for the financial year ended December 31, 2001. The statutory accounts of DBS Bank, which contained an unqualified audit report, will be delivered to the Registrar of Companies in accordance with the Singapore Companies Act.

1. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied by DBS Bank are consistent with those applied on DBSH Group as disclosed in Note 2 of the "Notes to the consolidated financial statements" ("DBSH Notes") in DBSH Consolidated Financial Statements.

2. DIVIDENDS

In S\$'000	2001	2000
Dividends (gross) from subsidiary companies	281,993	120,530
Dividends (gross) from associated companies	35,677	13,438
Dividends (gross) from other investments	23,499	75,945
Total	341,169	209,913

3. SHARE CAPITAL

In S\$'000	2001	2000
Authorised		
2,000,000,000 ordinary shares of S\$1 each	2,000,000	2,000,000
600,000,000 non-redeemable convertible preference shares of S\$2	1,200,000	1,200,000
300,000,000 non-voting convertible preference shares of S\$1 each	300,000	300,000
800,000 non-cumulative redeemable non-convertible perpetual preference shares of US\$0.01 each and each with a liquidation preference of US\$1,000	15	-
17,500 non-cumulative redeemable non-convertible perpetual preference shares of S\$0.01 each and each with a liquidation preference of S\$10,000	- ⁽¹⁾	-
1,100,000,000 non-cumulative non-convertible perpetual preference shares of S\$0.01 each and each with a liquidation preference of S\$100	11,000	-
	1,511,015	1,500,000
Total Issued and Paid-up Capital		
1,636,045,569 (2000: 1,324,132,795) ordinary shares of S\$1 each	1,636,046	1,324,133
11,000,000 (2000: Nil) non-cumulative non-convertible perpetual preference shares S\$0.01 each	110	-
Total	1,636,156	1,324,133

(1) Amounted to S\$175.

- 3.1 During the financial year, DBS Bank increased its authorised share capital through the creation of:
- 800,000 non-cumulative redeemable non-convertible perpetual preference shares of US\$0.01 each and each with a liquidation preference of US\$1,000 on March 14, 2001;
 - 17,500 non-cumulative redeemable non-convertible perpetual preference shares of S\$0.01 each and each with a liquidation preference of S\$10,000 on March 14, 2001; and
 - 1,100,000,000 non-cumulative non-convertible perpetual preference shares of S\$0.01 each and each with a liquidation preference of S\$100 on May 12, 2001.
- 3.2 On June 22, 2001, DBS Bank issued 114,000,000 ordinary shares of par value S\$1.00 each for S\$1,710,000,000 to DBSH, for general corporate purposes, including the maintenance of required minimum total capital adequacy ratios.

- 3.3 On August 31, 2001, DBS Bank issued 13,333,334 ordinary shares of par value S\$1.00 each for S\$200,000,010 to DBSH, for general corporate purposes, including the maintenance of required minimum total capital adequacy ratios.
- 3.4 On November 21, 2001, DBS Bank issued 184,579,440 ordinary shares of par value S\$1.00 each for S\$1,975,000,008 to DBSH, for general corporate purposes, including the maintenance of required minimum total capital adequacy ratios.
- 3.5 On May 28, 2001, DBS Bank issued 11,000,000 6% non-cumulative non-convertible perpetual preference shares of par value of S\$0.01 each and each with a liquidation preference of S\$100 for S\$1,100,000,000 for general corporate purposes, including the maintenance of required minimum total capital adequacy ratios.

4. RESERVES

In S\$'000	2001	2000
4.1 SHARE PREMIUM ACCOUNT		
Balance at January 1	4,273,129	4,273,129
Issue of shares	4,672,720	-
Expenses arising from issue of shares	(2,100)	-
Balance at December 31	8,943,749	4,273,129
4.2 CAPITAL RESERVE		
Balance at January 1	(137,698)	4,716
Net exchange translation adjustments during the year	106,625	(142,414)
Goodwill written back on disposal of subsidiary company (Note 4.4)	18,600	-
Balance at December 31	(12,473)	(137,698)
4.3 GENERAL RESERVE RESERVE FUND		
Balance at January 1	1,522,640	1,443,690
Reserves arising from folding in of subsidiary companies	138,109	-
Appropriation from profit and loss account (Note 4.4)	67,220	78,950
Balance at December 31	1,727,969	1,522,640
The appropriation from profit and loss account relates to the amounts transferred to the Reserve Fund to comply with the Banking Act.		
4.4 REVENUE RESERVE		
Balance at January 1	1,013,808	1,664,038
Net profit after taxation	1,344,212	1,578,863
Goodwill arising from acquisitions of subsidiary and associated companies	-	(5,626)
Goodwill transferred from capital reserve on disposal of subsidiary companies (Note 4.2)	(18,600)	-
Transfer to general reserve (Note 4.3)	(67,220)	(78,950)
	(85,820)	(84,576)
Amount available for distribution	2,272,200	3,158,325
Less: Interim dividend on ordinary shares paid:		
- 4.51% less income tax	-	44,517
- 70.96% less income tax	-	700,000
- 128.83% less income tax	-	1,270,863
Interim tax-exempt dividend of 9.75% on ordinary shares	-	129,137
6% dividends less income tax on preference shares paid	23,891	-
Balance at December 31	2,248,309	1,013,808
Total Reserves	12,907,554	6,671,879

5. DUE TO SUBSIDIARY COMPANIES

In S\$'000	2001	2000
Subordinated term debts	1,440,315	–
Amounts due to subsidiary companies	606,431	744,224
Total	2,046,746	744,224

- 5.1 The subordinated term debts, issued on March 21, 2001 comprised the Series A Subordinated Note of US\$725,000,000 and the Series B Subordinated Note of S\$100,000,000, and mature on March 15, 2051. The notes were issued by DBS Bank to DBS Capital Funding Corporation, both wholly-owned subsidiary companies of DBSH.
- 5.2 Interest is payable in arrears on March 15 and September 15 each year at a fixed rate of 7.657% per annum (Series A) and 5.35% per annum (Series B), up to March 15, 2001. Thereafter, interest is payable quarterly in arrears on March 15, June 15, September 15 and December 15 each year at a floating rate of three-month London Interbank Offer Rate ("LIBOR") + 3.20% per annum (Series A) and three-month Singapore Swap Offer Rate + 2.52% per annum (Series B).