

Profit and Loss Account for the year ended 31 December 1998

	Note	DBS Bank		DBS Group	
		1998 (\$'000)	1997 (\$'000)	1998 (\$'000)	1997 (\$'000)
Interest income	4	4,125,502	2,932,407	4,931,259	3,178,454
Less: Interest expense	9	2,889,041	2,055,830	3,501,256	2,176,646
Net interest income		1,236,461	876,577	1,430,003	1,001,808
Fee and commission income	5	175,035	183,259	274,130	298,688
Dividends	6	94,034	123,094	67,241	86,679
Rental	7	40,505	35,522	37,660	32,885
Other income	8	82,934	86,500	97,036	92,246
Income before operating expenses	42	1,628,969	1,304,952	1,906,070	1,512,306
Less: Staff costs	10	226,742	201,955	333,588	276,791
Other operating expenses	11	293,199	164,883	420,779	216,087
Total operating expenses		519,941	366,838	754,367	492,878
Operating profit		1,109,028	938,114	1,151,703	1,019,428
Less: Provision for possible loan losses and diminution in value of other assets	12	808,140	463,870	996,428	495,514
Net profit before taxation		300,888	474,244	155,275	523,914
Less: Taxation	13	61,900	72,600	72,084	87,817
Net profit after taxation		238,988	401,644	83,191	436,097
Less: Minority interests		-	-	(139,557)	(290)
Net profit attributable to members	19.4,42	238,988	401,644	222,748	436,387
Earnings per ordinary share of S\$1/- each	17			Cents 22.9	Cents 53.7
US\$/S\$ exchange rate as at 31 December		1.65	1.68		

(See notes on pages 59 to 98, which form part of these financial statements)

Balance Sheet as at 31 December 1998

	Note	DBS Bank		DBS Group	
		1998 (S\$'000)	1997 (S\$'000)	1998 (S\$'000)	1997 (S\$'000)
Share Capital and Reserves					
Share capital	18	1,564,977	1,238,815	1,564,977	1,238,815
Reserves					
Share premium account	19.1	3,914,158	1,646,051	3,914,158	1,646,051
Capital reserve	19.2	–	224,497	–	215,204
General reserve	19.3	1,207,630	1,147,880	1,340,734	1,274,750
Revenue reserve	19.4	1,900,749	2,370,745	2,308,956	2,822,295
	19	7,022,537	5,389,173	7,563,848	5,958,300
Shareholders' Funds		8,587,514	6,627,988	9,128,825	7,197,115
Minority Interests		–	–	(71,212)	49,322
Subordinated Term Debts	20, 41	–	–	126,100	–
Liabilities					
Deposits and balances of banks	41	12,146,717	20,329,950	12,618,271	20,480,499
Deposits and other accounts of non-bank customers	22, 41	65,871,176	30,614,000	73,858,292	33,557,006
Other debt securities in issue	21, 41	277,028	152,056	349,028	223,056
Other borrowings	41	331,255	1,215,132	648,100	1,625,212
Due to subsidiary companies		167,258	114,975	–	–
Bills payable		356,805	685,429	366,010	685,763
Other liabilities	23	1,401,783	704,935	1,750,734	1,149,525
Current taxation		81,962	62,439	108,144	94,793
Deferred taxation	24	5,263	29,456	11,666	36,264
Proposed dividends	14-16	81,358	52,747	81,358	52,747
Total Liabilities and Shareholders' Funds		89,308,119	60,589,107	98,975,316	65,151,302
Off-Balance Sheet Items					
Contingent liabilities	35	8,188,328	8,629,389	8,684,790	8,646,570
Commitments	36	34,146,801	33,422,965	35,600,398	34,782,495
Financial derivatives	37	34,488,395	35,699,983	36,056,167	36,508,113
		76,823,524	77,752,337	80,341,355	79,937,178
US\$/S\$ exchange rate as at 31 December		1.65	1.68		

(See notes on pages 59 to 98, which form part of these financial statements)

	Note	DBS Bank		DBS Group	
		1998 (S\$'000)	1997 (S\$'000)	1998 (S\$'000)	1997 (S\$'000)
Assets					
Cash, and balances and placements with central banks		8,448,667	1,389,247	8,720,463	1,533,188
Singapore Government securities and treasury bills	25	6,703,713	2,409,328	6,949,915	2,529,161
Trading Securities	26-27	1,935,658	1,425,686	2,733,092	1,509,624
Balances, placements with, and loans and advances to banks	41	19,259,580	14,667,671	20,751,947	16,292,355
Bills receivable from non-bank customers	28-29, 41	1,713,894	1,177,337	2,056,912	1,249,804
Loans and advances to non-bank customers	28-29, 41	47,265,962	35,803,205	54,158,482	38,884,874
Investment securities	30	188,883	348,842	315,559	438,460
Other assets	31	780,706	832,350	1,265,234	1,286,344
Subsidiary companies	32	1,691,465	1,593,342	-	-
Associated companies	33	375,777	369,241	404,834	392,182
Fixed assets	34	943,814	572,858	1,618,878	1,035,310
Total Assets	42	89,308,119	60,589,107	98,975,316	65,151,302

Cash Flow Statement for the year ended 31 December 1998

	DBS Group	
	1998 (S\$'000)	1997 (S\$'000)
Cash flows from operating activities		
Profit before taxation and minority interests	155,275	523,914
Adjustments for non-cash items:		
Provision for possible loan losses and diminution in value of assets	996,428	495,514
Depreciation of fixed assets	88,018	58,279
Profit on sale of fixed assets	(200)	(1,225)
Profit on sale of investment securities	(1,118)	(42,439)
Operating profit before changes in operating assets & liabilities	1,238,403	1,034,043
Increase/(Decrease) in:		
Deposits and other accounts of non-bank customers	9,987,582	2,951,025
Deposits and balances of banks	(8,534,105)	5,923,884
Other liabilities including bills payable	(275,225)	188,473
(Increase)/Decrease in:		
Government securities and trading securities	(481,461)	416,947
Other assets	674,767	(152,057)
Balances, placements with, and loans and advances to banks	3,504,657	(798,375)
Loans and advances to non-bank customers including bills receivable	(782,690)	(9,486,896)
Tax paid	(84,636)	(162,633)
Net cash provided by/(used in) operating activities (1)	5,247,292	(85,589)
Cash flows from investing activities		
Acquisition of new subsidiaries (Note 32.5)	(266,469)	(32,482)
Acquisition of business undertakings	1,578,842	-
Purchase of fixed assets	(99,818)	(74,735)
Purchase of investment securities	(80,752)	(80,877)
Proceeds from sale of fixed assets	6,747	3,795
Proceeds from sale of investment securities	15,680	83,305
Net cash provided by/(used in) investing activities (2)	1,154,230	(100,994)
Cash flows from financing activities		
Increase/(Decrease) in:		
Share capital and share premium	994,269	4,155
Debt securities and borrowings	(81,584)	100,464
Funds from minority interests	1,959	894
Expenses arising from DBS CPS	-	(11)
Dividends paid by DBS Bank	(114,093)	(94,424)
Net cash provided by financing activities (3)	800,551	11,078
Exchange translation adjustments (4)	(14,798)	(49,701)
Net change in cash, and balances and placements with central banks (1)+(2)+(3)+(4)	7,187,275	(225,206)
Cash, and balances and placements with central banks as at 1 January	1,533,188	1,758,394
Cash, and balances and placements with central banks as at 31 December	8,720,463	1,533,188

(See notes on pages 59 to 98, which form part of these financial statements)

Notes to the Financial Statements

These notes form an integral part of and should be read in conjunction with the financial statements.

1 General

The financial statements are expressed in Singapore dollars. DBS Bank is principally engaged in the business of banking including the operations of an Asian Currency Unit under terms and conditions specified by the Monetary Authority of Singapore. The principal activities of the subsidiary companies in DBS Group are disclosed in Note 32.2.

2 Principal Accounting Policies

The following are the principal accounting policies applied by DBS Bank and its subsidiary companies and are consistent with those applied in the previous financial year, except for the change in method of accounting for debt securities and equities as disclosed in Note 2.7.2 to the financial statements.

2.1 Basis of Accounting

The financial statements of DBS Bank and its subsidiary companies are prepared in accordance with the historical cost convention, modified by the revaluation of certain treasury instruments to market value, and in accordance with the provisions of the Companies Act and Statements of Accounting Standard except for the application of equity accounting for associated companies required under Statements of Accounting Standard No. 27 which will be implemented in 1999 as allowed by Notice 608 issued by The Monetary Authority of Singapore.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of DBS Bank and its subsidiary companies. These subsidiary companies are companies in which DBS Bank has an interest of over 50% in the issued share capital at balance sheet date. The results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition to the date of disposal. In addition, the results arising from the business undertakings of POSBank are included in the financial statements of DBS Bank and of DBS Group with effect from 1 July 1998 (Note 32.6).

2.3 Goodwill

Goodwill may arise on the acquisition of subsidiary companies and business undertakings. It represents the excess of cost over fair value of the share of net tangible assets acquired. Goodwill is taken directly to reserves in the year of acquisition. Any excess of the value of net tangible assets acquired over the cost of acquisition is credited to reserves as reserve arising on consolidation.

2.4 Subsidiary Companies and Associated Companies

Investments in subsidiary companies and associated companies are stated at cost less provisions. Provision is made for an individual investment when there has been a diminution in value, except where such diminution is temporary.

Associated companies are companies in which the DBS Group has a long-term equity interest of between 20% and 50% and over whose financial decisions and operating policies the DBS Group exercises significant influence.

2.5 Foreign Currencies

Amounts receivable and payable in foreign currencies are translated into Singapore dollars at the exchange rates ruling at balance sheet date and transactions during the year are translated at the exchange rates ruling at the transaction dates. The financial statements of foreign subsidiary companies and branch operations are translated into Singapore dollars at the exchange rates ruling at balance sheet date. All exchange differences are taken up in the profit and loss account except for translation differences on opening net investments in foreign subsidiary companies and branches regarded as foreign entities (as defined in Statement of Accounting Standard 20), and the related foreign currency borrowings designated as a hedge, which are taken directly to reserves.

2.6 Treasury Related Off-Balance Sheet Financial Instruments

Transactions in treasury related off-balance sheet financial instruments including forwards, swaps, futures and options, are valued at market prices if they are for trading purposes and the resultant profits and losses are taken up in the profit and loss account. Transactions entered into for hedging purposes are accounted for in a manner consistent with the accounting treatment of the hedged item.

2.7 Basis of Valuation of Assets

2.7.1 Loans and Advances

Loans and advances are stated after deduction of provisions for possible losses. These provisions comprise specific provisions against certain loans and advances and a general provision on total loans and advances. Specific provision is based on the borrower's debt servicing ability and adequacy of security. Known bad debts are written off.

2.7.2 Debt Securities and Equities

(1) Singapore Government Securities and Treasury Bills

Singapore Government securities and treasury bills are stated at cost (adjusted for amortisation of premium or discount) less provision. Provision is made based on the shortfall between cost and market value determined on an aggregate portfolio basis.

(2) Trading Securities

Other government securities and treasury bills, equities and debt securities held for trading purposes are stated at cost (adjusted for amortisation of premium or discount) less provision. Provision is made based on the shortfall between cost and market value determined on an aggregate portfolio basis.

Prior to financial year 1998, specific provisions for debt securities and equities covered under Notes 2.7.2 (1) and 2.7.2 (2) were made based on the shortfall between cost and market value determined on an individual investment basis. The impact of the change in method of accounting is disclosed in Notes 12 and 27.

(3) Investment Securities

Investments in other equities held for investment purposes are stated at cost less provision. Provision is made for an individual investment when there has been a diminution in value, except where such diminution is temporary.

2.7.3 *Provision for Diminution in Value of Other Assets and Banking Risks*

Specific provisions are made against other assets and banking risks not covered by Notes 2.7.1 and 2.7.2 above so as to reduce them to their estimated realisable values. In addition, a general provision is made for other assets and banking risks.

2.8 **Repurchase and Reverse Repurchase Agreements**

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised lending and borrowing transactions and reflected in the relevant asset and liability categories in the balance sheet. Interest income on reverse repurchase agreements and interest expenses on repurchase agreements are accrued and brought into the profit and loss account over the respective periods of the agreements.

2.9 **Recognition of Income**

2.9.1 *Interest Income*

Interest income is recognised on an accrual basis. Interest on hire purchase and lease finance is brought into the profit and loss account by apportioning interest charges over the periods of agreements, using the sum of digits method (The Rule of 78) for fixed interest rate financing quoted on a flat basis. For Local Enterprise Finance, Regionalisation Finance and Resource Productivity Scheme loans and other hire purchase loans, interest is computed based on the annuity method.

2.9.2 *Fee and Commission Income*

Fee income relating to loans and guarantees is recognised over the period during which the related service is provided or credit risk is undertaken. Where a fee is charged in lieu of interest, such fee is amortised over the same period as the related interest income is recognised.

2.9.3 *Dividends*

Dividends from trading equities are recognised when received. Dividends from investment equities are recognised when declared payable.

2.10 **Depreciation**

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

2.10.1 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.

2.10.2 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 shorter.

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

Plant and machinery	5 – 15 years
Computer and office equipment	1 – 10 years
Furniture and fittings	1 – 10 years

2.11 Provision for Loan Losses

Specific provisions are made against loans and other credit exposures when recovery is doubtful or diminution in value occurs. In addition, general provisions are made based on an evaluation of loans and other credit exposures, in respect of losses, which although not specifically identifiable, are known from experience to be present in any such portfolio.

The aggregate provisions that are made during the year, less amounts released, are taken to the profit and loss account.

2.12 Taxation

The taxation charged to the profit and loss account represents tax at the current rate based on taxable profits earned during the financial year. Deferred taxation in the balance sheet, computed based on the liability method, represents tax at current rates on the timing differences between accounting income and taxable income. Timing differences are principally in respect of depreciation.

3 Accounting Presentation

3.1 Changes in Accounting Presentation

Following the new disclosure requirements recommended by the Committee on Banking Disclosure and amendments to MAS Notice 608 – ‘Minimum Disclosure in Financial Statements’, the financial statement presentation has been amended to be in line with the recommended requirements. These changes, however, exclude equity accounting for associated companies, which will be implemented in 1999 as allowed by The Monetary Authority of Singapore.

The comparative figures have been restated accordingly to conform with the current year's presentation.

3.2 Analyses By Geographical Area

The analyses by geographical area are based on the office recording the transaction, except for special general provisions for regional exposures and additional specific provisions for The Thai Danu Bank Public Company Limited (TDB)'s loans which are booked in Singapore. The geographical areas are as follows:

- Singapore
- ‘Other ASEAN’, which includes Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand and Vietnam
- ‘Other Asia Pacific’, which includes Australia, Bangladesh, China, Cambodia, Hong Kong, India, Japan, Korea, New Zealand, Pakistan, Papua New Guinea, Russia, Sri Lanka and Taiwan
- Rest of the World

4 Interest Income

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

5 Fee and Commission Income

Fee and commission income comprises commission, merchant banking fees, loan fees and all other fee-related income.

6 Dividends

Dividends from investments in shares include the following:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Dividends (gross) from subsidiary companies	33,344	44,854	–	–
Dividends (gross) from associated companies	32,405	48,846	34,990	53,055
Dividends (gross) from other investments	28,285	29,394	32,251	33,624
Total	94,034	123,094	67,241	86,679

7 Rental Income

Rental income represents income on the tenanted areas of the buildings owned by DBS Bank and its subsidiary companies.

8 Other Income

Other income comprises profits on exchange, profits on sale of securities and all other income not reflected under any of the aforementioned items of income.

The following have been included in this item:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Gains (less losses) on trading in foreign exchange	78,228	68,438	93,568	69,424
Gains (less losses) on sale of trading securities and derivatives trading	4,726	(27,768)	(5,964)	(32,446)
Gain (less losses) on disposal of investment securities	1,187	42,672	1,118	42,439
Gain (less losses) on disposal of fixed assets	334	1,388	200	1,225
Other income	(1,541)	1,770	8,114	11,604
Total	82,934	86,500	97,036	92,246

9 Interest Expense

Interest expense comprises interest incurred on deposits and debt securities, and borrowings from financial institutions and other sources.

10 Staff Costs

Staff costs include salaries, bonuses, contributions to the Central Provident Fund, and all other staff-related expenses.

11 Other Operating Expenses

Other operating expenses include amounts incurred in the maintenance and service of buildings owned by DBS Bank and its subsidiary companies, general administration and other expenses.

Other operating expenses include the following:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
(1) Directors' fees and remuneration	4,970	2,581	11,338	7,671
Remuneration of Bank's directors (a)	4,808	2,454	4,808	2,454
Remuneration of other directors	–	–	5,768	4,829
Fees of Bank's directors (a)	162	127	211	140
Fees of other directors	–	–	551	248
(2) Auditors' remuneration	1,977	916	3,022	1,842
Audit work	1,186	794	1,776	1,337
Non-audit work	791	122	1,106	505
Other auditors for audit work	–	–	140	–
(3) Depreciation of fixed assets (Note 34)	69,908	49,913	88,018	58,279
Bank premises and other properties	28,260	22,752	31,090	23,071
Computer and office equipment, furniture and fittings and other fixed assets	41,648	27,161	56,928	35,208
(4) Maintenance and hire of fixed assets including buildings	30,438	19,055	36,983	21,518
(5) Rental of premises	29,885	23,230	38,470	28,124
(6) Restructuring costs (b)	60,000	–	73,925	–

(a) The number of directors of DBS Bank, including those appointed and resigned/retired during the year, in each of the remuneration bands is as follows:

	1998	1997
S\$500,000 and above	3	2
S\$250,000 to S\$499,999	–	–
Below S\$250,000	10	8
Total	13	10

(b) The restructuring costs relate to the acquisition of POSBank by DBS Bank (S\$60.0 million), restructuring of The Thai Danu Bank Public Company Ltd (S\$11.3 million) and the acquisition of assets and technology of Koeneman Capital Management Pte Ltd by a subsidiary company (S\$2.6 million).

12 Provision for Possible Loan Losses and Diminution in Value of Other Assets

The charge to the profit and loss account is analysed as follows:

In S\$ '000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Specific provision for loans (Note 29)	702,141	117,936	897,087	117,657
Specific provision for diminution in value of investments and other assets (Note 27)	30,569	67,384	1,164	80,064
Release of specific provision for diminution in value of investments during the year arising from the change in method of accounting (Note 27)	(83,884)	–	(83,884)	–
General provision for loans (Note 29)	154,514	365,018	176,148	380,871
Write-back of general provision for diminution in value of investments and other assets (Note 27)	(909)	(42,908)	(909)	(42,908)
Provision/(write-back) of provision for contingencies and other banking risks (Note 27)	5,709	(43,560)	6,822	(40,170)
Total	808,140	463,870	996,428	495,514

13 Taxation

In S\$ '000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Taxation charge in respect of profit for the financial year:				
Current taxation	70,379	66,873	80,968	78,923
Contribution to Consolidated Fund	15,714	–	15,714	–
Deferred taxation (Note 24)	(24,193)	5,727	(24,598)	8,894
Total	61,900	72,600	72,084	87,817

The taxation charge on the profit for the year is lower than that derived by applying the statutory income tax rate of 26% (1997: 26%) to the profit before taxation because profit arising from the Asian Currency Unit offshore transactions is subject to tax at the concessionary tax rate of 10%.

Contribution to Consolidated Fund is calculated based on 20% of the net surplus of POSBank for the period from 1 July 1998 to 15 November 1998. This is in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) (Note 32.6).

14 Non-Redeemable Convertible Preferential Dividend

The proposed non-redeemable convertible preferential dividend is based on the paid-up preference share capital at balance sheet date. Non-redeemable Convertible Preference Shares (DBS CPS) which are converted to ordinary shares subsequent to the balance sheet date and up to the date of closure of the Share Transfer Books and Register of Members will not be entitled to the preferential dividend and any excess provision will be written back in the profit and loss account in the subsequent year.

15 Non-Voting Convertible Preferential Dividend

The proposed non-voting convertible preferential dividend is based on the paid-up preference share capital at balance sheet date. Non-voting Convertible Preference Shares (DBS Non-voting CPS) which are converted to ordinary shares subsequent to the balance sheet date and up to the date of closure of the Share Transfer Books and Register of Members will not be entitled to the preferential dividend and any excess provision will be written back in the profit and loss account in the subsequent year.

16 Ordinary Dividend

The proposed ordinary dividend is based on the issued and paid-up ordinary share capital at balance sheet date. Dividends payable on ordinary shares issued pursuant to the DBS BANK SHARE OPTION SCHEME and on conversion of the DBS CPS and DBS Non-voting CPS and the subscription for additional ordinary shares by converting DBS CPS holders 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.

17 Earnings Per Ordinary Share

Earnings per ordinary share are based on the DBS Group's net profit attributable to members and after preference dividends of S\$203,205,000 (1997: S\$430,436,000) divided by the weighted average number of ordinary shares in issue of 887,062,420 shares (1997: *801,679,840 shares).

* adjusted for shares arising from the bonus and right issues in 1998.

18 Share Capital

In S\$ '000	1998	1997
Authorised		
2,000,000,000 ordinary shares of S\$1 each (Note 18.4)	2,000,000	1,000,000
600,000,000 non-redeemable convertible preference shares of S\$2 each	1,200,000	1,200,000
300,000,000 non-voting convertible preference shares of S\$1 each (Note 18.4)	300,000	–
	1,500,000	1,200,000
Issued and paid-up		
18.1 Ordinary shares		
Balance at 1 January	702,648	690,607
Rights issue of shares (Note 18.5(5))	141,626	–
Bonus issue of shares (Note 18.5(4))	70,811	–
Conversion of non-redeemable convertible preference shares (DBS CPS) to ordinary shares (Note 18.5(1))	12,962	11,610
Additional ordinary shares subscribed by converting DBS CPS holders (Note 18.5(2))	100	32
Issued under the DBS BANK SHARE OPTION SCHEME (Note 18.5(3))	–	399
Balance at 31 December	928,147	702,648
<i>Number of ordinary shares of S\$1 each</i>	928,147,152	702,647,593
18.2 Non-redeemable convertible preference shares (DBS CPS)		
Balance at 1 January	536,167	655,982
Conversion of DBS CPS to ordinary shares (Note 18.5(1))	(124,102)	(119,815)
Balance at 31 December	412,065	536,167
<i>Number of non-redeemable convertible preference shares of S\$2 each</i>	206,032,421	268,083,642
18.3 Non-voting convertible preference shares		
Issued as consideration for the purchase of the business undertakings of POSBank (Notes 18.5(6) & 32.6)	224,765	–
Balance at 31 December	224,765	–
<i>Number of non-voting convertible preference shares of S\$1 each</i>	224,764,875	–
Total Share Capital	1,564,977	1,238,815

18.4 During the financial year, DBS Bank increased its authorised ordinary and preference share capital from S\$2,200,000,000 to S\$3,500,000,000 by the creation of 1,000,000,000 ordinary shares of par value S\$1.00 each and 300,000,000 non-voting convertible preference shares of par value S\$1.00 each.

18.5 During the financial year, DBS Bank issued:

- (1) 12,961,675 ordinary shares of par value S\$1.00 each, fully paid in cash upon the conversion of DBS CPS to ordinary shares.
- (2) 100,636 ordinary shares of par value S\$1.00 each, fully paid in cash upon the subscription for additional ordinary shares by converting DBS CPS holders.
- (3) There were no exercises of share options during the financial year. At the end of the financial year, unissued ordinary shares of par value S\$1.00 each of DBS Bank under the Options were as follows :

	Number of unissued ordinary shares	Subscription price per ordinary share	Date of expiration
1994 Options	2,190,760	S\$9.86	13 May 1999
1995 Options	2,512,224	S\$8.95	10 May 2000
1996 Options	2,863,432	S\$8.42	8 May 2001
1997 Options	3,818,672	S\$7.65	5 May 2002
1998 Options	2,229,000	S\$8.07	7 April 2003
	13,614,088		

- (4) 70,811,271 ordinary shares of par value S\$1.00 each, fully paid by way of a bonus issue of one new ordinary share for every ten existing ordinary shares held by the shareholders of DBS Bank.
- (5) 141,625,977 ordinary shares of par value S\$1.00 each, fully paid in cash by way of a rights issue of one new ordinary share for every five existing ordinary shares held by the shareholders of DBS Bank. The new shares were issued at a price of S\$8.50 per share for holders of shares which were held by or in the beneficial ownership or control of persons whose shareholdings fell within the meaning of 'foreign shareholdings', as defined in Article 22(c)(iii) of the Articles of Association of DBS Bank and at a price of S\$6.00 per share for other shareholders of DBS Bank. Both the bonus and rights shares rank pari passu in all respects with the existing issued shares of DBS Bank except that they were not entitled to the final dividend paid by DBS Bank for the financial year ended 31 December 1997.
- (6) 224,764,875 new non-voting convertible preference shares (DBS Non-voting CPS) of par value S\$1.00 each, at the agreed blended price for DBS Bank's Local and Foreign ordinary shares of S\$7.11855 per share. These shares were issued as consideration for the purchase of the business undertakings of POSBank. The DBS Non-voting CPS are convertible into an equivalent number of new ordinary shares in the ratio of 60% DBS Local ordinary shares and 40% DBS Foreign ordinary shares. The DBS Non-voting CPS enjoy the same dividend rate paid on DBS ordinary shares except that the dividend payable is subject to a maximum rate of 30% per annum.

18.6 The DBS CPS were issued in June 1993. Pursuant to the deed poll dated 15 June 1993 which was executed by DBS Bank in connection with the issue of the DBS CPS, the conversion price of S\$10.32 per ordinary share was further adjusted to S\$9.03 per ordinary share on 4 April 1998 as a result of the bonus and rights issues. Particulars of the DBS CPS issue have been set out in the notes to the financial statements for the financial year ended 31 December 1993.

19 Reserves

19.1 Share Premium Account

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Balance at 1 January	1,646,051	1,534,133	1,646,051	1,534,133
Rights issue of shares	857,192	–	857,192	–
Bonus issue of shares	(70,811)	–	(70,811)	–
Expenses arising from bonus issue and rights issue of shares	(5,186)	–	(5,186)	–
Conversion of DBS CPS to ordinary shares and additional ordinary shares subscribed by converting DBS CPS holders	111,677	108,472	111,677	108,472
Exercise of share options pursuant to the DBS BANK SHARE OPTION SCHEME	–	3,457	–	3,457
Expenses arising from the fourth instalment payment of DBS CPS	–	(11)	–	(11)
Non-voting convertible preference shares	1,375,235	–	1,375,235	–
Balance at 31 December	3,914,158	1,646,051	3,914,158	1,646,051

19.2 Capital Reserve

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Balance at 1 January	224,497	266,801	215,204	258,663
Net exchange translation adjustments during the year	(9,793)	(34,603)	(12,691)	(35,758)
Goodwill arising from acquisitions of subsidiary companies and business undertakings	(214,704)	(7,701)	(202,513)	(7,701)
Balance at 31 December	–	224,497	–	215,204

19.3 General Reserve

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Reserve Fund				
Balance at 1 January	1,147,880	1,047,460	1,274,750	1,163,497
Appropriation from profit and loss account	59,750	100,420	65,984	111,253
Balance at 31 December	1,207,630	1,147,880	1,340,734	1,274,750

Movement in General Reserve relates to the amounts transferred to the Reserve Fund to comply with the Banking Act, the Finance Companies Act, the Securities Industry Regulations, and Singapore International Monetary Exchange Limited Rule 901A under Singapore regulations, and the statutory regulations in Indonesia and Thailand.

19.4 Revenue Reserve

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Balance at 1 January	2,370,745	2,168,527	2,822,295	2,596,167
Net profit attributable to members	238,988	401,644	222,748	436,387
Add: Writeback of excess provision for preference dividend in previous year (Note 14)	696	81	696	81
Less: Goodwill arising from acquisitions of subsidiary companies and business undertakings	506,530	-	527,399	-
Dividend on ordinary shares paid less income tax (Note 16)	412	43	412	43
Transfer to General Reserve	59,750	100,420	65,984	111,253
	(565,996)	(100,382)	(593,099)	(111,215)
Amount available for distribution	2,043,737	2,469,789	2,451,944	2,921,339
Less: Interim dividend on ordinary shares paid 9% (1997:9%) less income tax	61,630	46,297	61,630	46,297
Proposed preference dividend on non-redeemable convertible preference shares 1.5% (1997:1.5%) less income tax (Note 14)	4,574	5,951	4,574	5,951
Proposed final dividend on non-voting convertible preference shares 9% less income tax (Note 15)	14,969	-	14,969	-
Proposed final dividend on ordinary shares 9% (1997:9%) less income tax (Note 16)	61,815	46,796	61,815	46,796
Balance at 31 December	1,900,749	2,370,745	2,308,956	2,822,295
Total reserves	7,022,537	5,389,173	7,563,848	5,958,300

Goodwill arising from the acquisition of subsidiary companies and business undertakings are taken to Capital and Revenue Reserves. Total goodwill taken to reserves during the year amounted to S\$721,234,000 (1997: S\$7,701,000) for the Bank and S\$729,912,000 (1997: S\$7,701,000) for the Group, respectively.

20 Subordinated Term Debts

20.1 The following is a summary of the subordinated term debts outstanding at 31 December:

In S\$ '000	DBS Bank		DBS Group	
	1998	1997	1998	1997
THB Floating Rate Subordinated term debt 2001 of Subsidiary (The Thai Danu Bank Public Company Limited) due after 12 months	-	-	22,710	-
US\$ Floating Rate Subordinated term debt 2004 of Subsidiary (The Thai Danu Bank Public Company Limited) due after 12 months	-	-	20,073	-
US\$ Floating Rate Subordinated term debt 2005 of Subsidiary (The Thai Danu Bank Public Company Limited) due after 12 months	-	-	83,317	-
Total	-	-	126,100	-

20.2 The THB500 million Floating Rate Subordinated term debt was issued on 29 January 1993 and matures on 29 January 2001. Interest is payable semi-annually at The Thai Danu Bank Public Company Limited's six month average minimum overdraft rate.

20.3 The US\$17 million Floating Rate Subordinated term debt was issued on 27 December 1994 and matures on 27 December 2004. Interest is payable semi-annually at the six-month London Interbank Offered Rate plus a mark-up of 1.35% from 27 December 1994 to 27 December 2000 and at the six-month London Interbank Offered Rate plus a mark-up of 3% from 28 December 2000 to 27 December 2004.

20.4 The US\$50 million Floating Rate Subordinated term debt was issued on 6 August 1995 and matures on 6 August 2005. Interest is payable semi-annually at the six-month London Interbank Offered Rate plus a mark-up of 1.25% from 6 August 1995 to 6 August 2000 and the six-month London Interbank Offered Rate plus a mark-up of 3% from 7 August 2000 to 6 August 2005.

21 Other Debt Securities in Issue

21.1 The following is a summary of the other debt securities in issue at 31 December:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
HK\$ 7% Negotiable Fixed Rate Certificates of Deposits 1999				
– due within 12 months	42,620	–	42,620	–
– due after 12 months	–	43,445	–	43,445
HK\$ 10.125% Negotiable Fixed Rate Certificates of Deposits 1999				
– due within 12 months	10,655	–	10,655	–
– due after 12 months	–	10,861	–	10,861
HK\$ Negotiable Floating Rate Certificates of Deposits 2000 due after 12 months	95,894	97,750	95,894	97,750
HK\$ 10.48% Negotiable Fixed Rate Certificates of Deposits 2000 due after 12 months	42,619	–	42,619	–
HK\$ 8.60% Negotiable Fixed Rate Certificates of Deposits 2000 due after 12 months	21,310	–	21,310	–
HK\$ 10.255% Negotiable Fixed Rate Certificates of Deposits 2001 due after 12 months	21,310	–	21,310	–
HK\$ 10.10% Negotiable Fixed Rate Certificates of Deposits 2001 due after 12 months	21,310	–	21,310	–
HK\$ 8.75% Negotiable Fixed Rate Certificates of Deposits 2001 due after 12 months	21,310	–	21,310	–
S\$ Floating Rate Notes 2001 of Subsidiary (DBS China Square Ltd) due after 12 months	–	–	72,000	71,000
Total	277,028	152,056	349,028	223,056

- 21.2 The HK\$200 million Negotiable Fixed Rate Certificates of Deposit were issued on 16 September 1997 and are redeemable on 19 August 1999. Interest is payable quarterly at a fixed rate of 7%.
- 21.3 The HK\$50 million Negotiable Fixed Rate Certificates of Deposit were issued on 16 December 1997 and are redeemable on 16 December 1999. Interest is payable quarterly at a fixed rate of 10.125%.
- 21.4 The HK\$450 million Negotiable Floating Rate Certificates of Deposit were issued on 15 August 1997 and are redeemable on 15 August 2000. Interest is payable quarterly and determined at the three-month interbank offered rate for Hong Kong dollar deposits plus 0.22%.
- 21.5 The HK\$200 million Negotiable Fixed Rate Certificates of Deposit were issued on 5 January 1998 and are redeemable on 5 January 2000. Interest is payable quarterly at a fixed rate of 10.48%.
- 21.6 The HK\$100 million Negotiable Fixed Rate Certificates of Deposit were issued on 6 May 1998 and are redeemable on 12 May 2000. Interest is payable quarterly at a fixed rate of 8.60%.
- 21.7 The HK\$100 million Negotiable Fixed Rate Certificates of Deposit were issued on 5 January 1998 and are redeemable on 5 January 2001. Interest is payable quarterly at a fixed rate of 10.255%.
- 21.8 The HK\$100 million Negotiable Fixed Rate Certificates of Deposit were issued on 5 January 1998 and are redeemable on 5 July 2001. Interest is payable quarterly at a fixed rate of 10.10%.
- 21.9 The HK\$100 million Negotiable Fixed Rate Certificates of Deposit were issued on 6 May 1998 and are redeemable on 12 Feb 2001. Interest is payable quarterly at a fixed rate of 8.75%.
- 21.10 The S\$100 million Floating Rate Notes by DBS China Square Ltd were issued on 15 November 1996. Of the S\$100 million issued, S\$20 million (1997: S\$20 million) was subscribed by a related company and S\$8 million (1997: S\$9 million) was repurchased by DBS China Square Ltd upon the exercise of the option by the noteholders as at 31 December 1998. Interest is payable quarterly and determined at the three-month interbank offered rate for Singapore dollar deposits plus a variable margin. Unless redeemed upon the exercise of the option by the noteholders or repurchased by the issuer, DBS China Square Ltd, in accordance with the terms and conditions of the Floating Rate Notes issue, the notes are redeemable at par on 15 November 2001.

22 Deposits and Other Accounts of Non-Bank Customers

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Analysed by Currency				
Singapore dollar	52,708,485	20,688,805	55,252,668	23,274,637
US dollar	10,750,812	7,612,555	11,025,487	7,845,689
Thai Baht	17,043	11,182	4,984,646	11,968
Japanese Yen	279,706	389,303	281,400	389,930
Hong Kong dollar	100,483	186,817	157,261	187,603
Others	2,014,647	1,725,338	2,156,830	1,847,179
Total	65,871,176	30,614,000	73,858,292	33,557,006

23 Other Liabilities

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Interest payable	570,550	455,828	658,271	479,514
Accrued operating expenses	131,085	73,152	162,750	160,886
Balances arising from revaluation of financial instruments	281,484	7,309	281,484	7,309
Interest and other income received in advance	103,372	61,539	103,856	61,921
Sundry creditors	315,292	107,107	544,373	439,895
Total	1,401,783	704,935	1,750,734	1,149,525

24 Deferred Taxation

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Balance at 1 January	29,456	23,729	36,264	27,370
(Write-back)/provision during the year (Note 13)	(24,193)	5,727	(24,598)	8,894
Balance at 31 December	5,263	29,456	11,666	36,264

25 Singapore Government Securities and Treasury Bills

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Cost, adjusted for premium and discount	6,703,713	2,439,410	6,949,915	2,560,535
Less: Provision for diminution in value (Note 27)	–	30,082	–	31,374
Net book value	6,703,713	2,409,328	6,949,915	2,529,161
Market value	6,780,144	2,412,754	7,028,075	2,533,633

26 Trading Securities

Trading securities include cash instruments, such as government and corporate debt and equity securities acquired and held principally for the purpose of selling them in the near term with the objective of generating gains on short-term differences in price. The cost less provision and market value of these investments at 31 December is as follows:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Quoted				
Non-Singapore government securities and treasury bills	476,469	280,629	1,055,497	287,337
Corporate debt securities	873,635	912,751	1,074,908	979,716
Equity shares	632,882	335,837	702,403	364,650
Total	1,982,986	1,529,217	2,832,808	1,631,703
Less: Provision for diminution in value (Note 27)	47,328	103,531	99,716	122,079
Net book value	1,935,658	1,425,686	2,733,092	1,509,624
Market value	2,036,950	1,652,052	2,856,024	1,736,038

Included in equities are quoted shares amounting to S\$176.8 million (1997: Nil) designated for covered warrants issued by DBS Bank which give warrant holders the right to purchase these shares in accordance with the terms and conditions of the warrants.

27 Provision for Diminution in Value of Other Assets and Banking Risks

In S\$'000	DBS Bank					DBS Group				
	Specific	General	Others	Total	Interest-in-suspense	Specific	General	Others	Total	Interest-in-suspense
1998										
Balance at 1 January	134,855	36,607	56,520	227,982	162	156,765	36,607	71,355	264,727	162
On acquisition of subsidiary companies	-	-	-	-	-	102,064	-	5,904	107,968	-
Utilisation/transfers during the year	(19,058)	(35,496)	33,493	(21,061)	-	(25,607)	(35,496)	23,869	(37,234)	-
Release during the year arising from the change in method of accounting (Notes 2.7.2 & 12)	(83,884)	-	-	(83,884)	-	(83,884)	-	-	(83,884)	-
Charge to profit and loss account (Note 12)	30,569	(909)	5,709	35,369	-	1,164	(909)	6,822	7,077	-
Interest suspended during the year	-	-	-	-	1,790	-	-	-	-	1,790
Balance at 31 December	62,482	202	95,722	158,406	1,952	150,502	202	107,950	258,654	1,952

Specific and general provisions are in respect of the following:

Singapore Government securities

and treasury bills (Note 25)	-	-	-	-	-	-	-	-	-	-
Trading securities (Note 26)	47,126	202	-	47,328	-	99,514	202	-	99,716	-
Investment securities (Note 30)	13,875	-	-	13,875	-	50,988	-	-	50,988	-
Subsidiary companies (Note 32)	1,481	-	-	1,481	-	-	-	-	-	-
Associated companies (Note 33)	-	-	-	-	-	-	-	-	-	-
	62,482	202	-	62,684	-	150,502	202	-	150,704	-

1997

Balance at 1 January	76,602	70,353	161,787	308,742	21	85,158	70,353	174,858	330,369	21
On acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-
Utilisation/transfers during the year	(9,131)	9,162	(61,707)	(61,676)	-	(8,457)	9,162	(63,333)	(62,628)	-
Release during the year arising from the change in method of accounting (Notes 2.7.2 & 12)	-	-	-	-	-	-	-	-	-	-
Charge to profit and loss account (Note 12)	67,384	(42,908)	(43,560)	(19,084)	-	80,064	(42,908)	(40,170)	(3,014)	-
Interest suspended during the year	-	-	-	-	141	-	-	-	-	141
Balance at 31 December	134,855	36,607	56,520	227,982	162	156,765	36,607	71,355	264,727	162

Specific and general provisions are in respect of the following:

Singapore Government securities

and treasury bills (Note 25)	30,082	-	-	30,082	-	31,374	-	-	31,374	-
Trading securities (Note 26)	84,204	19,327	-	103,531	-	102,752	19,327	-	122,079	-
Investment securities (Note 30)	19,813	11,717	-	31,530	-	22,514	11,717	-	34,231	-
Subsidiary companies (Note 32)	631	-	-	631	-	-	-	-	-	-
Associated companies (Note 33)	125	5,563	-	5,688	-	125	5,563	-	5,688	-
	134,855	36,607	-	171,462	-	156,765	36,607	-	193,372	-

28 Loans to, and Bills Receivable from Non-Bank Customers

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Gross	50,744,056	37,781,671	59,194,664	41,030,777
Less : Specific provisions (Note 29)	(841,631)	(145,953)	(1,907,509)	(154,632)
General provisions (Note 29)	(922,569)	(655,176)	(1,071,761)	(741,467)
Net	48,979,856	36,980,542	56,215,394	40,134,678
Analysed into:				
Bills receivable	1,713,894	1,177,337	2,056,912	1,249,804
Loans	47,265,962	35,803,205	54,158,482	38,884,874
	48,979,856	36,980,542	56,215,394	40,134,678
Analysed by Industry				
Manufacturing	4,393,300	5,155,753	6,078,303	5,739,334
Building and Construction	8,027,135	7,484,818	8,534,215	7,750,367
Housing Loans	13,254,854	5,319,108	14,036,187	5,796,262
General Commerce	2,188,225	2,746,497	3,334,522	3,007,343
Transportation, Storage and Communication	3,520,660	3,213,991	3,789,378	3,402,247
Financial Institutions, Investment and Holding Companies	6,568,021	6,529,805	6,926,907	6,780,567
Professionals and Private Individuals (except Housing Loans)	3,478,176	3,362,590	4,752,669	4,339,068
Others	7,549,485	3,167,980	8,763,213	3,319,490
Total	48,979,856	36,980,542	56,215,394	40,134,678
Analysed by Currency and Fixed/Variable Rates				
Fixed rate				
Singapore dollar	9,189,991	8,076,888	10,651,170	9,912,719
US dollar	13	11	69,564	11
Thai Baht	-	-	799,841	-
Japanese Yen	-	-	-	-
Hong Kong dollar	10,027	9,106	10,027	9,106
Others	2,825	3,365	23,218	3,365
Sub-total	9,202,856	8,089,370	11,553,820	9,925,201

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Variable rate				
Singapore dollar	27,225,706	15,607,280	28,833,256	16,704,811
US dollar	8,088,005	9,200,526	8,550,017	9,393,201
Thai Baht	–	204	2,677,730	204
Japanese Yen	2,044,657	1,683,351	2,047,793	1,686,045
Hong Kong dollar	1,106,479	1,175,621	1,106,479	1,175,621
Others	1,312,153	1,224,190	1,446,299	1,249,595
Sub-total	39,777,000	28,891,172	44,661,574	30,209,477
Total	48,979,856	36,980,542	56,215,394	40,134,678

Fixed rate loans refer to long-term loans where the interest rates are fixed for the initial 1 to 3 years for certain mortgage loans, and over the entire loan period for the other loans. Variable rate loans are pegged to prime, short-term cost of funds or inter-bank rates.

Included in loans and advances of DBS Bank and DBS Group is a loan of S\$1,075.0 million (1997: Nil) extended to a company which is wholly-owned by a substantial shareholder of the Bank.

29 Provision for Possible Loan Losses and Interest-In-Suspense

	DBS Bank				DBS Group			
	Specific	General	Total	Interest-in -suspense	Specific	General	Total	Interest-in -suspense
1998								
Balance at 1 January	145,953	655,176	801,129	11,462	154,632	741,467	896,099	12,102
On acquisition of business undertakings and subsidiary companies	7,272	113,706	120,978	117	875,666	152,978	1,028,644	117
Utilisation/transfers during the year	(30,632)	(827)	(31,459)	(310)	(36,773)	1,168	(35,605)	(480)
Charge to profit and loss account (Note 12)	702,141	154,514	856,655	–	897,087	176,148	1,073,235	–
Interest suspended during the year	16,897	–	16,897	45,675	16,897	–	16,897	50,736
Balance at 31 December	841,631	922,569	1,764,200	56,944	1,907,509	1,071,761	2,979,270	62,475
1997								
Balance at 1 January	100,585	290,158	390,743	7,592	110,603	360,525	471,128	8,224
On acquisition of business undertakings and subsidiary companies	–	–	–	–	–	498	498	–
Utilisation/transfers during the year	(72,921)	–	(72,921)	(11,101)	(73,981)	(427)	(74,408)	(11,293)
Charge to profit and loss account (Note 12)	117,936	365,018	482,954	–	117,657	380,871	498,528	–
Interest suspended during the year	353	–	353	14,971	353	–	353	15,171
Balance at 31 December	145,953	655,176	801,129	11,462	154,632	741,467	896,099	12,102

30 Investment Securities

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Quoted equity shares	–	205,840	–	205,840
Unquoted equity shares	202,758	174,532	366,547	266,851
	202,758	380,372	366,547	472,691
Less: Provision for diminution in value (Note 27)	13,875	31,530	50,988	34,231
Total net book value	188,883	348,842	315,559	438,460
Market value of quoted equity shares	–	194,745	–	194,745

31 Other Assets

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Accrued interest receivable ^a	644,754	484,472	867,427	532,313
Accrued income	10,640	15,678	13,029	35,384
Balances arising from revaluation of financial instruments	17,163	224,213	18,594	227,623
Deposits and prepayments	24,246	23,635	25,973	24,794
Sundry debtors	83,903	84,352	340,211	466,230
Total	780,706	832,350	1,265,234	1,286,344

^a Accrued interest receivable is net of interest-in-suspense.

32 Subsidiary Companies

32.1 The investments in subsidiary companies at 31 December are as follows:

In S\$'000	DBS Bank	
	1998	1997
Quoted equity shares at cost	–	–
Unquoted equity shares at cost	793,805	611,112
	793,805	611,112
Less : Provision for diminution in value (Note 27)	1,481	631
	792,324	610,481
Amounts owing by subsidiary companies	899,141	982,861
Total	1,691,465	1,593,342
Market value of quoted equity shares	266,868	–

The market value of quoted equity shares as at 31 December 1998 refers to the shares in The Thai Danu Bank Public Company Ltd which investment cost had been written down to zero in the accounts of DBS Bank.

32.2 The subsidiary companies of DBS Bank at 31 December are as follows:

Subsidiary Companies	Country of Incorporation/Business	Principal Activities	Interest Held By				Cost of Investment held by	
			DBS Bank		Subsidiaries		DBS Bank	
			1998 %	1997 %	1998 %	1997 %	1998 (\$'000)	1997 (\$'000)
Quoted								
The Thai Danu Bank Public Company Ltd (b) (Market value : S\$266,868,140)	Thailand	Commercial banking and financial services	50.27	-	-	-	- (a)	-
Unquoted								
Thai Danu-DBS Company Ltd (b)	Thailand	Custodial services	49	-	25.64	-	668	-
DBS Thai Danu Securities Ltd (c)	Thailand	Stockbroking and corporate finance services	-	-	99.99	-	-	-
DBS Bank Philippines, Inc. (c) (formerly known as Bank of Southeast Asia, Inc.)	Philippines	Commercial banking and financial services	60	-	-	-	34,778	-
DBS Savings Bank Philippines, Inc. (c)	Philippines	Savings and mortgage banking	-	-	100	-	-	-
DBS Forex Centre Philippines, Inc. (c)	Philippines	Dealing and brokering currencies options, futures, and forwards	100	-	-	-	352	-
PT Bank DBS Buana (c)	Indonesia	Commercial banking and financial services	85	85	-	-	24,961	31,724
NDC Merchant Bank Ltd	Singapore	Merchant banking and secondary dealership in Singapore Government securities	100	100	-	-	104,849	104,849
NDC Merchant Bank Nominees Pte Ltd	Singapore	Nominee services	-	-	100	100	-	-
DBS Trading Pte Ltd	Singapore	Margin trading in foreign exchange, gold and futures and trading banknotes	100	100	-	-	10,000	10,000
DBS Finance Ltd	Singapore	Finance company	100	100	-	-	242,000	127,000
DBSF Holdings Pte Ltd	Singapore	Investment holding	-	-	100	100	-	-
DBSF Investments Pte Ltd	Singapore	Property holding	-	-	100	100	-	-
DBS Finance Nominees Pte Ltd	Singapore	Trust, nominee and agency services	-	-	100	100	-	-
Great Pacific Finance Ltd (under voluntary liquidation)	Singapore	Finance company	-	-	100	100	-	-
DBS Factors Pte Ltd	Singapore	Domestic/ international factoring and trade financing	100	100	-	-	5,000	5,000
DBS Card Centre Pte Ltd	Singapore	Credit and charge card operations	100	100	-	-	8,000	8,000
DBS Securities Holding Pte Ltd	Singapore	Investment holding	100	100	-	-	121,500	121,500
DBS-Capital Trust Securities India Pvt Ltd (c)	India	Stockbroking	-	-	75	75	-	-
DBS Futures Hong Kong Ltd (c)	Hong Kong	Hang Seng Index Futures Options and stock futures trading	-	-	100	100	-	-
DBS Investment Research Pte Ltd	Singapore	Market research consultancy	-	-	100	100	-	-
DBS Securities Hong Kong Ltd (c)	Hong Kong	Stockbroking	-	-	100	100	-	-
DBS Securities Malaysia Pte Ltd	Singapore	Investment holding	-	-	100	100	-	-
DBS Securities Nominees Pte Ltd	Singapore	Nominee services	-	-	100	100	-	-

Subsidiary Companies	Country of Incorporation/Business	Principal Activities	Interest Held By				Cost of Investment held by	
			DBS Bank		Subsidiaries		DBS Bank	
			1998 %	1997 %	1998 %	1997 %	1998 (\$'000)	1997 (\$'000)
Unquoted								
DBS Securities Nominees (HK) Ltd (c)	Hong Kong	Nominee services	-	-	100	100	-	-
DBS Securities Philippines, Inc (c)	Philippines	Stockbroking	-	-	100	100	-	-
DBS Securities Singapore Pte Ltd	Singapore	Stockbroking	-	-	100	100	-	-
DBS Securities UK Ltd (c)	United Kingdom	Securities services	-	-	100	100	-	-
PT DBS Securities Indonesia (c)	Indonesia	Stockbroking and underwriting	-	-	55	55	-	-
DBS Asia Ltd (c)	Hong Kong	Financial services and investment holding	100	100	-	-	(d)	(d)
DBS Asia Capital Limited (c)	Hong Kong	Corporate finance and advisory services	100	100	-	-	21,309	21,721
DBS Asset Management Ltd	Singapore	Investment management services and unit trusts	100	100	-	-	4,000	4,000
DBS Asset Management (United States) Pte Ltd	Singapore	Investment management services	-	-	100	100	-	-
Hwang-DBS Asset Management (Malaysia) Sdn Bhd (c)	Malaysia	Fund management consultancy	-	-	51	51	-	-
DBS Capital Investments Ltd	Singapore	Venture capital investments	100	100	-	-	17,942 (e)	17,942 (e)
DBS Computer Services Pte Ltd	Singapore	Computer services and IT consultancy	100	100	-	-	-(a)	-(a)
IBEXCo Pte Ltd	Singapore	Electronic commerce service provider	-	-	51	-	-	-
POSB Computer Services Pte Ltd	Singapore	Computer services and IT consultancy	100	-	-	-	39,070	-
DBS Group Holdings (Hong Kong) Ltd (c)	Bermuda	Investment holding	100	-	-	-	-	-
DBS Nominees Pte Ltd	Singapore	Nominee services	100	100	-	-	364	364
DBS Pte Ltd	Singapore	Investment holding	100	100	-	-	69,337	69,337
DBS China Square Ltd	Singapore	Property investment holding	70	70	-	-	84,000 (f)	84,000 (f)
DBS Trustee Ltd	Singapore	Trustee services	20	20	80	80	150	150
Singapore Factory Development Ltd	Singapore	Group financing	100	100	-	-	5,525	5,525
Singapore Bankers Club Pte Ltd	Singapore	Has not commenced operations	100	100	-	-	-(a)	-(a)
Credit POSB Pte Ltd (under dissolution)	Singapore	Dormant	100	-	-	-	-(a)	-
Sub-total							793,805	611,112
Less: Provision for diminution in value							1,481	631
Total							792,324	610,481

(a) Written down to zero.

(b) Audited by another public accounting firm.

(c) Audited by associated firms of Price Waterhouse, Singapore.

(d) Amount under S\$500/-.

(e) Included cost of investment in preference shares held amounting to S\$17,932,000 (1997: S\$17,932,000).

(f) Included cost of investment in preference shares held amounting to S\$38,500,000 (1997: S\$38,500,000).

32.3 Acquisition of Subsidiary Companies

- 32.3.1** On 11 March 1998, DBS Bank increased its equity interest in the Thai Danu Bank Public Company Limited (TDB), a bank incorporated in Thailand to 50.27%. TDB has a 51% equity interest in Thai Danu-DBS Company Ltd (TDDBS), which is in turn 49% owned by DBS Bank. With the acquisition, the DBS Group's effective equity interest in TDDBS is 74.64%.
- 32.3.2** On 15 June 1998, TDB acquired a 99.99% equity interest in DBS Thai Danu Securities Ltd (DBSTDS). Subsequently, on 28 August 1998, DBS Securities Holding Pte Ltd (DBSSH), a wholly-owned subsidiary of DBS Bank, acquired from TDB, a 49% equity interest in DBSTDS. With the acquisition, the DBS Group's effective equity interest in DBSTDS is 74.63%.
- 32.3.3** On 19 June 1998, IBEXCo Pte Ltd (IBEXCo) was incorporated as a wholly-owned subsidiary of DBS Computer Services Pte Ltd (DCS), which is in turn wholly-owned by DBS Bank. Subsequently, IBEXCo further issued shares to support its operations. Upon subscription of part of the new shares issued, IBEXCo became a 51% owned subsidiary of DCS.
- 32.3.4** On 24 August 1998, DBS Forex Centre Philippines, Inc. (DBSFX) was incorporated as a wholly owned subsidiary of DBS Bank.
- 32.3.5** On 31 August 1998, DBS Bank acquired a 60% equity interest in DBS Bank Philippines, Inc. (DBSP) (formerly known as Bank of Southeast Asia, Inc., a bank incorporated in Philippines) and DBS Savings Bank Philippines, Inc. (a wholly-owned subsidiary of DBSP).
- 32.3.6** On 16 November 1998, DBS Bank acquired 100% equity interests in Credit POSB Pte Ltd (CPPL) and POSB Computer Services Pte Ltd (PCS) as a result of the acquisition of the business undertakings of The Post Office Savings Bank of Singapore.
- 32.3.7** On 2 December 1998, DBS Group Holdings (Hong Kong) Ltd was incorporated as a wholly-owned subsidiary of DBS Bank with the intention to make a voluntary conditional offer for the acquisition of a bank incorporated in Hong Kong (Note 44.1).

32.4 Amounts Owed By Subsidiary Companies

These amounts comprise secured loans and advances to subsidiary companies.

32.5 Fair Values of Assets and Liabilities of Subsidiary Companies Acquired

The fair values of assets and liabilities of subsidiary companies acquired during the year were as follows:

In S\$ '000	DBS Group	
	1998	1997
Fixed assets	170,937	459
Government, trading and investment securities	298,770	–
Cash and balances, placements with, and loans to banks, loans to and bills receivable from non-bank customers	5,306,535	130,367
Other assets	199,112	1,456
Deposits and balances of banks, deposits and other accounts of non-bank customers, debt securities in issue and other borrowings	(5,759,059)	(93,221)
Other liabilities	(169,681)	(1,735)
	46,614	37,326
Less: Minority interests	23,442	5,599
	23,172	31,727
Add: Goodwill on acquisition taken to reserves	286,945	7,701
Cash consideration	310,117	39,428
Less: Cash and balances with banks acquired	43,648	6,946
Net cash outflow for acquisition of subsidiary companies	266,469	32,482

The above tabulation excludes the fair values of assets and liabilities arising from the acquisition of the business undertakings of POSBank. The net assets arising from this acquisition amounted to S\$1,164 million.

32.6 Acquisition of POSBank

During the year, DBS Bank acquired the business undertakings of POSBank for a consideration of S\$1,600 million. The net assets acquired amounted to S\$1,164 million. The difference between the purchase consideration of S\$1,600 million (adding direct expenses relating to the transaction) and the adjusted net assets attributable to the business undertakings to be acquired represents goodwill in respect of the transaction. The goodwill of S\$445.7 million has been taken directly to reserves during the year (Note 19). The completion date of the acquisition was 16 November 1998. In accordance with the sale and purchase agreement, the risks and benefits associated with the business undertakings of POSBank accrued to DBS Bank from 1 July 1998. Consequently, the results of POSBank have been included in the financial statements of the Bank and Group with effect from 1 July 1998. The effect of including the results of POSBank from 1 July 1998 to 15 November 1998 was to increase the net profit before tax of the Bank and Group by S\$53 million (after netting off restructuring costs of S\$60 million) (Note 11). In consideration for the acquisition, 224,764,875 new non-voting convertible preference shares of par value S\$1.00 each at the agreed blended price for DBS Bank's Local and Foreign ordinary shares of S\$7.11855 per share were issued (Note 18.5(6)).

33 Associated Companies

33.1 The investments in associated companies at 31 December are as follows:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Quoted equity shares at cost	366,573	365,903	389,460	388,790
Unquoted equities at cost	9,204	9,026	15,374	9,080
	375,777	374,929	404,834	397,870
Less: Provision for diminution in value (Note 27)	–	5,688	–	5,688
Total net book value	375,777	369,241	404,834	392,182
Market value of quoted equity shares	824,582	933,727	880,056	958,927

33.2 At 31 December, the cost and market values of the quoted equity shares in associated companies of DBS Group are as follows:

In S\$'000	DBS Group			
	1998		1997	
	Cost	Market Value	Cost	Market Value
Held by DBS Bank				
DBS Land Ltd	286,430	696,025	286,430	738,989
General Securities Investments Ltd	21,096	20,946	21,096	33,072
Singapore Petroleum Company Ltd	14,887	69,299	14,217	113,402
The Insurance Corporation of Singapore Ltd	44,160	38,312	44,160	48,264
Sub-total	366,573	824,582	365,903	933,727
Held by Subsidiaries Companies				
Hwang – DBS (Malaysia) Bhd	22,887	55,474	22,887	25,200
Total	389,460	880,056	388,790	958,927

DBS Group will be adopting equity accounting for investments in associated companies with effect from the financial year ending 31 December 1999.

33.3 The associated companies directly held by DBS Bank and its subsidiary companies at 31 December are as follows:

Associated Companies	Country of Incorporation /Business	Principal Activities	Interest Held By DBS Group	
			1998 %	1997 %
Quoted				
<i>Held by DBS Bank</i>				
General Securities Investments Ltd	Singapore	Investment holding	41.76	41.76
DBS Land Ltd	Singapore	Investment holding	28.33	28.33
The Insurance Corporation of Singapore Ltd	Singapore	General and life insurance	49.40	49.40
Singapore Petroleum Company Ltd	Singapore	Petroleum refining, provision of administrative support service, marketing and trading of crude oil	26.02	25.79
<i>Held By Subsidiary Companies</i>				
Hwang – DBS (Malaysia) Bhd	Malaysia	Investment holding	23.94	24.00
Unquoted				
<i>Held by DBS Bank</i>				
Fujitec Singapore Corporation Ltd	Singapore	Manufactures elevators, escalators and related components	26.00	26.00
Investment and Capital Corporation of the Philippines	Philippines	Financial services	20.00	20.00
Orix Leasing Singapore Ltd	Singapore	Lease and hire-purchase financing of equipment	30.00	30.00
Network for Electronic Transfers (Singapore) Pte Ltd	Singapore	Electronic funds transfer	28.57	–
Singapore Polymer Corporation Pte Ltd	Singapore	Manufactures poly vinyl chloride resins and related compound	38.73	38.73
Spray's Shipping Pte Ltd	Singapore	Dormant	26.00	26.00
Thai Danu-DBS Company Ltd	Thailand	Custodial services	#	49.00
Transpac Capital Pte Ltd	Singapore	Investment manager for venture capital companies, investment advisory, consultancy and related services	32.00	32.00
Transpac Investments Ltd	Singapore	Investment holding	32.00	32.00
Venture Investment Management (S) Pte Ltd	Singapore	Investment management services	24.50	24.50
Yamaha Music (Asia) Pte Ltd	Singapore	Distributor and retailer of all kinds of musical instruments, operator and franchise of music schools	20.00	20.00
<i>Held By Subsidiary Companies</i>				
Transtech Venture Management Pte Ltd	Singapore	Investment manager for venture capital	40.00	40.00
Venture Investment Management II Ltd	Singapore	Investment manager for venture capital	30.00	30.00
Transtech Capital Investment I Ltd (under voluntary liquidation)	Singapore	Venture capital investment	41.54	41.54
Shenton Realty Corporation	Philippines	Real estate holding company	38.40	–
Shenton Corporation	Philippines	Real estate holding company	24.00	–

Became a subsidiary of DBS Bank in 1998.

34 Fixed Assets

34.1 Net book values at 31 December, at cost less accumulated depreciation, and movements during the year of DBS

Bank's fixed assets are as follows:

In S\$'000	DBS Bank				
	Leasehold properties	Freehold properties	Total properties	Equipment, furniture and other assets	Total
Cost					
Balance at 1 January 1998	618,703	33,012	651,715	238,415	890,130
Additions	9,225	2	9,227	29,799	39,026
Disposals	(735)	(3,095)	(3,830)	(20,728)	(24,558)
On acquisition of business undertakings	280,705	88,210	368,915	35,937	404,852
Exchange differences	(69)	793	724	549	1,273
Balance at 31 December 1998	907,829	118,922	1,026,751	283,972	1,310,723
Accumulated depreciation					
Balance at 1 January 1998	152,695	8,339	161,034	156,238	317,272
Depreciation charge (Note 11)	26,436	1,824	28,260	41,648	69,908
Disposals	(108)	(793)	(901)	(19,873)	(20,774)
Exchange differences	(4)	156	152	351	503
Balance at 31 December 1998	179,019	9,526	188,545	178,364	366,909
Net book value at 31 December 1998	728,810	109,396	838,206	105,608	943,814
Market value at 31 December 1998	1,523,770	118,879	1,642,649	–	1,642,649
Cost					
Balance at 1 January 1997	608,273	33,348	641,621	222,505	864,126
Additions	9,901	–	9,901	34,125	44,026
Disposals	(78)	(1,712)	(1,790)	(18,854)	(20,644)
Exchange differences	607	1,376	1,983	639	2,622
Balance at 31 December 1997	618,703	33,012	651,715	238,415	890,130
Accumulated depreciation					
Balance at 1 January 1997	130,836	7,137	137,973	147,019	284,992
Depreciation charge (Note 11)	21,086	1,666	22,752	27,161	49,913
Disposals	(54)	(616)	(670)	(18,453)	(19,123)
Exchange differences	827	152	979	511	1,490
Balance at 31 December 1997	152,695	8,339	161,034	156,238	317,272
Net book value at 31 December 1997	466,008	24,673	490,681	82,177	572,858
Market value at 31 December 1997	1,603,313	36,329	1,639,642	–	1,639,642

34.2 Net book values at 31 December, at cost less accumulated depreciation, and movements during the year of DBS

Group's fixed assets are as follows:

In S\$ '000	DBS Group				
	Leasehold properties	Freehold properties	Total properties	Equipment, furniture and other assets	Total
Cost					
Balance at 1 January 1998	1,021,314	72,387	1,093,701	291,373	1,385,074
Additions	49,930	1,206	51,136	48,682	99,818
Disposals	(735)	(3,095)	(3,830)	(48,309)	(52,139)
On acquisition of business undertakings and subsidiary companies	290,049	244,159	534,208	127,246	661,454
Exchange differences	(69)	793	724	(537)	187
Balance at 31 December 1998	1,360,489	315,450	1,675,939	418,455	2,094,394
Accumulated depreciation					
Balance at 1 January 1998	152,917	11,074	163,991	185,773	349,764
Depreciation charge (Note 11)	26,802	4,288	31,090	56,928	88,018
Disposals	(108)	(793)	(901)	(44,691)	(45,592)
On acquisition of subsidiary companies	3,632	16,937	20,569	62,707	83,276
Exchange differences	(4)	156	152	(102)	50
At 31 December 1998	183,239	31,662	214,901	260,615	475,516
Net book value at 31 December 1998	1,177,250	283,788	1,461,038	157,840	1,618,878
Market value at 31 December 1998	1,836,473	353,172	2,189,645	-	2,189,645
Cost					
Balance at 1 January 1997	993,625	72,723	1,066,348	266,286	1,332,634
Additions	27,160	-	27,160	47,575	74,735
Disposals	(78)	(1,712)	(1,790)	(24,720)	(26,510)
On acquisition of subsidiary companies	-	-	-	1,702	1,702
Exchange differences	607	1,376	1,983	530	2,513
Balance at 31 December 1997	1,021,314	72,387	1,093,701	291,373	1,385,074
Accumulated depreciation					
Balance at 1 January 1997	131,013	9,599	140,612	172,108	312,720
Depreciation charge (Note 11)	21,131	1,940	23,071	35,208	58,279
Disposals	(54)	(616)	(670)	(23,270)	(23,940)
On acquisition of subsidiary companies	-	-	-	1,243	1,243
Exchange differences	827	151	978	484	1,462
Balance at 31 December 1997	152,917	11,074	163,991	185,773	349,764
Net book value at 31 December 1997	868,397	61,313	929,710	105,600	1,035,310
Market value at 31 December 1997	1,990,158	104,029	2,094,187	-	2,094,187

34.3 The net book value of DBS Building Tower Two, which is an investment property held for the purpose of generating rental income, at 31 December 1998 was S\$229.5 million (1997: S\$237.2 million) and its market value was independently appraised at S\$581.0 million (1997: S\$737.5 million).

34.4 Interest capitalised for the DBS Group during the year for a property under development in relation to the land parcel 'A' at China Square amounted to S\$16,997,000 (1997: S\$12,068,000).

35 Contingent Liabilities

The amounts outstanding at 31 December comprise the following:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Acceptances on account of customers	9,219	15,406	70,504	23,002
Guarantees on account of customers	4,320,075	4,591,779	4,701,180	4,598,405
Endorsements and other obligations on account of customers				
Letters of credit	2,208,455	2,778,728	2,256,864	2,779,982
Others	203,811	149,465	205,443	149,465
Spot foreign exchange contracts	1,446,768	1,080,050	1,450,799	1,081,755
Other contingent items	–	13,961	–	13,961
Total	8,188,328	8,629,389	8,684,790	8,646,570

36 Commitments

The commitments which are not reflected in the balance sheet at 31 December comprise the following:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
36.1 Loans and other facilities				
Undrawn credit facilities	34,067,641	33,197,224	35,453,654	34,458,201
Undrawn note issuance and revolving underwriting facilities	4,500	95,500	4,500	95,500
Undisbursed commitments in debt securities and equities	64,018	118,017	66,008	120,001
Underwriting commitments in debt securities and equities	3,804	12,100	3,804	12,100
Sub-total	34,139,963	33,422,841	35,527,966	34,685,802
36.2 Capital Commitments				
Development of land parcel at China Square	–	–	63,463	95,136
Others	6,838	124	8,969	1,557
Sub-total	6,838	124	72,432	96,693
Total	34,146,801	33,422,965	35,600,398	34,782,495

37 Financial Derivatives

37.1 In the normal course of business, the DBS Group uses off-balance sheet financial instruments (derivatives) to meet the financing needs of its customers, to manage its exposure to fluctuations in market rates, and for proprietary trading. Most of the derivative transactions have been entered to hedge its interest rate positions, and proprietary trading is not a significant part of its business.

The DBS Group has established risk policies and limits, reporting lines and control procedures, to manage and control its derivative activities. Risk control functions are independent of the trading units.

37.2 The tables below analyse the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and non-trading purposes. In addition, they also set out the corresponding gross positive and negative balance sheet fair values of the trading derivative financial instruments by counterparties to reflect the underlying credit risk of these counterparties. In the financial accounts, derivative financial instruments are revalued on a net position basis and the unrealised gains or losses are reflected in 'other assets' or 'other liabilities'.

DBS Bank In S\$'000	1998				1997			
	Non Trading	Trading			Non Trading	Trading		
	Underlying Principal	Underlying Principal	Year-end Positive Fair Value	Year-end Negative Fair Value	Underlying Principal	Underlying Principal	Year-end Positive Fair Value	Year-end Negative Fair Value
Foreign Exchange (FX) Derivatives								
FX Forwards	-	1,929,242	58,461	18,856	-	1,924,629	100,645	49,519
FX swaps	17,624,486	6,584,049	194,735	244,715	21,862,640	7,695,047	974,826	874,244
Currency swaps	15,858	564,128	74,962	73,388	409,495	535,660	6,075	2,515
Currency futures	13,208	-	-	-	4,705	-	-	-
Currency options purchased	-	281,258	2,582	19,857	-	18,193	758	24
Currency options written	-	289,140	22,463	2,865	-	20,867	88	758
Sub-total	17,653,552	9,647,817	353,203	359,681	22,276,840	10,194,396	1,082,392	927,060
Interest Rate Derivatives								
Forward rate agreements	523,692	-	-	-	134,040	-	-	-
Interest rate swaps	4,314,646	2,305,688	30,160	30,895	2,543,803	508,222	5,545	6,117
Interest rate caps written	43,000	-	-	-	42,682	-	-	-
Sub-total	4,881,338	2,305,688	30,160	30,895	2,720,525	508,222	5,545	6,117
Total	22,534,890	11,953,505	383,363	390,576	24,997,365	10,702,618	1,087,937	933,177

DBS Group In S\$'000	1998				1997			
	Non Trading	Trading			Non Trading	Trading		
	Underlying Principal	Underlying Principal	Year-end Positive Fair Value	Year-end Negative Fair Value	Underlying Principal	Underlying Principal	Year-end Positive Fair Value	Year-end Negative Fair Value
Foreign Exchange (FX) Derivatives								
FX Forwards	228,219	2,996,660	68,012	18,856	46,525	1,924,629	100,645	49,519
FX swaps	17,830,973	6,611,505	199,794	245,527	22,619,708	7,695,047	974,826	874,244
Currency swaps	15,858	564,128	74,962	73,388	409,495	535,660	6,075	2,515
Currency futures	13,208	-	-	-	4,705	-	-	-
Currency options purchased	-	281,258	2,582	19,857	-	18,193	758	24
Currency options written	-	289,140	22,463	2,865	-	20,867	88	758
Sub-total	18,088,258	10,742,691	367,813	360,493	23,080,433	10,194,396	1,082,392	927,060
Interest Rate Derivatives								
Forward rate agreements	523,692	-	-	-	134,040	-	-	-
Interest rate swaps	4,352,838	2,305,688	30,160	30,895	2,548,340	508,222	5,545	6,117
Interest rate caps written	43,000	-	-	-	42,682	-	-	-
Sub-total	4,919,530	2,305,688	30,160	30,895	2,725,062	508,222	5,545	6,117
Total	23,007,788	13,048,379	397,973	391,388	25,805,495	10,702,618	1,087,937	933,177

38 Assets Pledged

The aggregate carrying amount of assets that have been mortgaged or pledged in the normal course of business to secure the liabilities of DBS Bank and of DBS Group at 31 December are as follows:

In S\$'000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Promissory notes endorsed to third parties	32,135	141,488	32,135	141,488
Securities sold under repurchase agreements	40,945	33,321	77,281	33,321
Other assets pledged	34,671	35,343	492,058	442,888
Total	107,751	210,152	601,474	617,697

39 Exposures to Malaysia, Indonesia, Thailand, Korea and The Philippines

DBS Group has exposures in certain countries in the Asia-Pacific region which continue to experience depressed economic conditions. The valuations and recoverability of these exposures at 31 December 1998 are based on conditions prevailing and information available at the date of these financial statements.

For the purposes of this disclosure, exposures to Malaysia, Indonesia, Thailand, Korea and the Philippines are determined based on the location of the credit risk of the customers and counterparties regardless of where the transactions are booked.

At 31 December 1998, the Group had assets, both cross-border and local, in Malaysia, Indonesia, Thailand, Korea and the Philippines (Regional Countries), amounting to S\$9,832 million (1997: S\$6,137 million).

The DBS Group's exposures to the Regional Countries at 31 December 1998 were as follows:

In S\$ million	Loans and debt securities			Investments	Total	Less: Loans to/ Investments in Financial Subsidiaries/ Overseas Branches	Net exposure	
	Bank	Central Banks & Govt. Securities	Non-Bank*				Amount	As a % of Total Assets
Assets In	(a)	(b)	(c)	(d)	(e)=(a+b+c+d)	(f)	(g)=(e-f)	(h)
Malaysia	833	8	752	46	1,639	745	894	1.0
Indonesia	332	91	573	37	1,033	193	840	0.9
Thailand (excluding TDB)	362	10	674	42	1,088	193	895	1.0
Korea	331	40	540	4	915	215	700	0.7
Philippines	418	8	329	78	833	280	553	0.6
Sub-total	2,277	157	2,869	206	5,508	1,626	3,882	4.2
TDB	127	696	5,029	105	5,957	7	5,950	6.0
Total	2,404	853	7,897	311	11,465	1,633	9,832	9.9

TDB-The Thai Danu Bank Public Company Limited

* Non-bank loans include loans to government and quasi-government entities

The DBS Group's exposures to the Regional Countries at 31 December 1997 were as follows:

In S\$ million	Loans and debt securities			Investments	Total	Less: Loans to/ Investments in Financial Subsidiaries/ Overseas Branches	Net exposure	
	Bank	Central Banks & Govt. Securities	Non-Bank*				Amount	As a % of Total Assets
Assets In	(a)	(b)	(c)	(d)	(e)=(a+b+c+d)	(f)	(g)=(e-f)	(h)
Malaysia	1,855	13	607	38	2,513	678	1,835	2.8
Indonesia	647	56	547	52	1,302	201	1,101	1.7
Thailand	1,064	8	836	40	1,948	347	1,601	2.5
Korea	416	-	879	-	1,295	165	1,130	1.7
Philippines	476	3	194	16	689	219	470	0.7
Total	4,458	80	3,063	146	7,747	1,610	6,137	9.4

* Non-bank loans include loans to government and quasi-government entities

40 Non-Performing Loans and Provisions

40.1 At 31 December 1998, the DBS Group's total non-performing loans amounted to S\$7,086.0 million (1997: S\$1,112.0 million). Non-performing loans are loans and debt instruments classified as Substandard, Doubtful and Loss in accordance with MAS Notice 612.

DBS Group, in consultation with the Monetary Authority of Singapore, made special general provisions on the performing loans to Regional Countries over and above the normal specific and general provisions. Total regional general provisions charged to the profit and loss account for 1998 amounted to S\$157.8 million (1997: S\$314.2 million). Including general provisions for regional loans set aside in previous years, as well as specific provisions made, total cumulative provisions amounted to S\$2,105.1 million at 31 December 1998 (1997: S\$445.7 million).

Details of DBS Group's NPLs and provisions made are as follows:

In S\$ million	Regional Countries			Total	
	Excluding TDB	Including TDB ^(b)	Singapore and Other Countries	Excluding TDB	Including TDB ^(a)
1998					
Non-Performing Loans (NPLs)^(b)	1,239.2	4,113.5	2,972.5	4,211.7	7,086.0^(c)
Substandard	865.4	1,203.6	2,595.5	3,460.9	3,799.1
Doubtful	130.4	875.3	76.1	206.5	951.4
Loss	243.4	2,034.6	300.9	544.3	2,335.5
NPLs as a % of:					
Total loans in the respective countries ^(b)	22.8%	36.4%	3.9%	5.2%	8.2%
Group total loans ^(b)	1.5%	4.8%	3.4%	5.2%	8.2%
Group total assets	1.3%	4.2%	3.2%	4.5%	7.2%
Total Cumulative Provisions	939.3	2,105.1	1,042.4	1,981.7	3,147.4
Specific provisions	477.9	1,566.6	465.1	943.0	2,031.7
General provisions	461.4	538.5	577.3	1,038.7	1,115.7
Total Cumulative Provisions as a % of:					
Total loans in the respective countries ^(b)	17.3%	18.6%	1.4%	2.5%	3.6%
Group total assets	1.0%	2.1%	1.1%	2.1%	3.2%
NPLs in the respective countries	76%	51%	35%	47%	44%
Unsecured NPLs in the respective countries	109%	100%	111%	110%	103%

In S\$ million	Regional Countries	Singapore and Other Countries	Total
1997			
Non- Performing Loans (NPLs)^(b)	365.6	746.4	1,112.0
Substandard	247.5	665.6	913.1
Doubtful	59.8	35.9	95.7
Loss	58.3	44.9	103.2
NPLs as a % of:			
Total loans in the respective countries ^(b)	5.4%	1.5%	1.9%
Group total loans ^(b)	0.6%	1.3%	1.9%
Group total assets	0.6%	1.1%	1.7%
Total Cumulative Provisions			
Specific provisions	104.3	74.6	178.9
General provisions	341.4	459.8	801.2
Total Cumulative Provisions as a % of:			
Total loans in the respective countries ^(b)	6.6%	1.0%	1.7%
Group total assets	0.7%	0.8%	1.5%
NPLs in the respective countries	122%	72%	88%
Unsecured NPLs in the respective countries	176%	156%	165%

(a) Include special general provisions for regional exposures and additional specific provisions for The Thai Danu Bank Public Company Limited (TDB)'s loans which are booked in Singapore.

(b) NPLs and total loans include loans to banks and classified contingent facilities.

(c) S\$4.0 billion were secured by collateral and S\$2.1 billion were non-defaulting but graded substandard.

40.2 A breakdown of DBS Group's NPLs to the Regional Countries is as follows:

In S\$ million	1998	1997
Malaysia	284.5	1.7
Indonesia	466.8	139.3
Thailand		
– excluding TDB	347.8	224.5
– TDB	2,874.3	N.A
Korea	11.5	0.1
Philippines	128.6	–
Total Regional NPLs	4,113.5	365.6

N.A - Not Applicable

41 Maturity Analysis of Lendings and Borrowings

The following tables show the breakdown by remaining period to maturity of lendings and borrowings at 31 December:

In S\$'000	DBS Bank					Total
	Repayable on demand	Less than 1 year	Over 1 year and less than 3 years	Over 3 years and less than 5 years	Over 5 years	
1998						
Balances, placements with,						
and loans to banks	–	18,658,090	400,725	149,500	51,265	19,259,580
Loans to, and bills receivable from						
non-bank customers	2,846,533	16,450,059	9,711,362	7,760,533	12,211,369	48,979,856
Deposits and balances of banks	(514,977)	(11,631,544)	(196)	–	–	(12,146,717)
Deposits and other accounts of						
non-bank customers	(40,804,344)	(24,861,916)	(204,916)	–	–	(65,871,176)
Debt securities in issue	–	(53,275)	(223,753)	–	–	(277,028)
Other borrowings	–	(27,166)	(129,109)	(36,515)	(138,465)	(331,255)
Total	(38,472,788)	(1,465,752)	9,554,113	7,873,518	12,124,169	(10,386,740)
1997						
Balances, placements with,						
and loans to banks	–	13,847,511	451,706	338,687	29,767	14,667,671
Loans to, and bills receivable from						
non-bank customers	3,608,620	14,622,061	5,625,711	5,124,291	7,999,859	36,980,542
Deposits and balances of banks	(232,855)	(20,097,095)	–	–	–	(20,329,950)
Deposits and other accounts of						
non-bank customers	(11,963,019)	(18,381,155)	(269,826)	–	–	(30,614,000)
Debt securities in issue	–	–	(152,056)	–	–	(152,056)
Other borrowings	–	(77,545)	(44,760)	(75,598)	(1,017,229)	(1,215,132)
Total	(8,587,254)	(10,086,223)	5,610,775	5,387,380	7,012,397	(662,925)

In S\$'000	DBS Group					Total
	Repayable on demand	Less than 1 year	Over 1 year and less than 3 years	Over 3 years and less than 5 years	Over 5 years	
1998						
Balances, placements with,						
and loans to banks	-	19,972,976	508,423	194,531	76,017	20,751,947
Loans to, and bills receivable from						
non-bank customers	3,687,691	19,135,132	11,020,077	9,097,055	13,275,439	56,215,394
Deposits and balances of banks	(531,837)	(11,981,859)	(104,575)	-	-	(12,618,271)
Deposits and other accounts of						
non-bank customers	(40,958,484)	(32,634,046)	(265,762)	-	-	(73,858,292)
Debt securities in issue	-	(53,275)	(318,463)	-	(103,390)	(475,128)
Other borrowings	-	(153,898)	(280,569)	(59,571)	(154,062)	(648,100)
Total	(37,802,630)	(5,714,970)	10,559,131	9,232,015	13,094,004	(10,632,450)
1997						
Balances, placements with,						
and loans to banks	-	15,310,864	566,035	369,101	46,355	16,292,355
Loans to, and bills receivable from						
non-bank customers	3,758,850	15,534,946	6,278,684	5,616,033	8,946,165	40,134,678
Deposits and balances of banks	(233,501)	(20,246,998)	-	-	-	(20,480,499)
Deposits and other accounts of						
non-bank customers	(12,002,910)	(21,269,041)	(285,055)	-	-	(33,557,006)
Debt securities in issue	-	-	(152,056)	(71,000)	-	(223,056)
Other borrowings	-	(201,818)	(157,383)	(238,557)	(1,027,454)	(1,625,212)
Total	(8,477,561)	(10,872,047)	6,250,225	5,675,577	7,965,066	541,260

42 Segment Analysis

Geographical analysis is based on the location of the bank, branch or office booking the assets or reporting the results. Analyses of the total assets, income before operating expenses and net profit attributable to members are by the following geographical areas:

- Singapore
- Other ASEAN
- Other Asia Pacific
- Rest of the World

In S\$'000	DBS Bank			DBS Group		
	Total assets (b)	Income before operating expenses	Net Profit attributable to members	Total assets	Income before operating expenses	Net Profit attributable to members
1998						
Singapore (a)	76,912	1,463	189	82,081	1,619	176
Other ASEAN (a)	971	21	(12)	7,103	123	(17)
Other Asia Pacific	5,455	98	37	5,512	115	39
Rest of the World	4,279	47	25	4,279	49	25
Total	87,617	1,629	239	98,975	1,906	223
1997						
Singapore (a)	45,527	1,168	373	51,363	1,326	395
Other ASEAN (a)	1,081	19	6	1,329	33	8
Other Asia Pacific	8,239	76	22	8,309	108	32
Rest of the World	4,149	42	1	4,150	45	1
Total	58,996	1,305	402	65,151	1,512	436

(a) Singapore includes the operations of the Asian Currency Unit.

Special general provisions for regional exposures and additional specific provisions for TDB's loans are booked in Singapore. Results for 1998 include profit after tax of S\$42 million (after netting off restructuring costs of S\$60 million) as a result of the acquisition of POSBank.

(b) Excludes investments in, and amounts owing by, subsidiary companies.

43 Net Current Assets and Liabilities

Set out below are the net current assets and liabilities of DBS Bank and DBS Group. This disclosure has been included to comply with Ninth Schedule of the Companies Act:

In S\$ '000	DBS Bank		DBS Group	
	1998	1997	1998	1997
Current Assets				
Cash, and balances and placements				
with central banks	8,448,667	1,389,247	8,720,463	1,533,188
Singapore Government securities				
and treasury bills	6,703,713	2,409,328	6,949,915	2,529,161
Trading securities	1,935,658	1,425,686	2,733,092	1,509,624
Balances, placements with, and loans				
and advances to banks	18,658,090	13,847,511	19,972,976	15,310,864
Bills receivable from non-bank customers	1,713,894	1,177,337	2,056,912	1,249,804
Loans and advances to non-bank customers	17,582,698	17,053,344	20,765,912	18,043,992
Other assets	780,706	832,350	1,265,234	1,286,344
Total current assets	55,823,426	38,134,803	62,464,504	41,462,977
Current Liabilities				
Deposits and balances of banks	12,146,717	20,329,950	12,618,271	20,480,499
Deposits and other accounts of				
non-bank customers	65,666,260	30,344,174	73,592,530	33,271,951
Other debts securities in issue	53,275	–	53,275	–
Other borrowings	27,166	77,545	153,898	201,818
Bills payable	356,805	685,429	366,010	685,763
Other liabilities	1,401,783	704,935	1,750,734	1,149,525
Current taxation	81,962	62,439	108,144	94,793
Proposed dividends	81,358	52,747	81,358	52,747
Total current liabilities	79,815,326	52,257,219	88,724,220	55,937,096
Net current liabilities	(23,991,900)	(14,122,416)	(26,259,716)	(14,474,119)

44 Subsequent Events

- 44.1 Subsequent to the financial year end, DBS Bank has made a voluntary offer ('the offer') to acquire the entire issued share capital of Kwong On Bank Limited, a bank incorporated in Hong Kong. The offer will be made via DBS Bank's wholly-owned subsidiary DBS Group Holdings (Hong Kong) Ltd. DBS Bank has received irrevocable undertakings in respect of 65% of Kwong On Bank Limited, a bank incorporated in Hong Kong, from certain shareholders to accept the offer.
- 44.2 Subsequent to the financial year end, The Thai Danu Bank Public Company Limited (TDB) has proposed a capital raising exercise to raise between Baht 12 billion and Baht 17 billion consisting of a rights issue of shares, an issue of Capital Augmented Preferred Shares ('CAPS') to be placed in Thailand, and a CAPS with a convertible feature to be placed to DBS Bank. The rights issue and the two CAPS issues are subject to regulatory approvals and the approval of shareholders at the forthcoming shareholders' meeting on 8 April 1999. The increase in DBS Bank's shareholding in TDB is subject to the approval of the relevant regulatory authorities.
- 44.3 Subsequent to the financial year end, TDB has proposed a change in its name to DBS Thai Danu Bank Public Company Limited.

45 Comparative Figures

Certain figures have been restated to conform with the current year's presentation.

Directors' Report

The Directors herewith submit their report to the Members together with the audited financial statements of DBS Bank and of DBS Group for the financial year ended 31 December 1998 which have been prepared in accordance with the provisions of the Companies Act and Statements of Accounting Standard, with certain modifications and exceptions as have been determined by The Monetary Authority of Singapore.

Directors

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

S. Dhanabalan	Chairman (appointed on 9 May 1998)
John T. Olds	Vice Chairman & Chief Executive Officer (appointed on 11 August 1998)
Alan Chan Heng Loon	
Bernard Chen Tien Lap	
Timothy William Faithfull	
Fock Siew Wah	(appointed on 16 June 1998)
Robert Montgomery Howe	
Tommy Koh Thong-Bee	
Lau Chan Sin	
Moses Lee Kim Poo	(appointed on 13 January 1999)
Ng Kee Choe	
Yeo Ning Hong	

In accordance with Article 95 of DBS Bank's Articles of Association, Mr Bernard Chen Tien Lap and Professor Tommy Koh Thong-Bee will retire and, being eligible, will offer themselves for re-election pursuant to Article 96.

In accordance with Article 74(b) of DBS Bank's Articles of Association, Mr S. Dhanabalan, Mr John T. Olds, Mr Fock Siew Wah and Mr Moses Lee Kim Poo will retire and, being eligible, will offer themselves for re-election.

Principal Activities

The principal activities of DBS Bank and of DBS Group consist of the business of banking and financing, the provision of mortgage financing, lease and hire purchase financing, corporate advisory services, nominee and trustee services, funds management services, stockbroking, primary dealership in Singapore Government securities, merchant banking, factoring, credit card and venture capital operations, and other financial services. There have been no significant changes in the nature of these activities during the financial year.

Acquisition or Disposal of Subsidiaries

The Thai Danu Bank Public Company Limited (TDB) and Thai Danu-DBS Company Ltd (TDDBS)

On 11 March 1998, DBS Bank increased its equity stake in TDB to 50.27%, making it a partly-owned subsidiary of DBS Bank, for a total cash consideration of Baht 5,359,997,000. Including the investment cost of Baht 363,604,840 originally held, the total investment cost in TDB amounted to Baht 5,723,601,840. The net attributable tangible assets of TDB as at the date of acquisition, after adjustment by DBS Bank to take into account additional provisions on non performing loans, were written down to zero. TDB has a 51.0% equity interest in Thai Danu-DBS Company Ltd (TDDBS), which is in turn 49.0% owned by DBS Bank. With the acquisition, the DBS Group's effective equity interest in TDDBS is 74.64%.

DBS Thai Danu Securities Limited (DBSTDS) - (formerly known as Sri Dhana DBS Securities Company Limited)

On 15 June 1998, TDB acquired a 99.99% equity stake in DBSTDS for a total consideration of Baht 252,000,000. The net attributable tangible assets of DBSTDS as at the date of acquisition were Baht 13,936,282. Subsequently, on 28 August 1998, DBS Securities Holding Pte Ltd (DBSSH), a wholly-owned subsidiary of DBS Bank, acquired from TDB, a 49.0% equity stake in DBSTDS by paying its proportionate share of the total consideration. With the acquisition, the DBS Group's effective equity stake in DBSTDS is 74.63%.

IBEXCo Pte Ltd (IBEXCo)

On 19 June 1998, IBEXCo was incorporated as a wholly-owned subsidiary of DBS Computer Services Pte Ltd (DCS), which is in turn wholly-owned by DBS Bank. The authorised capital of IBEXCo is S\$5,000,000 divided into 5,000,000 shares of par value S\$1.00 each. The issued and paid-up share capital of IBEXCo on incorporation was S\$2.00 comprising 2 ordinary shares of par value S\$1.00 each.

DBS Forex Centre Philippines, Inc. (DBSFX)

On 24 August 1998, DBSFX was incorporated as a wholly-owned subsidiary of DBS Bank. The authorised share capital of DBSFX is Peso 32,000,000 divided into 320,000 ordinary shares of par value Peso 100 each. The issued and paid-up share capital of DBSFX on incorporation was Peso 8,330,000 comprising 83,300 ordinary shares of par value Peso 100 each.

DBS Bank Philippines, Inc. (DBSP) – (formerly known as Bank of Southeast Asia, Inc.) and DBS Savings Bank Philippines, Inc. – (formerly known as BSA Savings Bank, Inc.)

On 31 August 1998, DBS Bank acquired a 60.0% equity stake in DBSP via the purchase of 4,275,000 existing shares and the subscription of 11,963,480 new shares for a total consideration of Peso 1,192,179,230. The net attributable tangible assets of DBSP as at the date of acquisition were Peso 823,636,490.

As part of the acquisition process, the operations of the Manila Branch of DBS Bank were merged with DBSP following a transfer of its business undertaking to DBSP. DBSP also acquired the remaining 27.8% of the issued share capital of BSA Savings Bank, Inc. for a consideration of Peso 23,455,055, via the issue of 850,653 new shares, making it a wholly-owned subsidiary of DBSP. The net attributable tangible assets of BSA Savings Bank, Inc. as at the date of acquisition were Peso 64,340,850. BSA Savings Bank, Inc. has been renamed DBS Savings Bank Philippines, Inc.

POSB Computer Services Private Limited (PCS) and Credit POSB Pte Ltd (CPPL)

On 16 November 1998, DBS Bank acquired the business undertakings of The Post Office Savings Bank Of Singapore (POSB) and Credit POSB Pte Ltd, a wholly-owned subsidiary of POSB (collectively referred to as POSBank) for a consideration of S\$1.6 billion. Included in the acquisition is a wholly-owned subsidiary of POSB, POSB Computer Services Private Limited (PCS). The net attributable tangible assets of POSBank and PCS as at the date of acquisition were S\$1,163,985,146.

DBS Group Holdings (Hong Kong) Ltd (DBSHK)

On 2 December 1998, DBS Group Holdings (Hong Kong) Ltd was incorporated as a wholly-owned subsidiary of DBS Bank. The authorised capital is HK\$100,000 divided into 1,000,000 shares of par value HK\$0.10 each.

The results of the newly acquired and incorporated subsidiaries have been consolidated in the financial statements of DBS Group from the date they became subsidiaries. In the case of POSBank, all profits and losses relating to the business undertakings accruing on or after 1 July 1998 accrued to DBS Bank and were therefore consolidated in the DBS Group's Profit and Loss Account from that date onwards.

Save as aforesaid, there have been no other acquisition or disposal of subsidiaries during the financial year.

Results for the Financial Year 1998

	DBS Bank (S\$'000)	DBS Group (S\$'000)
Net profit before taxation	300,888	155,275
Less: Taxation	61,900	72,084
Net profit after taxation	238,988	83,191
Less: Minority interests	-	(139,557)
Net profit attributable to members	238,988	222,748
Add: Unappropriated profit brought forward	2,370,745	2,822,295
	2,609,733	3,045,043
Add: Writeback of excess provision for preferential dividend in previous year	696	696
Less: Dividend on ordinary shares paid less income tax	412	412
Goodwill arising from acquisitions of subsidiary companies and business undertakings	506,530	527,399
Transfer to General Reserve	59,750	65,984
	(565,996)	(593,099)
Amount available for distribution	2,043,737	2,451,944
Less: Interim dividend on ordinary shares of 9% less income tax	61,630	61,630
Proposed preferential dividend on non-redeemable convertible preference shares of 1.5% less income tax	4,574	4,574
Proposed final dividend on non-voting convertible preference shares of 9% less income tax	14,969	14,969
Proposed final dividend on ordinary shares of 9% less income tax	61,815	61,815
Unappropriated profit carried forward	1,900,749	2,308,956

Transfers to/(from) Other Reserves

	DBS Bank (S\$'000)	DBS Group (S\$'000)
Balance of Reserves at 1 January 1998	3,018,428	3,136,005
Share Premium Account		
Amount capitalised by way of bonus issue of shares	(70,811)	(70,811)
Rights issue of shares	857,192	857,192
Issue of non-voting convertible preference shares	1,375,235	1,375,235
Conversion of non-redeemable convertible preference shares (DBS CPS) to ordinary shares and additional ordinary shares subscribed by converting DBS CPS holders	111,677	111,677
Expenses arising from bonus issue and rights issue of shares	(5,186)	(5,186)
Capital Reserve		
Exchange translation adjustments	(9,793)	(12,691)
Goodwill arising from acquisitions of subsidiary companies and business undertakings	(214,704)	(202,513)
General Reserve		
Appropriation from profit and loss account	59,750	65,984
Balance of Reserves at 31 December 1998	5,121,788	5,254,892

Share and Debenture Issues

During the financial year:

- (a) DBS Bank issued 12,961,675 ordinary shares of par value S\$1.00 each, fully paid in cash upon the conversion of DBS CPS to ordinary shares. In accordance with the deed poll dated 15 June 1993, the conversion price for DBS CPS of S\$10.32 per ordinary share was adjusted to S\$9.03 per ordinary share on 4 April 1998 as a result of bonus and rights issues.
- (b) DBS Bank issued 100,636 ordinary shares of par value S\$1.00 each, fully paid in cash upon the subscription for additional ordinary shares by converting DBS CPS holders.
- (c) DBS Bank issued 70,811,271 ordinary shares of par value S\$1.00 each, fully paid by way of a bonus issue of one new ordinary share for every ten existing ordinary shares held by the shareholders of DBS Bank.
- (d) Pursuant to a Prospectus dated 3 April 1998, DBS Bank issued 141,625,977 ordinary shares of par value S\$1.00 each, fully paid in cash by way of a rights issue of one new ordinary share for every five existing ordinary shares held by the shareholders of DBS Bank registered on 3 April 1998. The new shares were issued at a price of S\$8.50 per share for holders of shares which were held by or in the beneficial ownership or control of persons whose shareholdings fell within the meaning of 'foreign shareholdings', as defined in Article 22(c)(iii) of the Articles of Association of DBS Bank and at a price of S\$6.00 per share for other shareholders of DBS Bank. The purpose of the rights issue was for business expansion.
- (e) DBS Bank issued 224,764,875 new non-voting convertible preference shares of par value S\$1.00 each, at the agreed blended price for DBS Bank Local and Foreign ordinary shares of S\$7.11855 per share as consideration for the purchase of the business undertakings of POSBank.

The following subsidiaries issued shares as stated below:

(a) **DBS Finance Ltd (DBSF)**

On 2 January 1998, DBSF increased its issued and paid-up share capital by 115,000,000 ordinary shares of S\$1.00 each at par, fully paid in cash to support its operations.

(b) **PT Bank DBS Buana (PTBDB)**

On 3 August 1998, PTBDB increased its issued and paid-up share capital by 340 ordinary shares of Rupiah 50 million each at par, through the re-capitalisation of final dividends paid for the financial year ended 31 December 1997 to support its operations.

(c) **DBS Forex Centre Philippines, Inc. (DBSFX)**

On 24 August 1998, DBSFX issued 83,300 ordinary shares of Peso 100 each at par, fully paid in cash on incorporation and to support its operations.

(d) **IBEXCo Pte Ltd (IBEXCo)**

On 19 June 1998, IBEXCo issued 2 ordinary shares of S\$1.00 each at par, fully paid in cash on incorporation. On 25 September 1998, IBEXCo further issued 3,999,998 ordinary shares of S\$1.00 each at par, of which 3,759,998 were allotted as fully paid in cash, while 240,000 were allotted to Lyrehc International Pte Ltd in consideration of the grant of a software license by Lyrehc International Pte Ltd to IBEXCo. Upon subscription of the 3,759,998 new ordinary shares issued, IBEXCo became a 51% owned subsidiary of DBS Computer Services Pte Ltd, which is in turn wholly-owned by DBS Bank.

(e) **DBS Bank Philippines, Inc. (DBSP)**

On 31 August 1998, DBSP issued 11,963,480 ordinary shares of Peso 100 each at par, fully paid in cash in relation to the acquisition of a 60.0% equity interest in DBSP by DBS Bank.

No debentures were issued during the financial year.

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year, was DBS Bank a party to any arrangement, the object of which is to enable the Directors to acquire benefits through the acquisition of shares in or debentures of DBS Bank or any other body corporate save as disclosed in this report under the headings 'Directors' Interest in Shares and Debentures' and 'Share Options'.

Directors' Interest in Shares and Debentures

According to the register of Directors' shareholdings kept pursuant to Section 164 of the Companies Act, the undermentioned persons were Directors of DBS Bank at the end of the financial year and their interests in shares in DBS Bank were as follows:

	Number of shares in which Directors have a direct interest		Number of shares in which Directors are deemed to have an interest	
	As at 31.12.98	As at 1.1.98 or date of appointment	As at 31.12.98	As at 1.1.98 or date of appointment
Ordinary Shares of par value S\$1.00 each				
S. Dhanabalan	–	–	23,800	18,000
Ng Kee Choe	47,637	36,372	–	–
Lau Chan Sin	483	372	–	–
Timothy William Faithfull	2,000 (F)	–	–	–
Robert Montgomery Howe	15,000 (F)	–	–	–
Tommy Koh Thong-Bee	4,000	–	–	–
Non-redeemable Convertible Preference Shares of par value S\$2.00 each				
S. Dhanabalan	–	–	28,000	28,000
Ng Kee Choe	40,000	40,000	–	–
Unissued Ordinary Shares of par value S\$1.00 each under the Option Scheme				
Ng Kee Choe	552,480*	420,000	–	–
Lau Chan Sin	391,760*	290,000	–	–

* After adjustment as a result of bonus and rights issues by DBS Bank.

(F) DBS foreign shares

Dividends

Dividends paid or proposed since the end of DBS Bank's last financial year 1997 were as follows:

	(\$)
(a) in respect of the financial year ended 31 December 1997:	
a preferential dividend on DBS CPS of 1.5% less income tax	
as proposed in the Directors' Report for that year	5,951,457
writeback of excess provision in the 1997 financial statements arising from conversion of DBS CPS to ordinary shares	(695,722)
a second and final dividend of 9% less income tax on ordinary shares	
as proposed in the Directors' Report for that year	46,796,330
not provided for in the 1997 financial statements arising from shares issued upon the exercise of options under the Option Scheme, conversion of DBS CPS to ordinary shares and subscription for additional ordinary shares by converting DBS CPS holders	411,891
(b) in respect of the financial year ended 31 December 1998:	
an interim dividend on ordinary shares of 9% less income tax	61,629,605
a proposed preferential dividend on DBS CPS of 1.5% less income tax	4,573,920
a proposed final dividend on non-voting convertible preference shares of 9% less income tax	14,969,341
a proposed final dividend on ordinary shares of 9% less income tax	61,814,600

Bad and Doubtful Debts

Before the profit and loss account and balance sheet of DBS Bank were made out, so far as debts owing to DBS Bank are concerned, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of and provision for bad and doubtful debts and have satisfied themselves that all known bad debts have been written off and that, where necessary, adequate provision has been made for doubtful debts. In addition, as part of prudent banking practice and in consultation with the Monetary Authority of Singapore, special general provisions, over and above the normal specific and general provisions have been made for the DBS Group's exposure to the regional countries, namely, Malaysia, Indonesia, Thailand, Korea and the Philippines. These special general provisions are of a precautionary nature and will provide a buffer against a possible further deterioration in the quality of regional loans.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off or provided for bad and doubtful debts in the financial statements of DBS Bank and of DBS Group inadequate to any substantial extent.

Current Assets

Before the profit and loss account and balance sheet of DBS Bank were made out, the Directors took reasonable steps to ensure that any current assets of DBS Bank which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provision has been made for the diminution in values of such current assets.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of DBS Bank and of DBS Group misleading.

Charges and Contingent Liabilities

At the date of this report:

- (a) no charge on the assets of DBS Bank or of DBS Group has arisen since the end of the financial year which secures the liabilities of any other person, and
- (b) no contingent liability of DBS Bank or of DBS Group has arisen since the end of the financial year other than those normally undertaken in the course of the activities of DBS Bank or of DBS Group.

Ability to Meet Obligations

No contingent or other liability has become enforceable or is 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 substantially affect the ability of DBS Bank and of DBS Group to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of DBS Bank and of DBS Group which would render any amounts stated in the financial statements of DBS Bank and of DBS Group misleading.

Unusual Items

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has:

- (a) substantially affected the results of the operations of DBS Bank and of DBS Group during the financial year, and
- (b) arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of DBS Bank and of DBS Group for the financial year in which this report is made.

Directors' Contractual Benefits

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 201(8) of the Companies Act save as disclosed in this report or in the financial statements of DBS Bank and of DBS Group.

Share Options

The DBS BANK SHARE OPTION SCHEME (the Option Scheme) was approved by the shareholders of DBS Bank at its Annual General Meeting held on 8 May 1990.

Particulars of the Options granted under the Option Scheme in 1994, 1995, 1996 and 1997 (herein called the '1994 Options', '1995 Options', '1996 Options' and '1997 Options' respectively) and adjustments made pursuant to the Scheme have been set out in the Directors' Reports for the years ended 31 December 1994 to 1997.

In accordance with the provisions of the Option Scheme, the number of unissued ordinary shares of par value S\$1.00 each and the subscription price for each ordinary share have been adjusted with effect from 4 April 1998, as a result of bonus and rights issues by DBS Bank as follows :

	Number of unissued ordinary shares before adjustment	Number of unissued ordinary shares after adjustment	Subscription price per ordinary share before adjustment	Subscription price per ordinary share after adjustment
1994 Options	1,915,000	2,190,760	S\$11.27	S\$9.86
1995 Options	2,196,000	2,512,224	S\$10.23	S\$8.95
1996 Options	2,503,000	2,863,432	S\$9.63	S\$8.42
1997 Options	3,338,000	3,818,672	S\$8.75	S\$7.65
	<u>9,952,000</u>	<u>11,385,088</u>		

During the financial year, in consideration of the payment of S\$1.00 for each option granted, options in respect of 2,229,000 unissued ordinary shares of par value of S\$1.00 each in DBS Bank (1998 Options) were granted pursuant to the Option Scheme, to 133 full-time executives of DBS Bank of the rank of Vice-President (or equivalent) and above, including two options totalling 132,000 unissued ordinary shares granted to executive directors Mr Ng Kee Choe and Mr Lau Chan Sin.

Statutory and other information regarding the 1998 Options are as follows:

- (a) The date of expiration of the 1998 Options is 7 April 2003 unless any such Option has lapsed by reason of Rule 4 of the Option Scheme relating to the cessation of employment of the participant or the happening of any event which results in his being deprived of the legal or beneficial ownership of such an Option, after the grant of an Option.
- (b) The participant may exercise his Option, in whole or in part, after the first, but before the fifth, anniversary of the date of grant of the Option, by notice in writing to DBS Bank accompanied by a remittance for the Aggregate Subscription Cost.
- (c) The Subscription Price for each share in respect of which an Option is exercisable is the average of the last dealt price for the share, as determined by reference to the daily official list published by the Stock Exchange of Singapore Ltd for the three consecutive market days preceding the date of grant.
- (d) The number of shares which may be acquired by a participant, or the Subscription Price or both, are subject to adjustment in accordance with Rule 8 of the Option Scheme upon the written confirmation of the auditors of DBS Bank that such adjustment is fair and reasonable, by reason of any variation in the issued share capital of DBS Bank (whether by way of an increase, reduction, sub-division or consolidation) whilst an Option remains unexercised.
- (e) The persons to whom the Options have been granted do not have the right to participate, by virtue of the Options, in any share issue of any other company.

Save as disclosed in this report under the heading 'Share and Debenture Issues', no shares of DBS Bank were issued during the financial year to which this report relates by virtue of the exercise of the Options to take up unissued ordinary shares of DBS Bank, whether granted before or during the financial year.

At the end of the financial year, unissued ordinary shares of par value S\$1.00 each of DBS Bank under the Options were as follows:

	Number of unissued ordinary shares	Subscription price per ordinary share	Date of expiration of the Options
1994 Options	2,190,760	S\$9.86	13 May 1999
1995 Options	2,512,224	S\$8.95	10 May 2000
1996 Options	2,863,432	S\$8.42	8 May 2001
1997 Options	3,818,672	S\$7.65	5 May 2002
1998 Options	2,229,000	S\$8.07	7 April 2003
	<u>13,614,088</u>		

Other than the DBS BANK SHARE OPTION SCHEME as disclosed herein, there were no outstanding options granted by DBS Bank.

Audit Committee

The Audit Committee ('Committee') as at the date of this report comprises non-executive directors Mr Bernard Chen Tien Lap, Mr Alan Chan Heng Loon and Professor Tommy Koh Thong-Bee, and executive director Mr Lau Chan Sin. The Committee carried out its functions in accordance with Section 201B(5) of the Companies Act which included a review of the financial statements of DBS Bank and of DBS Group for the financial year and the auditors' report thereon.

The Committee has nominated Price Waterhouse for re-appointment as auditors by shareholders for the ensuing financial year.

Auditors

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

On behalf of the Directors

S. Dhanabalan

John T. Olds

8 March 1999

Singapore

Statement by the Directors

We, S. Dhanabalan and John T. Olds, two of the Directors of The Development Bank of Singapore Ltd, state that, in the opinion of the Directors, the profit and loss account, balance sheet and the cash flow statement together with the notes thereon as set out on pages 55 to 98, are drawn up so as to give a true and fair view of the state of affairs of DBS Bank and of DBS Group, consisting of DBS Bank and its Subsidiaries, at 31 December 1998, the results of the business of DBS Bank and of DBS Group and the cash flows of DBS Group for the financial year ended on that date and there are reasonable grounds to believe that DBS Bank and DBS Group will be able to pay their debts as and when they fall due.

On behalf of the Directors

S. Dhanabalan

John T. Olds

8 March 1999

Singapore

Report of the Auditors

To the Members of The Development Bank of Singapore Ltd (Incorporated in Singapore)

We have audited the financial statements of DBS Bank and the consolidated financial statements of DBS Group set out on pages 55 to 98, comprising the balance sheet of DBS Bank and of DBS Group as at 31 December 1998, the profit and loss account of DBS Bank and DBS Group and cash flow statement of DBS Group for the year ended 31 December 1998, and notes thereto. These financial statements are the responsibility of DBS Bank's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act and Statements of Accounting Standard, except for the application of equity accounting for associated companies required under Statement of Accounting Standard No 27 which will be implemented in 1999 as allowed by Notice 608 issued by The Monetary Authority of Singapore, and so as to give a true and fair view of:
 - (i) the state of affairs of DBS Bank and of DBS Group as at 31 December 1998 and of the results of DBS Bank and of DBS Group and the cash flows of DBS Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records, and the registers required by the Act to be kept by DBS Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

In view of the continuing volatile economic environment presently experienced by certain countries in the Asia Pacific region, we draw your attention to Notes 39 and 40 to the financial statements which provide further information on the extent of DBS Group's exposure to these countries and the basis upon which provisions have been made. This is not a qualification to our audit opinion.

We have considered the financial statements and auditors' reports of:

- (1) the subsidiary The Thai Danu Bank Public Company Limited of which we have not acted as auditors; and
- (2) all other subsidiaries which have been audited by our associated firms,

being financial statements included in the consolidated financial statements. Details of these subsidiaries are disclosed in Note 32.2 to the financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification which is material in relation to the DBS Group financial statements and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

Price Waterhouse

Certified Public Accountants

8 March 1999

Singapore

Ten-Year Summary of Operations of DBS Bank

	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Income (\$\$ millions)										
Net profit before taxation	300.9	474.2	753.4	682.4	585.5	510.2	382.7	370.4	334.6	306.9
Net profit after taxation	239.0	401.6	604.5	533.8	462.6	395.3	294.6	278.4	233.2	211.7
Selected Balance Sheet Data										
Assets (\$\$ millions)										
Total assets	89,308.1	60,589.1	51,613.0	45,301.1	41,631.7	38,079.5	35,289.5	31,241.5	30,519.0	28,764.1
Non-bank customer loans and advances including bills	48,979.9	36,980.5	28,463.8	23,773.6	19,917.2	16,452.2	14,254.3	11,882.3	10,532.2	7,798.2
Investment in quoted and unquoted securities and shares	9,204.0	4,553.1	4,977.9	4,543.1	3,828.1	3,923.7	3,947.7	3,099.9	2,460.9	1,961.8
Liabilities (\$\$ millions)										
Deposits and other accounts of non-bank customers	65,871.2	30,614.0	27,626.0	25,379.5	23,095.7	22,908.8	23,339.1	21,038.3	18,498.3	16,910.4
Total deposits	78,017.9	50,910.6	42,102.8	36,825.0	33,860.9	31,481.1	29,026.4	24,554.5	24,563.0	23,628.3
Borrowings and debt securities	608.3	1,367.2	1,180.6	1,024.5	940.6	539.3	679.8	748.1	976.2	1,036.4
Capital and Reserves (\$\$ millions)										
Paid-up non-redeemable, convertible preference share capital	412.1	536.2	656.0	604.5	461.6	251.6	-	-	-	-
Paid-up non-voting, convertible preference share capital	224.8	-	-	-	-	-	-	-	-	-
Issued and paid-up ordinary share capital	928.1	702.6	690.6	675.2	663.4	654.3	522.1	522.1	474.2	431.1
Ordinary shareholders' funds	6,575.4	6,091.8	5,707.5	5,039.3	4,472.8	4,001.2	3,699.4	3,478.1	2,777.7	2,598.7
Total (ordinary and preference) shareholders' funds	8,587.5	6,628.0	6,363.5	5,643.7	4,934.4	4,252.8	3,699.4	3,478.1	2,777.7	2,598.7
Financial Ratios										
Dividend cover for ordinary shares (number of times)	1.78	4.25	7.31	6.65	5.92	5.71 ³	4.93	5.02	4.45	4.52
Adjusted gross dividends per ordinary share ² (\$\$)	0.18	0.16	0.14	0.14	0.14	0.13 ³	0.11	0.11	0.11	0.10
Adjusted earnings per ordinary share after tax ² (\$\$)	0.25	0.49	0.75	0.68	0.61	0.52	0.39	0.38	0.34	0.30
Net tangible asset backing per ordinary share ¹ (\$\$)	7.08	7.50	7.15	6.46	5.83	5.30	4.91	4.61	3.98	3.72
Return (after tax) on average total shareholders' funds (%)	3.08	6.18	10.08	10.08	10.07	9.92	8.21	8.90	8.67	8.56
Total shareholders' funds to Total assets	0.10	0.11	0.12	0.12	0.12	0.11	0.10	0.11	0.09	0.09
US\$/S\$ exchange rate as at 31 December	1.65	1.68	1.40	1.41	1.46	1.61	1.64	1.63	1.74	1.90

Notes

- 1 Net tangible asset backing per ordinary share has been adjusted for bonus issues in 1990, 1993 and 1998, and rights issues in 1991 and 1998.
- 2 Gross dividends per share and earnings per share after tax have been adjusted for bonus issues in 1990, 1993 and 1998, and rights issues in 1991 and 1998.
- 3 Dividends exclude the special tax-exempt bonus dividend of S5 cents per share.

Ten-Year Summary of Operations of DBS Group

	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Income (\$\$ millions)										
Net profit before taxation	155.3	523.9	836.1	766.6	687.4	621.5	429.1	421.7	404.2	359.7
Net profit after taxation attributable to members	222.7	436.4	669.5	594.6	532.9	467.9	328.4	315.3	286.3	250.3
Selected Balance Sheet Data										
Assets (\$\$ millions)										
Total assets	98,975.3	65,151.3	55,737.6	49,186.5	45,188.6	41,607.0	38,172.6	34,046.7	33,568.5	31,589.5
Non-bank customer loans and advances including bills	56,215.4	40,134.7	31,012.7	26,171.8	22,055.3	18,257.4	15,752.6	13,167.8	11,812.8	8,898.0
Investment in quoted and unquoted securities and shares	10,403.4	4,869.4	5,276.2	4,831.4	4,097.5	4,286.0	4,282.5	3,416.0	2,785.8	2,324.4
Liabilities (\$\$ millions)										
Deposits and other accounts of non-bank customers	73,858.3	33,557.0	30,599.9	28,128.5	25,574.2	24,968.0	25,221.1	23,302.2	20,555.8	18,881.2
Total deposits	86,476.6	54,004.2	45,141.5	39,825.7	36,513.6	33,712.0	31,378.7	27,060.8	27,085.8	25,860.4
Borrowings and debt securities	1,123.2	1,848.3	1,660.7	1,288.1	1,199.6	808.4	909.1	1,023.9	1,223.9	1,199.5
Capital and Reserves (\$\$ millions)										
Paid-up non-redeemable, convertible preference share capital	412.1	536.2	656.0	604.5	461.6	251.6	-	-	-	-
Paid-up non-voting, convertible preference share capital	224.8	-	-	-	-	-	-	-	-	-
Issued and paid-up ordinary share capital	928.1	702.6	690.6	675.2	663.4	654.3	522.1	522.1	474.2	431.1
Ordinary shareholders' funds	7,116.8	6,660.9	6,243.1	5,510.8	4,887.8	4,348.1	3,973.5	3,713.2	2,977.1	2,746.3
Total (ordinary and preference) shareholders' funds	9,128.8	7,197.1	6,899.0	6,115.3	5,349.4	4,599.6	3,973.5	3,713.2	2,977.1	2,746.3
Financial Ratios										
Dividend cover for ordinary shares (number of times)	1.65	4.62	8.11	7.41	6.83	6.77 ¹	5.50	5.69	5.47	5.34
Adjusted gross dividends per ordinary share ² (\$\$)	0.18	0.16	0.14	0.14	0.14	0.13 ³	0.11	0.11	0.11	0.10
Adjusted earnings per ordinary share after tax ² (\$\$)	0.23	0.54	0.84	0.76	0.69	0.62	0.44	0.43	0.41	0.36
Net tangible asset backing per ordinary share ¹ (\$\$)	7.67	8.20	7.82	7.06	6.38	5.76	5.27	4.92	4.27	3.94
Return (after tax) on average total shareholders' funds (%)	2.68	6.19	10.30	10.36	10.71	10.89	8.54	9.43	10.01	9.55
Total shareholders' funds to Total assets	0.09	0.11	0.12	0.12	0.12	0.11	0.10	0.11	0.09	0.09
US\$/S\$ exchange rate as at 31 December	1.65	1.68	1.40	1.41	1.46	1.61	1.64	1.63	1.74	1.90

Notes

- 1 Net tangible asset backing per ordinary share has been adjusted for bonus issues in 1990, 1993 and 1998, and rights issues in 1991 and 1998.
- 2 Gross dividends per share and earnings per share after tax have been adjusted for bonus issues in 1990, 1993 and 1998, and rights issues in 1991 and 1998.
- 3 Dividends exclude the special tax-exempt bonus dividend of S5 cents per share.

Share Price and Monthly Turnover

	1998	1997	1996	1995	1994
Chart: Ordinary Shares – Local Tranche¹					
Share Prices (S\$)					
Highest	10.20	9.24	9.50	9.50	10.97
Lowest	3.54	7.30	7.47	8.03	8.73
Last done	8.00	8.90	7.86	8.98	9.16
Average	6.95	8.06	8.17	8.52	9.65
Gross dividend yield (%) ²	2.59	1.93	1.69	1.62	1.43
Price-earnings ratio ²	30.34	14.93	9.73	11.21	13.99

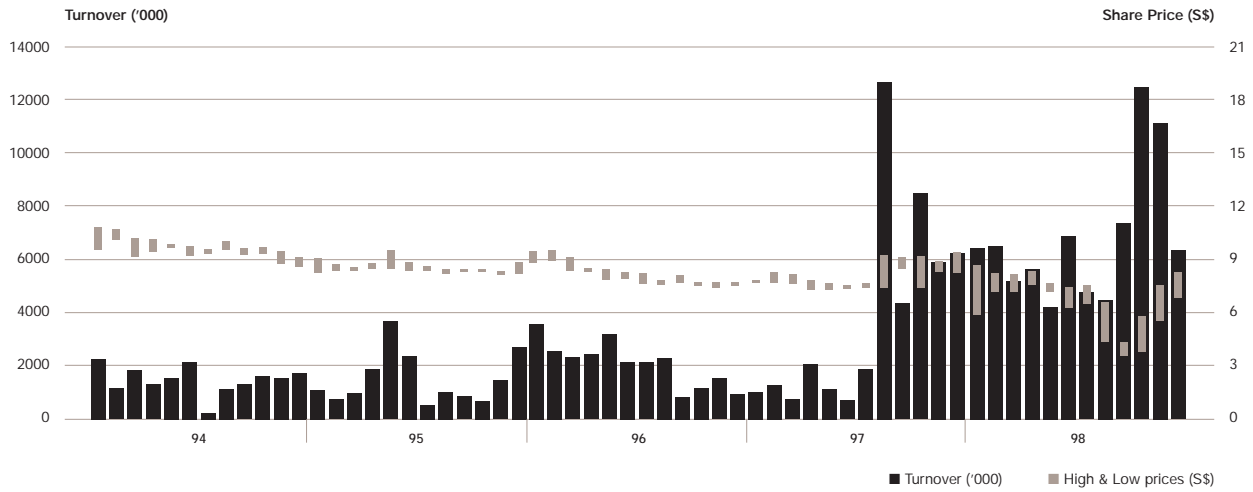
Chart: Ordinary Shares – Foreign Tranche¹					
Share Prices (S\$)					
Highest	15.90	18.05	18.13	15.44	16.31
Lowest	5.00	9.63	13.62	10.24	11.11
Last done	14.90	12.49	16.40	15.27	13.01
Average	10.40	15.01	15.29	13.46	13.30
Gross dividend yield (%) ²	1.73	1.04	0.91	1.03	1.04
Price-earnings ratio ²	45.40	27.80	18.20	17.71	19.28
Foreign shareholding as at 31 December (%)	41.8	42.5	43.2	44.2	45.0

Chart: Non-redeemable Convertible Preference Shares (DBS CPS)³					
	CPS200 ³	CPS200 ³	CPS200 ³	CPS150 ³	CPS100 ³
Share Prices (S\$)					
Highest	1.95	2.04	1.87	1.60	1.21
Lowest	0.78	1.64	1.67	1.26	0.84
Last done	1.73	1.97	1.73	1.30	0.90
Average	1.47	1.80	1.74	1.40	1.00
Gross dividend yield (%) ²	2.04	1.67	1.72	1.61	1.50

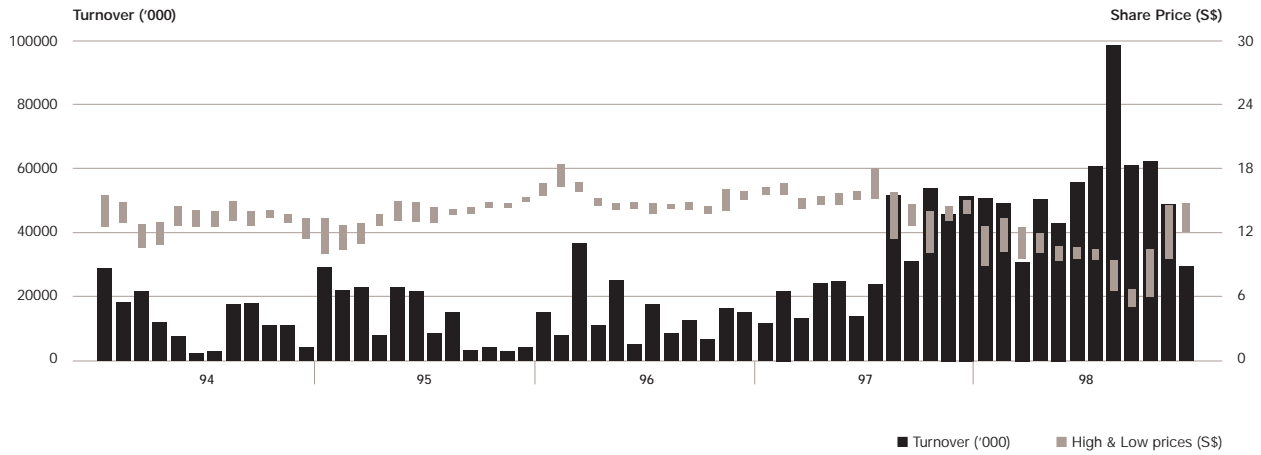
Notes

- 1 Share prices have been adjusted for the bonus and rights issues in 1998.
- 2 In calculating dividend yields and net price-earnings ratios, the daily average last done share prices have been used.
- 3 DBS CPS100 (par value S\$1.00) were traded from 24 June 1994 through 23 June 1995.
DBS CPS150 (par value S\$1.50) were traded from 26 June 1995 to 21 June 1996.
DBS CPS200 (par value S\$2.00) were traded from 24 June 1996.

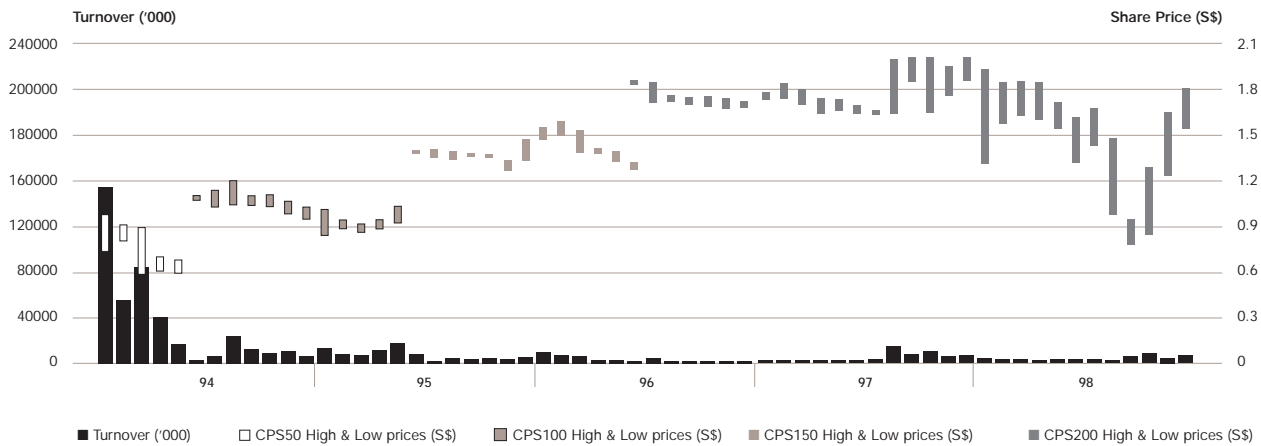
Ordinary Shares – Local Tranche¹



Ordinary Shares – Foreign Tranche¹



Non-redeemable Convertible Preference Shares (DBS CPS)³



Listing of DBS Group's Major Properties as at 31 December 1998

In S\$ millions	Net Book Value	Market Value*	Approximate Lettable Floor Area (m ²)
In Singapore			
Office			
DBS Building Tower One – 6 Shenton Way	58.9	332.0	30,781.6
DBS Building Tower Two – 6 Shenton Way	229.5	581.0	46,943.4
DBS Securities Building – 22 Malacca Street	20.8	95.0	5,488.8
DBS Finance Building – 112 Robinson Road	35.7	78.0	6,108.1
POSB Centre – 73 Bras Basah Road	54.2	55.0	5,891.0
Office/retail			
DBS Tampines Centre – 12 Tampines Central 1	80.2	159.0	16,436.0
DBS Square – URA land parcel 'A' at China Square Cross Street	456.8	304.0	#
In Thailand			
Office			
The Thai Danu Bank Public Company Limited Head Office – 393 Silom Road	73.6	52.1	24,736.0
Other properties	451.3	533.5	
Total Properties	1,461.0	2,189.6	

Work in progress

* Valuations as at 31 December 1998 made by professional valuers

Interested Person Transactions

Interested Person Transactions Under the Shareholders' Mandate

In S\$	1998 Aggregated Transactions
Transactions for the provision of Products and Services	
Temasek Holdings (Private) Limited and its Associates	3,902,100
MND Holdings Pte Ltd	–
Subtotal	3,902,100
Property-related Transactions	
Temasek Holdings (Private) Limited and its Associates	1,682,800
MND Holdings Pte Ltd	–
Subtotal	1,682,800
Total Interested Person Transactions	5,584,900

Note: All the above interested person transactions were done on normal commercial terms.

Shareholding Statistics as at 26 April 1999

- I. Class of Shares – Ordinary Shares of S\$1.00 fully paid
 Voting Rights – One vote per share

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	3,375	33.42	1,563,425	0.16
1,001 – 10,000	5,564	55.10	18,372,898	1.92
10,001 – 1,000,000	1,131	11.20	42,485,024	4.45
1,000,001 & above	28	0.28	893,560,973	93.47
Total	10,098	100.00	955,982,320	100.00

Location of Shareholders

Singapore	8,981	88.94	950,612,554	99.44
Malaysia	871	8.63	3,392,991	0.35
Overseas	246	2.43	1,976,775	0.21
Total	10,098	100.00	955,982,320	100.00

Twenty Largest Shareholders (As shown in the Register of Members and Depository Register)

1 MND Holdings (Private) Limited	194,357,912	20.33
2 Temasek Holdings (Pte) Ltd	176,125,886	18.42
3 DBS Nominees (Private) Limited	162,562,578	17.00
4 Raffles Nominees (Private) Limited	118,808,725	12.43
5 Oversea-Chinese Bank Nominees Pte Ltd	51,248,700	5.36
6 HSBC (Singapore) Nominees Pte Ltd	43,925,129	4.60
7 Citibank Nominees Singapore Pte Ltd	34,704,587	3.63
8 United Overseas Bank Nominees Pte Ltd	28,494,783	2.98
9 DB Nominees (Singapore) Pte Ltd	14,229,118	1.49
10 Vickers Ballas & Co Pte Ltd	7,532,741	0.79
11 Merrill Lynch (Singapore) Pte Ltd	7,321,000	0.77
12 NTUC Income Insurance Co-operative Limited	6,598,535	0.69
13 Indosuez Singapore Nominees Pte Ltd	6,426,944	0.67
14 Prudential Assurance Company Singapore (Pte) Ltd – Life Fund	5,008,997	0.52
15 Tokyo-Mitsubishi International (Singapore) Limited	4,585,347	0.48
16 Prudential Assurance Company Singapore (Pte) Ltd – PruLink Fund	4,319,375	0.45
17 Warburg Dillon Read and Associate (S) Pte Ltd	4,304,599	0.45
18 Keppel Bank Nominees Pte Ltd	3,998,260	0.42
19 J M Sassoon and Company (Private) Limited	3,357,634	0.35
20 Overseas Union Bank Nominees Pte Ltd	2,837,075	0.30
Total	880,747,925	92.13

- II. Class of Shares – Non-Redeemable Convertible Preference Shares of S\$2.00 par value fully paid up
 Voting Rights – Please see Article 5A of the Articles of Association

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	3,270	32.42	3,255,147	3.31
1,001 – 10,000	5,644	55.96	26,635,491	27.13
10,001 – 1,000,000	1,164	11.54	50,600,800	51.53
1,000,001 & above	8	0.08	17,700,155	18.03
Total	10,086	100.00	98,191,593	100.00

Twenty Largest Shareholders (As shown in the Depository Register)

1	Eng Hueng Fook Henry	4,560,000	4.64
2	Phillip Securities Pte Ltd	3,039,330	3.10
3	Kim Leng Tee Investments Pte Ltd	2,016,000	2.05
4	Citibank Nominees Singapore Pte Ltd	2,003,000	2.04
5	The Asia Life Assurance Society Ltd – S'pore Life Fund	1,950,000	1.99
6	DBS Nominees Pte Ltd	1,696,825	1.73
7	The Asia Life Assurance Company Ltd – Fund Account	1,300,000	1.32
8	Supasave (Private) Limited	1,135,000	1.16
9	Leyehun Pte Ltd	915,000	0.93
10	Cheok Soo Yew	888,000	0.90
11	HSBC Investment Bank PLC	880,000	0.90
12	The Asia Life Assurance Society Ltd – Shareholders Fund	800,000	0.82
13	United Overseas Bank Nominees Pte Ltd	682,000	0.69
14	Oversea-Chinese Bank Nominees Pte Ltd	669,320	0.68
15	The Overseas Assurance Corp Ltd – Singapore Life Insurance Fund	592,000	0.60
16	Ventrade (Asia) Pte Ltd	580,500	0.59
17	Vickers Ballas & Co Pte Ltd	580,000	0.59
18	Asia General Holdings Limited	500,000	0.51
19	Delgro Investments Pte Ltd	500,000	0.51
20	Lee Seng Wee	500,000	0.51
	Total	25,786,975	26.26

- III. Class of Shares – Non-Voting Redeemable Convertible Preference Shares (“NVPS”) of S\$1.00 fully paid.
 Voting Rights – Please see Article 5B of the Articles of Association.
 Sole Shareholder of 224,764,875 NVPS: DBS Nominees (Private) Limited.

IV. Substantial Ordinary Shareholders (as shown in the Register of Substantial Shareholders as at 26 April 1999)

	No. of Shares	%
MND Holdings (Private) Ltd 1	194,357,912	20.33
Temasek Holdings (Pte) Ltd 2	176,125,886	18.42

Directors' Shareholdings (as shown in the Register of Directors' Shareholdings as at 21 January 1999)

Name of Director	No. of DBS Bank Ordinary Shares of S\$1.00 each registered in the name of Director	No. of DBS Bank Ordinary Shares of S\$1.00 each in which Director is deemed to have an interest	No. of Unissued DBS Bank Ordinary Shares of S\$1.00 each under the DBS Bank Share Option Scheme
S. Dhanabalan	–	23,800	–
Ng Kee Choe	47,637	–	114,400 (1994 Options) 114,400 (1995 Options) 114,400 (1996 Options) 137,280 (1997 Options) 72,000 (1998 Options)
Lau Chan Sin	483	–	91,520 (1994 Options) 91,520 (1995 Options) 34,320 (1996 Options) 114,400 (1997 Options) 60,000 (1998 Options)
Timothy William Faithfull (stepped down on 23 April 1999)	2,000 (F)	–	–
Robert Montgomery Howe	20,000 (F)	–	–
Tommy Koh Thong-Bee	4,000	–	–
Name of Director	No. of DBS Bank NCPS of S\$2.00 par value each registered in the name of Director	No. of DBS Bank NCPS of S\$2.00 par value each in which Director is deemed to have an interest	
S. Dhanabalan	–	–	28,000
Ng Kee Choe	–	40,000	–

1 MND Holdings (Private) Ltd is a company wholly-owned by Minister for Finance Incorporated.

2 Temasek Holdings (Pte) Ltd is a company wholly-owned by Minister for Finance Incorporated.

(F) DBS Bank foreign shares

Glossary

Asian Currency Unit	An accounting entity for offshore transactions; profits arising from such transactions are generally subject to Singapore income tax at a concessionary rate of ten percent.
Currency swap	An agreement involving the exchange of the principal amount and periodic interest payments denominated in one currency, for the principal and interest payments denominated in a different currency.
Derivative	A contract whose value is derived from the value of other underlying financial contract(s).
Floating Rate Note (FRN)	A debt security where the issuer pays the holders interest payments pegged to a periodically-reset interest rate and repays the principal at maturity. Certain FRNs may have amortised repayment of principal and/or embedded options.
Foreign exchange spot/forward contract	An agreement to exchange one currency for another at an agreed exchange rate and settlement date, which is usually two business days after the trade date for spot contracts, longer for forward contracts.
Foreign exchange swap	An agreement to exchange one currency for another on the spot date, and to reverse this exchange at a date after the spot date at agreed exchange rates for each part of the contract.
Forward rate agreement	A contract in which payments are made based on the difference between a particular interest rate at some point in the future and the reference rate set in the contract.
Futures contract	A standardised exchange-traded derivative contract to buy or sell a specific financial instrument or commodity at a specific future date and price.
Hedging	Undertaking transactions or contractual agreements to reduce the risk of loss from one or more types of financial risk.
Initial public offering	A corporation's first offering of stock to the public.
Interest rate cap	A derivative which pays the buyer an amount based on the extent to which a particular interest rate at fixed times in the future is higher than the reference rate fixed in the cap.
Interest rate swap	A derivative contract involving the exchange of periodic interest payments over a specified tenor.
Negotiable Certificate of Deposit	A tradeable security paying either a fixed or floating rate of interest issued by a bank.

Option	An agreement that provides the buyer the right, but not the obligation, to buy (call) or sell (put) a security at a fixed strike price on or before a specified date. The buyer pays a non-refundable premium to the seller (the writer).
Positive (negative) fair value	Situation where the value of the existing contracts under prevailing market prices is positive (negative).
Securities purchased under agreements to resell (Reverse repurchase agreements)	An agreement where the first party agrees to purchase securities and resell them to the second party at a later date and at a fixed (usually higher) price; this is equivalent to a collateralised lending by the first party to the second party.
Securities sold under agreements to repurchase (Repurchase agreements)	An agreement where the first party agrees to sell securities and repurchase them from the second party at a later date and at a fixed (usually higher) price; this is equivalent to a borrowing by the first party from the second party with the securities pledged as collateral.
Stress test	Simulating portfolio value(s) under one or more user-defined adverse scenarios.
Year 2000 initiative	The endeavour to fix the Year 2000 problem, which is the inability of older computer systems that record the year as a two-digit number to properly recognise dates beyond 31 December 1999.

Corporate Directory as at 30 April 1999

Corporate Office

Chairman

S. Dhanabalan

Vice Chairman & CEO

John T. Olds

President

Ng Kee Choe

Audit

Managing Director

Ng Peng Khian *Head*

Vice Presidents

Ang Khee Huat

Chia Siok Wee Nelly

Ho Tin Hon

Lim Ai Lang Daisy

Loke Poh Kuen Sandy

Tan Ham Chiang

Banking

Senior Managing Director

Tan Soo Nan

Enterprise Banking

Managing Directors

Hong Tuck Kun *Head*

Chua Thiam Chwee Andrew

Pang Chee Seng

Vice Presidents

Hong Keah Huat

Peggy Quah

Tan Boon Siang

Individual Banking

Managing Directors

Elsie Foh *Head*

Lam Siok Loon

Manohar P Sabnani

Ng Tee Geok

Tan Tok Lan

Vice Presidents

Ang Shiow Luan Rosalind

Chia Beei Lian Joanne

Chia Hock Jin

Chong Choon Cheong Andrew

Chua Whee Gek

Ee Ho Inn

Eio Siok Kim Janet

Ho Hai Yian

Ho Hock Choo Joseph

Ho Kum Koon

Hom Nancy Ann

Hung Mow Seng Thomas

Koh Pee Keat

Lau Jeng Seng David

Lee Kheng Cheong

Lee Soo Khiong Eric

Leong Mun Kong Peter

Leow Boon Sim

Lim Beng Kuan

Lim Chye Huat Albert

Lim Fu-Yen Adrian

Lim King Seng

Lim Wei Tong Philip

Lor Chee Leng Michael

Ng Yuen Mun

Ong Hong Seng

Pang Saw Choo Jan

Poh Lai Meng

Tan Chiew Song

Tan Kim Chia Andrew

Tan Ser Kwang Sherman

Tan Siew Cheng Caroline

Tan Yeow Khuan

Tay Hock Guan

Tho Gea Hong

Tyo Sock Kuen Monica

Wan Mei Ling

Wong Teck Khim

Yap Yoke Leng Rachel

Institutional Banking

Managing Directors

Chong Kie Cheong *Head*

Cheo Chai Hong

Gan Kim Kok

Hon Tai Yuen William

Bastari Irwan

Koh Cheng Chua

Lee Meng Soon

Lim Kim Quee

Lim Lay Hong

Lim Sok Hia

Lim Yin Kiat

Long Wil Kim

Mohd Nawaz Jiffry Vilcassim

Neo Poh Kiat

Seow Kheng Hee

Joan Ting-Wong

Wong See Meng

Vice Presidents

Boey Yin Chong

Chan Yoke Meng

Chang Lok Meng

Chen Ko Lin Colin

Cheong Siong Kee

Chia Siak Leng Henry

Chia Tet Hin William

Chia Wen Lin

Choo Hoon Kiong Desmond

Choong Yang Ping

De Silva Lionel Matthew

Gan Soo Yee Monica

Goh Bak Keow

Karunia Tjuradi

Koh Wai Lan Audrey

Lam Kwong Chew

Lee Kiang Wah Stephen

Lim May Ling Vivian

Lim Tok Kiak

Lim Yee Chye

Long Yui Lee

Loong Wai Leng

Low Bee Hong

Ng Sock Kian

Oh Eng Lock

Ong Chee Kien Charles

Ong Hean Beng

Ong Yeng Fang

Ong Yim Lye

Pham Khac Phu

Soh Soon Ghee

Tan Boon Lian Amos

Tan Chye Huat Michael

Tan Kok Wah

Tan Jeh Wuan

Tan Yeng Fang

Tan Yew Siang

Tsng Boon Kiat

Wee Wun Hua

Wong Kong Khiong Adam

Private Client Group**Managing Directors**

Seck Wai Kwong *Head*
Sandy Eu
Lee Soon Kuan
Tan Bee Leng

Vice Presidents

Cheong Heng Lim
Chua Bee Tin
Koh Lye Meng
Lee Lee Seng
Lo Chin Chai Daniel
Seow Joo Khoon
Yeo Poh Chin Suzana

**Capital Markets
& Advisory****Managing Directors**

Ang Teik Lim Eric *Head*
Kan Shik Lum
Greg Seow Fook Hin

Vice Presidents

Aw Soon Beng
Chan Mun Seng
Chan Yow Phong
Choo Chee Kong
Goh Lee Ying Lynn
Lim Kim Seng
Mahesh Pranlal Rupawalla
Tan Kok Huan
Tan Wan That
Tay Gek Lim Irene
Toh Tiong San

**Integration
& Administration****Senior Managing Director**

Lau Chan Sin

Vice Presidents

Lam Kwong Khiam
Yeo Seh Boo

Human Resources**Managing Director**

Tong Chi Lian *Head*

Vice Presidents

Hing Mei Kune

Lee Hong Kit
Seah Ee Boon
Tan Sio Hwee Lucy

Integration**Managing Directors**

Choo Chek Siew *Head*
Goh Lin Ai Janice
S Vijayakumar

Logistics**Senior Managing Director**

Soh Kim Soon

Finance & Planning**Managing Directors**

Ong Siew Mooi *Head*
Ho Siew Mee Susan

Vice Presidents

Chua Sui Kheng
Chuah Soo Kiang
Goh Poh Gek
Heng Lee Cheng
Heng Lily
Ong Siang Hor

Information Technology**Managing Directors**

Yee Jee Hong *Head*
Lee Whye Choo
Ho Fong Lian
Ho Twee Teng
Poh Lian Lian

Vice Presidents

Chen Lai Kiun
Goh Kiat Soon
Ong Chiu Fong
Jayaprakash s/o Viswambharan

Senior Advisory Operations Analyst

Chua Chee Hwee

Senior Advisory Systems Engineers

Lai Siew Chung Warren
Ng Shwu Yin

Senior Advisory Systems Analysts

Chan Peter
Chin Kok Soon
Chua Sau Fong
Ho Boon Hwa
Ho Shew Ee Janice

Ho Shou Kwang
Kang King Tong
Lee Syn Yee
Lee Yuh Mei
Lui Suh Kien Rose
Ooi Peng Joo Jason
Phua Tan Hong
Tan Hui Kheng
Tan Lye Soon
Tan Yee Lay
Teo Pit Koon
Thong Wai Chong

Processing/Service**Managing Directors**

Dileep Nair *Head*
Chua Bee Choo

Vice Presidents

Khoo Kim How
Ngew Seng Poh
Tan Chee Keon

Risk Management**Managing Directors**

Oon Kum Loon *Head*
Chng Sok Hui

Vice Presidents

Chan Chai Hong Janet
Phillip Fernandez
Lee Koek Yong
Ng Siew Lien

Treasury & Markets**Managing Directors**

Wong Kwong Shing Frank *Head*
Tan Siew Kheng
Wong Peck Sim

Vice Presidents

V Arivazhagan
Goh Nai Min Bernard
Ho Tiong Sang
Lee Boon Hua Donne
Ooi Cheng Pheng Rina
See Sau Lin Flora
Soh Chuen Kong Peter
Wu Wun-Yuen Friedrich
Yap Yon Ting
Yip Kwok Heng

Locations in Singapore (Branches)

DBS Bank

Ang Mo Kio	POSBank Services Division	Hougang South	Serangoon Garden
Balestier	Alexandra Village	Jalan Besar	Serangoon North
Battery Road	Ang Mo Kio Central/Auto Br	Jalan Eunos	Siglap
Bedok	Ang Mo Kio East	Jalan Kayu	Simpang Bedok
Bishan	Ang Mo Kio North	Jalan Sultan	Sims Avenue
Bukit Batok	Ang Mo Kio West	Joo Chiat	Singapore General Hospital
Bukit Timah	Balestier Point/Auto Br	Jurong	Stirling Road
Buona Vista	Bedok Central	Jurong East	Suntec City/Auto Br
Choa Chu Kang	Bedok North	Jurong East Central/Auto Br	Taman Warna/Auto Br
Clementi	Bedok South	Jurong Point	Tampines Central
Crawford	Bishan Central	Jurong West	Tampines East
Eunos Station	Bishan North	Kaki Bukit	Tampines South
Gleneagles	Boon Lay	Kallang Bahru	Tampines West
Great World City	Bukit Batok Central	Kampong Ubi	Tanglin
Holland Village	Bukit Batok East	Macpherson	Tanjong Pagar
Hougang	Bukit Batok North	Main Branch/Auto Br	Teban Gardens
IMM	Bukit Batok West	Marina Square Auto Br	Teck Whye
Jurong	Bukit Ho Swee	Marine Parade	Telok Blangah East
Jurong West	Bukit Merah Central	Marsiling	Telok Blangah West
Katong	Bukit Panjang	Mountbatten	Thomson Plaza
Kent Ridge	Bukit Timah Plaza	Nanyang Estate	Thomson Road
Liat Towers	Centrepoint	Nanyang Polytechnic	Tiong Bahru
Novena	Chai Chee	Newton (Drive In)	Toa Payoh Central
Parkway Parade	Changi Airport	Ngee Ann City	Toa Payoh East
Plaza Singapura	Chinatown/Auto Br	NOL Building	Toa Payoh North
Queensway	Chin Swee Auto Br	North Bridge Road/Auto Br	Towner Road
Raffles City	Chun Tin Court	NUS	Upper Aljunied
Raffles Place	Clementi Central	Orchard Towers Auto Br	Upper Cross Street
Rochor	Clementi East	Parklane	Upper Serangoon Road
Serangoon Garden	Coronation Plaza	Parkway Parade	Upper Thomson Road
SGH	Eastpoint/Auto Br	Pasir Ris East	West Coast
Shenton Way	Far East Plaza	Pasir Ris West	Woodlands
South Bridge	Funan/Auto Br	Pearl's Centre/Auto Br	Woodlands West
Suntec City	Geylang East	Peninsula Plaza Auto Br	World Trade Centre
Tampines Centre	Ghim Moh	Potong Pasir	Yew Tee
Tanjong Pagar	Goldhill Centre	Pidemco Centre/Auto Br	Yishun Central
Thomson	Great World City/Auto Br	Queenstown	Yishun North
Tiong Bahru Station	Haig Road	Raffles City/Auto Br	Yishun South
Toa Payoh	Henderson Road	Raffles Place/Auto Br	Yishun West
Toa Payoh (Sub-Branch)	Hillview	Raffles Quay/Auto Br	Zhu Jiao
Towner Road	Hougang Ave 3	Redhill	
Woodlands	Hougang	Robinson Road	
World Trade Centre	Hougang Central	Rochor	
Yishun	Hougang North	Serangoon Central	

Auto Br – Automated Branch

International Banking Offices

DBS Beijing

Units 1009-1018
Level 10 China World Tower
China World Tower Center
No.1 Jianguomenwai Avenue
Beijing 100004
People's Republic of China
Tel 86 10 6505 1216
Fax 86 10 6505 4831

DBS Bangkok

International Banking Facility
Diethelm Towers Tower A
Suite 1202-3, 93/1 Wireless Road
Lumpini Pathumwan Bangkok
Thailand 10330
Tel 66 2 252 2538
Fax 66 2 256 0259

DBS Hong Kong

27th Floor, CITIC Tower
No.1 Tim Mei Avenue
Central, Hong Kong
Tel 852 2868 3386
Fax 852 2596 0577

DBS Jakarta Representative Office

Ratu Plaza Building 25th Floor
Jalan Jenderal Sudirman No. 9
Jakarta 10270, Indonesia
Tel 62 21 720 7844
Fax 62 21 720 7841

DBS Kuala Lumpur Representative Office

Suite 11.2, Level 11 Menara IMC
Mail Box 23, 8 Jalan Sultan Ismail
Kuala Lumpur 50250, Malaysia
Tel 03 201 5622
Fax 03 201 5623

DBS Labuan Branch

Level 12 (E) Main Office Tower
Financial Park Labuan, Jalan Merdeka
87000 W.P. Labuan, Malaysia
Tel 087 423 375
Fax 087 423 376

DBS London

7th Floor, Finsbury Circus House
12-15 Finsbury Circus
London EC2M 7BT
United Kingdom
Tel 44 171 628 3288
Fax 44 171 628 8288

DBS Los Angeles

445 South Figueroa Street
Suite 2550, Los Angeles
CA 90071, USA
Tel 1 213 627 0222
Fax 1 213 627 0228

DBS Mumbai

122 Maker Chambers IV
12th Floor, Nariman Point
Bombay 400 021, India
Tel 91 22 282 6991
Fax 91 22 287 5602

DBS New York Agency

420 Fifth Avenue
27th Floor, New York
NY 10018, USA
Tel 1 212 997 7500
Fax 1 212 997 5713

DBS Osaka

9F Sanei Building
1-2-4 Nishi-Shinsaibashi
Chuo-ku Osaka 542, Japan
Tel 81 6 6281 0381
Fax 81 6 6243 0086

DBS Provincial International Banking Facility, Rayong

4th Floor, Samaphan Building
180/1 Sukhumvit Road
Amphur Muang
Rayong 21000, Thailand
Tel 66 38 861 867
Fax 66 38 861 871

DBS Seoul

CPO Box 9896
20th Floor, Kwanghwamoon Building
64-8 1-Ka Taepyungro Chung-ku Seoul
South Korea
Tel 82 2399 2660
Fax 82 2732 7953

DBS Shanghai

28th Floor, China Merchants Tower
66 Lu Jia Zui Road, Pudong
Shanghai 200120, China
Tel 86 21 5876 7698
Fax 86 21 5876 7839

DBS Taipei

117 Min Sheng East Road
Section 3, 5th Floor Unit A
Walsin Financial Building
Taipei, Taiwan
Tel 886 2 2713 7711
Fax 886 2 2713 7774

DBS Tokyo

606 Yurakucho Denki Building
1-7-1 Yurakucho
Chiyoda-ku Tokyo 100
Japan
Tel 813 3213 4411
Fax 813 3213 4415

DBS Yangon Representative Office

408/410 Maha Bandoola Street
Samsung Plaza, #05-01/02/03
Kyauktada Township
Union of Myanmar
Tel 951 249 483
Fax 951 249 457

Subsidiaries & Associated Companies

Subsidiaries

(% are as at 30 April 1999)

Principal Activities:

Commercial Banking

DBS Bank Philippines, Inc
6/F, Enterprise Center Tower Two
6766 Ayala Avenue
corner Paseo de Roxas
Makati City, Philippines
Tel 632 886 5888
Fax 632 886 5026/752 2328
60% owned by DBS Bank

Kwong On Group

– Kwong On Bank, Limited
Temporary Head Office:
Asia Standard Tower
59-65 Queen's Road Central
G.P.O Box 9824, Hong Kong
Tel 852 2815 3636
Fax 852 2850 6129
97.07% owned by DBS Bank

– Subsidiaries:

Kwong On Finance Ltd
Kwong On Bank (Nominees) Ltd
Kwong On Insurance Company Ltd
Kwong On Futures Ltd

Kwong On Property Agency Company Ltd

Kwong On Bank Jubilee Charity Fund Ltd

Kwong On Secretary Ltd

PT Bank DBS Buana
Ratu Plaza Building
25th Floor, Jalan Jenderal
Sudirman No.9
Jakarta 10270, Indonesia
Tel 62 21 720 4533/40
Fax 62 21 720 4527/8
85% owned by DBS Bank

The Thai Danu Bank Public Company Ltd
393 Silom Road,
Bangrak Bangkok 10500
Thailand
Tel 662 230 6000/233 9160 to 79
Fax 662 236 7939
50.27% owned by DBS Bank

Principal Activities: Computer Services, IT Consultancy, IT Education and Facilities Management, E-Commerce

DBS Computer Services Pte Ltd
6 Shenton Way 43rd Floor
DBS Building Tower One
Singapore 068809
Tel 228 2308/321 5850
Fax 323 4662
100% owned by DBS Bank

IBEXCo Pte Ltd

6 Shenton Way #35-03
DBS Building Tower One
Singapore 068809
Tel 325 7701
Fax 224 7538
51% owned by DBS Computer Services Pte Ltd

Principal Activities: Computer Services and IT Consultancy

POSB Computer Services Pte Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
Tel 220 1111
Fax 221 0403
100% owned by DBS Bank

Principal Activities: Corporate Finance & Advisory Services

DBS Asia Capital Ltd
26th Floor, CITIC Tower
No.1 Tim Mei Avenue
Central, Hong Kong
Tel 852 2918 0399
Fax 852 2868 0250
100% owned by DBS Bank

Principal Activities: Credit and Charge Card Operations

DBS Card Centre Pte Ltd
1 Kim Seng Promenade
#09-09 Great World City West Tower
Singapore 237994
Tel 1800 835 1234
Fax 834 1840/734 2165
100% owned by DBS Bank

Principal Activities: Venture Capital Investments

DBS Capital Investments Ltd
6 Shenton Way #20-09
DBS Building Tower Two
Singapore 068809
Tel 220 1111/321 6446
Fax 227 6811
100% owned by DBS Bank

Principal Activities: Domestic/ International Factoring and Trade Financing

DBS Factors Pte Ltd
112 Robinson Road #09-00
DBS Finance Building
Singapore 068902
Tel 225 6388
Fax 225 8257
100% owned by DBS Bank

Principal Activities: Finance Company

DBS Finance Ltd
112 Robinson Road
DBS Finance Building
Singapore 068902
Tel 223 0355
Fax 223 5066
100% owned by DBS Bank

Principal Activities: Financial Services and Investment Holding

DBS Asia Ltd
27/F, CITIC Tower
No.1 Tim Mei Avenue
Central, Hong Kong
Tel 852 2868 3386
Fax 852 2596 0577
100% owned by DBS Bank

Principal Activities: Provision of Housing Loans

Credit POSB Pte Ltd
79 Robinson Road #10-00
Singapore 068897
Tel 221 9522
Fax 224 5620
100% owned by DBS Bank

Principal Activities:**Foreign Exchange Dealership**

DBS Forex Center Philippines, Inc

6/F, Enterprise Center Tower Two

6766 Ayala Avenue

corner Paseo de Roxas

Makati City, Philippines

Tel 632 886 5888

Fax 632 886 5026

100% owned by DBS Bank

Principal Activities: Futures Trading

DBS Futures Hong Kong Ltd

26th Floor, CITIC Tower

No.1 Tim Mei Avenue

Central, Hong Kong

Tel 852 2526 2002

Fax 852 2877 1936

100% owned by DBS Securities Hong Kong Ltd

DBS Trading Pte Ltd

6 Shenton Way #02-00

DBS Building Tower One

Singapore 068809

Tel 223 3064

Fax 225 2963

100% owned by DBS Bank

Principal Activities: Group Financing

Singapore Factory Development Ltd

6 Shenton Way

DBS Building Tower One

Singapore 068809

Tel 220 1111

Fax 221 1306

100% owned by DBS Bank

Principal Activities: Investment Holding

DBS Group Holdings (Hong Kong) Ltd

27th Floor, CITIC Tower

No.1 Tim Mei Avenue

Central, Hong Kong

Tel 852 2868 3386

Fax 852 2596 0577

100% owned by DBS Bank

DBS Pte Ltd

6 Shenton Way

DBS Building Tower One

Singapore 068809

Tel 220 1111

Fax 221 1306

100% owned by DBS Bank

DBS Securities Holding Pte Ltd

22 Malacca Street

DBS Securities Building

Singapore 048980

Tel 533 9688

Fax 534 0819

100% owned by DBS Bank

DBS Securities Malaysia Pte Ltd

22 Malacca Street

DBS Securities Building

Singapore 048980

Tel 533 9688

100% owned by DBS Securities Holding Pte Ltd

DBSF Holdings Pte Ltd

112 Robinson Road

DBS Finance Building

Singapore 068902

Tel 223 0355

Fax 223 5066

100% owned by DBS Finance Ltd

Principal Activities:**Investment Management Services**

DBS Asset Management Ltd

6 Raffles Quay #13-01/07

John Hancock Tower

Singapore 048580

Tel 221 8733

Fax 221 7018

100% owned by DBS Bank

DBS Asset Management

(United States) Pte Ltd

6 Raffles Quay #13-01/07

John Hancock Tower

Singapore 048580

Tel 221 8733

Fax 221 7018

100% owned by DBS Asset Management Ltd

Hwang-DBS Asset Management

(Malaysia) Sdn Bhd

1st Floor, Plaza MBF

Jalan Ampang

50450 Kuala Lumpur

Tel 03 262 1886

Fax 03 262 1723

51% owned by DBS Asset Management Ltd

Principal Activities: Manufacturing

Inter-Roof Manufacturing

Company Limited

18/8 Srivikorn Building

11th Floor Soi Sukhumvit 21

(Asoke), Sukhumvit Road

Klong-Toey Nua, Wattana,

Bangkok 0110, Thailand

Tel 662 260 3700 8

Fax 662 260 3709

70.91% owned by The Thai Danu Bank

Public Company Ltd

Principal Activities: Securities Services

DBS Securities UK Ltd

7th Floor Finsbury Circus House

12-15 Finsbury Circus

London EC2M 7BT

Tel 44 171 551 1138

Fax 44 171 551 1123

100% owned by DBS Securities Holding Pte Ltd

Principal Activities:**Market Research Consultants**

DBS Investment Research Pte Ltd

22 Malacca Street

DBS Securities Building

Singapore 048980

Tel 533 9688

Fax 533 7903

100% owned by DBS Securities Singapore Pte Ltd

Principal Activities: Merchant Banking

NDC Merchant Bank Ltd

6 Shenton Way #41-00

DBS Building Tower One

Singapore 068809

Tel 220 8133 (General)/220 5544 (Dealing)

Fax 224 4532

100% owned by DBS Bank

Principal Activities: Property Holding

DBSF Investments Pte Ltd

112 Robinson Road

DBS Finance Building

Singapore 068902

Tel 223 0355

Fax 223 5066

100% owned by DBS Finance Ltd

DBS China Square Ltd

6 Shenton Way
DBS Building Tower One
Singapore 068809
Tel 220 1111
Fax 222 1035

70% owned by DBS Bank

Principal Activities: Stockbroking**DBS Securities Hong Kong Ltd**

26th Floor, CITIC Tower
No.1 Tim Mei Avenue
Central, Hong Kong
Tel 852 2526 2002
Fax 852 2877 1936

100% owned by DBS Securities Holding Pte Ltd

DBS Securities Philippines, Inc.

11/F, Sage House, 110 Herrera Street
Legaspi Village, Makati, Metro Manila
Philippines
Tel 63 2 812 8361 to 68
Fax 63 2 894 2551/894 2350

100% owned by DBS Securities Holding Pte Ltd

DBS Securities Singapore Pte Ltd

22 Malacca Street
DBS Securities Building
Singapore 048980
Tel 533 9688
Fax 533 8623

100% owned by DBS Securities Holding Pte Ltd

DBS Thai Danu Securities Ltd

18th Floor, SPP Tower 3
88 Silom Road
Bangrak Bangkok 10500, Thailand
Tel 662 634 1351 to 60
Fax 662 634 1367

49% owned by DBS Securities Holding Pte Ltd

50.99% owned by The Thai Danu Bank

Public Company Ltd

DBS-Capital Trust

Securities India Pvt Ltd
Capital Trust House
47 Community Cente
Friends Colony
New Delhi 110065, India
Tel 91 11 631 5710
Fax 91 11 631 8051

75% owned by DBS Securities Holding Pte Ltd

PT DBS Securities Indonesia

Wisma Diners Club, 12th Floor
Jalan Jenderal Sudirman 34
Jakarta 10220, Indonesia
Tel 62 21 5708585
Fax 62 21 5708475

55% owned by DBS Securities Holding Pte Ltd

Principal Activities:**Savings and Mortgage Banking****DBS Savings Bank Philippines, Inc**

Parkview Building
112 Gamboa Street
Legaspi Village, Makati City
Metro Manila
Philippines
Tel 63 2 750 2098/867-2886
Fax 63 2 812 2332

100% owned by DBS Bank Philippines, Inc

**Principal Activities: Custodian,
Trust & Nominee Services****DBS Finance Nominees Pte Ltd**

112 Robinson Road
DBS Finance Building
Singapore 068902
Tel 223 0355
Fax 223 5066

100% owned by DBS Finance Ltd

DBS Nominees Pte Ltd

24 Raffles Place #B1-00
Clifford Centre
Singapore 048621
Tel 220 1111
Fax 533 9271

100% owned by DBS Bank

DBS Trustee Limited

24 Raffles Place
#01-08 Clifford Centre
Singapore 048621
Tel 220 1111
Fax 535 9569

20% owned by DBS Bank

20% owned by DBS Finance Ltd

20% owned by DBS Nominees Pte Ltd

20% owned by DBS Pte Ltd

20% owned by Singapore Factory Development Ltd

DBS Securities Nominees Pte Ltd

22 Malacca Street
DBS Securities Building
Singapore 048980
Tel 533 9688
Fax 536 7443

100% owned by DBS Securities Singapore Pte Ltd

DBS Securities Nominees (HK) Ltd

26th Floor, CITIC Tower
No.1 Tim Mei Avenue
Central, Hong Kong
Tel 852 2526 2002
Fax 852 2877 1936

100% owned by DBS Securities Hong Kong Ltd

NDC Merchant Bank Nominees Pte Ltd

6 Shenton Way #41-00
DBS Building Tower One
Singapore 068809
Tel 220 8133
Fax 224 4532

100% owned by NDC Merchant Bank Ltd

Thai Danu DBS Ltd

399/1 Siri Building
4th Floor Silom Road
Bangrak Bangkok 10500
Thailand
Tel 662 230 5647/266 9777 to 9
Fax 662 230 5863

51% owned by The Thai Danu Bank

Public Company Ltd

Associated Companies

(% are as at 31 December 1998)

Principal Activities:**Electronic Funds Transfer****Network for Electronic Transfers
(Singapore) Pte Ltd**

298 Tiong Bahru Road
#04-01/06 Tiong Bahru Plaza
Singapore 168730
Tel 272 0533
Fax 272 2334

28.57% owned by DBS Bank

Principal Activities: Financial Services**Investment and Capital Corporation of The Philippines**

15th Floor, Solidbank Building
777 Paseo de Roxas
Makati 1226, Metro Manila
The Philippines
Tel 632 811 4656
Fax 632 819 0941

20% owned by DBS Bank

The Insurance Corporation of Singapore Ltd

137 Cecil Street, ICS Building
Singapore 069537
Tel 221 8686
Fax 224 7242

49.40% owned by DBS Bank

Orix Leasing Singapore Ltd

331 North Bridge Road
#19-01/06, Odeon Towers
Singapore 188720
Tel 339 3622
Fax 339 3966

30% owned by DBS Bank

Principal Activities: Industrial/Manufacturers**Fujitec Singapore Corporation Ltd**

204 Bedok South Avenue 1
Singapore 469333
Tel 241 6222
Fax 444 7626

26% owned by DBS Bank

Singapore Polymer Corporation (Pte) Ltd

10 Jalan Buroh
Singapore 619471
Tel 265 2544
Fax 261 7033

38.73% owned by DBS Bank

Yamaha Music (Asia) Pte Ltd

11 Ubi Road 1
#06-02 Meiban Industrial Building
Singapore 408723
Tel 747 4374
Fax 747 2668

20% owned by DBS Bank

Principal Activities: Investment Holding**General Securities Investments Ltd**

6 Shenton Way
DBS Building Tower One
Singapore 068809
Tel 220 1111

41.76% owned by DBS Bank

Hwang - DBS (Malaysia) Bhd

Levels 2, 3, 4, 7 and 8
Wisma Sri Pinang
60 Green Hall
10200 Penang, Malaysia
Tel 04 263 6996
Fax 04 263 9597

23.94% owned by DBS Group

Transpac Investments Ltd

Registered Address:
PO Box 957
Offshore Incorporations Centre
Road Town, Tortola
The British Virgin Islands

Mailing Address:
Suite 3322
33rd Floor, Two Pacific Place
88 Queensway, Hong Kong
Tel 852 2525 2661
Fax 852 2877 6612

32% owned by DBS Bank

Principal Activities: Property**DBS Land Ltd**

39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel 536 1188
Fax 536 3788

28.33% owned by DBS Group

Shenton Realty Corporation

(with effect from 17 May 1999)
The Enterprise Center
Tower 2, 6th Floor
6766 Ayala Avenue
Makati City 1200
Tel 632 886 5888

38.40% owned by DBS Group

Shenton Corporation

(with effect from 17 May 1999)

The Enterprise Center
Tower 2, 6th Floor
6766 Ayala Avenue
Makati City 1200
Tel 632 886 5888

24% owned by DBS Group

Principal Activities: Venture Capital Management**Transpac Capital Pte Ltd**

6 Shenton Way #20-09
DBS Building Tower Two
Singapore 068809
Tel 224 1211
Fax 225 5538

32% owned by DBS Bank

Venture Investment Management (S) Pte Ltd

331 North Bridge Road
#05-04/06, Odeon Towers
Singapore 188720
Tel 339 9090
Fax 339 8247

24.50% owned by DBS Bank

Transtech Venture Management Pte Ltd

6 Shenton Way #20-09
DBS Building Tower Two
Singapore 068809
Tel 224 1211
Fax 225 5538

40% owned by DBS Group

Venture Investment Management II Ltd

331 North Bridge Road
#05-04/06, Odeon Towers
Singapore 188720
Tel 339 9090
Fax 339 8247

30% owned by DBS Group

Financial Calendar

Payment date of 1997 Final Dividend on Ordinary Shares and Preferential Dividend on Non-Redeemable Convertible Preference Shares	29 May 1998
Payment date of 1998 Interim Dividend	8 September 1998
Financial year-end	31 December 1998
Announcement of half-year results 1998	12 August 1998
Announcement of full-year results 1998	8 March 1999
Annual General Meeting	19 June 1999
Proposed payment date of 1998 Final Dividend on Ordinary Shares, Preferential Dividend on Non-Redeemable Convertible Preference Shares and Dividend on Non-Voting Convertible Preference Shares	9 July 1999
Announcement of half-year results 1999	August 1999
Announcement of full-year results 1999	March 2000

Notice of Annual General Meeting

The Development Bank of Singapore Ltd (Incorporated in the Republic of Singapore)

To: All Shareholders

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of the Shareholders of the Company will be held in Meeting Room 3, 18th Storey, DBS Building Tower One, 6 Shenton Way, Singapore 068809 on Saturday, 19 June 1999 at 11.00 am to transact the following business:-

- 1 To receive and consider the Directors' Report and Audited Accounts for the year ended 31 December 1998 and the Auditors' Report thereon.
- 2A To declare a Final Dividend of 9 cents per ordinary share, less income tax, for the year ended 31 December 1998.
- 2B To declare a Preferential Dividend of 1.5% or 3 cents per Non-Redeemable Convertible Preference Share, less income tax, for the year ended 31 December 1998.
- 2C To declare a Final Dividend of 9 cents per Non-Voting Convertible Preference Share, less income tax, for the year ended 31 December 1998.
- 3 To sanction the amount proposed as Directors' Fees.
- 4A To re-elect the following Directors retiring under Article 95 of the Company's Articles of Association:
 - a. Mr Bernard Chen Tien Lap; and
 - b. Professor Tommy Koh Thong-Bee.
- 4B To re-elect the following Directors retiring under Article 74(b) of the Company's Articles of Association:
 - a. Mr S. Dhanabalan;
 - b. Mr John T. Olds;
 - c. Mr Fock Siew Wah; and
 - d. Mr Moses Lee Kim Poo.
- 5 To re-appoint Messrs Price Waterhouse as Auditors of the Company and to authorise the Directors to fix their remuneration.

6 As Special Business

To consider and, if thought fit, to pass the following Resolutions as ORDINARY RESOLUTIONS:-

Ordinary Resolutions

- 6A 'That pursuant to Section 161 of the Companies Act, Cap 50 and the listing rules of the Stock Exchange of Singapore Limited, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons 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 50 per cent of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rated basis to shareholders of the Company does not exceed 20 per cent of the issued share capital of the Company for the time being, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.'
- 6B 'That for the purposes of Chapter 9A of the Listing Manual of the Stock Exchange of Singapore Limited:
- (a) approval be and is hereby given for the renewal of the mandate (adopted at the Extraordinary General Meeting of the Company held on 9 May 1998) for the Company, its subsidiaries and target associated companies or any of them to enter into transactions falling within the types of Interested Person Transactions as set out in the Company's Circular to Shareholders dated 16 April 1998 with any party who is of the class of Interested Persons described in the Circular, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the Circular; and
 - (b) such approval shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company.'

Statement Pursuant to Article 46 of the Articles of Association of the Company

Resolution No. 6A is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in aggregate 50 per cent of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than a pro rata basis to shareholders of the Company does not exceed 20 per cent of the issued share capital of the Company for the time being.

By Order of The Board

Heng Lee Cheng (Ms)

Group Secretary

The Development Bank of Singapore Ltd

24 May 1999

Singapore

Notes

An ordinary shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote in his stead. An ordinary shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

A proxy need not be a member of the Company.

The Instrument appointing a proxy must be deposited at the Company's Registered Office at 6 Shenton Way, DBS Building Tower One, Singapore 068809, at least 48 hours before the time for holding the Meeting.

Important

- 1 For investors who have used their CPF monies to buy DBS Bank shares, the annual report is forwarded to them at the request of their CPF Approved Nominees WITHOUT THE PROXY FORM and is sent solely FOR INFORMATION ONLY.
- 2 For holders of Non-Redeemable Convertible Preference Shares (NCPS), the annual report is forwarded to them WITHOUT THE PROXY FORM and is sent solely FOR INFORMATION ONLY.
- 3 For holders of Non-Voting Convertible Preference Shares (NVPS), the annual report is forwarded to them WITHOUT THE PROXY FORM and is sent solely FOR INFORMATION ONLY.
- 4 This Proxy form is not valid for use by CPF Investors, NCPS shareholders and NVPS shareholders and shall be ineffective for all intents and purposes if used or purported to be used by them.

Proxy Form



The Development Bank of Singapore Ltd (Incorporated in the Republic of Singapore)

I / We _____ of _____

being an Ordinary Shareholder(s) of The Development Bank of Singapore Ltd hereby appoint Mr/Mrs/Ms _____

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies, to vote for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company, to be held on Saturday, 19 June 1999 and at any adjournment thereof in the following manner:-

Resolutions	For	Against
Ordinary Business		
1 Adoption of Report and Accounts.		
2A Declaration of Dividend on Ordinary Shares.		
2B Declaration of Dividend on Non-Redeemable Convertible Preference Shares.		
2C Declaration of Dividend on Non-Voting Convertible Preference Shares.		
3 Approval of amount proposed as Directors' Fees.		
4A Re-election of the following Directors retiring under Article 95:- (a) Mr Bernard Chen Tien Lap (b) Professor Tommy Koh Thong-Bee		
4B Re-election of the following Directors retiring under Article 74(b):- (a) Mr S. Dhanabalan (b) Mr John T. Olds (c) Mr Fock Siew Wah (d) Mr Moses Lee Kim Poo		
5 Re-appointment of Auditors.		
Special Business		
6A Approval to issue Shares pursuant to Section 161 of the Companies Act, Cap 50.		
6B Renewal of the Mandate for Interested Person Transactions.		

If you wish to exercise all your votes For or Against, please tick with "✓". Alternatively, please indicate the number of votes For or Against each resolution.

If this form of proxy contains no indication as to how the proxy should vote in relation to each resolution, the proxy shall vote as the proxy deems fit.

As witness my/our hand(s) this _____ day of _____ 1999.

Signature or Common Seal of Shareholder

No. of Ordinary Shares held

Important: Please Read Notes Overleaf

Notes

- 1 Please insert the total number of Ordinary Shares held by you. If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members.
- 2 A Member entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
- 3 Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his share holding (expressed as a percentage of the whole) to be represented by each proxy.
- 4 The Instrument appointing a proxy must be deposited at the registered office of the Company at 6 Shenton Way, DBS Building, Singapore 068809, not less than 48 hours before the time appointed for the Annual General Meeting.
- 5 The Instrument appointing the proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the Instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- 6 A corporation which is a Member may, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting.
- 7 The Company shall be entitled to reject the Instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Instrument appointing a proxy or proxies. In addition, in the case of members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any Instrument appointing a proxy or proxies lodged if such Members are not shown to have Ordinary Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.