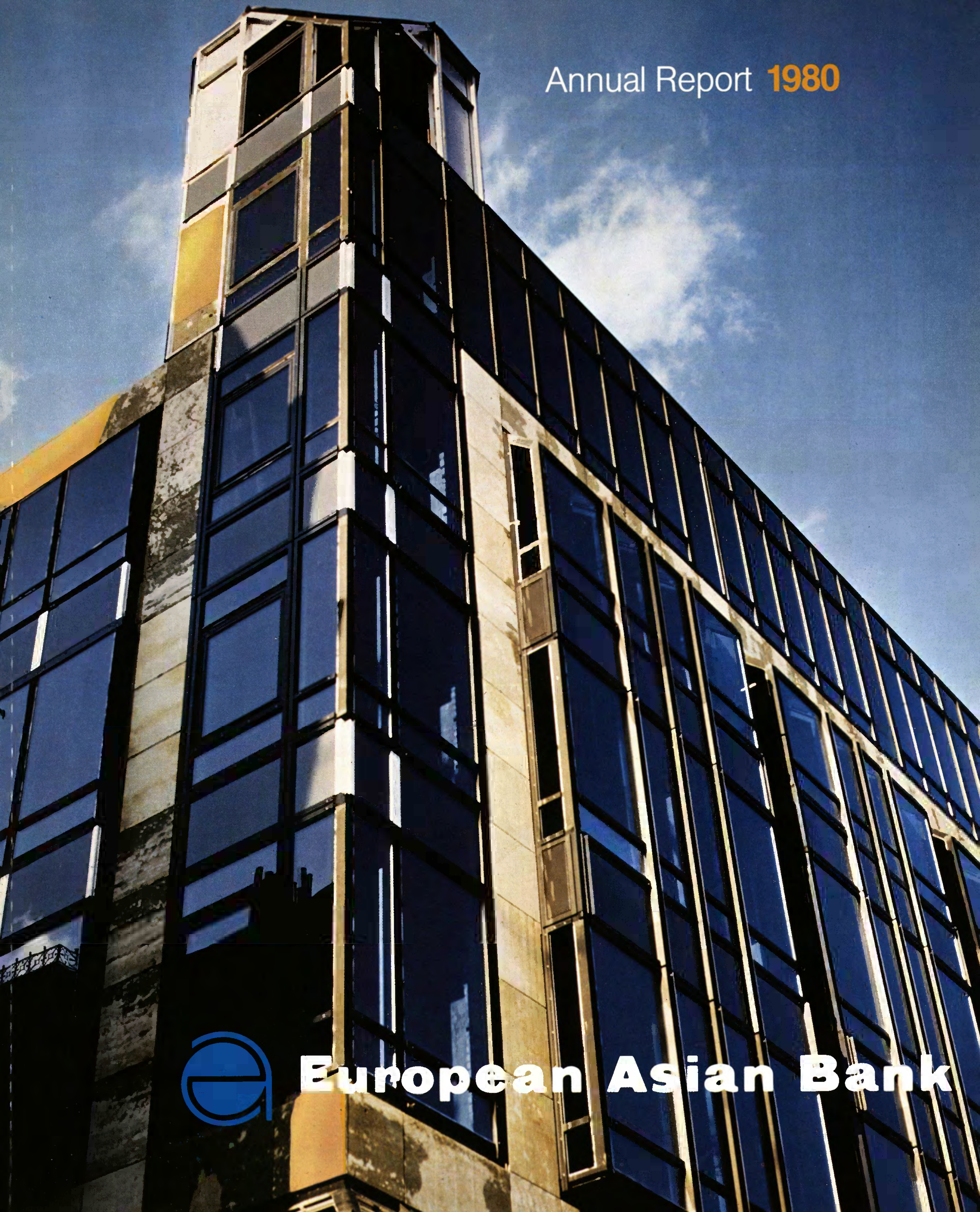

Annual Report 1980

European Asian Bank

Cover: the new premises for the Bank's Hamburg Head Office shortly before completion. Occupancy is scheduled for May 1981.

Contents

Our Report for 1980 is published in English and German.
Printed in West Germany.

Report for the Year 1980

European Asian Bank

European Asian Bank

Nine Years of Growth

1972–1980

DM millions	1972*	1973	1974	1975	1976	1977	1978	1979	1980
Total assets	240	522	665	896	1,088	1,416	2,078	2,846	4,059
Business volume (Balance sheet total plus endorsement liabilities on rediscounted bills and liabilities arising from guarantees and warranty contracts)	300	618	796	1,117	1,392	1,858	2,585	3,638	5,141
Credit volume	132	370	572	720	845	1,101	1,329	2,022	2,915
Deposits	199	471	607	832	969	1,291	1,947	2,670	3,767
Capital and reserves	27	36	38	39	95	95	95	126	205
Net interest income	5.8	10.9	15.6	19.7	23.3	28.3	30.2	43.9	77.7
Net commissions and other service income	4.7	7.7	8.1	8.7	8.3	10.2	13.7	15.7	22.7
Taxes	1.5	2.1	5.1	6.5	6.5	9.1	11.7	14.4	24.6
Dividend	–.–	–.–	–.–	2.8 (10%)	5.6 (10%)	5.6 (10%)	5.6 (10%)	6.3 (10%)	9.6 (10%)**
Staff	377	389	443	457	482	564	701	765	958

*** Partial business year**

**** Effective dividend including tax credit: 13.7% (1979: 15.6%)**

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Mitglied des Vorstandes der
Deutsche Bank AG

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Deputy Chairman
Administrateur
et Membre du Comité de Direction
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Société Générale

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Amministratore Delegato
Banca Commerciale Italiana

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(until March 31, 1981)

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Mitglied des Vorstandes der
Creditanstalt-Bankverein

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General Manager (International)
Midland Bank Limited
(from March 24, 1980)

Dr. Giorgio Winteler, Milano
Condirettore
Banca Commerciale Italiana

Werner Flechsig, Hamburg*
Birgit Joost, Hamburg*
(from March 6, 1980)
Ursula Koehn-Graeff, Hamburg*
(from March 6, 1980)
Christa Roehl, Hamburg*

* elected by the staff

Board of Managing Directors

Michael Boehm

Ulrich Cartellieri
(until March 31, 1981)

Bernard Stentzel
(until March 31, 1981)

J. Nikolaus Korsch
(from April 1, 1981)

Tjark H. Woydt
(from April 1, 1981)

Report of the Board of Managing Directors

South-East Asia in 1980 – Developments and Prospects

Despite the staggering cost of oil imports and the recession in the West which weakened export demand for some of Asia's manufactured products and raw materials, the region as a whole continued to show surprising resilience. Overall economic trends remained buoyant by international standards, and investment intentions – with only a few exceptions to the general trend – were not unduly shaken. Asia thus retained its reputation as one of the world's strongest growth areas, surpassed only by the Middle East. Part of this strength is explained by the diversified nature of the Asian economies, none of which has allowed itself to become a single-product exporter.

Politically, 1980 was not a year of radical changes in Asia. It was mainly preoccupied by the events in Afghanistan and the still unsolved Kampuchean conflict. While most of Asia's independent nations continued to display relative political stability, the complexities of social modernization became more apparent. One important problem for some Asian countries is the question of political succession, the growing necessity to evolve reliable and peaceful ways of transferring political power.

Real, or inflation-adjusted, economic growth of the countries on the Asian seaboard averaged an estimated 5% in 1980. Outstanding performers were Hongkong and Singapore as well as the major oil exporters, Indonesia and Malaysia. Among the so-called newly industrializing countries in South-East Asia, Korea had been hit particularly hard by the second oil price shock and was going through a period of severe re-adjustment during 1980, but indicators for 1981 promise a recovery.

Although oil importers in Asia, as elsewhere, were curbing consumption, soaring fuel costs had a far-reaching impact on consumer prices and current account balances. In addition, the rise in American interest rates not only cast a shadow on regional currency markets – especially in Hongkong and Singapore, where interest rates followed the

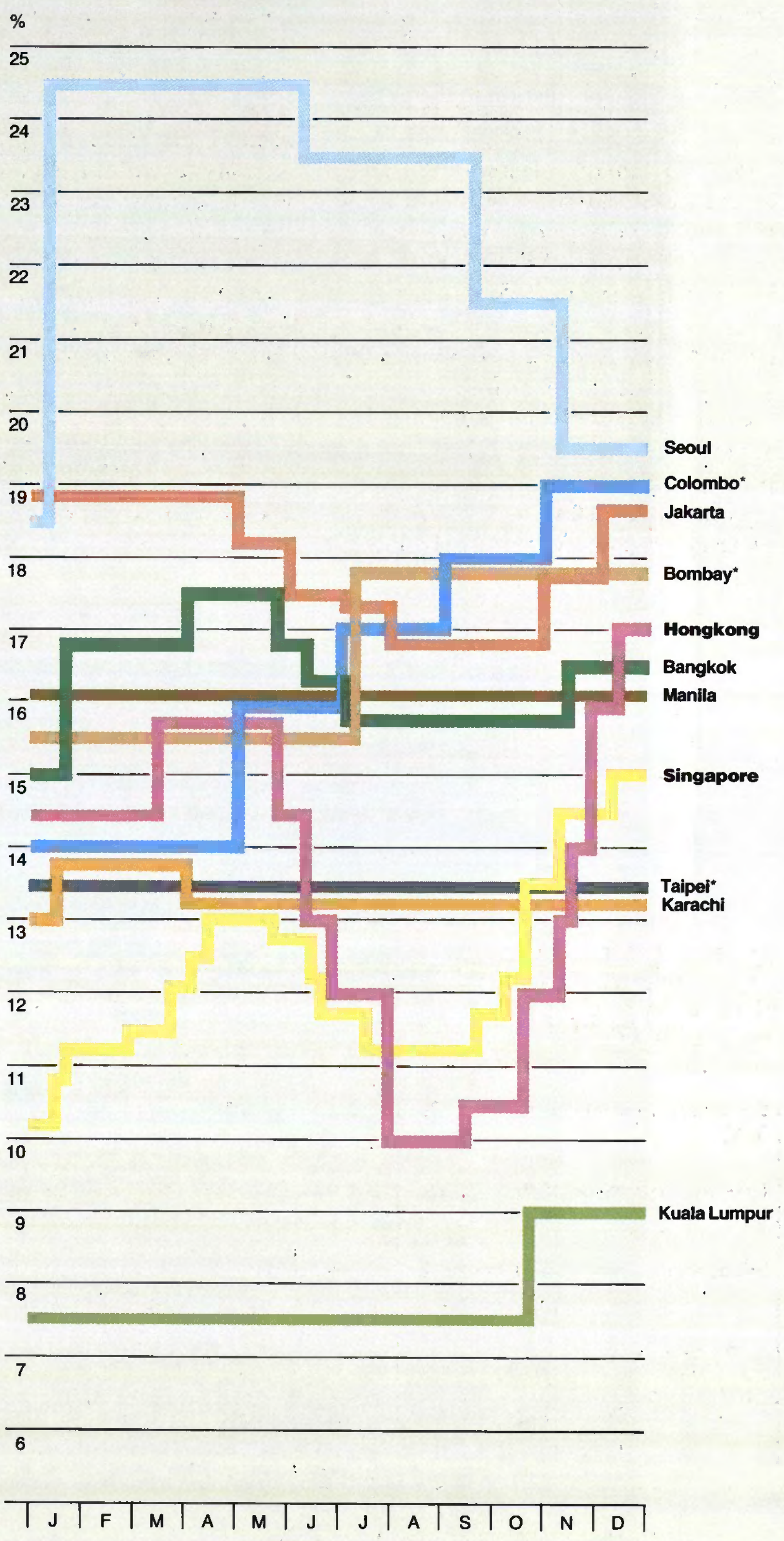
Selected economic indicators for developing Asia		Hongkong	India	Indonesia	Korea	Malaysia	Pakistan	Philippines	Singapore	Sri Lanka	Taiwan	Thailand
Economic growth rate (real)	1979	11 %	4.2%*	4.9%	6.4%	8.9%	5.9%**	5.8%	9.3%	6.2%	8.1%	7 %
	1980	9 %	–3 %*	7 %	–5.7%	8 %	6.2%**	4.7%	10.2%	5.6%	6.7%	6 %
Increase in exports	1979	40.9%	5.9%*	34 %	18.4%	42 %	30 %**	34 %	34.6%	13 %	26.9%	29 %
	1980	29.4%	4.8%*	32 %	16.3%	15 %	38 %**	22 %	34 %	5 %	22.7%	24 %
Inflation rate	1979	11.5%	3.4%*	22 %	21.2%	3.6%	8.3%**	16.5%	4 %	20 %	9.7%	9.9%
	1980	15.5%	12.3%*	16 %	34.6%	7 %	10.4%**	17.6%	8.5%	25 %	20 %	19.7%
Total reserves minus gold (US$ millions) Dec.	1979	n. a.	7,432	4,062	2,959	3,915	213	2,250	5,819***	517	1,467	1,843
Sept.	1980	n. a.	7,710 (Aug.)	5,627	3,714	4,576	454	2,469	6,336*** (Aug.)	325 (Aug.)	1,509 (March)	2,067

* Data refer to financial year ending March
** Data refer to financial year ending June
*** Data include gold holdings

Sources: Official statistics and estimates trend in the United States – but also tended to augment debt-service payments on floating-rate foreign obligations. However, even the region's most affected countries continued to be considered reasonably good risks by the international banking community. To keep foreign indebtedness within manageable proportions, many Asian nations have switched to policies favouring direct foreign investment.

Since Asia cannot expect its export markets to grow as rapidly in the 1980s as they did in the past two decades, there has been an increasing tendency to encourage and intensify regional trade and co-operation. This holds true particularly for ASEAN, a potential market of 250 million people, comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand. 1980 saw a further expansion in the number of items covered by preferential trading arrangements and new proposals by ASEAN businessmen for joint venture projects. Although the analogy with the EEC is limited, the integrative efforts of the ASEAN countries are, on various levels, gradually taking on concrete form.

Development of local prime lending rates during 1980



* Closest equivalent to prime rate

Hongkong

For Hongkong's economy 1980 was the fifth consecutive year of *outstanding growth,* defying some gloomy predictions of a downturn in business activity made in late 1979. The darker side of this continued economic boom was reflected in an equally fast rising inflation rate and speculation in the property and stock markets. According to government statistics, local *cost of living* was at least 15% above its 1979 level.

Economic growth continued to be predominantly export-led, though perhaps less so than in 1979. *Exports* of Hongkong-made goods expanded by a nominal 21.9% which was quite an achievement considering the fact that some of Hongkong's major export markets were moving into recession. Apparently, the main items in the domestic export mix – such as clothing, toys, watches and radios – suffered only mildly from the sluggish consumer demand overseas. Yet the most striking feature in Hongkong's trade was again in *re-exports* which rose by just over 50%. The strong upsurge in re-exports during the past few years has been due largely to *China's* growing international trading activities and Hongkong's entrepot status. Improved relations between China and *Macau* also boosted Hongkong's economic links with this neighbouring Portuguese-administered territory. The value of exports and re-exports to Macau in 1980 increased by no less than 79% and 53% respectively.

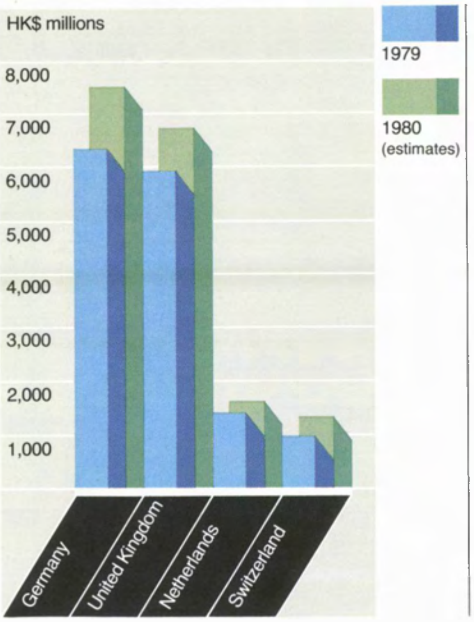
However, the full-year trade figures masked a weaker trend which emerged in the domestic exports sector during the second half of 1980. Among the industries most affected by shrinking order books, heavier production costs and tough competition from cheaper exporters in the region, were *textiles.* These difficulties forced some small factories to close down – although wage levels did not rise as fast as inflation because of the large influx of illegal *immigrants* from China, which pushed the unemployment rate up to 4.3% in September 1980 compared with 3.4% a year earlier. But this regular supplement to the local labour force came to an end in October, when the government adopted new measures against illegal immigration.

A major factor contributing to the persistent weakness of the Hongkong currency, hovering about the five-to-one exchange rate against the US dollar, was the record trade deficit. *Imports* exceeded total exports (domestic exports plus re-exports) by around HK$ 13.4 billion as against HK$ 9.9 billion in 1979, a reflection of robust domestic consumption and investment spending.

Business outlook remained favourable particularly for the *building and construction industries,* with the continuing fast pace of industrial and urban development in the New Territories and the Executive Council's go-ahead for a HK$ 7 billion underground extension. Moreover, the government stated clearly that it has no intention of imposing any rent control on commercial and industrial quarters.

As a natural complement to its growing role as an international financial

Hongkong's exports to major European markets



Shipbuilding is one of the major industries financed by our Kuala Lumpur Branch. Seen here is the official launching of the first of twelve fast patrol boats built by Hong-Leong Lürssen Shipyard Berhad, a Malaysian-German partnership, in Butterworth, Penang for the Marine fleet of the Royal Malaysian Police.

"Industrial re-cycling" in Singapore: (from left to right) Tony Ng, Proprietor of Tat Hong Heavy-equipment Company, together with Juergen Zieler and Hans-Martin Konrad, Joint General Managers of Eurasbank Singapore, watching a welder at work in the yard which specializes in the re-conditioning of heavyequipment.


PZ 1

centre Hongkong has become drawn into a greater interdependence with other financial communities. This became most visible in 1980. In reaction to fluctuating US interest rates and local money market conditions, bank interest rates for deposits and loans were changed no fewer than eleven times during the year. By the end of 1980 the licensed banks' *prime lending rate* had reached an all-time high of 17%, imposing a considerable burden on local manufacturers.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = HK$ 5.1325
(as against HK$ 4.9275 12 months before)

India

India was subjected in 1980 to the high expectations of international observers for a quick recovery from its poor economic performance in 1979. Many trends do now signal a gradual upturn in India's prospects.

With a remarkable return to stability in industrial relations – work days lost in 1980 are calculated to have plummeted to less than a quarter of the previous year's figure – the government was in a better position to formulate the long-awaited measures to overcome the central *infrastructural problems* which had plagued industrial production during the financial year ending March 1980. To break the vicious circle of shortages in coal, power, oil and transport, heavy investment in the extension and modernization of railway facilities and in greater mechanization of India's coal mines is being planned. Difficulties in handling trade in the country's congested ports – an important constraint on India's export growth in 1979–80 – are now also in the process of being redressed.

Oil has again begun to flow from Assam, blockaded by civil unrest until early 1981, thus relieving the economy of a further drain on foreign currency reserves for substitute oil purchases abroad. The escalating cost of oil imports over the last few years, now accounting for over 45% of the total import bill – and at present absorbing 70% of India's export earnings – makes it all the more necessary for the economy that the extensive domestically available energy resources be fully developed.

In spite of a major cut-back in foreign crude oil supplies since the outset of the Iran–Iraq conflict, India was able to cover this shortfall by recourse to the spot markets. Thus the prospects that *industrial production* for 1980–81 will register a 4% rise, a significant improvement after the stagnation in the preceding 18 months, still seem viable.

An important factor in the reversal of the 3% decline in Gross Domestic Product to a projected growth rate of 2% for fiscal 1980–81 has been the good monsoon rains, allowing Indian *agricultural output* to recover from the drought in 1979. The grain harvest is expected to break all previous records, and sugar cane production is now back to earlier high levels. The government had to make up last year's loss by buying massively abroad, and the sugar component in the wholesale price index is so substantial that it contributed a half of the total increase in the price level during this period. The good harvest and the retention of the relatively liberal import policies obviously helped to ease inflationary pressures somewhat.

Concern for the widening trade gap – at US$ 2.8 billion in 1979–80, more than twice the US$ 1.3 billion the year before – and the desire to revitalize industrial production have been most instrumental in the government's shift in traditional *investment policy*. Whilst the principle of ultimate Indian control in joint ventures and the insistence upon accompanying high technology are in general retained, major concessions on the terms of foreign participation have been introduced to facilitate the financing of high-priority industrial projects. This relative relaxation and the streamlining of procedures is in part aimed at attracting petrodollars into the economy

– the first fruits of which have been shown in OPEC members' funding of the further development of the Bombay High offshore field. Various wide-ranging privileges have been accorded to encourage export-oriented companies to improve Indian sales abroad and thus to bridge the burgeoning trade gap.

Despite a steadily growing current account deficit projected at US$ 1.8 billion for 1980–81, India's *foreign exchange reserves* are still sufficient to cover over 5 months of imports, compared with a recent high of 9 months' coverage. The strong possibility that India will make further oil finds offshore, coupled with its broad industrial base, make an adjustment to higher oil prices a less worrying problem than for many other large developing countries.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = Rs. 7.98
(as against Rs. 7.84 12 months before)

Indonesia

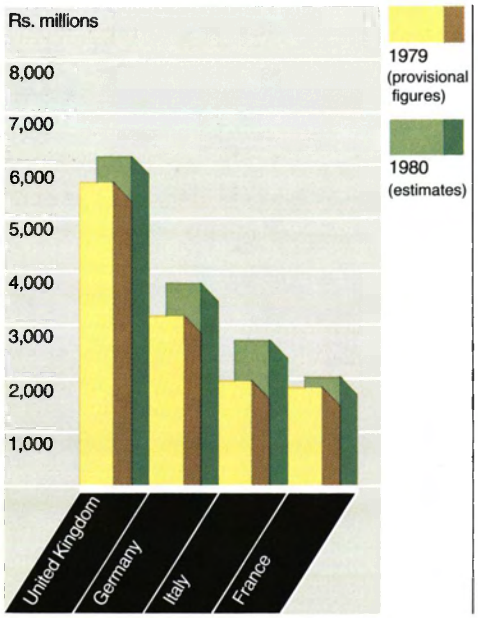
As most of the basic indicators suggested, the world's fifth most populous nation – a recent census revealed its population to be 147.4 million – found itself in the year under review in its best economic and financial position for a long time. *Economic growth* for 1980 was estimated by the government to be 7%, an assessment that was even considered too conservative by many observers. Whatever the real growth rate, it was a substantial improvement on 1979, when real Gross Domestic Product grew by only 4.9%. It is also important to note that this faster economic advance was not achieved at the expense of monetary stability. A 16% annual *rate of inflation* in 1980 may not be regarded as satisfactory, but it was significantly lower than the 22% rate in the preceding year.

The main factors which led to the marked economic upswing were a steep rise in exports, an expansionary budget and a good rice crop. Activity also picked up strongly in the *construction* and *manufacturing* sectors. Especially the latter appears now to have fully recovered from the effects of the 33.6% devaluation of the rupiah in November 1978. Demand came close to, and, in places, even exceeded production capacity in several industries, including building materials and vehicle assembly.

As a major exporter of *oil* and *liquefied natural gas* (LNG), the doubling of oil prices gave a strong boost to Indonesia's balance of payments. By the end of 1980 foreign exchange reserves had climbed to a level which was sufficient to finance eight months of imports compared with five months a year ago. Despite a less spectacular export performance by the non-oil sector (timber, rubber, coffee, tin and palm oil), total export receipts still soared by an estimated 32%. A three-year trend of declining crude oil output is expected to be reversed, now that new oil discoveries are coming on stream, and the recent pick-up in exploration is continuing as a result of the renewed interest in Indonesia by foreign oil companies.

A good portion of surging oil and gas levies is being used by the government for domestic food and fuel subsidies as well as for increased *development*

India's exports to major European markets



spending. The biggest slice of development expenditure within the budget for the 1981–82 financial year has been earmarked for programmes to expand food production.

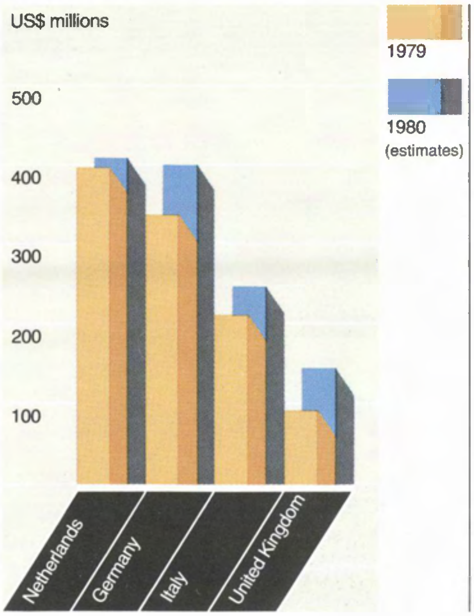
Rice production, which continues to be of great economic and political importance in Indonesia, made considerable headway in 1980. Favourable climatic conditions helped to produce a record 20 million ton harvest, as against the 18 million tons in 1979. Nonetheless, the higher domestic output still left the country below self-sufficiency for this staple food, and nearly two million tons of rice had again to be imported.

The improved economic climate was also reflected in the sharp uptrend of *total imports*. Relieved from reserves constraints, for the present at least, Indonesia imported in 1980 goods worth about US$ 10 billion, roughly a third more than in 1979. Germany – the largest supplier from Europe, with around 6% of the Indonesian market – was able to make up for the heavy drop in sales it had registered in 1979.

Tight *bank credit ceilings* remained a key element to keep rising prices in check. But provisional figures indicated that in 1980 money supply rose by as much as 45%, largely fuelled by the balance of payments surplus of US$ 2.3 billion. Since a payments surplus of roughly the same amount is projected for 1981, and a too rapid liquidity expansion may endanger monetary stability in the future, the Governor of Bank Indonesia has already advised commercial banks to proceed more cautiously in their lending and to be prepared for possible adjustments in credit policy in the coming months.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = Rp 626.75
(as against Rp 627.00 12 months before)

Indonesia's exports to major European markets



Korea

1980 has been the most difficult year for Korea since 1962, when the government initiated the economic development plans which transformed the southern part of the peninsula from one of Asia's poorest territories into one of its most advanced economies. After two decades of uninterrupted growth, GNP for 1980 showed a 5.7% decline in real terms while per capita income decreased to US$ 1,508 from US$ 1,597 in 1979. This disappointing performance was mainly due to sharply reduced investment and the effects of a disastrous rice harvest. Adding a further dimension to Korea's already complex economic problems were the domestic political developments in 1980.

The roots of the country's current economic difficulties lie in important internal and external factors. In conjunction with the continuing high rate of inflation, unit labour costs in Korea have been rising significantly faster than those of its trade competitors such as Hongkong, Singapore and Taiwan. Faced with a stagnating export volume, the government in January 1980 announced a 16.6% *devaluation* of the won and opted for more flexibility in the exchange rate, under a "managed float" system. From 580 won per US dollar after the one-step devaluation, the local currency fell further to 660 per dollar at the end of 1980, representing a total devaluation by about 26.7% on an annual basis.

Although the devaluation meant a boost in the won earnings of the export sector, it did not give rise to new domestic investment because of excess capacity and large stocks of many industries. Overall Korean *exports* in 1980 were up about 16% in US dollar terms.

Sluggish sales to many major industrialized countries were partly offset by significant export gains to other Asian and Middle East markets. Not surprisingly, import demand for capital goods and some raw materials fell during the period under review.

The problems created for Korea by the 1979 oil shocks and other factors have been exacerbated by a very high rate of investment in *heavy industries* since the mid-1970s. That process now seems to have gone too far, not only because of the duplication of facilities for certain products, but also because the new industries are often energy-intensive. Major business groups have, therefore, been ordered to merge some subsidiaries or otherwise rationalize their operations. Affected are six industries: automobiles, power-generation equipment, electronic switching systems, heavy electrical equipment, copper refining and marine diesel engines.

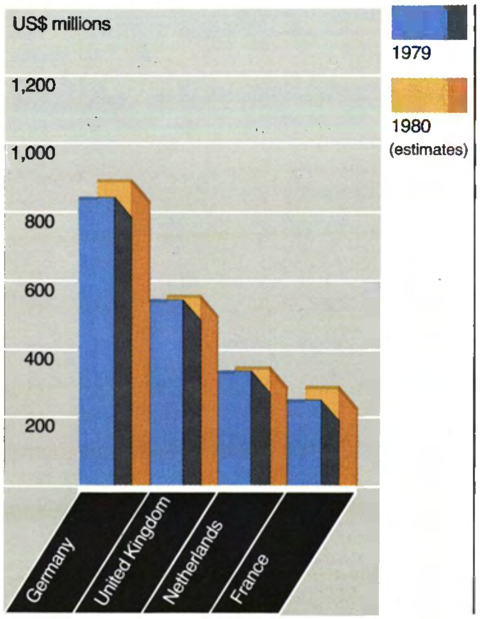
As part of this industrial restructuring, rules for *foreign investors* were further liberalized. However, the new measures have not yet gone so far as to permit foreigners to take part directly in portfolio investment through the stock market. Among the major changes, 100% foreign ownership will be allowed in a select range of different industries which were previously subject to the general rule of 50/50 joint ventures with local firms. At the same time, the minimum amount for foreign investments will be lowered from US$ 500,000 to US$ 100,000.

Inflation-fighting strategies – the official *consumer price index* (all cities) listed a 35% rise for 1980 – were complicated by the highly leveraged nature of most Korean firms. As the domestic recession began to deepen, the central bank finally modified its tight money policy in order to ease the pressure on the financial situation of companies. Business loan interest rates were cut in three steps from June 1980 onwards, bringing the *prime lending rate* down to 19.5% from its peak level of 24.5%.

Korean economic planners predict 5–6% real growth for 1981, but at least a third of this growth is expected from a restoration of agricultural production to its normal level. To counteract growing unemployment, the government will also accelerate public work programmes and stimulate housing construction. Since the large deficit in the balance of payments current account is unlikely to narrow noticeably in 1981, *foreign borrowing needs*, at an estimated US$ 7.7 billion, will not be very different from the 1980 requirement. While the immediate economic outlook, in common with other oil-importing countries, may thus not be particularly bright, Korea's medium and long-term prospects do not seem to have been unduly tarnished by the present economic malaise.

Basic exchange rate of the Bank of Korea
on Dec. 31, 1980 ....
US$ 1 = won 659.90
(as against won 484.00 12 months before)

Korea's exports to major European markets



Malaysia

1980 was the fifth consecutive year of *strong growth* for the Malaysian economy, after a short-lived but marked slowdown in 1975. Real GNP is estimated to have increased by 8% against the budget forecast of 6.5%. However, the rise in the domestic price level was higher than had been expected. After five years of low price increases, the *inflation rate* as measured by the official consumer price index doubled to about 7% – a figure which nonethelesss could still be the envy of many other countries in the world.

In contrast to the previous year it was not the export sector which provided the main stimulus to economic growth in 1980 but domestic demand. *Private investment* gained momentum as a result of both greater outlays to expand capacity in the manufacturing sector and higher foreign capital inflows. During the first seven months of the year, 126 joint ventures and 15 wholly foreign-owned projects were given approval by the Ministry of Trade and Industry. The lively investment activity was also reflected in the uptrend of *capital goods imports*. Japan continued to be the major source of Malaysia's imports in 1980, followed by the EEC countries, among which Germany overtook the United Kingdom for the first time as the largest European supplier of goods to Malaysia.

Less buoyant foreign demand and declining output of some of the country's key commodities reduced the rate of export growth to 15% from 42% in 1979. The production of *rubber*, one of the traditional pillars of Malaysia's economy, was affected by labour shortages on the estates and the effects of the conversion of rubber land to other crops during the early 1970s. The escalating oil price on the other hand helped sustain the natural rubber prices at a high level.

Export proceeds from *palm oil* increased only marginally due to the surplus supply situation in the market for oils and fats. The local palm oil refining industry which has expanded at a vigorous pace since 1974, is presently faced with the prospects of underutilized capacity. At the end of 1980, there were already some 40 refineries in operation whose total capacity slightly exceeded crude palm oil production.

The most important contribution to the overall increase in exports came from *oil*. This occurred despite a decline in petroleum output by about 3% to 275,000 b/d, as part of the government's new oil conservation policy. But, like other non-OPEC oil exporters, Malaysia has shadowed the cartel in its price hikes. Oil now accounts for nearly a quarter of the country's total export income, thus replacing rubber as the top foreign exchange earner. Liquefied natural gas from Sarawak will join the list of export products in 1983, when the big LNG plant in Bintulu is completed.

Despite the less dynamic export performance, Malaysia's *external position* remained fundamentally sound. Given the clouded international outlook, the Finance Ministry noted in its annual economic report that 1981 may see a deficit in the balance of payments current account, the first after five consecutive years of surpluses. The report said, however, that such a deficit should be more than offset by net corporate foreign investments and official inflows

Left-hand column:
The Bank's advertising in Hongkong. The extension of its sub-branch network has enabled the Bank to attract new corporate and commercial customers and to offer full personal banking services in residential areas.

Right-hand column:
(top) Exports of goods manufactured by small-scale units throughout India are part of the country's life-blood and contribute substantially to the local economy. P. H. Mahtani (right), Vice President of Tejoomals, a company specializing in the export of high fashion ladies' leather handbags and shoes to European markets, explains the company's marketing strategy to Douglas Neilson (centre), Manager of our Bombay Branch and Udayan Bose, Manager of European Asian Bank's International Finance Group, India.

(centre) Korea: the sustained interest of European companies in the Korean market was reflected in the 1980 GERMATEC exhibition held in Seoul, where the Bank also had a counter.

(bottom) Thailand: European Asian Bank finances the construction of this factory with a term loan. The building is being leased to Henkel Thai Limited, which is a subsidiary of the German chemicals concern.

GERMATEC
Exhibition of German Technolog
8-14th December 1980
Eurasbank
European Asian Bank

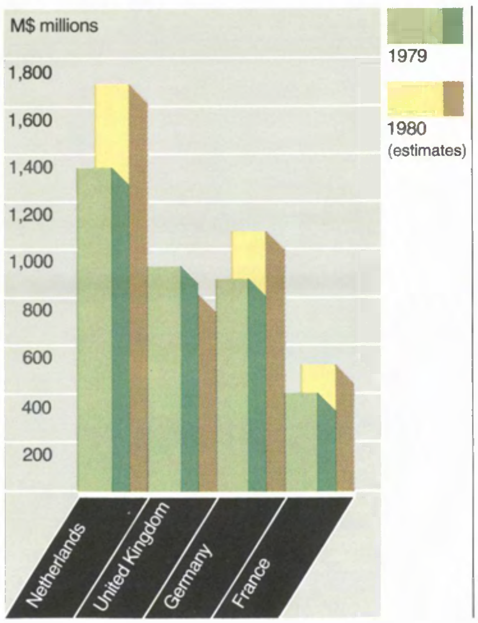
of long-term capital. Moreover, Malaysia still has a comfortable cushion of international reserves.

With the continued high level of business activity, bank lending in 1980 rose more rapidly than in the previous year. Reflecting this development, the local money market tightened and interest rates at times escalated beyond the commercial banks' *prime lending rate* which had been kept unchanged at 7.5% since mid-1977. A long overdue adjustment in lending rates was made in October, raising the prime to 8.5–9.5%.

New long-term *infrastructural projects* include a M$ 2.75 billion highway to connect all the major towns from the Thai-Malaysian border to Johor Bharu at the southern tip of Peninsular Malaysia. It has also been announced that all major airports in the country will be expanded and renovated to accommodate the increasing passenger and cargo traffic.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = M$ 2.217
(as against M$ 2.188 12 months before)

Malaysia's exports to major European markets



Pakistan

Against the background of the unsettling political events in neighbouring Afghanistan and Iran, and despite adverse world trading conditions, the Pakistan economy performed with continued resilience during the period under review. Increased output both in the agricultural and the industrial sectors sustained *economic growth* at a rate of around 6% during the financial year ending June 1980. This was again more than double the rate of annual population growth. However, price pressures became more pronounced and the balance of payments remained under severe strain. Inflation-adjusted investment trends also gave cause for some concern. According to central bank estimates, net real fixed investment fell by 14.1% in 1979–80.

The improved performance of *agriculture* was attributable to favourable weather conditions, as well as to various measures introduced to spur productivity. The total number of tractors imported into the country, for example, rose to 18,900 from 15,200 in the previous year. Wheat and cotton crops reached new record levels, resulting in a sharp reduction of wheat imports and a markedly higher export volume of raw cotton.

Growth of *industrial production* was estimated at about 8% and was fairly broad-based. Provisional data revealed that the declining trend in the production of cotton cloth came to a halt but has not yet been fundamentally reversed. To assist the ailing textile industry, the government has provided a number of fiscal and financial incentives. Textiles, which form an important part of manufacturing activities, have been suffering for several years from a combination of negative factors, such as weak export markets, trade restrictions and domestic problems.

Nonetheless, *total exports* registered a substantial increase for the second consecutive year, rising by nearly 40% to US$ 2.4 billion in 1979–80. Besides raw cotton, rice again occupied a prominent position in the export list with record shipments of 1.09 million tons. Exports of semi-manufactures and manufactured goods, on the other hand, expanded less rapidly so that their share in total exports dropped from 68% to 58%. Hongkong, Japan, the People's Republic of China and Germany ranked as the four largest importers of Pakistani products.

Despite these considerable export gains, the country still had to cope with a further widening of its trade gap in absolute terms. *Imports* climbed by 29% to US$ 4.7 billion. A large part of this rise was caused by the oil price surge and continuing shortages of certain raw materials and capital goods in the domestic market. It should be noted however, that as far as energy supplies are concerned, Pakistan is better off than many other developing countries. Thanks to the development of its large hydro-power resources and substantial deposits of natural gas, only 35% of present energy requirements need to be covered by imported oil.

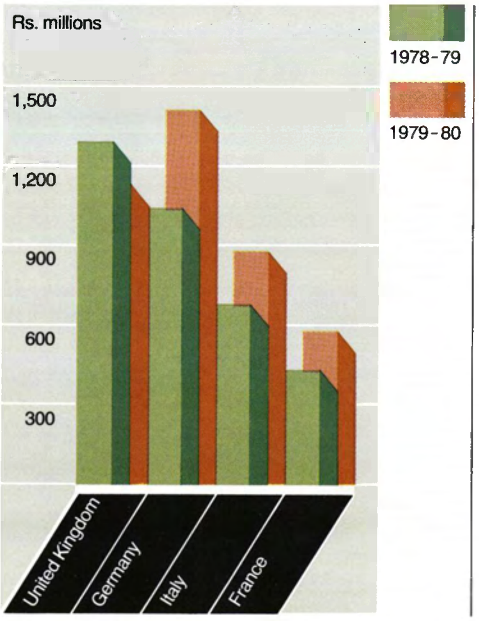
As in previous years, the country's *balance of payments* problems were partly eased by the higher level of remittances from Pakistanis working abroad, amounting to some US$ 1.7 billion in 1979–80. Combined with exceptional capital inflows from Saudi Arabia, various other OPEC members and the International Monetary Fund, this led to a replenishment of Pakistan's foreign exchange reserves. Excluding gold, they quadrupled to nearly US$ 900 million in the first four months of 1980. In late 1980, the IMF approved a three-year loan arrangement totalling US$ 1.7 billion to Pakistan, the largest loan to a developing country in the Fund's history. This arrangement also paved the way for a new debt-rescheduling agreement with the Aid-to-Pakistan consortium.

In view of the worsening domestic price situation, the State Bank of Pakistan maintained its practice of prescribing ceilings on *commercial bank credit* to private and public sector enterprises. The maximum rate for commercial loans remained unchanged at 14% per annum.

The plan to erect the country's first *export processing zone* in the Karachi area, is now gradually taking shape. According to the zone's chairman, over 30 applications have already been received for participation.

Parity rate of exchange on Dec. 31, 1980 ...... US$ 1 = Rs. 9.90 (same as 12 months before)

Pakistan's exports to major European markets



Philippines

Business activity in 1980 was dampened by rising energy costs and recessionary world conditions. *Real GNP growth* dipped to 4.7% from 5.8% in 1979. This was the lowest rate of economic growth since 1971. Although so-called non-traditional exports (including electronics and garments) have registered above-average increases over recent years, the Philippine economy is still vulnerable to fluctuations in commodity prices.

Total exports in 1980 amounted to US$ 5.59 billion, 21.5% higher than in the previous year. While exports of sugar, copper concentrates, gold and nickel profited from improved world market prices for these goods, export receipts from coconut products – the top foreign exchange earner over the last two years – fared poorly due to a drop in demand as a result of a record US soyabean harvest. Since coconuts continue to provide the livelihood of a relatively large section of the population, the unfavourable turn in the export market for this key commodity had a direct effect on purchasing power. Thus domestic sales of consumer-oriented industries like textiles suffered. *Inflation* also took its toll on real income levels. In the first quarter of 1980 consumer price movement accelerated to 25%, but as the year progressed there was a moderation in price increases, in which the reimposition of price control on basic consumer items played a role.

Export gains were not sufficient to narrow the substantial *trade gap* of some US$ 2 billion. This deficit and inflation exerted some pressure on the peso's exchange rate. Most of the country's present trade problems have originated from the mounting oil import bill which climbed by no less than US$ 1 billion to US$ 2.6 billion in 1980, taking up around 45% of export proceeds.

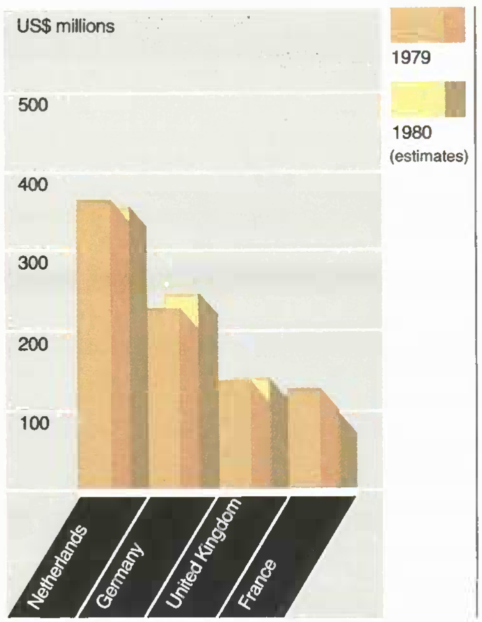
With its first oil field producing at a drastically reduced rate, *domestic oil* covered only 4.1% of energy consumption, compared with 8.2% in 1979 when the field began operations. In response to this disappointing experience, the government has set higher targets for the development of non-oil energy resources, particularly geothermal steam which provided 3.9% of national energy needs in 1980, up from 1.1% in the previous year. To carry out the new compressed energy programme, a total of US$ 9.5 billion in investments will be required over the 1981–85 period. Given the urgency to reduce the heavy dependence on imported oil, it seems almost certain that the energy sector will be given top priority in new *foreign borrowings*. Foreign lenders continue to take a positive view on financing energy projects in the Philippines notwithstanding possible concern about the country's already existing debt burden.

Increased efforts by the government to attract more export-oriented, labour-intensive industries have met with some success. Only recently, six multinational electronic companies formerly based in other South-East Asian countries, transferred their production facilities to the Philippines. One of the main reasons for their move is believed to be the flexibility of the Philippine labour market, as reflected in the lower wage costs, in comparison with such places as Hongkong or Singapore. In addition to its first three *export processing zones* – Bataan being the most developed one with factory employment of about 25,000 Filipinos – the government is to set up 12 more in various parts of the country. With the aim of making local zones at least as attractive as those in other Asian locations, a new package of incentives for zone enterprises was announced.

Most notable among the 1980 developments in the monetary sector was the passage of reforms designed to restructure the highly specialized Philippine financial system along the concept of *universal banking;* the ultimate objective being to generate more peso investment funds. Under the new rules commercial banks with so-called expanded authority may also perform the functions of investment houses. The minimum capital requirement for such a "unibank" is ₱ 500 million.

Rate of exchange on Dec. 31, 1980 . . . .
US$ 1 = ₱ 7.600
(as against ₱ 7.415 12 months before)

Philippine exports to major European markets



Ribbon-cutting at the inauguration of the new Colombo Branch: (from left to right) Michael Boehm, Member of the Board of Managing Directors of Eurasbank; Ronnie de Mel, Minister of Finance and Planning of Sri Lanka; Dr. W. Rasaputram, Governor of the Central Bank of Ceylon; Hans-Otto Thierbach, Chairman of the Supervisory Board of Eurasbank.

Interior view of the new Colombo Branch.

European Asian Bank in Taiwan: the entrance to the new Branch in Taipei. The traditional Chinese Lion Dance is performed here as a sign of good fortune and success.

A touch of Asia in Sydney: D. M. R. Payne (right), heading Eurasbank's newly-opened Representative Office for Australia and New Zealand, seen talking to a local businessman in Sydney's China Town.


European
Asian


European Asian
180


通德履信

Singapore

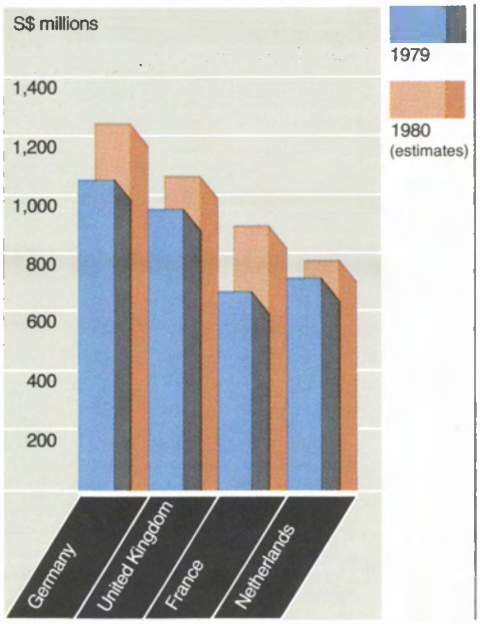
The island republic entered the 1980s with an *economic growth* of more than 10% – the first time it has achieved a double-digit rate since the 1973–74 oil crisis. Despite unfavourable economic conditions abroad, many Singapore industrialists see even better business prospects for the first half of 1981. According to a survey conducted during the last week of December 1980, 31% of the companies surveyed expect improvement, 58% anticipate no change and only 11% predict a deterioration.

Given Singapore's evolution as a financial and services centre, advantageously located between the two major oil and gas producers, Indonesia and Malaysia, it came as no surprise that economic expansion in 1980 was led in particular by these two sectors. Yet *construction* and *manufacturing activities* also remained strong. Significant gains were noted in the output of the electronics and transport equipment industries while textiles, garments and timber industries fared less well. This outstanding overall performance was marred only by one unfavourable aspect. After years of moderate increases in the cost of living, worldwide consumer price inflation has finally hit Singapore too. For 1980, the *inflation rate* hovered around 8.5%, as against 4% in 1979.

Singapore's *external trade* continued to expand vigorously in 1980, with exports and imports increasing at virtually the same rate (34%). Nevertheless, because of the higher base value of imports, the trade deficit rose to S$ 9.9 billion from S$ 7.4 billion in 1979. However, all these figures exclude the substantial trade with Indonesia about which statistics are not released. Part of the strong uptrend in the value of total trade was accounted for by the cumulative oil price increases – reflecting the fact that Singapore ranks third in the world as a refining centre, after Houston and Rotterdam. There was also a further rise in the cost of machinery imported for the city-state's export-orientated industries. Among its trading partners Malaysia maintained the lead, followed by Western Europe, the United States and Japan. In spite of the wider trade gap, it can be assumed that Singapore's *overall balance of payments* remained in surplus as a result of increased capital inflows, including direct and portfolio investments. International currency reserves were US$ 6.2 billion at the end of July 1980, up almost US$ 400 million from December 1979.

New foreign investment commitments totalled S$ 1.3 billion in the first nine months of 1980, exceeding the entire 1979 commitments by more than 40%. But a reduction is forecast in the volume of planned projects. Contributory factors are believed to be the continuing tight labour market and the government's higher-wages policy, which aims at phasing out labour-intensive, low-skill industries. Meanwhile, it has been indicated that 1981 will be the last year of 20% wage-cost increases and that thereafter wage awards will be more in line with productivity. Since the main key to successful industrial restructuring lies with the upgrading of the quality of the workforce, the government is now laying great emphasis upon vocational education. Japan, Germany and France

Singapore's exports to major European markets



already help in this upgrading process by providing facilities to train instructors, technicians and craftsmen.

Prime lending rates of local and foreign banks in Singapore went up by three to four percentage points during 1980. This strong upward drift of local interest rates was tied to the development of US dollar rates, and compounded by sustained domestic loan demand.

1980 saw a record annual increase in the size of the Singapore-based *Asian dollar market*. Total assets of the 115 operating Asian Currency Units topped US$ 50 billion, of which a quarter represented lending to non-banks. Activity in the *floating rate CD sector* remained lively, with 33 new issues amounting to US$ 785 million.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = S$ 2.1000
(as against S$ 2.1595 12 months before)

Sri Lanka

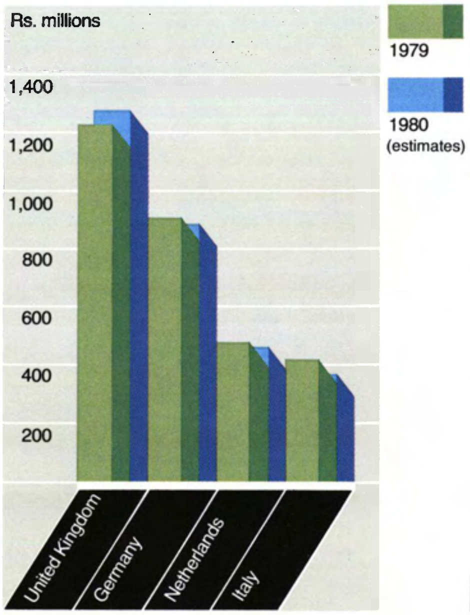
Although the growth impulse generated by the extensive reforms of 1977 has been sustained over a broad front, particularly in the manufacturing and services sectors, 1980 was no easy year for the Sri Lankan economy. With exports of goods and services constituting about a third, and imports about half of the Gross National Product, the continued deterioration in the country's *terms of trade* left its mark on the balance of payments and the state budget. The sharp increase in import prices of crude oil and of investment and intermediate goods erased the improvement in export prices. In addition, export volumes of the three major agricultural commodities – tea, rubber and coconut – were badly affected by an unprecedented drought that prevailed during the early part of the year. As a result, the merchandise trade deficit for the first nine months of 1980 almost doubled, and external assets of the Central Bank showed a declining trend. A slow depreciation of the rupee was another indication of the pressures emanating from the unfavourable trade balance.

There was, however, one redeeming feature in Sri Lanka's trade performance. *Industrial exports* recorded a substantial increase during the first nine months of 1980 (up 44% in SDR terms over the same period of the previous year). This growth came mainly from exports of textiles and garments as well as of petroleum products processed from imported crude.

Foreign investment received a significant boost from the announcement that a US multinational company is to set up business in the Free Trade Zone north of Colombo. The company will build a US$ 22 million semi-conductor plant, expected to start production in 1982 and employing about 2,000. According to the Zone's agency, other foreign electronics firms are also weighing decisions to erect factories in Sri Lanka. Among the projects already in operation within the Free Trade Zone, the majority are still engaged in the manufacture of ready-made garments. Since further expansion of such industries could create export problems, new garment manufacturers are no longer being encouraged to come into the Zone.

One of the fastest growing sectors of the economy and a major source of foreign exchange remained *tourism*. The total number of tourist arrivals is estimated to have reached 315,000 in 1980,

Sri Lanka's exports to major European markets



indicating a further rise of about 25% compared with the previous year. To meet this swelling inflow of visitors, another 1,250 hotel rooms are presently under construction.

Inflationary pressures intensified in 1980, fuelled by oil price-related cost rises and heavy investment to upgrade the country's infrastructure. In the first half of the year, the outmoded Colombo Consumers' Price Index registered an annual increase of 32%. These cost escalations and overall balance of payments considerations led to a severe cut on budget estimates of the government's capital spending for 1981. Some 65% of government investment over the last three years has been financed with foreign aid, but given the present financial climate in donor countries, it seems almost impossible to expect a substantially higher flow of foreign assistance. On a per capita basis, Sri Lanka has obtained more soft loans and grants than perhaps any other third world country.

Nonetheless, foreign confidence in Sri Lanka was reflected in the desire of *international banks* to open branches in Colombo, in response to the recent liberalization. Of the 14 newly approved foreign banks, 9 have already started operations.

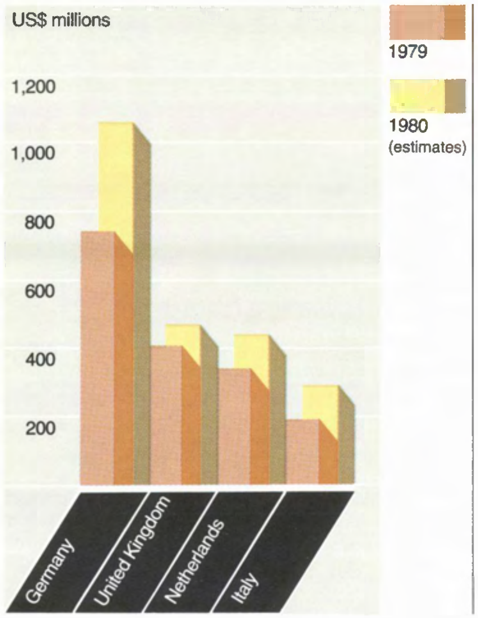
Rate of exchange on Dec. 31, 1980 . . . .
US$ 1 = Rs. 18.000
(as against Rs. 15.445 12 months before)

Taiwan

Against an increasingly adverse external background, Taiwan has managed to achieve consistently strong *economic growth*. Real GNP for 1980 expanded by 6.7%, down only slightly from the previous year's increase of 8.1%. Apart from Taiwan's heavy reliance on imported commodities, this performance was all the more remarkable since a summer-long drought – said to have been the worst in 80 years – had cut rice and sugar crops severely. This drought also added to "imported" *inflation* which became a problem in 1980. Consumer prices rose an average 20% as compared with 9.7% in 1979.

The island economy has so far been able to absorb the recent massive increases in oil payments – the 1980 oil import bill of US$ 4.1 billion was more than double the cost of crude oil imports in 1978 and 1979 combined – without incurring a trade deficit. With a 23% rise, *exports* held up surprisingly well in 1980 so that the merchandise trade account still showed a small surplus of about US$ 50 million, despite an import growth of 33%. Leading export items remained textiles, electronics and footwear. By contrast, exports of iron and steel products registered a sharp fall, due mainly to recessionary world steel markets. Following a slump in US housing construction, there was also a slight decrease in shipments of plywood products. Nonetheless, the United States were again the biggest market for Taiwanese products, accounting for 34% of total exports. Taiwan recorded sizeable trade surpluses with most of its trading partners, except for its raw-material suppliers and Japan. New markets were developed in Africa, and exports to some Asian and European

Taiwan's exports to major European markets



countries increased sharply. In fact, the EEC in 1980 surpassed Japan as Taiwan's second largest export market.

The unabated foreign confidence in Taiwan's economic strength was reflected by the large amount of new *foreign investment commitments.* Approved foreign and overseas Chinese investment applications totalled US$ 466 million in 1980, up 42% from the previous year's record of US$ 329 million. The 1980 figure included US$ 110 million (15 projects) committed by American investors, US$ 86 million (35 projects) by Japanese and US$ 14 million (11 projects) by investors from European countries.

As part of Taiwan's effort to switch from labour-intensive to high technology industries, a *science-based industrial park* was opened at Hsinchu, 70 kilometres south of Taipei, in mid-December 1980. Four firms have already gone into production in this park, and 10 more are in the preparatory stage, among them several US firms and a Taiwanese manufacturer, whose plant is being designed to produce 20,000 electric-drive vehicles per year from mid-1983. Foreign and domestic companies which qualify for investment in this new industrial zone are given preferential treatment.

In order to reduce the share of imported oil in total *energy supply* from its present 73% to 49% by 1989, coal is again being used in increasingly large quantities to fuel conventional power plants. Two nuclear power plants came on stream in 1979, four more are under construction and two are in the bidding stage. The recently intensified offshore exploration for petroleum has yet to produce significant results.

The expansion of trade with Europe in 1980 was accompanied by the entry of five *European banks,* which opened branches in Taipei during the August–December period. For the first time, banks in Taiwan were given some flexibility to adjust interest rates according to market demand. However, the Central Bank retained the right to set ceiling rates for bank deposits as well as maximum lending rates.

Rate of exchange on Dec. 31, 1980 ....
US$ 1 = NT$ 36.01
(as against NT$ 36.03 12 months before)

Thailand

In its preliminary 1980 review, the Bank of Thailand described economic conditions as a "mixed picture of improvements and persistent problems". *Economic growth* is estimated to have been approximately 6%, compared with 7% in 1979. Most of this slowdown stemmed from a drought which extended from mid-1979 well into 1980, the worst for more than a quarter of a century. This dry spell caused a temporary drop in agricultural output and a shortage of raw materials for agro-industries. A further effect of the low water levels in Thailand's reservoirs was curtailed factory use of electricity, which held back production in various industries. However, heavy rains later in 1980 changed the situation and promised increases in the output of major crops during the current 1980–81 season. The rice export target for 1981, for example, is set at a record 2.8 million tons.

Healthy world market prices for Thailand's basic export commodities – rice, rubber, tapioca products, tin, maize and sugar – helped to compensate for adverse weather conditions. *Total exports* continued to grow at a satisfactorily high rate of 24% in value terms. By contrast, overseas sales of Thai textiles, which had been performing quite well in the first half of 1980, suffered a setback in the second half.

After a record increase of 38% in 1979, Thai *imports* rose less steeply in 1980. In fact, import growth would have decelerated even further if the cost of imported petroleum and petroleum products had not doubled. The annual increase in overall import value is estimated at 23%, of which a mere 2% was attributed to quantity expansion. Non-oil imports registered a rise of only 13%, mostly accounted for by the price factor. Imports of capital goods grew slightly because large-scale investment in machinery and equipment had been carried out during the previous year. In the new projects being considered by the Board of Investment (BoI) for preferential treatment, there was above all an encouraging trend in *foreign investment intentions*. According to BoI figures, the ratio between local and foreign capital was 2.9 to 1 in the first nine months of 1980, compared with 5.0 to 1 in the corresponding period of the year before.

Notwithstanding the more or less stagnating import volume in 1980, total import payments continued to exceed export receipts by a considerable margin, producing a trade deficit of some US$ 2.8 billion. This was only partially offset by a surplus in services and transfers so that the country's *current account deficit* widened to US$ 2.2 billion. However, thanks to sizeable capital inflows from various sources the overall balance of payments moved into the black. As far as private capital inflows are concerned, the discrepancy between domestic and external interest rates exerted a strong influence in the first three quarters of the year. Since the Bank of Thailand does not expect a positive interest rate differential for 1981, it has predicted that the balance of payments will shift substantially into the red after the 1980 surplus. International organizations and donor countries have pledged about US$ 1.2 billion in aid to Thailand for 1981, up from about US$ 850 million received in 1980.

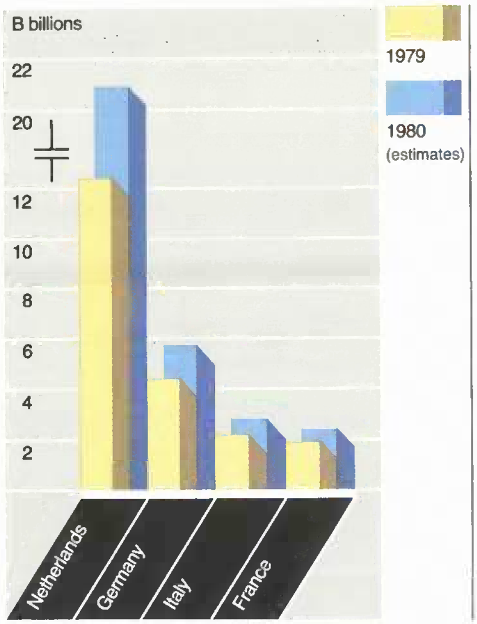
Among those projects which should redress the country's trade imbalance and contribute to economic growth, the production of *natural gas* from the Gulf of Thailand ranks foremost. Gas could come on stream as early as mid-1981, gradually displacing the substantial fuel oil imports now used to generate electricity. It will also lead to the development of a petrochemical industry. The advent of natural gas is estimated to reduce Thailand's critically high dependence on imported oil – now close to 88% of all its energy needs – to about 65% over the next five years.

Inflation in 1980 reached the high rate of 20%, due largely to various adjustments in the domestic prices of goods and services to more realistic levels than before. As further adjustments, particularly of energy prices, in line with costs are to be expected soon, inflationary pressures are likely to continue throughout 1981.

To ease the very tight liquidity situation which had prevailed in the banking sector during 1979, a new *interest rate structure* was introduced in mid-January 1980, allowing an increase of about 3% on both deposit and loan interest rates. The higher interest rate on deposits enabled commercial banks to mobilize more domestic savings. At the same time, the maximum commercial bank lending charge was raised to 18% from the long-standing ceiling of 15%.

Rate of exchange on Dec. 31, 1980
US$ 1 = baht 20.635
(as against baht 20.425 12 months before)

Thailand's exports to major European markets



Australia

After the moderate growth of the past few years, mounting evidence is now pointing to a significant revival of business confidence. 1980 already saw a sharp rise in *private investment,* and the country's favourable trade performance of late was in no small measure attributable to improved international competitiveness, mainly achieved by a policy of fiscal and monetary restraint.

Australia has entered the 1980s well placed in terms of *natural resources:* 70% self-sufficient in oil, one of the world's leading coal exporters and a major food growing area. This wealth and the country's basic political stability have recently attracted substantial capital inflows into resource projects, via portfolio and direct investment. Latest official estimates of expenditure on major mining and manufacturing projects now under way or in the final feasibility stage add up to A$ 29 billion. Oil and gas projects account for about A$ 7.5 billion of this, coal for A$ 7.1 billion, aluminium/alumina/bauxite for A$ 4.8 billion, and other base metals for A$ 3.6 billion. However, the shortage of skilled labour and other bottlenecks could become an obstacle to this development boom projected for the coming decade.

Besides the richness of its natural resources, Australia has another important advantage: its proximity to the dynamic *Asian market.* Roughly 50% of its exports already go to Asian countries which are among those least affected by the slowdown in world economic growth. Japan is by a long stretch Australia's leading customer, taking more than a quarter of total exports. In view of Japan's search for alternative energy sources, this relationship is likely to become even closer. But business links between Australia and other Asian nations are growing too. The five ASEAN countries especially have attracted a significant number of Australian companies as investors, many of which have been able to carve out sound market positions for themselves.

Rate of exchange on Dec. 31, 1980 ....
A$ 1 = US$ 1.1807
(as against US$ 1.1055 12 months before)

New Zealand

In the past few years the New Zealand economy, boasting an efficient farming sector as one of its central pillars, has been subjected to a series of severe trials. Whilst on the one hand the drop in demand for agricultural products which resulted from Britain's entry in the EEC has, at least in terms of volume, been compensated by the successful search for new markets, the country's balance of payments problems have been further accentuated by the massive increase in oil prices, leading to a marked falling off in *private investment activity.* In 1980 the economy showed virtually no growth at all in real terms, and inflation was running at an annual rate of over 15%.

However, this rather unfavourable sketch of New Zealand's present economic condition is countered by its promising prospects for the future, which are offered above all by the country's *potential energy resources.* In spite of the abundant reserves of coal, natural gas and hydro-power, purchases of oil abroad still constitute over a third of total import expenditure. At the heart of the strategy to reduce this high oil bill as quickly as possible is the accelerated development of the large – even by international standards – Maui gas field. By 1987 these measures are expected to have made New Zealand more than half self-sufficient in motor fuel alone. Further energy-based projects, which have also been planned for the 1980s, are aimed at placing the export sector on a broader footing. Capital requirements for these schemes in the areas of energy and industrial production are calculated to lie between NZ$ 4 billion and NZ$ 5 billion, and are only conceivable with the help of funding from abroad.

Like Australia, New Zealand has for some time now been concentrating its foreign trade efforts on the *Pacific Basin.* This process of re-structuring is not yet as advanced as in Australia's case. Nonetheless, over a quarter of New Zealand's exports now go to the Asian market, compared with approximately 15% ten years ago.

Rate of exchange on Dec. 31, 1980 ....
NZ$ 1 = US$ 0.9623
(as against US$ 0.9862 12 months before)

Review of Business

The sustained growth of our Bank continued with renewed impetus in 1980. Business volume increased by 41 % to DM 5.1 billion, and total assets by 43% to DM 4.1 billion. The main thrust of this expansion lay once again in short-term credit to customers, especially in the field of overseas trade finance. A 46% increase was registered in customer advances and discounted bills. As regards long-term euro-currency lending, we saw no reason during the year under review to change our cautious policy of restricting ourselves to project loans where the interests of our customers were directly involved.

Against the background of a strong increase in customer credit, customer deposits rose by 63%. A further improvement was thereby achieved not only in the deposit-to-loan ratio, but also in the overall customer-deposit structure. In 1980 as in previous years our Bank appeared as a successful issuer of Asian Dollar Certificates of Deposit. In addition to a US$ 20 million 4-year issue by our Singapore Branch, we became the first bank to issue through its Hongkong office, with a US$ 20 million offering in April 1980. By contrast, the diminishing significance of interbank deposits in the Bank's funding is evidenced by the smaller increase of only 32% in liabilities to credit institutions.

The operating profit of the Bank fully kept pace with the increased business volume. We propose to our shareholders once again an unchanged nominal dividend of 10%. Together with the tax credit payable to shareholders under the German Corporate Tax Law, this means an effective distribution of 13.7% on capital, the new capital being entitled to dividends with effect from April 1, 1980.

The share capital of the Bank was increased in April 1980 by DM 35 million, issued at a premium of 125%, thus increasing published capital and reserves by DM 78.8 million to DM 205.1 million.

The expansion of our branch network continued in 1980 with new openings in South and East Asia. Three new branches, in India (Bombay), Sri Lanka (Colombo) and Taiwan (Taipei), make Eurasbank not only the sole German bank in these countries but also one of the best represented foreign banks in the entire region. The sub-branch network in Hongkong was further extended, and will be increased to eight offices with the planned opening of another sub-branch in the first half of 1981. With a view to the further expansion of business contacts with the Bank's clientele in Australia and New Zealand, a representative office was opened in Sydney in 1980.

The total staff of the Bank increased from 765 to 958 during the year under review. The professional training and career development of our employees are growing in significance and receive our particular attention. At the same time the Bank has given increased support to employees' leisure activities, which now include the publication of an in-house magazine. We take this opportunity to thank our staff for their high degree of commitment and motivation without which the success of the Bank would not be possible. Co-operation with staff representatives continued in a constructive atmosphere of mutual trust.

European Asian Bank staff activities:

In Hongkong sports are prominent amongst activities which promote a closer relationship between staff of foreign banks. One such event is the Continental Bank's Sports Day, pictured in the "action photo" (top left), where a Eurasbank team (bottom) took part.

Our Singapore Branch regularly enters a team for the annual "Walk-a-jog" in Singapore (top right), and in 1980 this popular event was also sponsored by European Asian Bank.

A friendly Interbank Carrom Competition (centre left) between staff of our Singapore Branch and of the Hongkong and Shanghai Banking Corporation.

"Eurasbanker", the staff magazine, launched its first issue (centre inset) in 1980 as a focal point for news and views of staff members from all the Bank's offices.

These pictures were provided by Eurasbank staff members.


eurasbanker
Banking on people

Notes on the Statement of Accounts for the Year

BALANCE SHEET

Liquidity

The cash reserve – cash in hand, balances with the Deutsche Bundesbank, foreign central banks and on postal cheque accounts – increased from DM 101.7 million to DM 122.2 million. Balances with the Deutsche Bundesbank and foreign central banks rose to DM 118.1 million.

The sum of liabilities to credit institutions and other creditors, including own acceptances in circulation and sundry liabilities, amounted to DM 3,793.6 million (DM 2,683.6 million last year). The relation of the cash reserve to this figure *(cash liquidity ratio)* was 3.2% (3.8% last year).

Total liquid funds – cash reserve, cheques on other banks, matured bonds, interest and dividend coupons, as well as items received for collection, bills rediscountable at the Bundesbank, demand claims on credit institutions, Treasury bills and non-interest-bearing Treasury bonds, bonds and debt instruments eligible as collateral for Bundesbank or foreign central bank advances – increased from DM 373.7 million to DM 522.9 million. The proportion of liabilities covered by liquid funds *(total liquidity)* was 13.8% (13.9% last year).

Securities

Treasury bills and non-interest-bearing Treasury bonds and debt instruments increased in total by DM 52.4 million. They served mainly to meet capital and liquidity regulations applicable to the Bank in Germany and in its various branch countries.

Securities with a face value of DM 59.2 million (DM 19.5 million last year) as well as DM 0.2 million of equalisation claims were pledged to the Deutsche Bundesbank for advances on securities or for discounting of own acceptances.

Total credit extended

The volume of credit grew by DM 893.7 million (44.2%). The increase in claims on customers was DM 513.0 million (55.2%) and in discounts DM 18.1 million (7.8%).

The breakdown of the volume of credit as at the end of 1980 and 1979 is given on page 27.

Of bills in hand, DM 19.3 million were eligible for rediscount at the Deutsche Bundesbank. The remainder were, without exception, bills of undoubted quality for which the regulations governing rediscountability at the Bundesbank do not apply as far as they are held by our foreign branches.

Besides the above credits we extended *guarantee facilities and letters of credit* amounting to DM 999.4 million to our customers (DM 691.8 million last year).

Adjustments and provisions were made for all discernible risks in the lending business.

Trade investments

This item increased to DM 2.1 million, principally as a result of our investment in AKA. The trade investments involve obligations to pay up a maximum of DM 2.3 million and a contingent liability for the obligations of other partners in the Liquiditäts-Konsortialbank GmbH, Frankfurt.

The liabilities for calls on shares, arising from trade investments, amounted to DM 31,400.–.

Volume of credit

	DM millions End of 1980		End of 1979	
Claims on customers				
short and medium term	DM 1,216.9	41.7%	DM 751.7	37.2%
long-term	DM 225.9	7.8%	DM 178.1	8.8%
	DM 1,442.8	49.5%	DM 929.8	46.0%
Discounts	DM 249.6	8.6%	DM 231.5	11.5%
Lending to credit institutions	DM 1,222.8	41.9%	DM 860.2	42.5%
Total volume of credit	DM 2,915.2	100.0%	DM 2,021.5	100.0%

Funds from outside sources

	DM millions End of 1980		End of 1979	
Liabilities to credit institutions				
demand deposits	DM 500.9	13.3%	DM 294.5	11.0%
term deposits	DM 1,963.4	52.1%	DM 1,567.8	58.7%
customers' drawings on credits opened at other institutions	DM 3.9	0.1%	DM 9.5	0.4%
	DM 2,468.2	65.5%	DM 1,871.8	70.1%
Liabilities to non-bank customers				
demand deposits	DM 263.9	7.0%	DM 172.1	6.5%
term deposits	DM 1,025.2	27.2%	DM 614.7	23.0%
savings deposits	DM 9.7	0.3%	DM 11.4	0.4%
	DM 1,298.8	34.5%	DM 798.2	29.9%
Total funds from outside sources	DM 3,767.0	100.0%	DM 2,670.0	100.0%

Trade investments
with book values exceeding
DM 0.1 million

European Asian Finance (HK) Ltd. (EAF), Hongkong

Export Credit Insurance Corporation of Singapore Ltd., Singapore

Liquiditäts-Konsortialbank GmbH, Frankfurt/Main

Others

AKA Ausfuhrkreditgesellschaft mbH, Frankfurt/Main

Credit Guarantee Corp. Malaysia Berhad, Kuala Lumpur

Deutsch-Indonesische Tabak-Handels-GmbH, Bremen

Deutsch-Indonesische Tabak-Handels-GmbH & Co. KG, Bremen

European Asian Bank (Hongkong) Nominees Ltd., Hongkong

European Asian Bank (Singapore) Nominees Priv. Ltd., Singapore

Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt/Main

Malaysia Export Credit Insurance Berhad, Kuala Lumpur

Privatdiskont AG, Frankfurt/Main

Fixed assets

The item *land and buildings* decreased by ordinary depreciation of DM 0.1 million to DM 3.2 million.

Office furniture and equipment increased to DM 5.5 million, after additions of DM 4.7 million, ordinary depreciation of DM 1.9 million and special depreciation of DM 0.3 million.

Other asset items

The items *sundry assets* and *transitory items* essentially consist of rental and other security deposits, advance rent payments as well as refundable taxes.

Funds from outside sources

Total funds from outside sources rose by DM 1,097.0 million (41.1%) to DM 3,767.0 million during the year under review. The further improvement in the overall deposit structure is evidenced by the markedly higher proportion of deposits from non-bank customers.

An analysis of developments in funds from outside sources during 1980 is given on page 27.

Provision for special purposes

Provisions for pensions were increased by DM 0.5 million in accordance with the actuarial computation.

Other provisions shown at DM 34.9 million (DM 16.8 million last year) include, besides provisions for tax and other liabilities of uncertain magnitude, that part of the statutory general provision for credit losses which cannot be offset against asset items.

Other liability items

Sundry liabilities amounting to DM 2.1 million and *transitory items* totalling DM 0.9 million cover liabilities outside the banking business such as sundry accounts payable and rent and commission payments received in advance.

In accordance with the Developing Countries Tax Law DM 2.8 million was added to *special items including reserves,* whereas DM 0.6 million was written back.

Contingent liabilities

Endorsement liabilities on rediscounted bills slightly decreased by DM 4.9 million to DM 81.4 million.

Liabilities arising from guarantees given, bills of exchange, cheques guaranteed and warranty contracts increased by DM 307.6 million (44.5%) to DM 999.4 million.

PROFIT AND LOSS ACCOUNT

Earnings from the volume of business

Interest revenue from lending and money market transactions and *current revenue from securities* increased from DM 229.7 million to DM 416.9 million. Against this revenue was *interest and similar expense* of DM 339.2 million (DM 185.8 million last year). The net interest income, which increased to DM 77.7 million, was – on translation into DM – positively affected by the strengthening of major operating currencies of the foreign branches.

Earnings from services

Net commissions and other revenue from service transactions rose by DM 7.0 million to DM 22.7 million.

Other revenue

Other revenue, shown at DM 1.4 million, *including that from the writing back of provisions for possible loan losses,* is compensated in accordance with the relevant regulations by the depreciation and adjustments on claims and securities and allocations to provisions for possible loan losses. This also includes revenue from rentals.

Depreciation and adjustments on claims and securities, and allocations to provisions for possible loan losses

Due to the substantial growth in lendings, the amounts set aside for the statutory general provision for possible loan losses were considerably higher than the corresponding figures for the previous year. Additionally, measures were taken to strengthen the Bank's overall reserve position.

Staff and other administrative expense

Staff expense rose by DM 8.8 million to DM 25.9 million (51.5%) due to additional staff in connection with the further expansion of the Bank as well as both collectively agreed and voluntary increases in payments. The number of employees grew by 193 to 958 in 1980.

Expenditure on material for the banking business increased from DM 9.0 million to DM 13.9 million (54.4%).

Taxes

Taxes on income, earnings and property increased by DM 9.6 million to DM 23.5 million.

Other taxes amounting to DM 1.1 million included DM 0.8 million of capital investment tax payable on the capital increase implemented in 1980.

Other expense

DM 2.8 million were added to *special items including reserves,* in accordance with the Developing Countries Tax Law.

Total remuneration of the Board of Managing Directors amounted to DM 778,991.14.

Payments to former members of the Board of Managing Directors or their surviving dependants aggregated DM 204,496.08.

Emoluments of the Supervisory Board – including fixed payments and those subject to the annual dividend paid – totalled DM 132,985.–.

Proposed appropriation of profits

The profit and loss account for the Bank shows:

Revenue	DM 442.5 million
Expense	DM 432.9 million
Year's net earnings	DM 9.6 million
Disposable profit	DM 9.6 million

It will be proposed to the shareholders that the disposable profit of DM 9.6 million be used to pay a dividend of 10% on the share capital of DM 105.0 million, of which DM 35.0 million is eligible for dividend as from 1. 4. 1980. In view of the tax credit resulting from the German Corporate Tax Law, this represents an increase to 13.7% in the total yield for shareholders.

Hamburg, February 1981

THE BOARD OF MANAGING DIRECTORS

Report of the Supervisory Board

During the course of the year the Supervisory Board was kept regularly informed at numerous discussions and meetings about the development of the Bank's business, as well as its liquidity and profitability situation.

Matters which by law and under the Bank's Articles of Association require the approval of the Supervisory Board were duly submitted to us and discussed with the Board of Managing Directors. Substantial transactions, principally major loans, were regularly discussed with the Board of Managing Directors.

The Report and Accounts for the year ending December 31, 1980, as well as the Bank's books, have been audited by TREUVERKEHR AG Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Frankfurt/Main, the auditors appointed by the Annual General Meeting, and were found to satisfy the statutory requirements as well as to conform with the Bank's Articles of Association. The Supervisory Board has approved the auditors' report which contains no qualifications.

The Supervisory Board has received the Report and Accounts together with the proposed appropriation of profits and has raised no objections.

The Supervisory Board has approved the Accounts presented to it by the Board of Managing Directors and they are thus confirmed. The Supervisory Board also consents to the Board of Managing Directors' proposals concerning the appropriation of profits.

After nine years of service with European Asian Bank, Dr. U. Cartellieri will return on April 1, 1981, to Deutsche Bank where he has been appointed to the Board of Managing Directors.

Mr. B. Stentzel, Member of the Board of Managing Directors since 1977, will be leaving the Bank on the same date to return to Société Générale Alsacienne de Banque where he has been appointed Director and General Manager for Germany.

Replacing Dr. Cartellieri and Mr. Stentzel, the Supervisory Board has appointed to the Board of Managing Directors of the Bank Mr. J. Nikolaus Korsch, previously Senior Vice President at European American Bank, a sister company of Eurasbank, and Mr. Tjark H. Woydt, previously Chief Manager of the Hongkong Branch of European Asian Bank.

Hamburg, March 1981

THE SUPERVISORY BOARD

Chairman

Balance Sheet
as at December 31, 1980

Profit and Loss Account
for the period from January 1 to December 31, 1980

European Asian Bank AKTIENGESELLSCHAFT

ASSETS

		DM	DM	31. 12. 1979 in DM 1,000
Cash in hand			3,772,786.59	2,958
Balances with the Deutsche Bundesbank			59,105,641.53	39,760
Balances with foreign Central Banks			59,016,080.26	58,578
Balances on postal cheque accounts			268,835.51	383
Cheques on other banks, matured bonds, interest and dividend coupons, and items received for collection			6,805,313.15	—
Bills discounted			167,334,025.95	131,166
including: a) rediscountable at the Deutsche Bundesbank	DM 19,342,345.42			
b) own drawings	DM 5,952,222.50			
Claims on credit institutions				
a) payable on demand		241,407,938.91		153,079
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months		680,174,223.99		552,592
bb) at least three months, but less than four years		1,190,726,905.43		847,329
bc) four years or longer		32,098,454.11		12,973
			2,144,407,522.44	1,565,973
Treasury bills and non-interest-bearing Treasury bonds				
a) of the Federal Republic and the Laender		—.—		—
b) others		38,830,858.36	38,830,858.36	18,673
Bonds and debt instruments				
a) with a life of up to four years				
aa) of the Federal Republic and the Laender	DM —.—			—
ab) of credit institutions	DM 10,898,851.02			3,901
ac) others	DM 20,003,145.29	30,901,996.31		10,887
including: eligible as collateral for Bundesbank advances	DM 7,093,833.33			
foreign Central Bank advances	DM 20,003,145.29			
b) with a life of more than four years				
ba) of the Federal Republic and the Laender	DM 8,760,500.—			9,154
bb) of credit institutions	DM 59,127,123.—			52,714
bc) others	DM 21,389,105.20	89,276,728.20		11,280
			120,178,724.51	87,936
including: eligible as collateral for Bundesbank advances	DM 49,729,697.89			
foreign Central Bank advances	DM 17,519,769.06			
Securities, so far as they have not to be included in other items				
a) shares marketable on a stock exchange and investment fund certificates		9,604.60		32
b) other securities		60,897.47		—
			70,502.07	32
including: holdings of more than one tenth of the shares in a joint stock corporation or mining company, excluding investments in subsidiaries and associated companies	DM —.—			
Claims on customers with agreed life, or subject to agreed period of notice, of				
a) less than four years		1,216,880,985.48		751,663
b) four years or longer		225,907,514.43		178,154
			1,442,788,499.91	929,817
including:				
ba) secured by mortgages on real estate	DM 1,711,410.68			
bb) communal loans	DM 1,269,200.—			
Equalisation and Covering Claims on Federal and Laender authorities under the Currency Reform Laws of 1948			206,898.48	218
Trade investments			2,065,116.69	2,018
including: in credit institutions	DM 1,775,972.05			
Land and buildings			3,186,499.38	3,308
Office furniture and equipment			5,458,384.47	3,007
Sundry assets			2,587,994.94	1,689
Transitory items			3,241,385.38	889
TOTAL ASSETS			4,059,325,069.62	2,846,405

The assets and the rights of recourse in respect of the liabilities shown below the liabilities side include		
a) claims on associated companies	22,200,194.25	39,144
b) claims which arise from credits falling under Article 15, paragraph 1, items 1 to 6, and paragraph 2, of the Banking law, so far as they are not shown in a)	6,710,999.77	2,679

BALANCE SHEET as at December 31, 1980

LIABILITIES

	DM	DM	DM	31. 12. 1979 in DM 1,000
Liabilities to credit institutions				
a) payable on demand		500,918,251.09		294,560
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	707,202,334.11			472,509
bb) at least three months, but less than four years	1,184,804,409.49			1,018,605
bc) four years or longer	71,379,607.41	1,963,386,351.01		76,678
including: due in less than four years DM 592,320.—				
c) customers' drawings on credits opened at other institutions		3,918,750.95		9,476
			2,468,223,353.05	1,871,828
Banking liabilities to other creditors				
a) payable on demand		263,890,709.97		172,114
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months	477,433,905.55			240,765
bb) at least three months, but less than four years	405,295,994.58			306,670
bc) four years or longer	142,477,914.92	1,025,207,815.05		67,304
including: due in less than four years DM 64,719,195.57				
c) savings deposits				
ca) subject to legal period of notice	3,230,209.52			5,060
cb) others	6,507,409.59	9,737,619.11		6,312
			1,298,836,144.13	798,225
Own acceptances and promissory notes in circulation			24,421,426.88	12,539
Provisions for special purposes				
a) for pensions		5,386,024.—		4,844
b) others		34,882,588.95		16,807
			40,268,612.95	21,651
Sundry liabilities			2,100,641.23	1,019
Transitory items			938,056.38	819
Special items including reserves in accordance with the Developing Countries Tax Law			9,811,035.—	7,673
Capital			105,000,000.—	70,000
Published reserves				
a) statutory reserve fund (including premium of DM 43,750,000.— from capital increase 1980)		96,000,800.—		52,251
b) other reserves		4,100,000.—		4,100
			100,100,800.—	56,351
Disposable profit			9,625,000.—	6,300
TOTAL LIABILITIES			4,059,325,069.62	2,846,405

Own drawings in circulation		77,073,117.71	60,868
including those discounted for borrowers' account	DM 792,987.19		
Endorsement liabilities on rediscounted bills of exchange		81,440,018.56	86,391
Liabilities arising from guarantees of various kinds and warranty contracts		999,405,243.90	691,781
Savings premiums under the Savings Premium Law		2,192.40	3
Comprised among the liabilities are those (including those shown below the balance sheet) to associated companies		22,027,414.44	41,654

EXPENSE

	DM	DM	1979 in DM 1,000
Interest and similar expense		339,207,373.52	185,797
Commissions and similar expense in respect of service transactions		844,735.44	448
Depreciation and adjustments on claims and securities, and allocations to provisions for possible loan losses		22,891,412.92	11,467
Salaries and wages		20,865,799.49	13,923
Social security contributions		1,522,637.08	1,065
Expenditure on retirement pensions and other benefits		3,504,631.36	2,095
Expenditure on material for the banking business		13,934,592.82	8,960
Depreciation and adjustments on land and buildings, and on office furniture and equipment		2,384,896.96	1,370
Write-downs of trade investments		45,375.—	—
Taxes			
a) on income, earnings and property	23,479,928.97		13,889
b) others	1,120,760.20		558
		24,600,689.17	14,447
Allocations to special items including reserves		2,779,355.—	1,110
Other expense		328,009.73	341
Year's net earnings		9,625,000.—	6,300
TOTAL EXPENSE		442,534,508.49	247,323

Year's net earnings

Taken from published reserves

Allocations from the year's net earnings to published reserves

Disposable profit

In the year under review the Bank effected payment of DM 618,918.08 representing pensions and contributions to the German Bank Officials' Insurance Association in Berlin. The payments to be effected in the next five years will probably reach 110%, 120%, 125%, 135% and 145% of that amount.

Hamburg, February 20, 1981

EUROPEAN ASIAN BANK AG
Board of Managing Directors

Boehm *Cartellieri* *Stentzel*

for the period from January 1 to December 31, 1980

REVENUE

	DM	DM	1979 in DM 1,000
Interest and similar revenue from lending and money market transactions		408,117,454.04	222,481
Current revenue from			
a) fixed-interest securities and debt register claims	8,849,587.18		7,252
b) other securities	699.29		—
c) trade investments	8,562.50		9
		8,858,848.97	7,261
Commissions and other revenue from service transactions		23,511,403.55	16,147
Other revenue, including that from the writing back of provisions for possible loan losses		1,390,281.10	930
Revenue from the writing back of provisions for special purposes, so far as it has not to be shown under "other revenue"		15,250.83	116
Revenue from the writing back of special items including reserves		641,270.—	388
TOTAL REVENUE		442,534,508.49	247,323

DM	1979 in DM 1,000
9,625,000.—	6,300
—.—	—
—.—	—
9,625,000.—	6,300

According to our audit, carried out in accordance with our professional duties, the accounting, the Annual Statement of Accounts and the Report comply with German law and with the Company's Articles of Association.

Hamburg, February 27, 1981

TREUVERKEHR AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Nebendorf
Wirtschaftsprüfer
(Chartered Accountant)

Brackert
Wirtschaftsprüfer
(Chartered Accountant)

The EBIC Banks . . .

Amsterdam-Rotterdam Bank N.V.
Netherlands

Banca Commerciale Italiana
Italy

Creditanstalt-Bankverein
Austria

Deutsche Bank AG
Federal Republic of Germany

Midland Bank Limited
Britain

Société Générale de Banque S.A.
Belgium

Société Générale
France

. . . and their Affiliates

Banque Européenne de Crédit (BEC)
Brussels

European American Banking Corporation
New York – Los Angeles – San Francisco – Nassau (Bahamas)

European American Bank & Trust Company
New York – George Town (Cayman Islands)

European Arab Bank GmbH
Frankfurt/Main

European Arab Bank (Brussels) S.A.
Brussels

European Arab Bank Ltd.
London

European Arab Bank (Middle East) E.C.
Bahrain

European Asian Bank
Hamburg – Bangkok – Bombay – Colombo – Hongkong – Jakarta – Karachi – Kuala Lumpur – Manila – Seoul – Singapore – Taipei – Sydney

European Banking Company Ltd.
London

Euro-Pacific Finance Corporation Ltd.
Melbourne – Sydney

ebic
European Banks International

European Asian Bank *Directory*

Management and Senior Officers – Head Office and Branches

Head Office

European Asian Bank AG
Postal address:
P.O. Box 10 19 20
D-2000 Hamburg 1
Business address:
Neuer Wall 50
D-2000 Hamburg 36
Fed. Rep. of Germany
Tel.: (0 40) 36 14 6-0
Telex: 02 162 228 eur d

Board of Managing Directors
Michael Boehm
J. Nikolaus Korsch
Tjark H. Woydt

Corporate Banking
Jan Imbeck
General Manager
Lutz-Henning Pabst
Senior Manager
Erika Bellstedt
Manager
Michel Baise
Senior Asst. Manager
Rolf Doerges
Senior Asst. Manager
Robert Gauthié
Senior Asst. Manager
Bernd Timm
Senior Asst. Manager

International Finance Dept.
John A. Miles
Director
Georges Legros
Asst. Director
Rogers D. LeBaron
Manager

Correspondent Banking
Jan Imbeck
General Manager

Treasury
Marcus C. Davison
Treasurer

Legal Affairs
Dr. Guenther Sattelhak
Counsel
Gunnar Kaul
Asst. Counsel

Economic Research
Public Relations
Michael Niss
Manager

Administration
Hermann Schellbach
General Manager
Heinz-Georg Moschkau
Manager

Personnel
Hermann Schellbach
General Manager

Accounting and Control
Gunnar Kruse
Chief Accountant and Controller
Heinrich Wende
Senior Asst. Manager

Internal Audit
Uwe Rummert
Inspector

Hamburg Branch

European Asian Bank AG
Hamburg Branch
Postal address:
P.O. Box 10 19 20
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Business address:
Neuer Wall 50
D-2000 Hamburg 36
Fed. Rep. of Germany
Tel.: (0 40) 36 14 6-0
(0 40) 37 20 91 (forex)
Telex: 02 162 228 eur d
02 163 235 eur d (forex)

Manager:
Bartel de Bruyn Ouboter
Dep. Manager:
Peter Lang
Senior Asst. Manager:
Peter Ruge
Senior Asst. Manager:
Helmut Fleischer

Foreign Exchange
Detlef Keitsch
Manager Forex

Money Market Operations
Gerhard Grahl
Manager Money Market

Stocks and Bonds
Dieter Haarmann
Manager Stocks and Bonds

Asian Branches

Bangkok
European Asian Bank
Bangkok Branch
28/1 Surasak Road
G.P.O. Box 1237
Bangkok, Thailand
Tel.: 233-86 60-67
233-86 68 (forex)
233-86 69
Telex: 87 949 euras th
87 950 euras th
Manager: Rainer Mueller
Dep. Manager: Michael Jones
Asst. Manager: Fried Schroeder

Bombay
European Asian Bank
Bombay Branch
Tulsiani Chambers
Post Bag 9995
Nariman Point
Bombay-400 021, India
Tel.: 22 20 49/22 32 62/22 32 92
Telex: 11 4042 eura in
Manager: Douglas T. Neilson
Manager (International Finance Group India): Udayan Bose

Colombo
European Asian Bank
Colombo Branch
90 Union Place
P.O. Box 314
Colombo 2, Sri Lanka
Tel.: 37 062-67
Telex: 21 506 euras ce
21 589 euras ce
Manager: Bernard Houtekier
Senior Dep. Manager: Murad Uduman
Senior Asst. Manager: Viggo Ruf
Asst. Manager (Internal): C. R. S. Perera

Hongkong
European Asian Bank
Hongkong Branch
– Main Office –
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5-26 30 60 (forex)
Telex: 73 498 euras hx
65 355 euras hx (forex)
Joint Chief Managers:
Horst Kaiser
Juergen-Lewin von Schlabrendorff
Dep. Managers:
Pino N. Ferrara
Frederick Leung Un
Manager (Foreign Exchange):
Manfred Schauer
Manager (Diamond Section):
P. H. van Eendenburg
Manager (Securities): Nicholas Pertwee
Manager (EDP): Alfred Bachofer
Manager (EDP-Organization):
Bernd Juergensen
Senior Asst. Manager (Internal):
Andrew Kwong Hon Kwan
Senior Asst. Manager (Customer Services):
Martin J. Sperring
Senior Asst. Manager (Bills):
Ko Hung Wong

Aberdeen Sub-Branch★
48–50 Main Road
Aberdeen, Hongkong

Hung Hom Sub-Branch
182-186 Matauwei Road
Kowloon, Hongkong
Tel.: 3-63 93 52
Manager: Hau Hin Law

Kwai Chung Sub-Branch
222B Wo Yi Hop Road
Kwai Chung, Kowloon, Hongkong
Tel.: 12-28 34 11
Manager: John Ting Kwan Mok

Mongkok Sub-Branch
Wu Sang House
655 Nathan Road
Kowloon, Hongkong
Tel.: 3-94 02 23
Manager: Peter Yin Fai Wong

San Po Kong Sub-Branch
24 Tai Yau Street
Kowloon, Hongkong
Tel.: 3-27 81 91
Manager: Stephen Chak Wai Lam

Telford Gardens Sub-Branch
Unit P. 19 Telford Gardens
Kowloon Bay
Kowloon, Hongkong
Tel.: 3-757 16 11
Manager: William Lai-Ki Lam

Tsimshatsui Sub-Branch
7 Cameron Road
Kowloon, Hongkong
Tel.: 3-66 43 57
Manager: Franklin Chi-Ming Lee

★ to be opened in 1981

Jakarta
European Asian Bank
Jakarta Branch
Eurasbank Building
80 Jl. Imam Bonjol
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Jakarta, Indonesia
Tel.: 35 82 92
34 30 81/34 15 37 (forex)
Telex: 44 114 euras ia
45 841 euras ia (forex)
Manager: Klaus Zeidler
Senior Asst. Manager: Heinz Poehlsen
Asst. Managers:
Archibald B. Davidson
Daniel Mollé
Asst. Managers (Loans):
Budhy G. W. Budhyarto
Robert Leman

Karachi
European Asian Bank
Karachi Branch
Unitowers
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Karachi, Pakistan
Tel.: 22 86 11-13
22 14 03/22 14 13
Telex: 2862 eur pk
Manager: Jost E. C. Hildebrandt
Manager (Loans): Amin-ur-Rehman Khan
Manager (Foreign Dept.):
Irudiyanadan N. Francis
Manager (Customer Services):
Dhunji P. Randeria
Asst. Manager (Internal): Abdus Sattar
Asst. Manager (Foreign Dept.): Syed S. Ali

Kuala Lumpur

European Asian Bank
Kuala Lumpur Branch
Yee Seng Building
15 Jalan Raja Chulan
P.O. Box 2211
Kuala Lumpur, Malaysia
Tel.: 29 94 53/20 68 11
20 16 81 (forex)
Telex: euras ma 30 464
euras ma 31 071 (forex)
Manager: Holger F. des Coudres
Senior Asst. Manager (Internal):
Cheah Yoke Loong
Senior Asst. Manager (Loans):
Wong Ah Meng

Manila

European Asian Bank
Manila Offshore Branch
V. Madrigal Building
6793 Ayala Avenue
MCC P.O. Box 882
Makati, Metro Manila, Philippines
Tel.: 89 97 11-14
85 93 72/86 61 60/818 81 63 (forex)
Telex: 63 625 euras pn
45 872 euras pm
63 931 euras pn (forex)
49 517 euras pm (forex)
22 601 euras ph (forex)
Manager: Timothy L. Hooper
Dep. Manager: Johnny S. Lim

Seoul

European Asian Bank
Seoul Branch
Daewoo Center
541 Namdaemunro 5-Ka
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C.P.O. Box 8904
Seoul 100, Korea
Tel.: 778-33 91-5
Telex: 26 353 euras k
Manager: Barry W. Lamont
Dep. Manager: Alan D. Scott
Senior Asst. Manager: Edgar Heider
Asst. Manager (Foreign Exchange):
Chin Dong, Chung
Asst. Manager (Loans): Kun Il, Chung

Singapore

European Asian Bank
Singapore Branch
Postal address:
Maxwell Road P.O. Box 3941
Singapore 9059
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Overseas Union House
50 Collyer Quay
Singapore 0104
Tel.: 224 46 77
224 41 44 (forex)
Telex: rs 21 189 euras
rs 21 190 euras (forex)
Joint General Managers:
Hans-Martin Konrad
Juergen R. Zieler
ACU Manager: Willem Nagtglas-Versteeg
Senior Asst. Manager: Heinz Schadach
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