

Annual Report 1983



**European Asian Bank**







Cover: View of Macau's new skyline. The unusual humpback bridge which links the city proper with the island of Taipa has a channel for waterborne traffic.  
European Asian Bank opened a branch in Macau in July 1983.

## Contents

<b>3</b>	<b>EUROPEAN ASIAN BANK 1974 – 1983</b>	<b>34</b>	<b>Review of Business</b>
<b>4</b>	<b>SUPERVISORY BOARD</b>	<b>36</b>	<b>Notes on the Statement of Accounts for the Year</b>
<b>5</b>	<b>BOARD OF MANAGING DIRECTORS</b>	<b>39</b>	<b>REPORT OF THE SUPERVISORY BOARD</b>
<b>6</b>	<b>REPORT OF THE BOARD OF MANAGING DIRECTORS</b>	<b>41</b>	<b>STATEMENT OF ACCOUNTS FOR 1983</b>
	The Asia-Pacific Region in 1983 – Developments and Prospects	<b>42</b>	<b>Balance Sheet</b>
<b>8</b>	<b>Australia</b>	<b>44</b>	<b>Profit and Loss Account</b>
<b>10</b>	<b>Hongkong</b>	<b>46</b>	<b>EUROPEAN ASIAN BANK IN BRIEF</b>
<b>13</b>	<b>India</b>	<b>47</b>	<b>MANAGEMENT AND SENIOR OFFICERS – HEAD OFFICE, BRANCHES AND AFFILIATES</b>
<b>14</b>	<b>Indonesia</b>		
<b>16</b>	<b>Japan</b>		
<b>17</b>	<b>Korea</b>		
<b>19</b>	<b>Macau</b>		
<b>20</b>	<b>Malaysia</b>		
<b>22</b>	<b>New Zealand</b>		
<b>23</b>	<b>Pakistan</b>		
<b>25</b>	<b>Philippines</b>		
<b>26</b>	<b>Singapore</b>		
<b>29</b>	<b>Sri Lanka</b>		
<b>30</b>	<b>Taiwan</b>		
<b>32</b>	<b>Thailand</b>		



Report for the Year 1983

**European Asian Bank**



**Asia-Pacific Offices**

- ① BANGKOK
- ② BOMBAY
- ③ COLOMBO
- ④ HONGKONG
- ⑤ JAKARTA
- ⑥ KARACHI
- ⑦ KUALA LUMPUR
- ⑧ LAHORE
- ⑨ MACAU
- ⑩ MANILA
- ⑪ PUSAN
- ⑫ SEOUL
- ⑬ SINGAPORE
- ⑭ SYDNEY
- ⑮ TAIPEI
- ⑯ TOKYO





## European Asian Bank

Ten Years of Growth  
1974–1983

DM millions	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Total assets	665	896	1,088	1,416	2,078	2,846	4,059	5,257	6,215	<b>8,355</b>
Business volume <small>(Balance sheet total plus endorsement liabilities on rediscounted bills and liabilities arising from guarantees and warranty contracts)</small>	796	1,117	1,392	1,858	2,585	3,638	5,141	6,504	7,883	<b>10,697</b>
Credit volume	572	720	845	1,101	1,329	2,022	2,915	4,133	5,184	<b>6,694</b>
Deposits	607	832	969	1,291	1,947	2,670	3,767	4,794	5,640	<b>7,561</b>
Capital and reserves	38	39	95	95	95	126	205	300	300	<b>410</b>
Net interest income	15.6	19.7	23.3	28.3	30.2	43.9	77.7	117.6	149.4	<b>180.6</b>
Net commissions and other service income	8.1	8.7	8.3	10.2	13.7	15.7	22.7	32.4	38.8	<b>42.9</b>
Taxes	5.1	6.5	6.5	9.1	11.7	14.4	24.6	35.5	42.3	<b>36.2</b>
Net profit for the year	2.1	3.8	5.6	5.6	5.6	6.3	9.6	12.6	14.7	<b>20.0</b>
Dividend	—	2.8	5.6	5.6	5.6	6.3	9.6	12.6	14.7	—
		(10%)	(10%)	(10%)	(10%)	(10%)	(10%)	(10%)	(10%)	
Staff	443	457	482	564	701	765	958	1,182	1,277	<b>1,351</b>

## Supervisory Board

*until July 11, 1983*

Hans-Otto Thierbach, Frankfurt/Main  
*Chairman*  
Deutsche Bank AG

Koenraad Streekstra, Amsterdam  
*Deputy Chairman*  
Directeur  
Amsterdam-Rotterdam Bank N.V.

Dr. Giorgio Botti, Milano  
Direttore di Sede  
Banca Commerciale Italiana

Louis C. Buttay, Paris  
Directeur Central  
Société Générale

Dr. Ulrich Cartellieri, Duesseldorf  
Mitglied des Vorstandes der  
Deutsche Bank AG

Léon Derwa, Bruxelles  
Administrateur  
et Membre du Comité de Direction  
Société Générale de Banque S.A.  
(until March 18, 1983)

Dr. Ottokarl Finsterwalder, Wien  
Direktor mit Generalvollmacht  
Creditanstalt-Bankverein

Geoffrey A. Freestone, London  
General Manager (International)  
Midland Bank plc

Philippe Muûls, Bruxelles  
Directeur  
Société Générale de Banque S.A.  
(from March 18, 1983)

Ernst-August Borchert, Hamburg\*  
(from March 4, 1983)

Werner Flechsig, Hamburg\*

Birgit Joost, Hamburg\*  
(until March 4, 1983)

Marie Keir, Hamburg\*

Jeffrey B. P. Ng, Hamburg\*  
(until March 4, 1983)

Andreas Wulff, Hamburg\*  
(from March 4, 1983)

*from July 11, 1983*

Dr. Ulrich Cartellieri, Duesseldorf  
*Chairman*  
Mitglied des Vorstandes der  
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Direkteur  
Amsterdam-Rotterdam Bank N.V.

Willy Suetens, Bruxelles  
Administrateur  
et Membre du Comité de Direction  
Société Générale de Banque S.A.

Ernst-August Borchert, Hamburg\*  
Werner Flechsig, Hamburg\*

\* elected by the staff





from left to right: J. Nikolaus Korsch, Tjark H. Woydt and Michael Boehm.

**Board of Managing Directors**

Michael Boehm

J. Nikolaus Korsch

Tjark H. Woydt



# Report of the Board of Managing Directors

## The Asia-Pacific Region in 1983 – Developments and Prospects

The free-market economies of the Asia-Pacific region, after having experienced a slowdown in 1982, expanded in 1983 at an average rate of 4 to 5 per cent. For most of the developing Asian countries, the superior 1983 economic performance also manifested itself in a narrower current account deficit. Another generally favourable factor was the containment of inflation at relatively low levels.

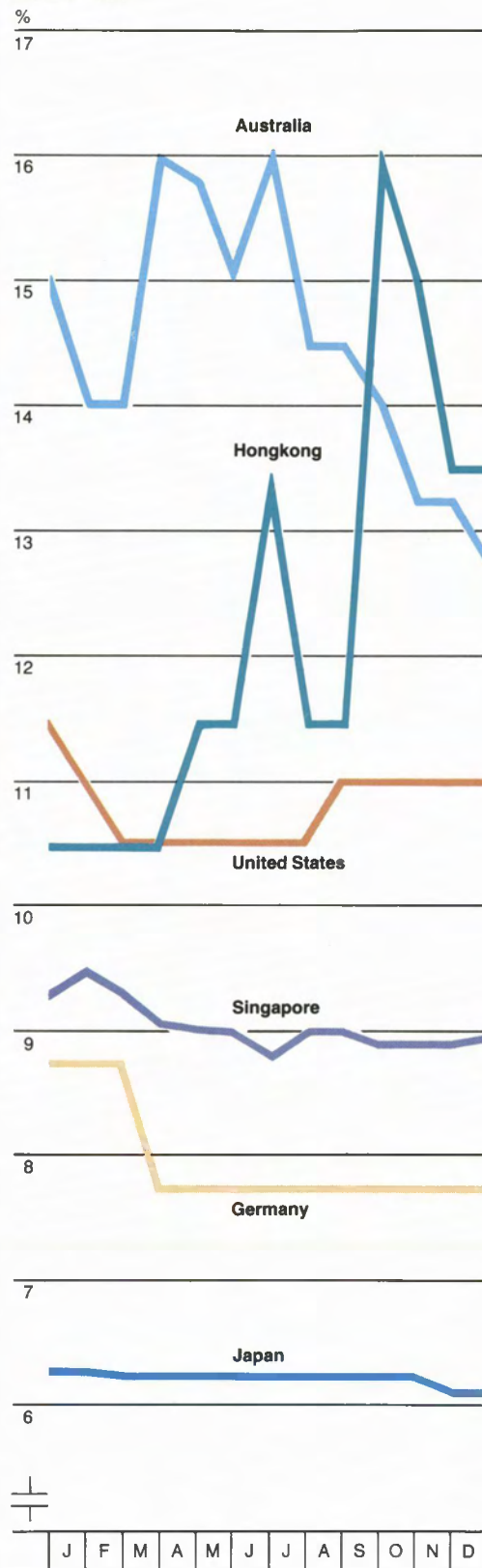
However, some clouds on the economic horizon could not be overlooked. In contrast to the previous years, when the region had only rarely figured in the political headlines, isolated threats to stability and prosperity became more evident in 1983. It was not only the uncertainty surrounding the future status of Hongkong which had a negative impact on business confidence. Two of Asia's independent nations were also plagued by serious internal problems which caused economic setbacks: social unrest in the Philippines, and tensions between the two main communities in Sri Lanka. Nevertheless, the maintenance of national consensus which has played such a vital role in producing the region's astonishing economic growth and progress over the 1960's and 1970's, still appears to be assured for the overwhelming majority of Asian societies.

Asia's economic recovery in 1983 was mainly fuelled by the cyclical upswing in the United States which had considerable spillover effects on trade between the two areas. In fact, the volume of trade conducted by the United States across the Pacific has now clearly surpassed the trans-Atlantic levels. Apart from Japan, the newly industrializing countries of Asia have also benefited in particular from the sharp rise in US consumer demand, while export advances were less marked for the region's commodity producers, because of the uneven pattern of commodity price increases.

In order not to become trapped in a borrowing spiral, many Asian governments have taken timely steps to limit their external financing needs. These adjustment measures, which include the cancellation, postponement and rephasing of development projects, have also helped to restrain import growth. As a result of such austerity moves, the financial situation of these Asian states generally improved during 1983.

With a nascent recovery in Europe as well as a continuing upswing in North America, one can expect the Asia-Pacific region to achieve in 1984 a further acceleration in economic growth, accompanied by enhanced foreign exchange earnings. Renewed expansion in major European economies is not unimportant to those Asian countries for which the EEC still forms a larger export market than the United States. Among this group are India, Malaysia, Pakistan, Sri Lanka and Thailand.

Development of prime lending rates during 1983  
at end of month







European Asian Bank finances a multitude of economic activities in Asia. Featured here are the manufacture of crystal glasses in Korea, the sorting of orchids for export from Thailand to the Netherlands, and the assembly of Massey-Ferguson tractors in Pakistan.



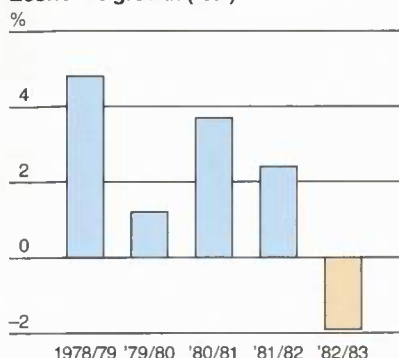


# Australia

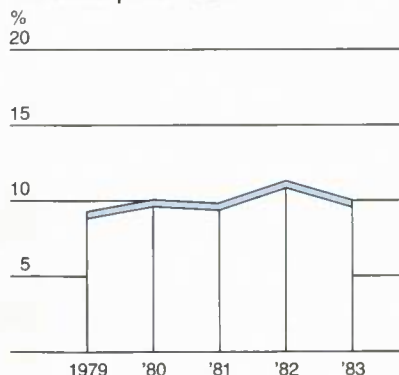
## Selected economic indicators

AREA:  
7,682,300 sq. km  
POPULATION:  
15.2 million  
GDP:  
US\$ 151.1 billion (1982/83)

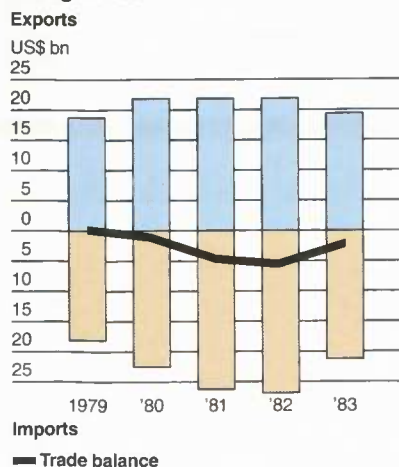
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Whilst this country performed quite strongly in the early stages of the recent international economic slump, the recession finally caught up with Australia during the financial year ended June 1983. The combination of high domestic inflation and the prolonged sluggishness of world trade seriously weakened economic activity and employment. In addition a severe and lasting drought reduced gross farm product by 17 per cent. Overall economic growth was consequently negative during 1982/83 (minus 1.9 per cent). At the end of that year unemployment reached its peak at 11 per cent while the average increase of the consumer price index remained in double figures, at 11.5 per cent. As the trade gap diminished – exports grew by 8.3 per cent and imports slackened by 3.4 per cent – the current account registered a smaller though still sizeable deficit of A\$ 6.3 billion. Nevertheless, the overall balance of payments was in surplus, which rose substantially to A\$ 2.4 billion. This development has to be attributed to international capital movements in favour of Australia.

The election campaign in March 1983 caused financial flows to fluctuate rather sharply. The approaching election prompted investors to get out of the Australian currency to such an extent that the new government felt the need to devalue by 10 per cent. Soon afterwards the situation was reversed as investors' confidence was restored and foreign funds flooded back to Australia forcing the authorities to raise the exchange rate – thereby partly eliminating the effects of the devaluation.

Speculation about a further revaluation continued into the fiscal year 1983/84 so that the Australian Treasurer announced in early December 1983 a dismantling of the country's "flexible peg" exchange-rate system together with a substantial deregulation of the foreign exchange laws. The Australian dollar has thus become a free-floating currency. This step indicates that the government might now not be quite as reluctant to open up the economy as it was in the past – at least as far as the financial sector is concerned. The possibility of establishing a major international financial centre in Australia is being aired in certain circles.

The turnaround in economic activity came in the third quarter of 1983. GDP rose by a startling 4.4 per cent as compared to the previous quarter. Approximately half of the improvement was contributed by the farm sector, with farm product rising 43 per cent as the drought came to an end. Although the new government adopted a more disciplined financial policy – reducing the projected deficit from over A\$ 10 billion to reach A\$ 8.4 billion – the budget still aims at stimulating the economy, in particular the housing sector. In October 1983 the number of building approvals was over 40 per cent higher than in the same month of 1982.

The trade balance was assumed to have moved back into the black during the first six months of 1983/84, as exports rose by an estimated 10 per cent, while imports remained almost unchanged. Recent current account figures show that in the five months to November the deficit reached A\$ 2.6 billion – falling by some 20 per cent from the corresponding level in 1982. In spite of the







relatively high money supply growth caused by the massive inflow of foreign capital, the government's anti-inflation pact with unions and employers held the consumer price index increase to 10.1 per cent in calendar 1983.

On balance, prospects for growth in 1983/84 are quite favourable, and GDP is expected to rise by over 4 per cent, despite the fact that private fixed investment has not yet gained impetus as interest rates are still relatively high.

View of a typical rural environment in Australia depicting horses from one of the continent's most respected thoroughbred studs.

Rate of exchange at the end of December 1983 (1982): ..... A\$ 1 = US\$ 0.898 (0.981)

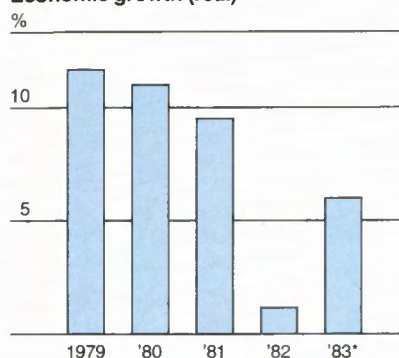


# Hongkong

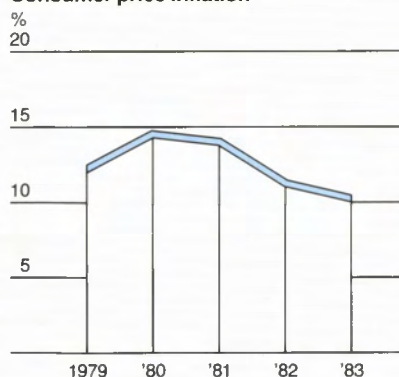
## Selected economic indicators

AREA:  
1,063 sq.km  
POPULATION:  
5.2 million  
GDP:  
US\$ 30.4 billion (1982)

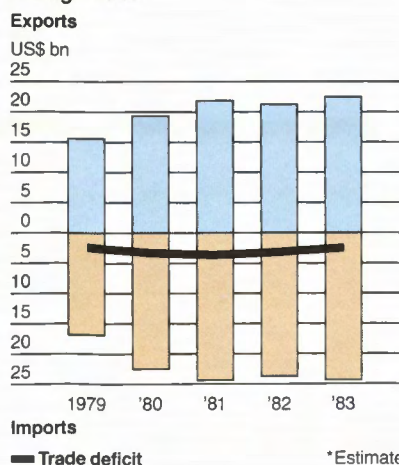
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Uncertainty over the territory's post-1997 future did not prevent the Hongkong economy from staging a marked recovery in 1983. This was largely stimulated by an unexpected surge in exports to the United States as well as to other major markets. Inflation-adjusted GDP expanded by a provisional 5.9 per cent, after 1.1 per cent in 1982 and 9.4 per cent in 1981.

The preliminary 1983 figures showed that whilst overseas sales of Hongkong-made products were booming, there was a significant lag in investment, evidenced by a 6.5 per cent decline in gross domestic fixed capital formation. This was due primarily to oversupply in the property market which continued to depress the level of private sector construction activity. By contrast, public sector expenditure on building registered a further considerable increase in real terms, led by the construction of the Island Line of the Mass Transit Railway.

Downward pressure on local property prices and rentals may have created testing conditions for some investors and lenders, but it at least allowed Hongkong to readjust its cost structure and particularly to improve conditions for industrial investment by cutting factory overheads. The first fruits of this process were already visible in 1983. Notwithstanding the political uncertainties, new registrations of foreign companies outnumbered deletions by three to one, and the total number of foreign business establishments rose by 10 per cent from 1,699 to 1,872. Manufacturing attracted most of the new funds. The United States accounted not only for the highest volume of direct investment in industry, but also for the largest number of newcomers with 64 establishments, followed by Britain with 60, Japan with 41 and Singapore with 13.

Hongkong's total trade for 1983 was valued at HK\$ 336 billion. This nominal rise of 24 per cent from 1982 is of course considerably lower in US dollar terms. Domestic exports to the United States soared by 40 per cent, consolidating the US position as the territory's largest overseas market. Clothing remained the main export, but the best relative performance was in the sale of telecommunications and audio equipment as well as office machines and automatic data processing equipment (mainly computers).

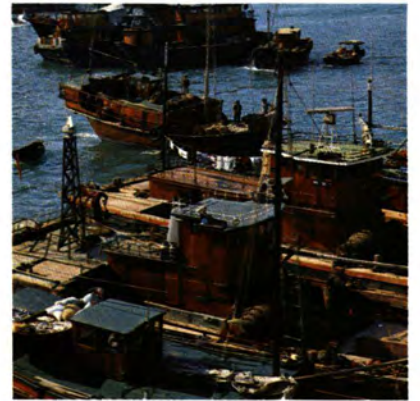
The 1983 figures also underlined the ever increasing importance of China in all areas of Hongkong's trade. In fact, with a sharp 64 per cent rise in sales for 1983, China represented Hongkong's fastest-growing domestic export market, even ahead of the United States. Another particularly noteworthy development in the rapidly expanding economic relations with China was the Hongkong government's decision to support the building of a US\$ 4.6 billion nuclear power station at Daya Bay in neighbouring Guangdong province. The plant is scheduled to become operational around 1990 and to supply 70 per cent of its electricity output to Hongkong, while the rest would be used by Guangdong province, including the Shenzhen special economic zone.

Concern over the progress of the Sino-British negotiations on Hongkong's future status caused violent fluctuations in the exchange rate, which hit an all-time low of HK\$ 9.55 to the US dollar during September. When an attempt to shore up the local currency by means of a 3 per cent hike in the prime lending rate to 16 per cent proved ineffective, the government resorted to more far-reaching measures in mid-October. The floating exchange rate policy which had been pursued since 1974 was abandoned and the Hongkong dollar was effectively pegged to the US currency at a rate of 7.80. The 10 per cent withholding tax on income derived from HK\$ deposits was abolished at the same time. The apparent success of this stabilization package made possible a prime rate reduction to 13.5 by the end of the year.



Under these circumstances it was only to be expected that inflation in Hongkong would be high by regional standards. The rate of consumer price inflation stood at about 9 per cent in mid-1983 but was then pushed into double figures by the falling Hongkong dollar. Inflationary pressures are likely to ease in 1984 under the influence of the US dollar “peg”.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = HK\$ 7.780 (6.515)



The fishing industry is one of the less glamorous sectors of Hongkong's economy but by no means unimportant within the context of food production and supply. A customer of Aberdeen Sub-Branch (centre) explains to two Eurasbankers the development of more efficient culture systems in fish farming.





KSB Pumps Limited of India manufactures a wide range of pumps. P. G. Pelkeit (centre), Managing Director of the company demonstrates the function of a high pressure centrifugal pump which is used,

for example, for water supply schemes in high ranges of the Himalayas. Seen with him are Douglas Neilson (right), Manager of Eurasbank Bombay until early 1984, and his successor Heinz Poehlsen.





# India

The Indian economy remains one of contrasts. An increasing number of Indian companies are challenging long-established Western firms in a variety of areas, computers being an outstanding example of India's success in high technology and applied science. On the other hand, agricultural production is still the crucial variable in the country's economic development.

The vulnerability of the large agricultural sector to adverse weather conditions has lessened, but was again demonstrated in the fiscal year ended March 1983. A drought of unusual severity not only caused a 4 per cent drop in output and an ensuing lack of buying power in agricultural areas, but also reduced vital hydro-electricity supplies. This combination of factors then hit industrial production, which was additionally affected by a prolonged textile strike in Bombay, and depressed real growth in national income from 5 to 2 per cent. Although the government had to resort to foodgrain imports, the substantial trade gap continued to narrow.

The favourable monsoon in mid-1983 pointed to an improvement in the general economic situation during the new fiscal year. Foodgrain output was estimated to reach over 140 million tonnes in 1983/84, compared to the 128 million tonnes of the preceding drought year. The bright outlook for agriculture, however, had no immediate major impact on industrial growth. From April to November 1983, industrial production rose by only 4 per cent against the corresponding period of 1982. This suggests that the target rate of 8 per cent for 1983/84 might not be achieved. Lack of sufficient power in the right places seems to have played a role in the restrained industrial performance so far.

Significant progress continued to be made, on the other hand, in the expansion of domestic oil production – an important factor in Indian efforts to balance the country's external accounts. In view of the sharply increasing output of the Bombay High offshore field, total Indian oil production is projected to advance this year by another 25 per cent to over 26 million tonnes, meeting about two thirds of the nation's requirements.

In addition to the reduced oil import bill, the balance of payments has also benefited from a rising flow of non-resident deposits into Indian banks. Attracted by special interest rate schemes, the volume of these deposits edged up by over US\$ 500 million in 1982/83 alone. After falling to US\$ 3.54 billion at the end of 1982, the country's foreign exchange reserves had recovered to US\$ 5.05 billion by the end of October 1983. This improvement may have influenced the government's decision to forego the final tranche of 1.1 billion Special Drawing Rights out of a three-year SDR 5 billion loan granted by the International Monetary Fund in 1981. Nevertheless, the country's balance of payments may be under strain for the next few years as the burden of servicing the foreign debt incurred in the recent past will increase considerably during the latter half of the 1980's.

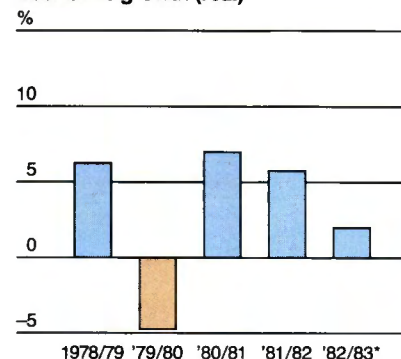
India experienced relative price stability in 1982/83 but inflationary pressures began to gain momentum in the second quarter of 1983, partly because of increases and adjustments in administered prices. The consumer price index was 13.6 per cent higher in October 1983 than a year earlier. Prompted by concern over the rising rate of inflation, the Reserve Bank of India raised the cash reserve ratio in several stages to curb liquidity in the banking system.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = Rs.10.493 (9.634)

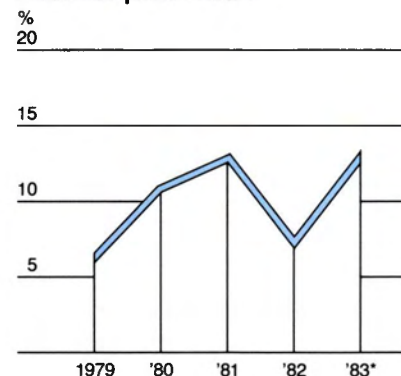
## Selected economic indicators

AREA:  
3,287,782 sq.km  
POPULATION:  
711.7 million  
GDP:  
US\$ 168.2 billion (1982/83)\*

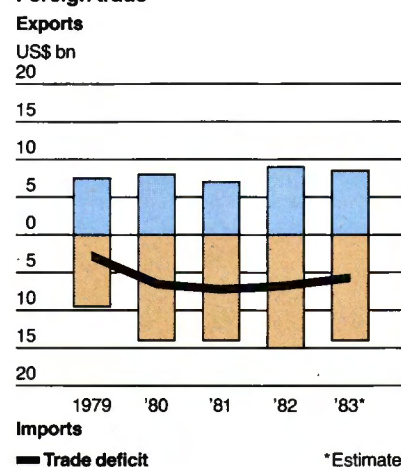
### Economic growth (real)



### Consumer price inflation



### Foreign trade



\*Estimates

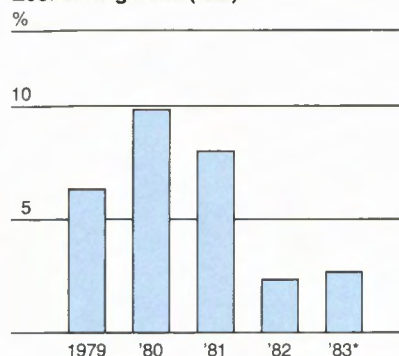


# Indonesia

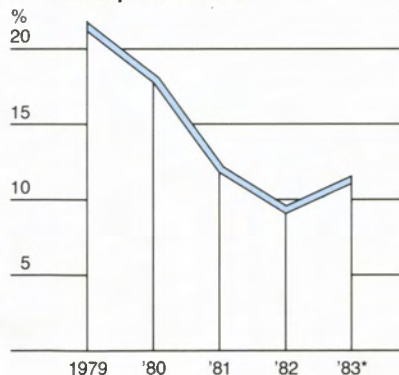
## Selected economic indicators

AREA:  
1,904,569 sq.km  
POPULATION:  
153.0 million  
GDP:  
US\$ 90.2 billion (1982)

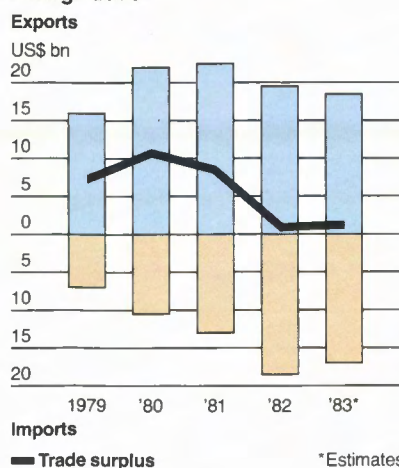
### Economic growth (real)



### Consumer price inflation



### Foreign trade



The belated effects of the international recession and the continued depressed state of oil demand made 1983 the second successive year of slow economic activity for Indonesia. The impact of the adverse external situation was felt in the real growth rate which is estimated to have reached barely 3 per cent, only slightly higher than in the previous year. The government had tried in 1982 to ignore the prevailing difficult international conditions and pressed ahead with its ambitious development programme. In 1983, however, the rapidly increasing current account gap and the mounting need for foreign funds made the government turn to austerity. The budget for the fiscal year beginning in April 1983 showed a nominal growth of 6.1 per cent, but this represented a decline in real terms and thus contributed to the relatively low growth rate in comparison to previous years.

A series of other adjustment measures further reflected the changed economic environment:

- Consumer subsidies on staple foods, including rice, were reduced by 25 per cent while prices for gasoline and kerosene were substantially increased.
- Growth of civil service expenditure was cut back and salaries were frozen for a second year.
- In spring 1983 Opec's oil-price cut provoked concern that the Indonesian currency might depreciate more rapidly because of the rising current account imbalance. In anticipation of such a devaluation rupiahs were converted into US dollars resulting in a severe drop of official foreign reserves. This forced the newly sworn-in cabinet to take the expected step, and on March 30 the rupiah was devalued by 27.6 per cent.
- A number of measures regulating foreign trade were extended in an attempt to limit imports or to promote reciprocal business.
- Some 47 major industrial development projects involving US\$ 21 billion of expenditure were either delayed, reduced in scale, offered to the private sector or switched to domestic procurement.

Whilst most of the above measures were designed to reduce domestic as well as external deficits, at the same time the financial sector was overhauled in a major banking reform. The authorities deregulated interest rates both for deposits and for non-priority sector lending, and abolished credit ceilings. These measures have subsequently achieved their main objective which was to stimulate the banking sector and to mobilize more domestic financial resources for productive use.

Consequences of the sweeping adjustment programme can be seen in the development of the overall balance of payments which has gradually improved since the second quarter of the year under review. The full year 1983 showed a surplus of US\$ 650 million compared with a deficit of US\$ 1,930 million in the preceding year. This was also reflected in the recovery in the level of central reserves to US\$ 3.7 billion. In the same period the current account deficit according to preliminary data, grew slightly to US\$ 5.9 billion. It should be noted, however, that over half of the deficit was recorded in the first quarter of 1983, therefore the trend has recently become more favourable.

Estimates of specific current account components suggest that exports shrank by some 6 per cent, whereas imports suffered an even more significant cutback. The lower level of export earnings in 1983 was largely due to the decline in oil and liquefied natural gas shipments by 13.6 per cent and 10.7 per cent respectively. Exports of other items increased by 23 per cent and showed a far more favourable performance. Among the commodities which made substantial progress were plywood (77 per cent), textiles (29 per cent),





electrical equipment (9 per cent) and several plantation products.

During the year the agricultural sector suffered from a partial drought. In contrast to the gains posted in previous years output of rice, the basic foodstuff, was stagnant. In spite of lower food subsidies and the devaluation, inflation was kept at 11.5 per cent. Foreign debt climbed to well over US\$ 20 billion but more than half of the loans were obtained at preferential conditions and were used to promote the further diversification of the economy, enhancing development prospects.



Sumatra: coconut nursery. Indonesia is making great efforts to increase the export of agricultural commodities.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = Rp 994.00 (692.50)

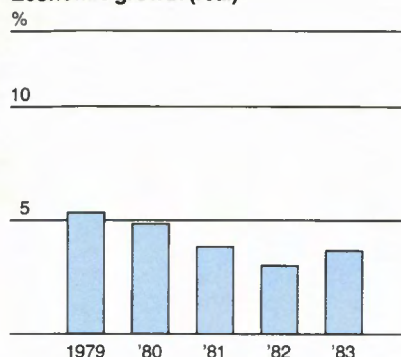


# Japan

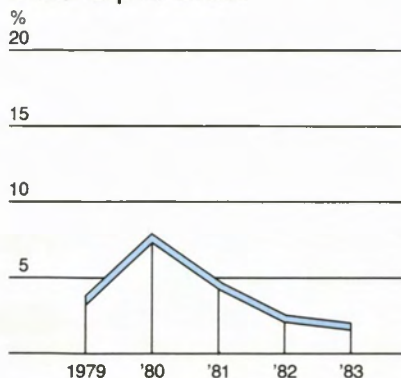
## Selected economic indicators

AREA:  
377,619 sq.km  
POPULATION:  
118.5 million  
GDP:  
US\$ 1,059.8 billion (1982)

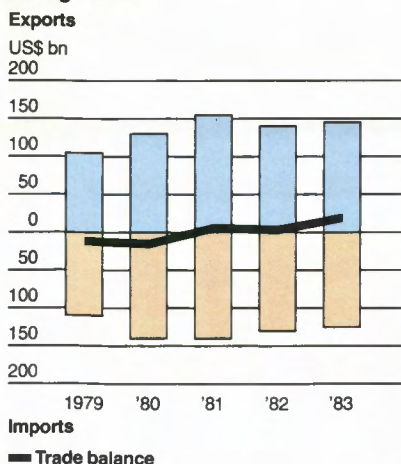
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Asia's leading industrial economy grew by 3.6 per cent in 1983, roughly in line with growth rates achieved in recent years. In contrast to the previous two decades, economic development has now lost some of its vigour. Today's Japan is to be regarded as a mature economy, moving ahead at a moderate but still impressive pace. The three growth engines – exports, private domestic demand and public spending – could not provide the strong impetus as previously. Exports have been limited by quotas and other trade restrictions abroad. Domestic demand and particularly increases in consumer spending have ranged from marginal to moderate because markets for quite a number of consumer items have become saturated and disposable household income has risen more slowly. In addition the government had to abstain from further stimulating the economy in view of continuous and serious budget deficits. Even without such a deficit spending policy it is already expected that 25 per cent of proposed total spending for the fiscal year beginning April 1984 will need to be financed by issuing national bonds, compared with 27 per cent of the budget for the preceding fiscal year.

Notwithstanding the complaints of foreign trading partners, the recovery which started in early 1983, was again primarily driven by favourable external conditions, although this was not entirely due to rising exports but also to lower crude oil prices. Corporate profits and domestic demand showed a noticeable increase which was apparent from an upward trend in plant and equipment investment. Public demand and housing investment remained mostly weak, whilst consumer spending has only recently responded to improving real earnings.

Japan's overall balance of payments and current account registered surpluses of US\$ 5 billion and US\$ 21 billion respectively for 1983. This is the first time since 1978 that Japan's balance of payments was in the black. The record current account surplus, which stemmed from the growing surplus in the balance of trade, had this time only been partly offset by capital outflows.

On a customs clearance basis the trade surplus climbed from US\$ 6.9 billion in 1982 to US\$ 20.5 billion in 1983, as exports rose by 5.8 per cent and imports decreased by 4.1 per cent. Exports to the United States, which accounted for 29.1 per cent of total shipments, increased by 17.1 per cent whilst imports from the USA rose by only 2.1 per cent. Japan's exports to the EEC went up by 8.6 per cent and its corresponding imports advanced by 7.4 per cent. The trade surplus with the USA (US\$ 18.1 billion) and the EEC (US\$ 10.4 billion) broke the previous records set in 1981. According to preliminary figures, the Communist bloc, Central and South America and Africa reduced their imports from Japan whereas Southeast Asian nations' purchases grew slightly. Closer economic relationships with this neighbouring area were also reflected in the ever increasing share of Japanese foreign investment routed to this region. Prior to 1969, 17.6 per cent of total recorded Japanese foreign direct investment had been allocated to Southeast Asia, but this then grew steadily to an average of 30 per cent for the period 1976 to 1981.

In contrast to the previous year, the US dollar/yen exchange rate fluctuated less markedly and closed the year not far from its opening level. On the home front, the lower cost of oil made for stable prices and an annual inflation rate of only 1.9 per cent.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = ¥ 232.20 (235.00)



# Korea

As its GNP rose by 9.2 per cent in 1983, Korea can claim to have achieved the highest growth rate throughout the Asia-Pacific area, following four years of moderate or even negative growth. During the first part of the year exports were virtually stagnant and the main economic stimulus stemmed from government measures promoting domestic construction and from a pick-up in consumer spending. Construction orders surged by 20 per cent from a year earlier and the Seoul wholesale and retail trade index advanced by almost 15 per cent.

Domestic impulses alone could not have triggered such a brisk rise in output. In the second half of 1983, exports re-emerged as the leading contributor to overall growth. Overseas sales were particularly strong in electronic products, machinery and ships, and accounted for US\$ 24.5 billion representing an increase of 11.9 per cent. Import growth of 8 per cent was fuelled mainly by higher demand for foreign capital goods. The trade gap shrank from US\$ 2.4 billion in 1982 to US\$ 1.7 billion in 1983 and the current account deficit narrowed from US\$ 2.7 billion to US\$ 1.6 billion. Overseas construction business which since the mid 1970's has been a major source of foreign exchange has fallen off. Foreign direct investment, measured on a government-approval basis, increased by 43 per cent from the previous year to US\$ 268 million in 1983. More than half of this amount is earmarked for the tourism sector as the country will host the 1986 Asia Games and the 1988 Summer Olympics.

Another bright spot in the Korean economy was the steady reduction of consumer price inflation to 3.4 per cent in 1983 after having reached almost 30 per cent during 1980. This resulted from strict fiscal as well as monetary policies. The 1984 budget has been frozen at last year's level and is roughly balanced. The money supply is being tightened, allowing for only 12-13 per cent growth in 1984. This favourable trend towards price stability was achieved in spite of a weaker won, which depreciated by 6.2 per cent against the US dollar.

In 1980 the Korean economy had contracted for the first time in over 20 years, forcing the government to re-think its development strategy. This self-examination was documented in the readjusted fifth five year plan which reflects the current liberalization and decentralization policy. The domestic financial sector is a main target of this new approach. The government denationalized the major commercial banks, and the policy of extending preferential credit and tax treatment to strategic industries is being phased out.

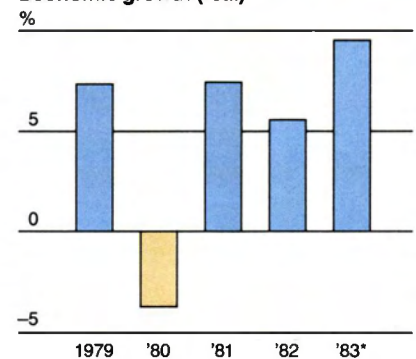
New measures were also introduced in the field of external economic relations. Foreign investment, though still not unrestricted, was further eased and customs duties were re-structured so that in spite of increases in some areas the overall level of duties is lower. Moreover some 80 per cent of all import items have been liberalized. These actions have also to be seen as an attempt to avoid additional protectionist steps by Korea's trading partners.

In the past Korea has depended heavily on foreign borrowing to meet its capital needs. This has resulted in a large external debt which reached slightly over US\$ 40 billion by the end of 1983, making Korea the largest borrower in Asia in absolute terms. However, in view of its economic progress and large export potential the country is regarded as a good credit risk. Plans to reduce scheduled net borrowings over the next few years, as well as the economic restructuring programme which aims at an overall balanced external situation, were nevertheless welcomed by its lenders.

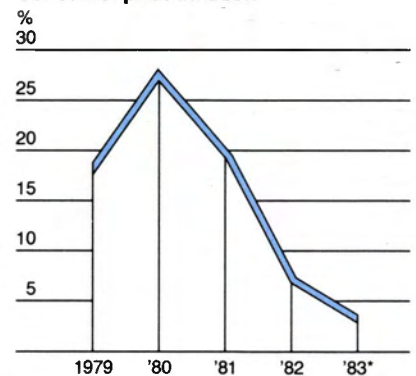
## Selected economic indicators

AREA:  
98,966 sq.km  
POPULATION:  
39.3 million  
GDP:  
US\$ 68.2 billion (1982)

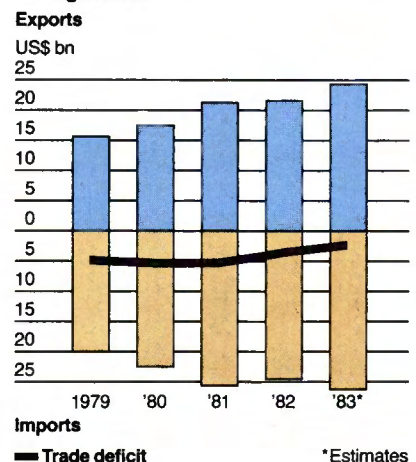
## Economic growth (real)



## Consumer price inflation



## Foreign trade



Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = won 795.50 (748.80)

\* Estimates



Shipbuilding has developed into one of the most successful industries in Korea. In 1983 orders for a total of 179 ships were placed, of which 21 came from domestic and 158 from foreign clients.





# Macau

Over the past few years Macau has experienced an economic renaissance, consolidated by its friendly ties with the People's Republic of China. In spite of its heavy dependence on foreign trade and tourism, the small territory has managed to ride out the international recession without major problems. Budgets have shown successive surpluses, and public debt is insignificant.

As a Chinese territory under Portuguese administration, Macau differs politically from its neighbour across the Pearl River estuary inasmuch as there is no deadline, no 1997, hanging over its existence. However, given the innumerable economic links between these two enclaves on China's southern coast, changes in Hongkong would inevitably affect Macau economically as well as financially. The local currency, the pataca, is practically pegged to the Hongkong dollar and accounts for less than half of the narrow money supply (M1). The pataca is used even less as a currency of denomination for financial assets: an average of two thirds of total residents' deposits is usually held in HK\$.

The economic benefits which are to be gained from close co-operation with China are underlined by a 25-year agreement, signed in February 1983 between the Macau government and a newly formed company, which is 95 per cent owned by the Chinese state authority running the special economic zone of Zhuhai. This zone borders on to the north of Macau, and is one of four special economic zones which China set up in 1979 as laboratories for attracting foreign investment and advanced technology. The agreement calls for reclamation of 110 hectares of land from Macau's outer harbour area. The project, if fully implemented, would increase Macau's present land size by one sixth and create houses for 100,000 people – a fourth of the territory's current population – as well as office space.

The steady revitalization and transformation of Macau's economy is reflected above all in the strong expansion of foreign trade. Both exports and imports have trebled since 1977, reaching US\$ 743 million and US\$ 704 million respectively in 1982. Total exports in the first nine months of 1983 recorded a year-on-year growth rate of almost 20 per cent in pataca terms.

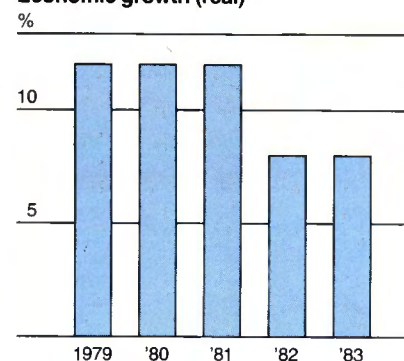
Manufacturing is still dominated, though to a diminishing extent, by textile and garment factories. While this traditional sector contributed 87 per cent of total exports for 1979, its share fell to 76 per cent by 1982. Notable recent growth sectors have been toys, artificial flowers and electronics.

As Macau's textile exports are facing increasingly protectionist markets, the government's efforts are directed to overhauling the territory's basic infrastructure and to developing the services sector – particularly finance and tourism. New legislation has already paved the way for opening up the banking sector to new foreign entrants. In 1983 six major international banks were granted full commercial licences.

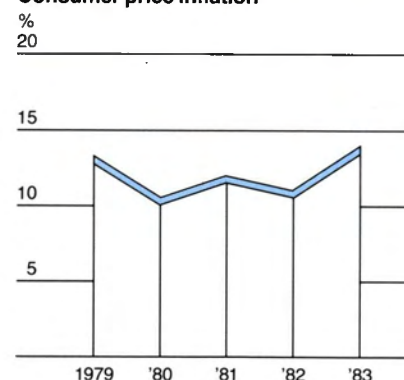
## Selected economic indicators

AREA:  
16 sq.km  
POPULATION:  
0.4 million  
GDP:  
US\$ 0.9 billion (1982)\*

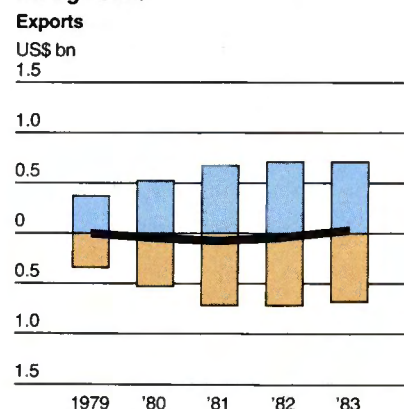
### Economic growth (real)\*



### Consumer price inflation\*



### Foreign trade



### Imports

Trade balance

\* Tentative estimates

Rates of exchange at the end of December 1983 (1982): ..... US\$ 1 = Ptc. 8.004 (6.747)  
HK\$ 1 = Ptc. 1.03 (1.03875)

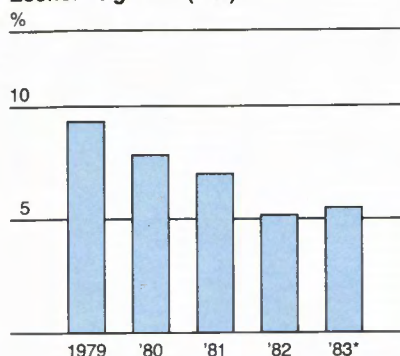


# Malaysia

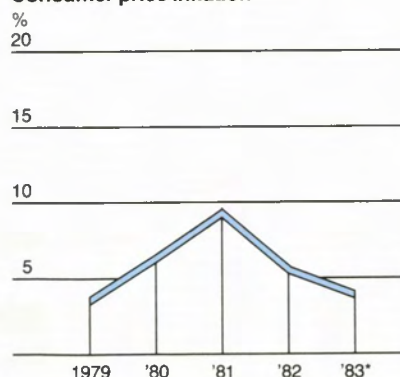
## Selected economic indicators

AREA:  
330,433 sq.km  
POPULATION:  
14.8 million  
GDP:  
US\$ 25.9 billion (1982)

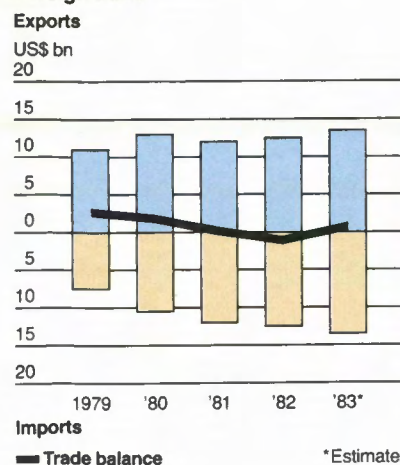
### Economic growth (real)



### Consumer price inflation



### Foreign trade



A country which is as dependent as Malaysia on foreign trade, could hardly avoid the consequences of the world trade downturn of 1981/82 – even though the government did initially seek to alleviate its impact by placing emphasis on public works investment. Until the late 1970's Malaysia had always run a substantial trade surplus and normally had its current account also in surplus. However, in 1982 both turned sharply into the red, with the merchandise account showing its widest ever deficit, and the current account recording a shortfall of US\$ 3.4 billion.

In anticipation of continuing resource constraints, the government decided in mid-1982 to abandon its counter-cyclical fiscal policy. The allocation for development expenditure in the 1983 budget was revised downwards by as much as 20 per cent. As a result of this belt-tightening, imports expanded during 1983 at a slower pace than in the preceding years, especially in the field of industrial machinery and other heavy capital equipment. In contrast to the more sluggish general trend, imports from the EEC – Malaysia's third largest supplier after Japan and the United States – rose by an impressive 30 per cent, after a decline of 5 per cent in 1982.

The government's determination to reduce the high level of foreign borrowings was further reflected by substantial cuts in development spending for 1984. Although the treasury now puts the official debt service ratio at just 6 per cent, the federal government's outstanding foreign debt has more than doubled within the last two years, from M\$ 7.8 billion in 1981 to an estimated M\$ 17.8 billion (US\$ 7.6 billion) at the end of 1983.

Notwithstanding the government's current austerity drive, the gradual pick-up in external demand and a strengthening of private sector spending raised overall economic growth in 1983 to 5.6 per cent, from 5.2 per cent in the previous year. The marked recovery of principal commodity exports such as rubber, palm oil, tin and sawn timber helped to erase the trade deficit and to narrow the current account gap. While world energy markets were still weak, Malaysia was able to boost its sales of crude petroleum by almost 20 per cent to 6,920,800 tonnes during the first six months of the year. Oil earnings surpassed those from rubber and tin together. A new line of exports was generated by the coming on-stream of liquefied natural gas (LNG) from the Bintulu plant in the East Malaysian state of Sarawak. Under a 20-year contract, all the LNG produced locally will be shipped to Japanese utilities. When full production is reached in a couple of years, earnings from LNG will soar to a projected M\$ 4 billion a year (from M\$ 1 billion at present).

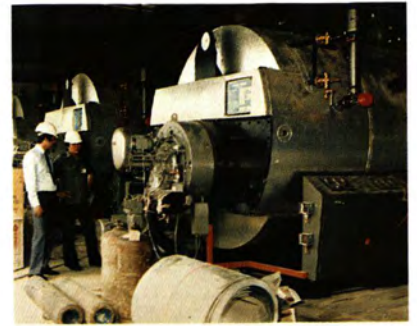
Strong activity continued in the manufacturing sector which should overtake agriculture as the leading contributor to Malaysian GDP in the course of the next few years. In 1983, exports of manufactured goods climbed by over 20 per cent to about M\$ 9 billion, accounting for just under 30 per cent of total exports. The electronic components group was the outstanding performer.

Because of its need for foreign private capital, Malaysia has always maintained a liberal exchange control regime; and further relaxations were announced in April 1983. The most important new rule has raised the amount of money that non-resident controlled companies (NRCC) can borrow from domestic sources. Local borrowings of NRCCs had previously been restricted to an amount equivalent to the aggregate of their shareholders' funds and any foreign borrowings with a maturity of five years or longer. Under the new policy, domestic borrowings of NRCCs may exceed this 1:1 ratio, provided that the additional credits are used to expand existing productive capacity in Malaysia or to install new manufacturing equipment.



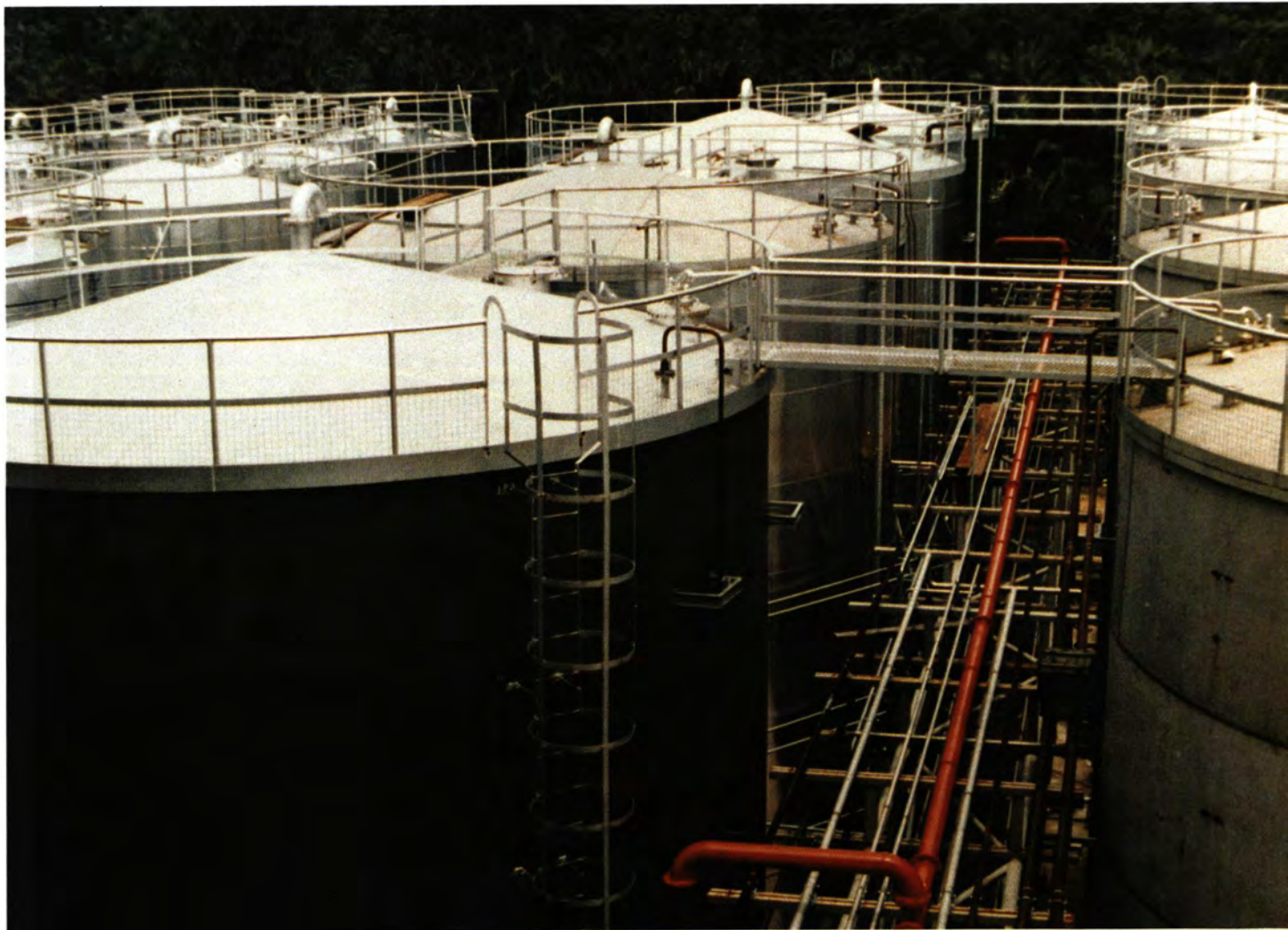
The overall easing of import prices as well as the careful management of monetary aggregates contributed to a deceleration in the domestic inflation rate for 1983. The increase in the consumer price index for Peninsular Malaysia – which has some 80 per cent of the country's population – was estimated at 4 per cent, as compared to 5.8 per cent in the previous year.

Facilities of the palm oil industry.  
Beginning with oil palm cultivation and



the export of crude palm oil, Malaysia's palm oil industry progressed to palm oil refining. It is now entering its third stage of development – fats splitting. Henkel Oleochemicals (M) Sdn. Bhd., a Malaysian-German joint venture, will manufacture oleochemicals from palm kernel oil and palm oil. Eurasbank has provided onshore and offshore financing for this project.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = M\$ 2.336 (2.321)



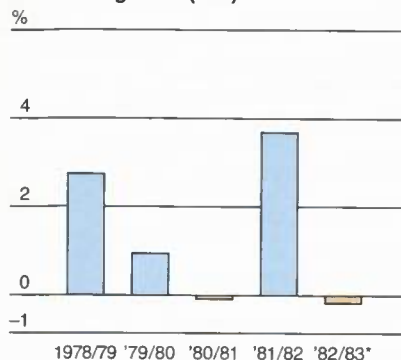


# New Zealand

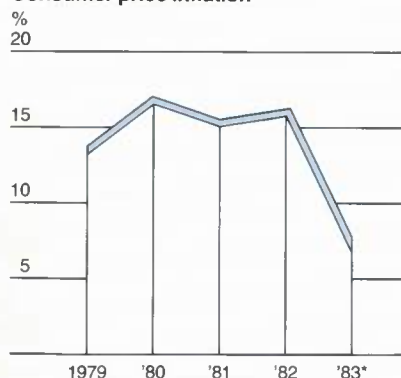
## Selected economic indicators

AREA:  
269,057 sq.km  
POPULATION:  
3.2 million  
GDP:  
US\$ 23.7 billion (1982/83)\*

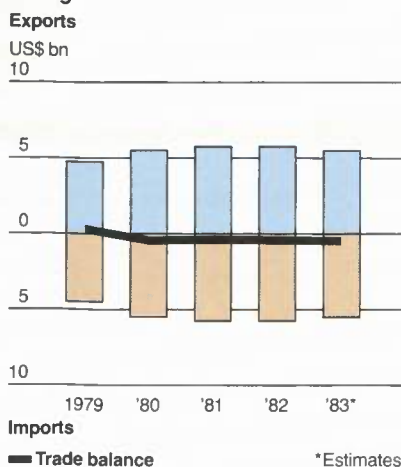
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Since the mid 1970's New Zealand has recorded only very moderate economic growth. In the fiscal year ended March 1983 real economic activity declined slightly and GDP was 0.2 per cent lower. During that year there was no recovery in the international economy and New Zealand therefore faced deteriorating terms of trade and weak external demand. Poor export earnings, a strong growth in imports, together with increased payments for invisibles – partially influenced by rising interest payments on the country's large foreign debt – led to a rapid deterioration in the external accounts. Under such circumstances the domestic expansion which had been generated earlier could not be sustained particularly as inflation had reached a peak of 17 per cent in the 12 months up to June 1982. As a result government policy was directed primarily towards reducing the rate of inflation. On June 22, 1982 regulations were introduced imposing a twelve month freeze on prices, wages and other forms of remuneration. These measures have been extended until the end of February 1984. Whereas the increase of the price index was still high in 1982/83, inflation fell to 3.6 per cent by the end of 1983. The controls on wages and prices were largely responsible for the decline in real disposable income, as increases in nominal salaries and wages responded more rapidly than prices to the new controls. This inevitably had negative consequences for consumption, investment and employment.

The external situation has subsequently improved as the international economic upturn has been accompanied by continued domestic stagnation. In the 12 months to September 1983 exports were 13 per cent higher and imports 5 per cent lower than in the previous year. Farm and forestry products still comprised about 75 per cent of merchandise shipments despite efforts to broaden the range of export products. On the other hand the dependence on energy imports has been remarkably reduced by an ambitious energy-orientated investment programme, designed to exploit the vast and varied local energy sources.

The current account deficit shrank to US\$ 530 million in the 12 months to September 1983, after US\$ 1.2 billion in the previous twelve months. In March 1983 a devaluation of the Australian dollar forced the government – in view of the close economic relationship with Australia – to announce a 6 per cent devaluation of the New Zealand dollar. This step also increased the competitiveness of New Zealand's products in other markets.

In the fiscal year 1983/84 the recession obviously bottomed out but economic growth is estimated to remain negligible, in spite of the stimulus provided by a fairly large budget deficit which reached some 9.5 per cent of GDP. However, near-term economic prospects will be influenced by certain imponderables in connection with the phasing out of the wage-price freeze. The principal fear is that inflation has been only temporarily suppressed and may be rekindled, and this partly explains why real interest rates have not come down sufficiently to stimulate private investment activity.

Rate of exchange at the end of December 1983 (1982): ..... NZ\$ 1 = US\$ 0.655 (0.733)



# Pakistan

The overall economic position of Pakistan has recorded a marked improvement since the mid 1970's. Even the heavy burden imposed more recently by the presence of 2.9 million Afghan refugees did not dampen real GDP growth, which is estimated at 5.8 per cent for the fiscal year ended June 1983. This encouraging growth trend was accompanied by a fall in the rate of inflation to its lowest level during the last decade. The official consumer price index rose by less than 5 per cent as against 10.0 per cent in 1981/82.

The reduced inflationary pressures partly reflected a relatively strong performance of the agricultural sector. In addition to favourable weather conditions, the increased use of fertilizers and machinery contributed to substantially higher output of wheat and cotton. A series of good harvests has transformed the previous food grain deficit into self-sufficiency and even a net export capacity. Almost 50,000 tonnes of wheat have been sold to Iran, with whom an additional contract for the export of 130,000 tonnes has also been concluded.

Manufacturing has maintained its role as a leading growth sector. However, energy shortages and other influences slowed overall production growth in 1982/83 to 8.3 per cent from the exceptionally high level of the preceding year (11.9 per cent). The few major industrial items suffering a setback in production included cotton cloth. The persisting crisis in this important local industry has led the government to formulate a long-term policy under which no new spinning mills will be sanctioned except in the duty-free areas of the country.

To meet the rising energy demand – from agriculture, industry and private households – major efforts are being made to accelerate the exploitation and development of domestic energy resources. These consist principally of sizeable natural gas reserves and substantial hydropower potential, whereas known deposits of crude oil, coal and radioactive minerals are limited. Nevertheless, Pakistan is better off than many other developing countries. The share of imported oil in total sources of energy has decreased to about 35 per cent. The Asian Development Bank recently approved a US\$ 19.3 million loan to help finance the expansion of natural gas purification and compression facilities. This is expected to save the country an estimated US\$ 100 million a year in foreign exchange and to eliminate bottlenecks in gas supplies to consumers in southern Pakistan.

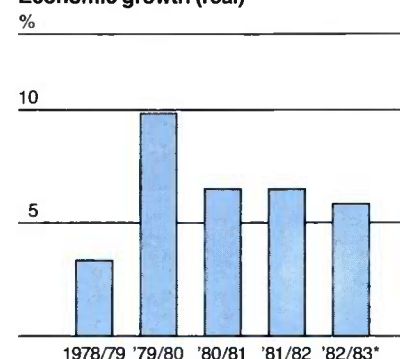
Although national savings increased to 14.1 per cent of GNP in 1982/83, the savings ratio was still low, both in comparison with similarly structured economies and in relation to the country's investment needs. As a result, public finances remained under pressure and foreign borrowings had to fill about a quarter of the financing gap. Despite the dependence on foreign economic assistance, the problem of debt servicing is not as pressing as it is for some other developing countries. At the end of 1982, Pakistan's medium- and long-term external public debt amounted to US\$ 9.2 billion, and debt service was equivalent to less than 15 per cent of export receipts from goods and services.

Foreign exchange reserves more than doubled from US\$ 718 million in June 1982 to a record figure of US\$ 1.86 billion in June 1983. This total covered more than three months' imports and compared with reserves of only US\$ 168 million in December 1979. Contributory factors were the delinking of the rupee from the US dollar in January 1982 and the continued flow of resources from the IMF's Extended Fund and Compensatory Financing Facilities. Exports exceeded the US\$ 2.5 billion mark in 1982/83 (up 13 per cent), while imports (f.o.b.) stood at US\$ 5.5 billion (down 4 per cent), leaving a trade deficit of US\$ 2.9 billion. This was more than offset by an income of US\$ 3.1 billion in

## Selected economic indicators

AREA:  
803,943 sq.km  
POPULATION:  
87.1 million  
GDP:  
US\$ 31.0 billion (1981/82)

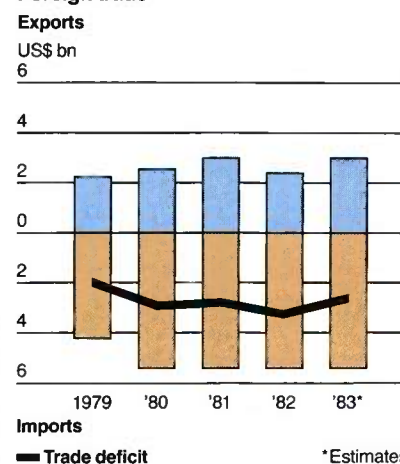
### Economic growth (real)



### Consumer price inflation



### Foreign trade





remittances from Pakistanis working abroad. These remittances are a vital pillar of national prosperity and now account for some 10 per cent of the GNP. A recent study revealed that over 60 per cent of this money goes into current consumption.

However, Pakistan cannot rely indefinitely on home remittances from ex-patriate workers, who number between 2 and 3 million. The decline in Middle East construction work and a period of depressed oil prices could reduce the demand for Pakistani workers overseas. The government hopes to alleviate such potential dangers by encouraging foreign investment in Pakistan. This is also in line with the new five-year plan, which was launched on July 1, 1983 and assigns a larger role to the private sector, ending the decade-old discrimination in favour of the state sector.

The strategy of Islamization in the economic sphere has produced a number of changes during the past three years in Pakistan's financial system. Interest-bearing financial transactions are being gradually replaced by profit-and-loss-sharing (PLS), a form of equity participation. So far, only one foreign bank operates such PLS schemes. The maximum interest rate for conventional bank advances has remained unchanged, since mid-1977, at 14 per cent.

After the good performance in 1982/83, Pakistan faces a slowdown in economic growth in the current year. Bad weather and insect attacks caused a dramatic fall in cotton output. Additionally, the dry winter adversely affected wheat production and the generation of hydro-electric power. The official growth target had to be scaled down from 6.4 per cent to between 4.5 and 5 per cent. Inflation accelerated markedly during the second half of 1983.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = Rs.13.51 (12.84)

Technical education plays a key role in the process of economic development. Agfa-Gevaert Pakistan Ltd. has installed one of the most modern graphic training centres in Asia.





# Philippines

Before domestic politics intervened, there were signs that a moderate recovery of the Philippine economy was under way. In spite of a drought-induced downturn in the vital agricultural sector, GDP in real terms rose by almost 3 per cent during the first half of 1983. Economic developments were also marked by a further deceleration in the inflation rate, from 10.6 to 6.6 per cent. The balance of payments, on the other hand, still performed below expectations. The continued stagnation of exports forced the government on June 23 to implement the first of two devaluations during 1983. The official guiding rate fell by over 7 per cent to P 11 against the US unit.

A chain reaction of events then followed the assassination on August 21 of opposition leader and former senator Benigno Aquino. A slightly improved picture in trade and invisible exports was more than offset during the third quarter of the year by large shortfalls in the capital account, which were caused by increasing capital flight as well as investor and lender cautiousness. As of late October, official reserves shrank to less than US\$ 300 million, barely sufficient to finance two weeks' imports at current levels.

The heavy erosion of the country's reserves position led to the adoption of several drastic measures:

- A second devaluation of the peso on October 5 brought the guiding rate to P 14 : US\$ 1, representing a 52.7 per cent reduction in peso terms since January 1.
- In mid-October the Philippines became the first Asian country to seek relief on its debt repayments to international banks. It requested a 90 day extension of principal payments maturing during the 90 day period beginning on October 17, 1983. The moratorium was subsequently renewed until mid-April 1984. This initial move for debt relief was later extended into a request for a large-scale rescheduling of Philippine debt. According to the central bank's latest calculations, the nation's outstanding external debt of US\$ 24.7 billion was divided into US\$ 14.8 billion of medium- and long-term liabilities and US\$ 9.9 billion of short-term obligations (compared with merchandise export earnings of less than US\$ 5 billion in 1983).
- Restrictions were imposed on imports and local banks were ordered to sell to the central bank all their foreign exchange receipts from exports, remittances and other transfers. Top priority for the use of foreign exchange was given to the financing of essential imports, the servicing of official development loans falling due and the payment of interest due to foreign banks on public sector debts.
- The reserve requirement for banks which had been boosted earlier from 18 to 20 per cent, was increased again to 23 per cent, considerably tightening liquidity in the banking system.

The scarcity of foreign exchange and the severe credit squeeze resulted in a rapid deterioration of business conditions during the latter half of the year. The official estimate put real growth for 1983 at 1.4 per cent which was very much below the 6.5 per cent targeted under the current five year plan. The effects of the massive devaluation pushed the annual inflation rate to over 25 per cent in December, the highest level recorded since 1975.

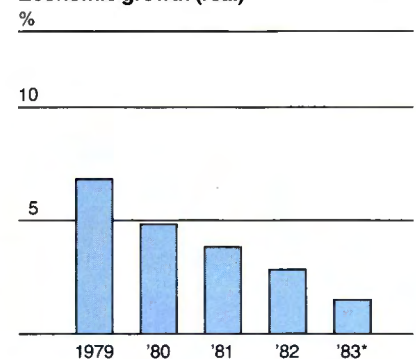
Most observers agree that the infusion of new funds and the rescheduling of existing debts are not the only prerequisites for restoring economic stability. Even more crucial is some degree of national consensus to implement the current stringent austerity measures.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = P 14.002 (9.171)

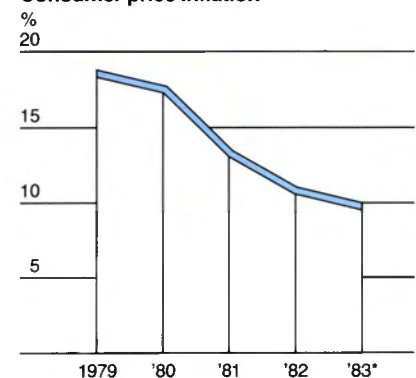
## Selected economic indicators

AREA:  
300,000 sq. km  
POPULATION:  
50.7 million  
GDP:  
US\$ 39.9 billion (1982)

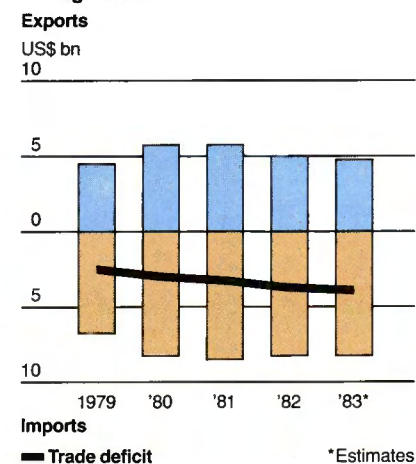
### Economic growth (real)



### Consumer price inflation



### Foreign trade



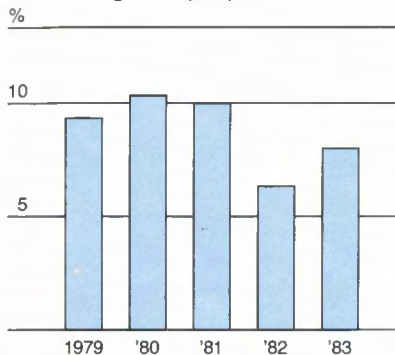


# Singapore

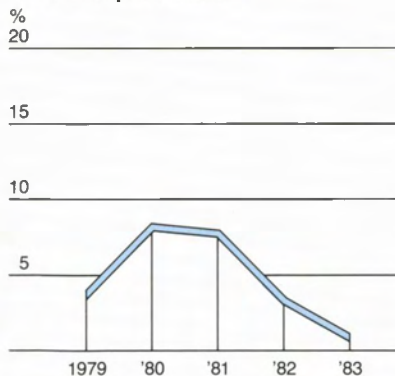
## Selected economic indicators

AREA:  
618 sq.km  
POPULATION:  
2.5 million  
GDP:  
US\$ 13.8 billion (1982)

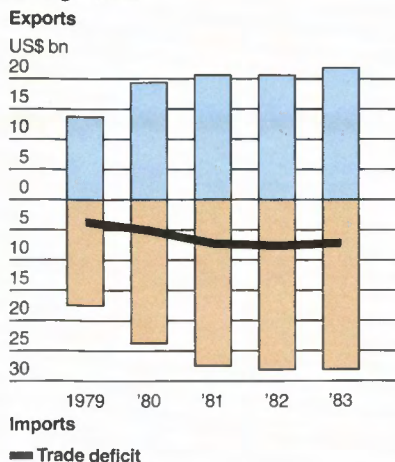
### Economic growth (real)



### Consumer price inflation



### Foreign trade



In 1983 the Singapore economy was again sustained by the deliberate counter-cyclical fiscal policies of the government, albeit to a lesser extent than in 1982. The export-oriented electronic and garment industries were quick to feel the benefits of the US recovery. This suggests that the lag between the US and Singapore economic cycles has shortened to less than a quarter, from the usual pattern of six to nine months.

The city state's total output of goods and services grew by almost 8 per cent in 1983, which was twice as high as projected by the government. New investment commitments in the manufacturing sector reached S\$ 1.5 billion during the first nine months of the year, a rise of 6 per cent over the corresponding period of 1982. One third of the total continued to come from local sources. After declining by over 5 per cent in the previous year, manufacturing output showed a 2 per cent increase in 1983. This turnaround can be traced mostly to improved performance by light industry, whereas Singapore's traditional heavy industries, such as shipbuilding and oilfield equipment, fared less well. Petroleum refining held up much better than expected, despite efforts by Indonesia and Malaysia to refine more of their own crude oil.

Singapore's 1983 trade deficit narrowed from S\$ 15.7 billion to S\$ 13.3 billion. This was due to a 4 per cent rise in exports and a 1 per cent drop in imports. Detailed trade figures reveal that the export development might not be as encouraging as it appears on first sight. Overall export growth resulted primarily from increased sales to the two largest foreign markets – the United States and Peninsular Malaysia. Among Singapore's top trading partners, sharp falls were recorded in shipments to Japan, Hongkong, Saudi Arabia, Australia and India.

Inflation was almost entirely squeezed out of the economy. The annual increase in consumer prices fell to just over 1 per cent, the lowest rate in the region. The principal deflationary influences included the continued glut on the world petroleum market and the strong performance of the Singapore dollar on the foreign exchange market. The local unit depreciated only marginally against the US dollar but appreciated considerably vis-à-vis the major European currencies. It was fairly constant against the Malaysian ringgit, after strengthening nearly 10 per cent against that currency during the previous four years.

Continued monetary and political stability helped entice further substantial net capital inflows. A strong balance of payments raised official foreign reserves to US\$ 9.0 billion by September 1983, a gain of US\$ 1.4 billion over the level of a year earlier. Prudent budgets for many years were reflected in a low external public debt which amounted to only US\$ 1.4 billion at the end of 1982. Costly international borrowing was also unnecessary for the recent expansionary budgets since the high compulsory deposits with the Central Provident Fund provided the government with access to a large pool of domestic funds to finance building programmes.

Although down from its 1982 peak of a 36 per cent increase in output, construction was again the growth leader in 1983 with a rate of 27.5 per cent, followed by the financial and business services sector with a real growth rate of 16 per cent. The Housing Development Board completed a record 40,000 units in comparison with 19,500 in 1982. The construction boom was also fuelled by massive private sector spending on offices, shopping centres, residences and hotels. The Ministry of National Development expects an oversupply in these areas during the next few years, but in spite of disturbing signs of a property glut, growth of the construction industry is likely to be maintained by work on





Singapore's largest-ever construction project, the recently begun S\$ 5 billion Mass Rapid Transit system.

In line with the general contraction in international banking activity, the Asian dollar market in Singapore expanded at a much lower annual rate of 8 per cent in 1983 compared with 20 per cent in 1982 and 58 per cent in 1981. The gross size of the market stood at US\$ 108 billion at the end of November 1983, of which US\$ 29.5 billion or 27 per cent constituted loans to non-bank customers.

Buoyant construction activity gave a powerful stimulus to Singapore's economy in 1983. A high volume of building contracts was awarded by the government sector, in particular by the Housing Development Board (HDB). One award-winning core contractor of the HDB, Hock Chuan Ann Construction Pte. Ltd., banks with our Singapore Branch. Against the backdrop of two completed HDB apartment blocks at Rowell Court, Director Chua Thuan Koon (centre) leads General Manager Hans-Martin Konrad (right) and Manager Bernd Ulrich Timm on an inspection of Phase 3 of this project.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = S\$ 2.127 (2.109)



Sri Lanka ranks third amongst the world's tea producing countries, after India and China. Andreas Veith (centre), Manager of Eurasbank Colombo Branch, at the tea tasting office of a leading local tea exporter.





# Sri Lanka

A steep rise in world market prices for tea, the island's major export item, gave the Sri Lankan economy an unexpected windfall in 1983. Nevertheless, growth probably fell to about 4 per cent from an average of more than 6 per cent during the previous five years.

The economic slowdown in 1983 is mainly due to a reduced agricultural production and processing, resulting from a drought that occurred during the first half of the year, and to the repercussions of the violence in July 1983 between the majority Sinhalese and minority Tamils. Whilst damage to productive capacity was not as great as originally feared and companies in the free trade zone north of Colombo were not affected at all, the psychological impact of the disturbances appears harder to overcome.

After the events of July many sectors were soon able to return to near-normal operations, with one notable exception. Tourism, which is the nation's fourth largest earner of foreign exchange after tea, remittances from ex-patriate workers in the Middle East and textiles, recovered more slowly, and arrivals in September were put at around 10,000, compared to 30,000 in the previous September.

Budgetary pressures remained strong in 1983 but stricter fiscal discipline imposed by the government helped to keep the overall deficit slightly below the approved level of almost US\$ 1 billion, which represents a relatively high 18 per cent of GDP. Revenue for 1984 is once again expected hardly to meet recurring expenditure, and foreign loans and grants will largely fill the financing gap. In view of the growing share of recent foreign commercial borrowing by both the public and private sectors, payments of interest and amortization on all external debt are now calculated by the World Bank to be equivalent to about 20 per cent of total exports of goods and services.

In September 1983, the International Monetary Fund approved a standby credit of approximately US\$ 100 million to support the government's economic and financial programme. This decision was preceded by two small devaluations of the rupee against the US dollar (by about 5 per cent each), in February and July respectively.

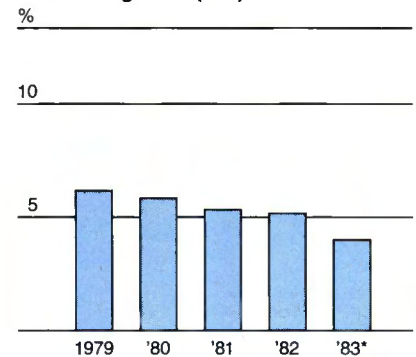
Central bank figures revealed that the value of Sri Lanka's merchandise exports in terms of Special Drawing Rights declined by 5 per cent during the first nine months of 1983. Imports, on the other hand, continued to grow by 3 per cent, thus widening the trade deficit. A considerable saving on oil imports was offset by higher overseas purchases of food and capital goods.

As consumer price increases began to accelerate during the second half of 1983, the central bank tightened credit. Commercial bank advances to the private sector were restricted during November to the amount granted and outstanding on October 31. This ceiling was already withdrawn, however, on December 1 and replaced by higher reserve requirements.

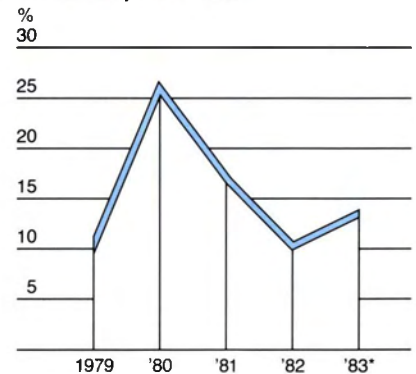
## Selected economic indicators

AREA:  
65,610 sq.km  
POPULATION:  
15.2 million  
GDP:  
US\$ 4.8 billion (1982)

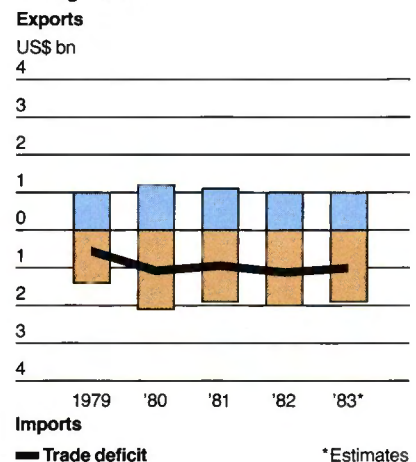
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = Rs. 25.000 (21.320)

\*Estimates

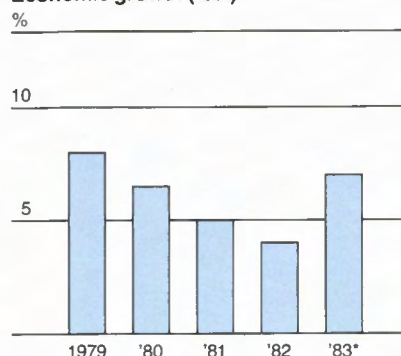


# Taiwan

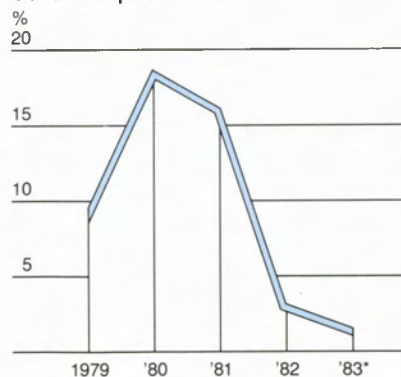
## Selected economic indicators

AREA:  
35,981 sq.km  
POPULATION:  
18.3 million  
GDP:  
US\$ 46.8 billion (1982)

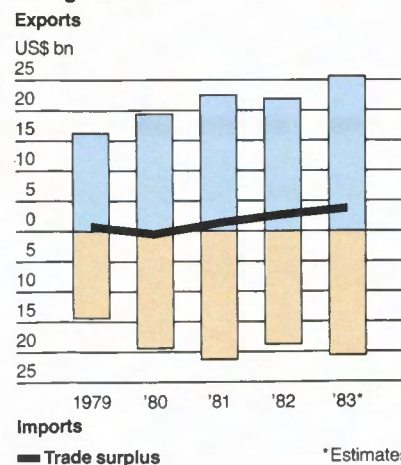
## Economic growth (real)



## Consumer price inflation



## Foreign trade



Few countries depend as much on foreign trade as does Taiwan. Exports and imports together are roughly equivalent to GDP and it therefore comes as no surprise that the improved world economy, and in particular the strong upturn in the United States, benefited most sectors of the island's economy in 1983. Exports climbed to US\$ 25.1 billion (up 13.0 per cent) and imports to US\$ 20.3 billion (up 7.4 per cent) resulting in a record trade surplus of US\$ 4.8 billion. Textiles remained the country's top foreign exchange earner, with shipments to the value of US\$ 4.6 billion, followed by electronic products with US\$ 3.8 billion. Exports of metal goods, electronics, electrical machinery and footwear all registered growth rates of over 20 per cent.

The authorities are striving to diversify trade relations in order to avoid an excessive reliance on the US market, which took 45 per cent of the country's shipments in 1983. As its export success is too narrowly based for comfort, Taiwan pursues a trade policy which is designed not to provoke protectionist steps by its customers. By the end of 1983 the eighth "Buy American" mission had visited the United States and placed orders to limit the growth of the Taiwanese trade surplus with the USA, which nevertheless amounted to US\$ 6.7 billion. This basic pattern can also be seen, albeit to a lesser extent, in trade relations with European countries. Consequently, the authorities urged the Japanese to bring foreign trade with Taiwan more into balance, as the island has traditionally a large trade deficit with Japan.

During the first nine months of 1983 the current account was US\$ 3.7 billion in the black, about two thirds higher than for the whole of 1982. Foreign investment applications approved by the government totalled US\$ 404.5 million in 1983, up 6.4 per cent from a year earlier. The bulk of foreign direct investment will come again from Japanese companies (US\$ 197 million) followed by firms from the USA (US\$ 93 million) and Europe (US\$ 21 million). Additionally, the Taiwanese stock market opened its doors to international investors. Arrangements were completed for the establishment of a new investment fund which is the first authorized vehicle for portfolio investment in Taiwan by non-resident foreigners. The island's foreign reserves, excluding gold, rose to a record US\$ 13.7 billion which exceeds the country's total external liabilities including even short-term debt.

Domestic developments cast some shadows over the external success. Prior to the economic turnaround factories had been operating at less than 75 per cent of capacity with some plants even below 50 per cent. They were therefore well placed to meet the surge in overseas demand, but many corporations went bankrupt before they could exploit the upturn. Revelations that some listed companies had scandalously falsified their financial statements, with the apparent connivance of certified public accountants, prompted a number of official investigations. New investment has been checked by excess capacity and only recently have there been signs of a pick-up in domestic investment. This is an essential prerequisite if production is to be shifted to more capital-



intensive high technology areas, as other competitors with lower wages are already making inroads into traditional Taiwanese markets.

The overall economic performance in 1983, spurred by the external influences, was favourable. GDP growth accelerated to 7.1 per cent and consumer price inflation was outstandingly low at 1.4 per cent. Interest rates decreased, reaching a low of about 10 per cent whereas the New Taiwan dollar remained basically stable vis-à-vis its American counterpart.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = NT\$ 40.27 (39.91)

Industrial clients of Taipei Branch include this studio which currently employs 60 designers and produces cartoons for the US, German and Japanese markets.



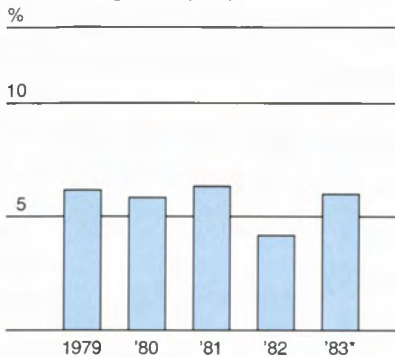


# Thailand

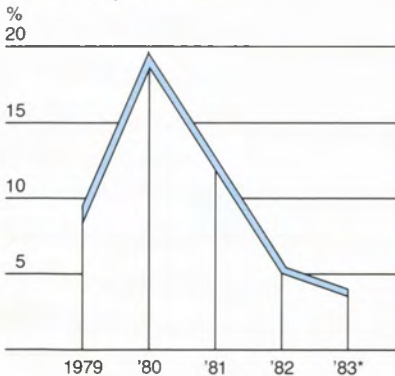
## Selected economic indicators

AREA:  
514,000 sq.km  
POPULATION:  
48.5 million  
GDP:  
US\$ 37.3 billion (1982)

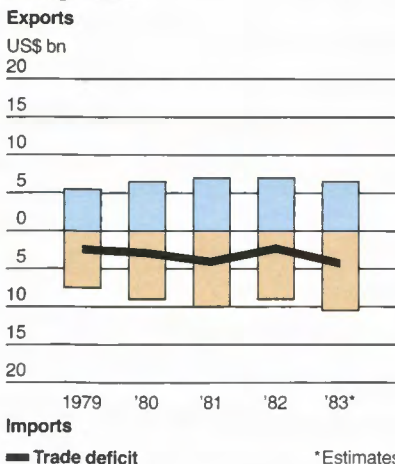
### Economic growth (real)



### Consumer price inflation



### Foreign trade



Thailand's economic recovery, which began in early 1983, turned out to be stronger than expected. Real GDP growth accelerated to almost 6 per cent from 4.2 per cent in 1982, and was based mostly on the expansion of domestic demand and on the re-building of depleted inventories. These factors in turn caused imports to increase sharply above their 1981 level after a 10 per cent drop in the intervening year – the first absolute decline during the past decade.

The import boom was particularly marked in the consumer durables sector, which recorded a 40 per cent rise in the first half of the year. During the same period, imports of capital goods increased by 25 per cent, reflecting also a brightening investment picture. The number of applications for preferential treatment made to the Board of Investment (BoI) in the first nine months of 1983 totalled 258, compared with only 147 during the same period of 1982. Funds to be invested amounted to the equivalent of US\$ 2 billion, more than three times the previous year's corresponding figure. The BoI is a government agency which considers applications from Thai and foreign investors seeking special incentives, such as tax holidays or waivers of import duties. Although such applications to the board do not represent total proposed investment in Thailand, they are a reliable barometer of the general investment climate.

New major projects in the resource sector include a US\$ 90 million tantalum processing plant to be built at Phuket in southern Thailand, the hub of the country's tin mining industry. The facility will utilize a metallurgical process



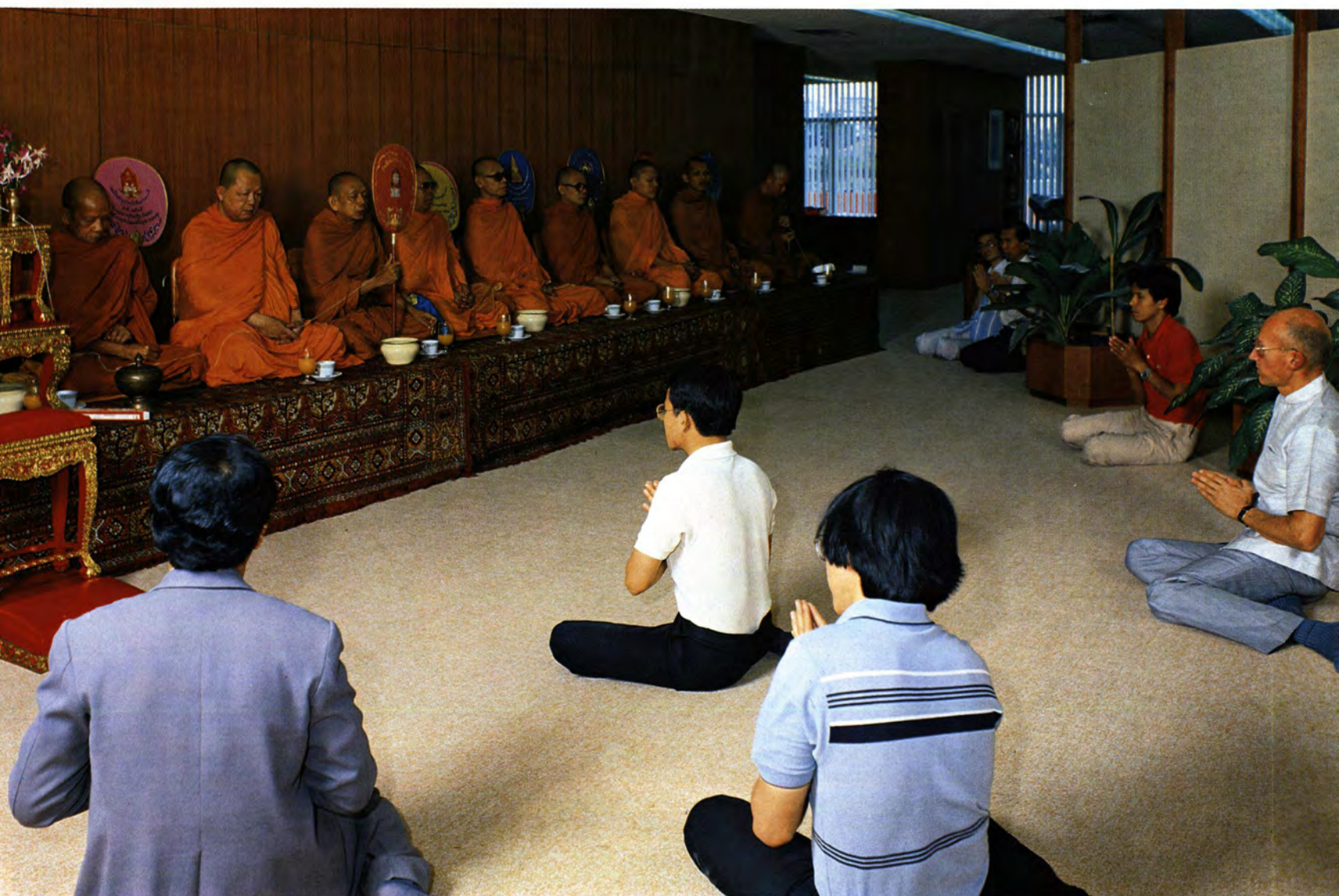
Although agriculture is still the dominant sector of the Thai economy, manufacturing has expanded rapidly during the past two decades. The picture shows the plant of Bangkok Glass Industry Co., Ltd. – a Thai-German joint venture.

developed by a West German company and is to be a substantial generator of foreign exchange. Work has already begun on the construction of a gas separation plant, located in the eastern seaboard development zone. This is designed to process natural gas flowing from the fields in the Gulf of Thailand. The government considers the gas plant a core industry for the supply of raw materials to all other industries planned for this area, among which are a petrochemical complex, and a chemical fertilizer project to help boost agricultural yields.

Thai exports failed to match the high import growth in 1983. Total export value was estimated to have shrunk by 7 per cent, contributing to the record trade deficit of US\$ 3.9 billion. As a large portion of farm commodities is carried over from one year to be exported the next, the prolonged drought of 1982 severely affected 1983 agricultural exports. The export shortfall was mitigated to some extent by an increase of the surplus in the services and transfers account, which benefited from large remittances by overseas Thai workers, particularly







those in the Middle East, and earnings from tourism.

The rate of inflation fell below 4 per cent in 1983, although the 1982 drought had a serious impact on domestic food prices. New restrictive monetary policy measures appear to leave little room for inflationary pressures to build up in the first half of 1984 unless the baht parity vis-à-vis the US dollar is changed. In order to scale down credit expansion in general, and to curb imports in particular, the central bank has requested commercial banks to limit overall credit growth in 1984 to 18 per cent and to freeze import credits (with the exception of crude oil and petroleum products) at the 1983 levels.

In Autumn 1983 Bangkok Branch celebrated its 5th anniversary. To commemorate the occasion, a Buddhist ceremony was held in the renovated premises.

Rate of exchange at the end of December 1983 (1982): ..... US\$ 1 = baht 23.00 (23.00)



# Review of Business

In the middle of 1983 a new chapter started for our Bank, which since its foundation in 1972 has built upon the traditions of its forerunner, the Deutsch-Asiatische Bank. The seven members of the EBIC Group, who previously had maintained equal shares in our capital, reorganized their interests, so that Deutsche Bank increased its stake in our Bank to 60 per cent. The other remaining shareholders are Creditanstalt-Bankverein (22 per cent), Amsterdam-Rotterdam Bank and Société Générale de Banque (9 per cent each). We take this opportunity to express to our former shareholders – Banca Commerciale Italiana, Midland Bank and Société Générale – both our gratitude for the past support and contribution to the development of our Bank and our continuing desire to work closely with them in the future.

Our Bank once again achieved dynamic growth in 1983. We have profitably utilized the opportunities presented by the economic recovery of the Asia-Pacific economies, and were able further to improve our competitive position, which benefited from new branch-openings in Lahore, Macau and Pusan. Future expansion has been further underpinned by two capital increases of DM 24.5 million each. Issued at a premium of 125 per cent, the new shares effectively increased our capital and published reserves by DM 110.25 million to DM 409.9 million.

The year under review saw our business volume grow by 35.7 per cent to DM 10.7 billion, and balance sheet total by 34.4 per cent to DM 8.4 billion. This nominal increase was significantly aided by the fact that most Asian currencies followed the US dollar in its appreciation against the German mark. As in previous years, the main engine of growth was short- and medium-term lending to customers, principally for trade-financing purposes, which increased by 39.5 per cent to DM 3.2 billion. By contrast, long-term lending decreased by 9.8 per cent, reflecting a continued selectivity in our long-term Euro-lending policy. Total loans and advances to customers rose by 28.9 per cent in 1983.

The sharp rise in interbank claims and in our securities portfolio reflect measures taken to ensure satisfactory market liquidity. Customer deposits advanced in line with loans by 30.5 per cent to nearly DM 3 billion, so that the customer funding ratio remained almost constant.

Operating profits were again satisfactory, supported not only by a modest increase in interest margins but also by our efforts to contain cost increases. On the other hand, the impact of hedging costs for our overseas branches' foreign currency capital and operating profits is more visible than in the past. International debt problems, which for the first time did not leave Asia unscathed, and the general increase in credit risks have

prompted us to give absolute priority to the reinforcement of the Bank's internal resources. Following markedly higher charges for specific and general loan loss provisions, we can show a net profit of DM 20 million and propose to our shareholders that this should be appropriated to published reserves.

In addition to the further expansion of our own branch network, we complemented our range of services by participating in two newly established specialist institutions. At the beginning of 1983 we joined forces with the State Bank of New South Wales to found European Asian of Australia Limited, a Sydney-based merchant bank whose issued capital of A\$ 10 million is equally held by the two partners. Euras Australia will concentrate on the financing of trade between Australia and Asia. As a first step towards being able to offer leasing as an alternative to conventional forms of bank finance in South-East Asia, we established in Jakarta P.T. Euras Buana Leasing Indonesia, which commenced operations in December 1983. The other partners are P.T. Bank Buana Indonesia, Jakarta and Tat Lee Bank Ltd., Singapore.

The total number of staff employed by the Bank increased by 74 to 1,351, principally as a result of the three newly opened branches. We have continued to give special attention to the education and professional development of our staff through training and exchange programmes. Co-operation between management and staff representatives continued to be marked by mutual trust and constructive teamwork. Our special gratitude and appreciation are due to the staff, whose personal dedication and commitment have once again made possible the good results of our Bank.

Pursuant to § 20 section 4 AktG (Joint Stock Corporation Law), Deutsche Bank Aktiengesellschaft, Frankfurt/Main, gave notice that it had acquired a majority interest in our company. This was published in the Federal Gazette No.135 of July 23, 1983.

The Bank maintained business relations with Deutsche Bank Aktiengesellschaft and its associated companies in the ordinary course of banking business.

Pursuant to § 312 AktG a report on relations with associated companies during the period June 30, 1983 until December 31, 1983 has been drawn up. In this report we declared that according to the circumstances known to us on each occasion when transactions were concluded within the meaning of § 312 AktG, we received an adequate consideration in every transaction.





Eurasbank



LAHMB 1130/83

Eurasbank's Head Office is located in Hamburg – Germany's largest port and the country's key foreign trade centre. Huge volumes of raw materials and manufactured goods from Southeast Asia are unloaded here and stored in the "warehouse town" within the free port, before they are processed or sold to other customers.



# 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 154.9 million to DM 186.0 million. Balances with the Deutsche Bundesbank and foreign central banks rose to DM 179.9 million.

The sum of liabilities to credit institutions and other creditors, including own acceptances in circulation and sundry liabilities, amounted to DM 7,822.9 million (DM 5,823.4 million last year). The relation of the cash reserve to this figure (*cash liquidity ratio*) was 2.4% (2.7% 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 advances as well as foreign bonds of comparable quality — increased from DM 835.1 million to DM 1,206.6 million. The proportion of liabilities covered by liquid funds (*total liquidity*) was 15.4% (14.3% last year).

### Securities

*Treasury bills and non-interest-bearing Treasury bonds and debt instruments* increased in total by DM 235.9 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 229.3 million (DM 106.1 million last year) as well as DM 0.2 million of equalisation claims were pledged to the Deutsche Bundesbank and DM 50.2 million were sold to the Deutsche Bundesbank under a repurchase agreement.

### Total credit extended

The volume of credit grew by DM 1,510.2 million (29.1%). The increase in claims on customers was DM 837.9 million (28.9%) and in discounts DM 62.2 million (13.8%).

The breakdown of the volume of credit as at the end of 1983 and 1982 is given on page 37.

Of bills in hand, DM 66.4 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 2,121.6

million to our customers (DM 1,474.1 million last year).

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

### Trade investments

This item rose by DM 15.4 million to DM 26.9 million. The increase consists of the Bank's investment of DM 11.8 million in European Asian of Australia Ltd., Sydney and of DM 3.6 million in P. T. Euras Buana Leasing Indonesia, Jakarta. The trade investments involve obligations to pay up a maximum of DM 3.9 million and a contingent liability for the obligations of other partners in the Liquiditäts-Konsortialbank GmbH, Frankfurt/Main.

The liabilities for calls on shares, arising from trade investments, amounted to DM 0.3 million.

### Fixed assets

The item *land and buildings* decreased to DM 4.1 million after ordinary depreciation of DM 0.1 million.

*Office furniture and equipment* rose to DM 15.5 million, after additions of DM 7.0 million, disposals of DM 0.4 million, ordinary depreciation of DM 4.3 million and special depreciation of DM 0.4 million.

### Other asset items

The items *sundry assets* amounting to DM 19.9 million and *transitory items* of DM 12.1 million essentially consist of refundable taxes, rental and other security deposits as well as advance interest and rent payments.

### Funds from outside sources

Total funds from outside sources rose by DM 1,920.9 million (34.1%) to DM 7,560.7 million during the year under review. The proportion of deposits from non-bank customers slightly decreased.

An analysis of developments in funds from outside sources during 1983 is given on page 37.

*Own acceptances and promissory notes in circulation* rose by DM 80.0 million to DM 260.3 million. The amount includes mainly acceptance credits of our foreign branches to finance customer credits in accordance with foreign money market practices.

### Provision for special purposes

*Provisions for pensions* were increased by DM 1.0 million in accordance with the actuarial computation.

*Other provisions* shown at DM 74.8 million (DM 58.9 million last year) include, besides provisions for tax and other liabilities of uncertain magnitude, that part of the statutory general provision for credit



	— DM millions —	— DM millions —
Volume of credit	End of 1983	End of 1982
Claims on customers		
short and medium term . . . . .	DM 3,172.9 = 47.4%	DM 2,274.1 = 43.9%
long term . . . . .	DM 560.5 = 8.4%	DM 621.4 = 12.0%
	<b>DM 3,733.4 = 55.8%</b>	<b>DM 2,895.5 = 55.9%</b>
Discounts . . . . .	DM 511.3 = 7.6%	DM 449.1 = 8.6%
Lending to credit institutions . . . .	DM 2,449.2 = 36.6%	DM 1,839.1 = 35.5%
Total volume of credit . . . . .	<b>DM 6,693.9 = 100.0%</b>	<b>DM 5,183.7 = 100.0%</b>
<b>Funds from outside sources</b>	<b>End of 1983</b>	<b>End of 1982</b>
Liabilities to credit institutions		
demand deposits . . . . .	DM 555.7 = 7.4%	DM 421.2 = 7.5%
term deposits . . . . .	DM 4,027.0 = 53.3%	DM 2,937.4 = 52.1%
customers' drawings on credits opened at other institutions . . .	DM 4.4 = 0.0%	DM 2.8 = 0.0%
	<b>DM 4,587.1 = 60.7%</b>	<b>DM 3,361.4 = 59.6%</b>
Liabilities to non-bank customers		
demand deposits . . . . .	DM 501.5 = 6.6%	DM 418.6 = 7.4%
term deposits . . . . .	DM 2,461.1 = 32.6%	DM 1,848.8 = 32.8%
savings deposits . . . . .	DM 11.0 = 0.1%	DM 11.0 = 0.2%
	<b>DM 2,973.6 = 39.3%</b>	<b>DM 2,278.4 = 40.4%</b>
Total funds from outside sources	<b>DM 7,560.7 = 100.0%</b>	<b>DM 5,639.8 = 100.0%</b>

#### Trade investments

with book values exceeding  
DM 0.1 million

Others

European Asian of Australia Ltd., Sydney	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt/Main
European Asian Finance (HK) Ltd., Hongkong	Credit Guarantee Corp. Malaysia Berhad, Kuala Lumpur
European Asian Capital B.V., Amsterdam	Deutsch-Indonesische Tabak-Handels-GmbH, Bremen
P. T. Euras Buana Leasing Indonesia, Jakarta	Deutsch-Indonesische Tabak-Handels-GmbH & Co. KG, Bremen
Export Credit Insurance Corporation of Singapore Ltd., Singapore	Society for Worldwide Interbank Financial Telecommunication S.C. (SWIFT), Brussels
Liquiditäts-Konsortialbank GmbH, Frankfurt/Main	European Asian Bank (Hongkong) Nominees Ltd., Hongkong
	European Asian Bank (Singapore) Nominees Priv. Ltd., Singapore
	European Asian Nominees (Malaysia) Sdn. Bhd., Kuala Lumpur
	Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt/Main
	Malaysia Export Credit Insurance Berhad, Kuala Lumpur
	Privatdiskont AG, Frankfurt/Main

losses which cannot be offset against asset items.

#### Other liability items

*Sundry liabilities* amounting to DM 1.8 million and *transitory items* totalling DM 11.9 million cover liabilities outside the banking business such as sundry accounts payable, payroll taxes, social security contributions and rent, commission and interest payments received in advance.

The *special items including reserves* were written back in accordance with the Developing Countries Tax Law by DM 0.8 million to DM 7.7 million.

#### Contingent liabilities

*Endorsement liabilities on rediscounted bills* rose by DM 26.5 million to DM 220.3 million.

*Liabilities arising from guarantees given, bills of exchange, cheques guaranteed and warranty contracts* increased by DM 647.5 million to DM 2,121.6 million (43.9%).



## 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 712.7 million to DM 727.8 million. Against this revenue was interest and similar expense of DM 547.2 million (DM 563.3 million last year). This development reflects lower interest levels for various currencies. The net interest income, which increased to DM 180.6 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 4.1 million to DM 42.9 million.

### Other revenue

Other revenue, shown at DM 2.2 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 and taxes repaid in respect of previous years.

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

The amounts set aside for existing and potential risks in the loan business as well as for specific country risks were considerably higher than the corresponding figures for the previous year.

### Staff and other administrative expense

Staff expense rose by DM 7.7 million to DM 53.2 million (16.9%) 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 74 to 1,351 in 1983.

Expenditure on material for the banking business increased from DM 27.3 million to DM 33.2 million (21.6%).

### Taxes

Taxes on income, earnings and property decreased by DM 7.6 million to DM 32.2 million.

Other taxes amounting to DM 3.9 million include turnover tax on interest levied in foreign countries.

### Remaining expense

Total remuneration of the Board of Managing Directors including payments in respect of prior years amounted to DM 1,065,017.—. Payments to former members of the Board of Managing Directors or their surviving dependants aggregated DM 226,731.—. Emoluments of the Supervisory Board totalled DM 46,480.—.

### Proposed appropriation of profits

The profit and loss account for the Bank shows:

Revenue .....	DM 777.8 million
Expense .....	DM 757.8 million
Year's net earnings .....	DM 20.0 million
Disposable profit .....	DM 20.0 million

It will be proposed to the shareholders that the disposable profit of DM 20.0 million be allocated to other published reserves.

After the proposed allocation of the disposable profit to other published reserves, the Bank's own funds will be composed as follows:

		End of 1983
Capital	DM 196.0 million	DM 196.0 million
Published reserves		
a) statutory reserve fund	DM 209.8 million	DM 209.8 million
b) other reserves	DM 24.1 million	DM 4.1 million
Total	<u>DM 429.9 million</u>	<u>DM 409.9 million</u>

Hamburg, February 20, 1984

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, 1983, as well as the Bank's books, have been audited by TREUVERKEHR AG Wirtschaftsprüfungsgesellschaft, 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.

TREUVERKEHR AG Wirtschaftsprüfungsgesellschaft have also audited the Report of the Managing Directors on Relations with Associated Companies and issued the following statement in respect thereof:

"Upon having made a professional examination and review we certify that

1. the statements of fact in the Report are correct,
2. with regard to the transactions discussed in the Report, the consideration paid by the Company was not disproportionately high."

The Supervisory Board has taken notice of, and assented to, the Report on Relations with Associated Companies and the accompanying audit report of TREUVERKEHR AG Wirtschaftsprüfungsgesellschaft. Based on the final result of its own review, the Supervisory Board raises no objections against the concluding statement of the Managing Directors in the Report on Relations with Associated Companies.

Hamburg, March 22, 1984

THE SUPERVISORY BOARD



Chairman



**Our Bank in the Community**  
*In 1983 European Asian Bank continued to support a number of selected sport and cultural events, two of which are illustrated here:*

Eurasbank Bangkok sponsored one of the 30 boats which participated in "The Royal Orchid Regatta" on the Chao Phya River, to mark His Majesty the King's birthday.



Eurasbank Singapore co-sponsored a recital at the Victoria Concert Hall given by two renowned German pianists, Christoph Eschenbach and Justus Frantz, with guest appearances by two young Singapore pianists.





## **Balance Sheet**

as at December 31, 1983

## **Profit and Loss Account**

for the period from January 1 to December 31, 1983



# European Asian Bank AKTIENGESELLSCHAFT

## ASSETS

	DM	DM	31. 12. 1982 in DM 1,000
Cash in hand		6,016,334.37	3,628
Balances with the Deutsche Bundesbank		61,719,806.31	58,211
Balances with foreign Central Banks		118,150,706.68	92,942
Balances on postal cheque accounts		150,415.11	140
Cheques on other banks, matured bonds, interest and dividend coupons, and items received for collection		3,209,272.37	2,047
Bills discounted		291,048,498.06	255,397
including: a) rediscountable at the Deutsche Bundesbank	DM 66,380,498.51		
b) own drawings	DM 1,145,912.09		
Claims on credit institutions			
a) payable on demand	301,032,914.42		218,482
b) with agreed life, or subject to agreed period of notice, of			
ba) less than three months	654,662,203.24		384,877
bb) at least three months, but less than four years	2,399,687,750.71		1,786,173
bc) four years or longer	49,565,830.41		52,882
		3,404,948,698.78	2,442,414
Treasury bills and non-interest-bearing Treasury bonds			
a) of the Federal Republic and the State Governments	—,—		—
b) others	24,039,332.38	24,039,332.38	30,148
Bonds and debt instruments			
a) with a life of up to four years			
aa) of the Federal Republic and the State Governments	DM —,—		—
ab) of credit institutions	DM 46,117,006.37		15,197
ac) others	DM 20,754,225.92	66,871,232.29	23,852
including: eligible as collateral for Bundesbank advances	DM 45,756,766.67		
foreign bonds of comparable quality	DM 21,114,465.62		
b) with a life of more than four years			
ba) of the Federal Republic and the State Governments	DM 187,034,683.34		67,910
bb) of credit institutions	DM 227,276,238.36		211,174
bc) others	DM 148,830,045.62	563,140,967.32	69,878
including: eligible as collateral for Bundesbank advances	DM 269,371,505.57		
foreign bonds of comparable quality	DM 289,660,295.08		
		630,012,199.61	388,011
Securities, so far as they have not to be included in other items			
a) shares marketable on a stock exchange and investment fund certificates	3,249,110.87		1,223
b) other securities	—,—		—
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 —,—	3,249,110.87	1,223
Claims on customers with agreed life, or subject to agreed period of notice, of			
a) less than four years	3,172,912,130.52		2,274,135
b) four years or longer	560,446,605.30		621,430
including:		3,733,358,735.82	2,895,565
ba) secured by mortgages on real estate	DM 2,510,880.12		
bb) communal loans	DM 1,314,608.—		
Equalisation Claims on Federal and State authorities under the Currency Reform Laws of 1948		170,599.58	184
Loans on a trust basis at third party risk		300,000.—	120
Trade investments		26,906,711.50	11,529
including: in credit institutions	DM 22,962,384.95		
Land and buildings		4,061,303.38	4,204
Office furniture and equipment		15,513,081.10	13,648
Sundry assets		19,917,662.53	8,741
Transitory items		12,130,769.42	6,777
<b>TOTAL ASSETS</b>		<b>8,354,903,237.87</b>	<b>6,214,929</b>
The assets and the rights of recourse in respect of the liabilities shown below the liabilities side include			
a) claims on associated companies		230,488,010.27	103,109
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)		26,985,311.40	19,368



## BALANCE SHEET as at December 31, 1983

## LIABILITIES

	DM	DM	DM	31. 12. 1982 in DM 1,000
<b>Liabilities to credit institutions</b>				
a) payable on demand . . . . .		555,703,625.08		421,197
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months . . . . .	941,973,978.55			651,732
bb) at least three months, but less than four years . . . . .	2,533,629,938.86			1,851,109
bc) four years or longer . . . . .	551,379,739.99	4,026,983,657.40		434,548
including:				
due in less than four years . . . . . DM 51,500,195.17				
c) customers' drawings on credits opened at other institutions . . . . .		4,403,917.72		2,791
			4,587,091,200.20	3,361,377
<b>Banking liabilities to other creditors</b>				
a) payable on demand . . . . .		501,524,413.63		418,528
b) with agreed life, or subject to agreed period of notice, of				
ba) less than three months . . . . .	1,149,314,982.37			713,375
bb) at least three months, but less than four years . . . . .	1,035,947,875.37			892,271
bc) four years or longer . . . . .	275,878,097.94	2,461,140,955.68		243,147
including:				
due in less than four years DM 83,921,864.95				
c) savings deposits				
ca) subject to legal period of notice . . . . .	3,228,179.—			3,804
cb) others . . . . .	7,720,160.66	10,948,339.66		7,238
			2,973,613,708.97	2,278,363
<b>Own acceptances and promissory notes in circulation</b>			260,375,291.38	180,349
<b>Loans on a trust basis at third party risk . . . . .</b>			300,000.—	120
<b>Provisions for special purposes</b>				
a) for pensions . . . . .		7,525,536.—		6,455
b) others . . . . .		74,772,308.25		58,925
			82,297,844.25	65,380
<b>Sundry liabilities . . . . .</b>			1,811,339.85	3,290
<b>Transitory items . . . . .</b>			11,876,818.22	3,238
<b>Special items including reserves in accordance with the Developing Countries Tax Law . . . . .</b>			7,686,235.—	8,511
<b>Capital . . . . .</b>			196,000,000.—	147,000
<b>Published reserves</b>				
a) statutory reserve fund (including premium of DM 61,250,000.— from capital increase 1983)		209,750,800.—		148,501
b) other reserves . . . . .		4,100,000.—		4,100
			213,850,800.—	152,601
<b>Disposable profit . . . . .</b>			20,000,000.—	14,700
<b>TOTAL LIABILITIES</b>			8,354,903,237.87	6,214,929
<b>Own drawings in circulation . . . . .</b>			182,553,120.56	238,015
including those discounted for borrowers' account . . . . . DM —.—				
<b>Endorsement liabilities on rediscounted bills of exchange . . . . .</b>			220,251,125.21	193,725
<b>Liabilities arising from guarantees of various kinds and warranty contracts . . . . .</b>			2,121,558,526.12	1,474,085
<b>Savings premiums under the Savings Premium Law . . . . .</b>			957.20	2
<b>Comprised among the liabilities are those (including those shown below the balance sheet) to associated companies . . . . .</b>			668,116,733.13	300,620



# PROFIT AND LOSS ACCOUNT

## EXPENSE

	DM	DM	1982 in DM 1,000
Interest and similar expense .....		547,183,307.46	563,282
Commissions and similar expense in respect of service transactions .....		1,228,910.69	711
Depreciation and adjustments on claims and securities, and allocations to provisions for possible loan losses .....		80,887,232.77	59,652
Salaries and wages .....		44,238,076.17	38,460
Social security contributions .....		3,328,522.91	2,616
Expenditure on retirement pensions and other benefits .....		5,650,158.50	4,455
Expenditure on material for the banking business .....		33,226,537.76	27,322
Depreciation and adjustments on land and buildings, and on office furniture and equipment .....		4,844,954.25	4,110
Taxes			
a) on income, earnings and property .....	32,245,186.86		39,763
b) others .....	<u>3,943,456.13</u>		<u>2,492</u>
		36,188,642.99	42,255
Other expense .....		1,068,182.85	545
Year's net earnings .....		20,000,000.—	14,700
<b>TOTAL EXPENSE</b>		<b>777,844,526.35</b>	<b>758,108</b>

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 800,672.11 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 108%, 116%, 122%, 128% and 135% of that amount.

Hamburg, February 20, 1984

EUROPEAN ASIAN BANK AG  
Board of Managing Directors

Boehm                      Korsch                      Woydt



for the period from January 1 to December 31, 1983

			REVENUE
	DM	DM	1982 in DM 1,000
Interest and similar revenue from lending and money market transactions		680,573,734.06	681,438
Current revenue from			
a) fixed-interest securities and debt register claims	47,133,387.84		31,275
b) other securities	35,577.54		21
c) trade investments	<u>23,562.50</u>		<u>22</u>
		47,192,527.88	31,318
Commissions and other revenue from service transactions		44,113,038.41	39,535
Other revenue, including that from the writing back of provisions for possible loan losses		2,192,925.04	2,281
Revenue from the writing back of provisions for special purposes, so far as it has not to be shown under "other revenue"		2,947,198.96	2,877
Revenue from the writing back of special items including reserves		825,102.—	659
<b>TOTAL REVENUE</b>		<b>777,844,526.35</b>	<b>758,108</b>

DM	1982
20,000,000.—	in DM 1,000
—, —	14,700
—, —	—
—, —	—
<u>20,000,000.—</u>	<u>14,700</u>

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 29, 1984

TREUVERKEHR AG  
Wirtschaftsprüfungsgesellschaft

<i>Fandré</i>	<i>Brackert</i>
Wirtschaftsprüfer (Chartered Accountant)	Wirtschaftsprüfer (Chartered Accountant)



# European Asian Bank in Brief

## Background

The Hamburg-based European Asian Bank – or Eurasbank for short – stands in a continuous and independent tradition of banking in Asia which stretches back for nearly a century. It was incorporated in 1889 in Shanghai as the Deutsch-Asiatische Bank, and re-established under its present name in 1972 by the members of the Ebic Group (European Banks International). Other joint ventures of this banking group include European American Bank and European Banking Group.

Eurasbank's present capital is held as follows:  
Deutsche Bank AG, Germany (60 per cent);  
Creditanstalt-Bankverein, Austria (22 per cent);  
Amsterdam-Rotterdam Bank, Netherlands (9 per cent);  
Société Générale de Banque, Belgium (9 per cent).

As a specialist bank for business in the Asia-Pacific region, the Bank operates a network of branches, representative offices and affiliates in

AUSTRALIA	Sydney Representative Office (covering Australia and New Zealand) European Asian of Australia Limited, Sydney
HONGKONG	Hongkong Branch and 8 sub-branches European Asian Finance (HK) Limited
INDIA	Bombay Branch
INDONESIA	Jakarta Branch P.T. Euras Buana Leasing Indonesia, Jakarta
JAPAN	Tokyo Representative Office
KOREA	Seoul Branch Pusan Branch
MACAU	Macau Branch
MALAYSIA	Kuala Lumpur Branch
PAKISTAN	Karachi Branch Lahore Branch
PHILIPPINES	Manila Offshore Branch
SINGAPORE	Singapore Branch
SRI LANKA	Colombo Branch
TAIWAN	Taipei Branch
THAILAND	Bangkok Branch

## Services

The Bank provides a wide range of local and international banking services, including:

- local currency financing in  
Australian dollar  
baht (Thailand)  
Hongkong dollar  
Indian rupee  
Pakistan rupee  
pataca (Macau)  
ringgit (Malaysia)  
rupiah (Indonesia)  
Singapore dollar  
Sri Lanka rupee  
New Taiwan dollar  
won (Korea);
- all types of documentary transactions;
- international trade finance;
- money transfers;
- foreign exchange facilities;
- local and foreign currency bonds and guarantees;
- onshore and offshore financing in Asia- and Eurocurrencies;
- medium- and long-term financing for projects in the Asia-Pacific region, also linked with European and US export finance;
- tailor-made export and import financing schemes;
- deposit accounts in local and foreign currencies;
- certificates of deposit (CDs) in local and foreign currencies;
- securities transactions and portfolio management;
- contact and advisory services: international trade contacts, foreign direct investment advice.



# European Asian Bank *Directory*

## Management and Senior Officers – Head Office, Branches and Affiliates

### Head Office

European Asian Bank AG  
Business address:  
Neuer Wall 50  
D-2000 Hamburg 36  
Postal address:  
P.O. Box 10 19 20  
D-2000 Hamburg 1  
Fed. Rep. of Germany  
Tel.: (0 40) 36 14 6-0  
Telex: 2 15 224-0 ea d

### Board of Managing Directors

Michael Boehm  
J. Nikolaus Korsch  
Tjark H. Woydt

### Corporate Banking

Jan Imbeck  
*General Manager*  
Lutz-Henning Pabst  
*General Manager*  
Erika Bellstedt  
*Manager*  
Holger F. des Coudres  
*Manager*  
Rolf Doerges  
*Manager*  
Hans-Peter Hecker  
*Manager*  
Douglas T. Neilson  
*Manager*  
Heinz J. Pollender  
*Manager*  
Juergen Zieler  
*Manager*

### International Finance Dept.

John A. Miles  
*Executive Director*

### Correspondent Banking

Jan Imbeck  
*General Manager*

### Treasury

Marcus C. Davison  
*Treasurer*

### Investment Advice/ Portfolio Management

Dieter Haarmann  
*Manager*

### Legal and Tax Affairs

Dr. Guenther Sattelhak  
*Counsel*

### Economic Research Public Relations

Michael Niss  
*Manager*

### Administration/Operations

Hermann Schellbach  
*General Manager*

### Personnel

Uwe Rummert  
*Manager*

### Accounting and Control

Gunnar Kruse  
*Chief Accountant and Controller*

### Internal Audit

Peter Palmer-Barnes  
*Inspector*

### Hamburg Branch

European Asian Bank AG  
Hamburg Branch  
Business address:  
Neuer Wall 50  
D-2000 Hamburg 36  
Postal address:  
P.O. Box 10 19 20  
D-2000 Hamburg 1  
Fed. Rep. of Germany  
Tel.: (0 40) 36 14 6-0  
(0 40) 37 20 91 (forex)  
Telex: 2 15 224-0 ea d  
2 163 235 eur d (forex)

### Manager:

Reinhold Hippel

### Manager – Loans:

Peter Lang

### Manager – Operations:

Heinz-Georg Moschkau

### Senior Asst. Manager:

Peter Ruge

### Senior Asst. Manager:

Helmut Fleischer

### Senior Asst. Manager:

Juergen Jesse

### Foreign Exchange/ Money Market Operations

Detlef Keitsch

### Manager

Gerd Rollar

### Senior Asst. Manager



Eurasbankers from Hamburg Head Office briefing Asian colleagues on business practices and market conditions in Germany. From left to right: Holger F. des Coudres; Harkirat Singh, Bombay Branch; Juergen Zieler; and Chungmin Chu, Taipei Branch.



## Asia-Pacific Offices

### AUSTRALIA & NEW ZEALAND

European Asian Bank  
**Representative Office for  
Australia and New Zealand**  
Business address:  
1st Floor, 6 Bridge Street  
Sydney, New South Wales 2000  
Postal address:  
P.O. Box N117  
Grosvenor Street  
Sydney, New South Wales 2000  
Tel.: 241 38 67  
Telex: eur aa 71 199  
*Senior Representative:*  
D. M. R. (Ray) Payne  
*Representatives:*  
J. (Jan) Marth  
R. J. (Bob) Fawbert

#### Affiliate

European Asian of Australia Limited  
Business address:  
19th Level – Trans City House  
15 Castlereagh Street  
Sydney, New South Wales 2000  
Postal address:  
G.P.O. Box 545  
Sydney, New South Wales 2001  
Tel.: 238 80 00  
232 11 77 (forex)  
235 15 99 (money market)  
Telex: eaal aa 74 374  
eaalfx aa 75 387 (forex)  
eadeal aa 74 373 (money market)  
*General Manager:*  
Frederick J. A. Brown  
*Dep. General Manager:*  
Gerry J. van Wyngen  
*Manager – Loans:*  
Erdmann Vogt

### HONGKONG

European Asian Bank  
**Hongkong Branch**  
– Main Office –  
New World Tower  
16–18 Queen's Road C.  
G.P.O. Box 3193  
Hongkong  
Tel.: 5-843 04 00  
5-26 30 60 (forex)  
Telex: 73 498 euras hx  
65 355 euras hx (forex)

Aberdeen Sub-Branch  
Tel.: 5-54 64 27  
Hung Hom Sub-Branch  
Tel.: 3-63 93 52  
Kwai Chung Sub-Branch  
Tel.: 0-28 34 11

Kwun Tong Sub-Branch  
Tel.: 3-41 13 84  
Mongkok Sub-Branch  
Tel.: 3-81 53 94  
San Po Kong Sub-Branch  
Tel.: 3-27 81 91  
Telford Gardens Sub-Branch  
Tel.: 3-757 16 11  
Tsimshatsui Sub-Branch  
Tel.: 3-66 43 57

#### Joint Chief Managers:

Horst Kaiser  
Juergen L. von Schlabrendorff  
*Dep. Manager:*  
Edgar Heider  
*Manager – Loans:*  
Michael Jones  
*Manager – Foreign Exchange:*  
Jochem W. Rollar  
*Manager – Bills:*  
Juergen Kaebe  
*Manager – Operations:*  
Kwan Kwong Hon  
*Manager – Sub-Branches:*  
Hau Hin Law

*Regional Treasurer:*  
Manfred Schauer

#### Affiliate

European Asian Finance (HK) Limited  
New World Tower  
16–18 Queen's Road C.  
Hongkong  
Tel.: 5-843 05 06  
Telex: 63 841 eafhk hx  
*Managing Director:*  
Rogers D. LeBaron

### INDIA

European Asian Bank  
**Bombay Branch**  
Tulsiani Chambers  
Post Bag 9995  
Nariman Point  
Bombay-400 021  
Tel.: 22 32 62  
Telex: 11 4042 eura in  
*Manager:*  
Heinz Poehlsen  
*Manager – Operations & Marketing:*  
Harkirat Singh

International Finance Group  
for South Asia  
*Regional Director:*  
Udayan Bose  
*Asst. Director:*  
Vijay V. Meghani

### INDONESIA

European Asian Bank  
**Jakarta Branch**  
Eurasbank Building  
80 Jl. Imam Bonjol  
P.O. Box 135  
Jakarta 10002  
Tel.: 33 10 92  
33 30 35/33 15 02 (forex)  
Telex: 44 114 euras ia  
45 841 euras ia (forex)

#### Manager:

Klaus Zeidler  
*Dep. Manager:*  
Budhy G. W. Budhyarto  
*Manager – Operations:*  
Archibald B. Davidson  
*Sr. Asst. Managers – Loans:*  
Mohammad D. Achberia  
Gunawan Hutauruk  
Bernd Lindner

#### Affiliate

P. T. Euras Buana Leasing Indonesia  
Eurasbank Building  
80 Jl. Imam Bonjol  
P.O. Box 3550  
Jakarta 10002  
Tel.: 33 73 94, 33 43 09  
Telex: 44 114 euras ia  
*President Director:*  
Klaus J. Michels  
*Director:*  
Na'an Laurimba

### JAPAN

European Asian Bank  
**Tokyo Representative Office**  
Business address:  
Yurakucho Denki Building-S  
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Postal address:  
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Tokyo 100-91  
Tel.: (03) 216 3581  
Telex: j 23 860 eurastyo  
*Manager:*  
Guenter F. Strauch  
*Dep. Manager:*  
Keith C. Barnes

### KOREA

European Asian Bank  
**Seoul Branch**  
51-1 Namchang-Dong  
Chung-Ku  
C.P.O. Box 8904

Seoul 100  
Tel.: 754-3071  
777-9010 (forex)  
Telex: k 26 353 euras  
k 25 999 euras (forex)

*Manager:*  
Kevin H. Cain  
*Dep. Manager:*  
John Duthie

European Asian Bank  
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44, 2-ka, Chungang-Dong  
Chung-Ku  
Pusan P.O. Box 789  
Pusan  
Tel.: 23-8971-75  
Telex: k 52 461 eurasps  
*Manager:*  
Kun Il, Chung

#### MACAU

European Asian Bank  
**Macau Branch**  
97-97A Rua da Praia Grande  
Macau  
Tel.: 78 440-42  
Telex: 88 550 euras om  
*Manager:*  
William Lam

#### MALAYSIA

European Asian Bank  
**Kuala Lumpur Branch**  
Yee Seng Building  
15 Jalan Raja Chulan  
P.O. Box 12211  
Kuala Lumpur  
Tel.: 22 94 55, 20 68 11  
20 16 81 (forex)  
Telex: euras ma 30 464  
euras ma 31 071 (forex)

*Manager:*  
Gerd Riedel  
*Dep. Manager:*  
Wong Ah Meng

#### PAKISTAN

European Asian Bank  
**Karachi Branch**  
Unitowers  
I.I. Chundrigar Road  
P.O. Box 4925  
Karachi  
Tel.: 22 86 11-15  
Telex: 2862 eur pk  
*Manager:*  
Jost E. C. Hildebrandt

*Dep. Manager:*  
Amin-ur-Rehman Khan  
*Manager – Foreign Dept.:*  
Irudiyanadan N. Francis  
*Manager – Customer Services:*  
Dhunji P. Randeria

European Asian Bank  
**Lahore Branch**  
Mall View Plaza  
Roberts Road  
Bank Square  
P.O. Box 1651  
Lahore  
Tel.: 65 092-93  
Telex: 44 387 eurl pk

*Manager:*  
Qamar Khan

#### PHILIPPINES

European Asian Bank  
**Manila Offshore Branch**  
17th Floor, Filinvest Financial Center  
8753 Paseo de Roxas  
MCC P.O. Box 2286  
Makati, Metro Manila  
Tel.: 817 29 61  
817 28 61 (forex)  
Telex: 63 625 euras pn  
63 931 euras pn (forex)

*Manager:*  
Eric D. C. Thomson

#### SINGAPORE

European Asian Bank  
**Singapore Branch**  
Business address:  
50 Raffles Place  
Singapore 0104  
Postal address:  
Maxwell Road P.O. Box 3941  
Singapore 9059  
Tel.: 224 46 77  
224 41 44 (forex)  
Telex: rs 21 189 euras  
rs 21 190 euras (forex)

*General Manager:*  
Hans-Martin Konrad  
*Manager:*  
Bernd Ulrich Timm  
*Dep. Manager:*  
Bobby H. G. Teo  
*Manager – Foreign Exchange:*  
Steven L. K. Tan  
*Manager – Operations:*  
Nicolaas S. A. Luijten

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