

**INTERNATIONAL BANK OF ASIA LTD :
DBS BANK OF SINGAPORE WANTS YOU !**

DBS Group Holdings Ltd, known more popularly as DBS Bank, the largest bank in Singapore in terms of assets under its control and the fourth largest banking group in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is believed to be holding secret talks with key officials of International Bank of Asia Ltd (Code: 462, Main Board, The Stock Exchange of Hongkong Ltd) with a view to taking over this smaller HKSAR bank.

International Bank of Asia is owned as to 55 percent by Arab Banking Corporation, 20 percent by China Everbright Ltd, which, in turn, is owned by the Government of the PRC, and 25 percent of the Issued and Fully Paid-Up Share Capital of this bank is owned by the investing public.

This bank has 24 branches in the HKSAR – 9 branches on Hongkong Island, 9 branches in Kowloon, and 6 branches in the New Territories, according to the 2001 Annual Report.

Outside Hongkong, International Bank of Asia owns the following subsidiaries:

ABC Islamic Bank (E.C.) of Bahrain
ABC Securities W.L.L. of Bahrain
Arab Banking Corporation of Jordan
Arab Banking Corporation of Algeria
Arab Banking Corporation of Egypt
Arab Banking Corporation of Tunisia

International Bank of Asia, TARGET has been reliably told, would agree to sell control of its banks in Jordan, Bahrain, Egypt, Tunisia, Egypt and Algeria, but the group would only accept a cash payment for the entire group.

The basis for a takeover is thought to be about 1.20 times the Adjusted Net Book Assets, which would mean that the cost of the entire banking group would be somewhere in the region of \$HK5 billion.

However, adjustments to the Balance Sheet are likely to be a sticking point.

DBS Bank is making its approach to this Arab-controlled banking group at one of its worst times for some years since, in the Interim Report of International Bank of Asia, shareholders were told of the deteriorating state of affairs.

For the 6 months, ended June 30, 2002, International Bank of Asia reported a Net Profit Attributable to Shareholders of about \$HK100.84 million.

This was a 37.90-percent drop, compared with the like 2001 period when the bank reported a Net Profit Attributable to Shareholders of about \$HK162.39 million.

According to **TOLFIN** (TARGET's Computerised Online Financial Intelligence Service and Credit-Checking Provider), during the 13-month period, ended January 31, 2003, International Bank of Asia had issued not less

than:

4 HKSAR High Court Writs
44 HKSAR District Court Writs
34 HKSAR Small Claims Writs

The 4 High Court Cases were in respect of advances, made to companies in respect of their properties, with International Bank of Asia, being forced to repossess the properties on which the bank had extended loans.

The District Court Writs were all either defaults in respect of mortgage payments or Charging Orders over properties on which the bank had lent money to the beneficial and/or legal owners.

The 34 Small Claims Writs were all in respect of credit-card defaulters.

With regard to the Small Claims Court of the HKSAR, the maximum amount of money that may be claimed by a Plaintiff, today, is \$HK50,000 per Claim.

That would indicate that the maximum amount of money that could be at risk, as far as International Bank of Asia is concerned with regard to ... [CLICK TO ORDER FULL ARTICLE](#)

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