

To: Shareholders

The Board of Directors of DBS Group Holdings Ltd (“DBSH”) reports the following:

**Unaudited Financial Results for the First Quarter Ended 31 March 2014**

Details of the unaudited financial results are in the accompanying Performance Summary.

**Dividends**

For the first quarter of 2014, no dividend has been declared for DBSH non-voting redeemable convertible preference shares and DBSH ordinary shares.

By order of the Board

Goh Peng Fong  
Group Secretary

29 April 2014  
Singapore

*More information on the above announcement is available at [www.dbs.com/investor](http://www.dbs.com/investor)*



## **Performance Summary**

Unaudited Financial Results  
For the First Quarter ended  
31 March 2014

DBS Group Holdings Ltd  
Incorporated in the Republic of Singapore  
Company Registration Number: 199901152M

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# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its consolidated DBSH Group (“Group”) financial statements in accordance with Singapore Financial Reporting Standard (“FRS”), as modified by the requirements of Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2013, with the exception of the adoption of new or revised FRS.

On 1 January 2014, the Group adopted the following new or revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- FRS 110 Consolidated Financial Statements
- FRS 111 Joint Arrangements
- FRS 112 Disclosure of Interests in Other Entities
- Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

There is no significant impact on the Group’s financial statements from the adoption of the above FRS or revised FRS.

	1st Qtr 2014	1st Qtr 2013	% chg	4th Qtr 2013	% chg
<b>Selected income statement items (\$m)</b>					
Net interest income	1,488	1,327	12	1,454	2
Net fee and commission income	510	507	1	439	16
Other non-interest income	453	483	(6)	258	76
Total income	2,451	2,317	6	2,151	14
Expenses	1,041	952	9	1,030	1
Profit before allowances	1,410	1,365	3	1,121	26
Allowances for credit and other losses	151	223	(32)	151	-
Profit before tax	1,272	1,169	9	983	29
Net profit	1,033	950	9	802	29
One-time item (Gain from sale of BPI)	223	-	NM	221	1
One-time item (DBS Foundation)	-	-	-	(50)	NM
One-time item (National Gallery Singapore)	(25)	-	NM	-	NM
Net profit including one-time items	1,231	950	30	973	27
<b>Selected balance sheet items (\$m)</b>					
Customer loans	253,229	223,670	13	248,654	2
Total assets	418,979	373,259	12	402,008	4
Customer deposits	301,490	262,645	15	292,365	3
Total liabilities	380,832	336,210	13	364,322	5
Shareholders’ funds	35,567	32,734	9	34,233	4
<b>Key financial ratios (%) (excluding one-time items) <sup>1/</sup></b>					
Net interest margin	1.66	1.64		1.61	
Non-interest/total income	39.3	42.7		32.4	
Cost/income ratio	42.5	41.1		47.9	
Return on assets	1.02	1.06		0.79	
Return on equity <sup>2/</sup>	12.3	12.0		9.7	
Loan/deposit ratio	84.0	85.2		85.0	
NPL ratio	1.0	1.2		1.1	
Specific allowances (loans)/average loans (bp)	15	21		13	
Common Equity Tier 1 capital adequacy ratio	13.1	12.9		13.7	
Tier 1 capital adequacy ratio	13.1	12.9		13.7	
Total capital adequacy ratio	15.3	15.5		16.3	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	1st Qtr 2014	1st Qtr 2013	4th Qtr 2013
<b>Per share data (\$)</b>			
Per basic share			
– earnings excluding one-time items	1.69	1.58	1.30
– earnings	1.78	1.58	1.37
– net book value <sup>3/</sup>	14.14	13.35	13.61
Per diluted share			
– earnings excluding one-time items	1.68	1.56	1.28
– earnings	1.76	1.56	1.35
– net book value <sup>3/</sup>	14.04	13.25	13.51

Notes:

1/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis.

2/ Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests, preference shares and other equity instruments are not included as equity in the computation of return of equity.

3/ Non-controlling interests are not included as equity in the computation of net book value per share.

NM Not Meaningful

First-quarter net profit rose 9% from a year ago to a record \$1.03 billion, marking the first time that quarterly earnings crossed \$1 billion. Total income increased 6% to a new high of \$2.45 billion as higher net interest margin, loan volumes and customer non-interest income more than offset a decline in market income. Compared to the previous quarter, net profit was 29% higher as total income increased 14%.

Net interest income rose 12% from a year ago and 2% from the previous quarter to a new high of \$1.49 billion. Loans grew 13% from a year ago and 2% from the previous quarter. Net interest margin increased five basis points from the previous quarter to 1.66% as trade loan pricing and other asset yields improved.

Non-interest income fell 3% from a year ago to \$963 million due to lower stockbroking commissions, investment banking fees and trading gains. These declines were partially offset by continued growth in customer-related income. Fee income from trade and transactions services and from wealth management, as well as treasury customer income, reached new highs. Non-interest income was 38% higher than the previous quarter as fee and trading income increased.

Expenses rose 9% from a year ago and 1% from the previous quarter to \$1.04 billion. Profit before allowances rose 3% from a year ago and 26% from the previous quarter to a new high of \$1.41 billion.

Asset quality further strengthened as the non-performing loan rate improved to 1.0% from 1.1% in the previous quarter due to the resolution of a significant exposure. Specific allowances for loans of 15 basis points were similar to the previous quarter but lower than a year ago. Allowance coverage rose to 148% and to 271% if collateral was considered, both of which were historical highs.

Liquidity was ample as deposits rose 15% from a year ago and 3% from the previous quarter to \$301 billion. The loan-deposit ratio of 84% was similar to recent quarters. Capital ratios continued to exceed regulatory standards, with the Common Equity Tier 1 ratio at 13.1%.

Return on equity was 12.3% compared to 12.0% a year ago.

If one-time items – comprising a gain of \$223 million from the divestment of a remaining stake in the Bank of the Philippine Islands (“BPI”) less a \$25 million donation to the National Gallery Singapore – were included, net profit would be \$1.23 billion.

**NET INTEREST INCOME**

Average balance sheet	1st Qtr 2014			1st Qtr 2013			4th Qtr 2013		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
<b>Interest-bearing assets</b>									
Customer non-trade loans	202,238	1,244	2.49	177,447	1,129	2.58	195,362	1,229	2.50
Trade assets <sup>1/</sup>	62,669	404	2.61	54,074	338	2.54	62,941	403	2.54
Interbank assets <sup>2/</sup>	36,358	144	1.61	32,116	110	1.39	37,605	119	1.26
Securities	63,451	337	2.15	64,929	343	2.14	63,061	334	2.10
<b>Total</b>	<b>364,716</b>	<b>2,129</b>	<b>2.37</b>	<b>328,566</b>	<b>1,920</b>	<b>2.37</b>	<b>358,969</b>	<b>2,085</b>	<b>2.30</b>
<b>Interest-bearing liabilities</b>									
Customer deposits	291,197	517	0.72	261,862	466	0.72	285,155	507	0.71
Other borrowings	48,666	124	1.03	42,644	127	1.21	51,133	124	0.96
<b>Total</b>	<b>339,863</b>	<b>641</b>	<b>0.76</b>	<b>304,506</b>	<b>593</b>	<b>0.79</b>	<b>336,288</b>	<b>631</b>	<b>0.75</b>
<b>Net interest income/margin <sup>3/</sup></b>		<b>1,488</b>	<b>1.66</b>		<b>1,327</b>	<b>1.64</b>		<b>1,454</b>	<b>1.61</b>

Notes:

1/ Trade assets were subsumed under "Customer loans" and "Interbank assets" for previous presentation. Prior period comparatives have been aligned to the current presentation.

2/ Includes non-restricted balances with central banks.

3/ Net interest margin is net interest income expressed as a percentage of average interest-bearing assets.

Net interest income grew 2% from the previous quarter to \$1.49 billion. Net interest margin increased five basis points to 1.66% as trade loan pricing as well as other asset yields improved. The higher asset yields were partially offset by higher funding costs.

Compared to a year ago, net interest income rose 12%. Net interest margin was two basis points higher as funding costs fell moderately. Asset volumes were also higher, led by increases in customer loans and trade assets.

Volume and rate analysis (\$m)	1st Qtr 2014 versus 1st Qtr 2013			1st Qtr 2014 versus 4th Qtr 2013		
	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>						
Customer non-trade loans	158	(43)	115	43	(1)	42
Trade assets	54	12	66	(2)	12	10
Interbank assets	14	20	34	(4)	32	28
Securities	(8)	2	(6)	2	8	10
<b>Total</b>	<b>218</b>	<b>(9)</b>	<b>209</b>	<b>39</b>	<b>51</b>	<b>90</b>
<b>Interest expense</b>						
Customer deposits	53	(2)	51	11	10	21
Other borrowings	18	(21)	(3)	(6)	9	3
<b>Total</b>	<b>71</b>	<b>(23)</b>	<b>48</b>	<b>5</b>	<b>19</b>	<b>24</b>
<b>Net impact on net interest income</b>	<b>147</b>	<b>14</b>	<b>161</b>	<b>34</b>	<b>32</b>	<b>66</b>
Due to change in number of days			-			(32)
<b>Net Interest Income</b>			<b>161</b>			<b>34</b>

**NET FEE AND COMMISSION INCOME**

(\$m)	1st Qtr 2014	1st Qtr 2013	% chg	4th Qtr 2013	% chg
Stockbroking	43	62	(31)	46	(7)
Investment banking	43	64	(33)	43	-
Trade and transaction services <sup>1/</sup>	140	134	4	125	12
Loan-related	118	103	15	72	64
Cards <sup>2/</sup>	83	78	6	94	(12)
Wealth management	117	113	4	96	22
Others	23	14	64	21	10
<b>Fee and commission income</b>	<b>567</b>	<b>568</b>	<b>-</b>	<b>497</b>	<b>14</b>
Less: Fee and commission expense	57	61	(7)	58	(2)
<b>Net fee and commission income</b>	<b>510</b>	<b>507</b>	<b>1</b>	<b>439</b>	<b>16</b>

Notes:

1/ Includes trade & remittances, guarantees and deposit-related fees.

2/ Net of interchange fees paid.

Net fee and commission income rose 16% from the previous quarter to a new high of \$510 million. The growth was broad-based. Contributions from wealth management and trade and transaction services rose to new highs, while those from loan activities were also higher.

Compared to a year ago, net fee and commission income was 1% higher as continued growth in annuity businesses more than offset declines in market-related activities. Stockbroking commissions fell in line with lower market turnover while investment banking fell from a high base arising from a significant transaction a year ago.

**OTHER NON-INTEREST INCOME**

(\$m)	1st Qtr 2014	1st Qtr 2013	% chg	4th Qtr 2013	% chg
Net trading income	362	408	(11)	163	>100
Net income from investment securities	38	66	(42)	82	(54)
Net gain on fixed assets	43	-	NM	-	NM
Others (includes rental income) <sup>1/</sup>	10	9	11	13	(23)
<b>Total</b>	<b>453</b>	<b>483</b>	<b>(6)</b>	<b>258</b>	<b>76</b>

Notes:

1/ Excludes one-time items.

NM Not Meaningful

Net trading income of \$362 million was underpinned by treasury customer income, which rose to a record. Trading gains were higher than the previous quarter but lower than a year ago, when fixed-income market conditions were more favourable.

Net income from investment securities of \$38 million was lower than both comparative periods, with the decline offset by a net gain on fixed asset sales of \$43 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## EXPENSES

(\$m)	1st Qtr 2014	1st Qtr 2013	% chg	4th Qtr 2013	% chg
Staff	557	506	10	527	6
Occupancy	98	88	11	91	8
Computerisation	187	167	12	184	2
Revenue-related	59	50	18	67	(12)
Others	140	141	(1)	161	(13)
<b>Total</b>	<b>1,041</b>	<b>952</b>	<b>9</b>	<b>1,030</b>	<b>1</b>
Staff headcount at period-end	19,623	18,523	6	19,393	1

Included in the above table were:

Depreciation of properties and other fixed assets	53	55	(4)	54	(2)
Directors' fees	1	1	-	-	NM
Audit fees payable	2	2	-	2	-

Expenses rose 1% from the previous quarter to \$1.04 billion as higher staff and occupancy costs were offset by a decline in other expenses.

Compared to a year ago, costs rose 9%, at a slightly higher rate than income growth. The cost-income ratio was 42% compared with 41% a year ago.

## ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	1st Qtr 2014	1st Qtr 2013	% chg	4th Qtr 2013	% chg
General allowances (GP)	56	110	(49)	60	(7)
<b>Specific allowances (SP) for loans <sup>1/</sup></b>	<b>93</b>	<b>114</b>	<b>(18)</b>	<b>81</b>	<b>15</b>
Singapore	15	7	>100	11	36
Hong Kong	10	8	25	16	(38)
Rest of Greater China	3	2	50	9	(67)
South and South-east Asia	97	33	>100	46	>100
Rest of the World	(32)	64	NM	(1)	(>100)
Specific allowances (SP) for securities, properties and other assets	2	(1)	NM	10	(80)
<b>Total</b>	<b>151</b>	<b>223</b>	<b>(32)</b>	<b>151</b>	<b>-</b>

Notes:

1/ Specific allowances for loans are classified according to where the borrower is incorporated.

NM Not Meaningful

Total allowances were unchanged from the previous quarter at \$151 million. An increase in specific allowances for loans in South and South-east Asia was offset by write-backs in Rest of the World and lower non-loan specific allowances.

Compared to a year ago, total allowances were 32% lower. Specific allowances for loans fell 18% to \$93 million while general allowances were also lower in line with loan growth.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking / Wealth Management	Institutional Banking	Treasury	Others	Total
<b>Selected income items</b>					
<b>1st Qtr 2014 <sup>1/</sup></b>					
Net interest income	384	766	218	120	1,488
Non-interest income	282	520	61	100	963
Total income	666	1,286	279	220	2,451
Expenses	437	357	122	125	1,041
Allowances for credit and other losses	29	129	-	(7)	151
Share of profits of associates and joint venture	2	-	-	11	13
Profit before tax	202	800	157	113	1,272
<b>4th Qtr 2013 <sup>1/</sup></b>					
Net interest income	396	805	182	71	1,454
Non-interest income	261	341	18	77	697
Total income	657	1,146	200	148	2,151
Expenses	481	367	128	54	1,030
Allowances for credit and other losses	25	105	1	20	151
Share of profits of associates and joint venture	-	-	-	13	13
Profit before tax	151	674	71	87	983
<b>1st Qtr 2013</b>					
Net interest income	359	718	163	87	1,327
Non-interest income	263	484	160	83	990
Total income	622	1,202	323	170	2,317
Expenses	400	319	110	123	952
Allowances for credit and other losses	18	173	-	32	223
Share of profits of associates and joint venture	-	-	-	27	27
Profit before tax	204	710	213	42	1,169
<b>Selected balance sheet and other items <sup>2/</sup></b>					
<b>31 Mar 2014</b>					
Total assets before goodwill	76,332	208,713	92,285	36,847	414,177
Goodwill					4,802
Total assets					418,979
Total liabilities	144,721	159,323	58,510	18,278	380,832
Capital expenditure for 1st Qtr 2014	15	5	3	20	43
Depreciation for 1st Qtr 2014	8	3	2	40	53

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
<b>31 Dec 2013</b>					
Total assets before goodwill	72,887	207,264	83,049	34,006	397,206
Goodwill					4,802
Total assets					402,008
Total liabilities	143,325	147,171	60,384	13,442	364,322
Capital expenditure for 4th Qtr 2013	25	11	5	31	72
Depreciation for 4th Qtr 2013	8	3	2	41	54
<b>31 Mar 2013</b>					
Total assets before goodwill	65,336	189,044	78,063	36,014	368,457
Goodwill					4,802
Total assets					373,259
Total liabilities	137,398	123,619	66,695	8,498	336,210
Capital expenditure for 1st Qtr 2013	8	2	3	18	31
Depreciation for 1st Qtr 2013	9	2	2	42	55

**Notes:**

1/ Non-interest income and profit before tax exclude one-time items.

2/ Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments.

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation management structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

### Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Total income increased by 1% from the previous quarter to \$666 million. Non-interest income was higher due to increased contributions from investment and insurance product sales, but it was offset by a decline in net interest income due partially to a lower number of days compared to the previous quarter. Expenses decreased 9% to \$437 million from lower computerisation and other non-staff costs, while allowances increased \$4 million to \$29 million, in line with loan growth. Profit before tax was 34% higher at \$202 million.

Compared to a year ago, profit before tax was marginally lower by 1%. Total income increased 7% as net interest income rose, and non-interest income was higher from

continued customer acquisition, better cross-selling and higher cards fees. Expenses rose 9% from increased investments in headcount, systems and branches, and seasonal marketing campaigns. Total allowances were \$11 million higher as general and specific allowances increased.

### Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short term working capital financing to specialized lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and advisory banking as well as capital markets solutions.

Profit before tax rose 19% from the previous quarter to \$800 million as higher total income and lower expenses were partially offset by higher allowances.

Total income rose 12% to \$1.29 billion. Non-interest income increased 52% to \$520 million, led by higher treasury customer income due partly to seasonally higher flows. Loan-related fees were also higher, helped by increased syndication activity. Net interest income declined 5% to \$766 million partially due to a lower number of days in the quarter. A significant loan repayment moderated loan growth to 1% from the previous quarter. These factors were partially offset by higher trade loan margin due to better pricing.

Expenses fell 3% to \$357 million. Allowances rose 23% to \$129 million as both general and specific allowances were higher.

Compared to a year ago, profit before tax was 13% higher. Net interest income increased 7% from higher loan volumes while non-interest income rose 7% from higher treasury customer income and loan-related fees.

Expenses were 12% higher in line with higher business volumes. Total allowances fell 25% from lower general and specific allowances.

### **Treasury**

Treasury provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in sales, structuring, market marking and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer Banking/Wealth Management and Institutional Banking, is reflected in the respective segments. Treasury is also responsible for managing surplus funds.

Total income rose 40% from the previous quarter to \$279 million as trading gains in foreign exchange and interest rate activities were higher. Expenses declined by 5% to \$122 million as business-related costs declined. Profit before tax more than doubled to \$157 million.

Compared to a year ago, profit before tax fell 26%. Total income declined 14% to \$279 million as trading gains from interest rate products were lower. Expenses rose 11% to \$122 million.

Income from treasury customer flows is reflected in the Institutional Banking and Consumer Banking/Wealth Management customer segments and not in Treasury. Income from treasury customer flows rose 54% to \$355 million from the previous quarter as customer related transactions increased in Hong Kong, Singapore, China, Taiwan and Korea. Compared to a year ago, income from treasury customer flows was 20% higher.

### **Others**

Others encompasses a range of activities from corporate decisions and includes income and expenses not attributed to other business segments, including capital and balance sheet management, funding and liquidity. DBS Vickers Securities and Islamic Bank of Asia are also included in this segment.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY GEOGRAPHY <sup>1/</sup>

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
<b>Selected income items</b>						
<b>1st Qtr 2014 <sup>2/</sup></b>						
Net interest income	931	260	154	96	47	1,488
Non-interest income	540	246	123	41	13	963
Total income	1,471	506	277	137	60	2,451
Expenses	629	178	140	73	21	1,041
Allowances for credit and other losses	69	4	11	62	5	151
Share of profits of associates and joint venture	5	2	1	5	-	13
Profit before tax	778	326	127	7	34	1,272
Income tax expense	117	54	30	(5)	3	199
Net profit	621	272	97	12	31	1,033
<b>4th Qtr 2013 <sup>2/</sup></b>						
Net interest income	908	272	132	91	51	1,454
Non-interest income	414	164	62	38	19	697
Total income	1,322	436	194	129	70	2,151
Expenses	604	184	152	69	21	1,030
Allowances for credit and other losses	76	(1)	24	54	(2)	151
Share of profits of associates and joint venture	2	-	1	10	-	13
Profit before tax	644	253	19	16	51	983
Income tax expense	91	37	1	(6)	11	134
Net profit	506	216	18	22	40	802
<b>1st Qtr 2013</b>						
Net interest income	835	231	101	109	51	1,327
Non-interest income	614	243	69	44	20	990
Total income	1,449	474	170	153	71	2,317
Expenses	579	168	118	69	18	952
Allowances for credit and other losses	98	41	6	11	67	223
Share of profits of associates and joint venture	4	-	1	22	-	27
Profit before tax	776	265	47	95	(14)	1,169
Income tax expense	83	43	10	26	5	167
Net profit	641	222	37	69	(19)	950
<b>Selected balance sheet items</b>						
<b>31 Mar 2014</b>						
Total assets before goodwill	274,075	66,531	42,006	18,436	13,129	414,177
Goodwill	4,802	-	-	-	-	4,802
Total assets	278,877	66,531	42,006	18,436	13,129	418,979
Non-current assets <sup>3/</sup>	1,976	411	99	35	2	2,523
Gross customer loans	168,817	50,595	20,188	9,761	7,383	256,744

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	S'pore	Hong Kong	Rest of Greater China	South And South-east Asia	Rest of the World	Total
<b>31 Dec 2013</b>						
Total assets before goodwill	258,580	65,783	43,132	16,466	13,245	397,206
Goodwill	4,802	-	-	-	-	4,802
Total assets	263,382	65,783	43,132	16,466	13,245	402,008
Non-current assets <sup>3/</sup>	2,124	355	103	31	2	2,615
Gross customer loans	164,117	51,116	19,866	9,581	7,501	252,181
<b>31 Mar 2013</b>						
Total assets before goodwill	239,379	59,863	38,660	17,523	13,032	368,457
Goodwill	4,802	-	-	-	-	4,802
Total assets	244,181	59,863	38,660	17,523	13,032	373,259
Non-current assets <sup>3/</sup>	2,208	354	108	20	2	2,692
Gross customer loans	147,084	44,322	19,050	9,158	7,415	227,029

**Notes:**

1/ The geographical segment analysis is based on the location where transactions and assets are booked.

2/ Non-interest income and profit exclude one-time items.

3/ Includes interests in associates and joint venture, properties and other fixed assets.

The performance by geography is classified based on the location in which income and assets are recorded.

### Singapore

Net profit rose 23% from the previous quarter to \$621 million. Total income rose 11% to \$1.47 billion. Net interest income increased 3% to \$931 million as net interest margin and loan volumes were higher. Non-interest income rose 30% to \$540 million from higher fee income and treasury customer income. Expenses were 4% higher at \$629 million, while profit before allowances rose 17% to \$842 million. Allowances fell 9% to \$69 million as general allowances were lower.

Compared to a year ago, profit before tax was little changed as an increase in total income and lower general and specific allowances were offset by higher expenses. Net profit was 3% lower at \$621 million.

### Hong Kong

Currency effects were minimal compared to the previous quarter and a year ago.

Net profit rose 26% from the previous quarter to \$272 million as total income rose 16% to \$506 million. Net interest income was 4% lower at \$260 million as lower loan and deposit volumes were offset by higher net interest margin. In constant currency terms, loans declined 1% as trade finance loans were lower while deposits fell 4%. Net interest margin rose five basis point to 1.57% due to better loan pricing and higher yields on other assets. Non-interest income was 50% higher at \$246 million from record treasury customer income as well as higher loan fees.

Expenses fell 3% to \$178 million. Allowances remained low at \$4 million, compared to a net write-back of \$1 million in the previous quarter.

Compared to a year ago, net profit was 23% higher at \$272 million as total income increased 7%. Net interest income increased 13% as loans grew 12% on a constant exchange basis and net interest margin rose four basis points. Non-interest income was little changed as higher income from treasury customer flows and from trade and transaction services were offset by lower trading gains. Expenses were 6% higher. Allowances declined to \$4 million from \$41 million due mainly to lower general allowances.

### Other regions

Net profit for Rest of Greater China rose to \$97 million from \$18 million in the previous quarter. Total income increased 43% to \$277 million. Net interest income was 17% higher at \$154 million from better net interest margin and higher loan volumes, while non-interest income doubled to \$123 million from higher fee income and treasury customer income. Expenses fell 8% to \$140 million. Total allowances were halved to \$11 million as general and specific allowances were lower. Tax rose to \$30 million from \$1 million in the previous quarter.

Compared to a year ago, net profit rose to \$97 million from \$37 million. Higher net interest and non-interest income were partially offset by higher expenses, while allowances remained low at \$11 million from \$6 million a year ago.

Net profit for South and South-east Asia fell 45% from the previous quarter to \$12 million. Total income rose 6% to

\$137 million, while expenses also increased 6% to \$73 million. Total allowances increased 15% to \$62 million as a result of higher specific allowances. Associate contributions halved to \$5 million as the remaining stake in the Bank of the Philippine Islands was divested.

Compared to a year ago, net profit was 83% lower as income fell 10% and allowances rose to \$62 million from \$11 million. Expenses were 6% higher than a year ago.

Net profit for Rest of the World fell 23% to \$31 million from the previous quarter. Total income declined 14% to

\$60 million as net interest income fell 8% to \$47 million while non-interest income declined 32% to \$13 million from lower fee income and treasury customer income. Expenses were unchanged at \$21 million. Allowances were at \$5 million compared to a net write-back of \$2 million in the previous quarter.

Compared to a year ago, total income fell 15% from lower net interest income, fee income and trading income, while expenses rose 17%. Total allowances fell to \$5 million from \$67 million a year ago.

**CUSTOMER LOANS**

(\$m)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Gross	256,744	252,181	227,029
Less:			
Specific allowances	1,073	1,129	1,170
General allowances	2,442	2,398	2,189
Net total	253,229	248,654	223,670
<b>By business unit</b>			
Consumer Banking/ Wealth Management	74,120	70,995	63,496
Institutional Banking	179,748	178,609	161,438
Others	2,876	2,577	2,095
Total (Gross)	256,744	252,181	227,029
<b>By geography <sup>1/</sup></b>			
Singapore	119,264	119,463	110,427
Hong Kong	43,951	41,418	36,733
Rest of Greater China	48,744	47,910	36,997
South and South-east Asia	23,911	23,004	22,357
Rest of the World	20,874	20,386	20,515
Total (Gross)	256,744	252,181	227,029
<b>By industry</b>			
Manufacturing	30,533	30,034	31,385
Building and construction	44,210	43,016	37,113
Housing loans	49,846	49,147	46,500
General commerce	53,753	51,803	46,147
Transportation, storage & communications	21,210	21,265	17,535
Financial institutions, investment & holding companies	14,339	11,013	10,431
Professionals & private individuals (excluding housing loans)	20,555	19,180	15,488
Others	22,298	26,723	22,430
Total (Gross)	256,744	252,181	227,029
<b>By currency</b>			
Singapore dollar	101,651	101,456	95,110
Hong Kong dollar	29,714	29,463	29,205
US dollar	90,201	84,998	73,993
Others	35,178	36,264	28,721
Total (Gross)	256,744	252,181	227,029

Note:

<sup>1/</sup> Loans by geography are classified according to where the borrower is incorporated.

Gross customer loans rose 13% from a year ago to \$257 billion. The growth during the past 12 months was broad-based and included Singapore corporate borrowing, regional trade loans and secured consumer loans.

Gross customer loans grew 2% during the quarter, with secured consumer loans and regional corporate borrowing accounting for the increase. Singapore loans were little changed during the quarter.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	31 Mar 2014			31 Dec 2013			31 Mar 2013		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)
<b>By business unit</b>									
Consumer Banking/ Wealth Management	297	0.4	72	293	0.4	73	300	0.5	71
Institutional Banking	2,325	1.3	1,001	2,589	1.4	1,056	2,370	1.5	1,178
Total non-performing loans (NPL)	2,622	1.0	1,073	2,882	1.1	1,129	2,670	1.2	1,249
Debt securities	9	-	3	9	-	3	13	-	4
Contingent liabilities & others	99	-	49	105	-	50	84	-	49
Total non-performing assets (NPA)	2,730	-	1,125	2,996	-	1,182	2,767	-	1,302
<b>By geography</b>									
Singapore	423	0.4	113	435	0.4	109	405	0.4	127
Hong Kong	229	0.5	115	233	0.6	117	259	0.7	129
Rest of Greater China	281	0.6	143	282	0.6	146	236	0.6	120
South and South-east Asia	800	3.3	257	587	2.6	195	293	1.3	169
Rest of the World	889	4.3	445	1,345	6.6	562	1,477	7.2	704
Total non-performing loans	2,622	1.0	1,073	2,882	1.1	1,129	2,670	1.2	1,249
Debt securities	9	-	3	9	-	3	13	-	4
Contingent liabilities & others	99	-	49	105	-	50	84	-	49
Total non-performing assets (NPA)	2,730	-	1,125	2,996	-	1,182	2,767	-	1,302
<b>Loss Allowance Coverage</b>									
Specific allowances			1,125			1,182			1,302
General allowances			2,915			2,865			2,625
Total Allowances			4,040			4,047			3,927
Total Allowances/ NPA			148%			135%			142%
Total Allowances/ unsecured NPA			271%			204%			187%



## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

<b>By industry</b>	<b>31 Mar 2014</b>		<b>31 Dec 2013</b>		<b>31 Mar 2013</b>	
<b>(\$m)</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>
Manufacturing	579	250	488	240	395	247
Building and construction	384	103	226	42	84	39
Housing loans	111	8	112	9	120	12
General commerce	328	123	397	142	386	201
Transportation, storage & communications	633	332	1,145	465	1,201	524
Financial institutions, investment & holding companies	266	159	265	146	291	157
Professionals & private individuals (excluding housing loans)	158	47	155	48	159	46
Others	163	51	94	37	34	23
<b>Total non-performing loans</b>	<b>2,622</b>	<b>1,073</b>	<b>2,882</b>	<b>1,129</b>	<b>2,670</b>	<b>1,249</b>
Debt securities	9	3	9	3	13	4
Contingent liabilities & others	99	49	105	50	84	49
<b>Total non-performing assets</b>	<b>2,730</b>	<b>1,125</b>	<b>2,996</b>	<b>1,182</b>	<b>2,767</b>	<b>1,302</b>

<b>By loan classification</b>	<b>31 Mar 2014</b>		<b>31 Dec 2013</b>		<b>31 Mar 2013</b>	
<b>(\$m)</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>
<b>Non-performing assets</b>						
Substandard	1,693	228	1,981	306	1,474	267
Doubtful	810	670	753	614	724	466
Loss	227	227	262	262	569	569
<b>Total</b>	<b>2,730</b>	<b>1,125</b>	<b>2,996</b>	<b>1,182</b>	<b>2,767</b>	<b>1,302</b>
<b>Restructured assets</b>						
Substandard	429	41	878	168	881	200
Doubtful	338	322	343	326	224	117
Loss	57	57	56	56	271	271
<b>Total</b>	<b>824</b>	<b>420</b>	<b>1,277</b>	<b>550</b>	<b>1,376</b>	<b>588</b>

<b>By collateral type</b>	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>	<b>31 Mar 2013</b>
<b>(\$m)</b>	<b>NPA</b>	<b>NPA</b>	<b>NPA</b>
Unsecured non-performing assets	1,491	1,986	2,095
<b>Secured non-performing assets by collateral type</b>			
Properties	394	351	297
Shares and debentures	482	323	84
Fixed deposits	30	33	29
Others	333	303	262
<b>Total</b>	<b>2,730</b>	<b>2,996</b>	<b>2,767</b>

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### By period overdue

(\$m)	31 Mar 2014 NPA	31 Dec 2013 NPA	31 Mar 2013 NPA
Not overdue	831	1,281	1,203
<90 days overdue	333	275	363
91-180 days overdue	340	272	271
>180 days overdue	1,226	1,168	930
<b>Total</b>	<b>2,730</b>	<b>2,996</b>	<b>2,767</b>

Non-performing assets fell 9% from the previous quarter to \$2.73 billion as the resolution of a significant exposure in Rest of the World was partially offset by an increase in non-performing loans in South and South-

east Asia. The overall non-performing loan rate fell slightly from the previous quarter to 1.0%. Allowance coverage rose to 148% of non-performing assets and to 271% if collateral was considered.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER DEPOSITS

(\$m)	31 Mar 2014	31 Dec 2013	31 Mar 2013
<b>By currency and product</b>			
Singapore dollar	139,560	134,758	134,295
Fixed deposits	19,052	17,079	17,636
Savings accounts	98,784	97,022	94,485
Current accounts	21,666	20,616	20,759
Others	58	41	1,415
Hong Kong dollar	27,609	29,840	28,405
Fixed deposits	17,371	18,964	17,787
Savings accounts	5,944	6,437	6,483
Current accounts	3,940	3,993	3,953
Others	354	446	182
US dollar	83,376	75,023	52,682
Fixed deposits	47,461	43,172	29,551
Savings accounts	4,915	5,858	5,053
Current accounts	25,674	18,616	14,685
Others	5,326	7,377	3,393
Others	50,945	52,744	47,263
Fixed deposits	41,925	43,285	38,805
Savings accounts	3,107	3,112	3,006
Current accounts	5,416	5,584	4,436
Others	497	763	1,016
<b>Total</b>	<b>301,490</b>	<b>292,365</b>	<b>262,645</b>
Fixed deposits	125,809	122,500	103,779
Savings accounts	112,750	112,429	109,027
Current accounts	56,696	48,809	43,833
Others	6,235	8,627	6,006

Customer deposits rose 3% from the previous quarter and 15% from a year ago to \$301 billion. US dollar deposits accounted for three-quarters of the increase over the past

12 months, while growth during the quarter was in US dollar and Singapore dollar deposits.

## DEBTS ISSUED

(\$m)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Subordinated term debts	5,523	5,544	5,542
Senior medium term notes	6,411	5,635	3,556
Commercial papers	12,121	12,142	9,611
Negotiable certificates of deposit	1,432	1,235	996
Other debt securities	4,534	4,103	4,275
<b>Total</b>	<b>30,021</b>	<b>28,659</b>	<b>23,980</b>
Due within 1 year	18,300	17,108	13,040
Due after 1 year	11,721	11,551	10,940
<b>Total</b>	<b>30,021</b>	<b>28,659</b>	<b>23,980</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## VALUE AT RISK AND TRADING INCOME

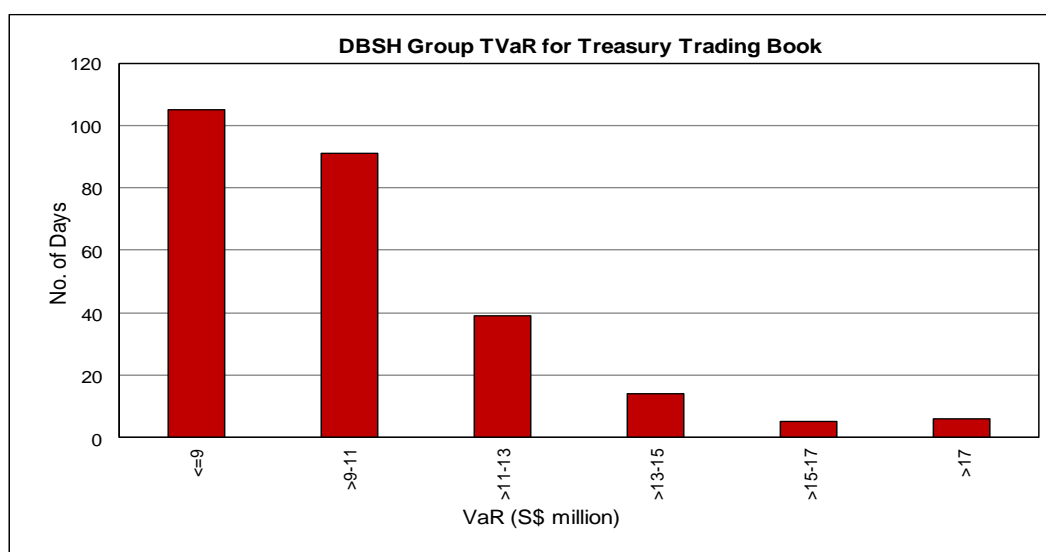
The Group's market risk appetite framework leverages on the Tail Value-at-Risk (TVaR) metric to monitor and limit market risk exposures. TVaR, or more commonly referenced as Expected Shortfall, is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 95% confidence interval, over a one-day holding period.

The following table shows for Treasury's trading portfolios at period-end, average, high and low diversified TVaR.

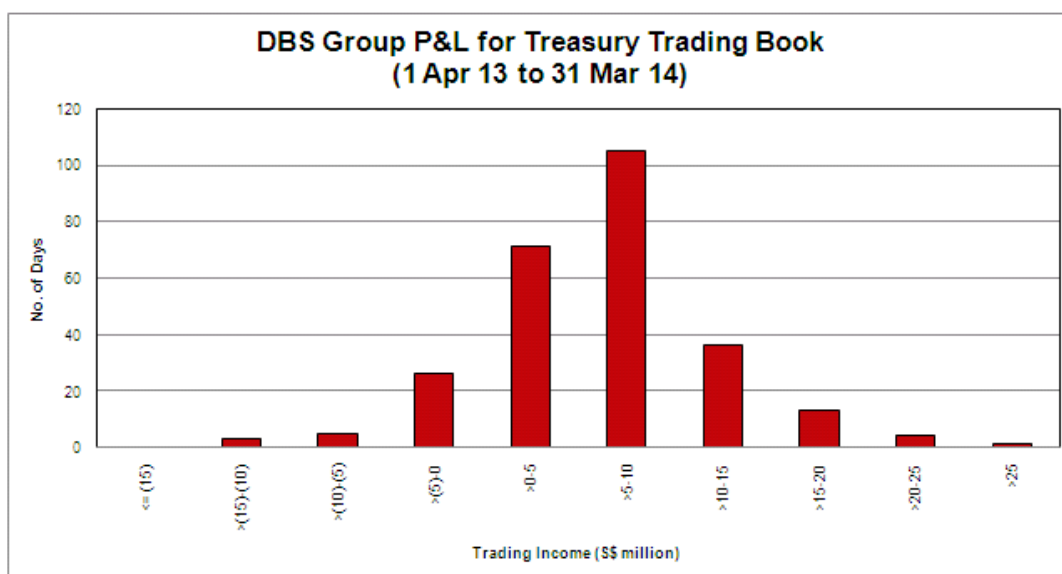
(\$m)	As at 31 Mar 2014	1 Apr 2013 to 31 Mar 2014		
		Average	High	Low
Total	13	10	18	7

Treasury's trading portfolio experienced six back-testing exceptions from 1 April 2013 to 31 March 2014 compared with none in the corresponding prior period. The exceptions occurred in June, July and February.

The chart below shows the histogram of VaR for the Group's trading book for the period from 1 April 2013 to 31 March 2014.



The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 April 2013 to 31 March 2014.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CAPITAL ADEQUACY

(\$m)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Share capital	9,622	9,607	9,496
Disclosed reserves and others	24,501	23,918	22,707
Total regulatory adjustments to Common Equity Tier 1	(1,007)	(1)	-
Regulatory adjustments due to insufficient Additional Tier 1 capital	(855)	(876)	(1,240)
Common Equity Tier 1	32,261	32,648	30,963
Additional Tier 1 capital instruments <sup>1/</sup>	3,173	4,144	3,746
Total regulatory adjustments to Additional Tier 1 capital	(3,173)	(4,144)	(3,746)
Tier 1 capital	32,261	32,648	30,963
Provisions eligible as Tier 2 capital	1,258	1,217	1,259
Tier 2 capital instruments <sup>1/</sup>	4,284	4,955	4,955
Total regulatory adjustments to Tier 2 capital	(1)	(1)	(1)
Total capital	37,802	38,819	37,176
Credit RWA <sup>2/</sup>	193,496	188,124	191,415
Market RWA	38,133	35,092	34,715
Operational RWA	15,120	14,865	14,229
Total RWA	246,749	238,081	240,359
<b>Capital Adequacy Ratio ("CAR") (%)</b>			
Common Equity Tier 1	13.1	13.7	12.9
Tier 1	13.1	13.7	12.9
Total	15.3	16.3	15.5
Pro forma Common Equity Tier 1 under final rules effective 1 Jan 2018	11.7	11.9	11.3
<b>Minimum CAR (%)</b>			
Common Equity Tier 1	5.5	4.5	4.5
Tier 1	7.0	6.0	6.0
Total	10.0	10.0	10.0

**Notes:**

1/ As part of the Basel III transition arrangements, regulatory capital recognition of outstanding Tier 1 and Tier 2 capital instruments that no longer meet the minimum criteria is gradually being phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 Jan 2013, their recognition was capped at 90% in 2013, with this cap decreasing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 Jan 2013, the nominal amount serving as the base will not be reduced.

2/ RWA: Risk-Weighted Assets

Compared to the previous quarter, the Common Equity Tier 1 ratio fell from 13.7% to 13.1%. Of the decline, 0.4% points was due to the phasing in of the regulatory adjustment for goodwill on 1 January 2014. The underlying decline of 0.2% points was due to the impact of dividends declared and an increase in credit and market risk-weighted assets, which was partially offset by the increase in capital due to the first quarter's net profit. For the same reasons, the Common Equity Tier 1 ratio based on final rules effective 1 January 2018 declined 0.2% points from the previous quarter to 11.7%.

## ADDITIONAL PILLAR 3 DISCLOSURES

The following disclosures are made pursuant to the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" ("Notice 637").

### Composition of Capital

The Composition of Capital disclosure forms part of the Notice 637 Pillar 3 disclosures. It shows a full reconciliation between the published balance sheet and the elements of regulatory capital.

### Main Features of the Group's Regulatory Capital Instruments

The main features of the Group's regulatory capital instruments are disclosed using the template specified in MAS Notice 637 Table 11D-1.

The Composition of Capital and the Main Features of Capital Instruments are published in the Financial Results, Supplements, and Regulatory Disclosures section of the Group website (<http://www.dbs.com/investor/quarterlyresults/default.aspx>)

### Capital Adequacy of Significant Banking Subsidiaries

The capital adequacy ratios of each banking subsidiary are calculated in accordance with the regulatory requirements applicable in the country of incorporation, using the approaches available under those requirements. DBS Bank (Hong Kong) Limited and DBS Bank (China) Limited are deemed to be significant banking subsidiaries for the purposes of Pillar 3 disclosures under Notice 637 paragraph 11.3.7.

(\$m)	31 Mar 2014			
	Total risk-weighted assets	CAR (%)		
		Common Equity Tier 1	Tier 1	Total
DBS Bank (Hong Kong) Limited	33,544	14.5	14.5	16.7
DBS Bank (China) Limited	13,766	12.5	12.5	12.9

### UNREALISED VALUATION SURPLUS

(\$m)	31 Mar 2014	31 Dec 2013	31 Mar 2013
Properties <sup>1/</sup>	710	686	611
Financial investments classified as loans and receivables and held to maturity <sup>2/</sup>	98	73	279
<b>Total</b>	<b>808</b>	<b>759</b>	<b>890</b>

Notes:

<sup>1/</sup> Stated at cost less accumulated depreciation and impairment losses in the balance sheet.

<sup>2/</sup> Stated at cost less impairment losses in the balance sheet.

The amount of unrealised valuation surplus that is not reflected in the balance sheet increased from \$759 million a quarter ago to \$808 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Income Statement

In \$ millions	1st Qtr 2014	1st Qtr 2013	+/(-) %	4th Qtr 2013	+/(-) %
<b>Income</b>					
Interest income	2,129	1,920	11	2,085	2
Interest expense	641	593	8	631	2
Net interest income	1,488	1,327	12	1,454	2
Net fee and commission income	510	507	1	439	16
Net trading income	362	408	(11)	163	>100
Net income from investment securities	38	66	(42)	82	(54)
Other income	251	9	>100	184	36
<b>Total income</b>	<b>2,649</b>	<b>2,317</b>	<b>14</b>	<b>2,322</b>	<b>14</b>
<b>Expenses</b>					
Employee benefits	557	506	10	527	6
Other expenses	484	446	9	503	(4)
Allowances for credit and other losses	151	223	(32)	151	-
<b>Total expenses</b>	<b>1,192</b>	<b>1,175</b>	<b>1</b>	<b>1,181</b>	<b>1</b>
Operating profit after allowances	1,457	1,142	28	1,141	28
Share of profits of associates and joint venture	13	27	(52)	13	-
<b>Profit before tax</b>	<b>1,470</b>	<b>1,169</b>	<b>26</b>	<b>1,154</b>	<b>27</b>
Income tax expense	199	167	19	134	49
<b>Net profit</b>	<b>1,271</b>	<b>1,002</b>	<b>27</b>	<b>1,020</b>	<b>25</b>
Attributable to:					
<b>Shareholders</b>	1,231	950	30	973	27
Non-controlling interests	40	52	(23)	47	(15)
	<b>1,271</b>	<b>1,002</b>	<b>27</b>	<b>1,020</b>	<b>25</b>

## Unaudited Consolidated Statement of Comprehensive Income

In \$ millions	1st Qtr 2014	1st Qtr 2013	+/(-) %	4th Qtr 2013	+/(-) %
<b>Net profit</b>	<b>1,271</b>	<b>1,002</b>	<b>27</b>	<b>1,020</b>	<b>25</b>
<b>Other comprehensive income <sup>1/</sup>:</b>					
Foreign currency translation differences for foreign operations	23	37	(38)	20	15
Share of other comprehensive income of associates and joint venture	13	2	>100	-	NM
Available-for-sale financial assets and others					
<i>Net valuation taken to equity</i>	133	39	>100	(99)	NM
<i>Transferred to income statement</i>	(23)	(52)	56	(67)	66
<i>Tax on items taken directly to or transferred from equity</i>	(2)	(8)	75	11	NM
<b>Other comprehensive income, net of tax</b>	<b>144</b>	<b>18</b>	<b>&gt;100</b>	<b>(135)</b>	<b>NM</b>
<b>Total comprehensive income</b>	<b>1,415</b>	<b>1,020</b>	<b>39</b>	<b>885</b>	<b>60</b>
Attributable to:					
<b>Shareholders</b>	1,375	966	42	837	64
Non-controlling interests	40	54	(26)	48	(17)
	<b>1,415</b>	<b>1,020</b>	<b>39</b>	<b>885</b>	<b>60</b>

Notes:

1/ Items recorded in "Other Comprehensive Income" above will be reclassified subsequently to the income statement when specific conditions are met e.g. when foreign operations or available-for-sale financial assets are disposed.

NM Not Meaningful

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Mar 2014	31 Dec 2013 <sup>1/</sup>	31 Mar 2013	31 Mar 2014	31 Dec 2013 <sup>1/</sup>	31 Mar 2013
<b>ASSETS</b>						
Cash and balances with central banks	23,510	18,726	17,422			
Government securities and treasury bills	30,477	27,497	37,883			
Due from banks	44,340	39,817	32,590			
Derivatives	15,186	17,426	14,943			
Bank and corporate securities	33,307	33,546	28,377			
Loans and advances to customers	253,229	248,654	223,670			
Other assets	11,605	8,925	10,880			
Associates and joint venture	1,100	1,166	1,271			
Subsidiaries	-	-	-	12,519	12,547	11,188
Properties and other fixed assets	1,423	1,449	1,421			
Goodwill	4,802	4,802	4,802			
<b>TOTAL ASSETS</b>	<b>418,979</b>	<b>402,008</b>	<b>373,259</b>	<b>12,519</b>	<b>12,547</b>	<b>11,188</b>
<b>LIABILITIES</b>						
Due to banks	18,521	13,572	18,025			
Deposits and balances from customers	301,490	292,365	262,645			
Derivatives	15,564	18,132	15,277			
Other liabilities	15,236	11,594	16,283	16	11	8
Other debt securities	24,498	23,115	18,438			
Subordinated term debts	5,523	5,544	5,542			
<b>TOTAL LIABILITIES</b>	<b>380,832</b>	<b>364,322</b>	<b>336,210</b>	<b>16</b>	<b>11</b>	<b>8</b>
<b>NET ASSETS</b>	<b>38,147</b>	<b>37,686</b>	<b>37,049</b>	<b>12,503</b>	<b>12,536</b>	<b>11,180</b>
<b>EQUITY</b>						
Share capital	9,684	9,676	9,590	9,710	9,704	9,621
Other equity instruments	803	803	-	803	803	-
Other reserves	6,587	6,492	7,228	87	136	84
Revenue reserves	18,493	17,262	15,916	1,903	1,893	1,475
<b>SHAREHOLDERS' FUNDS</b>	<b>35,567</b>	<b>34,233</b>	<b>32,734</b>	<b>12,503</b>	<b>12,536</b>	<b>11,180</b>
Non-controlling interests	2,580	3,453	4,315			
<b>TOTAL EQUITY</b>	<b>38,147</b>	<b>37,686</b>	<b>37,049</b>	<b>12,503</b>	<b>12,536</b>	<b>11,180</b>
<b>OTHER INFORMATION</b>						
Net book value per share (\$)						
(i) Basic	14.14	13.61	13.35	4.72	4.73	4.51
(ii) Diluted	14.04	13.51	13.25	4.73	4.74	4.53

Note:  
1/ Audited



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Statement of Changes in Equity

GROUP							
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2014	9,676	803	6,492	17,262	34,233	3,453	37,686
Purchase of Treasury shares	(72)				(72)		(72)
Issue of shares upon exercise of share options	12				12		12
Reclassification of reserves upon exercise of share options	3		(3)		-		-
Cost of share-based payments			19		19		19
Draw-down of reserves upon vesting of performance shares	65		(65)		-		-
Redemption of preference shares of a subsidiary					-	(895)	(895)
Dividends paid to non-controlling interests					-	(18)	(18)
Total comprehensive income			144	1,231	1,375	40	1,415
<b>Balance at 31 March 2014</b>	<b>9,684</b>	<b>803</b>	<b>6,587</b>	<b>18,493</b>	<b>35,567</b>	<b>2,580</b>	<b>38,147</b>
Balance at 1 January 2013	9,542	-	7,229	14,966	31,737	4,261	35,998
Issue of shares upon exercise of share options	12				12		12
Reclassification of reserves upon exercise of share options	2		(2)		-		-
Draw-down of reserves upon vesting of performance shares	34		(34)		-		-
Cost of share-based payments			19		19		19
Total comprehensive income			16	950	966	54	1,020
<b>Balance at 31 March 2013</b>	<b>9,590</b>	<b>-</b>	<b>7,228</b>	<b>15,916</b>	<b>32,734</b>	<b>4,315</b>	<b>37,049</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Statement of Changes in Equity

COMPANY					
In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2014	9,704	803	136	1,893	12,536
Purchase of Treasury shares	(72)				(72)
Transfer of Treasury shares	63				63
Draw-down of reserves upon vesting of performance shares			(65)		(65)
Issue of shares upon exercise of share options	12				12
Reclassification of reserves upon exercise of share options	3		(3)		-
Cost of share-based payments			19		19
Total comprehensive income				10	10
<b>Balance at 31 March 2014</b>	<b>9,710</b>	<b>803</b>	<b>87</b>	<b>1,903</b>	<b>12,503</b>
Balance at 1 January 2013	9,574	-	101	1,476	11,151
Transfer of Treasury shares	33				33
Draw-down of reserves upon vesting of performance shares			(34)		(34)
Issue of shares upon exercise of share options	12				12
Reclassification of reserves upon exercise of share options	2		(2)		-
Cost of share-based payments			19		19
Total comprehensive income				(1)	(1)
<b>Balance at 31 March 2013</b>	<b>9,621</b>	<b>-</b>	<b>84</b>	<b>1,475</b>	<b>11,180</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Cash Flow Statement

In \$ millions	1st Qtr 2014	1st Qtr 2013
<b>Cash flows from operating activities</b>		
Net profit	1,271	1,002
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	151	223
Depreciation of properties and other fixed assets	53	55
Share of profits of associates and joint venture	(13)	(27)
Net gain on disposal (net of write-off) of properties and other fixed assets	(43)	-
Net income from investment securities	(38)	(66)
Net gain on disposal of associate	(223)	-
Income tax expense	199	167
Profit before changes in operating assets & liabilities	1,357	1,354
<i>Increase/(Decrease) in:</i>		
Due to banks	4,949	2,674
Deposits and balances from customers	9,125	9,181
Other liabilities	1,138	2,470
Other debt securities and borrowings	1,213	4,694
<i>(Increase)/Decrease in:</i>		
Restricted balances with central banks	(11)	(305)
Government securities and treasury bills	(2,933)	(1,440)
Due from banks	(4,522)	(3,185)
Loans and advances to customers	(4,719)	(13,358)
Bank and corporate securities	342	(2,888)
Other assets	(547)	203
Tax paid	(108)	(76)
<b>Net cash generated from/(used in) operating activities (1)</b>	<b>5,284</b>	<b>(676)</b>
<b>Cash flows from investing activities</b>		
Dividends from associates	-	1
Purchase of properties and other fixed assets	(43)	(31)
Proceeds from disposal of properties and other fixed assets	56	2
Proceeds from disposal of interest in associate	426	-
<b>Net cash generated from/(used in) investing activities (2)</b>	<b>439</b>	<b>(28)</b>
<b>Cash flows from financing activities</b>		
Increase in share capital	12	14
Purchase of treasury shares	(72)	-
Dividends paid to non-controlling interests	(18)	-
Redemption of preference shares of a subsidiary	(895)	-
<b>Net cash (used in)/generated from financing activities (3)</b>	<b>(973)</b>	<b>14</b>
Exchange translation adjustments (4)	23	35
<b>Net change in cash and cash equivalents (1)+(2)+(3)+(4)</b>	<b>4,773</b>	<b>(655)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>10,949</b>	<b>10,993</b>
<b>Cash and cash equivalents at 31 March</b>	<b>15,722</b>	<b>10,338</b>

**Additional Information**
**ISSUANCE OF ORDINARY SHARES**

(a) The movement in the number of issued and fully paid-up ordinary shares is as follows:

	Number of shares	
	2014	2013
<b>Ordinary shares</b>		
Balance at 1 January	2,449,724,042	2,442,028,426
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	923,010	1,227,924
<b>Balance at 31 March [a]</b>	<b>2,450,647,052</b>	<b>2,443,256,350</b>
<b>Treasury shares held by DBSH</b>		
Balance at 1 January	4,644,000	5,344,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(4,462,000)	(2,500,000)
Purchase of treasury shares	4,527,000	
<b>Balance at 31 March [b]</b>	<b>4,709,000</b>	<b>2,844,000</b>
<b>Ordinary shares net of treasury shares [a] – [b]</b>	<b>2,445,938,052</b>	<b>2,440,412,350</b>

(b) New ordinary shares that would have been issued on conversion of preference shares and exercise of share options are as follows:

(Number)	31 Mar 2014	31 Mar 2013
Conversion of non-voting redeemable CPS	30,011,421	30,011,421
Exercise of share options	486,849	1,910,704
<b>Weighted average number of shares for the period <sup>1/</sup></b>		
- ordinary shares	2,445,501,039	2,439,857,728
- fully diluted	2,475,622,084	2,470,180,571

<sup>1/</sup> Net of treasury shares held by DBSH.

The fully diluted shares took into account the effect of a full conversion of non-voting redeemable convertible preference shares and the exercise of all outstanding share options granted to employees when such shares would be issued at a price lower than the average share price during the period.

**INTERESTED PERSON TRANSACTIONS**

Pursuant to Rule 920(1) of the SGX Listing Manual, DBSH has not obtained a general mandate from shareholders for Interested Person Transactions.

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS**

The interim financial information should be read in conjunction with the audited financial statements included in the Group's Annual Report 2013.

**1. Fair Value of Financial Instruments**

The valuation process and fair value hierarchy policies applied for the current financial period are consistent with those disclosed for the financial year ended 31 December 2013.

**Portfolio Measurement**

Portfolios of financial assets and liabilities are revalued on the basis of market mid prices, with adjustment to reflect the cost of closing out the net positions, per location, by accounting classification.

**Fair Value Hierarchy**

Our principles remain unchanged from 2013. Please refer to our 2013 Annual Report for further guidance.

The following table presents assets and liabilities measured at fair value according to the fair value hierarchy:

<b>31 Mar 2014 In \$ millions</b>	<b>Level 1</b>	<b>The Group</b>		<b>Total</b>
		<b>Level 2</b>	<b>Level 3</b>	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Singapore Government securities and treasury bills	1,719	-	-	1,719
- Other government securities and treasury bills	4,505	2,373	-	6,878
- Bank and corporate debt securities	4,970	2,151	566	7,687
- Equity securities	569	140	-	709
- Other financial assets	42	4,875	-	4,917
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	7,433	-	-	7,433
- Other government securities and treasury bills	10,879	2,624	-	13,503
- Bank and corporate debt securities	8,740	2,499	26	11,265
- Equity securities <sup>(a)</sup>	1,034	1	129	1,164
- Other financial assets	189	5,617	-	5,806
Derivatives	112	15,032	42	15,186
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	4,039	21	4,060
- Other financial liabilities	2,838	2,548	-	5,386
Derivatives	76	15,394	94	15,564

Note:

(a) Excludes unquoted equities stated at cost of \$279 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

31 Dec 2013 In \$ millions	Level 1	The Group		Total
		Level 2	Level 3	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Singapore Government securities and treasury bills	2,013	-	-	2,013
- Other government securities and treasury bills	4,207	-	-	4,207
- Bank and corporate debt securities	6,808	857	539	8,204
- Equity securities	437	147	-	584
- Other financial assets	-	3,258	-	3,258
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	7,332	-	-	7,332
- Other government securities and treasury bills	13,297	60	-	13,357
- Bank and corporate debt securities	8,982	2,543	26	11,551
- Equity securities <sup>(a)</sup>	889	2	131	1,022
- Other financial assets	253	5,381	-	5,634
Derivatives	50	17,355	21	17,426
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	3,595	21	3,616
- Other financial liabilities	1,353	2,025	-	3,378
Derivatives	40	18,041	51	18,132

Note:

(a) Excludes unquoted equities stated at cost of \$278 million.

The following table presents the changes in Level 3 instruments for the financial period ended:

In \$ millions	Balance at 1 January	Fair value gains or losses		Purc- hases	Issues	Settle- ments	Transfers in	Transfers out	Balance at 31 March
		Profit or loss	Other compre- hensive income						
<b>2014</b>									
<b>Assets</b>									
Financial assets at fair value through profit or loss									
- Bank and corporate debt securities	539	11	-	-	-	(32)	48	-	566
Available-for-sale financial assets									
- Bank and corporate debt securities	26	-	-	-	-	-	-	-	26
- Equity securities	131	7	(3)	-	-	(6)	-	-	129
Derivatives	21	(1)	-	-	-	-	23	(1)	42
<b>Total</b>	<b>717</b>	<b>17</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>71</b>	<b>(1)</b>	<b>763</b>
<b>Liabilities</b>									
Financial liabilities at fair value through profit or loss									
- Other debt securities	21	-	-	-	-	-	-	-	21
Derivatives	51	10	-	-	-	-	35	(2)	94
<b>Total</b>	<b>72</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>(2)</b>	<b>115</b>

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Economic hedges entered into for Level 2 exposures may be classified within a different category (i.e. Level 1) and similarly, hedges entered for Level 3 exposures may be classified within a different category (i.e. Level 1 and/or Level 2). The effects are presented gross in the table.

During the quarter, the Group transferred financial assets and liabilities from Level 1 to Level 2 due to reduced market activity and from Level 2 to Level 1 arising from increased market activity.

### Gains and losses on financial assets and liabilities measured at fair value

In \$ millions 1st Qtr 2014	Category reported in the Income Statement		
	Net trading Income	Net income from investment securities	Total
Total gains or losses for the period included in income statement	-	7	7
Of Which:			
Change in unrealized gains or losses for the period included in income statement for assets held at the end of the reporting period	-	-	-

Fair value gains or losses taken to Other Comprehensive Income are reported in the Statement of Comprehensive Income as "Net valuation taken to equity".

### Effect of changes in significant unobservable assumptions to reasonably possible alternatives

The principles for estimating the significance of unobservable parameters remain unchanged from 2013. Please refer to our 2013 Annual Report for further guidance.

In \$ millions	Fair Value	Classification	Valuation technique	Unobservable Input
<b>31 Mar 2014</b>				
<b>Assets</b>				
Bank and corporate debt securities	566	FVPL <sup>(a)</sup>	Discounted Cash Flows	Credit spreads
Bank and corporate debt securities	26	AFS <sup>(b)</sup>	Discounted Cash Flows	Credit spreads
Equity securities (Unquoted)	129	AFS <sup>(b)</sup>	Net Asset Value	Net asset value of securities
Derivatives	42	FVPL <sup>(a)</sup>	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
<b>Total</b>	<b>763</b>			
<b>Liabilities</b>				
Other debt securities	21	FVPL <sup>(a)</sup>	Discounted Cash Flows / Option & interest rate pricing model	Credit spreads / Correlations
Derivatives	94	FVPL <sup>(a)</sup>	Option/ Interest rate pricing model	Correlations
<b>Total</b>	<b>115</b>			

Notes:

(a) FVPL denotes financial instruments classified as fair value through profit or loss.

(b) AFS denotes financial instruments classified as available-for-sale.

**Financial assets and liabilities not carried at fair value**

For financial assets and liabilities not carried at fair value on the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at 31 March 2014. Unquoted equities of \$279 million as at 31 March 2014 were stated at cost less accumulated impairment losses because the fair value cannot be reliably estimated using valuation techniques supported by observable market data.

Our principles for arriving at fair value remain unchanged from 2013. Please refer to our 2013 Annual Report for further guidance.

**2. Off-balance Sheet Items**

<b>In \$ millions</b>	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>	<b>31 Mar 2013</b>
Contingent liabilities	20,862	20,919	24,203
Commitments <sup>(a)</sup>	165,727	158,839	142,012
Financial Derivatives	1,713,920	1,558,657	1,465,082

Note:


(a) Includes commitments that are unconditionally cancellable at any time of \$129,812 million (Dec'13:\$124,031 million, Mar'13:\$108,961 million).



**CONFIRMATION BY THE BOARD**

We, Peter Seah Lim Huat and Piyush Gupta, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the First Quarter ended 31 March 2014 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Peter Seah Lim Huat  
Chairman



Piyush Gupta  
Chief Executive Officer

29 April 2014  
Singapore