



To: Shareholders

The DBS Group Holdings Ltd (“DBSH” or “the Company”) Board of Directors reports unaudited financial results for the first half of 2014, details of which are in the accompanying performance summary.

For the first half of 2014, the Directors have declared an interim one-tier tax-exempt dividend of 28 cents (first half 2013: 28 cents) for each DBSH non-voting redeemable convertible preference share (“CPS”) and an interim one-tier tax-exempt dividend of 28 cents (first half 2013: 28 cents) for each DBSH ordinary share. The DBSH Scrip Dividend Scheme will be applied to these dividends.

Details of these interim dividends are as follows:

In \$ millions	2014	2013
DBSH Non-voting redeemable CPS		
Interim one-tier tax exempt dividend of 28.0 cents (2013 : 28.0 cents)	8	8
DBSH ordinary shares		
Interim one-tier tax exempt dividend of 28.0 cents (2013 : 28.0 cents)	689	684
	<u>697</u>	<u>692</u>

The DBSH ordinary shares will be quoted ex-dividend on 13 August 2014. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 18 August 2014. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 15 August 2014 will be registered to determine shareholders' entitlement to the first half 2014 one-tier tax-exempt dividends. The issue price for new shares to be allotted to shareholders who have elected to receive the interim dividends in scrip shall be the average of the last dealt prices of each DBSH ordinary share on the SGX-ST for each of 13, 14 and 15 August 2014.

The first half 2014 one-tier tax-exempt dividends will be payable on or about 3 October 2014. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the first half 2014 one-tier tax-exempt dividends will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

A separate announcement which will outline further administrative details on the application of the DBSH Scrip Dividend Scheme to the first half 2014 dividends will be made in due course.

By order of the Board

Goh Peng Fong
Group Secretary

31 July 2014
Singapore

More information on the above announcement is available at www.dbs.com/investor



Performance Summary

Unaudited Financial Results
For the First Half / Second Quarter ended
30 June 2014

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Contents	Page
Overview.....	2
Net Interest Income.....	4
Net Fee and Commission Income.....	6
Other Non-Interest Income.....	6
Expenses.....	7
Allowances for Credit and Other Losses.....	7
Performance by Business Segments.....	8
Performance by Geography.....	11
Customer Loans.....	14
Non-Performing Assets and Loss Allowance Coverage.....	15
Customer Deposits.....	18
Debts Issued.....	18
Value at Risk and Trading Income.....	19
Capital Adequacy.....	20
Additional Pillar 3 Disclosures.....	21
Unrealised Valuation Surplus.....	22
Unaudited Consolidated Income Statement.....	23
Unaudited Consolidated Statement of Comprehensive Income.....	23
Unaudited Balance Sheets.....	24
Unaudited Consolidated Statement of Changes in Equity.....	25
Unaudited Statement of Changes in Equity.....	26
Unaudited Consolidated Cash Flow Statement.....	27
Additional Information	
Issuance of Ordinary Shares.....	28
Interested Person Transactions.....	28
Selected Notes to the Interim Financial Statements.....	29
Confirmation by the Board.....	33

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.

	2nd Qtr 2014	2nd Qtr 2013	% chg	1st Qtr 2014	% chg	1st Half 2014	1st Half 2013	% chg
Selected income statement items (\$m)								
Net interest income	1,557	1,382	13	1,488	5	3,045	2,709	12
Net fee and commission income	503	477	5	510	(1)	1,013	984	3
Other non-interest income	253	450	(44)	453	(44)	706	933	(24)
Total income	2,313	2,309	-	2,451	(6)	4,764	4,626	3
Expenses	1,054	987	7	1,041	1	2,095	1,939	8
Profit before allowances	1,259	1,322	(5)	1,410	(11)	2,669	2,687	(1)
Allowances for credit and other losses	128	245	(48)	151	(15)	279	468	(40)
Profit before tax	1,182	1,099	8	1,272	(7)	2,454	2,268	8
Net profit	969	887	9	1,033	(6)	2,002	1,837	9
One-time item (Gain from sale of BPI)	-	-	-	223	(100)	223	-	NM
One-time item (National Gallery Singapore)	-	-	-	(25)	(100)	(25)	-	NM
Net profit including one-time items	969	887	9	1,231	(21)	2,200	1,837	20
Selected balance sheet items (\$m)								
Customer loans	257,355	234,787	10	253,229	2	257,355	234,787	10
Total assets	417,275	386,600	8	418,979	-	417,275	386,600	8
Customer deposits	299,399	274,608	9	301,490	(1)	299,399	274,608	9
Total liabilities	378,537	349,892	8	380,832	(1)	378,537	349,892	8
Shareholders’ funds	36,188	32,442	12	35,567	2	36,188	32,442	12
Key financial ratios (%) (excluding one-time items) ^{1/}								
Net interest margin	1.67	1.62		1.66		1.66	1.63	
Non-interest/total income	32.7	40.1		39.3		36.1	41.4	
Cost/income ratio	45.6	42.7		42.5		44.0	41.9	
Return on assets	0.93	0.94		1.02		0.98	1.00	
Return on equity ^{2/}	11.0	10.9		12.3		11.7	11.6	
Loan/deposit ratio	86.0	85.5		84.0		86.0	85.5	
NPL ratio	0.9	1.2		1.0		0.9	1.2	
Specific allowances (loans)/average loans (bp)	14	22		15		14	22	
Common Equity Tier 1 capital adequacy ratio	13.5	12.9		13.1		13.5	12.9	
Tier 1 capital adequacy ratio	13.5	12.9		13.1		13.5	12.9	
Total capital adequacy ratio	15.7	15.5		15.3		15.7	15.5	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	2nd Qtr 2014	2nd Qtr 2013	1st Qtr 2014	1st Half 2014	1st Half 2013
Per share data (\$)					
Per basic share					
– earnings excluding one-time items	1.57	1.46	1.69	1.63	1.52
– earnings	1.57	1.46	1.78	1.71	1.52
– net book value ^{3/}	14.32	13.21	14.14	14.32	13.21
Per diluted share					
– earnings excluding one-time items	1.55	1.44	1.68	1.61	1.50
– earnings	1.55	1.44	1.76	1.69	1.50
– net book value ^{3/}	14.21	13.12	14.04	14.21	13.12

Notes:

1/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data 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

Second-quarter net profit rose 9% from a year ago to \$969 million. Total income was stable at \$2.31 billion as growth in net interest income and fee income was offset by a decline in other non-interest income. Allowance charges were also lower. Compared to the previous quarter, net profit fell 6%. Total income was 6% lower as an increase in net interest income was more than offset by a decline in other non-interest income.

Net interest income rose 13% from a year ago to \$1.56 billion as loans rose 10% and net interest margin improved five basis points to 1.67%. Compared to the previous quarter, net interest income grew 5% from higher loan volumes and stable net interest margin.

Non-interest income fell 18% from a year ago and 21% from the previous quarter to \$756 million. The decline was due to weaker net trading income. There had also been gains from fixed asset sales in both comparative periods. Fee income of \$503 million was 5% higher than a year ago and little changed from the previous quarter. Wealth management, investment banking and cards fees were higher than both comparative periods.

Expenses rose 7% from a year ago to \$1.05 billion, which was little changed from the previous quarter. Profit before allowances declined 5% from a year ago and 11% from the previous quarter to \$1.26 billion.

Total allowances declined 48% from a year ago and 15% from the previous quarter to \$128 million. The non-performing loan rate improved to 0.9% from 1.2% a year ago and 1.0% in the previous quarter. Allowance coverage rose to 162% and to 321% if collateral was considered.

A gain of \$39 million was recorded in the share of profit of associates during the second quarter from the divestment of the operating entities of Hwang Capital (Malaysia).

Capital adequacy ratios (CAR) were healthy, with Common Equity Tier 1 at 13.5%, Tier 1 at 13.5% and the total CAR at 15.7%.

For the first half, net profit rose 9% to a record \$2.00 billion. Total income increased 3% to \$4.76 billion as higher net interest margin, loan volumes and annuity fee income streams more than offset a decline in market-related income. Allowance charges declined 40% to \$279 million. Return on equity was 11.7%, similar to a year ago. Including one-time items, first-half net profit was \$2.20 billion.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	2nd Qtr 2014			2nd Qtr 2013			1st Qtr 2014		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer non-trade loans	204,664	1,291	2.53	183,479	1,155	2.52	202,238	1,244	2.49
Trade assets ^{1/}	63,497	406	2.56	58,672	354	2.42	62,669	404	2.61
Interbank assets ^{2/}	40,312	145	1.44	33,385	111	1.33	36,358	144	1.61
Securities	65,668	376	2.30	66,183	355	2.15	63,451	337	2.15
Total	374,141	2,218	2.38	341,719	1,975	2.32	364,716	2,129	2.37
Interest-bearing liabilities									
Customer deposits	296,929	525	0.71	267,889	470	0.70	291,197	517	0.72
Other borrowings	52,638	136	1.04	49,387	123	1.00	48,666	124	1.03
Total	349,567	661	0.76	317,276	593	0.75	339,863	641	0.76
Net interest income/margin ^{3/}		1,557	1.67		1,382	1.62		1,488	1.66

Average balance sheet	1st Half 2014			1st Half 2013		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	203,451	2,535	2.51	180,582	2,284	2.55
Trade assets ^{1/}	63,083	810	2.59	56,201	692	2.48
Interbank assets ^{2/}	38,335	289	1.52	32,995	221	1.35
Securities	64,560	713	2.23	65,399	698	2.15
Total	369,429	4,347	2.37	335,177	3,895	2.34
Interest-bearing liabilities						
Customer deposits	294,063	1,042	0.71	265,194	936	0.71
Other borrowings	50,652	260	1.04	45,760	250	1.10
Total	344,715	1,302	0.76	310,954	1,186	0.77
Net interest income/margin ^{3/}		3,045	1.66		2,709	1.63

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 rose 13% from a year ago to \$1.56 billion. Net interest margin improved five basis points to 1.67%. Asset volumes were also higher. Funding costs were stable.

For the first half, net interest income rose 12% to \$3.05 billion as a result of higher asset volumes and improved net interest margin.

Compared to the previous quarter, net interest income was 5% higher from higher asset volumes.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	2nd Qtr 2014 versus 2nd Qtr 2013			2nd Qtr 2014 versus 1st Qtr 2014		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	133	3	136	15	19	34
Trade assets	29	23	52	5	(8)	(3)
Interbank assets	23	11	34	16	(17)	(1)
Securities	(2)	23	21	12	23	35
Total	183	60	243	48	17	65
Interest expense						
Customer deposits	51	5	56	10	(7)	3
Other borrowings	8	4	12	10	-	10
Total	59	9	68	20	(7)	13
Net impact on interest income	124	51	175	28	24	52
Due to change in number of days			-			17
Net Interest Income			175			69

Volume and rate analysis (\$m) Increase/(decrease) due to change in	1st Half 2014 versus 1st Half 2013		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	289	(39)	250
Trade assets	85	33	118
Interbank assets	36	33	69
Securities	(9)	24	15
Total	401	51	452
Interest expense			
Customer deposits	102	5	107
Other borrowings	26	(17)	9
Total	128	(12)	116
Net impact on interest income	273	63	336
Due to change in number of days			-
Net Interest Income			336

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	2nd Qtr 2014	2nd Qtr 2013	% chg	1st Qtr 2014	% chg	1st Half 2014	1st Half 2013	% chg
Brokerage	42	57	(26)	43	(2)	85	119	(29)
Investment banking	52	47	11	43	21	95	111	(14)
Trade and transaction services ^{1/}	131	137	(4)	140	(6)	271	271	-
Loan-related	93	94	(1)	118	(21)	211	197	7
Cards ^{2/}	88	82	7	83	6	171	160	7
Wealth management	138	101	37	117	18	255	214	19
Others	17	17	-	23	(26)	40	31	29
Fee and commission income	561	535	5	567	(1)	1,128	1,103	2
Less: Fee and commission expense	58	58	-	57	2	115	119	(3)
Total	503	477	5	510	(1)	1,013	984	3

Notes:

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

2/ Net of interchange fees paid

Net fee and commission income rose 5% from a year ago to \$503 million as contributions from wealth management, cards and investment banking improved.

Compared to the previous quarter, net fee and commission income decreased 1% as higher contributions from wealth management, investment banking and cards were more

than offset by a decline in fees from loan-related activities and trade and transaction services.

Net fee and commission income for the first half was 3% higher at \$1.01 billion. Higher contributions from annuity businesses was partially offset by lower brokerage commissions and investment banking fees.

OTHER NON-INTEREST INCOME

(\$m)	2nd Qtr 2014	2nd Qtr 2013	% chg	1st Qtr 2014	% chg	1st Half 2014	1st Half 2013	% chg
Net trading income	176	336	(48)	362	(51)	538	744	(28)
Net income from investment securities	62	45	38	38	63	100	111	(10)
Net gain on fixed assets	-	44	(100)	43	(100)	43	44	(2)
Others (includes rental income) ^{1/}	15	25	(40)	10	50	25	34	(26)
Total	253	450	(44)	453	(44)	706	933	(24)

Note:

1/ Excludes one-time items.

Other non-interest income fell 44% from both the previous quarter and a year ago to \$253 million. Net trading income fell to \$176 million from \$362 million in the previous quarter and \$336 million a year ago. The previous quarter and the year-ago period also had net gains from the disposal of properties. These factors

were partially offset by an increase in net income from investment securities.

For the first half, other non-interest income fell 24% to \$706 million as a result of declines in net trading income and net income from investment securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	2nd Qtr 2014	2nd Qtr 2013	% chg	1st Qtr 2014	% chg	1st Half 2014	1st Half 2013	% chg
Staff	554	521	6	557	(1)	1,111	1,027	8
Occupancy	90	95	(5)	98	(8)	188	183	3
Computerisation	200	167	20	187	7	387	334	16
Revenue-related	62	58	7	59	5	121	108	12
Others	148	146	1	140	6	288	287	-
Total	1,054	987	7	1,041	1	2,095	1,939	8
Staff headcount at period-end	20,015	18,631	7	19,623	2	20,015	18,631	7

Included in the above table were:

Depreciation of properties and other fixed assets	54	53	2	53	2	107	108	(1)
Directors' fees	2	1	100	1	100	3	2	50
Audit fees payable	2	1	100	2	-	4	3	33

Expenses rose 7% from a year ago to \$1.05 billion as staff and other operating costs rose. Expenses were 1% higher than the previous quarter.

For the first half, costs rose 8% to \$2.10 billion, bringing the cost-income ratio to 44%.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	2nd Qtr 2014	2nd Qtr 2013	% chg	1st Qtr 2014	% chg	1st Half 2014	1st Half 2013	% chg
General allowances (GP)	28	113	(75)	56	(50)	84	223	(62)
Specific allowances (SP) for loans ^{1/}	88	128	(31)	93	(5)	181	242	(25)
Singapore	23	41	(44)	15	53	38	48	(21)
Hong Kong	12	12	-	10	20	22	20	10
Rest of Greater China	7	9	(22)	3	>100	10	11	(9)
South and South-east Asia	74	35	>100	97	(24)	171	68	>100
Rest of the World	(28)	31	NM	(32)	13	(60)	95	NM
Specific allowances (SP) for securities, properties and other assets	12	4	>100	2	>100	14	3	>100
Total	128	245	(48)	151	(15)	279	468	(40)

Notes:

1/ Specific allowances for loans are classified according to where the borrower is incorporated
 NM Not Meaningful

Specific allowances for loans amounted to \$88 million, lower than both a year ago and the previous quarter. General allowances of \$28 million were taken in line with loan growth.

For the first half, total allowances fell 40% to \$279 million as specific allowances and general allowances both declined.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Selected income items					
2nd Qtr 2014					
Net interest income	401	814	250	92	1,557
Non-interest income	308	392	(13)	69	756
Total income	709	1,206	237	161	2,313
Expenses	472	373	115	94	1,054
Allowances for credit and other losses	22	67	2	37	128
Share of profits of associates and joint venture	1	-	-	50	51
Profit before tax	216	766	120	80	1,182
1st Qtr 2014 ^{1/}					
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
2nd Qtr 2013					
Net interest income	364	742	180	96	1,382
Non-interest income	259	440	106	122	927
Total income	623	1,182	286	218	2,309
Expenses	427	346	119	95	987
Allowances for credit and other losses	20	193	(1)	33	245
Share of profits of associates and joint venture	-	-	-	22	22
Profit before tax	176	643	168	112	1,099
1st Half 2014 ^{1/}					
Net interest income	785	1,580	468	212	3,045
Non-interest income	590	912	48	169	1,719
Total income	1,375	2,492	516	381	4,764
Expenses	909	730	237	219	2,095
Allowances for credit and other losses	51	196	2	30	279
Share of profits of associates and joint venture	3	-	-	61	64
Profit before tax	418	1,566	277	193	2,454

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
1st Half 2013					
Net interest income	723	1,460	343	183	2,709
Non-interest income	522	924	266	205	1,917
Total income	1,245	2,384	609	388	4,626
Expenses	827	665	229	218	1,939
Allowances for credit and other losses	38	366	(1)	65	468
Share of profits of associates and joint venture	-	-	-	49	49
Profit before tax	380	1,353	381	154	2,268
Selected balance sheet and other items ^{2/}					
30 Jun 2014					
Total assets before goodwill and intangibles	78,829	210,418	86,635	36,558	412,440
Goodwill and intangibles					4,835
Total assets					417,275
Total liabilities	146,108	154,347	59,053	19,029	378,537
Capital expenditure for 2nd Qtr 2014	20	5	1	39	65
Depreciation for 2nd Qtr 2014	8	3	2	41	54
31 Mar 2014					
Total assets before goodwill and intangibles	76,332	208,713	92,285	36,847	414,177
Goodwill and intangibles					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
30 Jun 2013					
Total assets before goodwill and intangibles	68,186	198,432	78,313	36,867	381,798
Goodwill and intangibles					4,802
Total assets					386,600
Total liabilities	139,914	133,440	64,415	12,123	349,892
Capital expenditure for 2nd Qtr 2013	11	9	6	29	55
Depreciation for 2nd Qtr 2013	8	2	2	41	53

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.

Compared to the previous quarter, total income increased by 6% to \$709 million. Net-interest income increased from improved deposit margin as well as higher deposit and loan volumes. Non-interest income was higher from strong momentum in investment and insurance product sales. Expenses increased 8% to \$472 million as investments were made to enhance customer service, while allowances were \$7 million lower at \$22 million. Profit before tax was 7% higher at \$216 million.

Compared to a year ago, profit before tax increased 23%. Total income increased 14% as net interest income rose, and non-interest income was higher from continued customer acquisition, better cross-selling and higher cards fees. Expenses rose 11% from increased investments and seasonal marketing campaigns. Total allowances were \$2 million higher in line with loan growth.

For the first half, profit before tax was \$418 million, 10% higher from a year ago. Total income grew 10% to \$1.38 billion. Net interest income increased 9% to \$785 million as loan and deposit volumes increased, while non-interest income rose 13% to \$590 million from higher wealth management and cards fees. Expenses rose 10% to \$909 million as investments, marketing and advertising activities continued. Total allowances increased 34% to \$51 million in line with loan growth.

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.

Compared to the previous quarter, profit before tax was 4% lower at \$766 million. Net interest income rose 6% to \$814 million from loan growth and better net interest margin. Non-interest income fell 25% to \$392 million as treasury customer flows and loan-related fee declined. Total income fell 6% to \$1.21 billion. Expense growth was contained at 4% and reached \$373 million as headcount increased to support business growth. Allowances declined 48% to \$67 million as both specific and general allowances were lower.

Compared to a year ago, profit before tax rose 19% as allowances declined 65% from lower specific and general allowances. Total income rose 2% as growth in global transactional services income was offset by

lower treasury customer flows. Expenses were 8% higher.

For the first half of the year, profit before tax increased 16% from a year ago to \$1.57 billion as total income rose while allowances halved from lower specific and general allowances. Total income grew 5% to \$2.49 billion as net interest income rose 8% to \$1.58 billion from loan growth and better margin, and treasury customer flows and loan-related fees were higher. Expenses rose 10% to \$730 million from headcount growth.

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.

Compared to the previous quarter, profit before tax was 24% lower at \$120 million. Total income declined 15% to \$237 million as trading gains from foreign exchange and interest rate activities were lower. Expenses declined 6% to \$115 million mainly due to lower staff expenses.

Compared to a year ago, profit before tax fell 29%. Total income declined 17% as trading gains in foreign exchange dropped, while expenses were 3% lower mainly due to lower staff expenses.

For the first half of the year, profit before tax fell 27% from a year ago to \$277 million. Total income declined 15% to \$516 million due to lower income from foreign exchange and interest rate trading activities. Expenses rose 3% to \$237 million as business related expenses were higher, but partially offset by lower staff expenses.

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 declined 23% from the previous quarter to \$272 million as customer related transactions decreased in Hong Kong, China, Taiwan and Korea. Compared to a year ago, treasury customer flows was 3% lower due to slower treasury customer activities in Hong Kong, Taiwan and Korea, but mitigated by an increase in Singapore. For the first half of the year, income from treasury customer flows was 8% higher at \$627 million.

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 ^{1/}

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income items						
2nd Qtr 2014						
Net interest income	1,003	253	146	100	55	1,557
Non-interest income	458	173	80	35	10	756
Total income	1,461	426	226	135	65	2,313
Expenses	624	186	151	73	20	1,054
Allowances for credit and other losses	62	1	8	48	9	128
Share of profits of associates and joint venture	6	1	2	42	-	51
Profit before tax	781	240	69	56	36	1,182
Income tax expense	117	40	6	11	6	180
Net profit	631	200	63	45	30	969
1st Qtr 2014 ^{2/}						
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
2nd Qtr 2013						
Net interest income	864	250	104	111	53	1,382
Non-interest income	505	274	80	37	31	927
Total income	1,369	524	184	148	84	2,309
Expenses	575	186	133	71	22	987
Allowances for credit and other losses	143	41	19	31	11	245
Share of profits of associates and joint venture	3	-	3	16	-	22
Profit before tax	654	297	35	62	51	1,099
Income tax expense	94	43	14	9	2	162
Net profit	510	254	21	53	49	887
1st Half 2014 ^{2/}						
Net interest income	1,934	513	300	196	102	3,045
Non-interest income	998	419	203	76	23	1,719
Total income	2,932	932	503	272	125	4,764
Expenses	1,253	364	291	146	41	2,095
Allowances for credit and other losses	131	5	19	110	14	279
Share of profits of associates and joint venture	11	3	3	47	-	64
Profit before tax	1,559	566	196	63	70	2,454
Income tax expense	234	94	36	6	9	379
Net profit	1,252	472	160	57	61	2,002

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
1st Half 2013						
Net interest income	1,699	481	205	220	104	2,709
Non-interest income	1,119	517	149	81	51	1,917
Total income	2,818	998	354	301	155	4,626
Expenses	1,154	354	251	140	40	1,939
Allowances for credit and other losses	241	82	25	42	78	468
Share of profits of associates and joint venture	7	-	4	38	-	49
Profit before tax	1,430	562	82	157	37	2,268
Income tax expense	177	86	24	35	7	329
Net profit	1,151	476	58	122	30	1,837
Selected balance sheet items						
30 Jun 2014						
Total assets before goodwill and intangibles	274,009	63,292	42,322	17,951	14,866	412,440
Goodwill and intangibles	4,802	33	-	-	-	4,835
Total assets	278,811	63,325	42,322	17,951	14,866	417,275
Non-current assets ^{3/}	1,939	354	98	32	2	2,425
Gross customer loans	172,919	49,434	20,247	10,205	7,953	260,758
31 Mar 2014						
Total assets before goodwill and intangibles	274,075	66,531	42,006	18,436	13,129	414,177
Goodwill and intangibles	4,802	-	-	-	-	4,802
Total assets	278,877	66,531	42,006	18,436	13,129	418,979
Non-current assets ^{3/}	1,976	411	99	35	2	2,523
Gross customer loans	168,817	50,595	20,188	9,761	7,383	256,744
30 Jun 2013						
Total assets before goodwill and intangibles	246,092	63,587	41,490	17,579	13,050	381,798
Goodwill and intangibles	4,802	-	-	-	-	4,802
Total assets	250,894	63,587	41,490	17,579	13,050	386,600
Non-current assets ^{3/}	2,223	351	106	19	2	2,701
Gross customer loans	153,224	48,283	19,949	9,408	7,529	238,393

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 2% from the previous quarter to \$631 million. Total income fell 1% to \$1.46 billion. Net interest income rose 8% to \$1.00 billion from higher loan volumes. Non-interest income was 15% lower at \$458 million due to lower net trading income as well as a gain

in the previous quarter from fixed asset sales. Fee income was stable.

Expenses fell marginally to \$624 million and profit before allowances was 1% lower at \$837 million. Allowances fell 10% to \$62 million as general allowances were lower.

Compared to a year ago, net profit rose 24% as income growth was partially offset by an increase in expenses.

Allowances fell 57% as both specific allowances and general allowances were lower.

For the first half, net profit rose 9% to \$1.25 billion. Total income increased 4% to \$2.93 billion from higher loan volumes partially offset by lower trading income.

Expenses were 9% higher at \$1.25 billion. Allowances fell 46% from lower specific and general allowances.

Hong Kong

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

Net profit declined 26% from the previous quarter to \$200 million as total income fell 16% to \$426 million. Net interest income fell 3% to \$253 million from lower average loan volume and higher fixed deposit costs. Both loan and deposit balances were little changed from the previous quarter. Net interest margin declined nine basis points to 1.48%.

Non-interest income decreased 30% to \$173 million as treasury customer flows fell. Fee income was higher from increased contributions from loan-related activities, trade and transaction services, cards and wealth management, partially offset by lower brokerage income.

Expenses rose 4% to \$186 million from higher general costs. Allowances of \$1 million were little changed from \$4 million in the previous quarter.

Compared to a year ago, net profit was 21% lower as total income declined 19%. Net interest income increased 1% from higher loan volumes partially offset by the impact of a ten basis points decline in net interest margin. Non-interest income was 37% lower from slower treasury customer flows as well as a gain a year ago from fixed asset sales. These factors were partially offset by higher fee income in trade and transaction services and loan-related activities. Expenses were flat, while allowances declined to \$1 million from \$41 million a year ago from a net write-back of general allowances.

For the first half, net profit was little changed at \$472 million. Total income declined 7% to \$932 million. Net interest income rose 7% to \$513 million from higher average loan volume while net interest margin declined slightly. Non-interest income fell mainly from by lower trading income, and there had also been a gain of \$43 million a year ago from the sale of fixed assets. Expenses were 3% higher at \$364 million while allowances declined to \$5 million from a net write-back of general allowances.

Other countries

Net profit for Rest of Greater China fell 35% from the previous quarter to \$63 million. Net interest income declined 5% to \$146 million from lower net interest

margin. Non-interest income fell 35% to \$80 million as trading income declined with slower treasury customer flows. Trade and transaction services and loan-related fees also declined. Expenses increased 8% to \$151 million while total allowances declined to \$8 million from \$11 million due to lower general allowances.

Compared to a year ago, net profit was two times higher. Net interest income rose 40% due mainly to higher net interest margin, while non-interest income was unchanged. Expenses were higher while allowances halved.

For the first half, net profit rose to \$160 million from \$58 million a year ago. Total income was 42% higher at \$503 million as both net interest and non-interest income rose. Expenses were 16% higher at \$291 million. Allowances declined to \$19 million from \$25 million due to lower general allowances.

Net profit for South and South-east Asia rose to \$45 million from \$12 million in the previous quarter. Total income was little changed as net interest income rose 4% to \$100 million from higher loan volume, while non-interest income fell 15% to \$35 million as lower trading income more than offset higher fee income. Expenses were flat at \$73 million. Total allowances fell 23% to \$48 million as specific allowances were lower, partially offset by higher general allowances.

Compared to a year ago, net profit was 15% lower as both net interest and non-interest income declined, and allowances rose 55% while expenses were marginally higher.

For the first half, net profit fell 53% to \$57 million. Total income was 10% lower at \$272 million, while expenses were 4% higher at \$146 million. Allowances more than doubled to \$110 million from \$42 million due to higher specific allowances.

Net profit for Rest of the World was little changed from the previous quarter at \$30 million. Total income rose 8% to \$65 million as net interest income increased 17% to \$55 million mainly from higher loan volumes, while non-interest income declined 23% to \$10 million. Expenses were little changed. Allowances rose to \$9 million from \$5 million due to higher general allowances.

Compared to a year ago, net profit fell 39% as total income declined 23%. Expenses and total allowances were little changed.

For the first half, net profit doubled to \$61 million. Total income fell 19% to \$125 million as non-interest income declined from lower trading income, while expenses were little changed. Allowances fell 82% to \$14 million due mainly to lower specific allowances.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
Gross	260,758	256,744	252,181	238,393
Less:				
Specific allowances	937	1,073	1,129	1,286
General allowances	2,466	2,442	2,398	2,320
Net total	257,355	253,229	248,654	234,787
By business unit				
Consumer Banking/ Wealth Management	76,373	74,120	70,995	66,195
Institutional Banking	181,991	179,748	178,609	169,293
Others	2,394	2,876	2,577	2,905
Total (Gross)	260,758	256,744	252,181	238,393
By geography ^{1/}				
Singapore	123,410	119,264	119,463	114,626
Hong Kong	44,919	43,951	41,418	37,760
Rest of Greater China	48,656	48,744	47,910	41,641
South and South-east Asia	23,303	23,911	23,004	23,161
Rest of the World	20,470	20,874	20,386	21,205
Total (Gross)	260,758	256,744	252,181	238,393
By industry				
Manufacturing	31,487	30,533	30,034	32,556
Building and construction	44,790	44,210	43,016	40,177
Housing loans	50,816	49,846	49,147	47,202
General commerce	54,826	53,753	51,803	48,230
Transportation, storage & communications	21,475	21,210	21,265	19,816
Financial institutions, investment & holding companies	14,475	14,339	11,013	9,976
Professionals & private individuals (excluding housing loans)	21,727	20,555	19,180	16,989
Others	21,162	22,298	26,723	23,447
Total (Gross)	260,758	256,744	252,181	238,393
By currency				
Singapore dollar	104,169	101,651	101,456	97,779
Hong Kong dollar	29,968	29,714	29,463	28,811
US dollar	90,045	90,201	84,998	80,146
Others	36,576	35,178	36,264	31,657
Total (Gross)	260,758	256,744	252,181	238,393

Note:

^{1/} Loans by geography are classified according to where the borrower is incorporated.

Gross customer loans rose 2% from the previous quarter to \$261 billion, with Singapore-dollar consumer and corporate loans accounting for the increase.

Gross loans were 9% higher than a year ago, with the expansion led by Singapore-dollar and US-dollar loans in Singapore, Hong Kong and Rest of Greater China.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	30 Jun 2014			31 Mar 2014			31 Dec 2013			30 Jun 2013		
	NPA (\$m)	NPL (% of loans)	SP (\$m)									
Consumer Banking/ Wealth Management	296	0.4	75	297	0.4	72	293	0.4	73	297	0.4	71
Institutional Banking	2,021	1.1	862	2,325	1.3	1,001	2,589	1.4	1,056	2,578	1.5	1,306
Total non-performing loans (NPL)	2,317	0.9	937	2,622	1.0	1,073	2,882	1.1	1,129	2,875	1.2	1,377
Debt securities	9	-	3	9	-	3	9	-	3	9	-	3
Contingent liabilities & others	104	-	47	99	-	49	105	-	50	82	-	48
Total non-performing assets (NPA)	2,430	-	987	2,730	-	1,125	2,996	-	1,182	2,966	-	1,428
By geography												
Singapore	422	0.3	129	423	0.4	113	435	0.4	109	468	0.4	165
Hong Kong	223	0.5	103	229	0.5	115	233	0.6	117	262	0.7	126
Rest of Greater China	289	0.6	147	281	0.6	143	282	0.6	146	266	0.6	133
South and South-east Asia	819	3.5	326	800	3.3	257	587	2.6	195	374	1.6	193
Rest of the World	564	2.8	232	889	4.3	445	1,345	6.6	562	1,505	7.1	760
Total non-performing loans	2,317	0.9	937	2,622	1.0	1,073	2,882	1.1	1,129	2,875	1.2	1,377
Debt securities	9	-	3	9	-	3	9	-	3	9	-	3
Contingent liabilities & others	104	-	47	99	-	49	105	-	50	82	-	48
Total non-performing assets (NPA)	2,430	-	987	2,730	-	1,125	2,996	-	1,182	2,966	-	1,428
Loss Allowance Coverage												
Specific allowances			987			1,125			1,182			1,428
General allowances			2,942			2,915			2,865			2,750
Total Allowances			3,929			4,040			4,047			4,178
Total Allowances/ NPA			162%			148%			135%			141%
Total Allowances/ unsecured NPA			321%			271%			204%			191%

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	30 Jun 2014		31 Mar 2014		31 Dec 2013		30 Jun 2013	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
	Manufacturing	544	256	579	250	488	240	481
Building and construction	382	135	384	103	226	42	114	50
Housing loans	110	9	111	8	112	9	118	12
General commerce	387	135	328	123	397	142	406	229
Transportation, storage & communications	331	131	633	332	1,145	465	1,231	545
Financial institutions, investment & holding companies	251	160	266	159	265	146	297	172
Professionals & private individuals (excluding housing loans)	157	50	158	47	155	48	158	46
Others	155	61	163	51	94	37	70	34
Total non-performing loans	2,317	937	2,622	1,073	2,882	1,129	2,875	1,377
Debt securities	9	3	9	3	9	3	9	3
Contingent liabilities & others	104	47	99	49	105	50	82	48
Total non-performing assets	2,430	987	2,730	1,125	2,996	1,182	2,966	1,428

By loan classification (\$m)	30 Jun 2014		31 Mar 2014		31 Dec 2013		30 Jun 2013	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
Non-performing assets								
Substandard	1,515	217	1,693	228	1,981	306	1,620	260
Doubtful	686	541	810	670	753	614	983	805
Loss	229	229	227	227	262	262	363	363
Total	2,430	987	2,730	1,125	2,996	1,182	2,966	1,428
Restructured assets								
Substandard	319	35	429	41	878	168	942	182
Doubtful	122	113	338	322	343	326	363	338
Loss	50	50	57	57	56	56	72	72
Total	491	198	824	420	1,277	550	1,377	592

By collateral type (\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
	NPA	NPA	NPA	NPA
Unsecured non-performing assets	1,224	1,491	1,986	2,190
Secured non-performing assets by collateral type				
Properties	375	394	351	343
Shares and debentures	398	482	323	145
Fixed deposits	13	30	33	27
Others	420	333	303	261
Total	2,430	2,730	2,996	2,966

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	30 Jun 2014 NPA	31 Mar 2014 NPA	31 Dec 2013 NPA	30 Jun 2013 NPA
Not overdue	517	831	1,281	1,244
<90 days overdue	246	333	275	249
91-180 days overdue	254	340	272	319
>180 days overdue	1,413	1,226	1,168	1,154
Total	2,430	2,730	2,996	2,966

Non-performing assets declined 11% from the previous quarter to \$2.43 billion as a result of a loan resolution in Rest of the World.

Allowance coverage was at 162% of non-performing assets and 321% if collateral was considered.

The non-performing loans ratio improved to 0.9% from 1.0%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS

(\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
By currency and product				
Singapore dollar	135,961	139,560	134,758	138,947
Fixed deposits	15,294	19,052	17,079	21,190
Savings accounts	100,011	98,784	97,022	94,347
Current accounts	20,634	21,666	20,616	22,227
Others	22	58	41	1,183
Hong Kong dollar	27,964	27,609	29,840	27,579
Fixed deposits	16,593	17,371	18,964	17,892
Savings accounts	6,816	5,944	6,437	5,902
Current accounts	4,135	3,940	3,993	3,692
Others	420	354	446	93
US dollar	85,417	83,376	75,023	59,118
Fixed deposits	52,551	47,461	43,172	33,114
Savings accounts	5,058	4,915	5,858	4,666
Current accounts	21,665	25,674	18,616	16,319
Others	6,143	5,326	7,377	5,019
Others	50,057	50,945	52,744	48,964
Fixed deposits	40,634	41,925	43,285	39,372
Savings accounts	2,981	3,107	3,112	2,900
Current accounts	5,555	5,416	5,584	5,330
Others	887	497	763	1,362
Total	299,399	301,490	292,365	274,608
Fixed deposits	125,072	125,809	122,500	111,568
Savings accounts	114,866	112,750	112,429	107,815
Current accounts	51,989	56,696	48,809	47,568
Others	7,472	6,235	8,627	7,657

Customer deposits declined 1% from the previous quarter to \$299 billion. Adjusting for the placement of a short-term deposit at end-March 2014 that subsequently flowed out, deposits rose 3% during the quarter.

Compared to a year ago, customer deposits were 9% higher, in line with loan growth. The deposit growth was led by Singapore dollar savings deposits, which rose 6% to \$100 billion, and US dollar deposits, which rose 44% to \$85 billion.

DEBTS ISSUED

(\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
Subordinated term debts	5,506	5,523	5,544	5,532
Senior medium term notes	7,480	6,411	5,635	4,511
Commercial papers	13,596	12,121	12,142	14,186
Negotiable certificates of deposit	1,465	1,432	1,235	967
Other debt securities	4,822	4,534	4,103	4,370
Total	32,869	30,021	28,659	29,566
Due within 1 year	20,524	18,300	17,108	16,458
Due after 1 year	12,345	11,721	11,551	13,108
Total	32,869	30,021	28,659	29,566

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

VALUE AT RISK AND TRADING INCOME

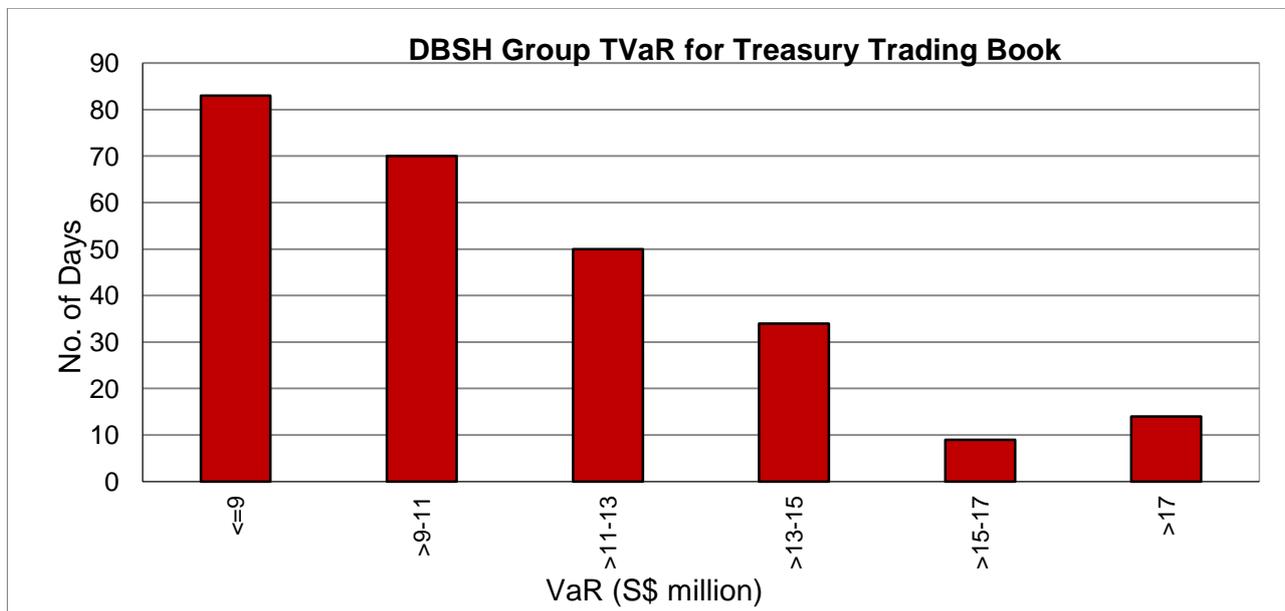
The Group's market risk appetite framework leverages on the Tail Value-at-Risk (TVaR) metric to monitor and limit market risk exposures. TVaR, or more commonly referenced as Expected Shortfall, is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond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

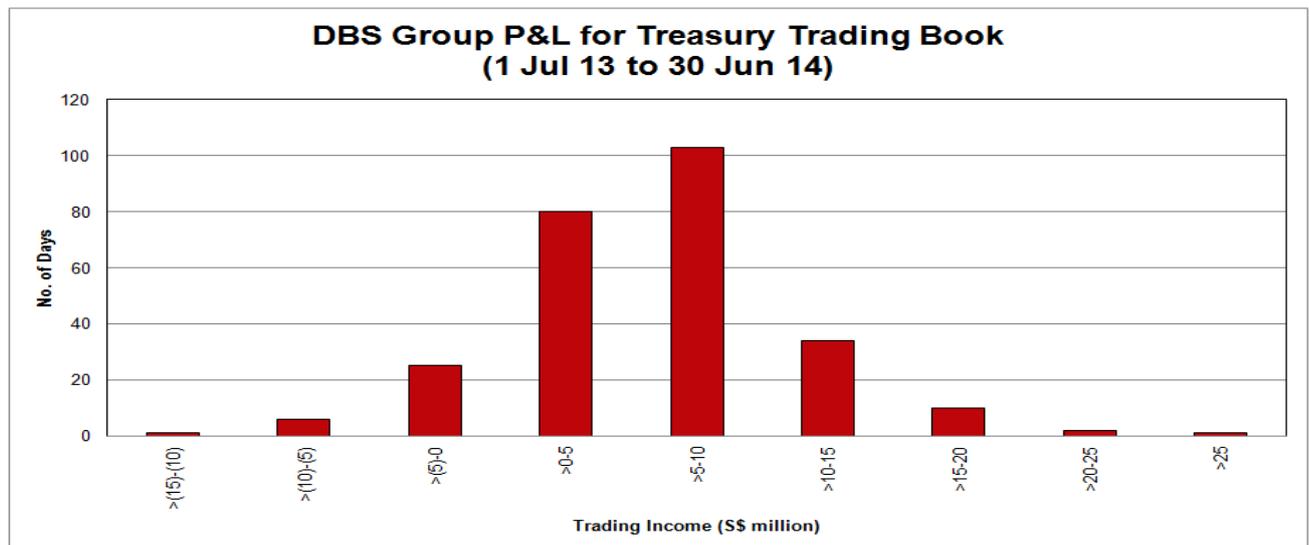
(\$m)	As at 30 Jun 2014	1 Jul 2013 to 30 Jun 2014		
		Average	High	Low
Total	13	11	19	7

Treasury's trading portfolio experienced three back-testing exceptions from 1 July 2013 to 30 June 2014 compared with one in the corresponding prior period. The exceptions occurred in July and February.

The chart below shows the histogram of VaR for the Group's trading book for the period from 1 July 2013 to 30 June 2014.



The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 July 2013 to 30 June 2014.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
Share capital	9,865	9,622	9,607	9,566
Disclosed reserves and others	25,587	24,501	23,918	22,979
Total regulatory adjustments to Common Equity Tier 1	(1,005)	(1,007)	(1)	-
Regulatory adjustments due to insufficient Additional Tier 1 capital	(847)	(855)	(876)	(1,280)
Common Equity Tier 1	33,600	32,261	32,648	31,265
Additional Tier 1 capital instruments ^{1/}	3,170	3,173	4,144	3,746
Total regulatory adjustments to Additional Tier 1 capital	(3,170)	(3,173)	(4,144)	(3,746)
Tier 1 capital	33,600	32,261	32,648	31,265
Provisions eligible as Tier 2 capital	1,263	1,258	1,217	1,287
Tier 2 capital instruments ^{1/}	4,281	4,284	4,955	4,955
Total regulatory adjustments to Tier 2 capital	(1)	(1)	(1)	(1)
Total capital	39,143	37,802	38,819	37,506
Risk-Weighted Assets (RWA)				
Credit RWA	191,642	193,496	188,124	194,774
Market RWA	42,601	38,133	35,092	33,480
Operational RWA	15,400	15,120	14,865	14,503
Total RWA	249,643	246,749	238,081	242,757
Capital Adequacy Ratio (CAR) (%)				
Common Equity Tier 1	13.5	13.1	13.7	12.9
Tier 1	13.5	13.1	13.7	12.9
Total	15.7	15.3	16.3	15.5
Pro forma Common Equity Tier 1 under final rules effective 1 Jan 2018	12.2	11.7	11.9	11.3
Minimum CAR (%)				
Common Equity Tier 1	5.5	5.5	4.5	4.5
Tier 1	7.0	7.0	6.0	6.0
Total	10.0	10.0	10.0	10.0

Note:

^{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.

Compared to the previous quarter, the Common Equity Tier 1 ratio increased from 13.1% to 13.5% as the increase in capital outpaced the growth in risk-weighted assets. Total capital increased for the quarter mainly due to higher retained earnings. For the same reason, the Common Equity Tier 1 ratio based on final rules effective 1 January 2018 increased 0.5% points from the previous quarter to 12.2%.

ADDITIONAL PILLAR 3 DISCLOSURES

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

Credit Risk-Weighted Assets

The following table analyses credit risk-weighted assets by risk-weighting approach and asset class:

(\$m)	RWA ^{1/}
Advanced IRBA	
Retail exposures	
Residential mortgage exposures	3,384
Qualifying revolving retail exposures	3,410
Other retail exposures	524
Foundation IRBA	
Wholesale exposures	
Sovereign exposures	5,267
Bank exposures	19,027
Corporate exposures	69,041
Corporate small business exposures	18,340
Specialised lending exposures	22,151
IRBA for equity exposures	7,193
IRBA for securitisation exposures	628
Total IRBA	148,965
Standardised Approach	
Residential mortgage exposures	2,062
Regulatory retail exposures	1,268
Corporate exposures	9,944
Commercial real estate exposures	1,348
Other exposures	
Real estate, premises, equipment and other fixed assets	1,430
Exposures to individuals	13,272
Others	4,042
Securitisation exposures	168
Total Standardised Approach	33,534
Exposures to Central Counterparties	376
Credit Valuation Adjustment	6,296
RWA arising from Regulatory Adjustment ^{2/}	2,471
Total credit risk	191,642

Key: IRBA: Internal Ratings-Based Approach; RWA: Risk-weighted assets

Note:

1/ RWA under IRBA are stated inclusive of the IRBA scaling factor of 1.06 where applicable.

2/ This relates to investments in unconsolidated major stake companies which are below the threshold amount for deduction and are risk-weighted pursuant to paragraph 6.1.3(p)(iii) of MAS Notice 637.

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)	30 Jun 2014			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	33,378	14.2	14.2	16.3
DBS Bank (China) Limited	14,344	12.1	12.1	12.5

UNREALISED VALUATION SURPLUS

(\$m)	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
Properties ^{1/}	788	710	686	606
Investment securities classified as loans and receivables and held to maturity ^{2/}	167	98	73	125
Total	955	808	759	731

Notes:

1/ Stated at cost less accumulated depreciation and impairment losses in the balance sheet

2/ Stated at cost less impairment losses in the balance sheet

The amount of unrealised valuation surplus increased from \$808 million in the previous quarter to \$955 million mainly due to higher valuations of properties and investment securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Income Statement

In \$ millions	2nd Qtr 2014	2nd Qtr 2013	+/(-) %	1st Qtr 2014	+/(-) %	1st Half 2014	1st Half 2013	+/(-) %
Income								
Interest income	2,218	1,975	12	2,129	4	4,347	3,895	12
Interest expense	661	593	11	641	3	1,302	1,186	10
Net interest income	1,557	1,382	13	1,488	5	3,045	2,709	12
Net fee and commission income	503	477	5	510	(1)	1,013	984	3
Net trading income	176	336	(48)	362	(51)	538	744	(28)
Net income from investment securities	62	45	38	38	63	100	111	(10)
Other income	15	69	(78)	251	(94)	266	78	>100
Total income	2,313	2,309	-	2,649	(13)	4,962	4,626	7
Expenses								
Employee benefits	554	521	6	557	(1)	1,111	1,027	8
Other expenses	500	466	7	484	3	984	912	8
Allowances for credit and other losses	128	245	(48)	151	(15)	279	468	(40)
Total expenses	1,182	1,232	(4)	1,192	(1)	2,374	2,407	(1)
Operating profit after allowances	1,131	1,077	5	1,457	(22)	2,588	2,219	17
Share of profits of associates and joint venture	51	22	>100	13	>100	64	49	31
Profit before tax	1,182	1,099	8	1,470	(20)	2,652	2,268	17
Income tax expense	180	162	11	199	(10)	379	329	15
Net profit	1,002	937	7	1,271	(21)	2,273	1,939	17
Attributable to:								
Shareholders	969	887	9	1,231	(21)	2,200	1,837	20
Non-controlling interests	33	50	(34)	40	(18)	73	102	(28)
	1,002	937	7	1,271	(21)	2,273	1,939	17

Unaudited Consolidated Statement of Comprehensive Income

In \$ millions	2nd Qtr 2014	2nd Qtr 2013	+/(-) %	1st Qtr 2014	+/(-) %	1st Half 2014	1st Half 2013	+/(-) %
Net profit	1,002	937	7	1,271	(21)	2,273	1,939	17
Other comprehensive income ^{1/}:								
Foreign currency translation differences for foreign operations	(26)	(29)	10	23	NM	(3)	8	NM
Share of other comprehensive income of associates and joint venture	(8)	5	NM	13	NM	5	7	(29)
Available-for-sale financial assets and others								
<i>Net valuation taken to equity</i>	226	(557)	NM	133	70	359	(518)	NM
<i>Transferred to income statement</i>	(34)	(20)	(70)	(23)	(48)	(57)	(72)	21
<i>Tax on items taken directly to or transferred from equity</i>	(11)	43	NM	(2)	(>100)	(13)	35	NM
Other comprehensive income, net of tax	147	(558)	NM	144	2	291	(540)	NM
Total comprehensive income	1,149	379	>100	1,415	(19)	2,564	1,399	83
Attributable to:								
Shareholders	1,118	325	>100	1,375	(19)	2,493	1,291	93
Non-controlling interests	31	54	(43)	40	(23)	71	108	(34)
	1,149	379	>100	1,415	(19)	2,564	1,399	83

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			
	30 Jun 2014	31 Mar 2014	31 Dec 2013 ^{1/}	30 Jun 2013	30 Jun 2014	31 Mar 2014	31 Dec 2013 ^{1/}	30 Jun 2013
ASSETS								
Cash and balances with central banks	15,195	23,510	18,726	18,235				
Government securities and treasury bills	32,438	30,477	27,497	33,210				
Due from banks	42,805	44,340	39,817	33,659				
Derivatives	14,723	15,186	17,426	15,962				
Bank and corporate securities	36,496	33,307	33,546	31,243				
Loans and advances to customers	257,355	253,229	248,654	234,787				
Other assets	11,003	11,605	8,925	12,001				
Associates and joint venture	995	1,100	1,166	1,284				
Subsidiaries	-	-	-	-	12,487	12,519	12,547	12,376
Properties and other fixed assets	1,430	1,423	1,449	1,417				
Goodwill and intangibles	4,835	4,802	4,802	4,802				
TOTAL ASSETS	417,275	418,979	402,008	386,600	12,487	12,519	12,547	12,376
LIABILITIES								
Due to banks	15,776	18,521	13,572	13,385				
Deposits and balances from customers	299,399	301,490	292,365	274,608				
Derivatives	15,034	15,564	18,132	16,802				
Other liabilities	15,459	15,236	11,594	15,531	4	16	11	18
Other debt securities	27,363	24,498	23,115	24,034				
Subordinated term debts	5,506	5,523	5,544	5,532				
TOTAL LIABILITIES	378,537	380,832	364,322	349,892	4	16	11	18
NET ASSETS	38,738	38,147	37,686	36,708	12,483	12,503	12,536	12,358
EQUITY								
Share capital	9,922	9,684	9,676	9,642	9,946	9,710	9,704	9,671
Other equity instruments	803	803	803	-	803	803	803	-
Other reserves	6,755	6,587	6,492	6,681	106	87	136	99
Revenue reserves	18,708	18,493	17,262	16,119	1,628	1,903	1,893	2,588
SHAREHOLDERS' FUNDS	36,188	35,567	34,233	32,442	12,483	12,503	12,536	12,358
Non-controlling interests	2,550	2,580	3,453	4,266				
TOTAL EQUITY	38,738	38,147	37,686	36,708	12,483	12,503	12,536	12,358
OTHER INFORMATION								
Net book value per share (\$)								
(i) Basic	14.32	14.14	13.61	13.21	4.68	4.72	4.73	4.99
(ii) Diluted	14.21	14.04	13.51	13.12	4.69	4.73	4.74	5.00

Note:
1/ Audited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Statement of Changes in Equity

In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
GROUP							
Balance at 1 January 2014	9,676	803	6,492	17,262	34,233	3,453	37,686
Purchase of treasury shares	(79)				(79)		(79)
Draw-down of reserves upon vesting of performance shares	67		(67)		-		-
Issue of shares upon exercise of share options	13				13		13
Reclassification of reserves upon exercise of share options	3		(3)		-		-
Issuance of new shares pursuant to Scrip Dividend Scheme	242				242		242
Cost of share-based payments			40		40		40
Redemption of preference shares of a subsidiary					-	(895)	(895)
Dividends paid to shareholders ^{1/}				(754)	(754)		(754)
Dividends paid to non-controlling interests					-	(79)	(79)
Total comprehensive income			293	2,200	2,493	71	2,564
Balance at 30 June 2014	9,922	803	6,755	18,708	36,188	2,550	38,738
Balance at 1 January 2013	9,542	-	7,229	14,966	31,737	4,261	35,998
Purchase of treasury shares	(20)				(20)		(20)
Draw-down of reserves upon vesting of performance shares	36		(36)		-		-
Issue of shares upon exercise of share options	16				16		16
Reclassification of reserves upon exercise of share options	4		(4)		-		-
Issuance of new shares pursuant to Scrip Dividend Scheme	64				64		64
Cost of share-based payments			38		38		38
Dividends paid to shareholders ^{1/}				(684)	(684)		(684)
Dividends paid to non-controlling interests					-	(103)	(103)
Total comprehensive income			(546)	1,837	1,291	108	1,399
Balance at 30 June 2013	9,642	-	6,681	16,119	32,442	4,266	36,708

Note:

^{1/} Includes distributions paid on preference shares and capital securities classified as equity

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	(79)				(79)
Transfer of treasury shares	63				63
Draw-down of reserves upon vesting of performance shares			(67)		(67)
Issue of shares upon exercise of share options	13				13
Reclassification of reserves upon exercise of share options	3		(3)		-
Cost of share-based payments			40		40
Issuance of new shares pursuant to Scrip Dividend Scheme	242				242
Dividends paid to shareholders ^{1/}				(754)	(754)
Total comprehensive income				489	489
Balance at 30 June 2014	9,946	803	106	1,628	12,483
Balance at 1 January 2013	9,574	-	101	1,476	11,151
Purchase of treasury shares	(20)				(20)
Transfer of treasury shares	33				33
Draw-down of reserves upon vesting of performance shares			(36)		(36)
Issue of shares upon exercise of share options	16				16
Reclassification of reserves upon exercise of share options	4		(4)		-
Cost of share-based payments			38		38
Issuance of new shares pursuant to Scrip Dividend Scheme	64				64
Dividends paid to shareholders ^{1/}				(684)	(684)
Total comprehensive income				1,796	1,796
Balance at 30 June 2013	9,671	-	99	2,588	12,358

Note:

1/ Includes distributions paid on preference shares and capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Cash Flow Statement

In \$ millions	1st Half 2014	1st Half 2013
Cash flows from operating activities		
Net profit	2,273	1,939
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	279	468
Depreciation of properties and other fixed assets	107	108
Share of profits of associates and joint venture	(64)	(49)
Net gain on disposal (net of write-off) of properties and other fixed assets	(43)	(44)
Net income from investment securities	(100)	(111)
Net gain on disposal of associate	(223)	-
Income tax expense	379	329
Fair value gain on acquisition of interest in joint venture	(3)	-
Profit before changes in operating assets & liabilities	2,605	2,640
<i>Increase/(Decrease) in:</i>		
Due to banks	2,204	(1,966)
Deposits and balances from customers	7,034	21,144
Other liabilities	988	3,247
Other debt securities and borrowings	4,255	10,258
<i>(Increase)/Decrease in:</i>		
Restricted balances with central banks	(196)	(707)
Government securities and treasury bills	(4,802)	3,276
Due from banks	(2,982)	(4,253)
Loans and advances to customers	(8,962)	(24,724)
Bank and corporate securities	(2,712)	(5,648)
Other assets	256	(2,556)
Tax paid	(232)	(218)
Net cash (used in)/ generated from operating activities (1)	(2,544)	493
Cash flows from investing activities		
Dividends from associates	76	11
Purchase of properties and other fixed assets	(108)	(86)
Proceeds from disposal of properties and other fixed assets	57	61
Proceeds from disposal of interest in associates	433	-
Acquisition of interest in associate and joint venture	(88)	(2)
Net cash generated from/(used in) investing activities (2)	370	(16)
Cash flows from financing activities		
Increase in share capital	255	84
Purchase of treasury shares	(79)	(20)
Dividends paid to non-controlling interests	(79)	(103)
Dividends paid to shareholders of the Company	(754)	(684)
Redemption of preference shares of a subsidiary	(895)	-
Net cash used in financing activities (3)	(1,552)	(723)
Exchange translation adjustments (4)	(1)	2
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(3,727)	(244)
Cash and cash equivalents at 1 January	10,949	10,993
Cash and cash equivalents at 30 June	7,222	10,749

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
Ordinary shares		
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
As at 31 March	2,450,647,052	2,443,256,350
Shares issued pursuant to Scrip Dividend Scheme	14,429,211	3,654,789
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	67,191	349,903
Balance at 30 June [a]	2,465,143,454	2,447,261,042
Treasury shares held by DBSH		
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	-
As at 31 March	4,709,000	2,844,000
Purchase of Treasury Shares	400,000	1,300,000
Balance at 30 June [b]	5,109,000	4,144,000
Ordinary shares net of treasury shares [a] – [b]	2,460,034,454	2,443,117,042

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

(Number)	30 Jun 2014	30 Jun 2013
Conversion of non-voting redeemable CPS	30,011,421	30,011,421
Exercise of share options	419,189	1,570,387
Weighted average number of shares for first half ^{1/}		
- ordinary shares	2,445,746,624	2,439,039,569
- fully diluted	2,475,855,808	2,469,362,554

^{1/} 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:

30 Jun 2014 In \$ millions	Level 1	The Group		Total
		Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
- Singapore Government securities and treasury bills	1,666	-	-	1,666
- Other government securities and treasury bills	5,338	2,286	-	7,624
- Bank and corporate debt securities	5,915	3,147	670	9,732
- Equity securities	577	15	-	592
- Other financial assets	-	6,651	-	6,651
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	7,347	-	-	7,347
- Other government securities and treasury bills	13,990	631	-	14,621
- Bank and corporate debt securities	10,480	1,776	26	12,282
- Equity securities ^(a)	1,063	2	120	1,185
- Other financial assets	-	5,055	-	5,055
Derivatives	153	14,539	31	14,723
Liabilities				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	4,342	8	4,350
- Other financial liabilities	2,644	2,641	-	5,285
Derivatives	118	14,792	124	15,034

Note:

(a) Excludes unquoted equities stated at cost of \$275 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

31 Dec 2013 In \$ millions	Level 1	The Group		Total
		Level 2	Level 3	
Assets				
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 ^(a)	889	2	131	1,022
- Other financial assets	253	5,381	-	5,634
Derivatives	50	17,355	21	17,426
Liabilities				
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		Pur- chases	Issues	Settle- ments	Transfers in	Transfers out	Balance at 30 June
		Profit or loss	Other compre- hensive income						
2014									
Assets									
Financial assets at fair value through profit or loss									
- Bank and corporate debt securities	539	44	-	141	-	(101)	47	-	670
Available-for-sale financial assets									
- Bank and corporate debt securities	26	-	-	-	-	-	-	-	26
- Equity securities	131	8	(11)	-	-	(8)	-	-	120
Derivatives	21	(5)	-	7	-	(5)	19	(6)	31
Total	717	47	(11)	148	-	(114)	66	(6)	847
Liabilities									
Financial liabilities at fair value through profit or loss									
- Other debt securities	21	-	-	-	-	(13)	-	-	8
Derivatives	51	29	-	17	-	-	27	-	124
Total	72	29	-	17	-	(13)	27	-	132

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.

Gain and losses on Level 3 financial assets and liabilities measured at fair value

In \$ millions	Category reported in the Income Statement			
	1st Half 2014	Net trading Income	Net income from investment securities	Total
Total gains or losses for the period included in income statement		10	8	18
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 input to reflect 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
30 Jun 2014				
Assets				
Bank and corporate debt securities	670	FVPL ^(a)	Discounted Cash Flows	Credit spreads
Bank and corporate debt securities	26	AFS ^(b)	Discounted Cash Flows	Credit spreads
Equity securities (Unquoted)	120	AFS ^(b)	Net Asset Value	Net asset value of securities
Derivatives	31	FVPL ^(a)	CDS models / Option & interest rate pricing model	Credit spreads / Correlations/ Basis Volatility
Total	847			
Liabilities				
Other debt securities	8	FVPL ^(a)	Discounted Cash Flows	Credit spreads
Derivatives	124	FVPL ^(a)	CDS models/ Option & interest rate pricing model	Credit spreads / Correlations
Total	132			

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 30 June 2014. Unquoted equities of \$275 million as at 30 June 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

In \$ millions	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Jun 2013
Contingent liabilities	21,086	20,862	20,919	20,858
Commitments ^(a)	169,144	165,727	158,839	147,426
Financial Derivatives	1,762,574	1,713,920	1,558,657	1,534,756

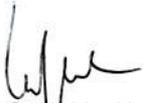
Note:

(a) Includes commitments that are unconditionally cancellable at any time of \$133,660 million (Mar'14:\$129,812 million, Dec'13:\$124,031 million, Jun'13:\$112,897 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 Half ended 30 June 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

31 July 2014
Singapore