

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 2015**

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

**Dividends**

For the first quarter of 2015, 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

24 April 2015  
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 2015

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 2014, with the exception of the adoption of new or revised FRS.

On 1 January 2015, the Group adopted the following revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- Improvements to FRSs (issued in January 2014)
- Improvements to FRSs (issued in February 2014)

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

	1st Qtr 2015	1st Qtr 2014	% chg	4th Qtr 2014	% chg
<b>Selected income statement items (\$m)</b>					
Net interest income	1,690	1,488	14	1,674	1
Net fee and commission income	560	510	10	459	22
Other non-interest income	486	453	7	207	>100
Total income	2,736	2,451	12	2,340	17
Expenses	1,181	1,041	13	1,126	5
Profit before allowances	1,555	1,410	10	1,214	28
Allowances for credit and other losses	181	151	20	211	(14)
Profit before tax	1,378	1,272	8	1,012	36
Net profit	1,133	1,033	10	838	35
One-time items <sup>1/</sup>	136	198	(31)	-	NM
Net profit including one-time items	1,269	1,231	3	838	51
<b>Selected balance sheet items (\$m)</b>					
Customer loans	280,808	253,229	11	275,588	2
Total assets	456,647	418,979	9	440,666	4
Customer deposits	324,480	301,490	8	317,173	2
Total liabilities	414,926	380,832	9	400,460	4
Shareholders’ funds	39,189	35,567	10	37,708	4
<b>Key financial ratios (%) (excluding one-time items) <sup>2/</sup></b>					
Net interest margin	1.69	1.66		1.71	
Non-interest/total income	38.2	39.3		28.5	
Cost/income ratio	43.2	42.5		48.1	
Return on assets	1.02	1.02		0.77	
Return on equity <sup>3/</sup>	12.2	12.3		9.0	
Loan/deposit ratio	86.5	84.0		86.9	
NPL ratio	0.9	1.0		0.9	
Specific allowances (loans)/average loans (bp)	22	15		22	
Common Equity Tier 1 capital adequacy ratio	13.4	13.1		13.1	
Tier 1 capital adequacy ratio	13.4	13.1		13.1	
Total capital adequacy ratio	15.3	15.3		15.3	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	1st Qtr 2015	1st Qtr 2014	4th Qtr 2014
<b>Per share data (\$)</b>			
Per basic share			
– earnings excluding one-time items	1.84	1.69	1.32
– earnings	1.89	1.78	1.32
– net book value <sup>4/</sup>	15.42	14.14	14.85
Per diluted share			
– earnings excluding one-time items	1.82	1.68	1.31
– earnings	1.87	1.76	1.31
– net book value <sup>4/</sup>	15.30	14.04	14.74

Notes:

- 1/ First quarter 2015: relates to gain from disposal of a property investment. First quarter 2014: relates to net gain on divestment of remaining stake in the Bank of the Philippine Islands of \$223 million less a sum of \$25 million donated to National Gallery Singapore.
- 2/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis.
- 3/ 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 on equity.
- 4/ Non-controlling interests are not included as equity in the computation of net book value per share.
- NM Not Meaningful

Net profit rose 10% from a year ago to a record \$1.13 billion. Total income increased 12% to \$2.74 billion as net interest income and non-interest income reached new highs. Compared to the previous quarter, net profit was 35% higher as non-interest income rose.

Net interest income increased 14% from a year ago to \$1.69 billion. Loans grew 11%, partly due to currency effects, while net interest margin rose three basis points to 1.69%. Compared to the previous quarter, net interest income was 1% higher. Loans grew 2% due to currency effects. Underlying loan volumes were little changed as growth in regional corporate and secured consumer loans was offset by a contraction in trade loans. Net interest margin eased two basis points.

Non-interest income increased 9% from a year ago to \$1.05 billion, crossing the \$1 billion mark for the first time. Fee income was 10% higher at \$560 million, led by growth in wealth management and credit card contributions. Trading income was similar to year-ago levels while income on investment securities benefited from the disposal of government securities. Compared to the previous quarter, non-interest income was 57% higher, due partly to seasonally-low activity in the fourth quarter.

Expenses rose 13% from a year ago and 5% from the previous quarter to \$1.18 billion. Profit before allowances grew 10% from a year ago and 28% from the previous quarter to a new high of \$1.56 billion.

Asset quality remained healthy with the non-performing loan rate unchanged from recent quarters at 0.9%. Specific allowances for loans of 22 basis points were the same as the previous quarter. Allowance coverage of 161% was around historical highs and was at 294% if collateral was considered.

Liquidity was ample as deposits rose 8% from a year ago and 2% from the previous quarter to \$324 billion. The loan-deposit ratio of 87% was similar to recent quarters. The Singapore-dollar and all-currency liquidity coverage ratios were 424% and 131% respectively.

DBS remained well-capitalised. The Common Equity Tier 1 ratio was at 13.4% while the leverage ratio was at 7.1%. Return on equity was 12.2%.

There was a one-time gain of \$136 million from the disposal of a property investment in Hong Kong. Including the one-time gain, net profit was \$1.27 billion.

**NET INTEREST INCOME**

Average balance sheet	1st Qtr 2015			1st Qtr 2014			4th Qtr 2014		
	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	228,853	1,439	2.55	202,238	1,244	2.49	220,969	1,392	2.50
Trade assets	58,993	370	2.54	62,669	404	2.61	61,749	379	2.44
Interbank assets <sup>1/</sup>	45,779	146	1.29	36,358	144	1.61	37,530	145	1.53
Securities	72,909	425	2.36	63,451	337	2.15	68,696	419	2.42
<b>Total</b>	<b>406,534</b>	<b>2,380</b>	<b>2.37</b>	<b>364,716</b>	<b>2,129</b>	<b>2.37</b>	<b>388,944</b>	<b>2,335</b>	<b>2.38</b>
<b>Interest-bearing liabilities</b>									
Customer deposits	320,279	543	0.69	291,197	517	0.72	307,570	521	0.67
Other borrowings	58,277	147	1.02	48,666	124	1.03	54,096	140	1.03
<b>Total</b>	<b>378,556</b>	<b>690</b>	<b>0.74</b>	<b>339,863</b>	<b>641</b>	<b>0.76</b>	<b>361,666</b>	<b>661</b>	<b>0.73</b>
<b>Net interest income/margin <sup>2/</sup></b>		<b>1,690</b>	<b>1.69</b>		<b>1,488</b>	<b>1.66</b>		<b>1,674</b>	<b>1.71</b>

Notes:

1/ Includes non-restricted balances with central banks.

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

Net interest income grew 1% from the previous quarter to \$1.69 billion. Net interest margin eased two basis points to 1.69%. The underlying margin was stable. The effect of higher SGD rates was offset by a lower average loan-deposit ratio as trade loans declined.

Compared to a year ago, net interest income rose 14%. Net interest margin rose three basis points while asset volumes were higher.

Volume and rate analysis (\$m)	1st Qtr 2015 versus 1st Qtr 2014			1st Qtr 2015 versus 4th Qtr 2014		
	Increase/(decrease) due to change in Volume	Rate	Net change	Increase/(decrease) due to change in Volume	Rate	Net change
<b>Interest income</b>						
Customer non-trade loans	163	32	195	49	29	78
Trade assets	(24)	(10)	(34)	(17)	16	(1)
Interbank assets	38	(36)	2	32	(28)	4
Securities	50	38	88	26	(11)	15
<b>Total</b>	<b>227</b>	<b>24</b>	<b>251</b>	<b>90</b>	<b>6</b>	<b>96</b>
<b>Interest expense</b>						
Customer deposits	51	(25)	26	22	12	34
Other borrowings	25	(2)	23	10	-	10
<b>Total</b>	<b>76</b>	<b>(27)</b>	<b>49</b>	<b>32</b>	<b>12</b>	<b>44</b>
<b>Net impact on net interest income</b>	<b>151</b>	<b>51</b>	<b>202</b>	<b>58</b>	<b>(6)</b>	<b>52</b>
Due to change in number of days			-			(36)
<b>Net Interest Income</b>			<b>202</b>			<b>16</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET FEE AND COMMISSION INCOME

(\$m)	1st Qtr 2015	1st Qtr 2014	% chg	4th Qtr 2014	% chg
Brokerage	45	43	5	45	-
Investment banking <sup>2/</sup>	26	37	(30)	48	(46)
Trade and transaction services <sup>1/ 2/</sup>	145	146	(1)	121	20
Loan-related	123	118	4	80	54
Cards <sup>3/</sup>	102	83	23	102	-
Wealth management	167	117	43	110	52
Others	18	23	(22)	21	(14)
<b>Fee and commission income</b>	<b>626</b>	<b>567</b>	<b>10</b>	<b>527</b>	<b>19</b>
Less: Fee and commission expense	66	57	16	68	(3)
<b>Net fee and commission income</b>	<b>560</b>	<b>510</b>	<b>10</b>	<b>459</b>	<b>22</b>

Notes:

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

2/ Fees from fiduciary services are reclassified from investment banking to trade and transaction services

3/ Net of interchange fees paid.

Net fee and commission income rose 22% from the previous quarter to a new high of \$560 million. The increase was due to wealth management, loan-related activities and trade and transaction services.

Compared to a year ago, fee income was 10% higher. The increase was led by higher contributions from wealth management as unit trust and insurance sales rose. Credit card fees were also higher. Fees from trade and transaction services were little changed as higher income from cash management offset lower contributions from trade finance.

## OTHER NON-INTEREST INCOME

(\$m)	1st Qtr 2015	1st Qtr 2014	% chg	4th Qtr 2014	% chg
Net trading income	356	362	(2)	92	>100
Net income from investment securities <sup>1/</sup>	103	38	>100	100	3
Net gain on fixed assets	15	43	(65)	-	NM
Others (includes rental income) <sup>1/</sup>	12	10	20	15	(20)
<b>Total</b>	<b>486</b>	<b>453</b>	<b>7</b>	<b>207</b>	<b>&gt;100</b>

Notes:

1/ Excludes one-time items.

NM Not Meaningful

Other non-interest income was more than double the previous quarter, due partly to seasonally quiet trading markets in the fourth quarter.

Other non-interest income of \$486 million was 7% higher than a year ago. While net trading income of \$356 million was little changed, net income from investment securities tripled to \$103 million as gains were realised from government securities.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## EXPENSES

(\$m)	1st Qtr 2015	1st Qtr 2014	% chg	4th Qtr 2014	% chg
Staff	672	557	21	610	10
Occupancy	92	98	(6)	88	5
Computerisation	207	187	11	174	19
Revenue-related	62	59	5	54	15
Others	148	140	6	200	(26)
<b>Total</b>	<b>1,181</b>	<b>1,041</b>	<b>13</b>	<b>1,126</b>	<b>5</b>
Staff headcount at period-end	21,460	19,623	9	21,096	2

Included in the above table were:

Depreciation of properties and other fixed assets	60	53	13	58	3
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Expenses rose 5% from the previous quarter to \$1.18 billion. Higher staff and computerisation costs were partially offset by a decline in other expenses, which had included seasonal advertising costs in the fourth quarter.

Compared to a year ago, costs rose 13%, in line with income growth. The cost-income ratio of 43% was similar to a year ago.

## ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	1st Qtr 2015	1st Qtr 2014	% chg	4th Qtr 2014	% chg
General allowances (GP)	21	56	(63)	54	(61)
<b>Specific allowances (SP) for loans <sup>1/</sup></b>	<b>151</b>	<b>93</b>	<b>62</b>	<b>149</b>	<b>1</b>
Singapore	18	15	20	29	(38)
Hong Kong	30	10	>100	13	>100
Rest of Greater China	39	3	>100	40	(3)
South and South-east Asia	74	97	(24)	65	14
Rest of the World	(10)	(32)	69	2	NM
Specific allowances (SP) for securities, properties and other assets	9	2	>100	8	13
<b>Total</b>	<b>181</b>	<b>151</b>	<b>20</b>	<b>211</b>	<b>(14)</b>

Notes:

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

NM Not Meaningful

Total allowances fell 14% from the previous quarter to \$181 million as general allowances declined in line with loan growth. Specific allowances for loans were little changed.

Compared to a year ago, total allowances were 20% higher. Specific allowances for loans rose 62% to \$151 million in line with the normalisation of credit costs.

# 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 2015 <sup>1/</sup></b>					
Net interest income	485	873	218	114	1,690
Non-interest income	376	477	168	25	1,046
Total income	861	1,350	386	139	2,736
Expenses	518	397	130	136	1,181
Allowances for credit and other losses	29	154	(22)	20	181
Share of profits of associates and joint venture	-	-	-	4	4
Profit before tax	314	799	278	(13)	1,378
<b>4th Qtr 2014</b>					
Net interest income	464	858	270	82	1,674
Non-interest income	280	358	(26)	54	666
Total income	744	1,216	244	136	2,340
Expenses	521	417	145	43	1,126
Allowances for credit and other losses	17	179	(1)	16	211
Share of profits of associates and joint venture	-	-	-	9	9
Profit before tax	206	620	100	86	1,012
<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>Selected balance sheet and other items <sup>2/</sup></b>					
<b>31 Mar 2015</b>					
Total assets before goodwill and intangibles	85,760	225,547	97,387	42,835	451,529
Goodwill and intangibles					5,118
Total assets					456,647
Total liabilities	170,939	159,629	44,346	40,012	414,926
Capital expenditure for 1st Qtr 2015	14	5	2	36	57
Depreciation for 1st Qtr 2015	9	3	1	47	60

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
<b>31 Dec 2014</b>					
Total assets before goodwill and intangibles	84,451	225,504	90,586	35,008	435,549
Goodwill and intangibles					5,117
Total assets					440,666
Total liabilities	162,146	164,788	36,229	37,297	400,460
Capital expenditure for 4th Qtr 2014	20	7	4	61	92
Depreciation for 4th Qtr 2014	8	3	1	46	58
<b>31 Mar 2014</b>					
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

**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.

First-quarter income rose to \$861 million. Compared to the previous quarter, total income grew 16%, as non-interest income increased 34% to \$376 million from higher investment and insurance products sales. Net interest income rose 5% to \$485 million from increased loan volumes and better deposit margin. Expenses fell slightly by 1% to \$518 million, while allowances were \$12 million higher at \$29 million. Profit before tax increased 52% to \$314 million.

Compared to a year ago, profit before tax was 55% higher. Total income grew 29%. Net interest income rose 26% from higher loan volumes and net interest margin, while non-interest income was 33% higher from continued customer growth and stronger cross-sell of products. Expenses rose 19% while allowances were stable.

### 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 specialised 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 29% from the previous quarter to \$799 million as total income was higher and expenses and allowances were lower.

Total income rose 11% to a record \$1.35 billion. Non-interest income increased 33% to \$477 million, led by higher treasury customer income and loan-related activities. Net interest income rose 2% to \$873 million from the stronger US dollar and higher average balances, partially offset by the impact of fewer number of days in the quarter.

Expenses fell 5% to \$397 million. Allowances declined 14% or \$25 million to \$154 million as both general and specific allowances were lower.

Compared to a year ago, profit before tax was little changed. Net interest income increased 14% from higher loan volumes and net interest margins while non-interest income declined 8% from lower treasury customer income, partially offset by the increase in loan-related fees.

Expenses were 11% higher in line with higher business volumes. Total allowances increased 19% from higher 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 customers 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 tripled to \$278 million. Total income rose 58% to \$386 million, a new high, as trading income from credit and foreign exchange activities was higher, while expenses declined 10% to \$130 million. There was a net allowance writeback of \$22 million compared to \$1 million in the previous quarter.

Compared to a year ago, profit before tax rose 77%. Total income increased 38% as trading gains from foreign exchange and credit activities were higher, while expenses grew 7%. Income from treasury customer flows which is reflected in CBG and IBG, rose 46% from the previous quarter to \$335 million as customer related transactions increased. Compared to a year ago, income from treasury customer flows declined 6%.

### **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 2015 <sup>2/</sup></b>						
Net interest income	1,096	309	145	95	45	1,690
Non-interest income	607	230	137	61	11	1,046
Total income	1,703	539	282	156	56	2,736
Expenses	674	229	171	83	24	1,181
Allowances for credit and other losses	40	28	39	68	6	181
Share of profits of associates and joint venture	(2)	-	4	2	-	4
Profit before tax	987	282	76	7	26	1,378
Income tax expense	155	42	6	-	12	215
Net profit	802	240	70	7	14	1,133
<b>4th Qtr 2014</b>						
Net interest income	1,059	308	149	106	52	1,674
Non-interest income	360	174	66	43	23	666
Total income	1,419	482	215	149	75	2,340
Expenses	613	230	168	88	27	1,126
Allowances for credit and other losses	19	31	23	121	17	211
Share of profits of associates and joint venture	6	-	2	1	-	9
Profit before tax	793	221	26	(59)	31	1,012
Income tax expense	131	37	(13)	(31)	17	141
Net profit	630	184	39	(29)	14	838
<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>Selected balance sheet items</b>						
<b>31 Mar 2015</b>						
Total assets before goodwill and intangibles	290,859	81,182	45,913	18,927	14,648	451,529
Goodwill and intangibles	5,083	35	-	-	-	5,118
Total assets	295,942	81,217	45,913	18,927	14,648	456,647
Non-current assets <sup>3/</sup>	1,955	395	83	43	1	2,477
Gross customer loans	186,116	56,822	22,390	11,142	8,028	284,498

# 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 2014</b>						
Total assets before goodwill and intangibles	286,633	72,487	44,637	17,254	14,538	435,549
Goodwill and intangibles	5,083	34	-	-	-	5,117
Total assets	291,716	72,521	44,637	17,254	14,538	440,666
Non-current assets <sup>3/</sup>	1,959	382	96	41	2	2,480
Gross customer loans	182,823	54,763	21,737	10,709	9,122	279,154
<b>31 Mar 2014</b>						
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 <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

**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 27% from the previous quarter to \$802 million. Total income was 20% higher at \$1.70 billion, while expenses rose 10% to \$674 million. Net interest income rose 3% to \$1.10 billion from loan growth, while non-interest income rose 69% to \$607 million as income from treasury customer flows, trading income and fee income were higher. Profit before allowances was 28% higher at \$1.03 billion. Allowances rose from \$19 million to \$40 million as specific allowances were higher, partially offset by lower general allowances.

Compared to a year ago, net profit rose 29% as total income growth of 16% was partially offset by a 7% increase in expenses. Allowances declined from \$69 million to \$40 million as general allowances were lower.

### Hong Kong

The first quarter's results incorporated a 5% appreciation of the Hong Kong dollar against the Singapore dollar from the previous quarter and 7% from a year ago.

Net profit rose 30% from the previous quarter to \$240 million as income increased 12% to \$539 million. Net interest income was little changed at \$309 million as the impact of higher average loans was offset by lower net interest margin. In constant currency terms, loans and deposits were little changed.

Net interest margin declined ten basis points to 1.56% from higher cost of deposits and a lower average loan-deposit ratio. Non-interest income rose 32% to \$230 million from strong wealth management fees and treasury customer flows.

Expenses were little changed at \$229 million. Allowances declined \$3 million from the previous quarter to \$28 million as lower general allowances were partially offset by higher specific allowances.

Compared to a year ago, net profit was 12% lower as an increase in total income was more than offset by higher expenses and allowances.

Net interest income increased 19% from higher average interest earning assets while net interest margin was little changed. Non-interest income declined 7% from lower treasury customer income, partially offset by higher fees from wealth management, cards and loan-related activities.

Expenses rose 29% due to higher headcount and from the impact of the acquisitions of Societe Generale's private banking business in Asia as well as the consolidation of a credit card joint venture. Allowances rose to \$28 million from \$4 million a year ago from higher specific allowances.

### Other regions

Net profit for Rest of Greater China rose 79% from the previous quarter to \$70 million. Net interest income was 3% lower at \$145 million from lower net interest margin partially offset by higher loan volumes. Non-interest income doubled to \$137 million due to higher fees, income from treasury customer flows and trading income. Expenses increased 2% to \$171 million. Total allowances rose from \$23 million to \$39 million due to lower writebacks in general allowances. Specific allowances were little changed.

Compared to a year ago, net profit declined 28%. Net interest income fell 6% from lower net interest margin partially offset by higher loan volumes, while non-interest income was 11% higher mainly from higher fees, income from treasury customer flows and a property disposal gain. Total income was 2% higher while expenses rose 22% mainly from higher staff costs. Allowances rose to \$39 million from \$11 million a year ago as higher specific allowances were partially offset by lower general allowances.

South and South-east Asia recorded a net profit of \$7 million compared to a net loss of \$29 million in the previous quarter. Total income rose 5%. Net interest income fell 10% to \$95 million from lower net interest margin, while non-

interest income increased 42% to \$61 million as trading income, income from treasury customer flows and investment gains were higher. Expenses declined 6% to \$83 million. Total allowances declined to \$68 million from \$121 million as specific allowances were lower.

Compared to a year ago, net profit declined 42%. Total income rose 14% as trading income and gains on investment securities were higher while net interest income was little changed. Expenses rose 14%, while allowances were \$6 million higher at \$68 million.

Net profit for Rest of the World remained unchanged at \$14 million. Total income was 25% lower at \$56 million as net interest income declined 13% to \$45 million and non-interest income halved to \$11 million from lower trading income. Expenses declined 11% to \$24 million. Allowances declined to \$6 million from \$17 million as general allowances were lower.

Compared to a year ago, total income fell 7% from lower net interest income and non-interest income. Expenses rose 14% while allowances were little changed.

**CUSTOMER LOANS**

(\$m)	31 Mar 2015	31 Dec 2014	31 Mar 2014
Gross	284,498	279,154	256,744
Less:			
Specific allowances	1,020	983	1,073
General allowances	2,670	2,583	2,442
Net total	280,808	275,588	253,229
<b>By business unit</b>			
Consumer Banking/ Wealth Management	83,647	82,312	74,120
Institutional Banking	198,218	195,043	179,748
Others	2,633	1,799	2,876
Total (Gross)	284,498	279,154	256,744
<b>By geography <sup>1/</sup></b>			
Singapore	130,809	129,167	119,264
Hong Kong	53,417	49,881	43,951
Rest of Greater China	48,984	50,865	48,744
South and South-east Asia	26,490	25,446	23,911
Rest of the World	24,798	23,795	20,874
Total (Gross)	284,498	279,154	256,744
<b>By industry</b>			
Manufacturing	35,151	33,024	30,533
Building and construction	50,917	48,712	44,210
Housing loans	53,931	52,866	49,846
General commerce	52,959	56,658	53,753
Transportation, storage & communications	24,070	23,650	21,210
Financial institutions, investment & holding companies	16,925	16,168	14,339
Professionals & private individuals (excluding housing loans)	24,244	23,849	20,555
Others	26,301	24,227	22,298
Total (Gross)	284,498	279,154	256,744
<b>By currency</b>			
Singapore dollar	112,367	109,493	101,651
US dollar	94,523	96,552	90,201
Hong Kong dollar	34,767	32,476	29,714
Chinese Yuan	21,006	20,399	16,451
Others	21,835	20,234	18,727
Total (Gross)	284,498	279,154	256,744

Note:

1/ Loans by geography are classified according to the country of incorporation of the borrower, or the issuing bank in the case of bank backed export financing.

Gross customer loans grew 2% during the quarter to \$284 billion due to currency effects. Loans were little changed in constant-currency terms. Growth in regional corporate loans and Singapore housing loans was offset by a decline in trade loans.

Gross customer loans rose 11% from a year ago. In constant-currency terms, the increase was 6%. The growth was broad-based across customer segments and regions. The increase was partially offset by a decline in trade loans.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	31 Mar 2015			31 Dec 2014			31 Mar 2014		
	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	282	0.3	60	276	0.3	60	297	0.4	72
Institutional Banking and Others	2,221	1.1	960	2,143	1.1	923	2,325	1.3	1,001
Total non-performing loans (NPL)	2,503	0.9	1,020	2,419	0.9	983	2,622	1.0	1,073
Debt securities	7	-	3	7	-	3	9	-	3
Contingent liabilities & others	80	-	46	87	-	44	99	-	49
Total non-performing assets (NPA)	2,590	-	1,069	2,513	-	1,030	2,730	-	1,125
<b>By geography</b>									
Singapore	469	0.4	146	428	0.3	143	423	0.4	113
Hong Kong	296	0.6	122	265	0.5	107	229	0.5	115
Rest of Greater China	374	0.8	161	342	0.7	132	281	0.6	143
South and South-east Asia	851	3.2	390	906	3.6	411	800	3.3	257
Rest of the World	513	2.1	201	478	2.0	190	889	4.3	445
Total non-performing loans	2,503	0.9	1,020	2,419	0.9	983	2,622	1.0	1,073
Debt securities	7	-	3	7	-	3	9	-	3
Contingent liabilities & others	80	-	46	87	-	44	99	-	49
Total non-performing assets (NPA)	2,590	-	1,069	2,513	-	1,030	2,730	-	1,125
<b>Loss Allowance Coverage</b>									
Specific allowances			1,069			1,030			1,125
General allowances			3,109			3,054			2,915
Total Allowances			4,178			4,084			4,040
Total Allowances/ NPA			161%			163%			148%
Total Allowances/ unsecured NPA			294%			296%			271%

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

<b>By industry (\$m)</b>	<b>31 Mar 2015</b>		<b>31 Dec 2014</b>		<b>31 Mar 2014</b>	
	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>
Manufacturing	673	332	660	331	579	250
Building and construction	360	113	357	115	384	103
Housing loans	116	7	113	8	111	8
General commerce	475	149	434	140	328	123
Transportation, storage & communications	340	157	338	153	633	332
Financial institutions, investment & holding companies	114	99	106	90	266	159
Professionals & private individuals (excluding housing loans)	175	56	166	53	158	47
Others	250	107	245	93	163	51
<b>Total non-performing loans</b>	<b>2,503</b>	<b>1,020</b>	<b>2,419</b>	<b>983</b>	<b>2,622</b>	<b>1,073</b>
Debt securities	7	3	7	3	9	3
Contingent liabilities & others	80	46	87	44	99	49
<b>Total non-performing assets</b>	<b>2,590</b>	<b>1,069</b>	<b>2,513</b>	<b>1,030</b>	<b>2,730</b>	<b>1,125</b>

<b>By loan classification (\$m)</b>	<b>31 Mar 2015</b>		<b>31 Dec 2014</b>		<b>31 Mar 2014</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	1,670	238	1,592	212	1,693	228
Doubtful	587	498	652	549	810	670
Loss	333	333	269	269	227	227
<b>Total</b>	<b>2,590</b>	<b>1,069</b>	<b>2,513</b>	<b>1,030</b>	<b>2,730</b>	<b>1,125</b>
<b>Restructured assets</b>						
Substandard	422	44	317	32	429	41
Doubtful	127	115	120	111	338	322
Loss	32	32	25	25	57	57
<b>Total</b>	<b>581</b>	<b>191</b>	<b>462</b>	<b>168</b>	<b>824</b>	<b>420</b>

<b>By collateral type (\$m)</b>	<b>31 Mar 2015</b>		<b>31 Dec 2014</b>		<b>31 Mar 2014</b>	
	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>	<b>NPA</b>	<b>SP</b>
Unsecured non-performing assets	1,420	477	1,378	441	1,491	394
<b>Secured non-performing assets by collateral type</b>						
Properties	345	477	316	441	482	394
Shares and debentures	7	345	11	316	30	482
Fixed deposits	341	7	367	11	333	30
Others	341	341	367	367	333	333
<b>Total</b>	<b>2,590</b>	<b>1,069</b>	<b>2,513</b>	<b>1,030</b>	<b>2,730</b>	<b>1,125</b>

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### By period overdue

(\$m)	31 Mar 2015 NPA	31 Dec 2014 NPA	31 Mar 2014 NPA
Not overdue	472	597	831
<90 days overdue	466	273	333
91-180 days overdue	169	162	340
>180 days overdue	1,483	1,481	1,226
<b>Total</b>	<b>2,590</b>	<b>2,513</b>	<b>2,730</b>

Non-performing assets rose 3% from the previous quarter to \$2.59 billion. The non-performing loan rate was unchanged at 0.9%. Allowance coverage of 161%

was around historical highs and was at 294% if collateral was considered.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER DEPOSITS

(\$m)	31 Mar 2015	31 Dec 2014	31 Mar 2014
<b>By currency and product</b>			
Singapore dollar	144,066	138,332	139,560
Fixed deposits	14,438	15,084	19,052
Savings accounts	105,070	100,693	98,784
Current accounts	24,420	22,463	21,666
Others	138	92	58
US dollar	92,374	93,445	83,376
Fixed deposits	54,763	54,311	47,461
Savings accounts	8,269	8,777	4,915
Current accounts	27,782	26,244	25,674
Others	1,560	4,113	5,326
Hong Kong dollar	37,410	31,450	27,609
Fixed deposits	24,494	19,437	17,371
Savings accounts	6,892	6,507	5,944
Current accounts	5,564	4,908	3,940
Others	460	598	354
Chinese Yuan	18,968	20,463	21,319
Fixed deposits	16,709	17,413	19,260
Savings accounts	921	1,180	826
Current accounts	1,283	1,811	1,196
Others	55	59	37
Others	31,662	33,483	29,626
Fixed deposits	23,546	24,659	22,665
Savings accounts	2,715	2,596	2,281
Current accounts	4,809	5,450	4,220
Others	592	778	460
<b>Total</b>	<b>324,480</b>	<b>317,173</b>	<b>301,490</b>
Fixed deposits	133,950	130,904	125,809
Savings accounts	123,867	119,753	112,750
Current accounts	63,858	60,876	56,696
Others	2,805	5,640	6,235

Customer deposits rose 2% from the previous quarter and 8% from a year ago to \$324 billion. The growth over the past 12 months was led by Singapore dollar savings

accounts and US dollar and Hong Kong dollar fixed deposits.

## DEBTS ISSUED

(\$m)	31 Mar 2015	31 Dec 2014	31 Mar 2014
Subordinated term debts	3,990	4,665	5,523
Senior medium term notes	12,099	10,857	6,411
Commercial papers	13,176	14,561	12,121
Negotiable certificates of deposit	1,101	1,072	1,432
Other debt securities	6,385	5,473	4,534
<b>Total</b>	<b>36,751</b>	<b>36,628</b>	<b>30,021</b>
Due within 1 year	22,573	23,919	18,300
Due after 1 year	14,178	12,709	11,721
<b>Total</b>	<b>36,751</b>	<b>36,628</b>	<b>30,021</b>

## TRADING INCOME AND RISK

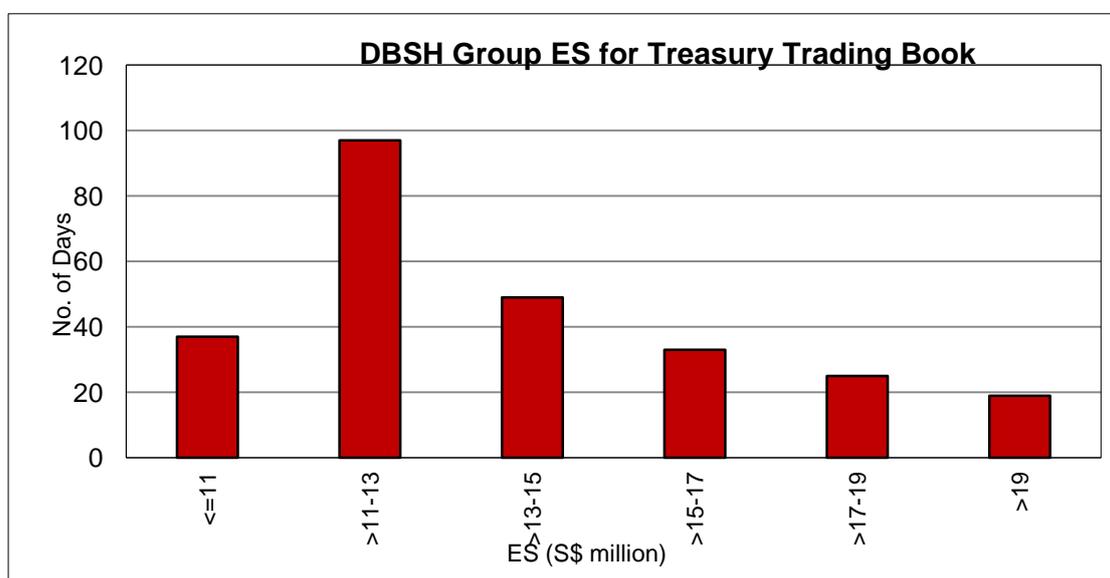
The Group's market risk appetite framework leverages on the Expected Shortfall (ES)<sup>1/</sup> metric to monitor and limit market risk exposures. Expected Shortfall is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 95% confidence interval over a one-day holding period.

The ES for Treasury's trading portfolios is shown in the following table.

(\$m)	As at 31 Mar 2015	Average	1 Apr 2014 to 31 Mar 2015	
			High	Low
Total	18	14	21	9

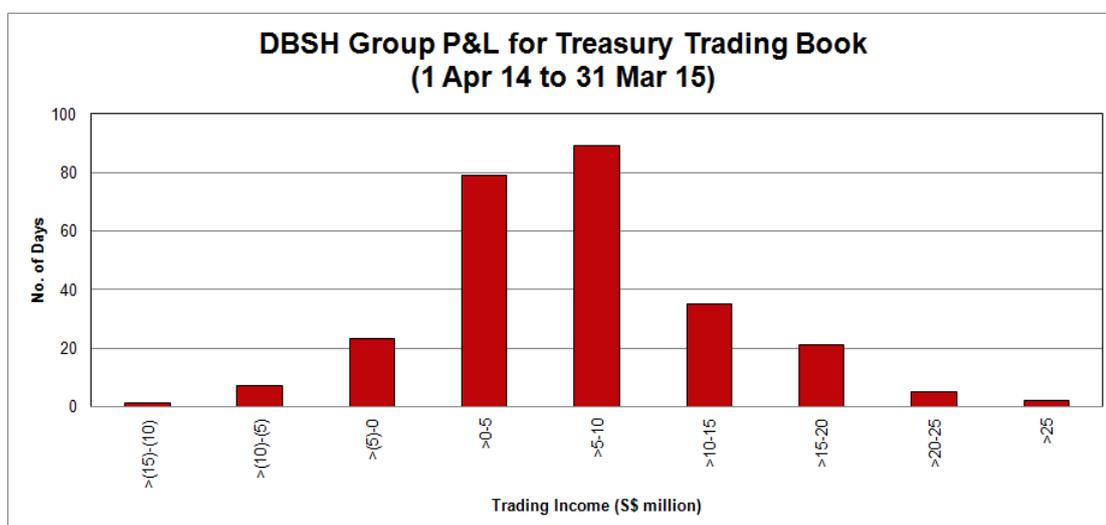
Treasury's trading portfolio experienced three back-testing exceptions from 1 April 2014 to 31 March 2015 compared with six in the corresponding prior period. The exceptions occurred in September, December and January.

The chart below provides the histogram of Expected Shortfall (ES) for the Group's trading book for the period from 1 Apr 2014 and 31 Mar 2015.



<sup>1/</sup> Previously called TVaR and renamed to align to BCBS and industry usage.

The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 April 2014 to 31 March 2015.



**CAPITAL ADEQUACY**

(\$m)	31 Mar 2015	31 Dec 2014	31 Mar 2014
Share capital	10,118	10,113	9,622
Disclosed reserves and others	28,286	26,814	24,501
Total regulatory adjustments to Common Equity Tier 1	(2,156)	(1,080)	(1,007)
Regulatory adjustments due to insufficient Additional Tier 1 capital	(140)	(1,144)	(855)
Common Equity Tier 1	36,108	34,703	32,261
Additional Tier 1 capital instruments <sup>1/</sup>	3,094	3,179	3,173
Total regulatory adjustments to Additional Tier 1 capital	(3,094)	(3,179)	(3,173)
Tier 1 capital	36,108	34,703	32,261
Provisions eligible as Tier 2 capital	1,374	1,354	1,258
Tier 2 capital instruments <sup>1/</sup>	3,688	4,304	4,284
Total regulatory adjustments to Tier 2 capital	(1)	(1)	(1)
Total capital	41,169	40,360	37,802
<b>Risk-Weighted Assets ("RWA")</b>			
Credit RWA	210,023	206,423	193,496
Market RWA	43,026	41,813	38,133
Operational RWA	16,226	15,950	15,120
Total RWA	269,275	264,186	246,749
<b>Capital Adequacy Ratio ("CAR") (%)</b>			
Common Equity Tier 1	13.4	13.1	13.1
Tier 1	13.4	13.1	13.1
Total	15.3	15.3	15.3
Pro forma Common Equity Tier 1 under final rules effective 1 Jan 2018	12.2	11.9	11.7
<b>Minimum CAR (%)</b>			
Common Equity Tier 1	6.5	5.5	5.5
Tier 1	8.0	7.0	7.0
Total	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.

The Group's Common Equity Tier 1 and Tier 1 CARs rose by approximately 30 basis points for the quarter as the increase in reserves outpaced the increase in RWA arising from higher exposures. The Group's Total CAR was unchanged as the annual 1 January reduction in the transitional cap on non-Basel III compliant instruments was offset by the underlying increase in Common Equity Tier 1 capital.

**ADDITIONAL PILLAR 3 DISCLOSURES**

The Composition of Capital, Main Features of Capital Instruments and Leverage Ratio 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/financial-performance/default.page>).

**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 2015			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	36,210	15.2	15.2	17.4
DBS Bank (China) Limited	17,763	10.7	10.7	11.3

**UNREALISED VALUATION SURPLUS**

(\$m)	31 Mar 2015	31 Dec 2014	31 Mar 2014
Properties <sup>1/</sup>	882	885	710
Financial investments classified as loans and receivables and held to maturity <sup>2/</sup>	229	237	98
<b>Total</b>	<b>1,111</b>	<b>1,122</b>	<b>808</b>

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 that is not reflected in the balance sheet declined from \$1.12 billion a quarter ago to \$1.11 billion.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Income Statement

In \$ millions	1st Qtr 2015	1st Qtr 2014	+/(-) %	4th Qtr 2014	+/(-) %
<b>Income</b>					
Interest income	2,380	2,129	12	2,335	2
Interest expense	690	641	8	661	4
Net interest income	1,690	1,488	14	1,674	1
Net fee and commission income	560	510	10	459	22
Net trading income	356	362	(2)	92	>100
Net income from investment securities	239	38	>100	100	>100
Other income	27	251	(89)	15	80
<b>Total income</b>	<b>2,872</b>	<b>2,649</b>	<b>8</b>	<b>2,340</b>	<b>23</b>
<b>Expenses</b>					
Employee benefits	672	557	21	610	10
Other expenses	509	484	5	516	(1)
Allowances for credit and other losses	181	151	20	211	(14)
<b>Total expenses</b>	<b>1,362</b>	<b>1,192</b>	<b>14</b>	<b>1,337</b>	<b>2</b>
Operating profit after allowances	1,510	1,457	4	1,003	51
Share of profits of associates and joint venture	4	13	(69)	9	(56)
<b>Profit before tax</b>	<b>1,514</b>	<b>1,470</b>	<b>3</b>	<b>1,012</b>	<b>50</b>
Income tax expense	215	199	8	141	52
<b>Net profit</b>	<b>1,299</b>	<b>1,271</b>	<b>2</b>	<b>871</b>	<b>49</b>
Attributable to:					
<b>Shareholders</b>	1,269	1,231	3	838	51
Non-controlling interests	30	40	(25)	33	(9)
	<b>1,299</b>	<b>1,271</b>	<b>2</b>	<b>871</b>	<b>49</b>

## Unaudited Consolidated Statement of Comprehensive Income

In \$ millions	1st Qtr 2015	1st Qtr 2014	+/(-) %	4th Qtr 2014	+/(-) %
<b>Net profit</b>	<b>1,299</b>	<b>1,271</b>	<b>2</b>	<b>871</b>	<b>49</b>
<b>Other comprehensive income <sup>1/</sup>:</b>					
Foreign currency translation differences for foreign operations	127	23	>100	66	92
Share of other comprehensive income of associates and joint venture	1	13	(92)	(1)	NM
Available-for-sale financial assets and others					
<i>Net valuation taken to equity</i>	144	124	16	130	11
<i>Transferred to income statement</i>	(62)	(14)	(>100)	(74)	16
<i>Tax on items taken directly to or transferred from equity</i>	(7)	(2)	(>100)	(3)	(>100)
<b>Other comprehensive income, net of tax</b>	<b>203</b>	<b>144</b>	<b>41</b>	<b>118</b>	<b>72</b>
<b>Total comprehensive income</b>	<b>1,502</b>	<b>1,415</b>	<b>6</b>	<b>989</b>	<b>52</b>
Attributable to:					
<b>Shareholders</b>	1,468	1,375	7	953	54
Non-controlling interests	34	40	(15)	36	(6)
	<b>1,502</b>	<b>1,415</b>	<b>6</b>	<b>989</b>	<b>52</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 2015	31 Dec 2014 <sup>1/</sup>	31 Mar 2014	31 Mar 2015	31 Dec 2014 <sup>1/</sup>	31 Mar 2014
<b>ASSETS</b>						
Cash and balances with central banks	22,653	19,517	23,510			
Government securities and treasury bills	36,528	29,694	30,477			
Due from banks	36,939	42,263	44,340	13	13	
Derivatives	20,073	16,995	15,186	24	14	
Bank and corporate securities	37,907	37,763	33,307			
Loans and advances to customers	280,808	275,588	253,229			
Other assets	14,144	11,249	11,605			
Associates and joint venture	996	995	1,100			
Subsidiaries	-	-	-	19,498	19,416	12,519
Properties and other fixed assets	1,481	1,485	1,423			
Goodwill and intangibles	5,118	5,117	4,802			
<b>TOTAL ASSETS</b>	<b>456,647</b>	<b>440,666</b>	<b>418,979</b>	<b>19,535</b>	<b>19,443</b>	<b>12,519</b>
<b>LIABILITIES</b>						
Due to banks	15,901	16,176	18,521			
Deposits and balances from customers	324,480	317,173	301,490			
Derivatives	20,966	18,755	15,564	6		
Other liabilities	16,828	11,728	15,236		17	16
Other debt securities	32,761	31,963	24,498	1,740	1,661	
Subordinated term debts	3,990	4,665	5,523			
<b>TOTAL LIABILITIES</b>	<b>414,926</b>	<b>400,460</b>	<b>380,832</b>	<b>1,759</b>	<b>1,678</b>	<b>16</b>
<b>NET ASSETS</b>	<b>41,721</b>	<b>40,206</b>	<b>38,147</b>	<b>17,776</b>	<b>17,765</b>	<b>12,503</b>
<b>EQUITY</b>						
Share capital	10,247	10,171	9,684	10,267	10,194	9,710
Other equity instruments	803	803	803	803	803	803
Other reserves	7,030	6,894	6,587	89	152	87
Revenue reserves	21,109	19,840	18,493	6,617	6,616	1,903
<b>SHAREHOLDERS' FUNDS</b>	<b>39,189</b>	<b>37,708</b>	<b>35,567</b>	<b>17,776</b>	<b>17,765</b>	<b>12,503</b>
Non-controlling interests	2,532	2,498	2,580			
<b>TOTAL EQUITY</b>	<b>41,721</b>	<b>40,206</b>	<b>38,147</b>	<b>17,776</b>	<b>17,765</b>	<b>12,503</b>
<b>OTHER INFORMATION</b>						
Net book value per share (\$)						
(i) Basic	15.42	14.85	14.14	6.78	6.79	4.72
(ii) Diluted	15.30	14.74	14.04	6.77	6.77	4.73

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
Balance at 1 January 2015	10,171	803	6,894	19,840	37,708	2,498	40,206
Purchase of treasury shares	(13)				(13)		(13)
Issue of shares upon exercise of share options	4				4		4
Reclassification of reserves upon exercise of share options	1		(1)		-		-
Cost of share-based payments			22		22		22
Draw-down of reserves upon vesting of performance shares	84		(84)		-		-
Total comprehensive income			199	1,269	1,468	34	1,502
<b>Balance at 31 March 2015</b>	<b>10,247</b>	<b>803</b>	<b>7,030</b>	<b>21,109</b>	<b>39,189</b>	<b>2,532</b>	<b>41,721</b>
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>

# 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 2015	10,194	803	152	6,616	17,765
Purchase of treasury shares	(13)				(13)
Transfer of treasury shares	81				81
Draw-down of reserves upon vesting of performance shares			(84)		(84)
Issue of shares upon exercise of share options	4				4
Reclassification of reserves upon exercise of share options	1		(1)		-
Cost of share-based payments			22		22
Total comprehensive income				1	1
<b>Balance at 31 March 2015</b>	<b>10,267</b>	<b>803</b>	<b>89</b>	<b>6,617</b>	<b>17,776</b>
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>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Cash Flow Statement

In \$ millions	1st Qtr 2015	1st Qtr 2014
<b>Cash flows from operating activities</b>		
Net profit	1,299	1,271
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	181	151
Depreciation of properties and other fixed assets	60	53
Share of profits of associates and joint venture	(4)	(13)
Net gain on disposal (net of write-off) of properties and other fixed assets	(14)	(43)
Net income from investment securities	(239)	(38)
Net gain on disposal of associate	-	(223)
Cost of share-based payments	22	19
Income tax expense	215	199
Profit before changes in operating assets & liabilities	1,520	1,376
<i>Increase/(Decrease) in:</i>		
Due to banks	(275)	4,949
Deposits and balances from customers	7,307	9,125
Other liabilities	6,861	1,138
Other debt securities and borrowings	1,219	1,213
<i>(Increase)/Decrease in:</i>		
Restricted balances with central banks	182	(11)
Government securities and treasury bills	(6,778)	(2,933)
Due from banks	5,324	(4,522)
Loans and advances to customers	(5,386)	(4,719)
Bank and corporate securities	111	342
Other assets	(5,996)	(566)
Tax paid	(130)	(108)
<b>Net cash generated from operating activities (1)</b>	3,959	5,284
<b>Cash flows from investing activities</b>		
Dividends from associates	11	-
Purchase of properties and other fixed assets	(57)	(43)
Proceeds from disposal of properties and other fixed assets	34	56
Proceeds from disposal of interest in associate	-	426
<b>Net cash (used in)/generated from investing activities (2)</b>	(12)	439
<b>Cash flows from financing activities</b>		
Increase in share capital	4	12
Purchase of subordinated term debts	(743)	-
Purchase of treasury shares	(13)	(72)
Dividends paid to non-controlling interests	-	(18)
Redemption of preference shares of a subsidiary	-	(895)
<b>Net cash used in financing activities (3)</b>	(752)	(973)
Exchange translation adjustments (4)	123	23
<b>Net change in cash and cash equivalents (1)+(2)+(3)+(4)</b>	3,318	4,773
<b>Cash and cash equivalents at 1 January</b>	11,851	10,949
<b>Cash and cash equivalents at 31 March</b>	15,169	15,722

**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	
	2015	2014
<b>Ordinary shares</b>		
Balance at 1 January	2,479,126,459	2,449,724,042
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	350,623	923,010
<b>Balance at 31 March [a]</b>	<b>2,479,477,082</b>	<b>2,450,647,052</b>
<b>Treasury shares held by DBSH</b>		
Balance at 1 January	5,109,000	4,644,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(5,109,000)	(4,462,000)
Purchase of treasury shares	684,200	4,527,000
<b>Balance at 31 March [b]</b>	<b>684,200</b>	<b>4,709,000</b>
<b>Ordinary shares net of treasury shares [a] – [b]</b>	<b>2,478,792,882</b>	<b>2,445,938,052</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 2015	31 Mar 2014
Conversion of non-voting redeemable CPS	30,011,421	30,011,421
Exercise of share options	-	486,849
<b>Weighted average number of shares for the period <sup>1/</sup></b>		
- ordinary shares	2,476,717,717	2,445,501,039
- fully diluted	2,506,729,138	2,475,622,084

<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.

**SUBSEQUENT EVENT**

On 8 April 2015, DBS Bank Ltd and Manulife Financial Asia Limited entered into a 15-year regional distribution agreement covering four markets (Singapore, Hong Kong, China and Indonesia). Under the agreement, there will be a payment by Manulife to DBS of SGD 1.6 billion, which will be amortised over 15 years. There will also be ongoing variable payments by Manulife to DBS based on the success of the partnership. The agreement will take effect on 1 January 2016.

**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 2014.

**1. Fair Value of Financial Instruments**

The valuation process and fair value hierarchy policies applied for the current financial period are consistent with those for the financial year ended 31 December 2014.

**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 2014. Please refer to our 2014 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 2015 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	2,318	-	-	2,318
- Other government securities and treasury bills	5,686	1,963	-	7,649
- Bank and corporate debt securities	4,446	3,824	715	8,985
- Equity securities	872	10	-	882
- Other financial assets	-	7,971	-	7,971
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	7,806	-	-	7,806
- Other government securities and treasury bills	16,283	999	-	17,282
- Bank and corporate debt securities	10,762	1,873	28	12,663
- Equity securities <sup>(a)</sup>	1,138	3	122	1,263
- Other financial assets	-	5,085	-	5,085
Derivatives	88	19,981	4	20,073
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	5,852	9	5,861
- Other financial liabilities	2,904	2,041	-	4,945
Derivatives	146	20,688	132	20,966

Note:

(a) Excludes unquoted equities stated at cost of \$226 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

31 Dec 2014 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	1,963	-	-	1,963
- Other government securities and treasury bills	3,056	1,924	-	4,980
- Bank and corporate debt securities	5,675	3,554	692	9,921
- Equity securities	769	11	-	780
- Other financial assets	-	8,196	-	8,196
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	6,357	-	-	6,357
- Other government securities and treasury bills	14,522	672	-	15,194
- Bank and corporate debt securities	10,257	1,973	27	12,257
- Equity securities <sup>(a)</sup>	1,081	2	117	1,200
- Other financial assets	-	5,424	-	5,424
Derivatives	82	16,902	11	16,995
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	4,963	8	4,971
- Other financial liabilities	1,189	1,678	-	2,867
Derivatives	110	18,510	135	18,755

Note:

(a) Excludes unquoted equities stated at cost of \$259 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
		Income statem- ent	Other compre- hensive income						
<b>2015</b>									
<b>Assets</b>									
Financial assets at fair value through profit or loss									
- Bank and corporate debt securities	692	23	-	-	-	-	-	-	715
Available-for-sale financial assets									
- Bank and corporate debt securities	27	-	1	-	-	-	-	-	28
- Equity securities	117	-	7	-	-	(2)	-	-	122
Derivatives	11	1	-	-	-	-	-	(8)	4
<b>Total</b>	<b>847</b>	<b>24</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(8)</b>	<b>869</b>
<b>Liabilities</b>									
Financial liabilities at fair value through profit or loss									
- Other debt securities	8	1	-	-	-	-	-	-	9
Derivatives	135	8	-	-	-	-	1	(12)	132
<b>Total</b>	<b>143</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(12)</b>	<b>141</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 Level 3 financial assets and liabilities measured at fair value

In \$ millions 1st Qtr 2015	Net trading Income	Net income from investment securities	Total
Total gain/(loss) for the period included in income statement	15	-	15
<i>Of Which:</i>			
<i>Change in unrealised gain/(loss) for assets and liabilities held at the end of the reporting period</i>	15	-	15

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 reflect reasonably possible alternatives

The principles for estimating the significance of unobservable parameters remain unchanged from 2014. Please refer to our 2014 Annual Report for further guidance.

In \$ millions	Fair Value	Classification	Valuation technique	Unobservable Input
<b>31 Mar 2015</b>				
<b>Assets</b>				
Bank and corporate debt securities	715	FVPL <sup>(a)</sup>	Discounted cashflows	Credit spreads
Bank and corporate debt securities	28	AFS <sup>(b)</sup>	Discounted cashflows	Credit spreads
Equity securities (Unquoted)	122	AFS <sup>(b)</sup>	Net asset value	Net asset value of securities
Derivatives	4	FVPL <sup>(a)</sup>	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
<b>Total</b>	<b>869</b>			
<b>Liabilities</b>				
Other debt securities	9	FVPL <sup>(a)</sup>	Discounted cashflows	Credit spreads
Derivatives	132	FVPL <sup>(a)</sup>	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
<b>Total</b>	<b>141</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 2015. Unquoted equities of \$226 million as at 31 March 2015 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 2014. Please refer to our 2014 Annual Report for further guidance.

**2. Off-balance Sheet Items**

<b>In \$ millions</b>	<b>31 Mar 2015</b>	<b>31 Dec 2014</b>	<b>31 Mar 2014</b>
Contingent liabilities	20,857	22,231	20,862
Commitments <sup>(a)</sup>	199,897	188,227	165,727
Financial Derivatives	2,048,613	1,877,157	1,713,920

Note:

(a) Includes commitments that are unconditionally cancellable at any time of \$162,598 million (Dec 14:\$151,854 million, Mar 14:\$129,812 million).

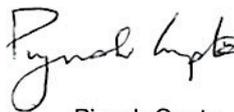
**CONFIRMATION BY THE BOARD**

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 2015 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

24 April 2015  
Singapore