



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

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 2016

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

Dividend

For the first quarter of 2016, no dividend has been declared on DBSH ordinary shares.

By order of the Board

Goh Peng Fong
Group Secretary

29 April 2016
Singapore

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



Performance Summary

Financial Results
For the First Quarter ended
31 March 2016
(Unaudited)

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
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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 2015, with the exception of the adoption of new or revised FRS.

On 1 January 2016, the Group adopted the following revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- Amendments to FRS 1: Disclosure Initiatives
- Amendments to FRS 27: Equity Method in Separate Financial Statements
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations
- Improvements to FRSs (issued in November 2014)

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

	1st Qtr 2016	1st Qtr 2015	% chg	4th Qtr 2015	% chg
Selected income statement items (\$m)					
Net interest income	1,833	1,690	8	1,854	(1)
Net fee and commission income	574	560	3	485	18
Other non-interest income	458	490	(7)	313	46
Total income	2,865	2,740	5	2,652	8
Expenses	1,265	1,181	7	1,242	2
Profit before allowances	1,600	1,559	3	1,410	13
Allowances for credit and other losses	170	181	(6)	247	(31)
Profit before tax	1,430	1,378	4	1,163	23
Net profit	1,203	1,133	6	1,002	20
One-time item ¹	-	136	(100)	-	-
Net profit including one-time item	1,203	1,269	(5)	1,002	20

Selected balance sheet items (\$m)

Customer loans	274,129	280,808	(2)	283,289	(3)
<i>Constant-currency change</i>			(1)		(1)
Total assets	439,221	456,647	(4)	457,834	(4)
Customer deposits	313,804	324,480	(3)	320,134	(2)
<i>Constant-currency change</i>			(2)		-
Total liabilities	394,954	414,926	(5)	415,038	(5)
Shareholders’ funds	41,873	39,189	7	40,374	4

Key financial ratios (%) (excluding one-time item)²

Net interest margin	1.85	1.69		1.84	
Non-interest/total income	36.0	38.3		30.1	
Cost/income ratio	44.2	43.1		46.8	
Return on assets	1.08	1.02		0.87	
Return on equity ³	11.9	12.2		10.1	
Loan/deposit ratio	87.4	86.5		88.5	
NPL ratio	1.0	0.9		0.9	
Specific allowances (loans)/average loans (bp)	18	22		17	
Common Equity Tier 1 capital adequacy ratio	14.0	13.4		13.5	
Tier 1 capital adequacy ratio	14.3	13.4		13.5	
Total capital adequacy ratio	16.0	15.3		15.4	
Leverage ratio ⁴	7.8	7.1		7.3	
Average all-currency liquidity coverage ratio ⁵	119	135		122	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	1st Qtr 2016	1st Qtr 2015	4th Qtr 2015
Per share data (\$m)			
Per basic share			
– earnings excluding one-time item	1.92	1.84	1.57
– earnings	1.92	1.89	1.57
– net book value ⁶	16.39	15.42	15.82
Per diluted share			
– earnings excluding one-time item	1.92	1.82	1.57
– earnings	1.92	1.87	1.57
– net book value ⁶	16.39	15.30	15.82

Notes:

- 1 Relates to gain from disposal of a property investment.
- 2 Return on assets, return on equity, specific allowances (loan)/average loans and per share data 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 Leverage Ratio is computed based on MAS Notice 637.
- 5 Liquidity Coverage Ratio (LCR) is computed based on MAS Notice 649. For average SGD LCR and other disclosures required under MAS Notice 651, refer to <https://www.dbs.com/investor/index.html>.
- 6 Non-controlling interests are not included as equity in the computation of net book value per share.

Net profit rose 6% from a year ago to \$1.20 billion. Excluding one-time items in previous periods, the earnings were a record. Total income increased 5% to a new high of \$2.87 billion as net interest income grew 8% from higher net interest margin. Despite heightened risk aversion during the quarter, non-interest income was comparable to the quarterly high a year ago. Compared to the previous quarter, net profit rose 20% from higher non-interest income and a lower cost-income ratio.

Net interest income rose 8% to \$1.83 billion from a year ago. Net interest margin was 16 basis points higher at 1.85% in line with higher Singapore dollar interest rates. Underlying loans were little changed as a 23% decline in trade loans was offset by a 3% growth in non-trade loans from higher corporate borrowing and a 13% increase in Singapore housing loans. Compared to the previous quarter, net interest income was stable on a day-adjusted basis as both underlying loans and net interest margin were little changed.

Net fee income rose 3% to a new high of \$574 million, led by growth in cards and wealth management. These increases were partially offset by lower fees from trade, brokerage and investment banking activities. Other non-interest income fell 7% to \$458 million as financial market

volatility affected treasury customer flows. Compared to the previous quarter, net fee income was 18% higher and other non-interest income rose 46%.

Expenses rose 7% from a year ago to \$1.27 billion, which was slower than the year-on-year increase of 10% in the previous quarter and 14% in the first three quarters of 2015. Profit before allowances grew 3% from a year ago and 13% from the previous quarter to \$1.60 billion.

Asset quality continued to be sound. The non-performing loan rate rose slightly from the previous quarter to 1.0%. Specific allowances of \$170 million were 6% higher than a year ago and 6% below the previous quarter. Allowance coverage was at 134% and at 286% if collateral was considered.

The average liquidity coverage ratio during the quarter was 119% and the loan-deposit ratio was 87%.

The Common Equity Tier 1 ratio was at 14.0% while the leverage ratio was at 7.8%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	1st Qtr 2016			1st Qtr 2015			4th Qtr 2015		
	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	242,011	1,673	2.78	228,853	1,439	2.55	241,838	1,638	2.69
Trade assets	42,788	243	2.28	58,993	370	2.54	49,087	270	2.18
Interbank assets ¹	35,657	94	1.06	45,779	146	1.29	32,681	96	1.17
Securities	78,016	444	2.29	72,909	425	2.36	75,644	441	2.31
Total	398,472	2,454	2.48	406,534	2,380	2.37	399,250	2,445	2.43
Interest-bearing liabilities									
Customer deposits	313,147	439	0.56	320,279	543	0.69	314,881	435	0.55
Other borrowings	58,448	182	1.25	58,277	147	1.02	57,158	156	1.08
Total	371,595	621	0.67	378,556	690	0.74	372,039	591	0.63
Net interest income/margin²		1,833	1.85		1,690	1.69		1,854	1.84

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 increased 8% from a year ago to \$1.83 billion as net interest margin rose 16 basis points to 1.85% in line with higher Singapore dollar interest rates. Interest-bearing asset volumes were lower as a decline in trade loans and interbank assets more than offset an increase in non-trade loans.

Compared to the previous quarter, net interest income was flat on a day-adjusted basis. Both net interest margin and interest-bearing asset volumes were stable.

Volume and rate analysis (\$m)	1st Qtr 2016 vs 1st Qtr 2015			1st Qtr 2016 vs 4th Qtr 2015		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	83	133	216	1	52	53
Trade assets	(102)	(28)	(130)	(34)	10	(24)
Interbank assets	(32)	(21)	(53)	9	(10)	(1)
Securities	30	(16)	14	14	(6)	8
Total	(21)	68	47	(10)	46	36
Interest expense						
Customer deposits	(12)	(97)	(109)	(2)	11	9
Other borrowings	-	33	33	4	24	28
Total	(12)	(64)	(76)	2	35	37
Net impact on net interest income	(9)	132	123	(12)	11	(1)
Due to change in number of days			20			(20)
Net Interest Income			143			(21)

NET FEE AND COMMISSION INCOME

(\$m)	1st Qtr 2016	1st Qtr 2015	% chg	4th Qtr 2015	% chg
Brokerage	41	45	(9)	34	21
Investment banking	22	26	(15)	56	(61)
Trade and transaction services ¹	142	145	(2)	139	2
Loan-related	124	123	1	88	41
Cards ²	114	102	12	120	(5)
Wealth management	176	167	5	120	47
Others	23	18	28	23	-
Fee and commission income	642	626	3	580	11
Less: Fee and commission expense	68	66	3	95	(28)
Total	574	560	3	485	18

Notes:

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

2 Net of interchange fees paid.

Compared to a year ago, net fee income rose 3% to \$574 million. Wealth management fees rose 5% as bancassurance income grew 63% to \$98 million. Card fees also rose from higher credit and debit card transactions in Singapore. Trade and transaction fees fell 2% as growth in cash management was offset by a decline in trade finance. Brokerage and investment banking fees were also lower.

Compared to the previous quarter, net fee income was 18% higher. Fees from wealth management, loan-related activities and brokerage rose by double-digit percentage terms.

OTHER NON-INTEREST INCOME

(\$m)	1st Qtr 2016	1st Qtr 2015	% chg	4th Qtr 2015	% chg
Net trading income ¹	315	356	(12)	289	9
Net income from investment securities ²	86	103	(17)	18	>100
Net gain on fixed assets	-	15	(100)	1	(100)
Others (include rental income and share of profits of associates)	57	16	>100	5	>100
Total	458	490	(7)	313	46

Notes:

1 Net trading income includes valuation adjustments such as bid-offer valuation adjustment, credit valuation adjustment and from third quarter 2015, funding valuation adjustment.

2 Excludes one-time item.

Other non-interest income fell 7% from a year ago to \$458 million. Trading income fell 12% as financial market volatility resulted in lower customer activities. Net income from investment securities was also lower. Partially offsetting these declines were \$38 million of non-recurring net gains reflected in Others.

Compared to the previous quarter, other non-interest income rose 46%, led by higher net income from investment securities and other income. Trading income was also higher as customer activities rose from a seasonally-slower fourth quarter.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	1st Qtr 2016	1st Qtr 2015	% chg	4th Qtr 2015	% chg
Staff	706	672	5	643	10
Occupancy	97	92	5	104	(7)
Computerisation	237	207	14	237	-
Revenue-related	67	62	8	78	(14)
Others	158	148	7	180	(12)
Total	1,265	1,181	7	1,242	2
Staff headcount at period-end	22,082	21,460	3	22,017	-

Included in the above table were:

Depreciation of properties and other fixed assets	67	60	12	66	2
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Expenses rose 7% from a year ago to \$1.27 billion, as year-on-year cost growth continued to decelerate from recent quarters.

Compared to the previous quarter, expenses rose 2% due to higher staff expenses partially offset by a decline in non-staff costs.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	1st Qtr 2016	1st Qtr 2015	% chg	4th Qtr 2015	% chg
General allowances (GP)	-	21	(100)	67	(100)
Specific allowances (SP) for loans¹					
Singapore	23	18	28	34	(32)
Hong Kong	23	30	(23)	16	44
Rest of Greater China	16	39	(59)	35	(54)
South and Southeast Asia	52	74	(30)	43	21
Rest of the World	9	(10)	NM	(2)	NM
	123	151	(19)	126	(2)
Specific allowances (SP) for securities, properties and other assets	47	9	>100	54	(13)
Total	170	181	(6)	247	(31)

Notes:

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

NM Not Meaningful

Specific allowances rose 6% from a year ago to \$170 million, which included amounts for customer exposures in Hong Kong and Rest of Greater China reflected under other assets. Specific allowances were 6% below the previous quarter.

No general allowances were taken during the quarter in view of the healthy level of cumulative general allowances of \$3.18 billion already built up.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Selected income statement items					
1st Qtr 2016					
Net interest income	645	868	119	201	1,833
Non-interest income	377	443	188	24	1,032
Total income	1,022	1,311	307	225	2,865
Expenses	558	420	137	150	1,265
Allowances for credit and other losses	27	134	-	9	170
Profit before tax	437	757	170	66	1,430
4th Qtr 2015					
Net interest income	602	909	127	216	1,854
Non-interest income	301	366	124	7	798
Total income	903	1,275	251	223	2,652
Expenses	620	460	150	12	1,242
Allowances for credit and other losses	38	158	2	49	247
Profit before tax	245	657	99	162	1,163
1st Qtr 2015¹					
Net interest income	485	873	218	114	1,690
Non-interest income	376	477	168	29	1,050
Total income	861	1,350	386	143	2,740
Expenses	518	397	130	136	1,181
Allowances for credit and other losses	29	154	(22)	20	181
Profit before tax	314	799	278	(13)	1,378

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Selected balance sheet and other items²					
31 Mar 2016					
Total assets before goodwill and intangibles	90,252	213,646	89,524	40,683	434,105
Goodwill and intangibles					5,116
Total assets					439,221
Total liabilities	172,808	148,440	46,323	27,383	394,954
Capital expenditure for 1st Qtr 2016	12	4	3	58	77
Depreciation for 1st Qtr 2016	10	3	1	53	67
31 Dec 2015					
Total assets before goodwill and intangibles	90,685	224,196	91,257	46,579	452,717
Goodwill and intangibles					5,117
Total assets					457,834
Total liabilities	172,723	155,231	43,354	43,730	415,038
Capital expenditure for 4th Qtr 2015	26	9	3	71	109
Depreciation for 4th Qtr 2015	10	2	1	53	66
31 Mar 2015					
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

Notes:

- 1 Non-interest income and profit before tax exclude one-time item.
- 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 a year ago, net interest income rose 33% to \$645 million from higher loan and deposit volumes and net interest margin. Non-interest income was stable at \$377 million as higher bancassurance and card fees were offset by lower unit trust and treasury product sales. Expenses increased 8% to \$558 million while allowances were 7% lower at \$27 million. Profit before tax was 39% higher at \$437 million.

Compared to the previous quarter, total income grew 13%, led by a 25% increase in non-interest income from higher bancassurance and investment product sales. Net interest income rose 7% from higher housing loans and improved net interest margin. Expenses decreased 10% while allowances fell \$11 million to \$27 million. Profit before tax increased 78% to \$437 million.

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.

Compared to a year ago, profit before tax fell 5% to \$757 million. Total income was 3% lower at \$1.31 billion as growth in cash management and lending activities was more than offset by declines in trade finance and treasury customer sales. Financial market volatility affected customer demand for treasury products. Total assets were 5% lower at \$214 billion as a 29% contraction in trade loans was partially offset by growth in non-trade loans and other assets. Expenses rose 6% from higher staff costs. Total allowances fell \$20 million to \$134 million as general allowances declined in line with lower loan volumes.

Compared to the previous quarter, profit before tax rose 15%. Total income increased 3% from a seasonally-quiet fourth quarter while expenses and allowances were lower by 9% and 15% respectively. Net interest income declined 5% largely from a contraction in trade assets. Non-interest income rose 21% from higher treasury customer flows as well as loan-related and trade activities. Both specific and general allowances were lower.

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 (CBG) and Institutional Banking (IBG), is reflected in the respective segments. Treasury is also responsible for managing surplus funds.

Compared to a year ago, profit before tax declined 39% to \$170 million. Total income fell 20% to \$307 million due to lower interest income from bonds and higher funding costs, partially offset by higher income from interest rate products. Expenses grew 5% to \$137 million.

Compared to the previous quarter, profit before tax was 72% higher. Total income rose 22% as higher gains from investment securities, foreign exchange and interest rate products, were partially offset by lower gains in credit products. Expenses were 9% lower.

Income from treasury customer activities, which is reflected in CBG and IBG, declined 10% from a year ago to \$301 million as contributions from foreign exchange and equity products were lower. Compared to the previous quarter, income from customer activities rose 20% as higher contributions from foreign exchange and interest rate products were partially offset by lower income from fixed-income products.

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 GEOGRAPHY¹

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income statement items						
1st Qtr 2016						
Net interest income	1,243	330	115	99	46	1,833
Non-interest income	668	174	102	71	17	1,032
Total income	1,911	504	217	170	63	2,865
Expenses	767	228	162	86	22	1,265
Allowances for credit and other losses	53	29	28	43	17	170
Profit before tax	1,091	247	27	41	24	1,430
Income tax expense	124	38	4	22	8	196
Net profit	936	209	23	19	16	1,203
4th Qtr 2015						
Net interest income	1,238	344	125	98	49	1,854
Non-interest income	468	180	80	47	23	798
Total income	1,706	524	205	145	72	2,652
Expenses	705	251	173	89	24	1,242
Allowances for credit and other losses	148	28	44	17	10	247
Profit before tax	853	245	(12)	39	38	1,163
Income tax expense	76	43	(7)	15	9	136
Net profit	752	202	(5)	24	29	1,002
1st Qtr 2015²						
Net interest income	1,096	309	145	95	45	1,690
Non-interest income	605	230	141	63	11	1,050
Total income	1,701	539	286	158	56	2,740
Expenses	674	229	171	83	24	1,181
Allowances for credit and other losses	40	28	39	68	6	181
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

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
Selected balance sheet items						
31 Mar 2016						
Total assets before goodwill and intangibles	292,719	65,642	37,801	19,000	18,943	434,105
Goodwill and intangibles	5,083	33	-	-	-	5,116
Total assets	297,802	65,675	37,801	19,000	18,943	439,221
Non-current assets ³	1,958	364	80	46	7	2,455
Gross customer loans	185,066	49,398	20,169	11,403	11,629	277,665
31 Dec 2015						
Total assets before goodwill and intangibles	303,530	73,013	41,784	16,304	18,086	452,717
Goodwill and intangibles	5,083	34	-	-	-	5,117
Total assets	308,613	73,047	41,784	16,304	18,086	457,834
Non-current assets ³	2,022	386	85	46	8	2,547
Gross customer loans	190,540	53,327	21,817	10,602	10,585	286,871
31 Mar 2015						
Total assets before goodwill and intangibles	295,652	76,389	45,913	18,927	14,648	451,529
Goodwill and intangibles	5,083	35	-	-	-	5,118
Total assets	300,735	76,424	45,913	18,927	14,648	456,647
Non-current assets ³	1,955	395	83	43	1	2,477
Gross customer loans	186,116	56,822	22,390	11,142	8,028	284,498

Notes:

- 1 The geographical segment analysis is based on the location where transactions and assets are booked.
- 2 Non-interest income and net profit exclude one-time item.
- 3 Includes investments in associates, 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 17% to \$936 million from a year ago. Total income was 12% higher at \$1.91 billion. Net interest income rose 13% to \$1.24 billion from higher net interest margin in line with higher Singapore dollar interest rates. Non-interest income rose 10% to \$668 million led by higher fees from bancassurance, loan-related activities and cards, as well as higher trading income. Expenses grew 14% to \$767 million. Profit before allowances rose 11% to \$1.14 billion. Allowances rose \$13 million to \$53 million as higher specific allowances were partially offset by lower general allowances.

Compared to the previous quarter, net profit rose 24%. Total income was 12% higher, while expenses grew at a slower pace of 9%. Net interest income was little changed while non-interest income rose 43% from higher contributions from wealth management, loan-related activities and gains on investment securities. Profit before allowances rose 14%. Total allowances

declined \$95 million to \$53 million as general and specific allowances were lower.

Hong Kong

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

Net profit declined 13% to \$209 million from a year ago. Net interest income increased 7% to \$330 million as net interest margin rose 25 basis points to 1.81% from an improved deposit mix and higher assets yields, which were partially offset by the impact of lower loan balances. Non-interest income fell 24% to \$174 million from lower capital market and trade fees, partially offset by higher bancassurance fees. Treasury customer sales and trading income were also lower. Expenses and allowances were little changed at \$228 million and \$29 million respectively. An increase in specific allowances was offset by a higher write-back of general allowances.

Compared to the previous quarter, net profit rose 3%. Net interest income declined 4%, as loans fell 3% in constant-currency terms while net interest margin rose slightly by two basis points. Non-interest income fell 3%

from lower capital market activities, trade fees and trading income, partially offset by higher bancassurance income and treasury sales. Total income declined 4% while expenses fell at a faster pace of 9%. Allowances were little changed as higher specific allowances were offset by a higher write-back of general allowances.

Rest of Greater China

Net profit fell 67% to \$23 million from a year ago. Net interest income declined 21% to \$115 million from lower net interest margin and loan volumes. Non-interest income fell 28% to \$102 million due to a property disposal gain a year ago and lower treasury customer activities. Total income fell 24% to \$217 million while expenses declined at a slower 5% to \$162 million. Allowances were \$11 million lower at \$28 million as specific allowances fell.

Compared to the previous quarter, net profit rose to \$23 million from a net loss of \$5 million. Total income was 6% higher. Net interest income fell 8% from lower loan volumes, while non-interest income rose 28% from higher trading income, treasury customer activities and trade fee income. Expenses declined 6%. Total allowances fell \$16 million to \$28 million from lower specific allowances.

South and Southeast Asia

Net profit rose to \$19 million from \$7 million a year ago. Total income rose 8% to \$170 million, while expenses rose 4% to \$86 million. Allowances fell \$25 million to \$43 million as specific allowances declined, partially offset by higher general allowances.

Compared to the previous quarter, total income rose 17% from higher trading income, while expenses fell 3%. Allowances rose from \$17 million to \$43 million as general and specific allowances were higher. Net profit fell 21% to \$19 million.

Rest of the World

Net profit rose to \$16 million from \$14 million a year ago. Total income was 13% higher at \$63 million as treasury customer activities increased, while expenses fell 8% to \$22 million. Allowances rose from \$6 million to \$17 million as both specific and general allowances were higher.

Compared to the previous quarter, total income was 13% lower mainly due to lower trading income. Expenses declined 8%, while allowances rose from \$10 million to \$17 million from higher specific allowances. Net profit declined to \$16 million from \$29 million in the previous quarter.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	31 Mar 2016	31 Dec 2015	31 Mar 2015
Gross	277,665	286,871	284,498
Less:			
Specific allowances	792	821	1,020
General allowances	2,744	2,761	2,670
Net total	274,129	283,289	280,808
By business unit			
Consumer Banking/ Wealth Management	88,637	88,853	83,647
Institutional Banking	187,581	196,412	198,218
Others	1,447	1,606	2,633
Total (Gross)	277,665	286,871	284,498
By geography¹			
Singapore	136,221	135,860	130,809
Hong Kong	46,250	50,976	53,417
Rest of Greater China	39,531	45,129	48,984
South and Southeast Asia	26,397	26,443	26,490
Rest of the World	29,266	28,463	24,798
Total (Gross)	277,665	286,871	284,498
By industry			
Manufacturing	30,808	30,874	35,151
Building and construction	54,403	55,584	50,917
Housing loans	59,391	58,569	53,931
General commerce	42,135	48,249	52,959
Transportation, storage & communications	24,961	26,357	24,070
Financial institutions, investment & holding companies	13,243	13,725	16,925
Professionals & private individuals (excluding housing loans)	23,441	24,105	24,244
Others	29,283	29,408	26,301
Total (Gross)	277,665	286,871	284,498
By currency			
Singapore dollar	118,144	117,587	112,367
US dollar	83,860	89,283	94,523
Hong Kong dollar	32,691	34,386	34,767
Chinese yuan	16,180	19,516	21,006
Others	26,790	26,099	21,835
Total (Gross)	277,665	286,871	284,498

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 fell 3% from the previous quarter to \$278 billion. In constant-currency terms, loans fell 1%. An 11% contraction in trade loans was offset by a 1% increase in non-trade loans from higher corporate borrowing and a 2% growth in Singapore housing loans.

Compared to a year ago, loans were also 1% lower in constant-currency terms. A 23% decline in trade loans was offset by a 3% increase in non-trade loans. Singapore housing loans rose 13%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	31 Mar 2016			31 Dec 2015			31 Mar 2015		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)
By business unit									
Consumer Banking/ Wealth Management	336	0.4	67	330	0.4	65	282	0.3	60
Institutional Banking and Others	2,357	1.2	725	2,282	1.2	756	2,221	1.1	960
Total non-performing loans (NPL)	2,693	1.0	792	2,612	0.9	821	2,503	0.9	1,020
Debt securities	5	-	3	5	-	3	7	-	3
Contingent liabilities & others	350	-	113	175	-	91	80	-	46
Total non-performing assets (NPA)	3,048	-	908	2,792	-	915	2,590	-	1,069
By geography									
Singapore	492	0.4	116	506	0.4	115	469	0.4	146
Hong Kong	541	1.2	107	433	0.8	99	296	0.6	122
Rest of Greater China	414	1.0	99	387	0.9	96	374	0.8	161
South and Southeast Asia	888	3.4	418	856	3.2	415	851	3.2	390
Rest of the World	358	1.2	52	430	1.5	96	513	2.1	201
Total non-performing loans	2,693	1.0	792	2,612	0.9	821	2,503	0.9	1,020
Debt securities	5	-	3	5	-	3	7	-	3
Contingent liabilities & others	350	-	113	175	-	91	80	-	46
Total non-performing assets	3,048	-	908	2,792	-	915	2,590	-	1,069
Loss Allowance Coverage									
Specific allowances			908			915			1,069
General allowances			3,182			3,222			3,109
Total allowances			4,090			4,137			4,178
Total allowances/ NPA			134%			148%			161%
Total allowances/ unsecured NPA			286%			303%			294%

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	31 Mar 2016		31 Dec 2015		31 Mar 2015	
	NPA	SP	NPA	SP	NPA	SP
By industry						
Manufacturing	680	248	560	224	673	332
Building and construction	339	104	334	120	360	113
Housing loans	119	6	122	7	116	7
General commerce	773	174	705	157	475	149
Transportation, storage & communications	286	95	307	94	340	157
Financial institutions, investment & holding companies	52	2	100	60	114	99
Professionals & private individuals (excluding housing loans)	210	61	203	58	175	56
Others	234	102	281	101	250	107
Total non-performing loans	2,693	792	2,612	821	2,503	1,020
Debt securities	5	3	5	3	7	3
Contingent liabilities & others	350	113	175	91	80	46
Total non-performing assets	3,048	908	2,792	915	2,590	1,069

(\$m)	31 Mar 2016		31 Dec 2015		31 Mar 2015	
	NPA	SP	NPA	SP	NPA	SP
By loan classification						
Non-performing assets						
Substandard	2,213	221	1,924	206	1,670	238
Doubtful	592	444	594	435	587	498
Loss	243	243	274	274	333	333
Total	3,048	908	2,792	915	2,590	1,069
Of which: restructured assets						
Substandard	473	58	236	30	422	44
Doubtful	181	130	142	82	127	115
Loss	9	9	8	8	32	32
Total	663	197	386	120	581	191

(\$m)	31 Mar 2016		31 Dec 2015		31 Mar 2015	
	NPA		NPA		NPA	
By collateral type						
Unsecured non-performing assets	1,429		1,366		1,420	
Secured non-performing assets by collateral type						
Properties	723		670		477	
Shares and debentures	271		268		345	
Fixed deposits	20		21		7	
Others	605		467		341	
Total	3,048		2,792		2,590	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	31 Mar 2016 NPA	31 Dec 2015 NPA	31 Mar 2015 NPA
By period overdue			
Not overdue	624	520	472
<90 days overdue	519	508	466
91-180 days overdue	463	424	169
>180 days overdue	1,442	1,340	1,483
Total	3,048	2,792	2,590

Non-performing assets rose 9% from the previous quarter to \$3.05 billion, with increases led by Hong Kong and India partially offset by declines in Rest of the World. The non-performing loan rate rose slightly

from the previous quarter to 1.0%. Allowance coverage was at 134% and at 286% if collateral was considered.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS

(\$m)	31 Mar 2016	31 Dec 2015	31 Mar 2015
By currency and product			
Singapore dollar	141,905	140,772	144,066
Fixed deposits	12,933	11,245	14,438
Savings accounts	104,037	104,541	105,070
Current accounts	24,871	24,887	24,420
Others	64	99	138
US dollar	95,268	101,298	92,374
Fixed deposits	54,345	59,381	54,763
Savings accounts	12,949	13,160	8,269
Current accounts	26,785	27,354	27,782
Others	1,189	1,403	1,560
Hong Kong dollar	32,619	31,849	37,410
Fixed deposits	18,245	15,872	24,494
Savings accounts	7,323	8,436	6,892
Current accounts	6,561	7,052	5,564
Others	490	489	460
Chinese yuan	11,536	14,500	18,968
Fixed deposits	8,787	10,962	16,709
Savings accounts	1,389	1,076	921
Current accounts	1,305	2,408	1,283
Others	55	54	55
Others	32,476	31,715	31,662
Fixed deposits	22,892	22,809	23,546
Savings accounts	3,742	3,852	2,715
Current accounts	4,988	4,288	4,809
Others	854	766	592
Total	313,804	320,134	324,480
Fixed deposits	117,202	120,269	133,950
Savings accounts	129,440	131,065	123,867
Current accounts	64,510	65,989	63,858
Others	2,652	2,811	2,805

Underlying customer deposits were stable from the previous quarter at \$314 billion. Compared to a year ago, they fell 2% as a decline in fixed deposits was partially offset by an increase in current and savings accounts.

The overall loan-deposit ratio was 87%, with the Singapore dollar loan-deposit ratio at 83% and US dollar loan-deposit ratio at 88%, which were little changed from the previous quarter.

DEBTS ISSUED

(\$m)	31 Mar 2016	31 Dec 2015	31 Mar 2015
Subordinated term debts	3,736	4,026	3,990
Senior medium term notes	8,797	9,870	12,099
Commercial papers	7,381	19,174	13,176
Negotiable certificates of deposit	993	1,200	1,101
Other debt securities	6,318	6,422	6,385
Covered bonds	1,360	1,412	-
Total	28,585	42,104	36,751
Due within 1 year	15,228	27,452	22,573
Due after 1 year	13,357	14,652	14,178
Total	28,585	42,104	36,751

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

TRADING INCOME AND RISK

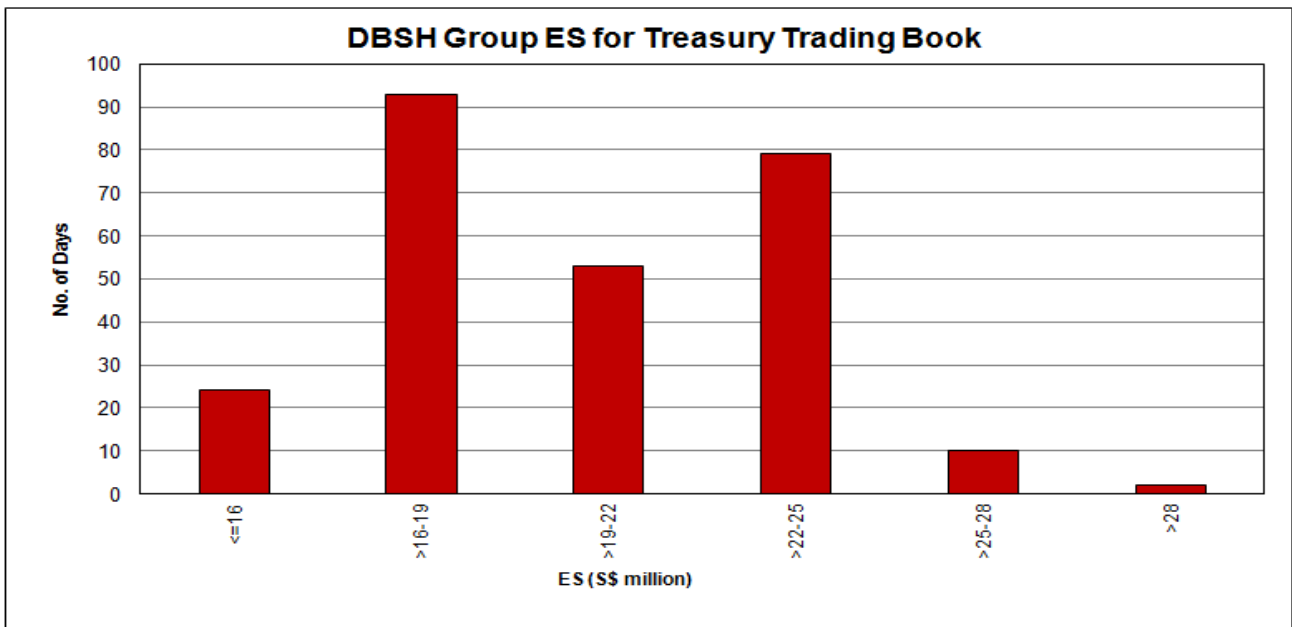
The Group's market risk appetite framework leverages on the Expected Shortfall (ES) metric to monitor and limit market risk exposures. ES is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 97.5% confidence interval over a one-day holding period.

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

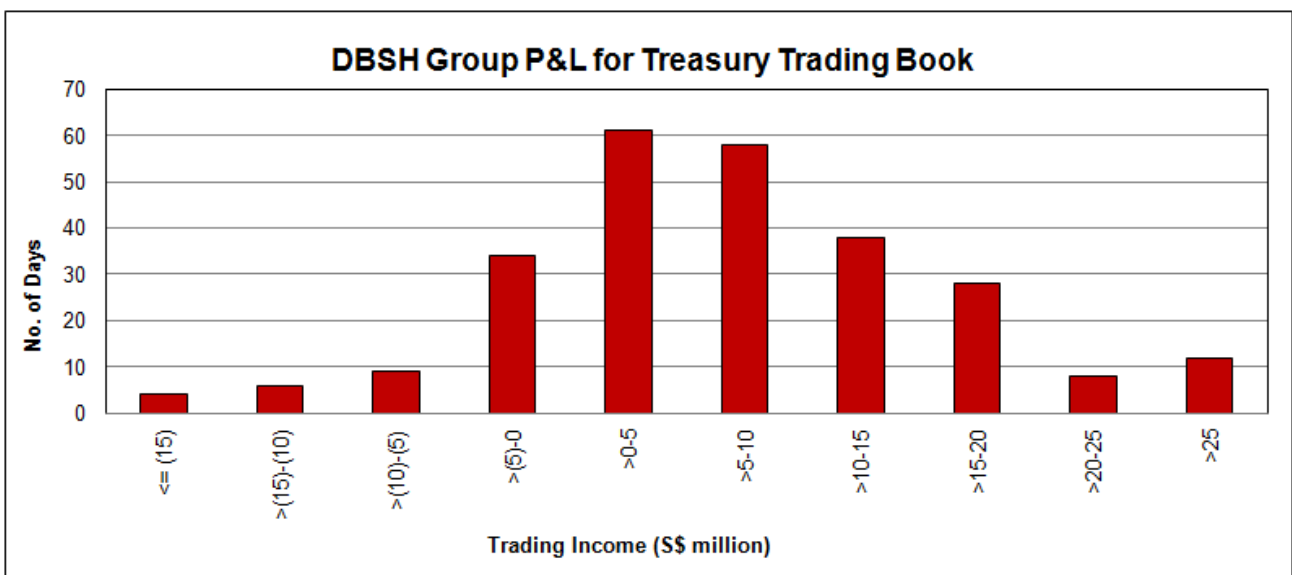
(\$m)	As at 31 Mar 2016	Average	1 Apr 2015 to 31 Mar 2016	
			High	Low
Total	22	20	32	14

Treasury's trading portfolio experienced five back-testing exceptions from 1 April 2015 to 31 March 2016 and was within the yellow zone. The exceptions occurred in August, December, January, February and March.

The chart below provides the histogram of ES for the Group's trading book for the period from 1 April 2015 to 31 March 2016.



The chart below shows the frequency distribution of daily trading income of Treasury's trading portfolio for the period from 1 April 2015 to 31 March 2016.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	31 Mar 2016	31 Dec 2015	31 Mar 2015
Share capital	10,391	10,391	10,118
Disclosed reserves and others	30,713	29,269	28,286
Total regulatory adjustments to Common Equity Tier 1 capital	(3,360)	(2,219)	(2,156)
Regulatory adjustments due to insufficient Additional Tier 1 capital	-	(373)	(140)
Common Equity Tier 1 capital	37,744	37,068	36,108
Additional Tier 1 capital instruments ¹	2,803	2,941	3,094
Total regulatory adjustments to Additional Tier 1 capital	(2,233)	(2,941)	(3,094)
Tier 1 capital	38,314	37,068	36,108
Provisions eligible as Tier 2 capital	1,358	1,408	1,374
Tier 2 capital instruments ¹	3,372	3,639	3,688
Total regulatory adjustments to Tier 2 capital	(1)	(2)	(1)
Total capital	43,043	42,113	41,169
Risk-Weighted Assets ("RWA")			
Credit RWA	209,685	216,380	210,023
Market RWA	41,448	40,212	43,026
Operational RWA	17,545	17,437	16,226
Total RWA	268,678	274,029	269,275
Capital Adequacy Ratio ("CAR") (%)			
Basel III fully phased-in Common Equity Tier 1 ²	13.2	12.4	12.2
Common Equity Tier 1	14.0	13.5	13.4
Tier 1	14.3	13.5	13.4
Total	16.0	15.4	15.3
Minimum CAR including Buffer Requirements (%)³			
Common Equity Tier 1	7.2	6.5	6.5
Effective Tier 1	8.7	8.0	8.0
Effective Total	10.7	10.0	10.0
Of which: Buffer Requirements (%)			
Capital Conservation Buffer	0.625	-	-
Countercyclical Buffer	0.1	-	-

Notes:

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

2 Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments applicable from 1 January 2018 by RWA as at each reporting date.

3 Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

Capital adequacy ratios as at 31 March 2016 strengthened as compared to 31 December 2015. Reserves increased from retained earnings while credit risk-weighted assets declined mainly due to the impact of changes in exchange rates. The Group's leverage ratio stood at 7.8%, well above the minimum 3% envisaged by the Basel Committee.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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 Investor Relations section of the Group website: (<http://www.dbs.com/investor/index.html>).

Geographical Distribution of RWA relating to Credit Exposures used in the Countercyclical Capital Buffer

The table below sets out the geographical breakdown of the RWA of private sector credit exposures relevant for the computation of the countercyclical capital buffer.

Country	31 Mar 2016		
	Country-specific requirement (%) (A)	Proportion of relevant Group RWA (%) (B)	Applicable countercyclical buffer requirement (%) (A) x (B)
Hong Kong	0.625	15.3	0.1
Sweden	0.625	#	#

Less than 0.1%

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 2016			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	35,769	15.5	15.5	17.6
DBS Bank (China) Limited	14,598	11.9	11.9	15.5

PROPERTY VALUATION SURPLUS

(\$m)	31 Mar 2016	31 Dec 2015	31 Mar 2015
Properties ¹	872	881	882

Note:

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Consolidated Income Statement (Unaudited)

In \$ millions	1st Qtr 2016	1st Qtr 2015	+/(-) %	4th Qtr 2015	+/(-) %
Income					
Interest income	2,454	2,380	3	2,445	-
Interest expense	621	690	(10)	591	5
Net interest income	1,833	1,690	8	1,854	(1)
Net fee and commission income	574	560	3	485	18
Net trading income	315	356	(12)	289	9
Net income from investment securities	86	239	(64)	18	>100
Other income	57	31	84	6	>100
Non-interest income	1,032	1,186	(13)	798	29
Total income	2,865	2,876	-	2,652	8
Employee benefits	706	672	5	643	10
Other expenses	559	509	10	599	(7)
Total expenses	1,265	1,181	7	1,242	2
Profit before allowances	1,600	1,695	(6)	1,410	13
Allowances for credit and other losses	170	181	(6)	247	(31)
Profit before tax	1,430	1,514	(6)	1,163	23
Income tax expense	196	215	(9)	136	44
Net profit	1,234	1,299	(5)	1,027	20
Attributable to:					
Shareholders	1,203	1,269	(5)	1,002	20
Non-controlling interests	31	30	3	25	24
	1,234	1,299	(5)	1,027	20

Consolidated Statement of Comprehensive Income (Unaudited)

In \$ millions	1st Qtr 2016	1st Qtr 2015	+/(-) %	4th Qtr 2015	+/(-) %
Net profit	1,234	1,299	(5)	1,027	20
Other comprehensive income¹:					
Foreign currency translation differences for foreign operations	(142)	127	NM	(24)	(>100)
Share of other comprehensive income of associates	(5)	1	NM	3	NM
Available-for-sale financial assets and others					
Net valuation taken to equity	485	144	>100	(39)	NM
Transferred to income statement	(33)	(62)	47	44	NM
Tax on items taken directly to or transferred from equity	(12)	(7)	(71)	(2)	(>100)
Other comprehensive income, net of tax	293	203	44	(18)	NM
Total comprehensive income	1,527	1,502	2	1,009	51
Attributable to:					
Shareholders	1,501	1,468	2	981	53
Non-controlling interests	26	34	(24)	28	(7)
	1,527	1,502	2	1,009	51

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

Balance Sheets (Unaudited)

In \$ millions	The Group			The Company		
	31 Mar 2016	31 Dec 2015 ¹	31 Mar 2015	31 Mar 2016	31 Dec 2015 ¹	31 Mar 2015
Assets						
Cash and balances with central banks	15,850	18,829	22,653			
Government securities and treasury bills	37,145	34,501	36,528			
Due from banks	28,595	38,285	36,939	17	10	13
Derivatives	21,902	23,631	20,073	58	46	24
Bank and corporate securities	42,437	40,073	37,907			
Loans and advances to customers	274,129	283,289	280,808			
Other assets	11,592	11,562	14,144	1		
Associates	944	1,000	996			
Subsidiaries	-	-	-	20,437	19,547	19,498
Properties and other fixed assets	1,511	1,547	1,481			
Goodwill and intangibles	5,116	5,117	5,118			
Total assets	439,221	457,834	456,647	20,513	19,603	19,535
Liabilities						
Due to banks	15,439	18,251	15,901			
Deposits and balances from customers	313,804	320,134	324,480			
Derivatives	21,251	22,145	20,966	22		6
Other liabilities	15,875	12,404	16,828	33	24	13
Other debt securities	24,849	38,078	32,761	2,406	1,884	1,740
Subordinated term debts	3,736	4,026	3,990	379		
Total liabilities	394,954	415,038	414,926	2,840	1,908	1,759
Net assets	44,267	42,796	41,721	17,673	17,695	17,776
Equity						
Share capital	10,192	10,114	10,247	10,214	10,144	10,267
Other equity instruments	803	803	803	803	803	803
Other reserves	6,923	6,705	7,030	83	168	89
Revenue reserves	23,955	22,752	21,109	6,573	6,580	6,617
Shareholders' funds	41,873	40,374	39,189	17,673	17,695	17,776
Non-controlling interests	2,394	2,422	2,532			
Total equity	44,267	42,796	41,721	17,673	17,695	17,776
Other Information						
Net book value per share (\$)						
(i) Basic	16.39	15.82	15.42	6.73	6.75	6.78
(ii) Diluted	16.39	15.82	15.30	6.73	6.75	6.77

Note:

1 Audited

Consolidated Statement of Changes in Equity (Unaudited)

The Group							
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2016	10,114	803	6,705	22,752	40,374	2,422	42,796
Purchase of treasury shares	(28)				(28)		(28)
Draw-down of reserves upon vesting of performance shares	106		(106)		-		-
Cost of share-based payments			26		26		26
Change in non-controlling interests						(54)	(54)
Total comprehensive income			298	1,203	1,501	26	1,527
Balance at 31 March 2016	10,192	803	6,923	23,955	41,873	2,394	44,267
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)
Draw-down of reserves upon vesting of performance shares	84		(84)		-		-
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
Total comprehensive income			199	1,269	1,468	34	1,502
Balance at 31 March 2015	10,247	803	7,030	21,109	39,189	2,532	41,721

Statement of Changes in Equity (Unaudited)
The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2016	10,144	803	168	6,580	17,695
Purchase of treasury shares	(28)				(28)
Transfer of treasury shares	98				98
Draw-down of reserves upon vesting of performance shares			(106)		(106)
Cost of share-based payments			26		26
Total comprehensive income			(5)	(7)	(12)
Balance at 31 March 2016	10,214	803	83	6,573	17,673
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
Balance at 31 March 2015	10,267	803	89	6,617	17,776

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement (Unaudited)

In \$ millions	1st Qtr 2016	1st Qtr 2015
Cash flows from operating activities		
Net profit	1,234	1,299
Adjustments for non-cash items:		
Allowances for credit and other losses	170	181
Depreciation of properties and other fixed assets	67	60
Share of profits of associates	32	(4)
Net gain on disposal (net of write-off) of properties and other fixed assets	-	(14)
Net income from investment securities	(86)	(239)
Cost of share-based payments	26	22
Income tax expense	196	215
Profit before changes in operating assets & liabilities	1,639	1,520
Increase/(Decrease) in:		
Due to banks	(2,611)	(275)
Deposits and balances from customers	(2,819)	7,307
Other liabilities	4,972	6,861
Other debt securities and borrowings	(13,113)	1,219
(Increase)/Decrease in:		
Restricted balances with central banks	(205)	182
Government securities and treasury bills	(2,688)	(6,778)
Due from banks	9,443	5,324
Loans and advances to customers	5,592	(5,386)
Bank and corporate securities	(2,519)	111
Other assets	(30)	(5,996)
Tax paid	(119)	(130)
Net cash (used in)/generated from operating activities (1)	(2,458)	3,959
Cash flows from investing activities		
Dividends from associates	10	11
Purchase of properties and other fixed assets	(77)	(57)
Proceeds from disposal of properties and other fixed assets	-	34
Net cash used in investing activities (2)	(67)	(12)
Cash flows from financing activities		
Increase in share capital	-	4
Purchase of treasury shares	(28)	(13)
Change in non-controlling interests	(54)	-
Purchase of subordinated term debts	(613)	(743)
Issuance of subordinated term debts	370	-
Net cash used in financing activities (3)	(325)	(752)
Exchange translation adjustments (4)	(263)	123
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(3,113)	3,318
Cash and cash equivalents at 1 January	12,078	11,851
Cash and cash equivalents at 31 March	8,965	15,169

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

The interim financial information should be read in conjunction with the audited financial statements included in the Group's Annual Report 2015.

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 2015.

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 2015. Please refer to our 2015 Annual Report for further guidance.

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

31 Mar 2016 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	3,715	-	-	3,715
- Other government securities and treasury bills	5,093	2,334	-	7,427
- Bank and corporate debt securities	2,689	4,050	713	7,452
- Equity securities	1,418	5	3	1,426
- Other financial assets	-	7,189	-	7,189
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	8,139	-	-	8,139
- Other government securities and treasury bills	14,612	1,589	-	16,201
- Bank and corporate debt securities	11,295	2,480	49	13,824
- Equity securities ¹	995	-	101	1,096
- Other financial assets	-	4,757	-	4,757
Derivatives	114	21,773	15	21,902
Liabilities				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	5,745	3	5,748
- Other financial liabilities	3,400	2,420	154	5,974
Derivatives	184	20,939	128	21,251

Note:

1 Excludes unquoted equities stated at cost of \$571 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

31 Dec 2015 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	2,569	-	-	2,569
- Other government securities and treasury bills	2,328	2,672	-	5,000
- Bank and corporate debt securities	3,064	3,852	815	7,731
- Equity securities	1,352	6	23	1,381
- Other financial assets	-	6,471	-	6,471
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	8,078	-	-	8,078
- Other government securities and treasury bills	16,016	1,173	-	17,189
- Bank and corporate debt securities	9,353	2,485	46	11,884
- Equity securities ¹	1,011	2	110	1,123
- Other financial assets	-	4,977	-	4,977
Derivatives	76	23,535	20	23,631
Liabilities				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	5,521	17	5,538
- Other financial liabilities	886	2,226	73	3,185
Derivatives	181	21,841	123	22,145

Note:

1 Excludes unquoted equities stated at cost of \$574 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	Transfe rs in	Transfe rs out	Balance at 31 March
		Income statem- ent	Other compre- hensive income						
2016									
Assets									
Financial assets at fair value through profit or loss									
- Bank and corporate debt securities	815	(34)	-	45	-	-	-	(113)	713
- Equity securities	23	(10)	-	-	-	-	3	(13)	3
Available-for-sale financial assets									
- Bank and corporate debt securities	46	-	(1)	-	-	-	24	(20)	49
- Equity securities	110	-	(6)	-	-	(3)	-	-	101
Derivatives	20	(3)	-	-	-	-	1	(3)	15
Total	1,014	(47)	(7)	45	-	(3)	28	(149)	881
Liabilities									
Financial liabilities at fair value through profit or loss									
- Other debt securities	17	-	-	-	-	(14)	-	-	3
- Other financial liabilities	73	(3)	-	-	-	-	107	(23)	154
Derivatives	123	5	-	-	-	-	-	-	128
Total	213	2	-	-	-	(14)	107	(23)	285

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 2016	Net trading Income	Net income from investment securities	Total
Total gain/(loss) for the period included in income statement	(49)	-	(49)
<i>Of Which:</i>			
<i>Change in unrealised gain/(loss) for assets and liabilities held at the end of the reporting period</i>	(49)	-	(49)

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 2015. Please refer to our 2015 Annual Report for further guidance.

In \$ millions	Fair Value	Classification	Valuation technique	Unobservable Input
31 Mar 2016				
Assets				
Bank and corporate debt securities	713	FVPL ¹	Discounted cash flows	Credit spreads
Bank and corporate debt securities	49	AFS ²	Discounted cash flows	Credit spreads
Equity securities	3	FVPL ¹	Equity pricing model	Prices
Equity securities (Unquoted)	101	AFS ²	Net asset value	Net asset value of securities
Derivatives	15	FVPL ¹	Proxy pricing	Credit spreads
Total	881			
Liabilities				
Other debt securities	3	FVPL ¹	Discounted cash flows/ Option & interest rate pricing model	Correlations
Other financial liabilities	154	FVPL ¹	Option & interest rate pricing model	Correlations
Derivatives	128	FVPL ¹	Proxy pricing	Credit spreads
Total	285			

Notes:

1 FVPL denotes financial instruments classified as fair value through profit or loss.

2 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 2016. Unquoted equities of \$571 million as at 31 March 2016 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 2015. Please refer to our 2015 Annual Report for further guidance.

2. Off-balance Sheet Items

In \$ millions	31 Mar 2016	31 Dec 2015	31 Mar 2015
Contingent liabilities	18,454	19,901	20,857
Commitments ¹	219,751	220,491	199,897
Financial Derivatives	2,037,636	2,069,594	2,048,613

Note:

¹ Includes commitments that are unconditionally cancellable at any time of \$181,815 million (Dec'15:\$183,125 million, Mar'15:\$162,598 million).

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	
	2016	2015
Ordinary shares		
Balance at 1 January	2,514,780,749	2,479,126,459
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	-	350,623
Balance at 31 March [a]	2,514,780,749	2,479,477,082
Treasury shares held by DBSH		
Balance at 1 January	13,000,000	5,109,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(5,282,000)	(5,109,000)
Purchase of treasury shares	1,900,000	684,200
Balance at 31 March [b]	9,618,000	684,200
Ordinary shares net of treasury shares [a] – [b]	2,505,162,749	2,478,792,882

(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 2016	31 Mar 2015
Conversion of non-voting redeemable CPS	-	30,011,421
Weighted average number of shares for the period¹		
- ordinary shares	2,502,742,178	2,476,717,717
- fully diluted	2,502,742,178	2,506,729,138

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.

CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

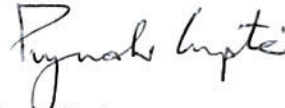
CONFIRMATION BY THE BOARD

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 2016 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Peter Seah Lim Huat
Chairman



Piyush Gupta
Chief Executive Officer

29 April 2016
Singapore