



To: Shareholders

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

**Unaudited Financial Results for the Nine Months/ Third Quarter Ended 30 September 2016**

Details of the financial results are in the accompanying performance summary.

**Dividends**

For the third quarter of 2016, no dividend has been declared for DBSH ordinary shares.

By order of the Board

Goh Peng Fong  
Group Secretary

28 October 2016  
Singapore

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

...DBS/

Co. Reg. No. 199901152M

DBS Group Holdings Ltd  
12 Marina Boulevard  
DBS Asia Central @  
Marina Bay Financial  
Centre Tower 3  
Singapore 018982

Tel: 65.6878 8888

[www.dbs.com](http://www.dbs.com)



## **Performance Summary**

Unaudited Financial Results  
For the Nine Months/  
Third Quarter ended  
30 September 2016

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

<b>Contents</b>	<b>Page</b>
<b>Overview</b>	2
<b>Financial Review</b>	
Net Interest Income	4
Net Fee and Commission Income	6
Other Non-Interest Income	6
Expenses	7
Allowances for Credit and Other Losses	7
Performance by Business Segments	8
Performance by Geography	11
Customer Loans	15
Non-Performing Assets and Loss Allowance Coverage	16
Customer Deposits	19
Debts Issued	19
Trading Income and Risk	20
Capital Adequacy	21
Additional Pillar 3 Disclosures	22
Unrealised Property Valuation Surplus	22
<b>Financial Statements</b>	
Consolidated Income Statement	23
Consolidated Statement of Comprehensive Income	23
Balance Sheets	24
Consolidated Statement of Changes in Equity	25
Statement of Changes in Equity	27
Consolidated Cash Flow Statement	29
Selected Notes to the Interim Financial Statements	30
<b>Additional Information</b>	
Share Capital	32
Interested Party Transactions Pursuant to Listing Rule 920(1)	32
Confirmation of Directors and Executive Officers' Undertakings Pursuant to Listing Rule 720(1)	32
<b>Confirmation by the Board</b>	33

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## OVERVIEW

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

	3rd Qtr 2016	3rd Qtr 2015	% chg	2nd Qtr 2016	% chg	9 Mths 2016	9 Mths 2015	% chg
<b>Selected income statement items (\$m)</b>								
Net interest income	1,815	1,813	-	1,833	(1)	5,481	5,246	4
Net fee and commission income	614	517	19	628	(2)	1,816	1,659	9
Other non-interest income	500	379	32	458	9	1,416	1,244	14
<b>Total income</b>	<b>2,929</b>	<b>2,709</b>	<b>8</b>	<b>2,919</b>	<b>-</b>	<b>8,713</b>	<b>8,149</b>	<b>7</b>
Expenses	1,199	1,259	(5)	1,285	(7)	3,749	3,658	2
Profit before allowances	1,730	1,450	19	1,634	6	4,964	4,491	11
Allowances for credit and other losses	436	178	>100	366	19	972	496	96
<b>Profit before tax</b>	<b>1,294</b>	<b>1,272</b>	<b>2</b>	<b>1,268</b>	<b>2</b>	<b>3,992</b>	<b>3,995</b>	<b>-</b>
<b>Net profit</b>	<b>1,071</b>	<b>1,066</b>	<b>-</b>	<b>1,051</b>	<b>2</b>	<b>3,325</b>	<b>3,316</b>	<b>-</b>
One-time item <sup>1</sup>	-	-	-	-	-	-	136	(100)
<b>Net profit including one-time item</b>	<b>1,071</b>	<b>1,066</b>	<b>-</b>	<b>1,051</b>	<b>2</b>	<b>3,325</b>	<b>3,452</b>	<b>(4)</b>
<b>Selected balance sheet items (\$m)</b>								
Customer loans	290,207	285,156	2	284,814	2	290,207	285,156	2
<i>Constant-currency change</i>			5		1			5
Total assets	465,480	456,361	2	450,886	3	465,480	456,361	2
Customer deposits	324,310	318,005	2	310,098	5	324,310	318,005	2
<i>Constant-currency change</i>			4		4			4
Total liabilities	418,953	414,500	1	406,174	3	418,953	414,500	1
Shareholders’ funds	44,138	39,404	12	42,354	4	44,138	39,404	12
<b>Key financial ratios (%) (excluding one-time item)<sup>2</sup></b>								
Net interest margin	1.77	1.78		1.87		1.83	1.74	
Non-interest/total income	38.0	33.1		37.2		37.1	35.6	
Cost/income ratio	40.9	46.5		44.0		43.0	44.9	
Return on assets	0.93	0.94		0.95		0.98	0.99	
Return on equity <sup>3</sup>	10.0	10.9		10.1		10.7	11.6	
Loan/deposit ratio	89.5	89.7		91.8		89.5	89.7	
NPL ratio	1.3	0.9		1.1		1.3	0.9	
Specific allowances (loans)/average loans (bp)	30	20		48		32	20	
Common Equity Tier 1 capital adequacy ratio	14.4	12.9		14.2		14.4	12.9	
Tier 1 capital adequacy ratio	14.9	12.9		14.4		14.9	12.9	
Total capital adequacy ratio	16.5	14.8		16.3		16.5	14.8	
Leverage ratio <sup>4</sup>	7.8	7.1		7.7		7.8	7.1	
Average all-currency liquidity coverage ratio <sup>5</sup>	115	121		116		117	129	

	3rd Qtr 2016	3rd Qtr 2015	2nd Qtr 2016	9 Mths 2016	9 Mths 2015
<b>Per share data (\$m)</b>					
Per basic share					
– earnings excluding one-time item	<b>1.67</b>	1.67	1.67	<b>1.75</b>	1.76
– earnings	<b>1.67</b>	1.67	1.67	<b>1.75</b>	1.82
– net book value <sup>6</sup>	<b>16.68</b>	15.42	16.48	<b>16.68</b>	15.42
Per diluted share					
– earnings excluding one-time item	<b>1.67</b>	1.67	1.67	<b>1.75</b>	1.76
– earnings	<b>1.67</b>	1.67	1.67	<b>1.75</b>	1.82
– net book value <sup>6</sup>	<b>16.68</b>	15.42	16.48	<b>16.68</b>	15.42

**Notes:**

- 1 Relates to gain from disposal of a property investment.
- 2 Return on assets, return on equity, specific allowances (loans)/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 other equity instruments. Non-controlling interests 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 was stable from a year ago at \$1.07 billion as the positive jaw from higher income and lower expenses was offset by an increase in general and specific allowances.

Compared to a year ago, total income rose 8% to a new high of \$2.93 billion, while expenses were lower from cost containment. Profit before allowances rose 19% to \$1.73 billion. Compared to the previous quarter, net profit was 2% higher. A decline in expenses was offset by an increase in total allowances as general allowances were taken.

Net interest income of \$1.82 billion was little changed from a year ago. Net interest margin was stable at 1.77%. Loans rose 5% in constant-currency terms as an 8% increase in non-trade loans was offset by a 14% contraction in trade loans. Compared to the previous quarter, net interest income was 1% lower. Net interest margin fell 10 basis points in line with lower Singapore-dollar interest rates and from higher liquidity buffers. Loans grew 1% in constant-currency terms.

Net fee income rose 19% from a year ago to \$614 million, led by higher contributions from wealth management and investment banking. It declined 2% from the previous quarter as investment banking fees fell from a high base, offset by higher wealth management and card fees. Other non-interest income increased 32% from a year ago to \$500 million due to higher gains from investment securities and trading income. Compared to the previous

quarter, other non-interest income was 9% higher from an increase in trading income and gains on fixed assets.

Expenses declined 5% from a year ago and 7% from the previous quarter to \$1.20 billion. Profit before allowances grew 19% from a year ago and 6% from the previous quarter to \$1.73 billion.

Asset quality continued to be sound. The non-performing loan rate rose moderately from the previous quarter to 1.3%. Allowance coverage was at 100% and at 204% if collateral was considered. Total allowances more than doubled from a year ago to \$436 million due to a four-fold increase in general allowances to \$169 million, which were taken as a prudent measure. Specific allowances for loans rose to 30 basis points compared to 20 basis points a year ago.

The average liquidity coverage ratio during the quarter was 115% and the loan-deposit ratio was 89%.

The Common Equity Tier 1 ratio was at 14.4% while the leverage ratio was at 7.8%.

For the nine months, net profit was flat if the one-time gain a year ago was excluded. Total income rose 7% from higher net interest margin and loan growth, and broad-based fee income growth. With expenses rising less quickly by 2% due to productivity gains, profit before allowances were 11% higher. The impact was offset by higher allowances. Return on equity was 10.7%.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET INTEREST INCOME

Average balance sheet	3rd Qtr 2016			3rd Qtr 2015			2nd Qtr 2016		
	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	250,407	1,632	2.59	236,700	1,551	2.60	243,460	1,642	2.71
Trade assets	44,827	242	2.15	57,294	329	2.28	40,227	225	2.25
Interbank assets <sup>1</sup>	35,031	87	0.99	33,680	99	1.17	30,566	85	1.12
Securities	78,809	445	2.25	76,205	444	2.31	80,919	459	2.28
<b>Total</b>	<b>409,074</b>	<b>2,406</b>	<b>2.34</b>	<b>403,879</b>	<b>2,423</b>	<b>2.38</b>	<b>395,172</b>	<b>2,411</b>	<b>2.45</b>
<b>Interest-bearing liabilities</b>									
Customer deposits	318,073	411	0.51	314,784	454	0.57	308,099	406	0.53
Other borrowings	57,127	180	1.25	61,688	156	1.00	57,499	172	1.20
<b>Total</b>	<b>375,200</b>	<b>591</b>	<b>0.63</b>	<b>376,472</b>	<b>610</b>	<b>0.64</b>	<b>365,598</b>	<b>578</b>	<b>0.64</b>
<b>Net interest income/margin<sup>2</sup></b>		<b>1,815</b>	<b>1.77</b>		<b>1,813</b>	<b>1.78</b>		<b>1,833</b>	<b>1.87</b>

Average balance sheet	9 Mths 2016			9 Mths 2015		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
<b>Interest-bearing assets</b>						
Customer non-trade loans	245,311	4,947	2.69	232,359	4,488	2.58
Trade assets	42,644	710	2.22	56,454	1,024	2.43
Interbank assets <sup>1</sup>	33,750	266	1.05	39,227	370	1.26
Securities	79,246	1,348	2.27	74,891	1,317	2.35
<b>Total</b>	<b>400,951</b>	<b>7,271</b>	<b>2.42</b>	<b>402,931</b>	<b>7,199</b>	<b>2.39</b>
<b>Interest-bearing liabilities</b>						
Customer deposits	313,124	1,256	0.54	316,300	1,505	0.64
Other borrowings	58,429	534	1.22	58,838	448	1.02
<b>Total</b>	<b>371,553</b>	<b>1,790</b>	<b>0.64</b>	<b>375,138</b>	<b>1,953</b>	<b>0.70</b>
<b>Net interest income/margin<sup>2</sup></b>		<b>5,481</b>	<b>1.83</b>		<b>5,246</b>	<b>1.74</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 was little changed from a year ago at \$1.82 billion. Net interest margin was stable at 1.77%. Average interest-bearing asset volumes were slightly higher as an increase in non-trade loans, interbank assets and securities was partially offset by a decline in trade loans.

Compared to the previous quarter, net interest income was slightly lower by 1%. Net interest margin fell 10 basis points

to 1.77% in line with lower Singapore-dollar interest rates and from higher liquidity buffers. The decline in net interest margin was partially offset by higher asset volumes.

For the nine months, net interest income was 4% higher at \$5.48 billion from higher net interest margin.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	3rd Qtr 2016 vs 3rd Qtr 2015			3rd Qtr 2016 vs 2nd Qtr 2016		
	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>						
Customer non-trade loans	90	(9)	81	47	(75)	(28)
Trade assets	(71)	(16)	(87)	26	(12)	14
Interbank assets	4	(16)	(12)	12	(11)	1
Securities	15	(14)	1	(12)	(7)	(19)
<b>Total</b>	<b>38</b>	<b>(55)</b>	<b>(17)</b>	<b>73</b>	<b>(105)</b>	<b>(32)</b>
<b>Interest expense</b>						
Customer deposits	5	(48)	(43)	13	(13)	-
Other borrowings	(12)	36	24	(1)	7	6
<b>Total</b>	<b>(7)</b>	<b>(12)</b>	<b>(19)</b>	<b>12</b>	<b>(6)</b>	<b>6</b>
<b>Net impact on net interest income</b>	<b>45</b>	<b>(43)</b>	<b>2</b>	<b>61</b>	<b>(99)</b>	<b>(38)</b>
Due to change in number of days			-			20
<b>Net Interest Income</b>			<b>2</b>			<b>(18)</b>

Volume and rate analysis (\$m) Increase/(decrease) due to change in	9 Mths 2016 vs 9 Mths 2015		
	Volume	Rate	Net change
<b>Interest income</b>			
Customer non-trade loans	251	191	442
Trade assets	(251)	(66)	(317)
Interbank assets	(52)	(54)	(106)
Securities	77	(51)	26
<b>Total</b>	<b>25</b>	<b>20</b>	<b>45</b>
<b>Interest expense</b>			
Customer deposits	(15)	(239)	(254)
Other borrowings	(3)	87	84
<b>Total</b>	<b>(18)</b>	<b>(152)</b>	<b>(170)</b>
<b>Net impact on net interest income</b>	<b>43</b>	<b>172</b>	<b>215</b>
Due to change in number of days			20
<b>Net Interest Income</b>			<b>235</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET FEE AND COMMISSION INCOME

(\$m)	3rd Qtr 2016	3rd Qtr 2015	% chg	2nd Qtr 2016	% chg	9 Mths 2016	9 Mths 2015	% chg
Brokerage	39	45	(13)	38	3	118	146	(19)
Investment banking	54	31	74	83	(35)	159	109	46
Trade and transaction services <sup>1</sup>	147	133	11	148	(1)	437	417	5
Loan-related	110	120	(8)	120	(8)	354	354	-
Cards <sup>2</sup>	123	107	15	108	14	345	314	10
Wealth management	201	137	47	179	12	556	479	16
Others	28	16	75	24	17	75	53	42
<b>Fee and commission income</b>	<b>702</b>	<b>589</b>	<b>19</b>	<b>700</b>	<b>-</b>	<b>2,044</b>	<b>1,872</b>	<b>9</b>
Less: Fee and commission expense	88	72	22	72	22	228	213	7
<b>Total</b>	<b>614</b>	<b>517</b>	<b>19</b>	<b>628</b>	<b>(2)</b>	<b>1,816</b>	<b>1,659</b>	<b>9</b>

Notes:

- 1 Includes trade & remittances, guarantees and deposit-related fees.
- 2 Net of interchange fees paid.

Net fee income rose 19% from a year ago to \$614 million. The increase was led by wealth management, which rose 47% to a new high of \$201 million from higher bancassurance contributions. Investment banking fees rose 74% from higher equity market and fixed income fees, as well as increased advisory activities. Fees from cards increased from continued growth in credit and debit card transactions in Singapore. Trade and transaction services were also higher from growth in cash management.

Compared to the previous quarter, net fee income was 2% lower as investment banking fees fell 35% from a high base. The decline was offset by higher wealth management and card fees.

For the nine months, net fee income rose 9% to \$1.82 billion. The growth was broad-based and included investment banking, cards, wealth management and trade and transaction services.

## OTHER NON-INTEREST INCOME

(\$m)	3rd Qtr 2016	3rd Qtr 2015	% chg	2nd Qtr 2016	% chg	9 Mths 2016	9 Mths 2015	% chg
Net trading income <sup>1</sup>	338	286	18	307	10	960	915	5
Net income from investment securities <sup>2</sup>	103	39	>100	116	(11)	305	185	65
Net gain on fixed assets	41	43	(5)	13	>100	54	89	(39)
Others (include rental income and share of profits or losses of associates)	18	11	64	22	(18)	97	55	76
<b>Total</b>	<b>500</b>	<b>379</b>	<b>32</b>	<b>458</b>	<b>9</b>	<b>1,416</b>	<b>1,244</b>	<b>14</b>

Notes:

- 1 Net trading income includes valuation adjustments such as bid-offer valuation adjustment, credit valuation adjustment and with effect from third quarter 2015, funding valuation adjustment.
- 2 Excludes one-time item.

Other non-interest income of \$500 million was 32% higher than a year ago as trading income and gains from investment securities rose. Compared to the previous quarter, other non-interest income was 9% higher from an increase in trading income and gains on fixed assets.

For the nine months, other non-interest income rose 14% to \$1.42 billion, led by higher gains from investment securities. The increase in trading income was largely offset by a decline in gains on fixed assets.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## EXPENSES

(\$m)	3rd Qtr 2016	3rd Qtr 2015	% chg	2nd Qtr 2016	% chg	9 Mths 2016	9 Mths 2015	% chg
Staff	672	667	1	683	(2)	2,061	2,008	3
Occupancy	100	105	(5)	98	2	295	294	-
Computerisation	211	227	(7)	246	(14)	694	646	7
Revenue-related	61	83	(27)	63	(3)	191	223	(14)
Others	155	177	(12)	195	(21)	508	487	4
<b>Total</b>	<b>1,199</b>	<b>1,259</b>	<b>(5)</b>	<b>1,285</b>	<b>(7)</b>	<b>3,749</b>	<b>3,658</b>	<b>2</b>
Staff headcount at period-end	22,180	21,898	1	21,912	1	22,180	21,898	1
Staff headcount at period-end excluding insourcing staff	21,880	21,898	-	21,814	-	21,880	21,898	-
Included in the above table were:								
Depreciation of properties and other fixed assets	67	62	8	67	-	201	185	9

Expenses fell 5% from a year ago to \$1.20 billion due to lower operating expenses as well as productivity gains. Staff headcount was slightly higher from insourcing of certain technology functions; underlying headcount was little changed.

Compared to the previous quarter, expenses were 7% lower due partly to non-recurring expenses in the second quarter as well as lower bonus accruals.

For the nine months, expenses rose 2% from higher staff and computerisation expenses.

## ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	3rd Qtr 2016	3rd Qtr 2015	% chg	2nd Qtr 2016	% chg	9 Mths 2016	9 Mths 2015	% chg
General allowances	169	35	>100	(228)	NM	(59)	54	NM
<b>Specific allowances for loans &amp; other credit exposures</b>								
Specific allowances for loans <sup>1</sup>	220	142	55	336	(35)	679	425	60
Singapore	44	21	>100	226	(81)	293	65	>100
Hong Kong	51	17	>100	38	34	112	54	>100
Rest of Greater China	29	23	26	39	(26)	84	88	(5)
South and Southeast Asia	55	57	(4)	35	57	142	191	(26)
Rest of the World	41	24	71	(2)	NM	48	27	78
Specific allowances for other credit exposures	41	(1)	NM	240	(83)	328	7	>100
	261	141	85	576	(55)	1,007	432	>100
Specific allowances for securities, properties and others	6	2	>100	18	(67)	24	10	>100
<b>Total</b>	<b>436</b>	<b>178</b>	<b>&gt;100</b>	<b>366</b>	<b>19</b>	<b>972</b>	<b>496</b>	<b>96</b>

Notes:

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

NM Not Meaningful

Compared to a year ago, total allowances more than doubled to \$436 million as general allowances of \$169 million were taken as a prudent measure. Specific allowances for credit exposures amounted to \$261 million as specific allowances for loans rose to 30 basis points compared to 20 basis points a year ago.

Compared to the previous quarter, specific allowances for loans and other credit exposures were halved as the previous quarter had included allowances for Swiber.

For the nine months, total allowances doubled to \$972 million from higher specific allowances, partially offset by a write-back in general allowances.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
<b>Selected income statement items</b>					
<b>3rd Qtr 2016</b>					
Net interest income	690	867	149	109	1,815
Non-interest income	416	443	138	117	1,114
<b>Total income</b>	<b>1,106</b>	<b>1,310</b>	<b>287</b>	<b>226</b>	<b>2,929</b>
Expenses	584	429	136	50	1,199
Allowances for credit and other losses	39	233	-	164	436
<b>Profit before tax</b>	<b>483</b>	<b>648</b>	<b>151</b>	<b>12</b>	<b>1,294</b>
<b>2nd Qtr 2016</b>					
Net interest income	677	856	153	147	1,833
Non-interest income	393	484	118	91	1,086
<b>Total income</b>	<b>1,070</b>	<b>1,340</b>	<b>271</b>	<b>238</b>	<b>2,919</b>
Expenses	586	428	146	125	1,285
Allowances for credit and other losses	28	628	-	(290)	366
<b>Profit before tax</b>	<b>456</b>	<b>284</b>	<b>125</b>	<b>403</b>	<b>1,268</b>
<b>3rd Qtr 2015</b>					
Net interest income	560	889	155	209	1,813
Non-interest income	320	454	71	51	896
<b>Total income</b>	<b>880</b>	<b>1,343</b>	<b>226</b>	<b>260</b>	<b>2,709</b>
Expenses	574	444	146	95	1,259
Allowances for credit and other losses	31	142	(2)	7	178
<b>Profit before tax</b>	<b>275</b>	<b>757</b>	<b>82</b>	<b>158</b>	<b>1,272</b>
<b>9 Mths 2016</b>					
Net interest income	2,012	2,591	421	457	5,481
Non-interest income	1,186	1,370	444	232	3,232
<b>Total income</b>	<b>3,198</b>	<b>3,961</b>	<b>865</b>	<b>689</b>	<b>8,713</b>
Expenses	1,728	1,277	419	325	3,749
Allowances for credit and other losses	94	995	-	(117)	972
<b>Profit before tax</b>	<b>1,376</b>	<b>1,689</b>	<b>446</b>	<b>481</b>	<b>3,992</b>
<b>9 Mths 2015<sup>1</sup></b>					
Net interest income	1,555	2,629	567	495	5,246
Non-interest income	1,089	1,386	322	106	2,903
<b>Total income</b>	<b>2,644</b>	<b>4,015</b>	<b>889</b>	<b>601</b>	<b>8,149</b>
Expenses	1,641	1,262	422	333	3,658
Allowances for credit and other losses	78	400	(40)	58	496
<b>Profit before tax</b>	<b>925</b>	<b>2,353</b>	<b>507</b>	<b>210</b>	<b>3,995</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
<b>Selected balance sheet and other items<sup>2</sup></b>					
<b>30 Sep 2016</b>					
Total assets before goodwill and intangibles	95,026	223,872	96,022	45,445	460,365
Goodwill and intangibles					5,115
Total assets					465,480
Total liabilities	180,858	152,279	51,042	34,774	418,953
Capital expenditure for 3rd Qtr 2016	24	4	5	40	73
Depreciation for 3rd Qtr 2016	10	4	1	52	67
<b>30 Jun 2016</b>					
Total assets before goodwill and intangibles	91,769	220,917	90,066	43,019	445,771
Goodwill and intangibles					5,115
Total assets					450,886
Total liabilities	173,666	144,691	49,884	37,933	406,174
Capital expenditure for 2nd Qtr 2016	19	4	4	17	44
Depreciation for 2nd Qtr 2016	9	3	1	54	67
<b>30 Sep 2015</b>					
Total assets before goodwill and intangibles	89,604	228,365	96,219	37,055	451,243
Goodwill and intangibles					5,118
Total assets					456,361
Total liabilities	172,347	150,648	50,029	41,476	414,500
Capital expenditure for 3rd Qtr 2015	17	6	3	61	87
Depreciation for 3rd Qtr 2015	9	3	1	49	62

**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, profit before tax was 76% higher at \$483 million as total income rose 26% to a record \$1.11 billion. Net interest income rose 23% to \$690 million from higher loan volumes and net interest margin, and non-interest income was 30% higher at \$416 million, driven by higher bancassurance income and investment product sales. Expenses rose 2% to \$584 million, while allowances were \$8 million higher at \$39 million.

Compared to the previous quarter, income grew 3%. Net interest income rose 2% from higher loan and deposit volumes, partially offset by lower net interest margin. Non-interest income grew 6% from higher card and investment product income. Expenses were little changed while allowances rose \$11 million. Profit before tax increased 6%.

For the first nine months, profit before tax was \$1.38 billion, 49% higher than a year ago. Total income grew 21% to \$3.20 billion. Net interest income increased 29% to \$2.01 billion from higher loan and deposit volumes and net interest margin. Non-interest income rose 9% to \$1.19 billion from higher bancassurance and card fees. Expenses rose 5% to \$1.73 billion driven by investments, marketing and

advertising activities. Total allowances increased 21% to \$94 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 of 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 14% to \$648 million mainly due to the higher allowances. Total income declined by 2% to \$1.31 billion from lower trade, treasury customer and loan-related activities, which were partially offset by higher contributions from cash management and investment banking activities. Expenses fell 3% to \$429 million as staff costs declined.

Compared to the previous quarter, profit before tax more than doubled as the previous quarter had included allowances for Swiber. Income declined 2% as contributions from loan-related, investment banking and treasury customer activities were lower. These were partially offset by higher trade and cash management contributions. Expenses were stable.

For the nine months, profit before tax fell 28% to \$1.69 billion due to higher specific and general allowances. Total income declined marginally by 1% to \$3.96 billion. An increase in cash management and investment banking activities was offset by lower trade and treasury customer activities, which were affected by financial market volatility during the period. Expenses increased marginally by 1% to \$1.28 billion.

## 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 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 rose 84% to \$151 million from higher income and lower expenses. Total income rose 27% to \$287 million as higher income from credit products was partially offset by lower foreign exchange products contributions. Expenses declined 7% to \$136 million due to lower staff and business-related expenses.

Compared to the previous quarter, profit before tax was 21% higher. Total income rose 6% due to higher contributions from credit and interest rate products. Expenses were 7% lower.

For the nine months, profit before tax declined 12% to \$446 million from lower income and a write-back of general allowances a year ago. Expenses were stable at \$419 million.

Income from treasury customer activities, which is reflected in CBG and IBG, remained flat from a year ago at \$308 million as increases in sales of interest rate, fixed income and equity products were offset by lower contributions from foreign exchange and credit products. Compared to the previous quarter, income from customer activities declined 5% as contributions from fixed income, credit and foreign exchange products fell. For the nine months, income from treasury customer flows was 5% lower at \$932 million. The decline was due to lower contribution from foreign exchange and equity products, partially offset by higher contribution from interest rate, fixed income and credit 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 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 statement items</b>						
<b>3rd Qtr 2016</b>						
Net interest income	1,211	325	115	108	56	1,815
Non-interest income	678	241	93	80	22	1,114
<b>Total income</b>	<b>1,889</b>	<b>566</b>	<b>208</b>	<b>188</b>	<b>78</b>	<b>2,929</b>
Expenses	691	228	152	103	25	1,199
Allowances for credit and other losses	241	70	35	55	35	436
<b>Profit before tax</b>	<b>957</b>	<b>268</b>	<b>21</b>	<b>30</b>	<b>18</b>	<b>1,294</b>
Income tax expense	136	36	5	7	8	192
<b>Net profit</b>	<b>790</b>	<b>232</b>	<b>16</b>	<b>23</b>	<b>10</b>	<b>1,071</b>
<b>2nd Qtr 2016</b>						
Net interest income	1,245	320	116	101	51	1,833
Non-interest income	711	200	72	80	23	1,086
<b>Total income</b>	<b>1,956</b>	<b>520</b>	<b>188</b>	<b>181</b>	<b>74</b>	<b>2,919</b>
Expenses	773	232	158	98	24	1,285
Allowances for credit and other losses	167	96	45	30	28	366
<b>Profit before tax</b>	<b>1,016</b>	<b>192</b>	<b>(15)</b>	<b>53</b>	<b>22</b>	<b>1,268</b>
Income tax expense	141	31	-	6	11	189
<b>Net profit</b>	<b>848</b>	<b>161</b>	<b>(15)</b>	<b>46</b>	<b>11</b>	<b>1,051</b>
<b>3rd Qtr 2015</b>						
Net interest income	1,175	356	139	99	44	1,813
Non-interest income	464	248	130	31	23	896
<b>Total income</b>	<b>1,639</b>	<b>604</b>	<b>269</b>	<b>130</b>	<b>67</b>	<b>2,709</b>
Expenses	726	240	182	88	23	1,259
Allowances for credit and other losses	76	(13)	53	45	17	178
<b>Profit before tax</b>	<b>837</b>	<b>377</b>	<b>34</b>	<b>(3)</b>	<b>27</b>	<b>1,272</b>
Income tax expense	113	48	11	(4)	11	179
<b>Net profit</b>	<b>697</b>	<b>329</b>	<b>23</b>	<b>1</b>	<b>16</b>	<b>1,066</b>

## 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>9 Mths 2016</b>						
Net interest income	3,699	975	346	308	153	5,481
Non-interest income	2,057	615	267	231	62	3,232
<b>Total income</b>	<b>5,756</b>	<b>1,590</b>	<b>613</b>	<b>539</b>	<b>215</b>	<b>8,713</b>
Expenses	2,231	688	472	287	71	3,749
Allowances for credit and other losses	461	195	108	128	80	972
<b>Profit before tax</b>	<b>3,064</b>	<b>707</b>	<b>33</b>	<b>124</b>	<b>64</b>	<b>3,992</b>
Income tax expense	401	105	9	35	27	577
<b>Net profit</b>	<b>2,574</b>	<b>602</b>	<b>24</b>	<b>88</b>	<b>37</b>	<b>3,325</b>
<b>9 Mths 2015<sup>2</sup></b>						
Net interest income	3,420	986	422	284	134	5,246
Non-interest income	1,547	779	405	132	40	2,903
<b>Total income</b>	<b>4,967</b>	<b>1,765</b>	<b>827</b>	<b>416</b>	<b>174</b>	<b>8,149</b>
Expenses	2,111	700	526	254	67	3,658
Allowances for credit and other losses	172	30	96	164	34	496
<b>Profit before tax</b>	<b>2,684</b>	<b>1,035</b>	<b>205</b>	<b>(2)</b>	<b>73</b>	<b>3,995</b>
Income tax expense	393	146	33	(10)	29	591
<b>Net profit</b>	<b>2,203</b>	<b>889</b>	<b>172</b>	<b>8</b>	<b>44</b>	<b>3,316</b>
<b>Selected balance sheet items</b>						
<b>30 Sep 2016</b>						
Total assets before goodwill and intangibles	308,730	70,166	37,603	21,000	22,866	460,365
Goodwill and intangibles	5,083	32	-	-	-	5,115
Total assets	313,813	70,198	37,603	21,000	22,866	465,480
Non-current assets <sup>3</sup>	1,919	359	77	50	7	2,412
Gross customer loans	191,199	52,647	22,053	13,414	14,504	293,817
<b>30 Jun 2016</b>						
Total assets before goodwill and intangibles	298,560	68,943	37,088	18,916	22,264	445,771
Goodwill and intangibles	5,083	32	-	-	-	5,115
Total assets	303,643	68,975	37,088	18,916	22,264	450,886
Non-current assets <sup>3</sup>	1,916	363	76	48	7	2,410
Gross customer loans	191,146	51,061	19,865	12,087	14,185	288,344
<b>30 Sep 2015</b>						
Total assets before goodwill and intangibles	299,298	73,486	44,205	17,141	17,113	451,243
Goodwill and intangibles	5,083	35	-	-	-	5,118
Total assets	304,381	73,521	44,205	17,141	17,113	456,361
Non-current assets <sup>3</sup>	1,965	382	81	44	5	2,477
Gross customer loans	189,560	55,868	23,067	10,702	9,552	288,749

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 13% to \$790 million from a year ago. Total income was 15% higher at \$1.89 billion. Net interest income rose 3% to \$1.21 billion from higher loan volumes while net interest margin was stable. Non-interest income rose 46%, led by higher contributions from wealth management, investment banking and cards, as well as higher trading income and gains on investment securities. Expenses declined 5% to \$691 million as computerisation and general expenses fell. Profit before allowances rose 31% to \$1.20 billion. Total allowances were \$165 million higher from increases in specific and general allowances.

Compared to the previous quarter, net profit declined 7%. Total income was 3% lower. Net interest income fell 3% as the impact of lower net interest margin was partially offset by higher loan volumes. Non-interest income declined 5% as investment banking fees fell from a high base. Expenses fell 11% while profit before allowances rose slightly by 1%. Total allowances were \$74 million higher as general allowances rose compared to a write-back in the previous quarter, partially offset by lower specific allowances.

For the nine months, net profit grew 17% to \$2.57 billion. Total income increased 16% to \$5.76 billion from higher net interest margin, fee income and gains on investment securities. Expenses were 6% higher at \$2.23 billion. Total allowances rose \$289 million due to Swiber, partially offset by a write-back of general allowances.

### **Hong Kong**

The third quarter results incorporated a 3% depreciation of the average Hong Kong dollar against the Singapore dollar compared to a year ago. Currency effects in the third quarter were minimal compared to the previous quarter.

Net profit fell 29% to \$232 million from a year ago. Net interest income fell 9% to \$325 million from lower average loan volumes and net interest margin, which declined two basis points to 1.71%. Non-interest income fell 3% to \$241 million as treasury customer sales were affected by unfavourable market sentiment and Chinese yuan depreciation. These were partially offset by higher contributions from bancassurance, cash management and investment banking activities. Expenses were 5% lower at \$228 million from lower staff costs, while allowances rose to \$70 million from higher specific allowances for customers with exposures to renminbi hedging contracts.

Compared to the previous quarter, total income increased 9% while net profit grew 44%. Net interest income rose 2% from higher average loan volumes partially offset by lower net interest margin which fell nine basis points from loan margin compression. Non-interest income rose 21% mainly from broad-based fee income growth as well as higher property disposal gain. Total allowances fell \$26 million to \$70 million due to lower general allowances.

For the nine months, net profit fell 32% to \$602 million. Total income declined 10% to \$1.59 billion. Net interest income was 1% lower at \$975 million as lower average trade loan volumes were offset by higher net interest margin from lower deposit costs and an improved deposit

mix. Non-interest income fell 21% to \$615 million from declines in treasury customer income, trade, loans and capital market activities, partially offset by higher bancassurance contributions. Expenses declined by 2% to \$688 million, while allowances rose from \$30 million to \$195 million from higher specific allowances.

### **Rest of Greater China**

Net profit fell 30% from a year ago to \$16 million. Net interest income declined 17% to \$115 million from lower net interest margin and loan volumes. Non-interest income fell 28% to \$93 million due to lower treasury customer activities and trading income. Total income fell 23% to \$208 million while expenses declined 16% to \$152 million. Total allowances fell from \$53 million to \$35 million as lower specific allowances were partially offset by higher general allowances.

Compared to the previous quarter, net profit rose to \$16 million from a net loss of \$15 million. Total income was 11% higher. Net interest income was little changed, while non-interest income rose 29% from higher fees, trading income and treasury customer activities. Expenses declined 4%. Total allowances were \$10 million lower at \$35 million.

For the nine months, net profit fell to \$24 million from \$172 million a year ago. Total income declined 26% to \$613 million as net interest income fell from lower net interest margin and loan volumes. Trading income and treasury customer activities were also lower. Expenses fell 10% to \$472 million. Total allowances rose from \$96 million to \$108 million from higher general allowances.

### **South and Southeast Asia**

Net profit rose to \$23 million from breakeven a year ago. Total income rose 45% to \$188 million as net interest income grew 9% to \$108 million and non-interest income rose from \$31 million to \$80 million from higher trading income. Expenses increased 17% to \$103 million. Total allowances rose \$10 million to \$55 million from higher general allowances.

Compared to the previous quarter, total income increased 4% from higher net interest income as both loan volumes and net interest margin rose, while expenses were 5% higher. Total allowances rose from \$30 million to \$55 million as both general and specific allowances were higher.

For the nine months, net profit rose from \$8 million a year ago to \$88 million. Total income was 30% higher at \$539 million as net interest income rose 8% to \$308 million, and non-interest income rose 75% to \$231 million from higher trading and fee income. Expenses rose at a slower pace of 13% to \$287 million. Total allowances fell from \$164 million to \$128 million from lower specific allowances.

### **Rest of the World**

Net profit declined to \$10 million from \$16 million a year ago. Total income rose 16% to \$78 million as net interest income rose from higher loan volumes. Expenses rose slightly to \$25 million. Total allowances increased from \$17 million to \$35 million due to higher specific allowances.

Compared to the previous quarter, total income rose 5% from higher net interest income. Expenses were stable, while allowances increased from \$28 million to \$35 million as higher specific allowances were partially offset by lower



general allowances. Net profit was little changed at \$10 million from the previous quarter.

For the nine months, net profit declined 16% from a year ago to \$37 million. Total income was 24% higher at \$215 million while expenses were 6% higher at \$71 million. Total allowances rose \$46 million to \$80 million from higher general and specific allowances.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER LOANS

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
Gross	293,817	288,344	286,871	288,749
Less:				
Specific allowances	925	1,061	821	898
General allowances	2,685	2,469	2,761	2,695
Net total	290,207	284,814	283,289	285,156
<b>By business unit</b>				
Consumer Banking/ Wealth Management	93,267	90,800	88,853	87,279
Institutional Banking	198,917	195,845	196,412	200,058
Others	1,633	1,699	1,606	1,412
Total (Gross)	293,817	288,344	286,871	288,749
<b>By geography<sup>1</sup></b>				
Singapore	139,351	141,894	135,860	133,154
Hong Kong	49,109	48,923	50,976	52,575
Rest of Greater China	41,811	36,469	45,129	49,187
South and Southeast Asia	28,619	27,094	26,443	27,381
Rest of the World	34,927	33,964	28,463	26,452
Total (Gross)	293,817	288,344	286,871	288,749
<b>By industry</b>				
Manufacturing	30,872	30,087	30,874	32,253
Building and construction	55,881	56,048	55,584	54,913
Housing loans	62,692	60,913	58,569	56,873
General commerce	45,559	45,206	48,249	52,914
Transportation, storage & communications	28,591	27,819	26,357	24,723
Financial institutions, investment & holding companies	15,525	15,254	13,725	14,562
Professionals & private individuals (excluding housing loans)	24,663	24,042	24,105	24,630
Others	30,034	28,975	29,408	27,881
Total (Gross)	293,817	288,344	286,871	288,749
<b>By currency</b>				
Singapore dollar	121,203	121,457	117,587	114,122
US dollar	95,509	93,437	89,283	91,913
Hong Kong dollar	33,415	32,825	34,386	34,760
Chinese yuan	12,296	11,732	19,516	22,949
Others	31,394	28,893	26,099	25,005
Total (Gross)	293,817	288,344	286,871	288,749

Note:

<sup>1</sup> 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 rose 1% in constant-currency terms from the previous quarter to \$294 billion. The increase was driven by corporate non-trade loan growth and market share gains in Singapore housing loans. Trade loans were stable.

Compared to a year ago, loans were 5% higher in constant-currency terms. An 8% increase in regional non-trade corporate loans as well as market share gains in Singapore housing loans was partially offset by a 14% decline in trade loans.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	30 Sep 2016			30 Jun 2016			31 Dec 2015			30 Sep 2015		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	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	400	0.4	74	376	0.4	69	330	0.4	65	310	0.4	63
Institutional Banking and Others	3,479	1.7	851	2,883	1.5	992	2,282	1.2	756	2,161	1.1	835
Total non-performing loans (NPL)	3,879	1.3	925	3,259	1.1	1,061	2,612	0.9	821	2,471	0.9	898
Debt securities, contingent liabilities & others	451	-	287	595	-	343	180	-	94	78	-	34
Total non-performing assets (NPA)	4,330	-	1,212	3,854	-	1,404	2,792	-	915	2,549	-	932
<b>By geography</b>												
Singapore	1,282	0.9	208	907	0.6	323	506	0.4	115	510	0.4	133
Hong Kong	700	1.4	170	666	1.4	131	433	0.8	99	366	0.7	123
Rest of Greater China	420	1.0	108	420	1.2	119	387	0.9	96	320	0.7	100
South and Southeast Asia	1,171	4.1	399	973	3.6	436	856	3.2	415	867	3.2	401
Rest of the World	306	0.9	40	293	0.9	52	430	1.5	96	408	1.5	141
Total non-performing loans	3,879	1.3	925	3,259	1.1	1,061	2,612	0.9	821	2,471	0.9	898
Debt securities, contingent liabilities & others	451	-	287	595	-	343	180	-	94	78	-	34
Total non-performing assets	4,330	-	1,212	3,854	-	1,404	2,792	-	915	2,549	-	932
<b>Loss Allowance Coverage</b>												
Specific allowances			1,212			1,404			915			932
General allowances			3,128			2,947			3,222			3,163
Total allowances			4,340			4,351			4,137			4,095
Total allowances/ NPA			100%			113%			148%			161%
Total allowances/ unsecured NPA			204%			226%			303%			324%

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Sep 2016		30 Jun 2016		31 Dec 2015		30 Sep 2015	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
<b>By industry</b>								
Manufacturing	898	262	772	262	560	224	647	270
Building and construction	374	122	367	117	334	120	313	107
Housing loans	119	7	119	6	122	7	122	8
General commerce	914	207	853	196	705	157	495	178
Transportation, storage & communications	959	139	576	292	307	94	319	121
Financial institutions, investment & holding companies	79	6	52	2	100	60	105	64
Professionals & private individuals (excluding housing loans)	266	67	244	64	203	58	196	56
Others	270	115	276	122	281	101	274	94
Total non-performing loans	3,879	925	3,259	1,061	2,612	821	2,471	898
Debt securities, contingent liabilities & others	451	287	595	343	180	94	78	34
Total non-performing assets	4,330	1,212	3,854	1,404	2,792	915	2,549	932

(\$m)	30 Sep 2016		30 Jun 2016		31 Dec 2015		30 Sep 2015	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
<b>By loan classification</b>								
Non-performing assets								
Substandard	3,079	256	2,627	342	1,924	206	1,772	243
Doubtful	843	548	673	508	594	435	477	389
Loss	408	408	554	554	274	274	300	300
Total	4,330	1,212	3,854	1,404	2,792	915	2,549	932
Of which: restructured assets								
Substandard	410	88	431	79	236	30	419	93
Doubtful	95	48	119	73	142	82	69	58
Loss	5	5	11	11	8	8	20	20
Total	510	141	561	163	386	120	508	171

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
	NPA	NPA	NPA	NPA
<b>By collateral type</b>				
Unsecured non-performing assets	2,131	1,928	1,366	1,266
Secured non-performing assets by collateral type				
Properties	934	857	670	568
Shares and debentures	323	304	268	276
Fixed deposits	11	33	21	13
Others	931	732	467	426
Total	4,330	3,854	2,792	2,549

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
	NPA	NPA	NPA	NPA
<b>By period overdue</b>				
Not overdue	<b>858</b>	1,120	520	531
<90 days overdue	<b>1,103</b>	507	508	312
91-180 days overdue	<b>531</b>	550	424	308
>180 days overdue	<b>1,838</b>	1,677	1,340	1,398
<b>Total</b>	<b>4,330</b>	3,854	2,792	2,549

Non-performing assets rose 12% from the previous quarter to \$4.33 billion, which included an oil and gas service exposure in Singapore recognised as a non-performing loan during the quarter.

The non-performing loan rate rose from 1.1% to 1.3%. Allowance coverage was at 100% and 204% if collateral was considered.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER DEPOSITS

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
<b>By currency and product</b>				
Singapore dollar	149,661	142,537	140,772	140,396
Fixed deposits	18,283	15,349	11,245	13,259
Savings accounts	104,539	103,414	104,541	103,679
Current accounts	26,744	23,698	24,887	23,365
Others	95	76	99	93
US dollar	99,299	94,195	101,298	92,103
Fixed deposits	55,357	51,763	59,381	51,368
Savings accounts	14,560	13,996	13,160	10,390
Current accounts	27,618	27,246	27,354	28,290
Others	1,764	1,190	1,403	2,055
Hong Kong dollar	33,451	31,084	31,849	36,220
Fixed deposits	16,953	15,528	15,872	20,687
Savings accounts	8,366	8,253	8,436	8,697
Current accounts	7,547	6,807	7,052	6,697
Others	585	496	489	139
Chinese yuan	9,616	8,962	14,500	16,045
Fixed deposits	6,897	5,864	10,962	13,091
Savings accounts	1,139	1,646	1,076	1,250
Current accounts	1,551	1,386	2,408	1,613
Others	29	66	54	91
Others	32,283	33,320	31,715	33,241
Fixed deposits	22,299	21,985	22,809	24,671
Savings accounts	4,282	4,301	3,852	3,007
Current accounts	4,846	6,186	4,288	4,320
Others	856	848	766	1,243
<b>Total</b>	<b>324,310</b>	<b>310,098</b>	<b>320,134</b>	<b>318,005</b>
Fixed deposits	119,789	110,489	120,269	123,076
Savings accounts	132,886	131,610	131,065	127,023
Current accounts	68,306	65,323	65,989	64,285
Others	3,329	2,676	2,811	3,621

Customer deposits rose 5% from the previous quarter to \$324 billion as liquidity buffers were built up in anticipation of US money market reforms and central bank actions.

The increase was led by Singapore dollar and US dollar deposits. Compared to a year ago, overall deposits were 2% higher as an increase in current and savings accounts was partially offset by a decline in fixed deposits.

## DEBTS ISSUED

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
Subordinated term debts	3,064	4,019	4,026	4,045
Senior medium term notes	6,219	6,318	9,870	11,229
Commercial papers	12,239	18,790	19,174	14,554
Negotiable certificates of deposit	2,349	1,341	1,200	1,074
Other debt securities	6,528	6,194	6,422	6,500
Covered bonds	2,152	2,116	1,412	1,435
<b>Total</b>	<b>32,551</b>	<b>38,778</b>	<b>42,104</b>	<b>38,837</b>
Due within 1 year	18,312	23,952	27,452	24,571
Due after 1 year	14,239	14,826	14,652	14,266
<b>Total</b>	<b>32,551</b>	<b>38,778</b>	<b>42,104</b>	<b>38,837</b>

**TRADING INCOME AND RISK**

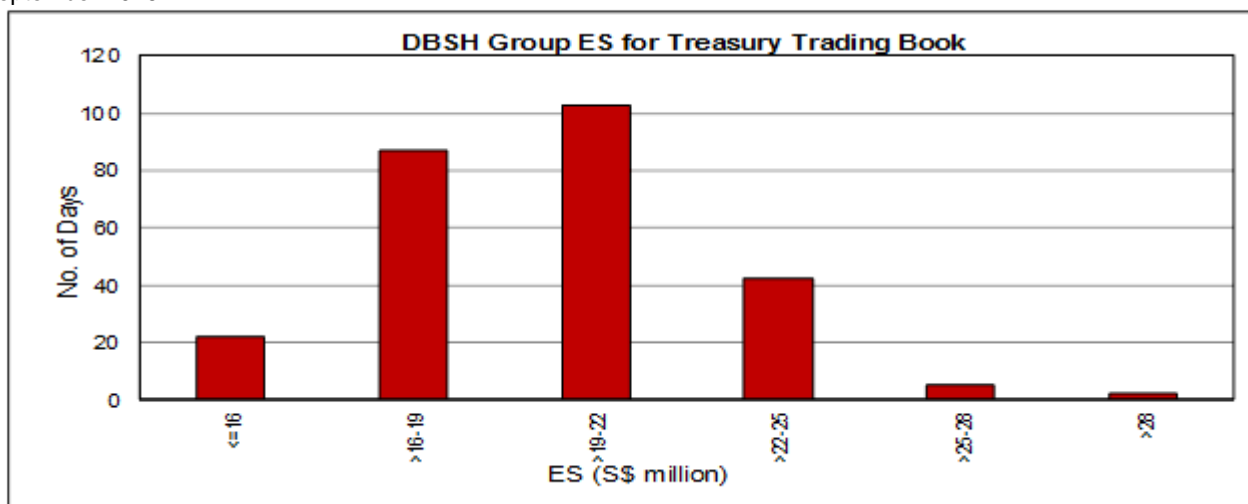
The Group’s market risk appetite framework leverages on the Expected Shortfall (ES) metric to monitor and limit market risk exposures. ES is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 97.5% confidence interval over a one-day holding period.

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

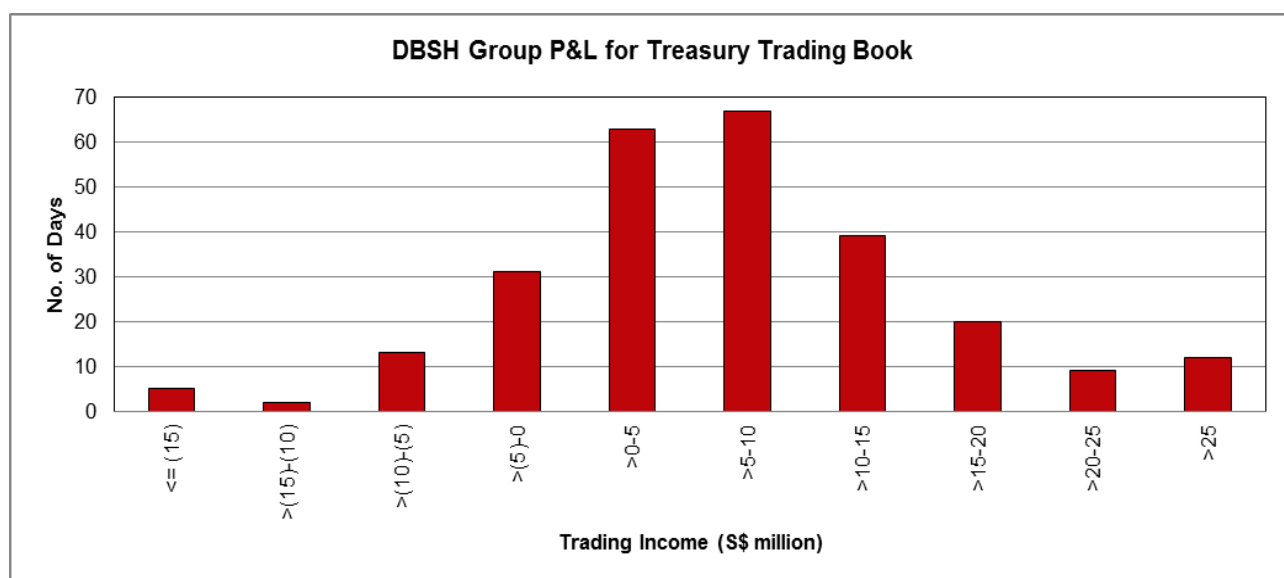
(\$m)	As at 30 Sep 2016	1 Oct 2015 to 30 Sep 2016		
		Average	High	Low
Total	22	20	32	14

Treasury’s trading portfolio experienced five back-testing exceptions from 1 October 2015 to 30 September 2016 and was within the yellow zone. The exceptions occurred in December, January, February, March and September.

The chart below provides the histogram of ES for the Group’s trading book for the period from 1 October 2015 to 30 September 2016.



The chart below shows the frequency distribution of daily trading income of Treasury’s trading portfolio for the period from 1 October 2015 to 30 September 2016.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CAPITAL ADEQUACY

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
Share capital	10,898	10,640	10,391	10,392
Disclosed reserves and others	31,457	30,942	29,269	28,303
Total regulatory adjustments to Common Equity Tier 1 capital	(3,399)	(3,395)	(2,219)	(2,220)
Regulatory adjustments due to insufficient Additional Tier 1 capital	-	-	(373)	(315)
<b>Common Equity Tier 1 capital</b>	<b>38,956</b>	<b>38,187</b>	<b>37,068</b>	<b>36,160</b>
Additional Tier 1 capital instruments <sup>1</sup>	3,764	2,799	2,941	2,990
Total regulatory adjustments to Additional Tier 1 capital	(2,252)	(2,256)	(2,941)	(2,990)
<b>Tier 1 capital</b>	<b>40,468</b>	<b>38,730</b>	<b>37,068</b>	<b>36,160</b>
Provisions eligible as Tier 2 capital	1,369	1,376	1,408	1,416
Tier 2 capital instruments <sup>1</sup>	2,821	3,644	3,639	3,713
Total regulatory adjustments to Tier 2 capital	(2)	(1)	(2)	(1)
<b>Total capital</b>	<b>44,656</b>	<b>43,749</b>	<b>42,113</b>	<b>41,288</b>
<b>Risk-Weighted Assets ("RWA")</b>				
Credit RWA	216,846	212,230	216,380	217,762
Market RWA	36,423	38,270	40,212	44,575
Operational RWA	18,182	17,792	17,437	16,991
<b>Total RWA</b>	<b>271,451</b>	<b>268,292</b>	<b>274,029</b>	<b>279,328</b>
<b>Capital Adequacy Ratio ("CAR") (%)</b>				
Basel III fully phased-in Common Equity Tier 1 <sup>2</sup>	13.5	13.4	12.4	11.9
Common Equity Tier 1	14.4	14.2	13.5	12.9
Tier 1	14.9	14.4	13.5	12.9
Total	16.5	16.3	15.4	14.8
<b>Minimum CAR including Buffer Requirements (%)<sup>3</sup></b>				
Common Equity Tier 1	7.2	7.2	6.5	6.5
Effective Tier 1	8.7	8.7	8.0	8.0
Effective Total	10.7	10.7	10.0	10.0
<b>Of which: Buffer Requirements (%)</b>				
Capital Conservation Buffer	0.625	0.625	-	-
Countercyclical Buffer	0.1	0.1	-	-

### Notes:

- 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 January 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 January 2013, the nominal amount serving as the base will not be reduced.
- Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments applicable from 1 January 2018 by RWA as at each reporting date.
- 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 30 September 2016 strengthened as compared to 30 June 2016. Common Equity Tier 1 capital was higher as share capital and reserves increased due to the scrip election for dividends and higher retained earnings. Additional Tier 1 capital was higher due to the issuance of the US\$750 million 3.60% Perpetual Capital Securities in September 2016. Total risk-weighted assets increased mainly due to asset growth as well as changes in exchange rates and risk weights. 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	30 Sep 2016		
	Country-specific requirement (%) (A)	Proportion of relevant Group RWA (%) (B)	Applicable countercyclical buffer requirement (%) (A) x (B)
Hong Kong	0.625	15.5	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)	30 Sep 2016			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	36,362	16.1	16.1	18.1
DBS Bank (China) Limited	15,941	12.9	12.9	16.2

### UNREALISED PROPERTY VALUATION SURPLUS<sup>1</sup>

(\$m)	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
Properties	837	868	881	839

Note:

1 Unrealised valuation surplus represents the excess of market value over the carrying value of the properties. The market values of the properties were based on valuation at year-end.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CONSOLIDATED INCOME STATEMENT

In \$ millions	3rd Qtr 2016	3rd Qtr 2015	+ /(-) %	2nd Qtr 2016	+ /(-) %	9 Mths 2016	9 Mths 2015	+ /(-) %
<b>Income</b>								
Interest income	2,406	2,423	(1)	2,411	-	7,271	7,199	1
Interest expense	591	610	(3)	578	2	1,790	1,953	(8)
<b>Net interest income</b>	<b>1,815</b>	<b>1,813</b>	-	<b>1,833</b>	<b>(1)</b>	<b>5,481</b>	<b>5,246</b>	<b>4</b>
Net fee and commission income	614	517	19	628	(2)	1,816	1,659	9
Net trading income	338	286	18	307	10	960	915	5
Net income from investment securities	103	39	>100	116	(11)	305	321	(5)
Other income	59	54	9	35	69	151	144	5
<b>Non-interest income</b>	<b>1,114</b>	<b>896</b>	<b>24</b>	<b>1,086</b>	<b>3</b>	<b>3,232</b>	<b>3,039</b>	<b>6</b>
<b>Total income</b>	<b>2,929</b>	<b>2,709</b>	<b>8</b>	<b>2,919</b>	<b>-</b>	<b>8,713</b>	<b>8,285</b>	<b>5</b>
Employee benefits	672	667	1	683	(2)	2,061	2,008	3
Other expenses	527	592	(11)	602	(12)	1,688	1,650	2
<b>Total expenses</b>	<b>1,199</b>	<b>1,259</b>	<b>(5)</b>	<b>1,285</b>	<b>(7)</b>	<b>3,749</b>	<b>3,658</b>	<b>2</b>
<b>Profit before allowances</b>	<b>1,730</b>	<b>1,450</b>	<b>19</b>	<b>1,634</b>	<b>6</b>	<b>4,964</b>	<b>4,627</b>	<b>7</b>
Allowances for credit and other losses	436	178	>100	366	19	972	496	96
<b>Profit before tax</b>	<b>1,294</b>	<b>1,272</b>	<b>2</b>	<b>1,268</b>	<b>2</b>	<b>3,992</b>	<b>4,131</b>	<b>(3)</b>
Income tax expense	192	179	7	189	2	577	591	(2)
<b>Net profit</b>	<b>1,102</b>	<b>1,093</b>	<b>1</b>	<b>1,079</b>	<b>2</b>	<b>3,415</b>	<b>3,540</b>	<b>(4)</b>
Attributable to:								
<b>Shareholders</b>	<b>1,071</b>	<b>1,066</b>	<b>-</b>	<b>1,051</b>	<b>2</b>	<b>3,325</b>	<b>3,452</b>	<b>(4)</b>
Non-controlling interests	31	27	15	28	11	90	88	2
	<b>1,102</b>	<b>1,093</b>	<b>1</b>	<b>1,079</b>	<b>2</b>	<b>3,415</b>	<b>3,540</b>	<b>(4)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In \$ millions	3rd Qtr 2016	3rd Qtr 2015	+ /(-) %	2nd Qtr 2016	+ /(-) %	9 Mths 2016	9 Mths 2015	+ /(-) %
<b>Net profit</b>	<b>1,102</b>	<b>1,093</b>	<b>1</b>	<b>1,079</b>	<b>2</b>	<b>3,415</b>	<b>3,540</b>	<b>(4)</b>
<b>Other comprehensive income<sup>1</sup>:</b>								
Foreign currency translation differences for foreign operations	123	56	>100	(66)	NM	(85)	53	NM
Share of other comprehensive income of associates	(1)	(1)	-	(2)	50	(8)	(1)	(>100)
Available-for-sale financial assets and others								
Net valuation taken to equity	137	(74)	NM	56	>100	678	(179)	NM
Transferred to income statement	(74)	42	NM	(61)	(21)	(168)	17	NM
Tax on items taken directly to or transferred from equity	20	11	82	(2)	NM	6	9	(33)
<b>Other comprehensive income, net of tax</b>	<b>205</b>	<b>34</b>	<b>&gt;100</b>	<b>(75)</b>	<b>NM</b>	<b>423</b>	<b>(101)</b>	<b>NM</b>
<b>Total comprehensive income</b>	<b>1,307</b>	<b>1,127</b>	<b>16</b>	<b>1,004</b>	<b>30</b>	<b>3,838</b>	<b>3,439</b>	<b>12</b>
Attributable to:								
<b>Shareholders</b>	<b>1,276</b>	<b>1,095</b>	<b>17</b>	<b>974</b>	<b>31</b>	<b>3,751</b>	<b>3,346</b>	<b>12</b>
Non-controlling interests	31	32	(3)	30	3	87	93	(6)
	<b>1,307</b>	<b>1,127</b>	<b>16</b>	<b>1,004</b>	<b>30</b>	<b>3,838</b>	<b>3,439</b>	<b>12</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

## BALANCE SHEETS

In \$ millions	The Group				The Company			
	30 Sep 2016	30 Jun 2016	31 Dec 2015 <sup>1</sup>	30 Sep 2015	30 Sep 2016	30 Jun 2016	31 Dec 2015 <sup>1</sup>	30 Sep 2015
<b>Assets</b>								
Cash and balances with central banks	25,704	14,438	18,829	15,718				
Government securities and treasury bills	37,729	36,550	34,501	35,136				
Due from banks	31,632	29,048	38,285	36,383	18	16	10	10
Derivatives	20,339	22,033	23,631	25,173	77	80	46	55
Bank and corporate securities	41,539	44,878	40,073	39,155				
Loans and advances to customers	290,207	284,814	283,289	285,156				
Other assets	10,803	11,600	11,562	12,045				
Associates	895	900	1,000	983				
Subsidiaries	-	-	-	-	22,254	20,963	19,547	18,994
Properties and other fixed assets	1,517	1,510	1,547	1,494				
Goodwill and intangibles	5,115	5,115	5,117	5,118				
<b>Total assets</b>	<b>465,480</b>	<b>450,886</b>	<b>457,834</b>	<b>456,361</b>	<b>22,349</b>	<b>21,059</b>	<b>19,603</b>	<b>19,059</b>
<b>Liabilities</b>								
Due to banks	23,035	17,499	18,251	16,061				
Deposits and balances from customers	324,310	310,098	320,134	318,005				
Derivatives	20,273	21,458	22,145	24,420	17	6		
Other liabilities	18,784	18,341	12,404	17,177	38	46	24	46
Other debt securities	29,487	34,759	38,078	34,792	2,428	2,410	1,884	1,808
Subordinated term debts	3,064	4,019	4,026	4,045	666	659		
<b>Total liabilities</b>	<b>418,953</b>	<b>406,174</b>	<b>415,038</b>	<b>414,500</b>	<b>3,149</b>	<b>3,121</b>	<b>1,908</b>	<b>1,854</b>
<b>Net assets</b>	<b>46,527</b>	<b>44,712</b>	<b>42,796</b>	<b>41,861</b>	<b>19,200</b>	<b>17,938</b>	<b>17,695</b>	<b>17,205</b>
<b>Equity</b>								
Share capital	10,670	10,442	10,114	10,132	10,690	10,463	10,144	10,162
Other equity instruments	1,814	803	803	803	1,814	803	803	803
Other reserves	7,104	6,873	6,705	6,701	140	113	168	143
Revenue reserves	24,550	24,236	22,752	21,768	6,556	6,559	6,580	6,097
<b>Shareholders' funds</b>	<b>44,138</b>	<b>42,354</b>	<b>40,374</b>	<b>39,404</b>	<b>19,200</b>	<b>17,938</b>	<b>17,695</b>	<b>17,205</b>
Non-controlling interests	2,389	2,358	2,422	2,457				
<b>Total equity</b>	<b>46,527</b>	<b>44,712</b>	<b>42,796</b>	<b>41,861</b>	<b>19,200</b>	<b>17,938</b>	<b>17,695</b>	<b>17,205</b>
<b>Other Information</b>								
Net book value per share (\$)								
(i) Basic	16.68	16.48	15.82	15.42	6.85	6.79	6.75	6.55
(ii) Diluted	16.68	16.48	15.82	15.42	6.85	6.79	6.75	6.55

Note:

1 Audited

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

#### The Group

In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non- controlling interests	Total equity
<b>Balance at 1 January 2016</b>	<b>10,114</b>	<b>803</b>	<b>6,705</b>	<b>22,752</b>	<b>40,374</b>	<b>2,422</b>	<b>42,796</b>
Purchase of treasury shares	(60)				(60)		(60)
Draw-down of reserves upon vesting of performance shares	108		(108)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	508				508		508
Issue of perpetual capital securities		1,011			1,011		1,011
Cost of share-based payments			81		81		81
Dividends paid to shareholders <sup>1</sup>				(1,527)	(1,527)		(1,527)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(58)	(58)
Total comprehensive income			426	3,325	3,751	87	3,838
<b>Balance at 30 September 2016</b>	<b>10,670</b>	<b>1,814</b>	<b>7,104</b>	<b>24,550</b>	<b>44,138</b>	<b>2,389</b>	<b>46,527</b>
<b>Balance at 1 January 2015</b>	<b>10,171</b>	<b>803</b>	<b>6,894</b>	<b>19,840</b>	<b>37,708</b>	<b>2,498</b>	<b>40,206</b>
Purchase of treasury shares	(240)				(240)		(240)
Draw-down of reserves upon vesting of performance shares	86		(86)		-		-
Issue of shares upon exercise of share options	4				4		4
Reclassification of reserves upon exercise of share options	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	110				110		110
Cost of share-based payments			78		78		78
Acquisition of non-controlling interests			(78)		(78)	(72)	(150)
Dividends paid to shareholders <sup>1</sup>				(1,524)	(1,524)		(1,524)
Dividends paid to non-controlling interests					-	(62)	(62)
Total comprehensive income			(106)	3,452	3,346	93	3,439
<b>Balance at 30 September 2015</b>	<b>10,132</b>	<b>803</b>	<b>6,701</b>	<b>21,768</b>	<b>39,404</b>	<b>2,457</b>	<b>41,861</b>

Note:

1 Includes distributions paid on capital securities classified as equity

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2016

<b>The Group</b>							
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
<b>Balance at 1 July 2016</b>	<b>10,442</b>	<b>803</b>	<b>6,873</b>	<b>24,236</b>	<b>42,354</b>	<b>2,358</b>	<b>44,712</b>
Purchase of treasury shares	(32)				(32)		(32)
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	259				259		259
Issue of perpetual capital securities		1,011			1,011		1,011
Cost of share-based payments			27		27		27
Dividends paid to shareholders <sup>1</sup>				(757)	(757)		(757)
Total comprehensive income			205	1,071	1,276	31	1,307
<b>Balance at 30 September 2016</b>	<b>10,670</b>	<b>1,814</b>	<b>7,104</b>	<b>24,550</b>	<b>44,138</b>	<b>2,389</b>	<b>46,527</b>
<b>Balance at 1 July 2015</b>	<b>10,263</b>	<b>803</b>	<b>6,647</b>	<b>21,455</b>	<b>39,168</b>	<b>2,425</b>	<b>41,593</b>
Purchase of treasury shares	(163)				(163)		(163)
Draw-down of reserves upon vesting of performance shares	2		(2)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	30				30		30
Cost of share-based payments			27		27		27
Dividends paid to shareholders <sup>1</sup>				(753)	(753)		(753)
Total comprehensive income			29	1,066	1,095	32	1,127
<b>Balance at 30 September 2015</b>	<b>10,132</b>	<b>803</b>	<b>6,701</b>	<b>21,768</b>	<b>39,404</b>	<b>2,457</b>	<b>41,861</b>

Note:

1 Includes distributions paid on capital securities classified as equity

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

### The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
<b>Balance at 1 January 2016</b>	<b>10,144</b>	<b>803</b>	<b>168</b>	<b>6,580</b>	<b>17,695</b>
Purchase of treasury shares	(60)				(60)
Transfer of treasury shares	98				98
Draw-down of reserves upon vesting of performance shares			(108)		(108)
Issue of shares pursuant to Scrip Dividend Scheme	508				508
Issue of perpetual capital securities		1,011			1,011
Cost of share-based payments			81		81
Dividends paid to shareholders <sup>1</sup>				(1,527)	(1,527)
Total comprehensive income			(1)	1,503	1,502
<b>Balance at 30 September 2016</b>	<b>10,690</b>	<b>1,814</b>	<b>140</b>	<b>6,556</b>	<b>19,200</b>
<b>Balance at 1 January 2015</b>	<b>10,194</b>	<b>803</b>	<b>152</b>	<b>6,616</b>	<b>17,765</b>
Purchase of treasury shares	(228)				(228)
Transfer of treasury shares	81				81
Draw-down of reserves upon vesting of performance shares			(86)		(86)
Issue of shares upon exercise of share options	4				4
Reclassification of reserves upon exercise of share options	1		(1)		-
Issue of shares pursuant to Scrip Dividend Scheme	110				110
Cost of share-based payments			78		78
Dividends paid to shareholders <sup>1</sup>				(1,524)	(1,524)
Total comprehensive income				1,005	1,005
<b>Balance at 30 September 2015</b>	<b>10,162</b>	<b>803</b>	<b>143</b>	<b>6,097</b>	<b>17,205</b>

Note:

<sup>1</sup> Includes distributions paid on capital securities classified as equity

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2016

### The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
<b>Balance at 1 July 2016</b>	<b>10,463</b>	<b>803</b>	<b>113</b>	<b>6,559</b>	<b>17,938</b>
Purchase of treasury shares	(32)				(32)
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of shares pursuant to Scrip Dividend Scheme	259				259
Issue of perpetual capital securities		1,011			1,011
Cost of share-based payments			27		27
Dividends paid to shareholders <sup>1</sup>				(757)	(757)
Total comprehensive income			1	754	755
<b>Balance at 30 September 2016</b>	<b>10,690</b>	<b>1,814</b>	<b>140</b>	<b>6,556</b>	<b>19,200</b>
<b>Balance at 1 July 2015</b>	<b>10,283</b>	<b>803</b>	<b>118</b>	<b>6,348</b>	<b>17,552</b>
Purchase of treasury shares	(151)				(151)
Draw-down of reserves upon vesting of performance shares			(2)		(2)
Issue of shares pursuant to Scrip Dividend Scheme	30				30
Cost of share-based payments			27		27
Dividends paid to shareholders <sup>1</sup>				(753)	(753)
Total comprehensive income				502	502
<b>Balance at 30 September 2015</b>	<b>10,162</b>	<b>803</b>	<b>143</b>	<b>6,097</b>	<b>17,205</b>

Note:

<sup>1</sup> Includes distributions paid on capital securities classified as equity

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT

In \$ millions	9 Mths 2016	9 Mths 2015
<b>Cash flows from operating activities</b>		
Net profit	3,415	3,540
<b>Adjustments for non-cash items:</b>		
Allowances for credit and other losses	972	496
Depreciation of properties and other fixed assets	201	185
Share of profits or losses of associates	46	(11)
Net gain on disposal (net of write-off) of properties and other fixed assets	(54)	(88)
Net income from investment securities	(305)	(321)
Cost of share-based payments	81	78
Interest expense on subordinated term debts	88	83
Income tax expense	577	591
Profit before changes in operating assets & liabilities	5,021	4,553
<b>Increase/(Decrease) in:</b>		
Due to banks	4,939	(115)
Deposits and balances from customers	6,615	832
Other liabilities	6,012	11,083
Other debt securities and borrowings	(8,506)	2,833
<b>(Increase)/Decrease in:</b>		
Restricted balances with central banks	(144)	426
Government securities and treasury bills	(2,949)	(5,436)
Due from banks	6,415	5,880
Loans and advances to customers	(9,966)	(10,041)
Bank and corporate securities	(1,420)	(1,282)
Other assets	2,731	(8,932)
Tax paid	(495)	(446)
<b>Net cash generated from / (used in) operating activities (1)</b>	<b>8,253</b>	<b>(645)</b>
<b>Cash flows from investing activities</b>		
Dividends from associates	23	19
Purchase of properties and other fixed assets	(194)	(225)
Proceeds from disposal of properties and other fixed assets	64	135
Acquisition of non-controlling interests	-	(150)
<b>Net cash used in investing activities (2)</b>	<b>(107)</b>	<b>(221)</b>
<b>Cash flows from financing activities</b>		
Increase in share capital	-	4
Issue of perpetual capital securities	1,011	-
Purchase of treasury shares	(60)	(240)
Dividends paid to non-controlling interests	(62)	(62)
Change in non-controlling interests	(58)	-
Dividends paid to shareholders of the Company, net of scrip dividends <sup>1</sup>	(1,019)	(1,414)
Redemption/ purchase of subordinated term debts	(1,586)	(743)
Issue of subordinated term debts	630	-
Interest paid on subordinated term debts	(102)	(100)
<b>Net cash used in financing activities (3)</b>	<b>(1,246)</b>	<b>(2,555)</b>
Exchange translation adjustments (4)	(99)	48
<b>Net change in cash and cash equivalents (1)+(2)+(3)+(4)</b>	<b>6,801</b>	<b>(3,373)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>12,078</b>	<b>11,851</b>
<b>Cash and cash equivalents at 30 September</b>	<b>18,879</b>	<b>8,478</b>

Note:

1 Includes distributions paid on capital securities classified as equity

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

In \$ millions	The Group							
	30 Sep 2016				31 Dec 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>								
Financial assets at fair value through profit or loss (FVPL)								
- Government securities and treasury bills	10,894	2,108	-	13,002	4,897	2,672	-	7,569
- Bank and corporate securities	3,916	2,856	22	6,794	4,416	3,858	838	9,112
- Other financial assets	-	7,932	-	7,932	-	6,471	-	6,471
Available-for-sale (AFS) financial assets								
- Government securities and treasury bills	21,449	1,314	-	22,763	24,094	1,173	-	25,267
- Bank and corporate securities <sup>1</sup>	12,625	2,322	110	15,057	10,364	2,487	156	13,007
- Other financial assets	-	4,319	-	4,319	-	4,977	-	4,977
Derivatives	36	20,299	4	20,339	76	23,535	20	23,631
<b>Liabilities</b>								
Financial liabilities at fair value through profit or loss (FVPL)								
- Other debt securities	-	5,984	-	5,984	-	5,521	17	5,538
- Other financial liabilities	4,301	1,720	12	6,033	886	2,226	73	3,185
Derivatives	69	20,192	12	20,273	181	21,841	123	22,145

Note:

1 Excludes unquoted equities stated at cost of \$244 million (2015: \$574 million).

The following table presents the changes in Level 3 instruments for the financial period ended 30 September 2016:

In \$ millions	Financial assets			Financial liabilities		
	FVPL	AFS	Derivatives	FVPL	Derivatives	
	Bank and corporate securities	Bank and corporate securities		Other debt securities	Other financial liabilities	
<b>Balance at 1 January 2016</b>	838	156	20	(17)	(73)	(123)
Purchases/ Issues	47	-	-	-	-	-
Settlements	(705)	(31)	(3)	16	-	15
Transfers:						
- Transfers into Level 3	6	18	5	-	(12)	(13)
- Transfers out of Level 3	(127)	(20)	(3)	1	75	2
Gains/(losses) recorded in the income statement <sup>1</sup>	(37)	3	(15)	-	(2)	107
Gains/(losses) recognised in other comprehensive income	-	(16)	-	-	-	-
<b>Balance at 30 September 2016</b>	22	110	4	-	(12)	(12)

Note:

1 Gains or losses for FVPL financial assets and liabilities are presented under 'Net trading income'. Gains or losses for AFS financial assets are presented under 'Net income from investment securities'. Included in first nine months of 2016's income was a gain of \$56 million for Level 3 financial assets and liabilities, of which the unrealised gain amounted to \$75 million.



**2. Off-balance Sheet Items**

In \$ millions	30 Sep 2016	30 Jun 2016	31 Dec 2015	30 Sep 2015
Contingent liabilities	<b>19,188</b>	18,517	19,901	20,447
Commitments <sup>1</sup>	<b>232,351</b>	221,579	220,491	217,805
Financial Derivatives	<b>1,995,519</b>	1,998,125	2,069,594	2,197,114

Note:

1 Includes commitments that are unconditionally cancellable at any time of \$188,170 million (Jun'16: \$180,475 million, Dec'15: \$183,125 million, Sep'15: \$177,989 million).

**3. Subsequent Events**

The Group announced on 31 October 2016 its proposed acquisition of Australian and New Zealand Banking Group Limited's wealth and retail businesses in five Asian countries. The announcement can be found on its website: (<http://www.dbs.com/investor/other-materials.html>).

**ADDITIONAL INFORMATION**
**SHARE CAPITAL**

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

	<b>Number of shares</b>	
	<b>2016</b>	<b>2015</b>
<b>Ordinary shares</b>		
Balance at 1 January	<b>2,514,780,749</b>	2,479,126,459
Shares issued pursuant to Scrip Dividend Scheme	<b>16,700,472</b>	3,828,994
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	-	350,623
Conversion of non-voting redeemable CPS	-	30,011,421
Balance at 30 June	<b>2,531,481,221</b>	2,513,317,497
Shares issued pursuant to Scrip Dividend Scheme	<b>17,480,864</b>	1,463,252
<b>Balance at 30 September [a]</b>	<b>2,548,962,085</b>	2,514,780,749
<b>Treasury shares held by DBSH</b>		
Balance at 1 January	<b>13,000,000</b>	5,109,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	<b>(5,282,000)</b>	(5,109,000)
Purchase of treasury shares	<b>1,900,000</b>	3,850,200
Balance at 30 June	<b>9,618,000</b>	3,850,200
Purchase of treasury shares	<b>2,109,700</b>	8,049,800
<b>Balance at 30 September [b]</b>	<b>11,727,700</b>	11,900,000
<b>Ordinary shares net of treasury shares [a] – [b]</b>	<b>2,537,234,385</b>	2,502,880,749

(b) The weighted average number of ordinary shares (both basic and fully diluted) for the first nine months of 2016 is 2,510,580,805.

**INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)**

The Company 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).

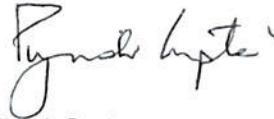
**CONFIRMATION BY THE BOARD**

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 our knowledge, nothing has come to the attention of the board of directors of the Company which may render the Third Quarter ended 30 September 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

28 October 2016  
Singapore