



**Pillar 3, Liquidity Coverage Ratio ("LCR") and  
Net Stable Funding Ratio ("NSFR") Disclosures**

Second Quarter 2018

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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## PART A : PILLAR 3 DISCLOSURES (FOR DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES)

### 1 INTRODUCTION

This part contains Pillar 3 disclosures of DBS Group Holdings Ltd and its Subsidiaries (Group) and is made pursuant to the Monetary Authority of Singapore Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" (MAS Notice 637).

The Group views the Basel framework as part of continuing efforts to strengthen its risk management culture and ensure that the Group pursues business growth across segments and markets with the appropriate risk management discipline, practices and processes in place.

For the purpose of calculating its risk-weighted assets, the Group applies the Foundation Internal Ratings-Based Approach to certain wholesale credit exposures, the Advanced Internal Ratings-Based Approach to certain retail credit exposures and the Standardised Approach to all other credit exposures. The Group applies the respective Standardised Approaches for operational and market risks.

The numbers in this document are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

### 2 SCOPE OF CONSOLIDATION

The Group's capital requirements are based on the principles of consolidation adopted in the preparation of its financial statements. The Group's regulatory scope of consolidation is identical to its accounting scope of consolidation. Please refer to the financial statements in the latest available annual report for the principles of consolidation.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 3 OVERVIEW OF KEY PRUDENTIAL REGULATORY METRICS

The following table provides an overview of key prudential regulatory metrics for the Group (except Liquidity Coverage Ratio and Net Stable Funding Ratio which are for Bank Group as explained in Part B on page B-1 and Part C on page C-1 respectively).

\$'m		a	b	c	d	e
		30 Jun 18	31 Mar 18	31 Dec 17	30 Sep 17	30 Jun 17
<b>Available capital (amounts)</b>						
1	CET1 capital	39,615	41,154	41,170	40,157	40,330
2	Tier 1 capital	42,035	44,135	43,425	42,445	42,604
3	Total capital	47,262	46,700	45,598	44,592	46,040
<b>Risk-weighted assets (amounts)</b>						
4	Total RWA	291,819	294,672	287,589	286,422	279,681
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	CET1 ratio (%)	13.6	14.0	14.3	14.0	14.4
6	Tier 1 ratio (%)	14.4	15.0	15.1	14.8	15.2
7	Total capital ratio (%)	16.2	15.8	15.9	15.6	16.5
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.875	1.875	1.25	1.25	1.25
9	Countercyclical buffer requirement (%)	0.3	0.3	0.2	0.2	0.2
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.2	2.2	1.5	1.5	1.5
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	6.2	5.8	5.9	5.6	6.5
<b>Leverage Ratio</b>						
13	Total Leverage Ratio exposure measure	596,256	584,176	570,983	563,771	540,583
14	Leverage Ratio (%) (row 2 / row 13)	7.0	7.6	7.6	7.5	7.9
<b>Liquidity Coverage Ratio <sup>(1)</sup></b>						
15	Total High Quality Liquid Assets	78,849	75,820	73,722	73,272	71,872
16	Total net cash outflow	58,437	61,114	56,656	52,540	48,073
17	Liquidity Coverage Ratio (%)	135	125	131	141	150
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	323,268	314,438	NA	NA	NA
19	Total required stable funding	294,549	286,779	NA	NA	NA
20	Net Stable Funding Ratio (%)	110	110	NA	NA	NA

NA: Not applicable

<sup>(1)</sup> Calculated based on average for the quarter.

Commentaries for the quarter explaining significant changes in the above metrics, if any, have been included in subsequent sections of this document.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 4 CAPITAL ADEQUACY

### 4.1 Capital Resources and Capital Adequacy Ratios

\$m	30 Jun 2018	31 Mar 2018
Share capital	11,205	11,205
Disclosed reserves and others	33,918	35,545
Total regulatory adjustments to Common Equity Tier 1 capital	(5,508)	(5,596)
Common Equity Tier 1 capital	39,615	41,154
Additional Tier 1 capital instruments <sup>1</sup>	2,420	2,981
Tier 1 capital	42,035	44,135
Total allowances eligible as Tier 2 capital	1,558	1,060
Tier 2 capital instruments	3,669	1,505
Total capital	47,262	46,700
<b>Risk-Weighted Assets (RWA)</b>		
Credit RWA	238,403	237,175
Market RWA	33,122	37,486
Operational RWA	20,294	20,011
Total RWA	291,819	294,672
<b>Capital Adequacy Ratio (CAR) (%)</b>		
Common Equity Tier 1	13.6	14.0
Tier 1	14.4	15.0
Total	16.2	15.8
<b>Minimum CAR including Buffer Requirements (%)<sup>2</sup></b>		
Common Equity Tier 1	8.7	8.7
Effective Tier 1	10.2	10.2
Effective Total	12.2	12.2
<b>Of which: Buffer Requirements (%)</b>		
Capital Conservation Buffer	1.875	1.875
Countercyclical Buffer	0.3	0.3

Notes:

1 As part of the Basel III transition arrangements, regulatory capital recognition of outstanding Additional Tier 1 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 is not reduced.

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

The Common Equity Tier 1 ratio as at 30 June 2018 was robust at 13.6%, after the S\$2.8 billion dividend payment, which included a special dividend of S\$1.3 billion. Risk weighted assets were lower on the quarter mainly due to methodology enhancements.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### 4.2 Geographical Distribution of Credit Exposures used in the Countercyclical Capital Buffer

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

	30 Jun 18			
	(a)	(b)	(c)	(d)
<b>Geographical breakdown</b>	<b>Jurisdiction-specific countercyclical buffer requirement (%)</b>	<b>RWA for private sector credit exposures used in the computation of the countercyclical buffer (\$m)</b>	<b>Bank-specific countercyclical buffer requirement (%)</b>	<b>Countercyclical buffer amount (\$m)</b>
Hong Kong	1.875	30,608		
Sweden	1.875	90		
United Kingdom	0.50	6,451		
Others		172,670		
<b>Total</b>		<b>209,819</b>	<b>0.3</b>	<b>845</b>

The Basel III countercyclical capital buffer is calculated as the weighted average of the buffers in effect in the jurisdictions to which banks have private sector credit exposures, subject to the relevant transitional caps under MAS Notice 637. The Group attributes private sector credit exposures to jurisdictions primarily based on the jurisdiction of risk of each obligor, or its guarantor, if applicable. The determination of an obligor's jurisdiction of risk is based on the look-through approach taking into consideration factors such as the economic activity and availability of parental support.

### 4.3 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 respective jurisdictions, 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 MAS Notice 637 paragraph 11.3.19.

	30 Jun 18			
	Total risk-weighted assets (\$m)	CAR (%)		
		Common Equity Tier 1	Tier 1	Total
DBS Bank (Hong Kong) Limited	39,517	16.2	16.8	18.8
DBS Bank (China) Limited	18,260	12.0	12.0	15.1

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5 COMPOSITION OF CAPITAL

### 5.1 Financial Statements and Regulatory Scope of Consolidation

\$m	30 Jun 2018	
	Amount	Cross Reference to Section 5.2
<b>ASSETS</b>		
Cash and balances with central banks	20,959	
Government securities and treasury bills	48,011	
Due from banks	35,692	
Derivatives	18,360	
Bank and corporate securities	55,946	
of which: PE/VC investments held beyond the relevant holding periods	1	a
Loan and advances to customers	338,071	
of which: Total allowances admitted as eligible T2 Capital	(1,558)	b
Other assets	15,647	
of which: Deferred tax assets	340	c
Re-grossing of deferred tax assets and deferred tax liabilities as required under MAS Notice 637	102	d
Associates	849	
of which: Goodwill on acquisition <sup>(1)</sup>	15	e
Properties and other fixed assets	1,294	
Goodwill and intangibles	5,175	
of which: Goodwill	5,175	f
of which: Intangibles	-	g
<b>TOTAL ASSETS</b>	<b>540,004</b>	
<b>LIABILITIES</b>		
Due to banks	21,462	
Deposits and balances from customers	387,560	
Derivatives	18,893	
Other liabilities	20,704	
Re-grossing of deferred tax assets and deferred tax liabilities as required under MAS Notice 637	102	
Other debt securities	39,700	
Subordinated term debts	3,641	h
<b>TOTAL LIABILITIES</b>	<b>491,960</b>	
<b>NET ASSETS</b>	<b>48,044</b>	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.1 Financial Statements and Regulatory Scope of Consolidation (continued)

\$m	30 Jun 2018	
	Amount	Cross Reference to Section 5.2
<b>EQUITY</b>		
Share capital	11,200	
of which: Amount eligible as CET1 Capital	11,205	i
of which: Treasury shares	(5)	j
Other equity instruments	1,812	k
Other reserves	3,758	l
of which: Cash flow hedge reserve	(53)	m
Revenue reserves	30,444	n
of which: Regulatory loss allowance reserves**	286	o
of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	(81)	p
<b>SHAREHOLDERS' FUNDS</b>	47,214	
Non-controlling interests	830	
of which: Eligible for recognition as CET1 Capital under transitional arrangements	7	q
of which: Eligible for recognition as AT1 Capital under transitional arrangements	608	r
of which: Eligible for recognition as T2 Capital under transitional arrangements	28	s
<b>TOTAL EQUITY</b>	<b>48,044</b>	

<sup>(1)</sup> Not adjusted for subsequent share of losses or impairment losses (Refer to page A-5).

The Group's regulatory scope of consolidation is identical to its accounting scope of consolidation.

The increase in subordinated term debts and the decrease in non-controlling interests resulted from issuances and redemptions, respectively, of capital instruments in the first half of 2018.

\*\*Singapore banks are required to maintain the minimum regulatory loss allowance of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612 "Credit Files, Grading and Provisioning". For periods when Stage 1 and 2 expected credit losses fall below 1%, the shortfall is appropriated from retained earnings into a non-distributable regulatory loss allowance reserves account.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.2 Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet

The following disclosure is made according to the template prescribed in MAS Notice 637 Annex 11E.

The alphabetic cross-references in the column "Cross Reference to Section 5.1" relate to those used in the balance sheet reconciliation in Section 5.1.

Row 64 "Bank-specific buffer requirement" and row 68 "Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements" are not directly comparable. Row 64 is the sum of row 69 and rows 65 to 67. Row 68 is the CET1 CAR, less the minimum CET1 CAR requirement (Row 69) and any CET1 CAR used to meet the Tier 1 and Total capital requirements, expressed as a percentage of risk-weighted assets.

**30 Jun 2018**

\$m	Amount	Cross Reference to Section 5.1	
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Paid-up ordinary shares and share premium (if applicable)	11,205	i
2	Retained earnings	30,158	n-o
3 <sup>#</sup>	Accumulated other comprehensive income and other disclosed reserves	3,753	j+l
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Minority interest that meets criteria for inclusion	7	q
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>45,123</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	9	
8	Goodwill, net of associated deferred tax liability	5,190	e+f
9 <sup>#</sup>	Intangible assets, net of associated deferred tax liability	-	g
10 <sup>#</sup>	Deferred tax assets that rely on future profitability	442	c+d
11	Cash flow hedge reserve	(53)	m
12	Shortfall of TEP relative to EL under IRBA	-	
13	Increase in equity capital resulting from securitisation transactions	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	(81)	p
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	
16	Investments in own shares	-	
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-	
20 <sup>#</sup>	Mortgage servicing rights (amount above 10% threshold)		
21 <sup>#</sup>	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)		
22	Amount exceeding the 15% threshold	-	
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24 <sup>#</sup>	of which: mortgage servicing rights		
25 <sup>#</sup>	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments	1	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

30 Jun 2018

\$m		Amount	Cross Reference to Section 5.1
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	1	a
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
26C	Any other items which the Authority may specify	-	
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-	
28	<b>Total regulatory adjustments to CET1 Capital</b>	<b>5,508</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>39,615</b>	
<b>Additional Tier 1 capital: instruments</b>			
30	AT1 capital instruments and share premium (if applicable)	1,812	k
31	of which: classified as equity under the Accounting Standards	1,812	
32	of which: classified as liabilities under the Accounting Standards	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	608	r
35	of which: instruments issued by subsidiaries subject to phase out	608	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>2,420</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
41	National specific regulatory adjustments which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>2,420</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>42,035</b>	
<b>Tier 2 capital: instruments and provisions</b>			
46	Tier 2 capital instruments and share premium (if applicable)	3,641	h
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	28	s
49	of which: instruments issued by subsidiaries subject to phase out	28	
50	Provisions	1,558	b
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>5,227</b>	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

30 Jun 2018

\$m	Amount	Cross Reference to Section 5.1
<b>Tier 2 capital: regulatory adjustments</b>		
52	-	
53	-	
54	-	
55	-	
56	-	
57	-	
58	5,227	
59	47,262	
60	291,819	
<b>Capital ratios (as a percentage of floor-adjusted risk weighted assets)</b>		
61	13.6%	
62	14.4%	
63	16.2%	
64	8.7%	
65	1.875%	
66	0.3%	
67	-	
68	6.2%	
<b>National minima</b>		
69	6.5%	
70	8.0%	
71	10.0%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	3,492	
73	293	
74	-	
75	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	513	
77	515	
78	1,045	
79	1,073	

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

30 Jun 2018

\$m		Amount	Cross Reference to Section 5.1
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements	1,665	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	2,202	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

For regulatory adjustments, deductions from capital are reported as positive numbers and additions to capital are reported as negative numbers.

Items marked with a hash [#] are elements where a more conservative definition has been applied in MAS Notice 637 relative to those set out under the Basel III capital standards.

Deferred tax assets relating to temporary differences in excess of specified thresholds c.f. row 21 and 25 are to be deducted under the Basel Committee capital rules (paragraph 69). Under MAS Notice 637, they are deducted in total. If Basel Committee capital rules were to be applied, eligible capital would have been \$0.4 billion higher and risk-weighted assets \$0.9 billion higher.

As of 1 January 2018, all Basel III regulatory adjustments have been fully phased in.

Movements in the AT1 capital instruments issued by fully-consolidated subsidiaries and Tier 2 capital instruments in the first half of 2018 were driven by respective redemptions and issuances made.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments

The following disclosures are made solely pursuant to the requirements of MAS Notice 637 Annex 11D. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant transaction documents available at <http://www.dbs.com/investor/capital-disclosures.html>. This includes the issuances made over the previous period.

Since 1 January 2018, the Group has issued the following new capital instruments:

1. A\$750,000,000 Floating Rate Subordinated Notes
2. EUR600,000,000 1.5% Subordinated Notes
3. RMB950,000,000 5.25% Subordinated Notes
4. USD750,000,000 4.52% Subordinated Notes
5. JPY7,300,000,000 0.85% Subordinated Notes

30 Jun 2018		DBS Group Holdings Ltd Ordinary Shares	\$805,000,000 4.70% Non-Cumulative Non-Convertible Perpetual Capital Securities First Callable in 2019
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBS GROUP HOLDINGS LTD ISIN Code: SG1L01001701	SGX Name: DBSGrp4.7%PerCapSec S ISIN Code: SG59H0999851
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Non-Cumulative Non-Convertible Perpetual Capital Securities
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$11,205 million	S\$803 million
9	Par value of instrument	NA	S\$805 million
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	9 Mar 1999	3 Dec 2013
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date	NA	03 Jun 2019
	Contingent call dates	NA	Change of Qualification Event, or Tax Event
	Redemption amount	NA	Principal amount together with, subject to certain conditions, accrued but unpaid Distributions
16	Subsequent call dates, if applicable	NA	Optional – Any date after 3 Jun 2019
Coupons/dividends			
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed to floating
18	Coupon rate and any related index	NA	4.70% p.a. up to 3 Jun 2019. 5Y SGD SOR plus 3.061% p.a. thereafter, reset every 5 years
19	Existence of a dividend stopper	NA	Yes
20	Fully discretionary, partially discretionally or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	NA	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS.
32	If write-down, full or partial	NA	Fully or partially
33	If write-down, permanent or temporary	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Additional Tier 1 capital instruments	Immediately subordinated to Tier 2 capital instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments (continued)

30 Jun 2018		US\$750,000,000 3.60% Non-Cumulative Non-Convertible Perpetual Capital Securities First Callable in 2021	S\$800,000,000 4.70% Non-Cumulative, Non-Convertible, Non-Voting Preference Shares Callable in 2020
1	Issuer	DBS Group Holdings Ltd	DBS Bank Ltd.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBSGrp 3.6%PerCapSec S ISIN Code: XS1484844656	SGX Name: DBS S\$800M 4.7% NCPS ISIN Code: SG2C54964409
3	Governing law(s) of the instrument	England: Trust Deed Singapore: Subordination	Singapore
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1	Ineligible
6	Eligible at Solo/Group/Group & Solo	Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Non-Cumulative Non-Convertible Perpetual Capital Securities	Preference Shares
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$1,009 million	S\$608 million
9	Par value of instrument	US\$750 million	S\$800 million
10	Accounting classification	Shareholders' equity	Non-controlling interest in consolidated subsidiary
11	Original date of issuance	7 Sep 2016	22 Nov 2010
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	07 Sep 2021	22 Nov 2020
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with, subject to certain conditions, accrued but unpaid Distributions	Liquidation Preference together with, subject to certain limitations and qualifications, accrued but unpaid Dividends
16	Subsequent call dates, if applicable	Optional - Any Distribution Payment Date after 7 Sep 2021	Optional - Any date after 22 Nov 2020
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed
18	Coupon rate and any related index	3.60% p.a. up to 7 Sep 2021. 5Y USD Swap Rate plus 2.39% p.a. thereafter, reset every 5 years	4.70% p.a.
19	Existence of a dividend stopper	Yes	Yes
20	Fully discretionary, partially discretionally or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	No
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	NA
32	If write-down, full or partial	Fully or partially	NA
33	If write-down, permanent or temporary	Permanent	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to Tier 2 capital instruments
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	NA	Has no loss-absorbency at point of non-viability

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments (continued)

30 Jun 2018		US\$250,000,000 3.80% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme	JPY10,000,000,000 0.918% Subordinated Notes due 2026 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBS GRP S\$250M3.8% N280120 ISIN Code: SG71A5000002	ISIN Code: XS1376555865
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$255 million	S\$123 million
9	Par value of instrument	S\$250 million	JPY10,000 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	20 Jan 2016	8 Mar 2016
12	Perpetual or dated	Dated	Dated
13	Original maturity date	20 Jan 2028	8 Mar 2026
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	20 Jan 2023	NA
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 20 Jan 2023	NA
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	3.80% p.a. up to 20 Jan 2023. 5Y SGD SOR plus 1.10% p.a. thereafter, 1-time reset	0.918% p.a.
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments (continued)

30 Jun 2018		HK\$1,500,000,000 3.24% Subordinated Notes due 2026 Callable in 2021 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme	A\$750,000,000 Floating Rate Subordinated Notes due 2028 Callable in 2023 issued pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBS GRP HKD1.5B3.24% N260419 ISIN Code: XS1397782860	SGX Name: DBS GRP A\$750M F280316 ISIN Code: AU3FN0041406
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$252 million	S\$755 million
9	Par value of instrument	HK\$1,500 million	A\$750 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	19 Apr 2016	16 Mar 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	19 Apr 2026	16 Mar 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	19 Apr 2021	16 Mar 2023
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 19 Apr 2021	Optional – Any Interest Payment Date after 16 Mar 2023
<b>Coupons/dividends</b>			
17	Fixed or floating dividend/coupon	Fixed	Floating
18	Coupon rate and any related index	3.24% p.a. up to 19 Apr 2021. 5Y HKD Swap Rate plus 1.90% p.a. thereafter, 1-time reset	3 month BBSW + 158 bps up to maturity
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments (continued)

30 Jun 2018		EUR600,000,000 1.5% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Programme	RMB950,000,000 5.25% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBS GRP EUR600M1.5%N280411 ISIN Code: XS1802465846	SGX Name: DBS GRP RMB950M5.25%N280515 ISIN Code: XS1821439368
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$949 million	S\$195 million
9	Par value of instrument	EUR600 million	RMB950 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	11 Apr 2018	15 May 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	11 Apr 2028	15 May 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	11 Apr 2023	15 May 2023
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 16 Apr 2023	Optional – Any Interest Payment Date after 15 May 2023
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	1.50% p.a. up to 11 Apr 2023. 5Y EUR Mid-Swap Rate + 120 bp p.a. thereafter, 1-time reset	5.25% p.a.
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 5.3 Main Features of Capital Instruments (continued)

30 Jun 2018		USD750,000,000 4.52% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Programme	JPY7,300,000,000 0.85% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SGX Name: DBS GRP US\$750M4.52%N281211A/ N281211R ISIN Code: US24023MAA27/ US24023NAA00	ISIN Code: XS1844087087
3	Governing law(s) of the instrument	Singapore	Singapore
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	S\$1,023 million	S\$89 million
9	Par value of instrument	USD750 million	JPY7,300 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	11 Jun 2018	25 Jun 2018
12	Perpetual or dated	Dated	Dated
13	Original maturity date	11 Dec 2028	25 Jun 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	11 Dec 2023	25 Jun 2023
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 11 Dec 2023	Optional – Any Interest Payment Date after 25 June 2023
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	4.52% p.a. up to 11 Dec 2023. 5-year USD Mid-Swap Rate plus 159 bp p.a. thereafter, 1-time reset	0.85% p.a. up to 25 June 2023. 6-month JPY Libor + 74.375bp p.a. thereafter, 1-time reset
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 6 LEVERAGE RATIO

The following tables provide the breakdown of the Group's leverage ratio regulatory elements and a reconciliation of the Group's balance sheet assets with the leverage ratio exposure measure.

### Leverage Ratio Common Disclosure Template

Item		Amount <sup>(1)</sup> (\$m)	
		30 Jun 2018	31 Mar 2018
<b>Exposure measures of on-balance sheet items</b>			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	510,956	501,274
2	Asset amounts deducted in determining Tier 1 capital	(5,589)	(5,693)
3	<b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	<b>505,367</b>	<b>495,581</b>
<b>Derivative exposure measures</b>			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	8,442	8,851
5	Potential future exposure associated with all derivative transactions	16,446	16,400
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	2,884	2,652
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	<b>Total derivative exposure measures</b>	<b>27,772</b>	<b>27,903</b>
<b>SFT exposure measures</b>			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	10,725	10,419
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	90	497
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	<b>Total SFT exposure measures</b>	<b>10,815</b>	<b>10,916</b>
<b>Exposure measures of off-balance sheet items</b>			
17	Off-balance sheet items at notional amount	281,062	268,703
18	Adjustments for calculation of exposure measures of off-balance sheet items	(228,760)	(218,927)
19	<b>Total exposure measures of off-balance sheet items</b>	<b>52,302</b>	<b>49,776</b>
<b>Capital and Total exposures</b>			
20	Tier 1 capital	42,035	44,135
21	Total exposures	596,256	584,176
<b>Leverage Ratio</b>			
22	<b>Leverage Ratio</b>	<b>7.0%</b>	<b>7.6%</b>

<sup>(1)</sup> Leverage ratio is computed using quarter-end balances.

The Group's leverage ratio as at 30 June 2018 decreased by 0.6 percentage point to 7.0% as compared to the previous quarter due to a decline in Tier 1 capital and an increase in total exposures. The decline in Tier 1 capital was mainly due to the dividend payment in the second quarter of 2018. Total exposures increased in line with growth in total assets (see Financial Performance Summary-Unaudited Balance Sheets). The ratio is well above the 3% minimum ratio set by Monetary Authority of Singapore effective 1 January 2018.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

**Leverage Ratio Summary Comparison Table**

		<b>30 Jun 2018</b>
		<b>Amount<sup>(1)</sup></b>
<b>Item</b>		<b>(\$m)</b>
1	Total consolidated assets as per published financial statements	540,004
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	9,412
5	Adjustment for SFTs	90
6	Adjustment for off-balance sheet items	52,302
7	Other adjustments	(5,552)
<b>8</b>	<b>Exposure measure</b>	<b>596,256</b>

<sup>(1)</sup> Leverage ratio is computed using quarter-end balances.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 7 OVERVIEW OF RISK-WEIGHTED ASSETS

The following table sets out the Group's RWA and capital requirements.

\$m	a		b		c	
	RWA				Minimum capital requirements <sup>(1)</sup>	
	30 Jun 2018	31 Mar 2018			30 Jun 2018	
1	<b>Credit risk (excluding CCR)</b>		221,670	211,485	22,167	
2	<i>of which: SA(CR) and SA(EQ)</i>		39,335	34,578	3,934	
3	<i>of which: IRBA and IRBA(EQ) for equity exposures under the PD/LGD method</i>		182,335	176,907	18,233	
4	<b>CCR</b>		15,026	15,254	1,503	
5	<i>of which: Current Exposure Method</i>		7,378	7,530	738	
6	<i>of which: CCR Internal Models Method</i>		-	-	-	
7	IRBA(EQ) for equity exposures under the simple risk weight method or the IMM		-	8,545	-	
8	Equity investments in funds – look-through approach		145	249	15	
9	Equity investments in funds – mandate-based approach		22	43	2	
10	Equity investments in funds – fall-back approach		#	#	#	
10a	Equity investment in funds – partial use of an approach		-	-	-	
11	<b>Unsettled transactions</b>		34	203	3	
12	<b>Securitisation exposures in banking book</b>		774	667	78	
13	<i>of which: SEC-IRBA</i>		-	-	-	
14	<i>of which: SEC-ERBA, including IAA</i>		659	667	66	
15	<i>of which: SEC-SA</i>		-	-	-	
16	<b>Market risk</b>		33,122	37,486	3,312	
17	<i>of which: SA(MR)</i>		33,122	37,486	3,312	
18	<i>of which: IMA</i>		-	-	-	
19	<b>Operational risk</b>		20,294	20,011	2,029	
20	<i>of which: BIA</i>		-	-	-	
21	<i>of which: SA(OR)</i>		20,294	20,011	2,029	
22	<i>of which: AMA</i>		-	-	-	
23	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>		732	729	73	
24	<b>Floor adjustment</b>		-	-	-	
25	<b>Total</b>		291,819	294,672	29,182	

# Numbers below 0.5.

<sup>(1)</sup> Minimum capital requirements in this column correspond to 10% of the RWA in column "(a)" which is 2.0 percentage points higher than the Basel Committee's requirement.

Total risk-weighted assets declined as the adoption of the Standardised Approach for equity exposures (with effect from second quarter of 2018) and an enhancement to the computation methodology of market risk-weighted assets more than offset the increase arising from foreign currency translation and exposure growth.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 8 CREDIT RISK

### 8.1 Credit Quality of Assets

The following table provides an overview of the credit quality of the Group's on and off-balance sheet assets. Figures are based on carrying amounts as reported in the financial statements.

		30 Jun 2018			
		a	b	c	d
		Gross carrying amount of			
\$m		Defaulted exposures	Non-defaulted exposures	Impairment allowances	Net values (a+b-c)
1	Loans <sup>(1)</sup>	5,417	386,842	4,703	387,556
2	Debt Securities	114	75,314	63	75,365
3	Off-balance sheet exposures	339	67,000	311	67,028
4	<b>Total</b>	<b>5,870</b>	<b>529,156</b>	<b>5,077</b>	<b>529,949</b>

		31 Dec 2017			
		a	b	c	d
		Gross carrying amount of			
\$m		Defaulted exposures	Non-defaulted exposures	Impairment allowances	Net values (a+b-c)
1	Loans <sup>(1)</sup>	5,573	375,128	4,761	375,940
2	Debt Securities	115	69,015	97	69,033
3	Off-balance sheet exposures	329	60,218	281	60,266
4	<b>Total</b>	<b>6,017</b>	<b>504,361</b>	<b>5,139</b>	<b>505,239</b>

<sup>(1)</sup> Loans include loans and advances to customers and other assets which give rise to credit exposures.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- a) Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the Group taking action such as realising security (if held).
- b) Technical default: Borrower is more than 90 days past due on any credit obligation to the Group.

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### 8.2 Changes in Stock of Defaulted Loans<sup>(1)</sup> and Debt Securities

The following table provides the changes in the Group's defaulted loans and debt securities (excluding off-balance sheet exposures), including any (i) return to non-defaulted status, and (ii) reduction in defaulted exposures due to write-offs. Figures are based on carrying amounts as reported in the financial statements.

		30 Jun 2018
		a
\$m		
1	<b>Defaulted loans and debt securities at end of the previous semi-annual reporting period</b>	<b>5,688</b>
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	501
3	Returned to non-defaulted status	29
4	Amounts written off	398
5	Other changes	(231)
6	<b>Defaulted loans and debt securities at end of the semi-annual reporting period (1+2-3-4±5)</b>	<b>5,531</b>

<sup>(1)</sup> Loans include loans and advances to customers and other assets which give rise to credit exposures.

Defaulted loans and debt securities declined marginally in the first half of 2018 as higher recoveries and write offs more than offset the increase in defaulting loans and debt securities. "Other changes" (as shown above) mainly include recoveries and foreign exchange translation differences.

### 8.3 Overview of CRM Techniques

The following table provides an overview on the Group's usage of CRM techniques.

		30 Jun 2018				
		a	b	c	d	e
\$m		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	258,129	129,427	97,080	15,955	-
2	Debt securities	73,535	1,830	157	1,673	-
3	<b>Total</b>	<b>331,664</b>	<b>131,257</b>	<b>97,237</b>	<b>17,628</b>	-
4	Of which: defaulted	1,364	1,698	1,566	85	-

The effects of credit risk mitigation techniques are presented in accordance with the requirements, including collateral eligibility and prescribed haircuts, outlined in MAS Notice 637. As such, the reported collateral value is a subset of the total collateral value and would have excluded, as an illustration, ineligible collateral types such as industrial properties located outside of Singapore, plant and machinery as well as the underlying assets financed through specialised lending.

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### 8.4 SA(CR) and SA(EQ) – Credit Risk Exposure and CRM Effects

The following table provides the effects of CRM on the calculation of the Group's capital requirements for SA(CR).

		30 Jun 2018					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density <sup>(1)</sup>	
		On-balance sheet amount (\$m)	Off-balance sheet amount (\$m)	On-balance sheet amount (\$m)	Off-balance sheet amount (\$m)	RWA (\$m)	RWA density (%)
<b>Asset classes and others</b>							
1	Cash items	3,910	-	3,910	-	10	#
2	Central government and central bank	91	-	91	-	#	#
3	PSE	380	-	465	-	215	46
4	MDB	4,374	-	4,374	-	-	-
5	Bank	331	2	368	#	169	46
6	Corporate	9,438	17,401	7,457	108	7,512	99
7	Regulatory retail	2,415	522	2,348	48	1,797	75
8	Residential mortgage	10,576	1,357	10,507	207	3,914	37
9	CRE	628	298	622	8	630	100
10	Equity - SA(EQ)	2,436	-	2,436	-	3,913	161
11	Past due exposures	474	#	473	#	496	105
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	25,789	68,729	20,486	111	20,679	100
14	<b>Total</b>	<b>60,842</b>	<b>88,309</b>	<b>53,537</b>	<b>482</b>	<b>39,335</b>	<b>73</b>

  

		31 Dec 2017					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density <sup>(1)</sup>	
		On-balance sheet amount (\$m)	Off-balance sheet amount (\$m)	On-balance sheet amount (\$m)	Off-balance sheet amount (\$m)	RWA (\$m)	RWA density (%)
<b>Asset classes and others</b>							
1	Cash items	4,005	-	4,005	-	7	#
2	Central government and central bank	85	-	207	-	#	#
3	PSE	310	-	282	-	145	51
4	MDB	4,488	6	4,488	1	-	-
5	Bank	415	1	438	#	207	47
6	Corporate	9,358	16,157	7,597	182	7,719	99
7	Regulatory retail	2,425	531	2,349	54	1,802	75
8	Residential mortgage	10,137	1,271	10,071	199	3,815	37
9	CRE	639	269	634	13	647	100
10	Equity - SA(EQ)	-	-	-	-	-	-
11	Past due exposures	409	#	408	#	507	124
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	23,333	63,265	18,084	115	18,199	100
14	<b>Total</b>	<b>55,604</b>	<b>81,500</b>	<b>48,563</b>	<b>564</b>	<b>33,048</b>	<b>67</b>

# Numbers below 0.5.

<sup>(1)</sup> RWA density is calculated as total RWA divided by the exposures post-CCF and post-CRM, expressed as a percentage.

The increase in risk-weighted assets density was mainly driven by the adoption of the Standardised Approach for equity exposures with effect from second quarter of 2018.

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## 8.5 SA(CR) and SA(EQ) – Exposures by Asset Classes and Risk Weights

The following table provides the breakdown of Group's credit risk exposures under the SA(CR) by asset class and risk weight.

		30 Jun 2018									
		a	b	c	d	e	f	g	h	i	j
		Risk weight									Total credit exposure amount (post-CCF and post-CRM)
\$m	Asset class and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	
1	Cash items	3,862	-	48	-	-	-	-	-	-	3,910
2	Central government and central bank	91	-	#	-	-	-	-	-	-	91
3	PSE	-	-	119	-	310	-	36	-	-	465
4	MDB	4,374	-	-	-	-	-	-	-	-	4,374
5	Bank	-	-	131	-	188	-	49	-	-	368
6	Corporate	-	-	17	-	81	-	7,467	-	-	7,565
7	Regulatory retail	-	-	-	-	-	2,396	-	-	-	2,396
8	Residential mortgage	-	-	-	10,402	-	155	157	-	-	10,714
9	CRE	-	-	-	-	-	-	630	-	-	630
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	2,436	2,436
11	Past due exposures	-	-	-	-	-	-	260	213	-	473
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	20,597	-	-	20,597
14	<b>Total</b>	<b>8,327</b>	<b>-</b>	<b>315</b>	<b>10,402</b>	<b>579</b>	<b>2,551</b>	<b>29,196</b>	<b>213</b>	<b>2,436</b>	<b>54,019</b>

		31 Dec 2017									
		a	b	c	d	e	f	g	h	i	j
		Risk weight									Total credit exposure amount (post-CCF and post-CRM)
\$m	Asset class and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	
1	Cash items	3,972	-	33	-	-	-	-	-	-	4,005
2	Central government and central bank	207	-	#	-	-	-	-	-	-	207
3	PSE	-	-	54	-	188	-	40	-	-	282
4	MDB	4,489	-	-	-	-	-	-	-	-	4,489
5	Bank	-	-	91	-	315	-	32	-	-	438
6	Corporate	-	-	20	-	88	-	7,671	-	-	7,779
7	Regulatory retail	-	-	-	-	-	2,403	-	-	-	2,403
8	Residential mortgage	-	-	-	9,817	-	297	156	-	-	10,270
9	CRE	-	-	-	-	-	-	647	-	-	647
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	210	198	-	408
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	18,199	-	-	18,199
14	<b>Total</b>	<b>8,668</b>	<b>-</b>	<b>198</b>	<b>9,817</b>	<b>591</b>	<b>2,700</b>	<b>26,955</b>	<b>198</b>	<b>-</b>	<b>49,127</b>

# Numbers below 0.5.

The increase in exposures was mainly driven by the adoption of the Standardised Approach for equity exposures with effect from second quarter of 2018 along with an increase in other exposures from loan growth.

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## 8.6 IRBA – Credit Risk Exposures by Portfolio and PD Range

The following tables provide the main parameters used to calculate the Group's capital requirements for its IRBA models<sup>(1)</sup>.

### 8.6.1 Advanced IRBA

30 Jun 2018												
	a	b	c	d	e	f	g	h	i	j	k	l
PD Range (%)	Original on-balance sheet gross exposures (\$m)	Off-balance sheet exposures pre CCF (\$m)	Average CCF (%)	EAD post CRM and post-CCF (\$m)	Average PD (%)	Number of obligors <sup>(2)</sup>	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(3)</sup> (%)	EL (\$m)	TEP (\$m)
<b>Retail - QRRE</b>												
0.00 to <0.15	609	12,942	50	7,141	0.12	682,294	93		504	7	8	
0.15 to <0.25	791	5,120	53	3,512	0.20	360,571	91		354	10	6	
0.25 to <0.50	508	2,556	41	1,563	0.42	211,572	85		272	17	6	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	1,189	4,258	61	3,793	1.53	327,273	93		1,981	52	55	
2.50 to <10.00	1,039	566	88	1,535	4.73	119,696	88		1,645	107	64	
10.00 to <100.00	506	86	87	580	20.74	37,950	92		1,381	238	109	
100.00 (Default) <sup>(4)</sup>	187	-	-	187	100.00	24,189	92		-	-	172	
<b>Sub-total</b>	<b>4,829</b>	<b>25,528</b>	<b>53</b>	<b>18,311</b>	<b>2.51</b>	<b>1,763,545</b>	<b>91</b>		<b>6,137</b>	<b>34</b>	<b>420</b>	<b>537</b>
<b>Retail - Residential mortgage</b>												
0.00 to <0.15	15,802	4,445	100	20,247	0.14	25,057	11		721	4	3	
0.15 to <0.25	8,061	28	100	8,089	0.18	24,027	12		394	5	2	
0.25 to <0.50	34,306	490	100	34,796	0.27	73,508	11		2,092	6	11	
0.50 to <0.75	402	-	-	402	0.63	780	13		52	13	#	
0.75 to <2.50	2,769	586	100	3,355	0.93	9,700	12		519	15	4	
2.50 to <10.00	785	4	100	790	3.94	1,570	15		347	44	5	
10.00 to <100.00	351	1	100	352	24.76	971	13		276	78	11	
100.00 (Default) <sup>(4)</sup>	138	#	100	138	100.00	469	26		-	-	35	
<b>Sub-total</b>	<b>62,614</b>	<b>5,554</b>	<b>100</b>	<b>68,169</b>	<b>0.63</b>	<b>136,082</b>	<b>11</b>		<b>4,401</b>	<b>6</b>	<b>71</b>	<b>91</b>
<b>Other retail exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	1,360	-	-	1,360	0.16	35,533	23		111	8	#	
0.25 to <0.50	647	-	-	647	0.28	9,766	19		66	10	#	
0.50 to <0.75	1	-	-	1	0.64	12	40		#	35	#	
0.75 to <2.50	143	-	-	143	1.16	3,779	26		43	30	#	
2.50 to <10.00	-	-	-	-	-	-	-		-	-	-	
10.00 to <100.00	29	-	-	29	14.88	762	33		20	68	1	
100.00 (Default) <sup>(4)</sup>	2	-	-	2	100.00	62	46		-	-	1	
<b>Sub-total</b>	<b>2,182</b>	<b>-</b>	<b>-</b>	<b>2,182</b>	<b>0.55</b>	<b>49,914</b>	<b>22</b>		<b>240</b>	<b>11</b>	<b>2</b>	<b>5</b>
<b>Total (all portfolios)</b>	<b>69,625</b>	<b>31,082</b>	<b>61</b>	<b>88,662</b>	<b>1.01</b>	<b>1,949,541</b>	<b>28</b>		<b>10,778</b>	<b>12</b>	<b>493</b>	<b>633</b>

# Numbers below 0.5.

<sup>(1)</sup> As at the reporting date, the Group does not have any credit derivative used as CRM in its Banking book.

<sup>(2)</sup> Number of obligors or accounts used in the respective asset classes as per the Group's A-IRBA models.

<sup>(3)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(4)</sup> For definition of default, refer to 8.1.

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## 8.6.1 Advanced IRBA (continued)

31 Dec 2017												
	a	b	c	d	e	f	g	h	i	j	k	l
PD Range (%)	Original on-balance sheet gross exposures (\$m)	Off-balance sheet exposures pre CCF (\$m)	Average CCF (%)	EAD post CRM and post-CCF (\$m)	Average PD (%)	Number of obligors <sup>(2)</sup>	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(3)</sup> (%)	EL (\$m)	TEP (\$m)
<b>Retail - QRRE</b>												
0.00 to <0.15	596	12,354	51	6,874	0.12	659,208	93		480	7	8	
0.15 to <0.25	784	4,954	51	3,320	0.20	349,179	90		335	10	6	
0.25 to <0.50	484	2,540	41	1,519	0.42	212,864	85		264	17	5	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	1,175	4,204	62	3,761	1.54	326,297	93		1,972	52	54	
2.50 to <10.00	804	456	82	1,179	4.54	104,618	87		1,213	103	47	
10.00 to <100.00	749	346	162	1,308	37.47	63,252	92		3,510	268	446	
100.00 (Default) <sup>(4)</sup>	191	-	-	191	100.00	24,854	92		-	-	176	
<b>Sub-total</b>	<b>4,783</b>	<b>24,854</b>	<b>54</b>	<b>18,152</b>	<b>4.48</b>	<b>1,740,272</b>	<b>91</b>		<b>7,774</b>	<b>43</b>	<b>742</b>	<b>839</b>
<b>Retail - Residential mortgage</b>												
0.00 to <0.15	14,705	3,981	100	18,686	0.14	23,510	11		665	4	3	
0.15 to <0.25	7,787	31	100	7,818	0.19	23,952	12		385	5	2	
0.25 to <0.50	34,465	341	100	34,806	0.27	73,004	12		2,145	6	11	
0.50 to <0.75	540	-	-	540	0.63	1,075	13		70	13	#	
0.75 to <2.50	3,542	1,220	100	4,762	1.13	11,706	12		830	17	7	
2.50 to <10.00	690	2	100	692	3.99	1,509	15		313	45	4	
10.00 to <100.00	335	1	100	336	24.77	910	14		280	83	11	
100.00 (Default) <sup>(4)</sup>	132	#	100	132	100.00	441	26		-	-	34	
<b>Sub-total</b>	<b>62,196</b>	<b>5,576</b>	<b>100</b>	<b>67,772</b>	<b>0.64</b>	<b>136,107</b>	<b>12</b>		<b>4,688</b>	<b>7</b>	<b>72</b>	<b>81</b>
<b>Other retail exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	1,366	-	-	1,366	0.16	37,286	24		119	9	1	
0.25 to <0.50	687	-	-	687	0.28	10,831	19		70	10	#	
0.50 to <0.75	2	-	-	2	0.64	17	40		1	35	#	
0.75 to <2.50	134	-	-	134	1.16	3,806	28		43	32	#	
2.50 to <10.00	-	-	-	-	-	-	-		-	-	-	
10.00 to <100.00	35	-	-	35	15.02	936	34		25	71	2	
100.00 (Default) <sup>(4)</sup>	2	-	-	2	100.00	73	46		-	-	1	
<b>Sub-total</b>	<b>2,226</b>	<b>-</b>	<b>-</b>	<b>2,226</b>	<b>0.60</b>	<b>52,949</b>	<b>23</b>		<b>258</b>	<b>12</b>	<b>4</b>	<b>5</b>
<b>Total (all portfolios)</b>	<b>69,205</b>	<b>30,430</b>	<b>62</b>	<b>88,150</b>	<b>1.43</b>	<b>1,929,328</b>	<b>28</b>		<b>12,720</b>	<b>14</b>	<b>818</b>	<b>925</b>

# Numbers below 0.5.

<sup>(1)</sup> As at the reporting date, the Group does not have any credit derivative used as CRM in its Banking book.

<sup>(2)</sup> Number of obligors or accounts used in the respective asset classes as per the Group's A-IRBA models.

<sup>(3)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(4)</sup> For definition of default, refer to 8.1.

The decline in risk-weighted assets density in the QRRE asset class was mainly driven by the normalisation of risk pool assignment of ANZ exposures, which were conservatively assigned to the worst risk pools since third quarter of 2017.

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## 8.6.2 Foundation IRBA

30 Jun 2018												
	a	b	c	d	e	f	g	h	i	j	k	l
PD Range (%)	Original sheet gross exposures (\$m)	Off-balance sheet exposures pre CCF (\$m)	Average CCF (%)	EAD post CRM and post-CCF (\$m)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(1)</sup> (%)	EL (\$m)	TEP (\$m)
<b>Sovereign</b>												
0.00 to <0.15	50,630	12	87	52,027	0.02	21	45	2	4,974	10	4	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	5,027	-	-	5,027	0.39	6	45	2	2,814	56	9	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	77	-	-	77	1.76	2	45	3	99	128	1	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>55,734</b>	<b>12</b>	<b>87</b>	<b>57,131</b>	<b>0.05</b>	<b>29</b>	<b>45</b>	<b>2</b>	<b>7,887</b>	<b>14</b>	<b>14</b>	<b>17</b>
<b>Banks</b>												
0.00 to <0.15	49,955	4,085	25	51,629	0.05	140	45	1	8,753	17	12	
0.15 to <0.25	1,375	62	43	1,589	0.24	18	46	1	781	49	2	
0.25 to <0.50	5,482	973	55	6,324	0.32	58	44	1	2,885	46	9	
0.50 to <0.75	202	84	42	237	0.61	8	45	1	144	61	1	
0.75 to <2.50	4,225	440	22	3,563	1.15	72	40	1	2,592	73	17	
2.50 to <10.00	125	28	20	127	3.01	9	45	#	134	105	2	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>61,364</b>	<b>5,672</b>	<b>30</b>	<b>63,469</b>	<b>0.15</b>	<b>305</b>	<b>45</b>	<b>1</b>	<b>15,289</b>	<b>24</b>	<b>43</b>	<b>53</b>
<b>Corporate</b>												
0.00 to <0.15	50,177	38,499	29	64,823	0.04	448	45	2	11,930	18	13	
0.15 to <0.25	26,695	22,946	22	32,061	0.22	362	45	2	13,649	43	32	
0.25 to <0.50	39,139	33,691	22	45,009	0.33	860	44	2	23,997	53	67	
0.50 to <0.75	14,119	12,297	18	16,596	0.56	647	43	2	11,452	69	40	
0.75 to <2.50	32,349	30,589	12	33,356	1.57	7,687	41	2	30,440	91	212	
2.50 to <10.00	8,096	4,834	9	7,202	4.36	2,618	40	2	8,812	122	124	
10.00 to <100.00	1,305	211	18	1,200	12.35	268	41	2	2,373	198	61	
100.00 (Default) <sup>(2)</sup>	4,000	325	65	4,059	100.00	536	43	2	-	-	1,762	
<b>Sub-total</b>	<b>175,880</b>	<b>143,392</b>	<b>21</b>	<b>204,306</b>	<b>2.64</b>	<b>13,426</b>	<b>44</b>	<b>2</b>	<b>102,653</b>	<b>50</b>	<b>2,311</b>	<b>2,953</b>
<b>Corporate small business</b>												
0.00 to <0.15	498	204	25	548	0.05	2	45	2	75	14	#	
0.15 to <0.25	16	333	1	19	0.22	10	39	3	7	39	#	
0.25 to <0.50	646	650	11	771	0.35	178	43	2	342	44	1	
0.50 to <0.75	857	628	13	947	0.56	340	40	3	611	64	2	
0.75 to <2.50	4,342	2,209	12	4,436	1.61	1,465	40	3	3,812	86	29	
2.50 to <10.00	2,111	647	10	2,134	4.08	849	40	3	2,334	109	35	
10.00 to <100.00	469	103	12	404	12.48	134	41	2	669	166	21	
100.00 (Default) <sup>(2)</sup>	330	9	62	326	100.00	100	42	1	-	-	138	
<b>Sub-total</b>	<b>9,269</b>	<b>4,783</b>	<b>12</b>	<b>9,585</b>	<b>5.67</b>	<b>3,078</b>	<b>41</b>	<b>3</b>	<b>7,850</b>	<b>82</b>	<b>226</b>	<b>289</b>
<b>Total (all portfolios)</b>	<b>302,247</b>	<b>153,859</b>	<b>21</b>	<b>334,491</b>	<b>1.81</b>	<b>16,838</b>	<b>44</b>	<b>2</b>	<b>133,679</b>	<b>40</b>	<b>2,594</b>	<b>3,312</b>

# Numbers below 0.5.

<sup>(1)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(2)</sup> For definition of default, refer to 8.1.

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## 8.6.2 Foundation IRBA (continued)

31 Dec 2017												
	a	b	c	d	e	f	g	h	i	j	k	l
PD Range (%)	Original on-balance sheet gross exposures (\$m)	Off-balance sheet exposures pre CCF (\$m)	Average CCF (%)	EAD post CRM and post-CCF (\$m)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(1)</sup> (%)	EL (\$m)	TEP (\$m)
<b>Sovereign</b>												
0.00 to <0.15	49,298	12	88	51,450	0.02	21	45	2	3,946	8	4	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	3,992	-	-	3,992	0.39	6	45	2	2,290	57	7	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	80	-	-	80	1.76	2	45	3	98	122	1	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>53,370</b>	<b>12</b>	<b>88</b>	<b>55,522</b>	<b>0.05</b>	<b>29</b>	<b>45</b>	<b>2</b>	<b>6,334</b>	<b>11</b>	<b>12</b>	<b>13</b>
<b>Banks</b>												
0.00 to <0.15	53,070	2,951	24	53,596	0.05	131	45	1	8,488	16	11	
0.15 to <0.25	1,970	66	44	2,116	0.24	24	45	1	857	41	2	
0.25 to <0.50	5,067	512	57	5,629	0.34	51	43	1	2,827	50	8	
0.50 to <0.75	176	55	21	188	0.61	10	45	1	110	59	1	
0.75 to <2.50	3,022	234	25	2,758	1.05	61	42	1	2,067	75	12	
2.50 to <10.00	66	73	20	80	3.21	9	45	#	87	108	1	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>63,371</b>	<b>3,891</b>	<b>29</b>	<b>64,367</b>	<b>0.13</b>	<b>286</b>	<b>45</b>	<b>1</b>	<b>14,436</b>	<b>22</b>	<b>35</b>	<b>40</b>
<b>Corporate</b>												
0.00 to <0.15	49,563	34,385	28	62,791	0.04	450	45	2	11,886	19	12	
0.15 to <0.25	23,863	22,894	19	29,143	0.22	347	45	2	12,271	42	29	
0.25 to <0.50	33,596	34,180	22	40,195	0.33	859	44	2	21,859	54	59	
0.50 to <0.75	13,004	11,381	17	14,481	0.56	654	43	2	10,228	71	35	
0.75 to <2.50	30,882	29,236	12	30,988	1.53	7,321	40	2	27,607	89	189	
2.50 to <10.00	8,164	4,836	9	7,352	4.49	2,644	40	2	9,156	125	131	
10.00 to <100.00	1,480	232	18	1,382	12.80	326	41	2	2,782	201	72	
100.00 (Default) <sup>(2)</sup>	4,153	315	84	4,241	100.00	566	43	2	-	-	1,828	
<b>Sub-total</b>	<b>164,705</b>	<b>137,459</b>	<b>20</b>	<b>190,573</b>	<b>2.90</b>	<b>13,167</b>	<b>43</b>	<b>2</b>	<b>95,789</b>	<b>50</b>	<b>2,355</b>	<b>2,662</b>
<b>Corporate small business</b>												
0.00 to <0.15	105	205	15	136	0.05	2	45	2	17	12	#	
0.15 to <0.25	21	60	6	31	0.22	13	40	4	15	51	#	
0.25 to <0.50	425	644	11	560	0.38	221	41	3	321	57	1	
0.50 to <0.75	855	635	9	921	0.56	352	40	3	638	69	2	
0.75 to <2.50	4,061	2,068	11	4,183	1.67	1,398	40	3	3,849	92	28	
2.50 to <10.00	2,127	714	13	2,113	4.22	837	40	2	2,392	113	36	
10.00 to <100.00	299	56	13	291	12.53	106	40	2	483	166	15	
100.00 (Default) <sup>(2)</sup>	312	9	62	309	100.00	105	42	1	-	-	130	
<b>Sub-total</b>	<b>8,205</b>	<b>4,391</b>	<b>11</b>	<b>8,544</b>	<b>5.99</b>	<b>3,034</b>	<b>41</b>	<b>3</b>	<b>7,715</b>	<b>90</b>	<b>212</b>	<b>240</b>
<b>Total (all portfolios)</b>	<b>289,651</b>	<b>145,753</b>	<b>20</b>	<b>319,006</b>	<b>1.93</b>	<b>16,516</b>	<b>44</b>	<b>2</b>	<b>124,274</b>	<b>39</b>	<b>2,614</b>	<b>2,955</b>

# Numbers below 0.5.

<sup>(1)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(2)</sup> For definition of default, refer to 8.1.

**8.6.2 Foundation IRBA (continued)**

Total exposures increased in the first half of 2018 mainly due to higher exposures in the corporate asset class driven by overall loan growth and higher off-balance sheet exposures. Overall risk-weighted assets density remained largely unchanged.

**8.7 IRBA – Effect on RWA of Credit Derivatives used as CRM**

As at the reporting date, the Group does not have any credit derivative used as CRM in its Banking book.

**8.8 IRBA – RWA Flow Statement for Credit Risk Exposures**

The following table explains the change in the Group's credit RWA under IRBA for the quarter.

		<b>30 Jun 2018</b>
		a
<b>\$'m</b>		<b>RWA amounts</b>
<b>1</b>	<b>RWA as at end of previous quarter</b>	<b>176,907</b>
2	Asset size	3,617
3	Asset quality <sup>(1)</sup>	(1,167)
4	Model updates	-
5	Methodology and Policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	2,978
8	Other	-
<b>9</b>	<b>RWA as at end of quarter</b>	<b>182,335</b>

<sup>(1)</sup> This represents movements in RWA resulting from factors (other than exposure movements) such as changes in portfolio mix, tenor, credit risk mitigation, etc.

The increase in risk-weighted assets was due to foreign currency translation and exposure growth, partially offset by a decline in risk-weighted assets density in the QRRE asset class as explained in 8.6.1.

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## 8.9 IRBA – Specialised Lending and Equities under the Simple Risk Weight Method

### 8.9.1 IRBA – Specialised Lending (Other than HVCRE)<sup>(1)</sup>

The following table provides the exposure amounts and RWA of the Group's specialised lending exposures by each asset sub-class in accordance with the supervisory slotting criteria.

30 Jun 2018											
Specialised lending <sup>(2)</sup>											
Other than HVCRE											
\$m											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years	9,847	1,146	50%	561	-	-	9,953	10,514	5,572	-
	Equal to or more than 2.5 years	9,315	1,083	70%	2,401	113	-	7,418	9,932	7,370	40
Good	Less than 2.5 years	6,312	1,594	70%	398	85	-	6,806	7,289	5,409	29
	Equal to or more than 2.5 years	6,382	1,579	90%	984	274	-	6,111	7,369	7,029	59
Satisfactory		7,105	1,569	115%	980	103	-	6,767	7,850	9,568	220
Weak		951	227	250%	288	4	-	813	1,105	2,930	88
Default		215	-	0%	-	406	-	27	433	-	216
<b>Total</b>		<b>40,127</b>	<b>7,198</b>		<b>5,612</b>	<b>985</b>	<b>-</b>	<b>37,895</b>	<b>44,492</b>	<b>37,878</b>	<b>652</b>

31 Dec 2017											
Specialised lending <sup>(2)</sup>											
Other than HVCRE											
\$m											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	Less than 2.5 years	6,898	1,442	50%	638	-	-	7,154	7,792	4,130	-
	Equal to or more than 2.5 years	9,647	1,319	70%	2,533	117	-	7,844	10,494	7,786	42
Good	Less than 2.5 years	7,118	1,043	70%	549	-	-	7,173	7,722	5,730	31
	Equal to or more than 2.5 years	5,794	1,499	90%	931	196	-	5,592	6,719	6,409	54
Satisfactory		6,417	1,605	115%	468	116	-	6,601	7,185	8,759	201
Weak		699	217	250%	290	5	-	557	852	2,258	68
Default		213	-	0%	-	388	-	27	415	-	207
<b>Total</b>		<b>36,786</b>	<b>7,125</b>		<b>5,409</b>	<b>822</b>	<b>-</b>	<b>34,948</b>	<b>41,179</b>	<b>35,072</b>	<b>603</b>

<sup>(1)</sup> As at reporting date, the Group does not have any HVCRE exposures.

<sup>(2)</sup> Specialised lending is a type of exposure typically towards an entity specifically created to finance or operate physical assets where the primary source of income and repayment of the obligation lies directly with the assets being financed.

Exposures and risk-weighted assets increased in the first half of 2018 due to loan growth.

### 8.9.2 IRBA – Equities under the Simple Risk Weight Method

With effect from second quarter 2018, the Group adopted the Standardised Approach for its equity exposures. As a result of this change, this disclosure is no longer applicable.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### 9 COUNTERPARTY CREDIT RISK ("CCR")

#### 9.1 Analysis of CCR Exposure by Approach

The following table provides the methods used to calculate the Group's CCR capital requirements and the main parameters used for each method.

		30 Jun 2018					
		a	b	c	d	e	f
\$m		Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current exposure method (for derivatives)	7,922	10,386			17,961	7,378
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					9,901	629
5	VaR for SFTs					-	-
6	<b>Total</b>						<b>8,007</b>

		31 Dec 2017					
		a	b	c	d	e	f
\$m		Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current exposure method (for derivatives)	8,204	10,460			18,383	7,687
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					6,247	407
5	VaR for SFTs					-	-
6	<b>Total</b>						<b>8,094</b>

CCR exposures increased in the first half of 2018 driven by an increase in repurchase agreement transactions.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 9.2 CVA Risk Capital Requirements

The Group adopts the standardised method to compute CVA risk capital requirements. The following table provides the exposure amount (post-CRM) and RWA.

\$m	30 Jun 2018	
	a	b
	EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital requirement	-	-
1 (i) VaR component (including the three-times multiplier)	-	-
2 (ii) Stressed VaR component (including the three-times multiplier)	-	-
3 All portfolios subject to the Standardised CVA capital requirement	17,103	6,444
<b>4 Total portfolios subject to the CVA capital requirement</b>	<b>17,103</b>	<b>6,444</b>

  

\$m	31 Dec 2017	
	a	b
	EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital requirement	-	-
1 (i) VaR component (including the three-times multiplier)	-	-
2 (ii) Stressed VaR component (including the three-times multiplier)	-	-
3 All portfolios subject to the Standardised CVA capital requirement	16,575	6,560
<b>4 Total portfolios subject to the CVA capital requirement</b>	<b>16,575</b>	<b>6,560</b>

There were no significant movements in the first half of 2018.

## 9.3 Credit Derivative Exposures

The following table provides the notional amounts (before any netting) and fair values of the Group's credit derivative exposures, broken down between credit derivatives bought or sold.

\$m	30 Jun 2018	
	a	b
	Protection bought	Protection sold
<b>Notionals</b>		
1 Single-name credit default swaps	6,251	8,020
2 Index credit default swaps	2,777	2,831
3 Total return swaps	6,529	-
4 Other credit derivatives	-	-
<b>5 Total notionals</b>	<b>15,557</b>	<b>10,851</b>
<b>Fair values</b>		
6 Positive fair value (asset)	64	136
7 Negative fair value (liability)	212	6

  

\$m	31 Dec 2017	
	a	b
	Protection bought	Protection sold
<b>Notionals</b>		
1 Single-name credit default swaps	6,117	7,793
2 Index credit default swaps	2,931	2,848
3 Total return swaps	7,180	-
4 Other credit derivatives	201	-
<b>5 Total notionals</b>	<b>16,429</b>	<b>10,641</b>
<b>Fair values</b>		
6 Positive fair value (asset)	40	169
7 Negative fair value (liability)	256	2

The decrease in credit derivative exposures in the first half of 2018 was driven by the decrease in the total return swap volumes due to reduced client demand. This was partially offset by an increase in the volumes of single name credit default swaps driven by higher interest from certain business segments and the corresponding hedges.

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### 9.4 Standardised Approach – CCR Exposures by Portfolio and Risk Weights

The following table provides the breakdown of the Group's CCR exposure amounts (post-CRM) under SA(CR) by asset class and risk weight.

		30 Jun 2018								
		a	b	c	d	e	f	g	h	i
		Risk Weight								Total Credit Exposure
\$m	Asset Classes	0%	10%	20%	50%	75%	100%	150%	Others	
1	Central government and central bank	-	-	-	-	-	-	-	-	-
2	PSE	-	-	-	-	-	-	-	-	-
3	MDB	1,965	-	-	5	-	-	-	-	1,970
4	Bank	-	-	1	#	-	3	-	-	4
6	Corporate	-	-	-	#	-	277	-	-	277
7	Regulatory retail	-	-	-	-	1	-	-	-	1
8	Other exposures	-	-	-	-	-	538	-	-	538
9	<b>Total</b>	<b>1,965</b>	<b>-</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>818</b>	<b>-</b>	<b>-</b>	<b>2,790</b>

		31 Dec 2017								
		a	b	c	d	e	f	g	h	i
		Risk Weight								Total Credit Exposure
\$m	Asset Classes	0%	10%	20%	50%	75%	100%	150%	Others	
1	Central government and central bank	-	-	-	-	-	-	-	-	-
2	PSE	-	-	-	-	-	-	-	-	-
3	MDB	1,455	-	-	3	-	-	-	-	1,458
4	Bank	-	-	2	1	-	-	-	-	3
6	Corporate	-	-	-	#	-	243	-	-	243
7	Regulatory retail	-	-	-	-	#	-	-	-	#
8	Other exposures	-	-	-	-	-	542	-	-	542
9	<b>Total</b>	<b>1,455</b>	<b>-</b>	<b>2</b>	<b>4</b>	<b>#</b>	<b>785</b>	<b>-</b>	<b>-</b>	<b>2,246</b>

# Numbers below 0.5.

There were no significant movements in the first half of 2018.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 9.5 IRBA – CCR Exposures by Portfolio and PD Range

The following table sets out the parameters used to calculate the Group's CCR capital requirements for IRBA models. The Group adopts F-IRBA for all of its IRBA exposures which are subject to CCR capital requirements.

	30 Jun 2018						
	a	b	c	d	e	f	g
PD Range (%)	EAD post CRM (\$m)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(1)</sup> (%)
<b>Sovereign</b>							
0.00 to <0.15	1,052	0.01	8	20	#	9	#
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	820	0.39	2	3	#	21	3
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,872</b>	<b>0.18</b>	<b>10</b>	<b>13</b>	<b>#</b>	<b>30</b>	<b>2</b>
<b>Banks</b>							
0.00 to <0.15	9,988	0.08	99	23	1	1,276	13
0.15 to <0.25	731	0.24	18	41	1	337	46
0.25 to <0.50	1,068	0.33	58	33	2	531	50
0.50 to <0.75	27	0.61	10	45	1	20	75
0.75 to <2.50	387	1.30	43	36	1	324	84
2.50 to <10.00	#	4.15	1	45	#	#	118
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>12,201</b>	<b>0.15</b>	<b>229</b>	<b>25</b>	<b>1</b>	<b>2,488</b>	<b>20</b>
<b>Corporate</b>							
0.00 to <0.15	2,288	0.04	115	45	3	545	24
0.15 to <0.25	3,865	0.22	75	23	1	931	24
0.25 to <0.50	2,307	0.34	228	40	2	1,307	57
0.50 to <0.75	577	0.56	133	43	2	423	73
0.75 to <2.50	1,320	1.63	410	37	1	1,114	84
2.50 to <10.00	202	4.47	102	20	2	136	68
10.00 to <100.00	#	16.31	14	45	2	1	220
100.00 (Default) <sup>(2)</sup>	27	100.00	7	5	1	-	-
<b>Sub-total</b>	<b>10,586</b>	<b>0.74</b>	<b>1,084</b>	<b>34</b>	<b>2</b>	<b>4,457</b>	<b>42</b>
<b>Corporate small business</b>							
0.00 to <0.15	#	0.05	1	45	#	#	5
0.15 to <0.25	#	-	-	-	-	-	-
0.25 to <0.50	-	0.29	8	43	1	#	29
0.50 to <0.75	2	0.56	12	40	1	1	48
0.75 to <2.50	33	1.29	76	44	1	22	67
2.50 to <10.00	2	5.17	41	39	#	2	104
10.00 to <100.00	#	12.15	4	44	1	#	151
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>37</b>	<b>1.49</b>	<b>142</b>	<b>44</b>	<b>1</b>	<b>25</b>	<b>68</b>
<b>Total (all portfolios)</b>	<b>24,696</b>	<b>0.41</b>	<b>1,465</b>	<b>28</b>	<b>1</b>	<b>7,000</b>	<b>28</b>

# Numbers below 0.5.

<sup>(1)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(2)</sup> For definition of default, refer to 8.1.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 9.5 IRBA – CCR Exposures by Portfolio and PD Range (continued)

PD Range (%)	31 Dec 2017						
	a	b	c	d	e	f	g
	EAD post CRM (\$m)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (\$m)	RWA density <sup>(1)</sup> (%)
<b>Sovereign</b>							
0.00 to <0.15	1,676	0.01	7	34	#	12	#
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	148	0.39	1	1	#	1	1
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,824</b>	<b>0.04</b>	<b>8</b>	<b>32</b>	<b>#</b>	<b>13</b>	<b>1</b>
<b>Banks</b>							
0.00 to <0.15	7,903	0.08	98	34	1	1,517	19
0.15 to <0.25	723	0.24	17	39	1	331	46
0.25 to <0.50	866	0.32	60	35	2	419	48
0.50 to <0.75	33	0.61	9	39	1	20	61
0.75 to <2.50	317	1.25	39	45	1	323	102
2.50 to <10.00	#	2.57	1	45	#	#	99
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>9,842</b>	<b>0.15</b>	<b>224</b>	<b>34</b>	<b>1</b>	<b>2,610</b>	<b>27</b>
<b>Corporate</b>							
0.00 to <0.15	2,203	0.04	118	45	3	532	24
0.15 to <0.25	2,700	0.22	68	25	2	751	28
0.25 to <0.50	2,283	0.33	206	37	2	1,227	54
0.50 to <0.75	364	0.56	114	41	2	262	72
0.75 to <2.50	2,518	1.92	368	21	1	1,295	51
2.50 to <10.00	89	6.05	113	37	1	114	128
10.00 to <100.00	45	28.58	17	25	#	59	132
100.00 (Default) <sup>(2)</sup>	4	100.00	8	44	1	-	-
<b>Sub-total</b>	<b>10,206</b>	<b>0.85</b>	<b>1,012</b>	<b>32</b>	<b>2</b>	<b>4,240</b>	<b>42</b>
<b>Corporate small business</b>							
0.00 to <0.15	#	0.05	1	45	#	#	5
0.15 to <0.25	#	0.22	1	40	#	#	17
0.25 to <0.50	1	0.31	12	31	1	#	21
0.50 to <0.75	6	0.56	18	43	1	3	55
0.75 to <2.50	19	1.53	82	40	1	14	72
2.50 to <10.00	1	4.60	35	25	1	1	74
10.00 to <100.00	#	12.15	5	45	#	#	159
100.00 (Default) <sup>(2)</sup>	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>27</b>	<b>1.49</b>	<b>154</b>	<b>40</b>	<b>1</b>	<b>18</b>	<b>67</b>
<b>Total (all portfolios)</b>	<b>21,899</b>	<b>0.47</b>	<b>1,398</b>	<b>33</b>	<b>2</b>	<b>6,881</b>	<b>31</b>

# Numbers below 0.5.

<sup>(1)</sup> For definition of RWA density, refer to footnote of 8.4.

<sup>(2)</sup> For definition of default, refer to 8.1.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### 9.5 IRBA – CCR Exposures by Portfolio and PD Range (continued)

Risk-weighted assets density for CCR exposures decreased in the first half of 2018 due to an increase in repurchase agreement transactions with relatively low risk weights.

### 9.6 RWA Flow Statements under the CCR Internal Models Method

This disclosure is not applicable as the Group does not adopt the CCR Internal Models method.

### 9.7 Composition of Collateral for CCR Exposure

The following table provides a breakdown of all types of collateral posted or received by the Group to support or reduce the CCR exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

<b>30 Jun 2018</b>						
	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of	Fair value of
<b>\$m</b>	Segregated	Unsegregated	Segregated	Unsegregated	collateral received	collateral posted
Cash - domestic currency	-	83	-	434	696	2,716
Cash - other currencies	-	2,026	258	3,474	5,501	7,804
Domestic sovereign debt	-	8	-	1	259	704
Other sovereign debt	-	39	-	725	2,430	4,053
Government agency debt	-	-	-	-	39	911
Corporate bonds	-	1	-	145	2,223	107
Equity securities	-	3	-	-	4,871	-
Other collateral	-	11	-	-	19	-
<b>Total</b>	-	<b>2,171</b>	<b>258</b>	<b>4,779</b>	<b>16,038</b>	<b>16,295</b>

**10 SECURITISATION**
**10.1 Securitisation Exposures in the Banking Book**

The following table provides an overview of the Group's securitisation exposures in the Banking book. Figures are based on carrying amounts as reported in the financial statements.

\$m	30 Jun 2018	31 Dec 2017
	a	
	<b>A Reporting Bank acts as investor</b>	
	Traditional <sup>(1)</sup>	
1 <b>Total retail</b>	2,499	2,324
2 of which: residential mortgage	2	2
3 of which: credit card	2,196	2,008
4 of which: other retail exposures	301	314
5 <b>Total wholesale</b>	136	-
6 of which: loans to corporates	-	-
7 of which: commercial mortgage	-	-
8 of which: lease and receivables	-	-
9 of which: other wholesale	136	-

There were no significant movements in the first half of 2018.

**10.2 Securitisation Exposures in the Trading Book**

The following table provides an overview of the Group's securitisation exposures in the Trading book. Figures are based on carrying amounts as reported in the financial statements.

\$m	30 Jun 2018	31 Dec 2017
	a	
	<b>A Reporting Bank acts as investor</b>	
	Traditional <sup>(1)</sup>	
1 <b>Total retail</b>	17	21
2 of which: residential mortgage	17	20
3 of which: credit card	-	-
4 of which: other retail exposures	-	1
5 <b>Total wholesale</b>	-	-

<sup>(1)</sup> The Group does not invest in synthetic securitisation structures.

There were no significant movements in the first half of 2018.

**10.3 Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements – A Reporting Bank acting as Originator or as Sponsor**

The Group does not act as an Originator or a Sponsor for its securitisation exposures in the Banking book.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## 10.4 Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements – A Reporting Bank acting as an Investor

The following table provides the exposure amounts, RWA and capital requirements of the Group's securitisation exposures in the Banking book.

30 Jun 2018																	
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap <sup>(1)</sup>			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
<b>\$m</b>																	
1 Total exposures	2,178	58	256	94	9	-	2,586	-	9	-	659	-	115	-	66	-	12
2 Traditional securitisation	2,178	58	256	94	9	-	2,586	-	9	-	659	-	115	-	66	-	12
3 Of which: securitisation	2,178	58	256	94	9	-	2,586	-	9	-	659	-	115	-	66	-	12
4 Of which: retail underlying	2,178	58	120	94	9	-	2,450	-	9	-	570	-	115	-	57	-	12
5 Of which: wholesale	-	-	136	-	-	-	136	-	-	-	89	-	-	-	9	-	-
6 Of which: re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which: re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31 Dec 2017 <sup>(2)</sup>																	
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap <sup>(1)</sup>			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	IRBA(SE) - RBM and IAM	IRBA(SE) - SF	SA/(SE)	1250%	IRBA(SE) - RBM and IAM	IRBA(SE) - SF	SA/(SE)	1250%	IRBA(SE) - RBM and IAM	IRBA(SE) - SF	SA/(SE)	1250%
<b>\$m</b>																	
1 Total exposures	2,102	85	93	-	4	2	-	2,278	4	#	-	556	47	#	-	55	5
2 Traditional securitisation	2,102	85	93	-	4	2	-	2,278	4	#	-	556	47	#	-	55	5
3 Of which: securitisation	2,102	85	93	-	4	2	-	2,278	4	#	-	556	47	#	-	55	5
4 Of which: retail underlying	2,102	85	93	-	4	2	-	2,278	4	#	-	556	47	#	-	55	5
5 Of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which: re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which: re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Numbers below 0.5.

<sup>(1)</sup> Capital charge after cap in these columns correspond to 10% of the relevant RWA figures in column "(j)", "(k)", "(l)" and "(m)" which are 2.0 percentage points higher than the Basel Committee's requirement.

<sup>(2)</sup> Based on securitisation rules pursuant to MAS Notice 637 effective before 1 January 2018.

There were no significant movements in the first half of 2018.

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### 11 MARKET RISK

#### 11.1 Market Risk under Standardised Approach

The following table provides the components of the Group's market risk RWA as measured under the Standardised Approach.

\$m		30 Jun 2018	31 Dec 2017
		a	
		RWA <sup>(1)</sup>	
	<b>Products excluding options</b>		
1	Interest rate risk (general and specific)	20,108	26,123
2	Equity risk (general and specific)	348	327
3	Foreign exchange risk	5,562	5,705
4	Commodity risk	20	4
	<b>Options</b>		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	7,084	6,442
8	<b>Securitisation</b>	-	69
9	<b>Total</b>	<b>33,122</b>	<b>38,670</b>

<sup>(1)</sup> The RWA is derived by multiplying the capital requirements by 12.5.

The decrease in risk-weighted assets was mainly due an enhancement to the computation methodology.

#### 11.2 RWA Flow Statements of Market Risk Exposures under IMA, IMA Values for Trading Portfolios and Comparison of VaR Estimates with Gains or Losses

The Group does not adopt IMA to measure its regulatory capital requirements for market risk.

### 12 INTEREST RATE RISK IN THE BANKING BOOK

The key market risk drivers of our non-trading portfolios are Singapore Dollar and United States Dollar interest rate positions. The economic value impact of changes in interest rates was assessed with plausible rates movements and characteristics of the non-trading portfolio assets and liabilities. The economic value changes based on the worse of an upward or downward parallel shift in the yield curve of 100 basis points and 200 basis points were negative SGD 1,224 million and negative SGD 2,309 million (Dec 2017: negative SGD 1,221 million and SGD 2,311 million) respectively.

## PART B: LIQUIDITY COVERAGE RATIO (“LCR”) DISCLOSURES (FOR DBS BANK GROUP)

The following disclosures for the DBS Bank Group<sup>(1)</sup> are made pursuant to the Monetary Authority of Singapore (“MAS”) Notice to Banks No. 651 “Liquidity Coverage Ratio (“LCR”) Disclosure” (“Notice 651”).

DBS Bank Group (“Group”) has been subjected to the Basel III Liquidity Coverage Ratio (“LCR”) standards from 1 January 2015, pursuant to MAS Notice 649. At the all-currency level, the Group is required to maintain daily LCR above an initial 60%, with a 10 percentage point step-up each year to 100% on 1 January 2019. The all-currency LCR minimum for 2018 is 90%. The Group is also required to maintain daily Singapore dollar (“SGD”) LCR above 100%.

LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (“HQLA”) to meet its liquidity needs for a 30-calendar day liquidity stress scenario. Notice 649 stipulates the range of liquid assets that qualify as HQLA, as well as the applicable haircuts for each category. Net cash outflows are computed using the standardized 30-day cash flow rates defined in the same notice. The amounts after the application of haircuts or 30-day cash flow rates are reflected in the “weighted amount” column of the tables below.

The Group seeks to ensure that its LCR remains above the specified regulatory minimum requirements. This is achieved by:

- 1 Establishing internal early warning triggers and thresholds based on observed movements in LCR over time;
- 2 Monitoring and managing the LCR closely to ensure it stays within established boundaries; and
- 3 Strategically managing the liquidity risk arising from the balance sheet structure.

<sup>(1)</sup> Pursuant to Sections 36 and 38 of the Banking Act, and as outlined in MAS Notice 649, DBS Bank complies with the LCR requirements on a consolidated (“DBS Bank Group”) level, which includes the assets and liabilities of its banking subsidiaries

**1.1 Average All-Currency LCR for the Quarter ended 30 June 2018**  
(Number of data points: 91)

\$m		30 Jun 2018	
		UNWEIGHTED <sup>(1)</sup>	WEIGHTED VALUE
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	<b>Total high-quality liquid assets (HQLA)</b>		<b>78,849</b>
<b>CASH OUTFLOWS</b>			
2	<b>Retail deposits and deposits from small business customers, of which</b>	<b>196,013</b>	<b>16,372</b>
3	Stable deposits	63,670	3,138
4	Less stable deposits	132,343	13,234
5	<b>Unsecured wholesale funding, of which</b>	<b>143,642</b>	<b>76,949</b>
6	Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	24,912	5,992
7	Non-operational deposits (all counterparties)	112,014	64,241
8	Unsecured debt	6,716	6,716
9	<b>Secured wholesale funding</b>		<b>988</b>
10	<b>Additional requirements, of which</b>	<b>51,851</b>	<b>11,023</b>
11	Outflows related to derivatives exposures and other collateral requirements	11,280	6,448
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	40,571	4,575
14	<b>Other contractual funding obligations</b>	<b>2,477</b>	<b>2,428</b>
15	<b>Other contingent funding obligations</b>	<b>22,211</b>	<b>666</b>
16	<b>TOTAL CASH OUTFLOWS</b>		<b>108,426</b>
<b>CASH INFLOWS</b>			
17	<b>Secured lending (e.g. reverse repos)</b>	<b>3,462</b>	<b>275</b>
18	<b>Inflows from fully performing exposures</b>	<b>70,629</b>	<b>45,202</b>
19	<b>Other cash inflows</b>	<b>7,740</b>	<b>4,512</b>
20	<b>TOTAL CASH INFLOWS</b>	<b>81,831</b>	<b>49,989</b>
		TOTAL ADJUSTED VALUE	
21	<b>TOTAL HQLA</b>		<b>78,849</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>58,437</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)<sup>(2)</sup></b>		<b>135%</b>

<sup>(1)</sup> The unweighted amounts refer to cash flows due or callable within 30 days, with the exception of items in rows 13 and 15 which reflect the full notional balances.

<sup>(2)</sup> The LCR is computed as an average of observations of LCR during the quarter. This may not be equal to an LCR computed with the average values of HQLA and net cash outflows disclosed in the table.

**1.2 Average SGD LCR for the Quarter ended 30 June 2018**  
 (Number of data points: 91)

\$m		30 Jun 2018	
		UNWEIGHTED <sup>(1)</sup>	WEIGHTED VALUE
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	<b>Total high-quality liquid assets (HQLA)</b>		<b>34,734</b>
<b>CASH OUTFLOWS</b>			
2	<b>Retail deposits and deposits from small business customers, of which</b>	<b>131,325</b>	<b>10,644</b>
3	Stable deposits	49,782	2,489
4	Less stable deposits	81,543	8,155
5	<b>Unsecured wholesale funding, of which</b>	<b>25,993</b>	<b>11,264</b>
6	Operational deposits (all counterparties) and deposits in institutional networks of cooperative banks	11,465	2,766
7	Non-operational deposits (all counterparties)	13,976	7,946
8	Unsecured debt	552	552
9	<b>Secured wholesale funding</b>		<b>0</b>
10	<b>Additional requirements, of which</b>	<b>21,904</b>	<b>9,677</b>
11	Outflows related to derivatives exposures and other collateral requirements	8,866	8,669
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	13,038	1,008
14	<b>Other contractual funding obligations</b>	<b>830</b>	<b>830</b>
15	<b>Other contingent funding obligations</b>	<b>3,300</b>	<b>99</b>
16	<b>TOTAL CASH OUTFLOWS</b>		<b>32,514</b>
<b>CASH INFLOWS</b>			
17	<b>Secured lending (e.g. reverse repos)</b>	<b>397</b>	<b>1</b>
18	<b>Inflows from fully performing exposures</b>	<b>13,983</b>	<b>8,319</b>
19	<b>Other cash inflows</b>	<b>18,433</b>	<b>18,318</b>
20	<b>TOTAL CASH INFLOWS</b>	<b>32,813</b>	<b>26,638</b>
		TOTAL ADJUSTED VALUE	
21	<b>TOTAL HQLA</b>		<b>34,734</b>
22	<b>TOTAL NET CASH OUTFLOWS<sup>(1)</sup></b>		<b>8,203</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)<sup>(2)</sup></b>		<b>426%</b>

<sup>(1)</sup> Total net cash outflows does not equal to the total cash outflows minus total cash inflows as the cap on inflows is binding. Cash inflows may be netted against cash outflows up to an aggregate cap of 75% of total cash outflows.

<sup>(2)</sup> The LCR is computed as an average of observations of LCR during the quarter. This may not be equal to an LCR computed with the average values of HQLA and net cash outflows disclosed in the table.

### 1.3 Liquidity Coverage Ratio

In the second quarter of 2018, the average all-currency and SGD LCRs were 135% and 426% respectively. Compared to the first quarter, the average all-currency LCR increased from 125% while the average SGD LCR decreased from 456%. The LCR remains well above the regulatory minimum requirements of 90% and 100% for all-currency and SGD respectively. DBS maintains a healthy liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base.

Compared to the last quarter:

- 1 All-currency LCR increased mainly due to increase in HQLA, decreased outflows from wholesale non-operational deposits and increased inflows from loans.
- 2 SGD LCR reduced mainly due to a reduction in SGD central bank reserves and SGD denominated HQLA.

The Group's LCR is sensitive to (i) balance sheet movements resulting from commercial loan/deposit activities and wholesale inter-bank lending/ borrowing; and (ii) movements due to positions falling into or out of the LCR 30-day tenor, such as loan rollovers. LCR is also sensitive to movements in HQLA, driven primarily by changes in balances with central banks and collaterals from secured lending and borrowing transactions.

#### a) Composition of High Quality Liquid Assets ("HQLA")

DBS holds a pool of unencumbered HQLA that are readily available to meet cash flow obligations under stress scenarios, as defined in the LCR rules. These liquid assets consist predominantly of Level 1 HQLA, which comprises cash, balances with central banks and highly rated bonds issued by governments or supranational entities. These may be included, without haircuts or limitations in quantum, in the total pool of HQLA.

DBS' HQLA include Singapore government securities and local government/central bank securities held at the Group's overseas branches and subsidiaries. This is supplemented by bonds issued by highly rated corporate issuers (including public sector entities), as well as covered bonds issued by reputable financial institutions.

#### b) Concentration of Funding Sources

DBS strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. DBS' funding strategy is anchored on strengthening the core deposit franchise as the foundation of the Group's long-term funding advantage. Please refer to the Risk management disclosures in the latest available annual report for more information on the Group's funding strategy.

#### c) Derivative Exposures and Potential Collateral Calls

DBS actively manages its over-the-counter ("OTC") and exchange-traded financial derivative exposures arising from market making, trading activities, and its commercial business (including structuring and packaging products for investors and clients). Derivative exposures are mainly from, but not limited to, interest rate swaps and futures, foreign exchange forwards and swaps, and currency swaps. These derivative positions are marked-to-market daily, affecting the collateral amounts posted to and received from interbank counterparties and/or exchanges. Cash flows resulting from potential changes in collateral amounts posted/received are incorporated into LCR net cash outflows.

## 1.3 Liquidity Coverage Ratio (continued)

### d) Currency Mismatch

As part of the Group's funding strategy, DBS makes use of the swap markets to support funding needs across currencies. The Group's stable funding base of customer deposits is predominantly denominated in the local currency of its key operating locations. The Group's core SGD deposit funding provides surplus funds that are swapped into other currencies to support loan demand. Matching the deposit funding currency, the main portion of the Group's liquid assets is denominated in SGD and the local currencies of key operating locations.

### e) Centralization of Liquidity Management

In managing funding needs across locations, overseas branches and subsidiaries are encouraged but not required to centralise majority of their borrowing and deployment of funds with Head Office, taking into account the relevant regulatory restrictions while maintaining a commensurate level of presence and participation in the local funding markets.

In managing the Group's pool of liquid assets, the Group is able to monetize liquid assets to meet liquidity shortfalls under times of stress.

Please refer to the latest available annual report for more information on the Group's liquidity risk management.

## PART C: NET STABLE FUNDING RATIO (“NSFR”) DISCLOSURES (FOR DBS BANK GROUP)

The following disclosures for the DBS Bank Group<sup>(1)</sup> are made pursuant to the Monetary Authority of Singapore (“MAS”) Notice to Banks No. 653 “Net Stable Funding Ratio (“NSFR”) Disclosure” (“Notice 653”).

DBS Bank Group (“Group”) has been subjected to the Basel III NSFR standards from 1 January 2018, pursuant to MAS Notice to Banks No. 652 “Net Stable Funding Ratio (NSFR)” (“Notice 652”). At the all-currency level, the Group is required to maintain NSFR of at least 100% on an ongoing basis.

NSFR aims to improve the resiliency of banks by promoting long-term funding stability. It requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Notice 652 stipulates the applicable Required Stable Funding (“RSF”) factor for each category of asset and Available Stable Funding (“ASF”) factor for each type of funding source. NSFR represents the ratio of the bank’s ASF to RSF. The breakdown of the bank’s ASF and RSF amounts after applying the respective ASF or RSF factors are reflected in the “weighted amount” column of the tables below.

In the second quarter of 2018, the all-currency NSFR was 110%, no change from the first quarter. NSFR remains well above the regulatory minimum requirement of 100%. DBS maintains a healthy liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base.

Compared to the previous quarter, both the ASF and RSF of 2Q 2018 increased mainly due to growth in long-term customer loans, as well as retail and wholesale deposits. The Group’s NSFR is sensitive to (i) balance sheet movements resulting from commercial loan and deposit activities, and (ii) movements due to positions falling into the NSFR 1-year tenor, such as when the residual maturity of capital or senior issuances fall within 1 year.

The Group seeks to ensure that its NSFR remains above the specified regulatory minimum requirements. This is achieved by:

- 1 Monitoring the NSFR closely against an established internal early warning trigger and management target
- 2 Managing and developing strategies to build a diversified funding base with access to funding sources across retail and wholesale channels

Please refer to the Risk Management disclosures in the latest available annual report for more information on the Group’s funding strategy.

<sup>(1)</sup> Pursuant to Sections 36 and 55 of the Banking Act, and as outlined in MAS Notice 652, DBS Bank complies with the NSFR requirements on a consolidated (“DBS Bank Group”) level, which includes the assets and liabilities of its banking subsidiaries

**1.1 NSFR Disclosure Template**

		<b>30 Jun 2018</b>				
		<b>Unweighted value by residual maturity</b>				
<b>\$m</b>		<b>No maturity <sup>(2)</sup></b>	<b>6 months to</b>			<b>WEIGHTED VALUE</b>
<b>ASF Item</b>			<b>&lt; 6 months</b>	<b>&lt; 1 yr</b>	<b>≥ 1yr</b>	
1	Capital:	<b>54,055</b>	-	-	<b>273</b>	<b>54,328</b>
2	Regulatory capital	52,825	-	-	-	52,825
3	Other capital instruments	1,230	-	-	273	1,503
4	Retail deposits and deposits from small business customers:	<b>162,121</b>	<b>42,939</b>	<b>2,264</b>	<b>511</b>	<b>189,799</b>
5	Stable deposits	51,759	2,100	57	63	51,283
6	Less stable deposits	110,362	40,839	2,207	448	138,516
7	Wholesale funding:	<b>75,812</b>	<b>141,401</b>	<b>12,623</b>	<b>9,958</b>	<b>76,903</b>
8	Operational deposits	23,752	-	-	-	11,876
9	Other wholesale funding	52,060	141,401	12,623	9,958	65,027
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	<b>15,304</b>		<b>6,281</b>		<b>2,238</b>
12	NSFR derivative liabilities			4,099		
13	All other liabilities and equity not included in the above categories	15,304	2	-	2,180	2,238
14	Total ASF					<b>323,268</b>
<b>RSF Item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					<b>11,876</b>
16	Deposits held at other financial institutions for operational purposes	-	<b>58</b>	-	-	<b>29</b>
17	Performing loans and securities:	<b>7,200</b>	<b>148,056</b>	<b>26,082</b>	<b>233,350</b>	<b>259,023</b>
18	Performing loans to financial institutions secured by Level 1 HQLA	-	1,673	-	-	814
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	38,453	4,319	6,600	14,761
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	7,200	93,427	15,508	138,885	170,348
21	With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk	-	27,807	639	4,197	15,619
22	Performing residential mortgages, of which:	-	2,673	1,641	68,502	48,293

<sup>(2)</sup> Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

**1.1 NSFR Disclosure Template (continued)**

		30 Jun 2018				
		Unweighted value by residual maturity				
\$m		No maturity <sup>(2)</sup>	6 months to < 6 months	6 months to < 1 yr	≥ 1yr	WEIGHTED VALUE
23	With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk	-	2,623	1,597	66,531	46,571
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	11,830	4,614	19,363	24,807
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	<b>14,023</b>	<b>20,088</b>			<b>21,461</b>
27	Physical trade commodities, including gold	13				11
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			388		330
29	NSFR derivative assets			8,036		3,937
30	NSFR derivative liabilities before deduction of variation margin posted			8,445		-
31	All other assets not included in the above categories	14,010	47	4	3,168	17,183
32	Off-balance sheet items			<b>281,894</b>		<b>2,160</b>
33	<b>Total RSF</b>					<b>294,549</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>110</b>

<sup>(2)</sup> Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

**1.1 NSFR Disclosure Template (continued)**

		31 Mar 2018				
		Unweighted value by residual maturity				
\$m		No maturity <sup>(2)</sup>	6 months to < 6 months	6 months to < 1 yr	≥ 1yr	WEIGHTED VALUE
<b>ASF Item</b>						
1	Capital:	52,753	1,500	0	262	53,015
2	Regulatory capital	51,663	-	-	-	51,663
3	Other capital instruments	1,090	1,500	-	262	1,352
4	Retail deposits and deposits from small business customers:	163,552	38,744	1,806	355	186,752
5	Stable deposits	52,031	2,011	52	45	51,434
6	Less stable deposits	111,521	36,733	1,754	310	135,318
7	Wholesale funding:	77,152	134,241	10,815	10,197	74,584
8	Operational deposits	24,894	-	-	-	12,447
9	Other wholesale funding	52,258	134,241	10,815	10,197	62,137
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	17,655		4,639		87
12	NSFR derivative liabilities			4,634		
13	All other liabilities and equity not included in the above categories	17,655	5	0	0	87
14	Total ASF					314,438
<b>RSF Item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					13,675
16	Deposits held at other financial institutions for operational purposes	-	135	-	-	67
17	Performing loans and securities:	7,269	145,676	29,274	223,147	250,137
18	Performing loans to financial institutions secured by Level 1 HQLA	-	2,584	-	-	644
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	38,297	6,236	6,218	15,187
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	7,070	92,547	13,627	131,684	162,046
21	With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk	-	29,080	806	4,019	9,378
22	Performing residential mortgages, of which:	-	2,659	1,678	68,002	48,722

<sup>(2)</sup> Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

**1.1 NSFR Disclosure Template (continued)**

		<b>31 Mar 2018</b>					
		<b>Unweighted value by residual maturity</b>					
<b>\$m</b>		<b>No maturity <sup>(2)</sup></b>	<b>6 months to &lt; 6 months</b>	<b>6 months to &lt; 1 yr</b>	<b>≥ 1yr</b>	<b>WEIGHTED VALUE</b>	
23	With a risk weight of less than or equal to 35% under MAS Notice 637's standardised approach to credit risk	-	2,573	1,597	63,884	45,138	
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	199	9,589	7,733	17,243	23,538	
25	Assets with matching interdependent liabilities	-	-	-	-	-	
26	Other assets:	<b>10,529</b>	<b>24,380</b>			<b>-</b>	<b>20,803</b>
27	Physical trade commodities, including gold	14				12	
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			503		428	
29	NSFR derivative assets			8,426		3,792	
30	NSFR derivative liabilities before deduction of variation margin posted			9,392		-	
31	All other assets not included in the above categories	10,515	3	3	6,053	16,571	
32	Off-balance sheet items		<b>269,476</b>			<b>2,097</b>	
33	<b>Total RSF</b>					<b>286,779</b>	
34	<b>Net Stable Funding Ratio (%)</b>					<b>110</b>	

<sup>(2)</sup> Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

## PART D: ABBREVIATIONS

<b>Abbreviations</b>	<b>Brief Description</b>
A-IRBA	Advanced Internal Ratings-Based Approach
AMA	Advanced Measurement Approach
ASF	Available Stable Funding
AT1	Additional Tier 1
BIA	Basic Indicator Approach
CAR	Capital Adequacy Ratio
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1
CF	Commodities Finance
CRE	Commercial Real Estate
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Banks
EAD	Exposure at the time of default
EL	Expected Loss
EPE	Expected Positive Exposure
F-IRBA	Foundation Internal Ratings-Based Approach
FC(CA)	Financial Collateral Comprehensive Approach
FC(SA)	Financial Collateral Simple Approach
G-SIB	Global Systemically Important Banks
HQLA	High Quality Liquid Assets
HVCRE	High-volatility Commercial Real Estate
IAA	Internal Assessment Approach
IAM	Internal Assessment Method
IMA	Internal Models Approach
IMM	Internal Models Method

## PART D: ABBREVIATIONS (continued)

Abbreviations	Brief Description
IPRE	Income-producing Real Estate
IRBA	Internal Ratings-Based Approach
IRBA(EQ)	Internal Ratings-Based Approach for Equity Exposures
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MAS	Monetary Authority of Singapore
MDB	Multilateral Development Bank
NSFR	Net Stable Funding Ratio
OF	Object Finance
OTC	Over-the-counter
PD	Probability of Default
PE/VC	Private Equity and Venture Capital
PF	Project Finance
PSE	Public Sector Entity
QRRE	Qualifying Revolving Retail Exposures
RBM	Ratings-Based Method
RSF	Required Stable Funding
RW	Risk Weight
RWA	Risk-Weighted Assets
SA	Standardised Approach
SA(CR)	Standardised Approach to Credit Risk
SA(EQ)	Standardised Approach for Equity Exposures
SA(MR)	Standardised Approach to Market Risk
SA(OR)	Standardised Approach to Operational Risk
SA(SE)	Standardised Approach for Securitisation Exposures
SEC-ERBA	Securitisation External Ratings-based Approach
SEC-IRBA	Securitisation Internal Ratings-Based Approach
SEC-SA	Securitisation Standardised Approach

**PART D: ABBREVIATIONS (continued)**

<b>Abbreviations</b>	<b>Brief Description</b>
SF	Supervisory Formula
SFTs	Security Financing Transactions
SGD	Singapore Dollars
TEP	Total Eligible Provisions
T1	Tier 1
T2	Tier 2
VaR	Value-at-risk
$\alpha$	Alpha Factor