



Live more, Bank less

To: Shareholders

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

Unaudited Financial Results for the Nine Months/ Third Quarter Ended 30 September 2018

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

Dividends

For the third quarter of 2018, no dividend has been declared for DBSH ordinary shares.

By order of the Board

Teoh Chia-Yin
Group Secretary

5 November 2018
Singapore

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

...DBS/

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

Tel: 65.6878 8888

www.dbs.com



Performance Summary

Financial Results
For the Nine Months/ Third Quarter ended
30 September 2018
(Unaudited)

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

Contents	Page
Overview	2
Financial Review	
Net Interest Income	5
Net Fee and Commission Income	7
Other Non-Interest Income	7
Expenses	8
Allowances for Credit and Other Losses	8
Performance by Business Segment	9
Performance by Geography	12
Customer Loans	16
Non-Performing Assets and Loss Allowance Coverage	17
Customer Deposits	20
Debts Issued	20
Capital Adequacy	21
Unrealised Property Valuation Surplus	22
Financial Statements	
Unaudited Consolidated Income Statement	23
Unaudited Consolidated Statement of Comprehensive Income	24
Unaudited Balance Sheets	25
Unaudited Consolidated Statement of Changes in Equity	26
Unaudited Statement of Changes in Equity	28
Unaudited Consolidated Cash Flow Statement	30
Other Financial Information	31
Additional Information	
Share Capital	32
Interested Party Transactions Pursuant to Listing Rule 920(1)	32
Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)	32
Confirmation by the Board	33

OVERVIEW

Singapore-incorporated companies listed on the Singapore Exchange reporting under Singapore Financial Reporting Standards (FRS) are required to apply Singapore Financial Reporting Standards (International) (SFRS(I)) from 1 January 2018. The convergence had no material impact on the financial statements and on the Group's accounting policies, except for those relating to SFRS(I) 9 Financial Instruments. The aggregate impact from the transition to SFRS(I) 9 was a net increase of \$9 million in the Group shareholders' funds.

More information about the transition to SFRS(I) and transition disclosures for SFRS(I) 9 are provided in the ***Appendix to Performance Summary for First Quarter 2018.***

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Selected income statement items (\$m)								
Net interest income	2,273	1,975	15	2,224	2	6,625	5,694	16
Net fee and commission income	695	685	1	706	(2)	2,145	1,986	8
Other non-interest income	407	399	2	273	49	1,168	1,189	(2)
Total income	3,375	3,059	10	3,203	5	9,938	8,869	12
Expenses	1,481	1,257	18	1,418	4	4,297	3,773	14
Profit before allowances	1,894	1,802	5	1,785	6	5,641	5,096	11
Allowances for credit and other losses	236	815	(71)	105	>100	505	1,319	(62)
Profit before tax	1,658	987	68	1,680	(1)	5,136	3,777	36
Net profit	1,413	822	72	1,372	3	4,306	3,172	36
One-time items	-	(20)	NM	(38)	NM	(48)	5	NM
- ANZ integration costs	-	(21)	NM	(4)	NM	(16)	(45)	64
- Others ¹	-	1	(100)	(34)	NM	(32)	50	NM
Net profit including one-time items	1,413	802	76	1,334	6	4,258	3,177	34
Selected balance sheet items (\$m)								
Customer loans	340,375	314,135	8	338,071	1	340,375	314,135	8
<i>Constant-currency change</i>			8		1			8
Total assets	541,524	507,766	7	540,004	-	541,524	507,766	7
Customer deposits	388,295	362,102	7	387,560	-	388,295	362,102	7
<i>Constant-currency change</i>			7		-			7
Total liabilities	493,009	459,005	7	491,960	-	493,009	459,005	7
Shareholders' funds	47,676	46,385	3	47,214	1	47,676	46,385	3
Key financial ratios (%) (excluding one-time items)²								
Net interest margin	1.86	1.73		1.85		1.85	1.74	
Non-interest/total income	32.7	35.4		30.6		33.3	35.8	
Cost/income ratio	43.9	41.1		44.3		43.2	42.5	
Return on assets	1.04	0.65		1.03		1.08	0.87	
Return on equity ³	12.2	7.1		11.8		12.4	9.4	
Loan/deposit ratio	87.7	86.8		87.2		87.7	86.8	
NPL ratio	1.6	1.7		1.6		1.6	1.7	
ECL ⁴ Stage 3 (SP) for loans/average loans (bp)	21	195		12		18	89	
Common Equity Tier 1 capital adequacy ratio	13.3	14.0		13.6		13.3	14.0	
Tier 1 capital adequacy ratio	14.4	14.8		14.4		14.4	14.8	
Total capital adequacy ratio	16.2	15.6		16.2		16.2	15.6	
Leverage ratio ⁵	7.1	7.5		7.0		7.1	7.5	
Average all-currency liquidity coverage ratio ⁶	132	141		135		131	143	
Net stable funding ratio ⁷	109	NA		110		109	NA	
Per share data (\$)								
Per basic and diluted share								
- earnings excluding one-time items	2.16	1.25		2.12		2.22	1.64	
- earnings	2.16	1.24		2.10		2.20	1.64	
- net book value ⁸	17.56	17.43		17.71		17.56	17.43	

Notes:

1 One-time items for second quarter 2018 and 9 Mths 2018 include a remeasurement of deferred taxes due to a change in the applicable tax rate arising from the conversion of India Branch to a wholly-owned subsidiary.

2 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis.

3 Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests, preference shares and other equity instruments are not included as equity in the computation of return on equity.

4 Refers to expected credit loss

5 Leverage Ratio is computed based on MAS Notice 637.

6 Liquidity Coverage Ratio (LCR) is computed based on MAS Notice 649. For average SGD LCR and other disclosures required under MAS Notice 651, refer to <https://www.dbs.com/investor/index.html>.

7 Net stable funding ratio (NSFR) is computed based on MAS Notice 652.

8 Non-controlling interests are not included as equity in the computation of net book value per share.

NM Not meaningful

NA Not applicable

Total income for the third quarter rose to a record \$3.38 billion, up 5% from the previous quarter and 10% from a year ago, as loan growth, fee income trends and net interest margin progression were sustained. Net profit was 3% higher from the previous quarter at \$1.41 billion as the increase in total income was moderated by a doubling of total allowances due to a write-back in the previous quarter. Net profit was 72% higher than a year ago, when accelerated allowances had been taken for weak oil and gas support service exposures.

Net interest income rose 2% from the previous quarter and 15% from a year ago to \$2.27 billion. Loans increased 1% from the previous quarter, led by non-trade corporate and consumer loans, bringing growth from a year ago to 8%. Net interest margin rose one basis point from the previous quarter and 13 basis points from a year ago to 1.86% from higher interest rates in Singapore and Hong Kong.

Net fee income fell 2% from the previous quarter and increased 1% from a year ago to \$695 million as a decline in investment banking fees offset growth in other activities. Other non-interest income rose 49% from the previous quarter to \$407 million due to higher trading income. It was 2% higher than a year ago as an increase in trading income was offset by lower gains from investment securities.

Expenses increased 4% from the previous quarter and 18% from a year ago to \$1.48 billion, which included expenses for a fiftieth-anniversary staff bonus and other non-recurring items. Profit before allowances of \$1.89 billion was 6% higher than the previous quarter and 5% above a year ago.

Asset quality was healthy. Non-performing assets were stable from the previous quarter at \$5.90 billion. Total allowances of \$236 million for the third quarter brought the nine-month amount to \$505 million, with specific allowances at 18 basis points of loans. Allowance coverage was at 93% and at 174% if collateral was considered.

The liquidity coverage ratio was at 132% and the net stable funding ratio was at 109%. The Common Equity Tier 1 ratio was at 13.3% while the leverage ratio was at 7.1%.

Net profit for the nine months rose 36% to a record \$4.31 billion. Total income increased 12% to \$9.94 billion. Return on equity rose from 9.4% to 12.4% due to a higher net interest margin, a normalisation of allowances and a more efficient capital base.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	3rd Qtr 2018			3rd Qtr 2017			2nd Qtr 2018		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer non-trade loans	291,353	2,331	3.17	266,016	1,809	2.70	286,477	2,154	3.01
Trade assets	48,609	412	3.36	45,501	293	2.56	50,107	392	3.14
Interbank assets ¹	42,205	187	1.76	47,819	163	1.35	45,573	207	1.82
Securities and others	102,593	644	2.49	92,716	506	2.17	100,051	611	2.45
Total	484,760	3,574	2.93	452,052	2,771	2.43	482,208	3,364	2.80
Interest-bearing liabilities									
Customer deposits	389,407	954	0.97	353,053	561	0.63	382,875	829	0.87
Other borrowings	67,451	347	2.04	63,358	235	1.47	68,201	311	1.83
Total	456,858	1,301	1.13	416,411	796	0.76	451,076	1,140	1.01
Net interest income/margin²		2,273	1.86		1,975	1.73		2,224	1.85

Average balance sheet	9 Mths 2018			9 Mths 2017		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	285,403	6,463	3.03	260,731	5,211	2.67
Trade assets	49,318	1,146	3.11	43,381	815	2.51
Interbank assets ¹	45,653	610	1.79	46,988	429	1.22
Securities and others	99,357	1,789	2.41	86,843	1,436	2.21
Total	479,731	10,008	2.79	437,943	7,891	2.41
Interest-bearing liabilities						
Customer deposits	381,871	2,463	0.86	346,877	1,585	0.61
Other borrowings	67,640	920	1.82	57,926	612	1.41
Total	449,511	3,383	1.01	404,803	2,197	0.73
Net interest income/margin²		6,625	1.85		5,694	1.74

Notes:

1 Includes non-restricted balances with central banks.

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

Net interest income rose 15% from a year ago to \$2.27 billion. Net interest margin increased 13 basis points to 1.86% from higher interest rates in Singapore and Hong Kong. Assets were also higher, led by growth in loans and securities.

Compared to the previous quarter, net interest income rose 2% from loan growth and a one basis point increase in net interest margin. While higher interest rates in Singapore

and Hong Kong boosted net interest margin by four basis points, the impact was moderated by a lower net interest margin from Treasury Market activities and by the full-period impact of Tier-2 capital issuances in the previous quarter.

For the nine months, net interest income rose 16% to \$6.63 billion from asset growth and a higher net interest margin.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	3rd Qtr 2018 vs 3rd Qtr 2017			3rd Qtr 2018 vs 2nd Qtr 2018		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	172	350	522	36	115	151
Trade assets	20	99	119	(12)	27	15
Interbank assets	(19)	43	24	(15)	(6)	(21)
Securities and others	54	84	138	16	11	27
Total	227	576	803	25	147	172
Interest expense						
Customer deposits	58	335	393	14	100	114
Other borrowings	15	97	112	(3)	36	33
Total	73	432	505	11	136	147
Net impact on net interest income	154	144	298	14	11	25
Due to change in number of days			-			24
Net Interest Income			298			49

Volume and rate analysis (\$m) Increase/(decrease) due to change in	9 Mths 2018 vs 9 Mths 2017		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	493	759	1,252
Trade assets	111	220	331
Interbank assets	(12)	193	181
Securities and others	207	146	353
Total	799	1,318	2,117
Interest expense			
Customer deposits	160	718	878
Other borrowings	102	206	308
Total	262	924	1,186
Net impact on net interest income	537	394	931
Due to change in number of days			-
Net Interest Income			931

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Brokerage	36	39	(8)	38	(5)	123	115	7
Investment banking	22	64	(66)	39	(44)	99	150	(34)
Transaction services ¹	162	154	5	160	1	478	465	3
Loan-related	110	100	10	91	21	300	332	(10)
Cards ²	185	139	33	171	8	512	392	31
Wealth management ³	292	272	7	300	(3)	923	739	25
Others	16	20	(20)	18	(11)	56	67	(16)
Fee and commission income	823	788	4	817	1	2,491	2,260	10
Less: Fee and commission expense	128	103	24	111	15	346	274	26
Total	695	685	1	706	(2)	2,145	1,986	8

Notes:

- 1 Includes trade & remittances, guarantees and deposit-related fees.
- 2 Net of interchange fees paid.
- 3 Includes fees of \$103 million for 9 Mths 2018 (9 Mths 2017: \$51 million) from sales of treasury products that were previously classified as other non-interest income. The change was applied prospectively from 1 April 2017.

Net fee income rose 1% from a year ago to \$695 million. Card fees increased 33% to \$185 million from higher customer transactions as well as the consolidation of ANZ. Wealth management fees grew 7% to \$292 million from higher bancassurance income. Transaction services fees rose 5% to \$162 million from higher cash management income. Offsetting these increases was a 66% decline in investment banking fees to \$22 million.

Net fee income was 2% below the previous quarter due to declines in investment banking and wealth management fees, which offset an increase in loan-related fees.

For the nine months, net fee income rose 8% to \$2.15 billion, led by wealth management and cards.

OTHER NON-INTEREST INCOME

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Net trading income	354	265	34	227	56	949	830	14
Net income from investment securities ¹	48	120	(60)	30	60	100	317	(68)
Net gain on fixed assets	-	-	-	-	-	86	1	>100
Others ² (include rental income and share of profits of associates)	5	14	(64)	16	(69)	33	41	(20)
Total	407	399	2	273	49	1,168	1,189	(2)

Notes:

- 1 Net income from investment securities includes gains from disposal of debt and equity securities in 2017. With effect from 2018, only the gains from disposal of debt securities is included.
- 2 Excludes one-time item.

Other non-interest income rose 2% from a year ago to \$407 million. Trading income increased 34% to \$354 million as treasury customer income and trading gains were both higher. The increase was offset by a 60% decline in income from investment securities to \$48 million.

Compared to the previous quarter, other non-interest income was 49% higher as trading income improved from the weak performance in the previous quarter.

For the nine months, other non-interest income fell 2% to \$1.17 billion as an increase in net trading income and a gain on fixed assets were offset by a decline in income from investment securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES¹

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Staff	813	685	19	783	4	2,381	2,114	13
Occupancy	111	102	9	110	1	321	299	7
Computerisation	225	213	6	220	2	683	632	8
Revenue-related	89	71	25	99	(10)	268	208	29
Others	243	186	31	206	18	644	520	24
Total	1,481	1,257	18	1,418	4	4,297	3,773	14
Staff headcount at period-end	26,418	23,114	14	25,697	3	26,418	23,114	14
Staff headcount at period-end excluding insourcing staff and staff from ANZ integration ²	21,780	20,887	4	21,179	3	21,780	20,887	4
Included in the above table were:								
Depreciation of properties and other fixed assets	84	74	14	83	1	244	219	11

Note:

1 Excludes one-time item.

2 Comparatives were restated following a re-alignment of headcount classification for support functions.

Expenses rose 18% from a year ago and 4% from the previous quarter to \$1.48 billion. Excluding a fiftieth-anniversary staff bonus and other non-recurring items, underlying expenses rose 15% and the cost-income ratio was 43%, in line with first-half 2018. ANZ accounted for six percentage points of the expense increase.

For the nine months, expenses rose 14% to \$4.30 billion. Excluding ANZ, they were 8% higher.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
ECL¹ Stage 1 and 2 (GP)²	9	(850)	NM	7	29	23	(850)	NM
ECL ¹ Stage 3 (SP) for loans ³	179	1,538	(88)	98	83	439	2,032	(78)
Singapore	66	1,300	(95)	29	>100	164	1,515	(89)
Hong Kong	17	65	(74)	15	13	31	186	(83)
Rest of Greater China	3	7	(57)	3	-	4	31	(87)
South and Southeast Asia	90	180	(50)	55	64	224	300	(25)
Rest of the World	3	(14)	NM	(4)	NM	16	-	NM
ECL ¹ Stage 3 (SP) for other credit exposures	46	117	(61)	-	NM	41	124	(67)
Total ECL¹ Stage 3 (SP)	225	1,655	(86)	98	>100	480	2,156	(78)
Allowances for other assets	2	10	(80)	-	NM	2	13	(85)
Total	236	815	(71)	105	>100	505	1,319	(62)

Notes:

1 Refers to expected credit loss.

2 Excludes one-time item.

3 SP for loans by geography are determined according to the location where the borrower is incorporated.

NM Not Meaningful

Specific allowances for loans of \$179 million were 83% higher than the previous quarter as there had been a write-back then. Another \$46 million of specific allowances taken for other credit exposures were largely for an existing non-performing asset.

GP amounted to \$9 million for the quarter and \$23 million for the nine months mainly due to loan growth.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected income statement items					
3rd Qtr 2018					
Net interest income	932	1,068	61	212	2,273
Net fee and commission income	406	287	-	2	695
Other non-interest income	108	129	163	7	407
Total income	1,446	1,484	224	221	3,375
Expenses	792	461	153	75	1,481
Allowances for credit and other losses	69	187	(11)	(9)	236
Profit before tax	585	836	82	155	1,658
2nd Qtr 2018¹					
Net interest income	872	1,008	91	253	2,224
Net fee and commission income	419	278	-	9	706
Other non-interest income	108	135	16	14	273
Total income	1,399	1,421	107	276	3,203
Expenses	748	456	156	58	1,418
Allowances for credit and other losses	58	74	1	(28)	105
Profit before tax	593	891	(50)	246	1,680
3rd Qtr 2017¹					
Net interest income	700	917	132	226	1,975
Net fee and commission income	381	295	-	9	685
Other non-interest income	93	115	79	112	399
Total income	1,174	1,327	211	347	3,059
Expenses	629	436	148	44	1,257
Allowances for credit and other losses	55	1,622	-	(862)	815
Profit before tax	490	(731)	63	1,165	987
9 Mths 2018¹					
Net interest income	2,597	3,016	277	735	6,625
Net fee and commission income	1,274	846	-	25	2,145
Other non-interest income	333	401	303	131	1,168
Total income	4,204	4,263	580	891	9,938
Expenses	2,225	1,358	452	262	4,297
Allowances for credit and other losses	174	346	(16)	1	505
Profit before tax	1,805	2,559	144	628	5,136
9 Mths 2017¹					
Net interest income	2,092	2,688	403	511	5,694
Net fee and commission income	1,062	891	-	33	1,986
Other non-interest income	319	365	253	252	1,189
Total income	3,473	3,944	656	796	8,869
Expenses	1,859	1,296	416	202	3,773
Allowances for credit and other losses	121	2,102	-	(904)	1,319
Profit before tax	1,493	546	240	1,498	3,777

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected balance sheet and other items²					
30 Sep 2018					
Total assets before goodwill and intangibles	115,298	260,053	104,048	56,950	536,349
Goodwill and intangibles					5,175
Total assets					541,524
Total liabilities	214,907	189,435	43,644	45,023	493,009
Capital expenditure for 3rd Qtr 2018	25	5	3	82	115
Depreciation for 3rd Qtr 2018	12	3	1	68	84
30 Jun 2018					
Total assets before goodwill and Intangibles	114,454	258,424	107,503	54,448	534,829
Goodwill and intangibles					5,175
Total assets					540,004
Total liabilities	213,520	187,926	46,505	44,009	491,960
Capital expenditure for 2nd Qtr 2018	19	2	3	94	118
Depreciation for 2nd Qtr 2018	10	2	1	70	83
30 Sep 2017					
Total assets before goodwill and intangibles	106,448	241,335	105,406	49,411	502,600
Goodwill and intangibles					5,166
Total assets					507,766
Total liabilities	203,057	170,192	46,596	39,160	459,005
Capital expenditure for 3rd Qtr 2017	23	4	2	61	90
Depreciation for 3rd Qtr 2017	11	4	1	58	74

Notes:

1 Non-interest income, expenses, allowances for credit and other losses and profit before tax exclude one-time items.

2 Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments.

The business segment results are prepared based on the Group's internal management reporting, which reflects its management structure. As the activities of the Group are highly integrated, internal allocations have been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home

finance, cards, payments, investment and insurance products.

Compared to a year ago, profit before tax increased 19% to \$585 million as total income rose 23% to a record of \$1.45 billion. Net interest income grew 33% to \$932 million from higher loan and deposit volumes and an improved net interest margin. Non-interest income rose 8% to \$514 million from higher cards and bancassurance income. Expenses were 26% higher at \$792 million. Total allowances rose 25% to \$69 million partly due to the consolidation of ANZ.

Compared to the previous quarter, profit before tax declined 1%. Total income grew 3%. Net interest income increased 7% from higher loan and deposit balances and an improved net interest margin. Non-interest income decreased 2% due to lower investment sales. Expenses rose 6% while total allowances increased 19%.

For the nine months, profit before tax rose 21% to \$1.81 billion. Total income grew 21% to \$4.20 billion. Net interest income increased 24% to \$2.60 billion from higher loan and

deposit volumes and an improved net interest margin. Non-interest income rose 16% to \$1.61 billion from higher fees from cards, investment sales and bancassurance. Expenses rose 20% to \$2.23 billion from franchise investments, marketing and advertising. Total allowances increased \$53 million to \$174 million partly due to ANZ consolidation.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients, including bank and nonbank financial institutions, government-linked companies, large corporates and small and medium sized businesses. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and advisory banking as well as capital markets solutions.

Compared to a year ago, total income rose 12% to \$1.48 billion as growth in cash management and treasury customer flows was moderated by declines in loan-related and investment banking activities. Expenses rose 6% to \$461 million, while allowances fell to \$187 million from \$1.62 billion a year ago when accelerated allowances for weak oil and gas support service exposures had been taken.

Compared to previous quarter, profit before tax fell 6%. Total income increased 4% from growth in cash management and loan-related activities. Expenses rose 1% and allowances were \$113 million higher due to a SP write-back in the previous quarter.

For the nine months, profit before allowances increased 10% to \$2.91 billion. Total income rose 8% to \$4.26 billion led by growth in cash management. Expenses increased 5% to \$1.36 billion while allowances were one-fifth the level a year ago at \$346 million.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Profit before tax rose 30% from a year ago to \$82 million. Total income rose 6% to \$224 million due to higher contributions from foreign exchange activities, partially offset by lower contributions from equity activities. Expenses were 3% higher at \$153 million as staff and business-related costs increased.

Compared to the previous quarter, total income doubled due to higher contributions from interest rate and credit activities, partially offset by lower contribution from equity activities. Expenses fell 2% from lower staff related costs.

For the nine months, profit before tax declined 40% to \$144 million. Total income declined 12% to \$580 million due to lower contributions from interest rate, credit and equity activities, partially offset by higher contributions from foreign exchange activities. Expenses rose 9% to \$452 million largely due to higher business-related and staff expenses.

Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Income from treasury customer activities rose 9% from a year ago to \$303 million due to higher income from sales of foreign exchange and interest rate products, which were partially offset by lower income from fixed income products.

Compared to the previous quarter, income from customer activities declined 3% due to lower sales of foreign exchange and equity products, partially offset by higher income from interest rate products.

For the nine months, income rose 8% to \$938 million mainly due to higher income from foreign exchange related and equity sales, partially offset by lower income from fixed income and credit products.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers and the Islamic Bank of Asia are also included in this segment.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income statement items						
3rd Qtr 2018						
Net interest income	1,417	487	172	133	64	2,273
Net fee and commission income	430	148	46	53	18	695
Other non-interest income	255	37	84	13	18	407
Total income	2,102	672	302	199	100	3,375
Expenses	818	296	193	146	28	1,481
Allowances for credit and other losses	137	28	31	53	(13)	236
Profit before tax	1,147	348	78	-	85	1,658
Income tax expense	141	55	21	-	19	236
Net profit	997	293	57	-	66	1,413
2nd Qtr 2018¹						
Net interest income	1,418	440	167	137	62	2,224
Net fee and commission income	443	155	42	51	15	706
Other non-interest income	116	55	91	9	2	273
Total income	1,977	650	300	197	79	3,203
Expenses	816	255	177	144	26	1,418
Allowances for credit and other losses	37	31	(4)	43	(2)	105
Profit before tax	1,124	364	127	10	55	1,680
Income tax expense	172	60	31	1	16	280
Net profit	924	304	96	9	39	1,372
3rd Qtr 2017¹						
Net interest income	1,310	354	139	110	62	1,975
Net fee and commission income	435	161	36	37	16	685
Other non-interest income	280	48	38	21	12	399
Total income	2,025	563	213	168	90	3,059
Expenses	746	224	150	112	25	1,257
Allowances for credit and other losses	737	(10)	31	60	(3)	815
Profit before tax	542	349	32	(4)	68	987
Income tax expense	57	57	10	(14)	17	127
Net profit	447	292	22	10	51	822

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
9 Mths 2018¹						
Net interest income	4,195	1,329	515	396	190	6,625
Net fee and commission income	1,340	469	134	154	48	2,145
Other non-interest income	628	245	231	37	27	1,168
Total income	6,163	2,043	880	587	265	9,938
Expenses	2,483	783	542	409	80	4,297
Allowances for credit and other losses	299	41	38	147	(20)	505
Profit before tax	3,381	1,219	300	31	205	5,136
Income tax expense	455	186	73	-	49	763
Net profit	2,859	1,033	227	31	156	4,306
9 Mths 2017¹						
Net interest income	3,732	1,048	387	343	184	5,694
Net fee and commission income	1,280	444	111	106	45	1,986
Other non-interest income	806	131	131	82	39	1,189
Total income	5,818	1,623	629	531	268	8,869
Expenses	2,226	689	451	331	76	3,773
Allowances for credit and other losses	1,094	36	66	118	5	1,319
Profit before tax	2,498	898	112	82	187	3,777
Income tax expense	280	149	24	4	46	503
Net profit	2,117	749	88	77	141	3,172
Selected balance sheet items						
30 Sep 2018						
Total assets before goodwill and intangibles	343,956	92,347	50,096	23,100	26,850	536,349
Goodwill and intangibles	5,136	30	-	9	-	5,175
Total assets	349,092	92,377	50,096	23,109	26,850	541,524
Non-current assets ²	1,551	328	142	136	4	2,161
Gross customer loans	216,798	65,866	29,913	13,574	18,950	345,101
30 Jun 2018						
Total assets before goodwill and intangibles	345,176	88,009	51,423	23,075	27,146	534,829
Goodwill and intangibles	5,136	29	-	10	-	5,175
Total assets	350,312	88,038	51,423	23,085	27,146	540,004
Non-current assets ²	1,547	323	137	132	4	2,143
Gross customer loans	218,088	63,028	30,066	12,988	18,501	342,671
30 Sep 2017						
Total assets before goodwill and intangibles	331,231	78,551	44,929	20,964	26,925	502,600
Goodwill and intangibles	5,136	30	-	-	-	5,166
Total assets	336,367	78,581	44,929	20,964	26,925	507,766
Non-current assets ²	1,558	349	77	64	5	2,053
Gross customer loans	206,578	56,654	25,440	12,322	17,841	318,835

Notes:

- 1 Non-interest income, expenses, allowances for credit and other losses, profit before tax and tax expense exclude one-time items.
- 2 Includes investments in associates, properties and other fixed assets.

The performance by geography is classified based on the location in which income and assets are recorded. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS India branches and DBS Labuan branch. All results are prepared in accordance with Singapore Financial Reporting Standards (International).

Singapore

Total income increased 4% from a year ago to \$2.10 billion. An increase in net interest income and trading income was moderated by a decline in income from investment securities. Net interest income rose 8% to \$1.42 billion from higher net interest margin and loan volumes. Fee income was stable at \$430 million as increases in cash management and card fees were offset by a decline in investment banking fees. With expenses increasing 10% to \$818 million, which included fiftieth-anniversary staff bonus costs, profit before allowances was stable at \$1.28 billion. Allowances of \$137 million were one-fifth a year ago, when accelerated allowances had been taken for weak oil and gas support service exposures.

Compared to the previous quarter, net profit rose 8% as trading income increased from a low base. The improved trading performance resulted in a 6% increase in total income. Expenses were little changed at \$818 million, resulting in profit before allowances rising 11%. Total allowances tripled as there had been a SP write-back in the previous quarter.

For the nine months, net profit rose 35% to \$2.86 billion as total allowances fell by three-quarters to \$299 million. Total income increased 6% to \$6.16 billion from higher net interest margin, loan volumes and fee income from wealth management and cards. They were partially offset by a decline in income from investment securities. Expenses rose 12% to \$2.48 billion, resulting in profit before allowances rising 2% to \$3.68 billion.

Hong Kong

There were minimal currency effects compared to both a year ago and the previous quarter.

Net profit was stable from a year ago at \$293 million as total income growth of 19% was more than offset by expense growth of 32% and higher allowances. Net interest income grew 38% to \$487 million from loan growth and a 38 basis point increase in net interest margin to 2.06%. Fee income fell 8% to \$148 million from a decline in investment product sales and investment banking fees, which were partially offset by higher cash management and bancassurance fees. Other non-interest income fell 23% to \$37 million due to lower trading gains. Expenses increased 32% to \$296 million due partly to fiftieth-anniversary staff bonus costs and a non-recurring item. Total allowances amounted to

\$28 million compared to a net write-back of \$10 million a year ago due to a specific allowance write-back.

Compared to the previous quarter, net profit was 4% lower as expenses rose faster than income. Total income grew 3% as an 11% increase in net interest income from loan growth and a higher net interest margin was moderated by a 12% decline in non-interest income mainly due to lower trading gains. Expenses were 16% higher. Total allowances were \$3 million lower.

For the nine months, net profit rose 38% to \$1.03 billion. Total income increased 26% to \$2.04 billion from broad-based growth while expenses rose 14% to \$783 million. Total allowances were \$5 million higher at \$41 million.

Rest of Greater China

Net profit more than doubled to \$57 million from a year ago as total income rose faster than expenses. Total income increased 42% to \$302 million from the consolidation of ANZ in Taiwan, an improved net interest margin and higher trading gains. With expenses rising 29% to \$193 million due largely to the consolidation of ANZ, profit before allowances grew 73% to \$109 million. Total allowances were unchanged at \$31 million.

Compared to the previous quarter, net profit fell 41%. While total income was little changed, expenses rose 9% due to higher general expenses. There was a total allowance charge of \$31 million compared with a net write-back of \$4 million in the previous quarter.

For the nine months, net profit more than doubled to \$227 million. Total income grew 40% to \$880 million from the consolidation of ANZ in Taiwan as well as higher net interest margin, treasury customer sales and trading gains. With expenses increasing 20% to \$542 million, profit before allowances almost doubled to \$338 million. Total allowances halved to \$38 million due to lower SP.

South and Southeast Asia

South and Southeast Asia broke even compared to net profit of \$10 million a year ago due to a tax write-back. Profit before allowances fell 5% to \$53 million as an accretion from the consolidation of ANZ was more than offset by a decline in trading income and an increase in expenses. Total allowances fell \$7 million to \$53 million due to a higher GP write-back.

Compared to the previous quarter, profit before allowances was unchanged as both total income and expenses were little changed. Total allowances rose \$10 million as an increase in SP was partially offset by a GP write-back.

For the nine months, net profit fell 60% to \$31 million as total income growth was more than offset by higher expenses and allowances. Total income rose 11% to \$587 million and expenses increased 24% to \$409 million, mainly due to the consolidation of ANZ. Total allowances rose 25% to \$147 million, which was also due to ANZ.

Rest of the World

Net profit rose 29% to \$66 million from a year ago from growth in profit before allowances and from a GP write-back. Total income increased 11% to \$100 million from loan growth and higher trading income. Expenses rose 12% to \$28 million, resulting in an 11% increase in profit before allowances to \$72 million. There was a net allowance write-back of \$13 million compared to a write-back of \$3 million a year ago.

Compared to the previous quarter, net profit was 69% higher from an increase in trading income and the general allowance write-back. Total income rose 27% due to the higher trading income compared to an 8% increase in expenses. Profit before allowances rose 36%.

For the nine months, net profit was 11% higher at \$156 million. Total income was little changed at \$265 million as an increase in net interest income from higher loan and deposit volumes was offset by a decline in trading income. Expenses were 5% higher at \$80 million, resulting in a 4% decline in profit before allowances to \$185 million. There was a combined net GP and SP write-back of \$20 million compared to a total allowance charge of \$5 million a year ago.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Gross	345,101	342,671	327,769	318,835
Less:				
ECL ¹ Stage 3 (SP) ²	2,432	2,376	2,276	2,211
ECL ¹ Stage 1 & 2 (GP) ²	2,294	2,224	2,394	2,489
Net total	340,375	338,071	323,099	314,135
By business unit				
Consumer Banking/Wealth Management	112,698	112,015	108,847	104,127
Institutional Banking	230,123	227,818	216,317	212,728
Others	2,280	2,838	2,605	1,980
Total (Gross)	345,101	342,671	327,769	318,835
By geography³				
Singapore	160,978	159,655	155,299	152,270
Hong Kong	55,405	54,149	51,017	49,757
Rest of Greater China	52,009	55,642	53,020	49,463
South and Southeast Asia	29,043	27,832	24,474	25,922
Rest of the World	47,666	45,393	43,959	41,423
Total (Gross)	345,101	342,671	327,769	318,835
By industry				
Manufacturing	35,461	35,178	32,636	33,563
Building and construction	73,019	70,421	64,520	62,502
Housing loans	74,485	73,968	73,293	69,956
General commerce	50,764	53,153	51,119	50,792
Transportation, storage & communications	30,474	30,729	30,480	29,307
Financial institutions, investment & holding companies	21,506	20,445	17,221	15,605
Professionals & private individuals (excluding housing loans)	31,349	31,309	29,393	28,039
Others	28,043	27,468	29,107	29,071
Total (Gross)	345,101	342,671	327,769	318,835
By currency				
Singapore dollar	139,526	137,588	134,558	132,144
US dollar	109,460	107,873	103,943	100,678
Hong Kong dollar	41,366	41,648	38,891	36,932
Chinese yuan	12,166	12,926	11,055	10,340
Others	42,583	42,636	39,322	38,741
Total (Gross)	345,101	342,671	327,769	318,835

Notes:

- 1 Refers to expected credit loss.
- 2 2017 balances refer to SP and GP as prescribed by MAS Notice 612, which has modified the requirements of FRS 39. 2018 balances refer to expected credit losses following the transition to SFRS(I) 9.
- 3 Loans by geography are determined according to the location where the borrower, or the issuing bank in the case of bank backed export financing is incorporated.

Gross customer loans rose 1% from the previous quarter and 8% from a year ago in constant-currency terms to \$345 billion. The growth over the 12 months was broad-based across regions and businesses.

The growth during the quarter was due to consumer and non-trade corporate loans, partially offset by a decline in trade loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	30 Sep 2018			30 Jun 2018			31 Dec 2017			30 Sep 2017		
	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)
By business unit												
Consumer Banking/ Wealth Management	687	0.6	139	703	0.6	150	676	0.6	130	578	0.6	120
Institutional Banking and Others	4,681	2.0	2,293	4,626	2.0	2,226	4,841	2.2	2,146	4,972	2.3	2,091
Total non-performing loans (NPL)	5,368	1.6	2,432	5,329	1.6	2,376	5,517	1.7	2,276	5,550	1.7	2,211
Debt securities, contingent liabilities & others	534	-	167	541	-	140	553	-	243	577	-	237
Total non-performing assets (NPA)	5,902	-	2,599	5,870	-	2,516	6,070	-	2,519	6,127	-	2,448
By geography¹												
Singapore	3,375	2.1	1,481	3,369	2.1	1,446	3,191	2.1	1,322	3,171	2.1	1,315
Hong Kong	540	1.0	271	555	1.0	269	625	1.2	279	715	1.4	294
Rest of Greater China	387	0.7	116	435	0.8	121	436	0.8	131	380	0.8	110
South and Southeast Asia	976	3.4	520	878	3.2	499	1,078	4.4	489	1,122	4.3	445
Rest of the World	90	0.2	44	92	0.2	41	187	0.4	55	162	0.4	47
Total non-performing loans (NPL)	5,368	1.6	2,432	5,329	1.6	2,376	5,517	1.7	2,276	5,550	1.7	2,211
Debt securities, contingent liabilities & others	534	-	167	541	-	140	553	-	243	577	-	237
Total non-performing assets (NPA)	5,902	-	2,599	5,870	-	2,516	6,070	-	2,519	6,127	-	2,448
Loss Allowance Coverage												
ECL ² Stage 3 (SP)			2,599			2,516			2,519			2,448
ECL ² Stage 1 and 2 (GP)			2,592			2,590			2,620			2,635
Total allowances			5,191			5,106			5,139			5,083
(Total allowances+RLAR) / NPA ³			93%			92%			85%			83%
(Total allowances+RLAR) / unsecured NPA ³			174%			173%			173%			171%

Note:

1 NPLs by geography are determined according to the location where the borrower is incorporated.

2 Refers to expected credit loss.

3 Computation for 2018 includes regulatory loss allowance reserves (RLAR) of \$311 million for 30 Sep'18 (30 Jun'18: \$286 million) as part of total allowances.

4 Refers to Expected Credit Loss Stage 3.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹
By industry								
Manufacturing	614	308	710	352	817	358	852	287
Building and construction	249	138	236	132	229	96	280	108
Housing loans	180	8	181	8	167	7	153	9
General commerce	639	258	562	225	623	231	717	240
Transportation, storage & communications	2,944	1,498	2,874	1,431	2,824	1,350	2,870	1,366
Financial institutions, investment & holding companies	50	17	50	17	66	22	71	22
Professionals & private individuals (excluding housing loans)	506	129	521	139	491	121	404	106
Others	186	76	195	72	300	91	203	73
Total non-performing loans	5,368	2,432	5,329	2,376	5,517	2,276	5,550	2,211
Debt securities, contingent liabilities & others	534	167	541	140	553	243	577	237
Total non-performing assets	5,902	2,599	5,870	2,516	6,070	2,519	6,127	2,448

(\$m)	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹
By loan grading								
Non-performing assets								
Substandard	3,214	384	3,205	360	3,561	397	4,023	517
Doubtful	1,279	806	1,267	758	1,216	829	805	632
Loss	1,409	1,409	1,398	1,398	1,293	1,293	1,299	1,299
Total	5,902	2,599	5,870	2,516	6,070	2,519	6,127	2,448
Of which: restructured assets								
Substandard	740	97	573	84	545	76	586	102
Doubtful	400	208	333	203	256	182	134	91
Loss	516	516	47	47	47	47	40	40
Total	1,656	821	953	334	848	305	760	233

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
	NPA	NPA	NPA	NPA
By collateral type				
Unsecured non-performing assets	3,166	3,117	2,978	2,975
Secured non-performing assets by collateral type				
Properties	802	819	959	992
Shares and debentures	196	208	224	194
Cash deposits	173	174	33	88
Others	1,565	1,552	1,876	1,878
Total	5,902	5,870	6,070	6,127

Note:

1 Refers to Expected Credit Loss Stage 3.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
	NPA	NPA	NPA	NPA
By period overdue				
Not overdue	1,416	1,414	1,448	1,591
Within 90 days	461	436	865	1,580
Over 90-180 days	310	343	1,097	378
Over 180 days	3,715	3,677	2,660	2,578
Total	5,902	5,870	6,070	6,127

Non-performing assets were stable from the previous quarter at \$5.90 billion as non-performing loan formation, which remained in line with recent quarters' levels, was offset by recoveries and write-offs.

Allowance coverage was at 93% and at 174% taking collateral into account, similar to the previous quarter.

CUSTOMER DEPOSITS

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
By currency and product				
Singapore dollar	156,764	155,266	156,893	156,629
Fixed deposits	15,125	12,223	15,153	16,349
Savings accounts	116,806	116,901	114,865	113,053
Current accounts	24,664	26,042	26,710	27,108
Others	169	100	165	119
US dollar	133,402	135,077	128,586	120,343
Fixed deposits	81,515	83,747	72,327	67,537
Savings accounts	20,656	19,643	20,671	19,296
Current accounts	29,427	29,946	34,072	31,911
Others	1,804	1,741	1,516	1,599
Hong Kong dollar	38,306	38,705	35,208	35,291
Fixed deposits	16,344	16,888	14,870	14,592
Savings accounts	9,480	9,363	9,505	10,083
Current accounts	12,100	12,398	10,272	9,985
Others	382	56	561	631
Chinese yuan	11,887	12,107	11,402	12,101
Fixed deposits	7,675	7,287	7,029	7,889
Savings accounts	955	910	1,056	1,054
Current accounts	2,345	2,925	2,699	2,568
Others	912	985	618	590
Others	47,936	46,405	41,545	37,738
Fixed deposits	33,849	32,503	28,317	25,922
Savings accounts	7,441	7,275	6,640	5,596
Current accounts	6,342	6,306	6,390	6,051
Others	304	321	198	169
Total	388,295	387,560	373,634	362,102
Fixed deposits	154,508	152,648	137,696	132,289
Savings accounts	155,338	154,092	152,737	149,082
Current accounts	74,878	77,617	80,143	77,623
Others	3,571	3,203	3,058	3,108

Customer deposits were stable from the previous quarter and 7% higher than a year ago at \$388 billion. Singapore

dollar fixed deposits accounted for most of the increase during the quarter.

DEBTS ISSUED

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Subordinated term debts ¹	3,619	3,641	1,138	1,147
Senior medium term notes ¹	9,947	11,017	8,197	8,082
Commercial papers ¹	15,617	12,422	17,696	14,324
Negotiable certificates of deposit ¹	3,544	3,914	3,793	3,100
Other debt securities ¹	8,495	7,357	6,002	5,711
Covered bonds ²	3,589	4,990	5,028	4,297
Total	44,811	43,341	41,854	36,661
Due within 1 year	28,299	26,218	27,851	22,715
Due after 1 year	16,512	17,123	14,003	13,946
Total	44,811	43,341	41,854	36,661

Notes:

1 Unsecured

2 Secured

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Share capital	11,205	11,205	11,205	11,204
Disclosed reserves and others	33,354	33,918	34,455	33,384
Total regulatory adjustments to Common Equity Tier 1 capital	(5,468)	(5,508)	(4,490)	(4,431)
Common Equity Tier 1 capital	39,091	39,615	41,170	40,157
Additional Tier 1 capital instruments ¹	3,417	2,420	3,375	3,393
Total regulatory adjustments to Additional Tier 1 capital	-	-	(1,120)	(1,105)
Tier 1 capital	42,508	42,035	43,425	42,445
Total allowances eligible as Tier 2 capital	1,606	1,558	961	915
Tier 2 capital instruments ¹	3,648	3,669	1,212	1,232
Total capital	47,762	47,262	45,598	44,592
Risk-Weighted Assets ("RWA")				
Credit RWA	243,779	238,403	229,238	229,905
Market RWA	30,313	33,122	38,670	37,229
Operational RWA	20,675	20,294	19,681	19,288
Total RWA	294,767	291,819	287,589	286,422
Capital Adequacy Ratio ("CAR") (%)				
Basel III fully phased-in Common Equity Tier 1 ²	13.3	13.6	13.9	13.6
Common Equity Tier 1	13.3	13.6	14.3	14.0
Tier 1	14.4	14.4	15.1	14.8
Total	16.2	16.2	15.9	15.6
Minimum CAR including Buffer Requirements (%)³				
Common Equity Tier 1	8.7	8.7	8.0	8.0
Effective Tier 1	10.2	10.2	9.5	9.5
Effective Total	12.2	12.2	11.5	11.5
Of which: Buffer Requirements (%)				
Capital Conservation Buffer	1.875	1.875	1.25	1.25
Countercyclical Capital Buffer	0.3	0.3	0.2	0.2

Notes:

- As part of the Basel III transition arrangements, regulatory capital recognition of outstanding Additional Tier 1 and Tier 2 capital instruments that no longer meet the minimum criteria is gradually being phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition was capped at 90% in 2013, with this cap decreasing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 January 2013, the nominal amount serving as the base is not reduced.
- Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments (e.g., for goodwill) applicable from 1 January 2018 by RWA as at each reporting date. The transition period for regulatory adjustments ended on 1 January 2018, which means the disclosed CET1 ratio will henceforth be the same as the fully phased-in ratios.
- 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 declined 0.3 percentage points from the previous quarter to 13.3% due to the interim dividend payout. The Group's leverage ratio stood at 7.1%, well above the 3% minimum requirement.

PILLAR 3 AND LIQUIDITY COVERAGE RATIO DISCLOSURES

Pursuant to the Monetary Authority of Singapore's Notices to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" and No. 651 "Liquidity Coverage Ratio ("LCR") Disclosure", the combined Pillar 3 and LCR disclosures document and the Main Features of Capital Instruments document are published in the Investor Relations section of the Group website: (<http://www.dbs.com/investor/index.html>) and (<https://www.dbs.com/investor/capital-disclosures.html>) respectively.

UNREALISED PROPERTY VALUATION SURPLUS

The unrealised property valuation surplus as at 30 September 2018 was approximately \$1,513 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

In \$ millions	3rd Qtr 2018	3rd Qtr 2017	+/(-) %	2nd Qtr 2018	+/(-) %	9 Mths 2018	9 Mths 2017	+/(-) %
Income								
Interest income	3,574	2,771	29	3,364	6	10,008	7,891	27
Interest expense	1,301	796	63	1,140	14	3,383	2,197	54
Net interest income	2,273	1,975	15	2,224	2	6,625	5,694	16
Net fee and commission income	695	685	1	706	(2)	2,145	1,986	8
Net trading income	354	265	34	227	56	949	830	14
Net income from investment securities	48	120	(60)	30	60	100	317	(68)
Other income	5	14	(64)	16	(69)	119	392	(70)
Non-interest income	1,102	1,084	2	979	13	3,313	3,525	(6)
Total income	3,375	3,059	10	3,203	5	9,938	9,219	8
Employee benefits	813	686	19	785	4	2,384	2,131	12
Other expenses	668	592	13	637	5	1,929	1,687	14
Total expenses	1,481	1,278	16	1,422	4	4,313	3,818	13
Profit before allowances	1,894	1,781	6	1,781	6	5,625	5,401	4
Allowances for credit and other losses	236	815	(71)	105	>100	505	1,669	(70)
Profit before tax	1,658	966	72	1,676	(1)	5,120	3,732	37
Income tax expense	236	126	87	314	(25)	795	453	75
Net profit	1,422	840	69	1,362	4	4,325	3,279	32
Attributable to:								
Shareholders	1,413	802	76	1,334	6	4,258	3,177	34
Non-controlling interests	9	38	(76)	28	(68)	67	102	(34)
	1,422	840	69	1,362	4	4,325	3,279	32

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In \$ millions	3rd Qtr 2018	3rd Qtr 2017	+ /(-) %	2nd Qtr 2018	+ /(-) %	9 Mths 2018	9 Mths 2017	+ /(-) %
Net profit	1,422	840	69	1,362	4	4,325	3,279	32
Other comprehensive income								
Items that may be reclassified subsequently to income statement:								
Translation differences for foreign operations	(113)	(61)	(85)	175	NM	(57)	(197)	71
Other comprehensive income of associates	-	-	-	1	(100)	2	(5)	NM
Gains (losses) on debt instruments classified at fair value through other comprehensive income ¹ / available-for-sale financial assets and others								
Net valuation taken to equity	(2)	12	NM	(149)	99	(345)	439	NM
Transferred to income statement	(68)	(100)	32	(23)	(>100)	(108)	(256)	58
Taxation relating to components of other comprehensive income	-	3	(100)	20	(100)	35	(9)	NM
Items that will not be reclassified to income statement:								
Gains (losses) on equity instruments classified at fair value through other comprehensive income (net of tax) ¹	(18)	-	NM	(53)	66	(58)	-	NM
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	5	8	(38)	15	(67)	40	(102)	NM
Other comprehensive income, net of tax	(196)	(138)	(42)	(14)	(>100)	(491)	(130)	(>100)
Total comprehensive income	1,226	702	75	1,348	(9)	3,834	3,149	22
Attributable to:								
Shareholders	1,217	665	83	1,319	(8)	3,766	3,049	24
Non-controlling interests	9	37	(76)	29	(69)	68	100	(32)
	1,226	702	75	1,348	(9)	3,834	3,149	22

Note:

¹ Arising from the adoption of SFRS(I) 9 on 1 Jan 2018, realised gains or losses on equity instruments classified as "Fair Value through Other Comprehensive Income" is not reclassified to the income statement. Previously, FRS 39 required realised gains or losses on available-for-sale equity instruments to be reclassified to the income statement.

NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED BALANCE SHEETS¹

In \$ millions	The Group				The Company			
	30 Sep 2018	30 Jun 2018	31 Dec 2017 ²	30 Sep 2017	30 Sep 2018	30 Jun 2018	31 Dec 2017 ²	30 Sep 2017
Assets								
Cash and balances with central banks	20,096	20,959	26,463	26,817				
Government securities and treasury bills	49,934	48,011	39,753	43,675				
Due from banks	34,302	35,692	35,975	33,020	36	24	13	22
Derivatives	18,760	18,360	17,585	17,136	29	29	36	38
Bank and corporate securities	55,533	55,946	55,589	53,417				
Loans and advances to customers	340,375	338,071	323,099	314,135				
Other assets	15,188	15,647	12,066	12,347	7	3	2	-
Associates	835	849	783	874				
Subsidiaries	-	-	-	-	28,269	27,445	24,357	24,421
Properties and other fixed assets	1,326	1,294	1,233	1,179				
Goodwill and intangibles	5,175	5,175	5,165	5,166				
Total assets	541,524	540,004	517,711	507,766	28,341	27,501	24,408	24,481
Liabilities								
Due to banks	20,888	21,462	17,803	22,920				
Deposits and balances from customers	388,295	387,560	373,634	362,102				
Derivatives	18,344	18,893	18,003	17,166	34	26	28	16
Other liabilities	20,671	20,704	16,615	20,156	118	86	66	86
Other debt securities	41,192	39,700	40,716	35,514	4,140	4,130	4,078	4,144
Subordinated term debts	3,619	3,641	1,138	1,147	3,619	3,641	630	639
Total liabilities	493,009	491,960	467,909	459,005	7,911	7,883	4,802	4,885
Net assets	48,515	48,044	49,802	48,761	20,430	19,618	19,606	19,596
Equity								
Share capital	10,974	11,200	11,082	11,082	10,976	11,203	11,092	11,092
Other equity instruments	2,812	1,812	1,812	1,812	2,812	1,812	1,812	1,812
Other reserves	3,606	3,758	4,256	4,351	127	108	170	143
Revenue reserves	30,284	30,444	30,308	29,140	6,515	6,495	6,532	6,549
Shareholders' funds	47,676	47,214	47,458	46,385	20,430	19,618	19,606	19,596
Non-controlling interests	839	830	2,344	2,376				
Total equity	48,515	48,044	49,802	48,761	20,430	19,618	19,606	19,596
Other Information								
Net book value per share (\$)								
(i) Basic and diluted	17.56	17.71	17.85	17.43	6.90	6.94	6.96	6.95

Note:

1 The Group's and the Company's SFRS(I) opening balance sheets on 1 January 2018 are not presented above as there were no material changes from the transition of FRS to SFRS(I).

2 Audited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

The Group	Attributable to shareholders of the Company						
	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non- controlling interests	Total equity
In \$ millions							
Balance at 1 January 2018	11,082	1,812	4,256	30,308	47,458	2,344	49,802
Impact of adopting SFRS(I) 9 on 1 January 2018			(86)	95	9		9
Balance at 1 January 2018 after adoption of SFRS(I) 9	11,082	1,812	4,170	30,403	47,467	2,344	49,811
Purchase of treasury shares	(227)				(227)		(227)
Draw-down of reserves upon vesting of performance shares	119		(119)		-		-
Issue of perpetual capital securities		1,000			1,000		1,000
Cost of share-based payments			83		83		83
Dividends paid to shareholders ¹				(4,413)	(4,413)		(4,413)
Dividends paid to non-controlling interests					-	(66)	(66)
Change in non-controlling interests					-	(7)	(7)
Redemption of preference shares issued by a subsidiary					-	(1,500)	(1,500)
Total comprehensive income			(528)	4,294	3,766	68	3,834
Balance at 30 September 2018	10,974	2,812	3,606	30,284	47,676	839	48,515
Balance at 1 January 2017	10,670	1,812	4,322	27,805	44,609	2,361	46,970
Draw-down of reserves upon vesting of performance shares	106		(106)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	306				306		306
Cost of share-based payments			83		83		83
Transfers			78	(78)	-		-
Dividends paid to shareholders ¹				(1,662)	(1,662)		(1,662)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(23)	(23)
Total comprehensive income			(26)	3,075	3,049	100	3,149
Balance at 30 September 2017	11,082	1,812	4,351	29,140	46,385	2,376	48,761

Note:

¹ Includes distributions of \$55 million paid on capital securities classified as equity (Sep'17: \$56 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

The Group	Attributable to shareholders of the Company						
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non- controlling interests	Total equity
Balance at 1 July 2018	11,200	1,812	3,758	30,444	47,214	830	48,044
Purchase of treasury shares	(227)				(227)		(227)
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of perpetual capital securities		1,000			1,000		1,000
Cost of share-based payments			28		28		28
Dividends paid to shareholders ¹				(1,556)	(1,556)		(1,556)
Total comprehensive income			(179)	1,396	1,217	9	1,226
Balance at 30 September 2018	10,974	2,812	3,606	30,284	47,676	839	48,515
Balance at 1 July 2017	11,042	1,812	4,469	29,191	46,514	2,355	48,869
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	39				39		39
Cost of share-based payments			28		28		28
Dividends paid to shareholders ¹				(861)	(861)		(861)
Change in non-controlling interests					-	(16)	(16)
Total comprehensive income			(145)	810	665	37	702
Balance at 30 September 2017	11,082	1,812	4,351	29,140	46,385	2,376	48,761

Note:

¹ Includes distributions of \$18 million paid on capital securities classified as equity (Sep'17: \$18 million)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**
The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2018	11,092	1,812	170	6,532	19,606
Purchase of treasury shares	(227)				(227)
Transfer of treasury shares	111				111
Draw-down of reserves upon vesting of performance shares			(119)		(119)
Issue of perpetual capital securities		1,000			1,000
Cost of share-based payments			83		83
Dividends paid to shareholders ¹				(4,413)	(4,413)
Total comprehensive income			(7)	4,396	4,389
Balance at 30 September 2018	10,976	2,812	127	6,515	20,430
Balance at 1 January 2017	10,690	1,812	168	6,545	19,215
Transfer of treasury shares	96				96
Draw-down of reserves upon vesting of performance shares			(106)		(106)
Issue of shares pursuant to Scrip Dividend Scheme	306				306
Cost of share-based payments			83		83
Dividends paid to shareholders ¹				(1,662)	(1,662)
Total comprehensive income			(2)	1,666	1,664
Balance at 30 September 2017	11,092	1,812	143	6,549	19,596

Note:

1 Includes distributions of \$55 million paid on capital securities classified as equity (Sep'17: \$56 million)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018
The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 July 2018	11,203	1,812	108	6,495	19,618
Purchase of treasury shares	(227)				(227)
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of perpetual capital securities		1,000			1,000
Cost of share-based payments			28		28
Dividends paid to shareholders ¹				(1,556)	(1,556)
Total comprehensive income			(8)	1,576	1,568
Balance at 30 September 2018	10,976	2,812	127	6,515	20,430
Balance at 1 July 2017	11,053	1,812	115	6,533	19,513
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of shares pursuant to Scrip Dividend Scheme	39				39
Cost of share-based payments			28		28
Dividends paid to shareholders ¹				(861)	(861)
Total comprehensive income			1	877	878
Balance at 30 September 2017	11,092	1,812	143	6,549	19,596

Note:

1 Includes distributions of \$18 million paid on capital securities classified as equity (Sep'17: \$18 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

In \$ millions	9 Mths 2018	9 Mths 2017	3rd Qtr 2018	3rd Qtr 2017
Cash flows from operating activities				
Profit before tax	5,120	3,732	1,658	966
Adjustments for non-cash and other items:				
Allowances for credit and other losses	505	1,669	236	815
Depreciation of properties and other fixed assets	244	219	84	74
Share of profits or losses of associates	(19)	(23)	(4)	(10)
Net gain on disposal (net of write-off) of properties and other fixed assets	(84)	4	1	5
Net gain on divestment of subsidiary	-	(350)	-	-
Net income from investment securities	(100)	(317)	(48)	(120)
Cost of share-based payments	83	83	28	28
Interest expense on subordinated term debts	32	54	10	16
Profit before changes in operating assets & liabilities	5,781	5,071	1,965	1,774
Increase/(Decrease) in:				
Due to banks	3,296	7,185	(365)	277
Deposits and balances from customers	13,508	7,904	1,284	8,908
Other liabilities	4,644	213	(368)	2,331
Other debt securities and borrowings	649	7,795	1,485	1,268
(Increase)/Decrease in:				
Restricted balances with central banks	(363)	(585)	(896)	(842)
Government securities and treasury bills	(10,652)	(10,644)	(2,084)	(3,659)
Due from banks	1,429	(3,200)	1,190	(2,895)
Bank and corporate securities	65	(8,114)	409	(4,138)
Loans and advances to customers	(17,087)	(12,232)	(3,072)	(6,700)
Other assets	(4,600)	4,319	(155)	(314)
Tax paid	(516)	(485)	(138)	(163)
Net cash used in operating activities (1)	(3,846)	(2,773)	(745)	(4,153)
Cash flows from investing activities				
Dividends from associates	20	29	4	8
Proceeds from disposal of interest in associate	8	2	8	1
Increase in investment in associate	(69)	-	-	-
Proceeds from disposal of properties and other fixed assets	99	1	-	-
Purchase of properties and other fixed assets	(313)	(238)	(115)	(90)
Proceeds from divestment of subsidiary	-	735	-	-
Proceeds from acquisition of business	262	5,212	-	5,212
Change in non-controlling interests	(7)	(23)	-	(16)
Net cash generated from/ (used in) investing activities (2)	-	5,718	(103)	5,115
Cash flows from financing activities				
Issue of perpetual capital securities	1,000	-	1,000	-
Issue of subordinated term debts	3,013	-	-	-
Interest paid on subordinated term debts	(24)	(73)	(1)	(25)
Redemption/purchase of subordinated term debts	(508)	(1,897)	-	(1,031)
Redemption of preference shares issued by a subsidiary	(1,500)	-	-	-
Purchase of treasury shares	(227)	-	(227)	-
Dividends paid to non-controlling interests	(66)	(62)	-	-
Dividends paid to shareholders of the Company, net of scrip dividends ¹	(4,413)	(1,356)	(1,556)	(822)
Net cash used in financing activities (3)	(2,725)	(3,388)	(784)	(1,878)
Exchange translation adjustments (4)	(59)	(111)	(53)	(41)
Net change in cash and cash equivalents² (1)+(2)+(3)+(4)	(6,630)	(554)	(1,685)	(957)
Cash and cash equivalents at beginning of period	18,693	20,132	13,745	20,535
Impact of adopting SFRS(I) 9 at beginning of period	(3)	-	-	-
Cash and cash equivalents at end of period	12,060	19,578	12,060	19,578

Notes:

1 Includes distributions paid on capital securities classified as equity

2 Cash and cash equivalents refer to cash and non-restricted balances with central banks

OTHER FINANCIAL INFORMATION

1. Off-balance Sheet Items

In \$ millions	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Contingent liabilities	26,001	25,161	20,819	21,819
Commitments ¹	268,919	256,733	245,264	241,583
Financial Derivatives	2,141,200	2,118,343	1,975,967	2,004,961

Note:

¹ Includes commitments that are unconditionally cancellable at any time of \$223,019 million (Jun'18: \$213,528 million, Dec'17: \$204,338 million, Sep'17: \$196,331 million).

ADDITIONAL INFORMATION
SHARE CAPITAL

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

Number of shares	9 Mths 2018	9 Mths 2017	3rd Qtr 2018	3rd Qtr 2017
Issued Ordinary shares				
Balance at beginning of period	2,563,936,434	2,548,962,085	2,563,936,434	2,562,052,009
Shares issued pursuant to Scrip Dividend Scheme	-	14,974,349	-	1,884,425
Balance at end of period	2,563,936,434	2,563,936,434	2,563,936,434	2,563,936,434
Treasury shares				
Balance at beginning of period	(6,303,700)	(11,727,700)	(65,700)	(6,303,700)
Shares transferred to trust holding shares pursuant to DBSH Share Plan/ DBSH Employee Share Plan	6,238,000	5,424,000	-	-
Purchase of treasury shares	(9,054,800)	-	(9,054,800)	-
Balance at end of period	(9,120,500)	(6,303,700)	(9,120,500)	(6,303,700)
Issued Ordinary shares net of Treasury shares	2,554,815,934	2,557,632,734	2,554,815,934	2,557,632,734

(b) The weighted average number of Issued Ordinary shares net of Treasury shares (both basic and fully diluted) for the first nine months of 2018 is 2,561,752,845.

INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

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

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

CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Piyush Gupta, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Third Quarter ended 30 September 2018 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Peter Seah Lim Huat
Chairman



Piyush Gupta
Chief Executive Officer

2 November 2018
Singapore