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

To: Shareholders

The Board of Directors of DBS Group Holdings Ltd ("DBSH") reports the following:

Unaudited Financial Results for the First Quarter Ended 31 March 2013

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

Dividends

For the first quarter of 2013, no dividend has been declared for DBSH non-voting redeemable convertible preference shares and DBSH ordinary shares.

By order of the Board

Goh Peng Fong
Group Secretary

30 April 2013
Singapore

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

Performance Summary

Unaudited Financial Results
For the First Quarter ended
31 March 2013

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Contents **Page**

OVERVIEW

DBS Group Holdings Ltd ("DBSH") prepares its consolidated DBSH Group ("Group") financial statements in accordance with Singapore Financial Reporting Standard ("FRS"), as modified by the requirements of Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2012, with the exception of the adoption of new or revised FRS.

On 1 January 2013, the Group adopted the following new or revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- FRS 113 Fair Value Measurement
- Amendments to FRS 107 Disclosures- Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income
- Improvements to FRSs (issued in August 2012)

FRS 113 defines fair value, establishes a framework for measuring fair value and sets out the disclosure requirements for fair value measurements. It explains how to measure the fair value when it is required by other FRS. It does not introduce new fair value measurements; neither does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

Amendments to FRS 107 Disclosures introduce more extensive disclosures that focus on quantitative information about recognised financial instruments that are offset on the balance sheet as well as those that are subject to master netting or similar arrangements irrespective of whether they are offset on the balance sheet.

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

	1st Qtr 2013	1st Qtr 2012	% chg	4th Qtr 2012	% chg
Selected income statement items ($m)					
Net interest income	1,327	1,336	(1)	1,293	3
Net fee and commission income	507	406	25	372	36
Other non-interest income	483	414	17	294	64
Total income	2,317	2,156	7	1,959	18
Expenses	952	898	6	943	1
Profit before allowances	1,365	1,258	9	1,016	34
Allowances for credit and other losses	223	144	55	114	96
Profit before tax	1,169	1,153	1	923	27
Net profit	950	933	2	760	25
One-time item [1/]	-	-	-	450	NM
Net profit including one-time item	950	933	2	1,210	(21)
Selected balance sheet items ($m)					
Customer loans [2/]	223,670	197,590	13	210,519	6
Interbank assets [3/]	32,590	33,197	(2)	29,407	11
Total assets	373,259	348,280	7	353,033	6
Customer deposits [4/]	250,815	232,186	8	242,907	3
Interbank liabilities [5/]	29,855	25,975	15	25,908	15
Total liabilities	336,210	314,165	7	317,035	6
Shareholders' funds	32,734	29,798	10	31,737	3
Key financial ratios (%) (excluding one-time item) [6/]					
Net interest margin	1.64	1.77		1.62	
Non-interest/total income	42.7	38.0		34.0	
Cost/income ratio	41.1	41.7		48.1	
Return on assets	1.06	1.09		0.85	
Return on equity	12.0	12.8		9.8	
Loan/deposit ratio	89.2	85.1		86.7	
NPL ratio	1.2	1.3		1.2	

	1st Qtr 2013	1st Qtr 2012	4th Qtr 2012
Key financial ratios (%) (excluding one-time item) [6/]			
Specific allowances (loans)/average loans (bp)	21	9	15
Common Equity Tier 1 capital adequacy ratio [7/]	12.9	NA	NA
Tier 1 capital adequacy ratio [7/]	12.9	12.7	14.0
Total capital adequacy ratio [7/]	15.5	16.4	17.1
Per share data ($)			
Per basic share			
– earnings excluding one-time item	1.58	1.58	1.24
– earnings	1.58	1.58	1.42
– net book value [8/]	13.35	12.28	12.96
Per diluted share			
– earnings excluding one-time item	1.56	1.56	1.22
– earnings	1.56	1.56	1.41
– net book value [8/]	13.25	12.19	12.86

Notes:
1/ Relates to disposal gain from partial divestment of Bank of the Philippine Islands investment
2/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
3/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet
4/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet
5/ Includes interbank liabilities classified as financial liabilities at fair value through profit or loss on the balance sheet
6/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data are computed on an annualised basis
7/ With effect from 1 January 2013, Basel III capital adequacy requirements came into effect in Singapore. Capital adequacy disclosures relating to dates prior to 1 January 2013 are calculated in accordance with the then prevailing capital adequacy regulations and are thus not directly comparable to those pertaining to dates from 1 January 2013.
8/ Non-controlling interests are not included as equity in the computation of return on equity and net book value per share
NM Not Meaningful
NA Not Applicable

First-quarter net profit rose 25% from the previous quarter and 2% from a year ago to a record $950 million. Total income increased 18% from the previous quarter and 7% from a year ago to $2.32 billion from sustained loan and deposit growth as well as a broad-based increase in non-interest income.

Net interest income rose 3% from the previous quarter to $1.33 billion and was little changed from a year ago. Loans grew 6% during the quarter and 13% from a year ago while deposits rose 3% and 8% respectively. Net interest margin improved two basis points from the previous quarter to 1.64% as underlying margin trends remained stable.

Non-interest income increased 49% from the previous quarter and 21% from a year ago to a record $990 million as contributions from annuity businesses such as wealth management and trade and transaction services continued to grow and loan-related fee income was also higher. Investment banking and stockbroking income benefited from stronger capital market activities. Customer income from cross-selling treasury products doubled from the previous quarter to a quarterly high of $299 million.

Expenses of $952 million were little changed from the previous quarter and 6% higher than a year ago. The cost-income ratio was at 41% compared to 48% in the previous quarter and 42% a year ago.

Asset quality remained strong with the non-performing loan rate stable at 1.2%. Specific allowance charges increased to 21 basis points of loans compared to 15 basis points in the previous quarter. General allowances more than doubled from the previous quarter to $110 million in tandem with loan growth. Allowance coverage was stable at 142%.

DBS remained well capitalised, with the total capital adequacy ratio at 15.5%, Tier 1 at 12.9% and common equity Tier 1 at 12.9% under the Basel III capital framework implemented in Singapore on 1 January 2013.

Return on equity reached 12.0% while return on assets was 1.06%.

NET INTEREST INCOME

Average balance sheet	1st Qtr 2013 Average balance ($m)	1st Qtr 2013 Interest ($m)	1st Qtr 2013 Average rate (%)	1st Qtr 2012 Average balance ($m)	1st Qtr 2012 Interest ($m)	1st Qtr 2012 Average rate (%)	4th Qtr 2012 Average balance ($m)	4th Qtr 2012 Interest ($m)	4th Qtr 2012 Average rate (%)
Interest-bearing assets									
Customer loans	218,702	1,467	2.72	194,566	1,374	2.84	204,701	1,425	2.77
Interbank assets	44,935	110	0.99	50,895	119	0.94	48,659	118	0.96
Securities	64,929	343	2.14	58,169	377	2.61	63,102	357	2.25
Total	328,566	1,920	2.37	303,630	1,870	2.48	316,462	1,900	2.39
Interest-bearing liabilities									
Customer deposits	250,702	437	0.71	228,621	381	0.67	241,554	443	0.73
Other borrowings	53,804	156	1.17	52,816	153	1.17	50,818	164	1.28
Total	304,506	593	0.79	281,437	534	0.76	292,372	607	0.83
Net interest income/margin [1/]		1,327	1.64		1,336	1.77		1,293	1.62

Note:
1/ Net interest margin is net interest income expressed as a percentage of average interest-bearing assets

Net interest income grew 3% from the previous quarter to $1.33 billion as average customer loan volumes increased. Net interest margin increased two basis points from the previous quarter to 1.64% as underlying margin trends were stable.

Overall asset yields were slightly lower as a decline in loan and securities yields was offset by higher interbank asset yields. Funding costs for both customer deposits and other borrowings declined.

Compared to a year ago, net interest income was little changed as the impact of higher interest-bearing asset and liability volumes was offset by lower net interest margin.

Volume and rate analysis ($m) Increase/(decrease) due to change in	1st Qtr 2013 versus 1st Qtr 2012 Volume	Rate	Net change	1st Qtr 2013 versus 4th Qtr 2012 Volume	Rate	Net change
Interest income						
Customer loans	171	(62)	109	96	(22)	74
Interbank assets	(14)	6	(8)	(9)	3	(6)
Securities	44	(75)	(31)	10	(17)	(7)
Total	201	(131)	70	97	(36)	61
Interest expense						
Customer deposits	37	24	61	17	(13)	4
Other borrowings	2	2	4	9	(14)	(5)
Total	39	26	65	26	(27)	(1)
Net impact on interest income	162	(157)	5	71	(9)	62
Due to change in number of days			(14)			(28)
Net Interest Income			(9)			34

NET FEE AND COMMISSION INCOME

($m)	1st Qtr 2013	1st Qtr 2012	% chg	4th Qtr 2012	% chg
Stockbroking	62	52	19	44	41
Investment banking	64	32	100	27	>100
Trade and transaction services [2/]	134	122	10	115	17
Loan-related	103	83	24	70	47
Cards [1/]	78	74	5	82	(5)
Wealth management	113	79	43	77	47
Others	14	14	-	7	100
Fee and commission income	568	456	25	422	35
Less: Fee and commission expense	61	50	22	50	22
Net fee and commission income	507	406	25	372	36

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

Net fee and commission income rose 36% from the previous quarter to a new high of $507 million. Contributions from annuity businesses such as wealth management and trade and transaction services continued to grow. Loan-related fee income was also higher, and stockbroking and investment banking benefited from stronger capital market activities during the quarter.

Compared to a year ago, net fee income was 25% higher. Income from wealth management, trade and transaction services, cards and loan-related activities were higher. Stronger capital market activities also boosted stockbroking and investment banking contributions.

OTHER NON-INTEREST INCOME

($m)	1st Qtr 2013	1st Qtr 2012	% chg	4th Qtr 2012	% chg
Net trading income	410	325	26	136	>100
Net loss from financial instruments designated at fair value	(2)	(33)	94	(2)	-
Net income from financial investments	66	109	(39)	103	(36)
Net gain on fixed assets	-	2	NM	41	NM
Others (includes rental income) [1/]	9	11	(18)	16	(44)
Total	483	414	17	294	64

Notes:
1/ Excludes one-time item
NM Not Meaningful

Net trading income (including net loss from financial instruments designated at fair value) rose to $408 million from $134 million in the previous quarter and $292 million a year ago. The increase was largely due to higher customer flows for treasury products which doubled from the previous quarter and rose by 17% from a year ago to a quarterly high of $299 million.

Trading gains were also higher due to more favourable market conditions.

The increase in net trading income was partially offset by lower net income from financial investments, which declined 36% from the previous quarter and 39% from a year ago to $66 million.

EXPENSES

($m)	1st Qtr 2013	1st Qtr 2012	% chg	4th Qtr 2012	% chg
Staff	506	485	4	455	11
Occupancy	88	79	11	89	(1)
Computerisation	167	148	13	180	(7)
Revenue-related	50	57	(12)	60	(17)
Others	141	129	9	159	(11)
Total	952	898	6	943	1
Staff headcount at period-end	18,523	17,644	5	18,433	-

Included in the above table were:					
Depreciation of properties and other fixed assets	55	40	38	53	4
Directors' fees	1	1	-	1	-
Audit fees payable	2	2	-	1	100

Expenses of $952 million were little changed from the previous quarter. Higher staff costs in line with higher income were offset by a reduction in computerisation and other expenses, which had included seasonal items in the fourth quarter.

Compared to a year ago, costs were 6% higher as both staff and non-staff costs rose due to investments in people and infrastructure to support higher business volumes.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

($m)	1st Qtr 2013	1st Qtr 2012	% chg	4th Qtr 2012	% chg
General allowances (GP)	110	85	29	47	>100
Specific allowances (SP) for loans 1/	114	43	>100	79	44
Singapore	7	15	(53)	7	-
Hong Kong	8	1	>100	7	14
Rest of Greater China	2	(1)	NM	13	(85)
South and South-east Asia	33	6	>100	17	94
Rest of the World	64	22	>100	35	83
Specific allowances (SP) for securities, properties and other assets	(1)	16	NM	(12)	92
Total	223	144	55	114	96

Notes:
1/ Specific allowances for loans are classified according to where the borrower is incorporated
NM Not Meaningful

Total allowances of $223 million were taken. General allowances more than doubled from the previous quarter to $110 million in tandem with loan growth.

Specific allowances for loans of $114 million amounted to 21 basis points of loans, compared to 15 basis points in the previous quarter.

PERFORMANCE BY BUSINESS SEGMENTS

($m)	Consumer Banking / Wealth Management	Institutional Banking	Treasury	Others	Total
Selected income items					
1st Qtr 2013					
Net interest income	359	718	163	87	1,327
Non-interest income	263	484	160	83	990
Total income	622	1,202	323	170	2,317
Expenses	400	319	110	123	952
Allowances for credit and other losses	18	173	-	32	223
Share of profits of associates	-	-	-	27	27
Profit before tax	204	710	213	42	1,169
4th Qtr 2012 [1/]					
Net interest income	348	668	151	126	1,293
Non-interest income	214	276	140	36	666
Total income	562	944	291	162	1,959
Expenses	445	362	130	6	943
Allowances for credit and other losses	18	88	-	8	114
Share of profits of associates	-	-	-	21	21
Profit before tax	99	494	161	169	923
1st Qtr 2012					
Net interest income	367	674	203	92	1,336
Non-interest income	236	384	203	(3)	820
Total income	603	1,058	406	89	2,156
Expenses	363	283	106	146	898
Allowances for credit and other losses	21	73	(1)	51	144
Share of profits of associates	-	-	-	39	39
Profit before tax	219	702	301	(69)	1,153
Selected balance sheet and other items [2/]					
31 Mar 2013					
Total assets before goodwill	65,336	189,044	78,063	36,014	368,457
Goodwill on consolidation					4,802
Total assets					373,259
Total liabilities	137,398	110,875	79,439	8,498	336,210
Capital expenditure for 1st Qtr 2013	8	2	3	18	31
Depreciation for 1st Qtr 2013	9	2	2	42	55

($m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
31 Dec 2012					
Total assets before goodwill	63,232	175,329	75,434	34,236	348,231
Goodwill on consolidation					4,802
Total assets					353,033
Total liabilities	136,639	101,700	75,697	2,999	317,035
Capital expenditure for 4th Qtr 2012	29	1	13	111	154
Depreciation for 4th Qtr 2012	9	3	2	39	53
31 Mar 2012					
Total assets before goodwill	58,708	165,722	79,895	39,153	343,478
Goodwill on consolidation					4,802
Total assets					348,280
Total liabilities	130,918	101,977	70,425	10,845	314,165
Capital expenditure for 1st Qtr 2012	3	-	-	29	32
Depreciation for 1st Qtr 2012	8	3	2	27	40

Notes:
1/ Non-interest income and profit before tax exclude one-time item
2/ Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments

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

The various business segments are described below:

Consumer Banking/ Wealth Management

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

Compared to the previous quarter, profit before tax doubled to $204 million. Total income increased 11% to $622 million as higher customer loans and deposits led to higher net interest income, while cross-sell of wealth management products and customer acquisition led to higher wealth management income. Expenses fell 10% to $400 million due to lower computerisation and advertising expenses. Allowances of $18 million were unchanged from the previous quarter.

Compared to a year ago, profit before tax was 7% lower. Net interest income fell 2% to $359 million while non-interest income rose 11% to $263 million from continued customer growth, stronger cross-selling as well as higher cards fees. Expenses rose 10% from increased investments in headcount, systems and branches, and seasonal marketing campaigns. Total allowances were 14% lower as general and specific allowances declined.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government- linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short term working capital financing to specialized 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. In addition, Institutional Banking also includes Islamic Bank of Asia. From 1 January 2013, DBS Vickers Securities, which provides equities and derivatives brokerage services, has been classified under the "Others" segment. Historical figures have been reclassified accordingly.

Profit before tax rose 44% from the previous quarter to $710 million, driven by higher income and lower expenses, partially offset by higher allowances.

Total income rose 27% to $1.20 billion as non-interest income increased 75% to $484 million. Treasury income from customer flows was higher and investment banking fees improved on the back of stronger capital market activities. Syndication/loan-related fees were higher as assets rose 8% to $189 billion. Net interest income rose

7% from loan growth while net interest margin was stable as the positive effects from balance sheet management offset lower loan yields.

Expenses fell 12% to $319 million due to lower non-staff costs. Allowances doubled to $173 million as higher general allowances were made to support loan growth and specific allowances rose.

Compared to a year ago, profit before tax was little changed. Total income rose 14% from higher business volumes while expense growth was managed at 13%. The positive jaw was offset by higher allowances.

Treasury

Treasury provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in sales, structuring, market making and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Treasury is also responsible for managing surplus deposits relative to approved benchmarks.

Income reflected in the Treasury segment refers to trading and market-making income. Total income rose 11% from the previous quarter to $323 million due to higher trading gains in interest rate, credit and foreign exchange on the back of new customer deals. Total expenses fell 15% to $110 million as computerisation expenses and business-related costs were lower. Profit before tax rose 32% to $213 million.

Compared to a year ago, profit before tax was 29% lower as total income fell 20% from a combination of lower net interest income on lower bond holdings as well as lower trading gains on interest rate products as a result of unfavourable yield movements, partially offset by higher trading gains on credit products arising from more favourable credit spreads in 2013. Total expenses rose 4% as headcount grew to support business growth, and business-related costs were higher.

Income from treasury customer flows is reflected in the Institutional Banking and Consumer Banking/Wealth Management customer segments and not in Treasury. Income from customer flows doubled to $299 million from the previous quarter as sales to corporate, retail and wealth management customers in Singapore, Hong Kong, China, Taiwan and Korea were higher. Compared to a year ago, income from customer flows was 17% higher.

Others

Others encompasses a range of activities from corporate decisions and includes income and expenses not attributed to other business segments, including capital and balance sheet management, funding and liquidity. DBS Vickers Securities has also been included in this segment from 1 January 2013.

PERFORMANCE BY GEOGRAPHY [1/]

($m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income items						
1st Qtr 2013						
Net interest income	835	231	101	109	51	1,327
Non-interest income	614	243	69	44	20	990
Total income	1,449	474	170	153	71	2,317
Expenses	579	168	118	69	18	952
Allowances for credit and other losses	98	41	6	11	67	223
Share of profits of associates	4	-	1	22	-	27
Profit before tax	776	265	47	95	(14)	1,169
Income tax expense	83	43	10	26	5	167
Net profit	641	222	37	69	(19)	950
4th Qtr 2012 [2/]						
Net interest income	805	221	99	114	54	1,293
Non-interest income	393	174	38	33	28	666
Total income	1,198	395	137	147	82	1,959
Expenses	502	187	149	83	22	943
Allowances for credit and other losses	50	25	19	(6)	26	114
Share of profits of associates	1	-	2	18	-	21
Profit before tax	647	183	(29)	88	34	923
Income tax expense	59	21	(6)	20	16	110
Net profit	535	162	(23)	68	18	760
1st Qtr 2012						
Net interest income	809	209	159	105	54	1,336
Non-interest income	527	176	22	62	33	820
Total income	1,336	385	181	167	87	2,156
Expenses	554	155	108	63	18	898
Allowances for credit and other losses	119	2	5	8	10	144
Share of profits of associates	5	-	2	32	-	39
Profit before tax	668	228	70	128	59	1,153
Income tax expense	71	38	15	32	14	170
Net profit	547	190	55	96	45	933
Selected balance sheet items						
31 Mar 2013						
Total assets before goodwill	239,379	59,863	38,660	17,523	13,032	368,457
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	244,181	59,863	38,660	17,523	13,032	373,259
Non-current assets [3/]	2,208	354	108	20	2	2,692
Gross customer loans	147,084	44,322	19,050	9,158	7,415	227,029

($m)	S'pore	Hong Kong	Rest of Greater China	South And South-east Asia	Rest of the World	Total
31 Dec 2012						
Total assets before goodwill	225,678	56,577	35,317	16,860	13,799	348,231
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	230,480	56,577	35,317	16,860	13,799	353,033
Non-current assets [3/]	2,189	355	111	21	2	2,678
Gross customer loans	137,318	41,124	18,278	9,251	7,857	213,828
31 Mar 2012						
Total assets before goodwill	221,871	60,250	30,381	17,214	13,762	343,478
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	226,673	60,250	30,381	17,214	13,762	348,280
Non-current assets [3/]	1,759	359	127	24	2	2,271
Gross customer loans	121,757	44,888	16,111	10,336	7,653	200,745

Notes:
1/ The geographical segment analysis is based on the location where transactions and assets are booked
2/ Non-interest income and profit exclude one-time item
3/ Includes investment in associates, properties and other fixed assets, and investment properties

The performance by geography is classified based on the location in which income and assets are recorded.

Singapore

Net profit rose 20% from the previous quarter to $641 million. Total income rose 21% to $1.45 billion. Net interest income rose 4% to $835 million from loan and deposit volume growth. Non-interest income grew 56% to $614 million as fee income from wealth management, trade and transaction services and loan-related activities were higher. Contributions from stockbroking and investment banking also rose. Trading income was boosted by higher customer flows for treasury products.

Expenses rose 15% to $579 million and profit before allowances increased 25% to $870 million. Allowances doubled to $98 million as general allowances rose four fold while specific allowances were little changed.

Compared to a year ago, net profit rose 17% as income growth was partially offset by an increase in expenses. Allowances were lower as specific allowances were halved while general allowances were little changed.

Hong Kong

Net profit rose 37% from the previous quarter to $222 million as total income rose 20% to $474 million. Net interest income increased 5% to $231 million from higher loan volumes. In constant currency terms, loans rose 7% from growth in trade finance while deposits grew 3%. Net interest margin was stable at 1.55%.

Non-interest income increased 40% to $243 million as trading income rose from higher treasury customer flows. Fee income also increased as contributions from stockbroking, investment banking and wealth management sales were higher.

Expenses fell 10% to $168 million from lower computerisation, staff and advertising costs. Allowances increased 64% to $41 million as general allowances grew in line with loan growth. Specific allowances were little changed.

Compared to a year ago, net profit was 17% higher as total income rose 23%. Net interest income was 11% higher due to higher customer loan yields and lower funding costs. Non-interest income was 38% higher from broad-based fee income growth, increased treasury customer flows and higher trading gains. Expenses rose 8%. Allowances increased to $41 million from $2 million a year ago as both general and specific allowances were higher.

Other regions

Rest of Greater China recorded net profit of $37 million compared to a loss of $23 million in the previous quarter. Net interest income increased 2% to $101 million from higher loan and deposit volumes. Non-interest income increased 82% from the previous quarter to $69 million from higher fee income and customer flows for treasury products. Total income increased 24% to $170 million while expenses fell 21% to $118 million as staff costs and general expenses declined. Allowances fell 68% to $6 million from lower specific allowances.

Compared to a year ago, net profit was 33% lower as net interest income fell 36%. Higher loan and deposit volumes were more than offset by lower net interest margin. Non-interest income increased as fee and trading income improved. Total income was 6% lower while expenses were 9% higher. Allowances were little changed.

South and South-east Asia's net profit was little changed from the previous quarter at $69 million. Net interest income fell 4% to $109 million as the loan-deposit ratios in India and Indonesia declined. Non-interest income rose 33% to $44 million as higher fee income was partially offset by lower trading profits. Expenses fell 17% to $69 million from lower staff costs and other expenses. Total allowances increased to $11 million compared to a write-back of $6 million in the previous quarter as specific and general allowances increased.

Compared to a year ago, net profit was 28% lower as total income fell 8%. A decline in fee income and trading income was partially offset by a 4% increase in net interest income from higher loan and deposit volumes. Expenses increased 10% and allowances also rose.

The Rest of the World recorded a net loss of $19 million compared to a net profit of $18 million in the previous quarter. Total income fell 13% to $71 million as net interest income fell 6% from lower loan volumes while non-interest income fell 29% to $20 million. Allowances more than doubled to $67 million as specific allowances increased. Compared to a year ago, total income fell 18% while allowances rose six fold.

CUSTOMER LOANS [1/]

($m)	31 Mar 2013	31 Dec 2012	31 Mar 2012
Gross	227,029	213,828	200,745
Less:			
Specific allowances	1,170	1,217	1,176
General allowances	2,189	2,092	1,979
Net total	223,670	210,519	197,590
By business unit			
Consumer Banking/ Wealth Management	63,496	61,720	56,192
Institutional Banking	161,438	149,331	142,986
Others	2,095	2,777	1,567
Total (Gross)	227,029	213,828	200,745
By geography [2/]			
Singapore	110,427	101,485	92,702
Hong Kong	36,733	38,119	38,531
Rest of Greater China	36,997	30,678	30,272
South and South-east Asia	22,357	23,045	19,684
Rest of the World	20,515	20,501	19,556
Total (Gross)	227,029	213,828	200,745
By industry [3/]			
Manufacturing	31,385	27,037	25,792
Building and construction	37,113	36,179	33,606
Housing loans	46,500	45,570	41,763
General commerce	46,147	38,230	35,102
Transportation, storage & communications	17,535	17,745	16,731
Financial institutions, investment & holding companies	10,431	11,155	11,064
Professionals & private individuals (except housing loans)	15,488	14,969	13,360
Others	22,430	22,943	23,327
Total (Gross)	227,029	213,828	200,745
By currency			
Singapore dollar	95,110	90,503	81,938
Hong Kong dollar	29,205	29,443	29,746
US dollar	73,993	67,156	61,692
Others	28,721	26,726	27,369
Total (Gross)	227,029	213,828	200,745

Notes:
1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
2/ Loans by geography are classified according to where the borrower is incorporated
3/ Certain loans to investment holding companies have been reclassified to better reflect the underlying principal activity of the companies owned by the holding company. The amounts for prior periods have also been reclassified to conform to the current presentation.

Gross customer loans rose 6% from the previous quarter and 13% from a year ago to $227 billion. The growth was broad-based across Institutional Banking and Consumer Banking / Wealth Management customers, and included $4 billion of short-term financing for a corporate client.

Loan growth during the quarter was led by US dollar trade loans and Singapore dollar corporate and housing loans. Loans in Hong Kong dollars fell 1% from the previous quarter as housing and transport loans eased.

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	NPA ($m)	SP ($m)	GP ($m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Mar 2013						
Consumer Banking/ Wealth Management	300	71	634	0.5	235	433
Institutional Banking	2,370	1,178	1,555	1.5	115	145
Total non-performing loans (NPL)	2,670	1,249	2,189	1.2	129	168
Debt securities	13	4	125	-	992	2,580
Contingent liabilities & others	84	49	311	-	429	766
Total non-performing assets (NPA)	2,767	1,302	2,625	-	142	187
31 Dec 2012						
Consumer Banking/ Wealth Management	288	70	617	0.5	239	421
Institutional Banking	2,339	1,232	1,475	1.6	116	142
Total non-performing loans (NPL)	2,627	1,302	2,092	1.2	129	165
Debt securities	13	4	117	-	931	2,420
Contingent liabilities & others	86	49	302	-	408	747
Total non-performing assets (NPA)	2,726	1,355	2,511	-	142	183
31 Mar 2012						
Consumer Banking/ Wealth Management	303	86	561	0.5	214	376
Institutional Banking	2,345	1,134	1,418	1.6	109	138
Total non-performing loans (NPL)	2,648	1,220	1,979	1.3	121	158
Debt securities	10	4	119	-	1,230	2,460
Contingent liabilities & others	250	93	302	-	158	290
Total non-performing assets (NPA)	2,908	1,317	2,400	-	128	172

By geography	NPA ($m)	SP ($m)	GP ($m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Mar 2013						
Singapore	405	127	912	0.4	257	559
Hong Kong	259	129	378	0.7	196	305
Rest of Greater China	236	120	388	0.6	215	397
South and South-east Asia	293	169	294	1.3	158	201
Rest of the World	1,477	704	217	7.2	62	69
Total non-performing loans	2,670	1,249	2,189	1.2	129	168
Debt securities	13	4	125	-	992	2,580
Contingent liabilities & others	84	49	311	-	429	766
Total non-performing assets	2,767	1,302	2,625	-	142	187
31 Dec 2012						
Singapore	410	130	864	0.4	242	520
Hong Kong	244	126	392	0.6	212	314
Rest of Greater China	232	129	320	0.8	194	335
South and South-east Asia	207	130	302	0.9	209	234
Rest of the World	1,534	787	214	7.5	65	72
Total non-performing loans	2,627	1,302	2,092	1.2	129	165
Debt securities	13	4	117	-	931	2,420
Contingent liabilities & others	86	49	302	-	408	747
Total non-performing assets	2,726	1,355	2,511	-	142	183
31 Mar 2012						
Singapore	584	190	812	0.6	172	377
Hong Kong	315	164	388	0.8	175	273
Rest of Greater China	239	131	325	0.8	191	328
South and South-east Asia	169	107	259	0.9	217	275
Rest of the World	1,341	628	195	6.9	61	64
Total non-performing loans	2,648	1,220	1,979	1.3	121	158
Debt securities	10	4	119	-	1,230	2,460
Contingent liabilities & others	250	93	302	-	158	290
Total non-performing assets	2,908	1,317	2,400	-	128	172

By industry [1/] ($m)	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	395	247	352	240	356	232
Building and construction	84	39	83	38	102	38
Housing loans	120	12	106	12	105	11
General commerce	386	201	277	155	295	142
Transportation, storage & communications	1,201	524	1,201	520	1,116	422
Financial institutions, investment & holding companies	291	157	404	265	386	254
Professionals & private individuals (except housing loans)	159	46	162	46	172	62
Others	34	23	42	26	116	59
Total non-performing loans	2,670	1,249	2,627	1,302	2,648	1,220
Debt securities	13	4	13	4	10	4
Contingent liabilities & others	84	49	86	49	250	93
Total non-performing assets	2,767	1,302	2,726	1,355	2,908	1,317

Note:
1/ Certain loans to investment holding companies have been reclassified to better reflect the underlying principal activity of the companies owned by the holding company. The amounts for prior periods have also been reclassified to conform to the current presentation.

By loan classification ($m)	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	1,474	267	1,405	268	1,560	243
Doubtful	724	466	752	518	969	695
Loss	569	569	569	569	379	379
Total	2,767	1,302	2,726	1,355	2,908	1,317
Restructured assets						
Substandard	881	200	888	200	842	196
Doubtful	224	117	223	114	131	108
Loss	271	271	276	276	21	21
Total	1,376	588	1,387	590	994	325

By collateral type ($m)	31 Mar 2013	31 Dec 2012	31 Mar 2012
	NPA	NPA	NPA
Unsecured non-performing assets	2,095	2,115	2,164
Secured non-performing assets by collateral type			
Properties	297	269	373
Shares and debentures	84	58	74
Fixed deposits	29	32	40
Others	262	252	257
Total	2,767	2,726	2,908

By period overdue

($m)	31 Mar 2013 NPA	31 Dec 2012 NPA	31 Mar 2012 NPA
Not overdue	1,203	1,245	1,062
<90 days overdue	363	297	324
91-180 days overdue	271	193	74
>180 days overdue	930	991	1,448
Total	2,767	2,726	2,908

Asset quality remained healthy as non-performing assets were stable from the previous quarter at $2.77 billion, and 5% lower than a year ago. The NPL rate was unchanged at 1.2% from the previous quarter. Forty-three percent of non-performing assets were still current in interest and principal repayments.

Allowance coverage was unchanged at 142% of non-performing assets and would be 187% if collateral was considered.

CUSTOMER DEPOSITS [1/]

($m)	31 Mar 2013	31 Dec 2012	31 Mar 2012
By currency and product			
Singapore dollar	134,295	131,000	126,767
Fixed deposits	17,636	19,501	19,670
Savings accounts	94,485	90,561	87,762
Current accounts	20,759	20,024	18,568
Others	1,415	914	767
Hong Kong dollar	27,187	25,730	23,408
Fixed deposits	16,569	15,690	14,009
Savings accounts	6,483	6,283	5,578
Current accounts	3,953	3,516	3,451
Others	182	241	370
US dollar	44,740	45,981	43,177
Fixed deposits	21,609	24,124	23,525
Savings accounts	5,053	4,256	3,355
Current accounts	14,685	15,332	12,929
Others	3,393	2,269	3,368
Others	44,593	40,196	38,834
Fixed deposits	36,135	32,644	31,025
Savings accounts	3,006	2,412	2,127
Current accounts	4,436	3,969	3,171
Others	1,016	1,171	2,511
Total	250,815	242,907	232,186
Fixed deposits	91,949	91,959	88,229
Savings accounts	109,027	103,512	98,822
Current accounts	43,833	42,841	38,119
Others	6,006	4,595	7,016

Note:
1/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

Customer deposits rose 3% from the previous quarter to $251 billion, with Singapore dollar, Hong Kong dollar, onshore and offshore Chinese yuan deposits accounting for the growth.

These increases were partially offset by a decline in US dollar fixed deposits as more cost-efficient wholesale sources of US dollar funding were tapped.

DEBTS ISSUED

($m)	31 Mar 2013	31 Dec 2012	31Mar 2012
Subordinated term debts	5,542	5,505	7,071
Medium term notes	3,556	3,168	2,930
Commercial papers	9,611	5,820	8,001
Certificates of deposit [1/]	996	1,149	2,680
Other debt securities in issue [2/]	4,275	3,617	4,230
Total	23,980	19,259	24,912
Due within 1 year	13,040	8,498	12,161
Due after 1 year	10,940	10,761	12,751
Total	23,980	19,259	24,912

Notes:
1/ Includes certificates of deposit classified as financial liabilities at fair value through profit or loss on the balance sheet
2/ Includes other debt securities in issue classified as financial liabilities at fair value through profit or loss on the balance sheet

VALUE AT RISK AND TRADING INCOME

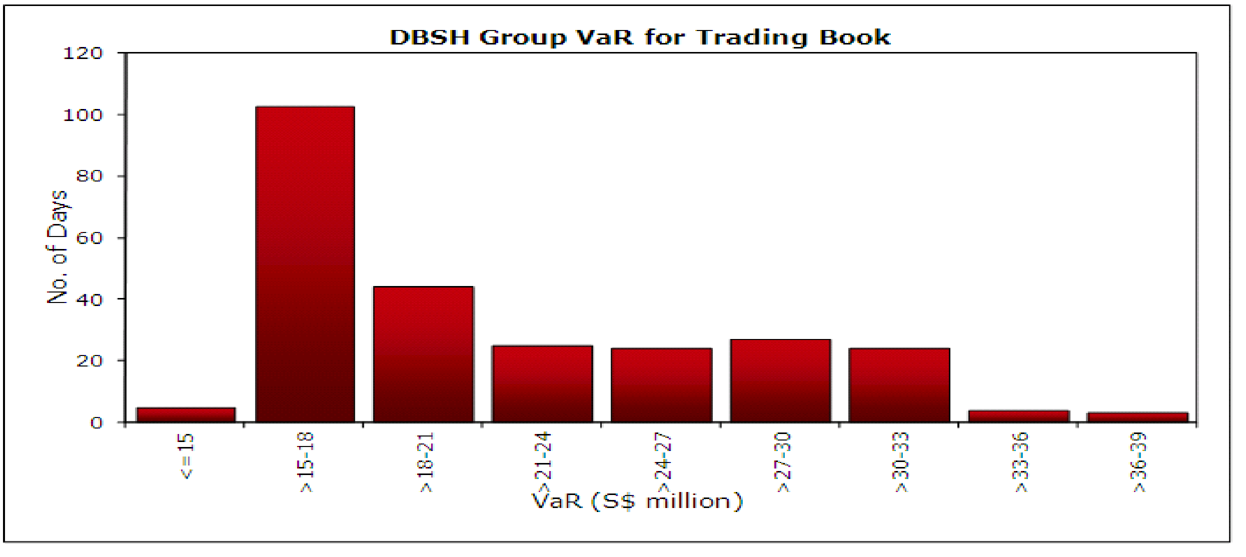
The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval.

Back-testing is a procedure used to verify the predictive power of the VaR model involving comparison of daily profits and losses adjusted with the estimates from the VaR model. In our back-testing for the period from 1 April 2012 to 31 March 2013, there were no backtesting exceptions.

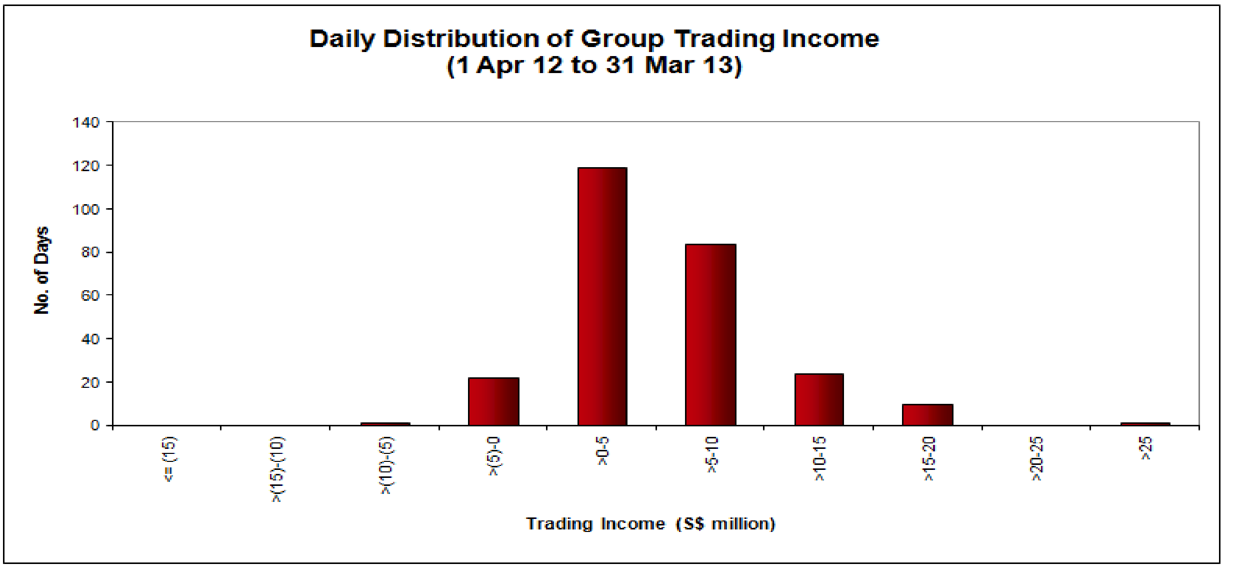
The following table shows the period-end, average, high and low VaR for the trading risk exposure of the Group for the period from 1 April 2012 to 31 March 2013. The Group's trading book VaR methodology is based on Historical Simulation VaR.

		1 April 2012 to 31 March 2013		
($m)	**As at 31 March 2013**	**Average**	**High**	**Low**
Total	18	22	38	13

The chart below shows the histogram of VaR for the Group's trading book for the period from 1 April 2012 to 31 March 2013.



The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 April 2012 to 31 March 2013.



CAPITAL ADEQUACY

($m)	31 Mar 2013 [1/]	31 Dec 2012 [1/]	31 Mar 2012 [1/]
Share capital	9,496		
Disclosed reserves and others	22,707		
Regulatory adjustments due to insufficient AT1 capital	(1,240)		
CET1	30,963		
AT1 capital instruments	3,746		
Total regulatory adjustments to AT1 capital	(3,746)		
Tier 1 capital	30,963	30,196	27,870
Provisions	1,259		
Tier 2 capital instruments	4,955		
Total regulatory adjustments to Tier 2 capital	(1)		
Total capital	37,176	36,831	36,051
Risk-weighted assets	240,359	215,591	219,702
Capital Adequacy Ratio ("CAR") (%)			
CET1	12.9	NA	NA
Tier 1	12.9	14.0	12.7
Total	15.5	17.1	16.4
Pro forma CET1 under final rules effective 1 Jan 2018	11.3	NA	NA
Minimum CAR (%)			
CET1	4.5	NA	NA
Tier 1	6.0	6.0	6.0
Total	10.0	10.0	10.0

Key: CET1: Common Equity Tier 1; AT1: Additional Tier 1

Notes:

1/ With effect from 1 January 2013, Basel III capital adequacy requirements came into effect in Singapore. Capital adequacy disclosures relating to dates prior to 1 January 2013 are calculated in accordance with the then prevailing capital adequacy regulations and are thus not directly comparable to those pertaining to dates from 1 January 2013.

NA Not Applicable

Total capital increased due to higher retained earnings net of dividends declared. In addition, with the implementation of Basel III rules, the Group's capital base fully included accumulated other comprehensive income and deductions for the Group's major stake investments were discontinued. This was attenuated by the reduced recognition of the Group's preference shares and subordinated term debts. The Group's existing preference shares and subordinated term debts are prima facie ineligible as capital instruments under Basel III rules as they lack provisions for conversion to ordinary shares or write-down on point of non-viability, but are accorded partial recognition under the Basel III transitional arrangements.

Risk-weighted assets increased due to new Basel III charges and asset growth. Basel III imposes higher risk-weights for exposures to financial institutions and new capital charges for over-the-counter derivatives.

On a pro forma basis, the Group's CET1 CAR as at 31 December 2012 was 13.5% based on transitional rules effective on 1 January 2013 and 11.8% on a "look-through" basis, i.e. after all adjustments that will eventually be taken against CET1 by 1 January 2018. These ratios declined to 12.9% and 11.3% respectively as at 31 March 2013 owing to higher risk-weighted assets in line with asset growth.

UNREALISED VALUATION SURPLUS

($m)	31 Mar 2013	31 Dec 2012	31 Mar 2012
Properties [1/]	611	604	578
Financial investments classified as loans and receivables [2/]	279	281	176
Total	890	885	754

Notes:
1/ Stated at cost less accumulated depreciation and impairment losses in the balance sheet
2/ Stated at cost less impairment losses in the balance sheet

The amount of unrealised valuation surplus that is not reflected in the balance sheet was little changed at $890 million.

Unaudited Consolidated Income Statement

In $ millions	1st Qtr 2013	1st Qtr 2012	+/(-) %	4th Qtr 2012	+/(-) %
Income					
Interest income	1,920	1,870	3	1,900	1
Interest expense	593	534	11	607	(2)
Net interest income	1,327	1,336	(1)	1,293	3
Net fee and commission income	507	406	25	372	36
Net trading income	410	325	26	136	>100
Net loss from financial instruments designated at fair value	(2)	(33)	94	(2)	-
Net income from financial investments	66	109	(39)	103	(36)
Other income	9	13	(31)	507	(98)
Total income	2,317	2,156	7	2,409	(4)
Expenses					
Employee benefits	506	485	4	455	11
Other expenses	446	413	8	488	(9)
Allowances for credit and other losses	223	144	55	114	96
Total expenses	1,175	1,042	13	1,057	11
Operating profit after allowances	1,142	1,114	3	1,352	(16)
Share of profits of associates	27	39	(31)	21	29
Profit before tax	1,169	1,153	1	1,373	(15)
Income tax expense	167	170	(2)	110	52
Net profit	1,002	983	2	1,263	(21)
Attributable to:					
Shareholders	950	933	2	1,210	(21)
Non-controlling interests	52	50	4	53	(2)
	1,002	983	2	1,263	(21)

Unaudited Consolidated Statement of Comprehensive Income

In $ millions	1st Qtr 2013	1st Qtr 2012	+/(-) %	4th Qtr 2012	+/(-) %
Net profit	1,002	983	2	1,263	(21)
Other comprehensive income [1/]:					
Foreign currency translation differences for foreign operations	37	(23)	NM	(26)	NM
Share of other comprehensive income of associates	2	3	(33)	5	(60)
Available-for-sale financial assets and others					
Net valuation taken to equity	39	161	(76)	101	(61)
Transferred to income statement	(52)	(95)	45	(90)	42
Tax on items taken directly to or transferred from equity	(8)	(17)	53	(7)	(14)
Other comprehensive income, net of tax	18	29	(38)	(17)	NM
Total comprehensive income	1,020	1,012	1	1,246	(18)
Attributable to:					
Shareholders	966	970	-	1,192	(19)
Non-controlling interests	54	42	29	54	-
	1,020	1,012	1	1,246	(18)

Notes:
1/ Items recorded in "Other Comprehensive Income" above will be reclassified subsequently to the income statement when specific conditions are met e.g. when foreign operations or available-for-sale financial assets are disposed.
NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Balance Sheets

In $ millions	GROUP 31 Mar 2013	GROUP 31 Dec 2012 [1/]	GROUP 31 Mar 2012	COMPANY 31 Mar 2013	COMPANY 31 Dec 2012 [1/]	COMPANY 31 Mar 2012
ASSETS						
Cash and balances with central banks	17,422	17,772	22,916			
Singapore Government securities and treasury bills	12,050	12,092	12,376			
Due from banks	31,732	28,808	32,547			
Financial assets at fair value through profit or loss [2/]	12,824	11,540	13,082			
Positive fair values for financial derivatives	14,943	17,280	17,990			
Loans and advances to customers	222,347	209,395	196,494			
Financial investments	36,159	35,567	32,828			
Securities pledged and transferred	7,408	4,397	2,556			
Subsidiaries				11,188	11,159	10,990
Investments in associates	1,271	1,236	948			
Goodwill on consolidation	4,802	4,802	4,802			
Properties and other fixed assets	917	945	1,022			
Investment properties	504	497	301			
Deferred tax assets	148	91	141			
Other assets	10,732	8,611	10,277	-	-	16
TOTAL ASSETS	373,259	353,033	348,280	11,188	11,159	11,006
LIABILITIES						
Due to banks	29,198	25,162	25,483			
Due to non-bank customers	249,104	241,165	227,703			
Financial liabilities at fair value through profit or loss [3/]	10,601	7,849	10,964			
Negative fair values for financial derivatives	15,277	17,532	18,570			
Bills payable	301	316	228			
Current tax liabilities	924	824	935			
Deferred tax liabilities	86	30	29			
Other liabilities	10,646	8,416	9,591	8	8	6
Other debt securities in issue	14,531	10,236	13,591			
Subordinated term debts	5,542	5,505	7,071			
TOTAL LIABILITIES	336,210	317,035	314,165	8	8	6
NET ASSETS	37,049	35,998	34,115	11,180	11,151	11,000
EQUITY						
Share capital	9,659	9,645	9,370	9,659	9,645	9,370
Treasury shares	(69)	(103)	(108)	(38)	(71)	(71)
Other reserves	7,228	7,229	7,080	84	101	54
Revenue reserves	15,916	14,966	13,456	1,475	1,476	1,647
SHAREHOLDERS' FUNDS	32,734	31,737	29,798	11,180	11,151	11,000
Non-controlling interests	4,315	4,261	4,317			
TOTAL EQUITY	37,049	35,998	34,115	11,180	11,151	11,000
OTHER INFORMATION						
Net book value per share ($)						
(i) Basic	13.35	12.96	12.28	4.51	4.51	4.49
(ii) Diluted	13.25	12.86	12.19	4.53	4.53	4.51

Notes:
1/ Audited
2/ Includes customer loans, interbank assets, other government securities and treasury bills, corporate debt securities and equity securities
3/ Includes customer deposits, interbank liabilities, other debt securities in issue and other financial liabilities

Unaudited Consolidated Statement of Changes in Equity

GROUP In $ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	9,482	163	(103)	7,229	14,966	31,737	4,261	35,998
Issue of shares upon exercise of share options	12					12		12
Reclassification of reserves upon exercise of share options	2			(2)		-		-
Draw-down of reserves upon vesting of performance shares			34	(34)		-		-
Cost of share-based payments				19		19		19
Total comprehensive income				16	950	966	54	1,020
Balance at 31 March 2013	9,496	163	(69)	7,228	15,916	32,734	4,315	37,049
Balance at 1 January 2012	9,101	249	(154)	7,075	12,523	28,794	4,275	33,069
Conversion of DBSH Non-voting CPS and Non-voting redeemable CPS to ordinary shares	86	(86)				-		-
Issue of shares upon exercise of share options	19					19		19
Reclassification of reserves upon exercise of share options	1			(1)		-		-
Draw-down of reserves upon vesting of performance shares			46	(46)		-		-
Cost of share-based payments				15		15		15
Total comprehensive income				37	933	970	42	1,012
Balance at 31 March 2012	9,207	163	(108)	7,080	13,456	29,798	4,317	34,115

Unaudited Statement of Changes in Equity

COMPANY

In $ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2013	9,482	163	(71)	101	1,476	11,151
Transfer of Treasury shares			33			33
Draw-down of reserves upon vesting of performance shares				(34)		(34)
Issue of shares upon exercise of share options	12					12
Reclassification of reserves upon exercise of share options	2			(2)		-
Cost of share-based payments				19		19
Total comprehensive income					(1)	(1)
Balance at 31 March 2013	9,496	163	(38)	84	1,475	11,180
Balance at 1 January 2012	9,101	249	(115)	86	1,648	10,969
Conversion of DBSH Non-voting CPS and Non-voting redeemable CPS to ordinary shares	86	(86)				-
Transfer of Treasury shares			44			44
Draw-down of reserves upon vesting of performance shares				(46)		(46)
Issue of shares upon exercise of share options	19					19
Reclassification of reserves upon exercise of share options	1			(1)		-
Cost of share-based payments				15		15
Total comprehensive income					(1)	(1)
Balance at 31 March 2012	9,207	163	(71)	54	1,647	11,000

Unaudited Consolidated Cash Flow Statement

In $ millions	1st Qtr 2013	1st Qtr 2012
Cash flows from operating activities		
Net profit for the period	**1,002**	983
Adjustments for non-cash items:		
Allowances for credit and other losses	**223**	144
Depreciation of properties and other fixed assets	**55**	40
Share of profits of associates	**(27)**	(39)
Net gain on disposal (net of write-off) of properties and other fixed assets	**-**	(2)
Net income from financial investments	**(66)**	(109)
Income tax expense	**167**	170
Profit before changes in operating assets & liabilities	**1,354**	1,187
Increase/(Decrease) in:		
Due to banks	**4,036**	(2,118)
Due to non-bank customers	**7,939**	8,711
Financial liabilities at fair value through profit or loss	**2,752**	(948)
Other liabilities including bills payable	**(13)**	(4,474)
Debt securities and borrowings	**4,305**	3,174
(Increase)/Decrease in:		
Restricted balances with central banks	**(305)**	(93)
Singapore Government securities and treasury bills	**42**	127
Due from banks	**(2,925)**	(6,975)
Financial assets at fair value through profit or loss	**(1,284)**	(1,155)
Loans and advances to customers	**(13,159)**	(2,340)
Financial investments	**(534)**	(2,244)
Other assets	**(2,808)**	2,792
Tax paid	**(76)**	(82)
Net cash used in operating activities (1)	**(676)**	(4,438)
Cash flows from investing activities		
Proceeds from disposal of associates	**-**	11
Dividends from associates	**1**	24
Purchase of properties and other fixed assets	**(31)**	(32)
Proceeds from disposal of properties and other fixed assets	**2**	6
Net cash (used in)/generated from investing activities (2)	**(28)**	9
Cash flows from financing activities		
Increase in share capital	**14**	20
Issuance of subordinated term debts	**-**	1,943
Net cash generated from financing activities (3)	**14**	1,963
Exchange translation adjustments (4)	**35**	(15)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	**(655)**	(2,481)
Cash and cash equivalents at 1 January	**10,993**	18,891
Cash and cash equivalents at 31 March	**10,338**	16,410

Additional Information

ISSUANCE OF ORDINARY SHARES

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

	Number of shares	
Ordinary shares	**2013**	**2012**
Balance at 1 January	2,442,028,426	2,350,317,632
Shares issued on conversion of Preference shares	-	70,026,649
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	1,227,924	1,459,498
Balance at 31 March [a]	2,443,256,350	2,421,803,779
Treasury shares held by DBSH		
Balance at 1 January	5,344,000	8,644,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(2,500,000)	(3,300,000)
Balance at 31 March [b]	2,844,000	5,344,000
Ordinary shares net of treasury shares [a] – [b]	2,440,412,350	2,416,459,779

(b) New ordinary shares that would have been issued on conversion of preference shares and exercise of share options are as follows:

(Number)	31 Mar 2013	31 Mar 2012
Conversion of non-voting redeemable CPS	30,011,421	30,011,421
Exercise of share options	1,910,704	3,878,958
Weighted average number of shares for the period [1/]		
- ordinary shares	2,439,857,728	2,370,800,473
- fully diluted	2,470,180,571	2,401,501,357

[1/] Net of treasury shares held by DBSH

The fully diluted shares took into account the effect of a full conversion of non-voting redeemable convertible preference shares and the exercise of all outstanding share options granted to employees when such shares would be issued at a price lower than the average share price during the period.

INTERESTED PERSON TRANSACTIONS

Pursuant to Rule 920(1) of the SGX Listing Manual, DBSH has not obtained a general mandate from shareholders for Interested Person Transactions.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

The interim financial information should be read in conjunction with the audited financial statements included in the Group's Annual Report 2012.

The disclosures on Fair Value of Financial Instruments and Offsetting Financial Assets and Financial Liabilities are made pursuant to the new or revised FRSs (refer to page 2 for more information)

1. Fair Value of Financial Instruments

The valuation process and fair value hierarchy policies applied for the current financial period are consistent with those disclosed for the financial year ended 31 December 2012.

Portfolio Measurement

Portfolios of financial assets and liabilities are revalued on the basis of market mid prices, with adjustment to reflect the cost of closing out the net positions, per location, by accounting classification.

Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance to the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If unobservable inputs are deemed as significant, the financial instrument will be categorised as Level 3.

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 of the valuation hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the valuation hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include corporate debt securities, repurchase, reverse repurchase agreements and most of the Group's over-the-counter derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data such as correlation or volatilities as well as unquoted equity securities. The fair value of unquoted equity securities is measured in comparison with recent transactions in the equity of the company in question or comparable companies in similar industries. Level 3 inputs also include all quoted security prices that have not been updated for more than 3 months, quoted proxies in active markets for non-similar asset classes (e.g. bonds marked over credit default swap spreads), as well as prices/valuations that are obtained from counterparties. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

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

	The Group			
In $ millions	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Singapore Government securities and treasury bills	12,050	-	-	12,050
Financial assets at fair value through profit or loss[(a)]	8,820	3,912	92	12,824
Available-for-sale financial investments[(b)]	22,810	6,972	179	29,961
Securities pledged and transferred	7,018	390	-	7,408
Positive fair values for financial derivatives	38	14,866	39	14,943
Total	50,736	26,140	310	77,186

In $ millions	The Group Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit or loss[(c)]	4,344	6,234	23	10,601
Negative fair values for financial derivatives	51	15,177	49	15,277
Total	4,395	21,411	72	25,878

(a) Includes other government securities, corporate debt securities, equity securities and other financial assets at fair value through profit or loss
(b) Excludes unquoted equities stated at cost of $219 million
(c) Includes debt securities in issue, due to non-bank customers (structured investments) and other financial liabilities at fair value through profit or loss

During the quarter, the Group transferred financial assets consisting primarily corporate bonds of $512 million from Level 1 to Level 2 due to reduced market activity for these financial instruments. During the same period, the Group transferred financial assets which relate mainly to corporate bonds of $16 million from Level 2 to Level 1 arising from increased market activity for these financial instruments.

The Group's policy is to recognise transfers between the levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

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

In $ millions	Opening balance	Fair value gains or losses Profit or loss	Other comprehensive income	Purc-hases	Issues	Settle-ments	Transfers in	Transfers out	Closing balance
1st Qtr 2013									
Assets									
Financial assets at fair value through profit or loss	97	(2)	-	1	-	(5)	1	-	92
Available-for-sale financial investments	162	3	19	1	-	(6)	-	-	179
Positive fair values for financial derivatives	22	(1)	-	1	-	-	29	(12)	39
Total	281	-	19	3	-	(11)	30	(12)	310
Liabilities									
Financial liabilities at fair value through profit or loss	26	(1)	-	-	-	(2)	-	-	23
Negative fair values for financial derivatives	11	1	-	-	-	-	42	(5)	49
Total	37	-	-	-	-	(2)	42	(5)	72

Transfers into Level 3 during the period primarily relate to reduced transparency of pricing data and markets for certain credit names.

Gain and losses on financial assets and liabilities measured at fair value

In $ millions 1st Qtr 2013	Category reported in the Income Statement Net trading Income	Net income from financial investments	Total
Total gains or losses for the period included in profit or loss	(3)	3	-
Of Which:			
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(3)	-	(3)

Fair value gains or losses taken to Other Comprehensive Income are reported in the Statement of Comprehensive Income as "Net valuation taken to equity".

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

As at 31 March 2013, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) include unquoted equity investments, corporate debt securities, equity, interest rate and credit derivatives and financial liabilities from structured product issuances.

There are limited inter-relationships between unobservable inputs as the financial instruments are usually categorized into Level 3 because of a single unobservable input.

In estimating significance, the Group performed sensitivity analysis based on methodologies applied for fair value adjustments. These adjustments reflect the values which the Group estimates to be appropriate to reflect uncertainties in the inputs used (e.g. based on stress testing methodologies on the unobservable input). The methodologies used can be statistical or based on other relevant approved techniques.

The movement in fair value arising from reasonably possible changes to the valuation assumptions is assessed as not significant.

In $ millions	Fair Value at 31 Mar 2013	Classification	Valuation technique	Unobservable Input
Assets				
Corporate debt securities	92	FVPL(a)	Discounted Cash Flows	Credit spreads
Corporate debt securities	36	AFS(b)	Discounted Cash Flows	Credit spreads
Equity securities (Unquoted)	143	AFS(b)	Net Asset Value	Net asset value of securities
Positive fair values for financial derivatives	39	FVPL(a)	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
Total	310			
Liabilities				
Other debt securities in issue and other financial liabilities	23	FVPL(a)	Discounted Cash Flows / Option & interest rate pricing model	Credit spreads / Correlations
Negative fair values for financial derivatives	49	FVPL(a)	Option/ Interest rate pricing model	Correlations
Total	72			

(a) FVPL denotes financial instruments classified as fair value through profit or loss
(b) AFS denotes financial instruments classified as available-for-sale

Financial assets and liabilities not carried at fair value

Unquoted equities of $219 million as at 31 March 2013 were stated at cost less accumulated impairment losses because the fair value cannot be reliably estimated using valuation techniques supported by observable market data. The Group intends to dispose of such instruments through public listing or trade sale.

For all other financial assets and liabilities not carried at fair value on the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at the end of the financial period.

2. Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are presented net when there is a legally enforceable right to set off the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 March 2013, “Loans and advances to customers” of $3,130 million (31 December 2012: $3,710 million) were set off against “Due to non-bank customers” of $3,194 million (31 December 2012: $3,734 million) because contractually the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates. This resulted in a net amount of $64 million being reported under “Due to non-bank customers” as at 31 March 2013 (31 December 2012: $24 million).

Financial assets and liabilities subject to netting agreement but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to set off the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collaterals received and posted under these agreements are generally conducted under terms that are in accordance with normal market practice. In these agreements, the counterparty is typically allowed to sell or repledge those non-cash collaterals (i.e. securities) lent or transferred, but has an obligation to return the securities at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to pay additional cash collateral, and typically the counterparty has recourse only to the securities. Please refer to the Risk Management section of the Group’s 2012 Annual Report for further details around the impact of a downgrade of the Group on its requirement to post more collateral.

In addition, the Group receives cash and other collaterals such as marketable securities to reduce its credit exposure. The Group also engages in a variety of counterparty credit mitigation strategies in addition to netting and collateral arrangements. The Risk Management section of the Group’s 2012 Annual Report explains the use of such credit risk mitigants.

The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group’s balance sheet but are subject to enforceable master netting arrangement or similar agreement that covers similar financial instruments. The disclosures enable the understanding of both the gross and net amounts (for IFRS and US GAAP readers respectively), as well as provide additional information on how such credit risk is mitigated.

31 Mar 2013

In $ millions				Related amounts not set off on balance sheet		
Types of financial assets/liabilities	**Carrying amounts on balance sheet (A)**	**Financial instruments not in scope of offsetting disclosures (B)**	**Gross recognised financial instruments in scope (A - B= C + D +E)**	**Financial instruments (C)**	**Cash collateral received/ pledged (D)**	**Net amounts in scope (E)**
Financial Assets						
Positive fair values for financial derivatives	14,943[a]	5,820[b]	9,123	8,590[b]	373	160
Reverse repurchase agreements	4,059[c]	-	4,059	4,059	-	-
Securities borrowings	104[d]	-	104	96	-	8
Total	19,106	5,820	13,286	12,745	373	168
Financial Liabilities						
Negative fair values for financial derivatives	15,277[a]	4,520[b]	10,757	8,550[b]	1,746	461
Repurchase agreements	6,201[e]	425	5,776	5,776	-	-
Securities lendings	5[f]	-	5	5	-	-
Total	21,483	4,945	16,538	14,331	1,746	461

31 Dec 2012

In $ millions				Related amounts not set off on balance sheet		
Types of financial assets/liabilities	Carrying amounts on balance sheet (A)	Financial instruments not in scope of offsetting disclosures (B)	Gross recognised financial instruments in scope (A - B= C + D +E)	Financial instruments (C)	Cash collateral received/ pledged (D)	Net amounts in scope (E)
Financial Assets						
Positive fair values for financial derivatives	17,280[a]	7,139[b]	10,141	9,624[b]	447	70
Reverse repurchase agreements	2,429[c]	-	2,429	2,429	-	-
Securities borrowings	76[d]	-	76	71	-	5
Total	19,785	7,139	12,646	12,124	447	75
Financial Liabilities						
Negative fair values for financial derivatives	17,532 [a]	5,521 [b]	12,011	9,662[b]	1,936	413
Repurchase agreements	3,335 [e]	420	2,915	2,914	-	1
Securities lendings	1 [f]	-	1	-	-	1
Total	20,868	5,941	14,927	12,576	1,936	415

Notes:
(a) Derivatives are measured at fair value through profit or loss.
(b) Related amounts under "Financial Instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) as set out under MAS Notice 637, which incorporates a conservative stance on enforceable netting. Accordingly, the amounts shown under "Financial assets/liabilities not in scope of offsetting disclosures" are those where either no netting agreement exists or where the netting agreement has not been recognised for computation of CAR.
(c) Reverse repurchase agreements shown above are the aggregate of transactions recorded in separate line items on the balance sheet, namely "Cash and balances with central banks" , "Financial assets at fair value through profit or loss", "Due from banks", and "Loans and advances to customers". These transactions are measured at either fair value through profit or loss or amortised cost.
(d) Cash collateral placed under securities borrowings are presented under "Other assets" on the balance sheet, and are measured at amortised cost.
(e) Repurchase agreements shown above is the aggregate of transactions recorded in separate line items on the balance sheet, namely "Financial liabilities at fair value through profit or loss", "Due to banks", and "Due to non-bank customers". These transactions are measured at either fair value through profit or loss or amortised cost.
(f) Cash collateral placed under securities lendings are presented under "Other liabilities" on the balance sheet, and are measured at amortised cost.

3. Off-Balance Sheet Items

In $ millions	31 Mar 2013	31 Dec 2012	31 Mar 2012
Contingent liabilities	24,203	21,059	21,860
Commitments[a]	142,012	136,698	125,742
Financial Derivatives	1,465,082	1,426,209	1,663,069

Note:
(a) Includes commitments that are unconditionally cancellable at any time of $108,961 million (Dec'12:$103,666 million, Mar'12:$105,351 million)

4. Capital Adequacy – DBS Bank (Hong Kong) Limited

The following disclosures are made pursuant to the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" (MAS Notice 637).

DBS Bank (Hong Kong) Limited (DBSHK) is deemed to be a significant banking subsidiary for the purposes of Pillar 3 disclosures under MAS Notice 637 paragraph 11.3.7.

In HK$ billions	**31 Mar 2013** [2/]	**31 Dec 2012** [2/]	**31 Mar 2012** [2/]
Risk-weighted assets[1/]	217.7	184.5	199.7
CAR (%)[1/]			
Common Equity Tier 1	12.7	NA	NA
Tier 1	12.7	14.3	12.1
Total	14.7	16.7	14.3

Notes:
1/ The capital adequacy ratios are calculated in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority (HKMA). DBSHK uses the Internal Ratings-Based ("IRB") approach for the calculation of the risk-weighted assets for the majority of its credit risk exposures and the Standardised approach for those exempted from the IRB approach. DBSHK uses the Standardised approaches for the calculation of risk-weighted assets for market risk and operational risk.
2/ HKMA implemented Basel III capital adequacy requirements in the Banking (Capital) Rules with effect from 1 January 2013. Capital adequacy disclosures relating to dates prior to 1 January 2013 were calculated in accordance with the then prevailing capital adequacy requirements and are thus not directly comparable to those pertaining to dates from 1 January 2013.
NA Not Applicable

CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Piyush Gupta, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the First Quarter ended 31 March 2013 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

30 April 2013
Singapore