

To: Shareholders

The DBS Group Holdings Ltd (“DBSH” or “the Company”) Board of Directors reports unaudited financial results for the first half of 2015, details of which are in the accompanying performance summary.

For the first half of 2015, the Directors have declared an interim one-tier tax-exempt dividend of 30 cents (first half 2014: 28 cents) for each DBSH ordinary share. The DBSH Scrip Dividend Scheme will be applied to these dividends.

Details of these interim dividends are as follows:

In \$ millions	2015	2014
DBSH Non-voting redeemable CPS		
Interim one-tier tax exempt dividend of - cents (2014 : 28.0 cents)	-	8
DBSH ordinary shares		
Interim one-tier tax exempt dividend of 30.0 cents (2014 : 28.0 cents)	753	689
	<u>753</u>	<u>697</u>

The DBSH ordinary shares will be quoted ex-dividend on 31 July 2015. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 5 August 2015. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 4 August 2015 will be registered to determine shareholders' entitlement to the first half 2015 one-tier tax-exempt dividends. The issue price for new shares to be allotted to shareholders who have elected to receive the interim dividends in scrip shall be the average of the last dealt prices of each DBSH ordinary share on the SGX-ST for each of 31 July, 3 August and 4 August 2015

The first half 2015 one-tier tax-exempt dividends will be payable on or about 25 September 2015. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the first half 2015 one-tier tax-exempt dividends will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

A separate announcement which will outline further administrative details on the application of the DBSH Scrip Dividend Scheme to the first half 2015 dividends will be made in due course.

By order of the Board

Goh Peng Fong
 Group Secretary

24 July 2015
 Singapore

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



Performance Summary

Unaudited Financial Results
For the First Half / Second Quarter ended
30 June 2015

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

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DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its consolidated DBSH Group (“Group”) financial statements in accordance with Singapore Financial Reporting Standard (“FRS”), as modified by the requirements of Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2014, with the exception of the adoption of new or revised FRS.

On 1 January 2015, the Group adopted the following revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- Improvements to FRSs (issued in January 2014)
- Improvements to FRSs (issued in February 2014)

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

	2nd Qtr 2015	2nd Qtr 2014	% chg	1st Qtr 2015	% chg	1st Half 2015	1st Half 2014	% chg
Selected income statement items (\$m)								
Net interest income	1,743	1,557	12	1,690	3	3,433	3,045	13
Net fee and commission income	582	503	16	560	4	1,142	1,013	13
Other non-interest income	365	253	44	486	(25)	851	706	21
Total income	2,690	2,313	16	2,736	(2)	5,426	4,764	14
Expenses	1,218	1,054	16	1,181	3	2,399	2,095	15
Profit before allowances	1,472	1,259	17	1,555	(5)	3,027	2,669	13
Allowances for credit and other losses	137	128	7	181	(24)	318	279	14
Profit before tax	1,345	1,182	14	1,378	(2)	2,723	2,454	11
Net profit	1,117	969	15	1,133	(1)	2,250	2,002	12
One-time items ^{1/}	-	-	-	136	(100)	136	198	(31)
Net profit including one-time items	1,117	969	15	1,269	(12)	2,386	2,200	8
Selected balance sheet items (\$m)								
Customer loans	280,071	257,355	9	280,808	-	280,071	257,355	9
Total assets	440,257	417,275	6	456,647	(4)	440,257	417,275	6
Customer deposits	305,913	299,399	2	324,480	(6)	305,913	299,399	2
Total liabilities	398,664	378,537	5	414,926	(4)	398,664	378,537	5
Shareholders’ funds	39,168	36,188	8	39,189	-	39,168	36,188	8
Key financial ratios (%) (excluding one-time items) ^{2/}								
Net interest margin	1.75	1.67		1.69		1.72	1.66	
Non-interest/total income	35.2	32.7		38.2		36.7	36.1	
Cost/income ratio	45.3	45.6		43.2		44.2	44.0	
Return on assets	1.00	0.93		1.02		1.02	0.98	
Return on equity ^{3/}	11.6	11.0		12.2		11.9	11.7	
Loan/deposit ratio	91.6	86.0		86.5		91.6	86.0	
NPL ratio	0.9	0.9		0.9		0.9	0.9	
Specific allowances (loans)/average loans (bp)	19	14		22		20	14	
Common Equity Tier 1 capital adequacy ratio	13.4	13.5		13.4		13.4	13.5	
Tier 1 capital adequacy ratio	13.4	13.5		13.4		13.4	13.5	
Total capital adequacy ratio	15.3	15.7		15.3		15.3	15.7	
Leverage ratio ^{4/}	7.3	NA		7.1		7.3	NA	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	2nd Qtr 2015	2nd Qtr 2014	1st Qtr 2015	1st Half 2015	1st Half 2014
Per share data (\$)					
Per basic share					
– earnings excluding one-time items	1.78	1.57	1.84	1.81	1.63
– earnings	1.78	1.57	1.89	1.86	1.71
– net book value ^{5/}	15.29	14.32	15.42	15.29	14.32
Per diluted share					
– earnings excluding one-time items	1.78	1.55	1.82	1.81	1.61
– earnings	1.78	1.55	1.87	1.86	1.69
– net book value ^{5/}	15.29	14.21	15.30	15.29	14.21

Notes:

- 1/ First quarter/ First half 2015: relates to gain from disposal of a property investment. First half 2014: relates to net gain on divestment of remaining stake in the Bank of the Philippine Islands of \$223 million less a sum of \$25 million donated to National Gallery Singapore.
- 2/ Return on assets, return on equity, specific allowances (loan)/average loans and per share data for the quarters 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/ The leverage ratio, which is based on the revised MAS Notice 637, took effect on 1 January 2015.
- 5/ Non-controlling interests are not included as equity in the computation of net book value per share.
- NA Not applicable

Net profit rose 15% from a year ago to \$1.12 billion. Total income increased 16% to \$2.69 billion as net interest income and fee income reached new highs. Net profit was 1% below the record earnings in the previous quarter. Higher net interest income and fee income were offset by a decline in trading income from a high base.

Net interest income increased 12% from a year ago to \$1.74 billion. Loans grew 9%, partly due to currency effects, as higher corporate and housing loans were partially offset by lower trade loans. Net interest margin rose eight basis points to 1.75%. Compared to the previous quarter, net interest income was 3% higher. Loans grew 1% in constant-currency terms. Net interest margin was six basis points higher as Singapore-dollar loans were repriced and the excess liquidity in the previous quarter was managed out.

Non-interest income increased 25% from a year ago to \$947 million. Net fee income rose 16% to \$582 million as contributions from most activities recorded double-digit percentage growth. Trading income was also higher. Compared to the previous quarter, non-interest income fell 9% as a 4% increase in net fee income was more than offset by a decline in trading income and gains from investment securities.

Expenses rose 16% from a year ago and 3% from the previous quarter to \$1.22 billion. Profit before allowances grew 17% from a year ago to \$1.47 billion.

Asset quality remained healthy with the non-performing loan rate unchanged from recent quarters at 0.9%. Specific allowances for loans of 19 basis points were

below the 22 basis points in the previous quarter. Allowance coverage was at 160% and 304% if collateral was considered.

Liquidity was ample. The average liquidity coverage ratio during the quarter of 131% was comfortably above regulatory requirements. The loan-deposit ratio was 92%.

The Group remained well-capitalised. The Common Equity Tier 1 ratio was at 13.4% while the leverage ratio was at 7.3%. Return on equity was 11.6% compared to 11.0% a year ago.

The higher earnings compared to a year ago was moderated by lower associate contributions, which had been boosted a year ago by a non-recurring gain of \$39 million from the divestment of the operating entities of Hwang Capital (Malaysia).

For the first half, net profit rose to a record \$2.39 billion. There was a one-time gain of \$136 million from the disposal of a property investment. Excluding the gain, net profit rose 12% to \$2.25 billion. A 14% increase in total income to \$5.43 billion was partially offset by higher expenses and allowances. There had been specific allowance write-backs a year ago from loan resolutions.

NET INTEREST INCOME

Average balance sheet	2nd Qtr 2015			2nd Qtr 2014			1st Qtr 2015		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer non-trade loans	231,436	1,498	2.60	204,664	1,291	2.53	228,853	1,439	2.55
Trade assets	53,093	325	2.46	63,497	406	2.56	58,993	370	2.54
Interbank assets ^{1/}	38,348	125	1.31	40,312	145	1.44	45,779	146	1.29
Securities	76,694	448	2.34	65,668	376	2.30	72,909	425	2.36
Total	399,571	2,396	2.41	374,141	2,218	2.38	406,534	2,380	2.37
Interest-bearing liabilities									
Customer deposits	313,899	508	0.65	296,929	525	0.71	320,279	543	0.69
Other borrowings	57,234	145	1.02	52,638	136	1.04	58,277	147	1.02
Total	371,133	653	0.71	349,567	661	0.76	378,556	690	0.74
Net interest income/margin ^{2/}		1,743	1.75		1,557	1.67		1,690	1.69

Average balance sheet	1st Half 2015			1st Half 2014		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	230,152	2,937	2.57	203,451	2,535	2.51
Trade assets	56,027	695	2.50	63,083	810	2.59
Interbank assets ^{1/}	42,274	271	1.29	38,335	289	1.52
Securities	74,674	873	2.36	64,560	713	2.23
Total	403,127	4,776	2.39	369,429	4,347	2.37
Interest-bearing liabilities						
Customer deposits	317,071	1,051	0.67	294,063	1,042	0.71
Other borrowings	57,833	292	1.02	50,652	260	1.04
Total	374,904	1,343	0.72	344,715	1,302	0.76
Net interest income/margin ^{2/}		3,433	1.72		3,045	1.66

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 12% from a year ago and 3% from the previous quarter to \$1.74 billion. Compared to the previous quarter, net interest margin was six basis points higher at 1.75%. More Singapore-dollar loans were re-priced in line with higher interbank and swap offer rates. In addition, the excess liquidity in the previous quarter due to

surplus deposits and a sharp decline in trade loans was managed out.

For the first half, net interest income rose 13% to \$3.43 billion from higher net interest margin as well as higher loan volumes.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	2nd Qtr 2015 versus 2nd Qtr 2014			2nd Qtr 2015 versus 1st Qtr 2015		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	169	38	207	17	27	44
Trade assets	(66)	(15)	(81)	(37)	(13)	(50)
Interbank assets	(7)	(13)	(20)	(23)	1	(22)
Securities	63	9	72	22	(4)	18
Total	159	19	178	(21)	11	(10)
Interest expense						
Customer deposits	30	(47)	(17)	(11)	(30)	(41)
Other borrowings	12	(3)	9	(2)	(1)	(3)
Total	42	(50)	(8)	(13)	(31)	(44)
Net impact on net interest income	117	69	186	(8)	42	34
Due to change in number of days			-			19
Net Interest Income			186			53

Volume and rate analysis (\$m) Increase/(decrease) due to change in	1st Half 2015 versus 1st Half 2014		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	333	69	402
Trade assets	(91)	(24)	(115)
Interbank assets	30	(48)	(18)
Securities	112	48	160
Total	384	45	429
Interest expense			
Customer deposits	81	(72)	9
Other borrowings	37	(5)	32
Total	118	(77)	41
Net impact on net interest income	266	122	388
Due to change in number of days			-
Net Interest Income			388

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	2nd Qtr 2015	2nd Qtr 2014	% chg	1st Qtr 2015	% chg	1st Half 2015	1st Half 2014	% chg
Brokerage	56	42	33	45	24	101	85	19
Investment banking ^{2/}	52	46	13	26	100	78	83	(6)
Trade and transaction services ^{1/2/}	139	137	1	145	(4)	284	283	-
Loan-related	111	93	19	123	(10)	234	211	11
Cards ^{3/}	105	88	19	102	3	207	171	21
Wealth management	175	138	27	167	5	342	255	34
Others	19	17	12	18	6	37	40	(8)
Fee and commission income	657	561	17	626	5	1,283	1,128	14
Less: Fee and commission expense	75	58	29	66	14	141	115	23
Total	582	503	16	560	4	1,142	1,013	13

Notes:

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

2/ Fees from fiduciary services are reclassified from investment banking to trade and transaction services.

3/ Net of interchange fees paid.

Compared to a year ago, net fee income rose 16% to a new high of \$582 million. The increase was broad-based and led by wealth management, cards, brokerage and loan-related activities. Compared to the previous quarter, net fee income was 4% higher.

For the first half, net fee income rose 13% to \$1.14 billion from double-digit percentage growth in a broad range of activities.

OTHER NON-INTEREST INCOME

(\$m)	2nd Qtr 2015	2nd Qtr 2014	% chg	1st Qtr 2015	% chg	1st Half 2015	1st Half 2014	% chg
Net trading income	273	176	55	356	(23)	629	538	17
Net income from investment securities ^{1/}	43	62	(31)	103	(58)	146	100	46
Net gain on fixed assets	31	-	NM	15	>100	46	43	7
Others (includes rental income) ^{1/}	18	15	20	12	50	30	25	20
Total	365	253	44	486	(25)	851	706	21

Notes:

1/ Excludes one-time items.

NM Not Meaningful

Other non-interest income rose 44% from a year ago to \$365 million due to stronger trading income. Other non-interest income was 25% lower than the previous quarter as trading income and gains from investment securities declined from a high base.

For the first half, other non-interest income rose 21% to \$851 million. Trading income rose 17% to \$629 million as the Group was well-positioned in foreign exchange and interest rates during a period marked by central bank action. Income from investment securities increased 46% to \$146 million from higher profits booked on government securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	2nd Qtr 2015	2nd Qtr 2014	% chg	1st Qtr 2015	% chg	1st Half 2015	1st Half 2014	% chg
Staff	669	554	21	672	-	1,341	1,111	21
Occupancy	97	90	8	92	5	189	188	1
Computerisation	212	200	6	207	2	419	387	8
Revenue-related	78	62	26	62	26	140	121	16
Others	162	148	9	148	9	310	288	8
Total	1,218	1,054	16	1,181	3	2,399	2,095	15
Staff headcount at period-end	21,489	20,015	7	21,460	-	21,489	20,015	7

Included in the above table were:

Depreciation of properties and other fixed assets	63	54	17	60	5	123	107	15
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Expenses rose 16% from a year ago to \$1.22 billion. The increase was led by higher staff costs and revenue-related expenses. Compared to the previous quarter, expenses were 3% higher.

For the first half, expenses rose 15% to \$2.40 billion. The cost-income ratio was 44%, unchanged from a year ago.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	2nd Qtr 2015	2nd Qtr 2014	% chg	1st Qtr 2015	% chg	1st Half 2015	1st Half 2014	% chg
General allowances (GP)	(2)	28	NM	21	NM	19	84	(77)
Specific allowances (SP) for loans ^{1/}	132	88	50	151	(13)	283	181	56
Singapore	26	23	13	18	44	44	38	16
Hong Kong	7	12	(42)	30	(77)	37	22	68
Rest of Greater China	26	7	>100	39	(33)	65	10	>100
South and Southeast Asia	60	74	(19)	74	(19)	134	171	(22)
Rest of the World	13	(28)	NM	(10)	NM	3	(60)	NM
Specific allowances (SP) for securities, properties and other assets	7	12	(42)	9	(22)	16	14	14
Total	137	128	7	181	(24)	318	279	14

Notes:

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

NM Not Meaningful

Total allowances of \$137 million were 7% higher than a year ago. Specific allowances were higher, partly due to allowance write-backs from loan resolutions a year ago. Compared to the previous quarter, total allowances were 24% lower as specific and general allowances fell.

For the first half, total allowances were 14% higher as there had been specific allowance write-backs a year ago. General allowances declined in tandem with loan growth.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Selected income items					
2nd Qtr 2015					
Net interest income	510	867	194	172	1,743
Non-interest income	393	455	83	16	947
Total income	903	1,322	277	188	2,690
Expenses	549	421	146	102	1,218
Allowances for credit and other losses	18	104	(16)	31	137
Share of profits of associates and joint venture	-	-	-	10	10
Profit before tax	336	797	147	65	1,345
1st Qtr 2015 ^{1/}					
Net interest income	485	873	218	114	1,690
Non-interest income	376	477	168	25	1,046
Total income	861	1,350	386	139	2,736
Expenses	518	397	130	136	1,181
Allowances for credit and other losses	29	154	(22)	20	181
Share of profits of associates and joint venture	-	-	-	4	4
Profit before tax	314	799	278	(13)	1,378
2nd Qtr 2014					
Net interest income	401	814	250	92	1,557
Non-interest income	308	392	(13)	69	756
Total income	709	1,206	237	161	2,313
Expenses	472	373	115	94	1,054
Allowances for credit and other losses	22	67	2	37	128
Share of profits of associates and joint venture	1	-	-	50	51
Profit before tax	216	766	120	80	1,182
1st Half 2015 ^{1/}					
Net interest income	995	1,740	412	286	3,433
Non-interest income	769	932	251	41	1,993
Total income	1,764	2,672	663	327	5,426
Expenses	1,067	818	276	238	2,399
Allowances for credit and other losses	47	258	(38)	51	318
Share of profits of associates and joint venture	-	-	-	14	14
Profit before tax	650	1,596	425	52	2,723

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
1st Half 2014 ^{1/}					
Net interest income	785	1,580	468	212	3,045
Non-interest income	590	912	48	169	1,719
Total income	1,375	2,492	516	381	4,764
Expenses	909	730	237	219	2,095
Allowances for credit and other losses	51	196	2	30	279
Share of profits of associates and joint venture	3	-	-	61	64
Profit before tax	418	1,566	277	193	2,454
Selected balance sheet and other items ^{2/}					
30 Jun 2015					
Total assets before goodwill and intangibles	86,674	222,314	87,151	39,001	435,140
Goodwill and intangibles					5,117
Total assets					440,257
Total liabilities	170,699	143,852	37,878	46,235	398,664
Capital expenditure for 2nd Qtr 2015	18	8	4	51	81
Depreciation for 2nd Qtr 2015	9	3	1	50	63
31 Mar 2015					
Total assets before goodwill and intangibles	85,760	225,547	97,387	42,835	451,529
Goodwill and intangibles					5,118
Total assets					456,647
Total liabilities	170,939	159,629	44,346	40,012	414,926
Capital expenditure for 1st Qtr 2015	14	5	2	36	57
Depreciation for 1st Qtr 2015	9	3	1	47	60
30 Jun 2014					
Total assets before goodwill and intangibles	78,829	210,418	86,635	36,558	412,440
Goodwill and intangibles					4,835
Total assets					417,275
Total liabilities	146,108	154,347	59,053	19,029	378,537
Capital expenditure for 2nd Qtr 2014	20	5	1	39	65
Depreciation for 2nd Qtr 2014	8	3	2	41	54

Notes:

1/ Non-interest income 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 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, total income rose 5% to a record of \$903 million. Net interest income increased 5% to \$510 million from higher loan volumes and better deposit margin. Non-interest income increased 5% to \$393 million as investment and insurance product sales were higher. Expenses increased 6% to \$549 million while total allowances were \$11 million lower at \$18 million from lower general allowances. Profit before tax increased 7% to \$336 million.

Compared to a year ago, profit before tax was 56% higher as total income grew 27%. Net interest income rose 27% from higher loan volumes and net interest margin, while non-interest income was 28% higher from customer acquisitions and stronger wealth management product sales. Expenses rose 16%, while allowances were slightly lower.

For the first half, profit before tax was \$650 million, 56% higher than a year ago. Total income increased 28% to \$1.76 billion. Net interest income rose 27% to \$995 million from higher loan volumes and net interest margin, while non-interest income increased 30% to \$769 million as contributions from wealth management and cards fees were higher.

Expenses rose 17% to \$1.07 billion due to headcount growth, investments in business capabilities and higher marketing and advertising activities. Allowances were little changed at \$47 million.

Institutional Banking

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

Compared to the previous quarter, profit before tax was little changed at \$797 million. Net interest income was stable as higher swap offer rates on Singapore-dollar loans and lower deposit costs from run-off of deposits were offset by lower China-related trade income. Non-interest income declined from lower loan-related activities, in line with slower loan growth. Total income declined 2% to \$1.32 billion. Expenses rose 6% from headcount increases to support business growth. Allowances declined 32% to \$104 million as both specific and general allowances were lower.

Compared to a year ago, profit before tax rose 4% as total income increased 10% from higher loan volumes, improved net interest margin and higher treasury

customer flows. These were partially offset by lower trade income from the slowdown in China-related trade. Total expenses increased 13% from higher headcount. Total allowances increased 55% as specific allowances were higher.

For the first half, profit before tax increased 2% to \$1.60 billion as income growth was partially offset by higher expenses and allowances. Total income grew 7% to \$2.67 billion as net interest income increased 10%. Expenses rose 12% to \$818 million as headcount increased. Allowances were \$62 million higher at \$258 million from higher specific 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 marking and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer Banking/Wealth Management (CBG) and Institutional Banking (IBG), is reflected in the respective segments. Treasury is also responsible for managing surplus funds.

Compared to the previous quarter, profit before tax was 47% lower at \$147 million. Total income declined 28% from a high base in the previous quarter to \$277 million as trading income from interest rate and foreign exchange activities were lower, while expenses rose 12% to \$146 million.

Compared to a year ago, profit before tax rose 23%. Total income increased 17% as trading gains from foreign exchange activities were higher, while expenses grew 27%.

For the first half, profit before tax rose 53% to \$425 million. Total income increased 28% to \$663 million as trading gains from foreign exchange and credit activities were higher, while expenses grew 16% to \$276 million.

Income from treasury customer flows, which is reflected in CBG and IBG, was \$335 million in the second quarter, unchanged from the previous quarter. Higher fixed income contribution was offset by lower income from RMB-related products. Income from customer flows was 23% higher compared to a year ago largely contributed by fixed income and RMB-related products, foreign exchange and equity products. For the half year, income from customer flows rose 7% to \$670 million largely contributed by foreign exchange and equity products.

Others

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY ^{1/}

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income items						
2nd Qtr 2015						
Net interest income	1,149	321	138	90	45	1,743
Non-interest income	475	301	128	37	6	947
Total income	1,624	622	266	127	51	2,690
Expenses	711	231	173	83	20	1,218
Allowances for credit and other losses	56	15	4	51	11	137
Share of profits of associates and joint venture	3	-	6	1	-	10
Profit before tax	860	376	95	(6)	20	1,345
Income tax expense	125	56	16	(6)	6	197
Net profit	704	320	79	-	14	1,117
1st Qtr 2015 ^{2/}						
Net interest income	1,096	309	145	95	45	1,690
Non-interest income	607	230	137	61	11	1,046
Total income	1,703	539	282	156	56	2,736
Expenses	674	229	171	83	24	1,181
Allowances for credit and other losses	40	28	39	68	6	181
Share of profits of associates and joint venture	(2)	-	4	2	-	4
Profit before tax	987	282	76	7	26	1,378
Income tax expense	155	42	6	-	12	215
Net profit	802	240	70	7	14	1,133
2nd Qtr 2014						
Net interest income	1,003	253	146	100	55	1,557
Non-interest income	458	173	80	35	10	756
Total income	1,461	426	226	135	65	2,313
Expenses	624	186	151	73	20	1,054
Allowances for credit and other losses	62	1	8	48	9	128
Share of profits of associates and joint venture	6	1	2	42	-	51
Profit before tax	781	240	69	56	36	1,182
Income tax expense	117	40	6	11	6	180
Net profit	631	200	63	45	30	969

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
1st Half 2015 ^{2/}						
Net interest income	2,245	630	283	185	90	3,433
Non-interest income	1,082	531	265	98	17	1,993
Total income	3,327	1,161	548	283	107	5,426
Expenses	1,385	460	344	166	44	2,399
Allowances for credit and other losses	96	43	43	119	17	318
Share of profits of associates and joint venture	1	-	10	3	-	14
Profit before tax	1,847	658	171	1	46	2,723
Income tax expense	280	98	22	(6)	18	412
Net profit	1,506	560	149	7	28	2,250
1st Half 2014 ^{2/}						
Net interest income	1,934	513	300	196	102	3,045
Non-interest income	998	419	203	76	23	1,719
Total income	2,932	932	503	272	125	4,764
Expenses	1,253	364	291	146	41	2,095
Allowances for credit and other losses	131	5	19	110	14	279
Share of profits of associates and joint venture	11	3	3	47	-	64
Profit before tax	1,559	566	196	63	70	2,454
Income tax expense	234	94	36	6	9	379
Net profit	1,252	472	160	57	61	2,002
Selected balance sheet items						
30 Jun 2015						
Total assets before goodwill and intangibles	286,166	73,451	42,886	17,401	15,236	435,140
Goodwill and intangibles	5,083	34	-	-	-	5,117
Total assets	291,249	73,485	42,886	17,401	15,236	440,257
Non-current assets ^{3/}	1,959	376	82	43	2	2,462
Gross customer loans	186,391	56,072	21,828	11,009	8,423	283,723
31 Mar 2015						
Total assets before goodwill and intangibles	295,652	76,389	45,913	18,927	14,648	451,529
Goodwill and intangibles	5,083	35	-	-	-	5,118
Total assets	300,735	76,424	45,913	18,927	14,648	456,647
Non-current assets ^{3/}	1,955	395	83	43	1	2,477
Gross customer loans	186,116	56,822	22,390	11,142	8,028	284,498
30 Jun 2014						
Total assets before goodwill and intangibles	274,009	63,292	42,322	17,951	14,866	412,440
Goodwill and intangibles	4,802	33	-	-	-	4,835
Total assets	278,811	63,325	42,322	17,951	14,866	417,275
Non-current assets ^{3/}	1,939	354	98	32	2	2,425
Gross customer loans	172,919	49,434	20,247	10,205	7,953	260,758

Notes:

1/ The geographical segment analysis is based on the location where transactions and assets are booked.

2/ Non-interest income and net profit exclude one-time items.

3/ Includes interests in associates and joint venture, properties and other fixed assets.

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

Singapore

Net profit declined 12% from the previous quarter to \$704 million. Total income was 5% lower at \$1.62 billion, while expenses rose 5% to \$711 million. Net interest income rose 5% to \$1.15 billion from higher net interest margin, while non-interest income declined 22% to \$475 million as trading income and gains on investment securities were lower. Profit before allowances were 11% lower at \$913 million.

Total allowances rose from \$40 million to \$56 million as an increase in specific allowances was partially offset by lower general allowances.

Compared to a year ago, net profit rose 12%. An 11% increase in total income was partially offset by a 14% rise in expenses. Allowances declined from \$62 million to \$56 million as general allowances were lower.

For the first half, net profit rose 20% to \$1.51 billion. Total income increased 13% to \$3.33 billion from higher net interest margin, loan volumes and wealth management contributions. Expenses were 11% higher at \$1.39 billion. Allowances fell 27% from lower general allowances.

Hong Kong

Currency effects in the second quarter were minimal compared to the previous quarter. Compared to a year ago, the second quarter's results incorporated a 7% appreciation of the Hong Kong dollar against the Singapore dollar.

Net profit rose 33% from the previous quarter to a record \$320 million as total income increased 15% to \$622 million, a new high. Net interest income increased 4% to \$321 million as net interest margin rose 11 basis points to 1.67% as the loan and deposit mix improved. Non-interest income increased 31% to \$301 million from higher wealth management and investment banking fees. In addition there was a property disposal gain of \$31 million.

Expenses were little changed at \$231 million. Allowances were halved from the previous quarter to \$15 million as lower specific allowances were partially offset by higher general allowances in line with loan growth.

Compared to a year ago, net profit was 60% higher. Net interest income increased 27% from higher loan volumes and improved net interest margin. Non-interest income rose 74%. Fee income was higher, led by wealth management, brokerage, card and debt origination activities. Other non-interest income was also higher from increased trading and treasury customer income, as well as a property disposal gain.

Expenses rose 24% due to higher headcount and from the impact of the acquisition of Societe Generale's private banking business and the consolidation of a

credit card joint venture. Allowances rose to \$15 million from \$1 million a year ago from higher general allowances.

For the first half, net profit rose 19% to \$560 million. Total income increased 25% to \$1.16 billion. Net interest income was 23% higher at \$630 million as loan volumes and net interest margin were higher. Non-interest income rose 27% to \$531 million led by increases in wealth management, brokerage and trading income. Expenses were 26% higher at \$460 million and allowances rose to \$43 million from \$5 million as both specific and general allowances rose.

Rest of Greater China

Net profit rose 13% from the previous quarter to \$79 million. Net interest income was 5% lower at \$138 million from lower net interest margin. Non-interest income fell 7% to \$128 million due to lower fees, treasury customer flow income, and the impact of a property disposal gain in the previous quarter. These were partially offset by higher trading income. Expenses were little changed at \$173 million. Total allowances fell from \$39 million to \$4 million due to lower specific allowances.

Compared to a year ago, net profit rose 25%. Net interest income fell 5% from lower net interest margin partially offset by higher loan volumes, while non-interest income was 60% higher mainly from higher income from treasury customer flows, trading income and fees. Total income was 18% higher and expenses rose 15%. Allowances fell to \$4 million from \$8 million a year ago.

For the first half, net profit fell 7% from a year ago to \$149 million. Total income was 9% higher at \$548 million as higher non-interest income was partially offset by lower net interest income. Expenses were 18% higher at \$344 million. Allowances rose to \$43 million from \$19 million due to higher specific allowances partially offset by lower general allowances.

South and Southeast Asia

Total income declined 19% from the previous quarter to \$127 million due to slower business momentum, partially offset by a 25% decline in allowances.

The better performance a year ago reflected a non-recurring gain of \$39 million from the divestment of the operating entities of Hwang Capital (Malaysia).

Rest of the World

Net profit remained unchanged from the previous quarter at \$14 million. Total income was 9% lower at \$51 million as trading income fell. Offsetting the lower income was a 17% decline in expenses to \$20 million.

The better performance a year ago reflected the conversion of the Los Angeles agency to a representative office with a consequent transfer of its business to Singapore.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Gross	283,723	284,498	279,154	260,758
Less:				
Specific allowances	983	1,020	983	937
General allowances	2,669	2,670	2,583	2,466
Net total	280,071	280,808	275,588	257,355
By business unit				
Consumer Banking/ Wealth Management	84,605	83,647	82,312	76,373
Institutional Banking	196,438	198,218	195,043	181,991
Others	2,680	2,633	1,799	2,394
Total (Gross)	283,723	284,498	279,154	260,758
By geography ^{1/}				
Singapore	129,819	130,809	129,167	123,410
Hong Kong	53,301	53,417	49,881	44,919
Rest of Greater China	48,357	48,984	50,865	48,656
South and Southeast Asia	27,345	26,490	25,446	23,303
Rest of the World	24,901	24,798	23,795	20,470
Total (Gross)	283,723	284,498	279,154	260,758
By industry				
Manufacturing	33,269	35,151	33,024	31,487
Building and construction	51,602	50,917	48,712	44,790
Housing loans	54,604	53,931	52,866	50,816
General commerce	54,192	52,959	56,658	54,826
Transportation, storage & communications	24,125	24,070	23,650	21,475
Financial institutions, investment & holding companies	15,951	16,925	16,168	14,475
Professionals & private individuals (excluding housing loans)	24,267	24,244	23,849	21,727
Others	25,713	26,301	24,227	21,162
Total (Gross)	283,723	284,498	279,154	260,758
By currency				
Singapore dollar	112,903	112,367	109,493	104,169
US dollar	90,023	94,523	96,552	90,045
Hong Kong dollar	34,632	34,767	32,476	29,968
Chinese yuan	22,655	21,006	20,399	17,116
Others	23,510	21,835	20,234	19,460
Total (Gross)	283,723	284,498	279,154	260,758

Note:

1/ Loans by geography are classified according to the country of incorporation of the borrower, or the issuing bank in the case of bank backed export financing.

Gross customer loans rose 9% from a year ago to \$284 billion. Growth in regional corporate and Singapore housing loans was partially offset by a decline in trade loans. Excluding currency effects, loans rose 5%.

Compared to the previous quarter, loans rose 1% in constant-currency terms as trade and Singapore housing loans grew. Reported loans were little changed due to currency translation effects.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	30 Jun 2015			31 Mar 2015			31 Dec 2014			30 Jun 2014		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)
Consumer Banking/ Wealth Management	289	0.3	60	282	0.3	60	276	0.3	60	296	0.4	75
Institutional Banking and Others	2,196	1.1	923	2,221	1.1	960	2,143	1.1	923	2,021	1.1	862
Total non-performing loans (NPL)	2,485	0.9	983	2,503	0.9	1,020	2,419	0.9	983	2,317	0.9	937
Debt securities	5	-	3	7	-	3	7	-	3	9	-	3
Contingent liabilities & others	81	-	48	80	-	46	87	-	44	104	-	47
Total non-performing assets (NPA)	2,571	-	1,034	2,590	-	1,069	2,513	-	1,030	2,430	-	987
By geography												
Singapore	512	0.4	161	469	0.4	146	428	0.3	143	422	0.3	129
Hong Kong	340	0.6	113	296	0.6	122	265	0.5	107	223	0.5	103
Rest of Greater China	356	0.7	134	374	0.8	161	342	0.7	132	289	0.6	147
South and Southeast Asia	777	2.8	368	851	3.2	390	906	3.6	411	819	3.5	326
Rest of the World	500	2.0	207	513	2.1	201	478	2.0	190	564	2.8	232
Total non-performing loans	2,485	0.9	983	2,503	0.9	1,020	2,419	0.9	983	2,317	0.9	937
Debt securities	5	-	3	7	-	3	7	-	3	9	-	3
Contingent liabilities & others	81	-	48	80	-	46	87	-	44	104	-	47
Total non-performing assets (NPA)	2,571	-	1,034	2,590	-	1,069	2,513	-	1,030	2,430	-	987
Loss Allowance Coverage												
Specific allowances			1,034			1,069			1,030			987
General allowances			3,089			3,109			3,054			2,942
Total allowances			4,123			4,178			4,084			3,929
Total allowances/ NPA			160%			161%			163%			162%
Total allowances/ unsecured NPA			304%			294%			296%			321%

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	30 Jun 2015		31 Mar 2015		31 Dec 2014		30 Jun 2014	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
	Manufacturing	620	289	673	332	660	331	544
Building and construction	341	94	360	113	357	115	382	135
Housing loans	114	7	116	7	113	8	110	9
General commerce	473	161	475	149	434	140	387	135
Transportation, storage & communications	363	168	340	157	338	153	331	131
Financial institutions, investment & holding companies	111	96	114	99	106	90	251	160
Professionals & private individuals (excluding housing loans)	183	54	175	56	166	53	157	50
Others	280	114	250	107	245	93	155	61
Total non-performing loans	2,485	983	2,503	1,020	2,419	983	2,317	937
Debt securities	5	3	7	3	7	3	9	3
Contingent liabilities & others	81	48	80	46	87	44	104	47
Total non-performing assets	2,571	1,034	2,590	1,069	2,513	1,030	2,430	987

By loan classification (\$m)	30 Jun 2015		31 Mar 2015		31 Dec 2014		30 Jun 2014	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
Non-performing assets								
Substandard	1,635	192	1,670	238	1,592	212	1,515	217
Doubtful	576	482	587	498	652	549	686	541
Loss	360	360	333	333	269	269	229	229
Total	2,571	1,034	2,590	1,069	2,513	1,030	2,430	987
Restructured assets								
Substandard	365	53	422	44	317	32	319	35
Doubtful	67	58	127	115	120	111	122	113
Loss	21	21	32	32	25	25	50	50
Total	453	132	581	191	462	168	491	198

By collateral type (\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
	NPA	NPA	NPA	NPA
Unsecured non-performing assets	1,356	1,420	1,378	1,224
Secured non-performing assets by collateral type				
Properties	524	477	441	375
Shares and debentures	309	345	316	398
Fixed deposits	11	7	11	13
Others	371	341	367	420
Total	2,571	2,590	2,513	2,430

By period overdue				
(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
	NPA	NPA	NPA	NPA
Not overdue	576	472	597	517
<90 days overdue	258	466	273	246
91-180 days overdue	353	169	162	254
>180 days overdue	1,384	1,483	1,481	1,413
Total	2,571	2,590	2,513	2,430

Non-performing assets of \$2.57 billion were 6% higher than a year ago but slightly below the previous quarter. The non-performing loan rate of 0.9% was unchanged

from both comparative periods. Allowance coverage was at 160% and at 304% if collateral was considered.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS

(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
By currency and product				
Singapore dollar	139,544	144,066	138,332	135,961
Fixed deposits	12,363	14,438	15,084	15,294
Savings accounts	104,745	105,070	100,693	100,011
Current accounts	22,341	24,420	22,463	20,634
Others	95	138	92	22
US dollar	85,095	92,374	93,445	85,417
Fixed deposits	49,667	54,763	54,311	52,551
Savings accounts	7,226	8,269	8,777	5,058
Current accounts	26,455	27,782	26,244	21,665
Others	1,747	1,560	4,113	6,143
Hong Kong dollar	33,928	37,410	31,450	27,964
Fixed deposits	19,102	24,494	19,437	16,593
Savings accounts	8,419	6,892	6,507	6,816
Current accounts	5,946	5,564	4,908	4,135
Others	461	460	598	420
Chinese yuan	17,372	18,968	20,463	19,246
Fixed deposits	14,825	16,709	17,413	17,088
Savings accounts	1,003	921	1,180	751
Current accounts	1,498	1,283	1,811	1,359
Others	46	55	59	48
Others	29,974	31,662	33,483	30,811
Fixed deposits	21,550	23,546	24,659	23,546
Savings accounts	2,938	2,715	2,596	2,230
Current accounts	3,931	4,809	5,450	4,196
Others	1,555	592	778	839
Total	305,913	324,480	317,173	299,399
Fixed deposits	117,507	133,950	130,904	125,072
Savings accounts	124,331	123,867	119,753	114,866
Current accounts	60,171	63,858	60,876	51,989
Others	3,904	2,805	5,640	7,472

Customer deposits fell 6% from the previous quarter to \$306 billion as surplus deposits were managed out. Savings deposits however continued to show growth despite intense competition. Compared to a year ago, total

deposits were 2% higher. An increase in savings and current accounts was partially offset by a decline in fixed deposits.

DEBTS ISSUED

(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Subordinated term debts	3,966	3,990	4,665	5,506
Senior medium term notes	12,697	12,099	10,857	7,480
Commercial papers	15,481	13,176	14,561	13,596
Negotiable certificates of deposit	984	1,101	1,072	1,465
Other debt securities	6,568	6,385	5,473	4,822
Total	39,696	36,751	36,628	32,869
Due within 1 year	26,653	22,573	23,919	20,524
Due after 1 year	13,043	14,178	12,709	12,345
Total	39,696	36,751	36,628	32,869

TRADING INCOME AND RISK

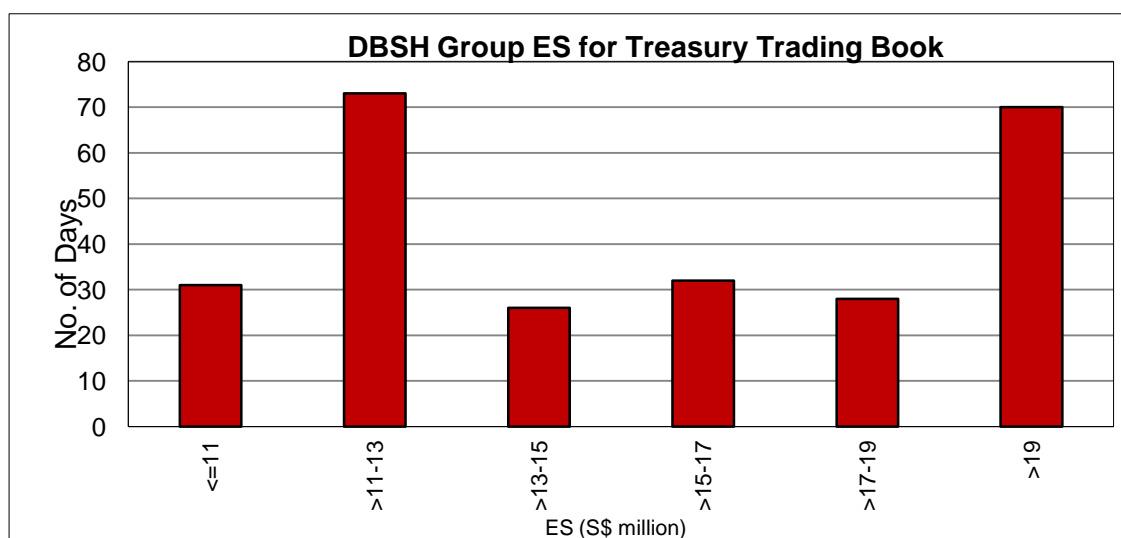
The Group's market risk appetite framework leverages on the Expected Shortfall (ES)^{1/} metric to monitor and limit market risk exposures. Expected Shortfall is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 95% confidence interval over a one-day holding period.

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

(\$m)	As at 30 Jun 2015	Average	1 Jul 2014 to 30 Jun 2015	
			High	Low
Total	21	15	22	9

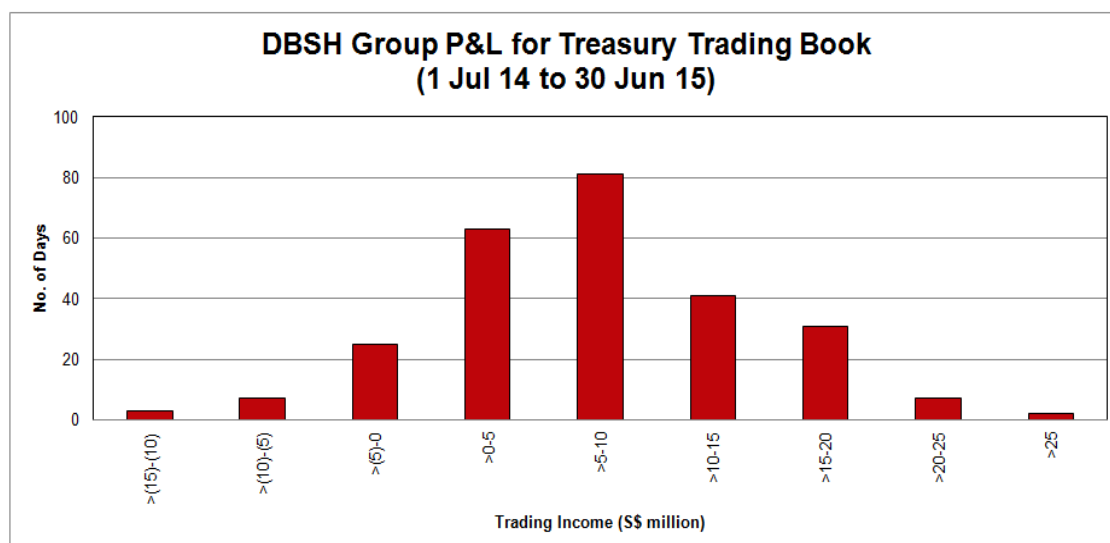
Similar to the corresponding period, Treasury's trading portfolio experienced three back-testing exceptions from 1 July 2014 to 30 June 2015. The exceptions occurred in September, December and January.

The chart below provides the histogram of Expected Shortfall (ES) for the Group's trading book for the period from 1 July 2014 and 30 June 2015.



1/ Previously called TVaR and renamed to align to BCBS and industry usage.

The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 July 2014 to 30 June 2015.



CAPITAL ADEQUACY

(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Share capital	10,361	10,118	10,113	9,865
Disclosed reserves and others	28,097	28,286	26,814	25,587
Total regulatory adjustments to Common Equity Tier 1 capital	(2,172)	(2,156)	(1,080)	(1,005)
Regulatory adjustments due to insufficient Additional Tier 1 capital	(287)	(140)	(1,144)	(847)
Common Equity Tier 1 capital	35,999	36,108	34,703	33,600
Additional Tier 1 capital instruments ^{1/}	2,972	3,094	3,179	3,170
Total regulatory adjustments to Additional Tier 1 capital	(2,972)	(3,094)	(3,179)	(3,170)
Tier 1 capital	35,999	36,108	34,703	33,600
Provisions eligible as Tier 2 capital	1,364	1,374	1,354	1,263
Tier 2 capital instruments ^{1/}	3,679	3,688	4,304	4,281
Total regulatory adjustments to Tier 2 capital	(1)	(1)	(1)	(1)
Total capital	41,041	41,169	40,360	39,143
Risk-Weighted Assets ("RWA")				
Credit RWA	208,094	210,023	206,423	191,642
Market RWA	43,224	43,026	41,813	42,601
Operational RWA	16,612	16,226	15,950	15,400
Total RWA	267,930	269,275	264,186	249,643
Capital Adequacy Ratio ("CAR") (%)				
Common Equity Tier 1	13.4	13.4	13.1	13.5
Tier 1	13.4	13.4	13.1	13.5
Total	15.3	15.3	15.3	15.7
Pro forma Common Equity Tier 1 under final rules effective 1 Jan 2018	12.3	12.2	11.9	12.2
Minimum CAR (%)				
Common Equity Tier 1	6.5	6.5	5.5	5.5
Tier 1	8.0	8.0	7.0	7.0
Total	10.0	10.0	10.0	10.0

Note:

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

The Group's capital adequacy ratios remained strong. The Common Equity Tier 1 ratio based on final rules increased by 0.1% points from the previous quarter to 12.3%. An increase in share capital (from the conversion of convertible preference shares to new ordinary shares and from the Scrip Dividend Scheme) as well as retained earnings offset the impact of dividends paid during the quarter. The Group's leverage ratio stood at 7.3%, well above the minimum 3% being envisaged by the Basel Committee.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

ADDITIONAL PILLAR 3 DISCLOSURES

The Composition of Capital, Main Features of Capital Instruments, Leverage Ratio and Quantitative Disclosures required pursuant to the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" ("Notice 637") are published in the Investor Relations section of the Group website: (<http://www.dbs.com/investor/index.html>).

Credit Risk-Weighted Assets ("RWA")

The following table analyses credit RWA by risk-weighting approach and asset class:

(\$m)	RWA ^{1/}
Advanced IRBA	
Retail exposures	
Residential mortgage exposures	3,929
Qualifying revolving retail exposures	3,779
Other retail exposures	397
Foundation IRBA	
Wholesale exposures	
Sovereign exposures	6,323
Bank exposures	17,561
Corporate exposures ^{2/}	96,867
Specialised lending exposures	26,952
IRBA for equity exposures	6,820
IRBA for securitisation exposures	120
Total IRBA	162,748
Standardised Approach	
Residential mortgage exposures	2,226
Regulatory retail exposures	1,442
Corporate exposures	10,051
Commercial real estate exposures	1,799
Other exposures	
Real estate, premises, equipment and other fixed assets	1,476
Exposures to individuals	14,033
Others	4,021
Securitisation exposures	312
Total Standardised Approach	35,360
Exposures to Central Counterparties	276
Credit Valuation Adjustment	7,270
RWA arising from Regulatory Adjustment ^{3/}	2,440
Total	208,094

Key: IRBA: Internal Ratings-Based Approach

Note:

1/ RWA under IRBA are stated inclusive of the IRBA scaling factor of 1.06 where applicable.

2/ Includes corporate small business exposures.

3/ Relates to investments in unconsolidated major stake companies which are below the threshold amount for deduction and are risk-weighted pursuant to paragraph 6.1.3(p)(iii) of MAS Notice 637.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Capital Adequacy of Significant Banking Subsidiaries

The capital adequacy ratios of each banking subsidiary are calculated in accordance with the regulatory requirements applicable in the country of incorporation, using the approaches available under those requirements. DBS Bank (Hong Kong) Limited and DBS Bank (China) Limited are deemed to be significant banking subsidiaries for the purposes of Pillar 3 disclosures under Notice 637 paragraph 11.3.7.

(\$m)	30 Jun 2015			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	35,553	15.2	15.2	17.4
DBS Bank (China) Limited	16,828	11.2	11.2	11.8

PROPERTY VALUATION SURPLUS

(\$m)	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Properties ^{1/}	857	882	885	788

Note:

^{1/} Stated at cost less accumulated depreciation and impairment losses in the balance sheet.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Income Statement

In \$ millions	2nd Qtr 2015	2nd Qtr 2014	+/(-) %	1st Qtr 2015	+/(-) %	1st Half 2015	1st Half 2014	+/(-) %
Income								
Interest income	2,396	2,218	8	2,380	1	4,776	4,347	10
Interest expense	653	661	(1)	690	(5)	1,343	1,302	3
Net interest income	1,743	1,557	12	1,690	3	3,433	3,045	13
Net fee and commission income	582	503	16	560	4	1,142	1,013	13
Net trading income	273	176	55	356	(23)	629	538	17
Net income from investment securities	43	62	(31)	239	(82)	282	100	>100
Other income	49	15	>100	27	81	76	266	(71)
Total income	2,690	2,313	16	2,872	(6)	5,562	4,962	12
Expenses								
Employee benefits	669	554	21	672	-	1,341	1,111	21
Other expenses	549	500	10	509	8	1,058	984	8
Allowances for credit and other losses	137	128	7	181	(24)	318	279	14
Total expenses	1,355	1,182	15	1,362	(1)	2,717	2,374	14
Operating profit after allowances	1,335	1,131	18	1,510	(12)	2,845	2,588	10
Share of profits of associates and joint venture	10	51	(80)	4	>100	14	64	(78)
Profit before tax	1,345	1,182	14	1,514	(11)	2,859	2,652	8
Income tax expense	197	180	9	215	(8)	412	379	9
Net profit	1,148	1,002	15	1,299	(12)	2,447	2,273	8
Attributable to:								
Shareholders	1,117	969	15	1,269	(12)	2,386	2,200	8
Non-controlling interests	31	33	(6)	30	3	61	73	(16)
	1,148	1,002	15	1,299	(12)	2,447	2,273	8

Unaudited Consolidated Statement of Comprehensive Income

In \$ millions	2nd Qtr 2015	2nd Qtr 2014	+/(-) %	1st Qtr 2015	+/(-) %	1st Half 2015	1st Half 2014	+/(-) %
Net profit	1,148	1,002	15	1,299	(12)	2,447	2,273	8
Other comprehensive income ^{1/} :								
Foreign currency translation differences for foreign operations	(130)	(26)	(>100)	127	NM	(3)	(3)	-
Share of other comprehensive income of associates and joint venture	(1)	(8)	88	1	NM	-	5	(100)
Available-for-sale financial assets and others								
<i>Net valuation taken to equity</i>	(210)	217	NM	144	NM	(66)	341	NM
<i>Transferred to income statement</i>	(2)	(25)	92	(62)	97	(64)	(39)	(64)
<i>Tax on items taken directly to or transferred from equity</i>	5	(11)	NM	(7)	NM	(2)	(13)	85
Other comprehensive income, net of tax	(338)	147	NM	203	NM	(135)	291	NM
Total comprehensive income	810	1,149	(30)	1,502	(46)	2,312	2,564	(10)
Attributable to:								
Shareholders	783	1,118	(30)	1,468	(47)	2,251	2,493	(10)
Non-controlling interests	27	31	(13)	34	(21)	61	71	(14)
	810	1,149	(30)	1,502	(46)	2,312	2,564	(10)

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				COMPANY			
	30 Jun 2015	31 Mar 2015	31 Dec 2014 ^{1/}	30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014 ^{1/}	30 Jun 2014
ASSETS								
Cash and balances with central banks	17,015	22,653	19,517	15,195				
Government securities and treasury bills	39,723	36,528	29,694	32,438				
Due from banks	28,882	36,939	42,263	42,805	9	13	13	
Derivatives	16,694	20,073	16,995	14,723	23	24	14	
Bank and corporate securities	39,246	37,907	37,763	36,496				
Loans and advances to customers	280,071	280,808	275,588	257,355				
Other assets	11,047	14,144	11,249	11,003				
Associates and joint venture	986	996	995	995				
Subsidiaries	-	-	-	-	19,246	19,498	19,416	12,487
Properties and other fixed assets	1,476	1,481	1,485	1,430				
Goodwill and intangibles	5,117	5,118	5,117	4,835				
TOTAL ASSETS	440,257	456,647	440,666	417,275	19,278	19,535	19,443	12,487
LIABILITIES								
Due to banks	18,509	15,901	16,176	15,776				
Deposits and balances from customers	305,913	324,480	317,173	299,399				
Derivatives	16,504	20,966	18,755	15,034	8	6		
Other liabilities	18,042	16,828	11,728	15,459	23	13	17	4
Other debt securities	35,730	32,761	31,963	27,363	1,695	1,740	1,661	
Subordinated term debts	3,966	3,990	4,665	5,506				
TOTAL LIABILITIES	398,664	414,926	400,460	378,537	1,726	1,759	1,678	4
NET ASSETS	41,593	41,721	40,206	38,738	17,552	17,776	17,765	12,483
EQUITY								
Share capital	10,263	10,247	10,171	9,922	10,283	10,267	10,194	9,946
Other equity instruments	803	803	803	803	803	803	803	803
Other reserves	6,647	7,030	6,894	6,755	118	89	152	106
Revenue reserves	21,455	21,109	19,840	18,708	6,348	6,617	6,616	1,628
SHAREHOLDERS' FUNDS	39,168	39,189	37,708	36,188	17,552	17,776	17,765	12,483
Non-controlling interests	2,425	2,532	2,498	2,550				
TOTAL EQUITY	41,593	41,721	40,206	38,738	17,552	17,776	17,765	12,483
OTHER INFORMATION								
Net book value per share (\$)								
(i) Basic	15.29	15.42	14.85	14.32	6.67	6.78	6.79	4.68
(ii) Diluted	15.29	15.30	14.74	14.21	6.67	6.77	6.77	4.69

Note:

1/ Audited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Statement of Changes in Equity For the half year ended 30 June 2015

In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2015	10,171	803	6,894	19,840	37,708	2,498	40,206
Purchase of treasury shares	(77)				(77)		(77)
Draw-down of reserves upon vesting of performance shares	84		(84)		-		-
Issue of shares upon exercise of share options	4				4		4
Reclassification of reserves upon exercise of share options	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	80				80		80
Cost of share-based payments			51		51		51
Acquisition of non-controlling interests			(78)		(78)	(72)	(150)
Dividends paid to shareholders ^{1/}				(771)	(771)		(771)
Dividends paid to non-controlling interests					-	(62)	(62)
Total comprehensive income			(135)	2,386	2,251	61	2,312
Balance at 30 June 2015	10,263	803	6,647	21,455	39,168	2,425	41,593
Balance at 1 January 2014	9,676	803	6,492	17,262	34,233	3,453	37,686
Purchase of treasury shares	(79)				(79)		(79)
Draw-down of reserves upon vesting of performance shares	67		(67)		-		-
Issue of shares upon exercise of share options	13				13		13
Reclassification of reserves upon exercise of share options	3		(3)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	242				242		242
Cost of share-based payments			40		40		40
Redemption of preference shares of a subsidiary					-	(895)	(895)
Dividends paid to shareholders ^{1/}				(754)	(754)		(754)
Dividends paid to non-controlling interests					-	(79)	(79)
Total comprehensive income			293	2,200	2,493	71	2,564
Balance at 30 June 2014	9,922	803	6,755	18,708	36,188	2,550	38,738

Note:

1/ Includes distributions paid on preference shares and capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Statement of Changes in Equity For the three months ended 30 June 2015

GROUP

In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non- controlling interests	Total equity
Balance at 1 April 2015	10,247	803	7,030	21,109	39,189	2,532	41,721
Purchase of treasury shares	(64)				(64)		(64)
Issue of shares pursuant to Scrip Dividend Scheme	80				80		80
Cost of share-based payments			29		29		29
Acquisition of non-controlling interests			(78)		(78)	(72)	(150)
Dividends paid to shareholders ^{1/}				(771)	(771)		(771)
Dividends paid to non-controlling interests					-	(62)	(62)
Total comprehensive income			(334)	1,117	783	27	810
Balance at 30 June 2015	10,263	803	6,647	21,455	39,168	2,425	41,593
Balance at 1 April 2014	9,684	803	6,587	18,493	35,567	2,580	38,147
Purchase of treasury shares	(7)				(7)		(7)
Draw-down of reserves upon vesting of performance shares	2		(2)		-		-
Issue of shares upon exercise of share options	1				1		1
Issue of shares pursuant to Scrip Dividend Scheme	242				242		242
Cost of share-based payments			21		21		21
Dividends paid to shareholders ^{1/}				(754)	(754)		(754)
Dividends paid to non-controlling interests					-	(61)	(61)
Total comprehensive income			149	969	1,118	31	1,149
Balance at 30 June 2014	9,922	803	6,755	18,708	36,188	2,550	38,738

Note:

1/ Includes distributions paid on preference shares and capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Statement of Changes in Equity For the half year ended 30 June 2015

COMPANY

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2015	10,194	803	152	6,616	17,765
Purchase of treasury shares	(77)				(77)
Transfer of treasury shares	81				81
Draw-down of reserves upon vesting of performance shares			(84)		(84)
Issue of shares upon exercise of share options	4				4
Reclassification of reserves upon exercise of share options	1		(1)		-
Cost of share-based payments			51		51
Issue of shares pursuant to Scrip Dividend Scheme	80				80
Dividends paid to shareholders ^{1/}				(771)	(771)
Total comprehensive income				503	503
Balance at 30 June 2015	10,283	803	118	6,348	17,552
Balance at 1 January 2014	9,704	803	136	1,893	12,536
Purchase of treasury shares	(79)				(79)
Transfer of treasury shares	63				63
Draw-down of reserves upon vesting of performance shares			(67)		(67)
Issue of shares upon exercise of share options	13				13
Reclassification of reserves upon exercise of share options	3		(3)		-
Cost of share-based payments			40		40
Issue of shares pursuant to Scrip Dividend Scheme	242				242
Dividends paid to shareholders ^{1/}				(754)	(754)
Total comprehensive income				489	489
Balance at 30 June 2014	9,946	803	106	1,628	12,483

Note:

^{1/} Includes distributions paid on preference shares and capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Statement of Changes in Equity For the three months ended 30 June 2015

COMPANY

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 April 2015	10,267	803	89	6,617	17,776
Purchase of treasury shares	(64)				(64)
Cost of share-based payments			29		29
Issue of shares pursuant to Scrip Dividend Scheme	80				80
Dividends paid to shareholders ^{1/}				(771)	(771)
Total comprehensive income				502	502
Balance at 30 June 2015	10,283	803	118	6,348	17,552
Balance at 1 April 2014	9,710	803	87	1,903	12,503
Purchase of treasury shares	(7)				(7)
Draw-down of reserves upon vesting of performance shares			(2)		(2)
Issue of shares upon exercise of share options	1				1
Cost of share-based payments			21		21
Issue of shares pursuant to Scrip Dividend Scheme	242				242
Dividends paid to shareholders ^{1/}				(754)	(754)
Total comprehensive income				479	479
Balance at 30 June 2014	9,946	803	106	1,628	12,483

Note:

1/ Includes distributions paid on preference shares and capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Cash Flow Statement

In \$ millions	1st Half 2015	1st Half 2014
Cash flows from operating activities		
Net profit	2,447	2,273
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	318	279
Depreciation of properties and other fixed assets	123	107
Share of profits of associates and joint venture	(14)	(64)
Net gain on disposal (net of write-off) of properties and other fixed assets	(45)	(43)
Net income from investment securities	(282)	(100)
Net gain on disposal of associate	-	(223)
Cost of share-based payments	51	40
Income tax expense	412	379
Fair value gain on acquisition of interest in joint venture	-	(3)
Profit before changes in operating assets & liabilities	3,010	2,645
<i>Increase/(Decrease) in:</i>		
Due to banks	2,333	2,204
Deposits and balances from customers	(11,260)	7,034
Other liabilities	3,750	988
Other debt securities and borrowings	4,015	4,255
<i>(Increase)/Decrease in:</i>		
Restricted balances with central banks	559	(196)
Government securities and treasury bills	(10,085)	(4,802)
Due from banks	13,381	(2,982)
Loans and advances to customers	(4,798)	(8,962)
Bank and corporate securities	(1,261)	(2,712)
Other assets	464	216
Tax paid	(283)	(232)
Net cash used in operating activities (1)	(175)	(2,544)
Cash flows from investing activities		
Dividends from associates	17	76
Purchase of properties and other fixed assets	(138)	(108)
Proceeds from disposal of properties and other fixed assets	75	57
Proceeds from disposal of interest in associate	-	433
Acquisition of interest in associate and joint venture	-	(88)
Acquisition of non-controlling interests	(150)	-
Net cash (used in)/generated from investing activities (2)	(196)	370
Cash flows from financing activities		
Increase in share capital	84	255
Purchase of treasury shares	(77)	(79)
Dividends paid to non-controlling interests	(62)	(79)
Dividends paid to shareholders of the Company	(771)	(754)
Redemption of preference shares of a subsidiary	-	(895)
Purchase of subordinated term debts	(743)	-
Net cash used in financing activities (3)	(1,569)	(1,552)
Exchange translation adjustments (4)	(3)	(1)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(1,943)	(3,727)
Cash and cash equivalents at 1 January	11,851	10,949
Cash and cash equivalents at 30 June	9,908	7,222

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	
	2015	2014
Ordinary shares		
Balance at 1 January	2,479,126,459	2,449,724,042
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	350,623	923,010
Balance at 31 March	2,479,477,082	2,450,647,052
Shares issued pursuant to Scrip Dividend Scheme	3,828,994	14,429,211
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	-	67,191
Conversion of non-voting redeemable CPS	30,011,421	-
Balance at 30 June [a]	2,513,317,497	2,465,143,454
Treasury shares held by DBSH		
Balance at 1 January	5,109,000	4,644,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(5,109,000)	(4,462,000)
Purchase of treasury shares	684,200	4,527,000
Balance at 31 March	684,200	4,709,000
Purchase of treasury shares	3,166,000	400,000
Balance at 30 June [b]	3,850,200	5,109,000
Ordinary shares net of treasury shares [a] – [b]	2,509,467,297	2,460,034,454

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

(Number)	30 Jun 2015	30 Jun 2014
Conversion of non-voting redeemable CPS	-	30,011,421
Exercise of share options	-	419,189
Weighted average number of shares for the period ^{1/}		
- ordinary shares	2,488,322,142	2,445,746,624
- fully diluted	2,488,322,142	2,475,855,808

^{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 2014.

1. Fair Value of Financial Instruments

The valuation process and fair value hierarchy policies applied for the current financial period are consistent with those for the financial year ended 31 December 2014.

Portfolio Measurement

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

Fair Value Hierarchy

Our principles remain unchanged from 2014. Please refer to our 2014 Annual Report for further guidance.

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

30 Jun 2015 In \$ millions	Level 1	The Group		Total
		Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
- Singapore Government securities and treasury bills	2,753	-	-	2,753
- Other government securities and treasury bills	6,818	2,156	-	8,974
- Bank and corporate debt securities	5,147	4,208	679	10,034
- Equity securities	1,215	29	-	1,244
- Other financial assets	-	7,891	-	7,891
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	8,670	-	-	8,670
- Other government securities and treasury bills	16,860	978	-	17,838
- Bank and corporate debt securities	9,945	1,942	27	11,914
- Equity securities ^(a)	1,055	2	118	1,175
- Other financial assets	-	5,336	-	5,336
Derivatives	88	16,595	11	16,694
Liabilities				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	6,149	13	6,162
- Other financial liabilities	4,021	2,112	-	6,133
Derivatives	117	16,272	115	16,504

Note:

(a) Excludes unquoted equities stated at cost of \$217 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

31 Dec 2014 In \$ millions	Level 1	The Group		Total
		Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
- Singapore Government securities and treasury bills	1,963	-	-	1,963
- Other government securities and treasury bills	3,056	1,924	-	4,980
- Bank and corporate debt securities	5,675	3,554	692	9,921
- Equity securities	769	11	-	780
- Other financial assets	-	8,196	-	8,196
Available-for-sale financial assets				
- Singapore Government securities and treasury bills	6,357	-	-	6,357
- Other government securities and treasury bills	14,522	672	-	15,194
- Bank and corporate debt securities	10,257	1,973	27	12,257
- Equity securities ^(a)	1,081	2	117	1,200
- Other financial assets	-	5,424	-	5,424
Derivatives	82	16,902	11	16,995
Liabilities				
Financial liabilities at fair value through profit or loss				
- Other debt securities	-	4,963	8	4,971
- Other financial liabilities	1,189	1,678	-	2,867
Derivatives	110	18,510	135	18,755

Note:

(a) Excludes unquoted equities stated at cost of \$259 million.

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

In \$ millions	Balance at 1 January	Fair value gains or losses		Purc- hases	Issues	Settle- ments	Transfers in	Transfers out	Balance at 30 June
		Income statem- ent	Other compre- hensive income						
2015									
Assets									
Financial assets at fair value through profit or loss									
- Bank and corporate debt securities	692	(13)	-	-	-	-	-	-	679
Available-for-sale financial assets									
- Bank and corporate debt securities	27	-	-	-	-	-	-	-	27
- Equity securities	117	2	6	-	-	(7)	-	-	118
Derivatives	11	9	-	-	-	-	-	(9)	11
Total	847	(2)	6	-	-	(7)	-	(9)	835
Liabilities									
Financial liabilities at fair value through profit or loss									
- Other debt securities	8	1	-	-	4	-	-	-	13
Derivatives	135	(8)	-	-	-	(1)	-	(11)	115
Total	143	(7)	-	-	4	(1)	-	(11)	128

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Economic hedges entered into for Level 2 exposures may be classified within a different category (i.e. Level 1) and similarly, hedges entered for Level 3 exposures may be classified within a different category (i.e. Level 1 and/or Level 2). The effects are presented gross in the table.

During the quarter, the Group transferred financial assets and liabilities from Level 1 to Level 2 due to reduced market activity and from Level 2 to Level 1 arising from increased market activity.

Gains and losses on Level 3 financial assets and liabilities measured at fair value

In \$ millions 1st Half 2015	Net trading Income	Net income from investment securities	Total
Total gain/(loss) for the period included in income statement	3	2	3
<i>Of Which:</i>			
<i>Change in unrealised gain/(loss) for assets and liabilities held at the end of the reporting period</i>	4	-	4

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

Effect of changes in significant unobservable assumptions to reflect reasonably possible alternatives

The principles for estimating the significance of unobservable parameters remain unchanged from 2014. Please refer to our 2014 Annual Report for further guidance.

In \$ millions	Fair Value	Classification	Valuation technique	Unobservable Input
30 Jun 2015				
Assets				
Bank and corporate debt securities	679	FVPL ^(a)	Discounted cashflows	Credit spreads
Bank and corporate debt securities	27	AFS ^(b)	Discounted cashflows	Credit spreads
Equity securities (Unquoted)	118	AFS ^(b)	Net asset value	Net asset value of securities
Derivatives	11	FVPL ^(a)	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
Total	835			
Liabilities				
Other debt securities	13	FVPL ^(a)	Discounted cashflows	Credit spreads / Correlations
Derivatives	115	FVPL ^(a)	CDS models / Option & interest rate pricing model	Credit spreads / Correlations
Total	128			

Notes:

(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

For financial assets and liabilities not carried at fair value on the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at 30 June 2015. Unquoted equities of \$217 million as at 30 June 2015 were stated at cost less accumulated impairment losses because the fair value cannot be reliably estimated using valuation techniques supported by observable market data.

Our principles for arriving at fair value remain unchanged from 2014. Please refer to our 2014 Annual Report for further guidance.

2. Off-balance Sheet Items

In \$ millions	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Contingent liabilities	20,017	20,857	22,231	21,086
Commitments ^(a)	202,661	199,897	188,227	169,144
Financial Derivatives	2,029,297	2,048,613	1,877,157	1,762,574

Note:

(a) Includes commitments that are unconditionally cancellable at any time of \$163,885 million (Mar'15:\$162,598 million, Dec'14:\$151,854 million, Jun'14:\$133,660 million).

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 Half ended 30 June 2015 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

24 July 2015
Singapore