

To: Shareholders

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

Audited financial results for the year ended 31 December 2014

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

Dividends

For the financial year ended 31 December 2014, the Directors have recommended a final one-tier tax exempt dividend of 2 cents for each DBSH non-voting redeemable convertible preference share (“CPS”), and a final one-tier tax exempt dividend of 30 cents for each DBSH ordinary share.

Details of the proposed dividends, along with interim ones paid during the course of the financial year, are as follows:

In \$ millions	2014	2013
DBSH Non-voting redeemable CPS		
Interim one-tier tax exempt dividend* of 28.0 cents (2013 : 28.0 cents)	8	8
Final one-tier tax exempt dividend of 2.0 cents (2013: 2.0 cents)	1	1
DBSH Ordinary share		
Interim one-tier tax exempt dividend* of 28.0 cents (2013: 28.0 cents)	688	684
Final one-tier tax exempt dividend of 30.0 cents (2013: 30.0 cents)	742	734
	<u>1,430</u>	<u>1,418</u>

* Interim dividends were paid to entitled shareholders during the year

The 2014 final one-tier tax exempt dividend, to which the DBSH Scrip Dividend Scheme will be applicable, will be subject to shareholders’ approval at the Annual General Meeting to be held on 23 April 2015. The DBSH shares will be quoted ex-dividend on 27 April 2015. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 30 April 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 29 April 2015 will be registered to determine shareholders' entitlement to the 2014 final one-tier tax exempt dividend. The issue price for new shares to be allotted to shareholders who have elected to receive the final dividend in scrip shall be the average of the last dealt prices of each DBSH ordinary share on the SGX-ST for each of 27, 28 and 29 April 2015.

The payment date for cash dividends / crediting of shares is expected to be in June 2015. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the 2014 final one-tier tax exempt dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders, either in cash or by crediting the securities accounts of shareholders with the relevant shares.

By order of the Board

Goh Peng Fong
Group Secretary

9 February 2015
Singapore

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



Performance Summary

Financial Results for the Fourth Quarter ended
31 December 2014 and For the Year 2014

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 2013, with the exception of the adoption of new or revised FRS.

On 1 January 2014, the Group adopted the following new or revised FRS that are issued by the Accounting Standards Council and relevant for the Group:

- FRS 110 Consolidated Financial Statements
- FRS 111 Joint Arrangements
- FRS 112 Disclosure of Interests in Other Entities
- Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

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

	4th Qtr 2014	4th Qtr 2013	% chg	3rd Qtr 2014	% chg	Year 2014	Year 2013	% chg
Selected income statement items (\$m)								
Net interest income	1,674	1,454	15	1,602	4	6,321	5,569	14
Net fee and commission income	459	439	5	555	(17)	2,027	1,885	8
Other non-interest income	207	258	(20)	357	(42)	1,270	1,473	(14)
Total income	2,340	2,151	9	2,514	(7)	9,618	8,927	8
Expenses	1,126	1,030	9	1,109	2	4,330	3,918	11
Profit before allowances	1,214	1,121	8	1,405	(14)	5,288	5,009	6
Allowances for credit and other losses	211	151	40	177	19	667	770	(13)
Profit before tax	1,012	983	3	1,234	(18)	4,700	4,318	9
Net profit	838	802	4	1,008	(17)	3,848	3,501	10
One-time items	-	171	(100)	-	-	198	171	16
Net profit including one-time items	838	973	(14)	1,008	(17)	4,046	3,672	10
Selected balance sheet items (\$m)								
Customer loans	275,588	248,654	11	261,681	5	275,588	248,654	11
Total assets	440,666	402,008	10	424,383	4	440,666	402,008	10
Customer deposits	317,173	292,365	8	304,982	4	317,173	292,365	8
Total liabilities	400,460	364,322	10	385,110	4	400,460	364,322	10
Shareholders' funds	37,708	34,233	10	36,750	3	37,708	34,233	10
Key financial ratios (%) (excluding one-time items) ^{1/}								
Net interest margin	1.71	1.61		1.68		1.68	1.62	
Non-interest/total income	28.5	32.4		36.3		34.3	37.6	
Cost/income ratio	48.1	47.9		44.1		45.0	43.9	
Return on assets	0.77	0.79		0.95		0.91	0.91	
Return on equity ^{2/}	9.0	9.7		11.2		10.9	10.8	
Loan/deposit ratio	86.9	85.0		85.8		86.9	85.0	
NPL ratio	0.9	1.1		0.9		0.9	1.1	
Specific allowances (loans)/average loans (bp)	22	13		22		18	18	
Common Equity Tier 1 capital adequacy ratio	13.1	13.7		13.4		13.1	13.7	
Tier 1 capital adequacy ratio	13.1	13.7		13.4		13.1	13.7	
Total capital adequacy ratio	15.3	16.3		15.6		15.3	16.3	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	4th Qtr 2014	4th Qtr 2013	3rd Qtr 2014	Year 2014	Year 2013
Per share data (\$)					
Per basic share					
– earnings excluding one-time items	1.32	1.30	1.61	1.55	1.43
– earnings	1.32	1.37	1.61	1.63	1.50
– net book value ^{3/}	14.85	13.61	14.46	14.85	13.61
Per diluted share					
– earnings excluding one-time items	1.31	1.28	1.59	1.53	1.42
– earnings	1.31	1.35	1.59	1.61	1.48
– net book value ^{3/}	14.74	13.51	14.36	14.74	13.51

Notes:

1/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data are computed on an annualised basis.

2/ Calculated based on net profit attributable to 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.

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

Fourth-quarter net profit rose 4% from a year ago to \$838 million. A 9% increase in total income to \$2.34 billion was offset by higher allowances. Compared to the previous quarter, net profit was 17% lower from seasonally lower trading income and higher allowances in line with stronger loan growth.

Net interest income rose 15% from a year ago and 4% from the previous quarter to \$1.67 billion. Loans rose 11% from a year ago and 5% from the previous quarter. Net interest margin increased three basis points from the previous quarter to 1.71%, the highest in ten quarters.

Non-interest income fell 4% from a year ago to \$666 million. A 5% increase in fee income was more than offset by lower trading gains. Compared to the previous quarter, non-interest income fell 27% due to a high base for investment banking fees in the third quarter as well as lower trading gains.

Expenses rose 9% from a year ago to \$1.13 billion. Profit before allowances rose 8% from a year ago to \$1.21 billion but was 14% below the previous quarter. Asset quality remained healthy as the non-performing loan rate of 0.9% was little changed from recent quarters. Specific allowances for loans of 22 basis points were similar to recent quarters but higher than a year ago. Allowance coverage rose to a record 163%.

Deposits rose 8% from a year ago and 4% from the previous quarter to \$317 billion. Capital ratios continued to exceed regulatory standards, with the Common Equity Tier 1 ratio at 13.1%.

For the full year, net profit rose 10% to \$3.85 billion before one-time items. Total income grew 8% to \$9.62 billion from higher net interest margin, loan volumes and fee income. Return on equity was 10.9%. Including one-time items, comprising a gain of \$223 million from the divestment of a stake in the Bank of the Philippine Islands less a donation of \$25 million to the National Gallery Singapore, net profit was \$4.05 billion.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

QUARTERLY BREAKDOWN

(\$m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2013	1,327	1,382	1,406	1,454	5,569
2014	1,488	1,557	1,602	1,674	6,321
% chg	12	13	14	15	14
Non-interest income					
2013	990	927	744	697	3,358
2014	963	756	912	666	3,297
% chg	(3)	(18)	23	(4)	(2)
Total income					
2013	2,317	2,309	2,150	2,151	8,927
2014	2,451	2,313	2,514	2,340	9,618
% chg	6	-	17	9	8
Expenses					
2013	952	987	949	1,030	3,918
2014	1,041	1,054	1,109	1,126	4,330
% chg	9	7	17	9	11
Allowances for credit and other losses					
2013	223	245	151	151	770
2014	151	128	177	211	667
% chg	(32)	(48)	17	40	(13)
Profit before tax					
2013	1,169	1,099	1,067	983	4,318
2014	1,272	1,182	1,234	1,012	4,700
% chg	9	8	16	3	9
Net profit					
2013	950	887	862	802	3,501
2014	1,033	969	1,008	838	3,848
% chg	9	9	17	4	10
One-time items					
2013	-	-	-	171	171
2014	198	-	-	-	198
% chg	NM	-	-	(100)	16
Net profit including one-time items					
2013	950	887	862	973	3,672
2014	1,231	969	1,008	838	4,046
% chg	30	9	17	(14)	10

Note:
NM Not Meaningful

Total income for each quarter was higher than a year ago. The increase was led by a 12-15% rise in net interest income, principally as a result of higher net interest margin.

The higher net interest income was partially offset by year-on-year declines in quarterly non-interest income from lower trading gains. The exception was the third quarter, when trading gains were higher.

Expenses increased at a faster rate than total income in the first half but rose at the same pace in the second half.

Total allowances for the first half were lower than a year ago as both general and specific allowances declined. Specific allowances in the second half were higher than a year ago.

Net profit before one-time items for each quarter was higher than a year ago. The net profit for first quarter 2014 was a quarterly record.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	4th Qtr 2014			4th Qtr 2013			3rd Qtr 2014		
	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	220,969	1,392	2.50	195,362	1,229	2.50	211,101	1,329	2.50
Trade assets	61,749	379	2.44	62,941	403	2.54	59,992	394	2.61
Interbank assets ^{2/}	37,530	145	1.53	37,605	119	1.26	37,632	143	1.51
Securities	68,696	419	2.42	63,061	334	2.10	68,638	400	2.31
Total	388,944	2,335	2.38	358,969	2,085	2.30	377,363	2,266	2.38
Interest-bearing liabilities									
Customer deposits	307,570	521	0.67	285,155	507	0.71	298,940	523	0.69
Other borrowings	54,096	140	1.03	51,133	124	0.96	52,063	141	1.07
Total	361,666	661	0.73	336,288	631	0.75	351,003	664	0.75
Net interest income/margin ^{1/}		1,674	1.71		1,454	1.61		1,602	1.68

Average balance sheet	Year 2014			Year 2013		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	209,743	5,256	2.51	186,661	4,710	2.52
Trade assets	61,977	1,583	2.55	58,796	1,458	2.48
Interbank assets ^{2/}	37,958	577	1.52	34,720	460	1.32
Securities	66,613	1,532	2.30	64,392	1,358	2.11
Total	376,291	8,948	2.38	344,569	7,986	2.32
Interest-bearing liabilities						
Customer deposits	298,659	2,086	0.70	272,901	1,926	0.71
Other borrowings	51,866	541	1.04	48,216	491	1.02
Total	350,525	2,627	0.75	321,117	2,417	0.75
Net interest income/margin ^{1/}		6,321	1.68		5,569	1.62

Notes:

^{1/} Net interest margin is net interest income expressed as a percentage of average interest-bearing assets.

^{2/} Includes non-restricted balances with central banks.

For the fourth quarter, net interest income rose 15% from a year ago and 4% from the previous quarter to \$1.67 billion. The increase from the previous quarter was due to higher loan volumes and improved net interest margin, which rose three basis points to 1.71%.

For the full year, net interest income rose 14% to \$6.32 billion. Average customer non-trade loan volumes rose 12%. Net interest margin improved six basis points to 1.68% as trade loan pricing and securities yields improved while deposit costs were stable.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	4th Qtr 2014 versus 4th Qtr 2013			4th Qtr 2014 versus 3rd Qtr 2014		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	162	1	163	62	1	63
Trade assets	(8)	(16)	(24)	12	(27)	(15)
Interbank assets	-	26	26	(1)	3	2
Securities	29	56	85	-	19	19
Total	183	67	250	73	(4)	69
Interest expense						
Customer deposits	40	(26)	14	15	(17)	(2)
Other borrowings	7	9	16	6	(7)	(1)
Total	47	(17)	30	21	(24)	(3)
Net impact on net interest income	136	84	220	52	20	72
Due to change in number of days			-			-
Net Interest Income			220			72

Volume and rate analysis (\$m) Increase/(decrease) due to change in	Year 2014 versus Year 2013		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	583	(37)	546
Trade assets	79	46	125
Interbank assets	43	74	117
Securities	46	128	174
Total	751	211	962
Interest expense			
Customer deposits	181	(21)	160
Other borrowings	38	12	50
Total	219	(9)	210
Net impact on net interest income	532	220	752
Due to change in number of days			-
Net Interest Income			752

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	4th Qtr 2014	4th Qtr 2013	% chg	3rd Qtr 2014	% chg	Year 2014	Year 2013	% chg
Brokerage	45	46	(2)	43	5	173	214	(19)
Investment banking	54	43	26	94	(43)	243	191	27
Trade and transaction services ^{1/}	115	125	(8)	129	(11)	515	531	(3)
Loan-related	80	72	11	94	(15)	385	367	5
Cards ^{2/}	102	94	9	96	6	369	337	9
Wealth management	110	96	15	142	(23)	507	412	23
Others	21	21	-	22	(5)	83	69	20
Fee and commission income	527	497	6	620	(15)	2,275	2,121	7
Less: fee and commission expense	68	58	17	65	5	248	236	5
Net fee and commission income	459	439	5	555	(17)	2,027	1,885	8

Notes:

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

2/ Net of interchange fees paid

For the fourth quarter, net fee and commission income rose 5% from a year ago to \$459 million from higher wealth management, investment banking and card fees. It was 17% lower than the previous quarter due to a high base in the third quarter for investment banking fees as well as lower wealth management fees.

For the full year, net fee and commission income rose 8% to \$2.03 billion from broad-based growth. Wealth management fees rose 23% to a record, while investment banking fees benefited from higher capital market activities.

OTHER NON-INTEREST INCOME

(\$m)	4th Qtr 2014	4th Qtr 2013	% chg	3rd Qtr 2014	% chg	Year 2014	Year 2013	% chg
Net trading income	92	163	(44)	271	(66)	901	1,095	(18)
Net income from investment securities	100	82	22	74	35	274	276	(1)
Net gain on fixed assets	-	-	-	-	-	43	44	(2)
Others (includes rental income) ^{1/}	15	13	15	12	25	52	58	(10)
Total	207	258	(20)	357	(42)	1,270	1,473	(14)

Note:

1/ Excludes one-time items.

For the fourth quarter, total other non-interest income fell 20% from a year ago to \$207 million as trading income fell due to less favourable trading conditions. Compared to the previous quarter, total other non-interest income was 42% lower.

For the full year, total other non-interest income fell 14% to \$1.27 billion. Net trading income fell due to decline in trading gains, partially offset by higher customer income for treasury products. Net income from investment securities and net gain on fixed assets were little changed.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	4th Qtr 2014	4th Qtr 2013	% chg	3rd Qtr 2014	% chg	Year 2014	Year 2013	% chg
Staff	610	527	16	573	6	2,294	2,065	11
Occupancy	88	91	(3)	93	(5)	369	365	1
Computerisation	174	184	(5)	216	(19)	777	678	15
Revenue-related	54	67	(19)	65	(17)	240	231	4
Others	200	161	24	162	23	650	579	12
Total	1,126	1,030	9	1,109	2	4,330	3,918	11
Staff headcount at period-end	21,096	19,393	9	20,678	2	21,096	19,393	9

Included in the above table were:

Depreciation of properties and other fixed assets	58	54	7	55	5	220	214	3
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For the fourth quarter, expenses rose 9% from a year ago to \$1.13 billion, led by higher staff costs. Compared to the previous quarter, expenses were 2% higher.

For the full year, costs rose 11% to \$4.33 billion from higher staff and computerisation expenses, which included investments for digital initiatives.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	4th Qtr 2014	4th Qtr 2013	% chg	3rd Qtr 2014	% chg	Year 2014	Year 2013	% chg
General allowances (GP)	54	60	(10)	22	>100	160	340	(53)
Specific allowances (SP) for loans^{1/}	149	81	84	148	1	478	416	15
Singapore	29	11	>100	13	>100	80	77	4
Hong Kong	13	16	(19)	19	(32)	54	45	20
Rest of Greater China	40	9	>100	20	100	70	39	79
South and South-east Asia	65	46	41	107	(39)	343	148	>100
Rest of the World	2	(1)	NM	(11)	NM	(69)	107	NM
Specific allowances (SP) for securities, properties and other assets	8	10	(20)	7	14	29	14	>100
Total	211	151	40	177	19	667	770	(13)

Notes:

^{1/} Specific allowances for loans are classified according to where the borrower is incorporated
 NM Not Meaningful

For the fourth quarter, specific allowances for loans of \$149 million were stable from the previous quarter and 84% higher than a year ago. General allowances were higher compared to the previous quarter in line with the stronger loan growth.

For the full year, total allowances fell 13% to \$667 million. General allowances halved as full-year loan growth was less than the previous year. Specific allowances for loans rose 15% to \$478 million with India accounting for a significant portion of the increase.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Selected income items					
4th Qtr 2014					
Net interest income	464	858	270	82	1,674
Non-interest income	280	358	(26)	54	666
Total income	744	1,216	244	136	2,340
Expenses	521	417	145	43	1,126
Allowances for credit and other losses	17	179	(1)	16	211
Share of profits of associates and joint venture	-	-	-	9	9
Profit before tax	206	620	100	86	1,012
3rd Qtr 2014					
Net interest income	440	820	258	84	1,602
Non-interest income	323	439	84	66	912
Total income	763	1,259	342	150	2,514
Expenses	490	389	128	102	1,109
Allowances for credit and other losses	21	165	(2)	(7)	177
Share of profits of associates and joint venture	-	-	-	6	6
Profit before tax	252	705	216	61	1,234
4th Qtr 2013^{1/}					
Net interest income	396	805	182	71	1,454
Non-interest income	261	341	18	77	697
Total income	657	1,146	200	148	2,151
Expenses	481	367	128	54	1,030
Allowances for credit and other losses	25	105	1	20	151
Share of profits of associates and joint venture	-	-	-	13	13
Profit before tax	151	674	71	87	983
Year 2014^{1/}					
Net interest income	1,689	3,258	996	378	6,321
Non-interest income	1,193	1,709	106	289	3,297
Total income	2,882	4,967	1,102	667	9,618
Expenses	1,920	1,536	510	364	4,330
Allowances for credit and other losses	89	540	(1)	39	667
Share of profits of associates and joint venture	3	-	-	76	79
Profit before tax	876	2,891	593	340	4,700

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury	Others	Total
Year 2013 ^{1/}					
Net interest income	1,500	3,024	694	351	5,569
Non-interest income	1,038	1,652	340	328	3,358
Total income	2,538	4,676	1,034	679	8,927
Expenses	1,740	1,377	478	323	3,918
Allowances for credit and other losses	88	544	(3)	141	770
Share of profits of associates and joint venture	-	-	-	79	79
Profit before tax	710	2,755	559	294	4,318
Selected balance sheet and other items ^{2/}					
31 Dec 2014					
Total assets before goodwill and intangibles	84,451	225,504	90,586	35,008	435,549
Goodwill and intangibles					5,117
Total assets					440,666
Total liabilities	162,146	164,788	36,229	37,297	400,460
Capital expenditure for 4th Qtr 2014	20	7	4	61	92
Depreciation for 4th Qtr 2014	8	3	1	46	58
30 Sept 2014					
Total assets before goodwill and intangibles	79,409	215,490	90,683	33,966	419,548
Goodwill and intangibles					4,835
Total assets					424,383
Total liabilities	154,674	161,829	32,487	36,120	385,110
Capital expenditure for 3rd Qtr 2014	17	8	5	33	63
Depreciation for 3rd Qtr 2014	8	4	2	41	55
31 Dec 2013					
Total assets before goodwill and intangibles	72,887	207,264	83,049	34,006	397,206
Goodwill and intangibles					4,802
Total assets					402,008
Total liabilities	143,325	147,171	60,384	13,442	364,322
Capital expenditure for 4th Qtr 2013	25	11	5	31	72
Depreciation for 4th Qtr 2013	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 decreased 2% to \$744 million as non-interest income declined 13% to \$280 million from lower investment and insurance products sales. This was partly offset by higher net interest income which rose 5% to \$464 million from increased loan volumes and better deposit margins. Expenses rose 6% to \$521 million, while allowances were \$4 million lower at \$17 million. Profit before tax decreased 18% to \$206 million.

Compared to a year ago, profit before tax was 36% higher. Total income increased 13%. Net interest income rose 17%, while non-interest income was 7% higher from continued customer growth and stronger cross-sell of products. Expenses rose 8% and allowances decreased 32%.

For the full year, profit before tax was \$876 million, 23% higher than a year ago. Total income was 14% higher at \$2.88 billion. Net interest income rose 13% to \$1.69 billion from higher loan volumes and margins, while non-interest income increased 15% to \$1.19 billion as contributions from wealth management and cards fees were higher.

Expenses rose 10% to \$1.92 billion due to headcount growth, investment in business capabilities and higher marketing and advertising activities. Allowances were little changed at \$89 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 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.

Compared to the previous quarter, profit before tax was 12% lower at \$620 million. Net interest income rose 5% to \$858 million from volume growth, and non-interest income declined 18% to \$358 million as contributions from investment banking fees and treasury customer income were lower. Total income declined 3% to \$1.22 billion, while expenses rose 7% to \$417 million. Allowances were 8% higher at \$179 million as general allowances increased in line with loan growth during the quarter.

Compared to a year ago, profit before tax declined 8%. Total income increased 6% as net interest income rose 7% from volume growth, and non-interest income was

5% higher as fee income rose. Expenses were 14% higher. Allowances rose 70% from higher specific allowances.

For the full year, profit before tax rose 5% to \$2.89 billion. Total income increased 6% to \$4.97 billion as net interest income rose 8% to \$3.26 billion from assets and liabilities growth of 9% and 12% respectively. Non-interest income rose 3% to \$1.71 billion from stronger debt capital markets activity, partially offset by lower fee contribution as equity capital markets were slower and treasury customer income was affected by rates outlook. Expenses increased 12% to \$1.54 billion as staff cost and investments in business capabilities were higher. Allowances remained at similar levels from a year ago.

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 and Institutional Banking, is reflected in the respective segments. Treasury is also responsible for managing surplus funds.

Compared to the previous quarter, profit before tax was 54% lower at \$100 million. Total income declined 29% to \$244 million as trading gains from interest rate and credit activities were lower, while expenses rose 13% to \$145 million.

Compared to a year ago, profit before tax rose by 41%. Total income rose 22% as trading gains from foreign exchange and interest rate activities were higher, while expenses grew 13%.

For the full year, profit before tax increased by 6% from a year ago to \$593 million. Total income rose 7% to \$1.10 billion, as trading income from foreign exchange and interest rate activities outside Singapore was higher. Expenses rose 7% to \$510 million.

Income from treasury customer flows declined 18% from the previous quarter to \$229 million as overall customer related transactions decreased. Compared to a year ago, income from treasury customer flows was little changed. For the full year, income from treasury customer flows was 10% higher at \$1.14 billion driven by increased sales activities in foreign exchange, credit 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						
4th Qtr 2014						
Net interest income	1,059	308	149	106	52	1,674
Non-interest income	360	174	66	43	23	666
Total income	1,419	482	215	149	75	2,340
Expenses	613	230	168	88	27	1,126
Allowances for credit and other losses	19	31	23	121	17	211
Share of profits of associates and joint venture	6	-	2	1	-	9
Profit before tax	793	221	26	(59)	31	1,012
Income tax expense	131	37	(13)	(31)	17	141
Net profit	630	184	39	(29)	14	838
3rd Qtr 2014						
Net interest income	1,025	277	149	102	49	1,602
Non-interest income	574	209	83	29	17	912
Total income	1,599	486	232	131	66	2,514
Expenses	655	195	163	76	20	1,109
Allowances for credit and other losses	104	16	26	41	(10)	177
Share of profits of associates and joint venture	1	-	3	2	-	6
Profit before tax	841	275	46	16	56	1,234
Income tax expense	122	49	8	-	14	193
Net profit	686	226	38	16	42	1,008
4th Qtr 2013 ^{2/}						
Net interest income	908	272	132	91	51	1,454
Non-interest income	414	164	62	38	19	697
Total income	1,322	436	194	129	70	2,151
Expenses	604	184	152	69	21	1,030
Allowances for credit and other losses	76	(1)	24	54	(2)	151
Share of profits of associates and joint venture	2	-	1	10	-	13
Profit before tax	644	253	19	16	51	983
Income tax expense	91	37	1	(6)	11	134
Net profit	506	216	18	22	40	802
Year 2014 ^{2/}						
Net interest income	4,018	1,098	598	404	203	6,321
Non-interest income	1,932	802	352	148	63	3,297
Total income	5,950	1,900	950	552	266	9,618
Expenses	2,521	789	622	310	88	4,330
Allowances for credit and other losses	254	52	68	272	21	667
Share of profits of associates and joint venture	18	3	8	50	-	79
Profit before tax	3,193	1,062	268	20	157	4,700
Income tax expense	487	180	31	(25)	40	713
Net profit	2,568	882	237	44	117	3,848

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
Year 2013 ^{2/}						
Net interest income	3,487	1,016	456	405	205	5,569
Non-interest income	1,928	847	287	195	101	3,358
Total income	5,415	1,863	743	600	306	8,927
Expenses	2,288	717	548	283	82	3,918
Allowances for credit and other losses	335	142	76	126	91	770
Share of profits of associates and joint venture	13	-	8	58	-	79
Profit before tax	2,805	1,004	127	249	133	4,318
Income tax expense	344	153	35	50	33	615
Net profit	2,260	851	92	198	100	3,501
Selected balance sheet items						
31 Dec 2014						
Total assets before goodwill and intangibles	286,633	72,487	44,637	17,254	14,538	435,549
Goodwill and intangibles	5,083	34	-	-	-	5,117
Total assets	291,716	72,521	44,637	17,254	14,538	440,666
Non-current assets ^{3/}	1,959	382	96	41	2	2,480
Gross customer loans	182,823	54,763	21,737	10,709	9,122	279,154
30 Sept 2014						
Total assets before goodwill and intangibles	277,284	67,234	43,096	17,898	14,036	419,548
Goodwill and intangibles	4,802	33	-	-	-	4,835
Total assets	282,086	67,267	43,096	17,898	14,036	424,383
Non-current assets ^{3/}	1,944	360	96	35	2	2,437
Gross customer loans	174,626	50,799	21,103	10,812	7,864	265,204
31 Dec 2013						
Total assets before goodwill and intangibles	258,580	65,783	43,132	16,466	13,245	397,206
Goodwill and intangibles	4,802	-	-	-	-	4,802
Total assets	263,382	65,783	43,132	16,466	13,245	402,008
Non-current assets ^{3/}	2,124	355	103	31	2	2,615
Gross customer loans	164,117	51,116	19,866	9,581	7,501	252,181

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 investment in associates and joint venture and 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 8% from the previous quarter to \$630 million. Total income was 11% lower at \$1.42 billion. While net interest income rose 3% to \$1.06 billion from loan growth, non-interest income fell 37% to \$360 million mainly from lower trading income, a high base for investment banking fees in the previous quarter and lower wealth management contributions.

Expenses declined 6% to \$613 million and profit before allowances was 15% lower at \$806 million. Allowances fell from \$104 million to \$19 million as specific allowances were lower, and this was partially offset by higher general allowances.

Compared to a year ago, net profit rose 25% as total income growth of 7% was partially offset by a 1% increase in expenses. Allowances fell from \$76 million to \$19 million as both specific and general allowances were lower.

For the full year, net profit rose 14% to \$2.57 billion. Total income increased 10% to \$5.95 billion from higher loan

volumes and margins, increased fee contributions from wealth management, investment banking and cards, partially offset by lower trading income.

Expenses were 10% higher at \$2.52 billion. Allowances fell 24% to \$254 million as lower general allowances were partially offset by higher specific allowances.

Hong Kong

The fourth quarter's results incorporated a 4% appreciation of the Hong Kong dollar against the Singapore dollar from the previous quarter and from a year ago.

Net profit declined 19% from the previous quarter to \$184 million as expenses rose 18%. Net interest income was 11% higher at \$308 million from loan growth and higher net interest margin. Net interest margin improved six basis points to 1.66% as loan mix shifted from trade to higher-yielding corporate loans as well as lower deposits costs. Loans grew 4% while deposits grew 1% on a constant exchange basis. Non-interest income fell 17% to \$174 million from lower fee income, treasury customer flows and trading income. Expenses rose 18% to \$230 million due to the acquisition of Societe Generale's private banking business in Asia. Allowances rose to \$31 million from \$16 million in the previous quarter as general allowances were higher.

Compared to a year ago, net profit was 15% lower as the increased in income was more than offset by higher expenses and allowances. Total income was 11% higher. Net interest income increased 13% as net interest margin rose 14 basis points. Non-interest income rose 6% from broad-based fee income growth and higher treasury customer income, partially offset by lower trading income. Expenses increased 25%, while allowances rose to \$31 million from a net write back of \$1 million a year ago as general allowances rose.

The full year's results incorporated a 1% appreciation of the Hong Kong dollar against the Singapore dollar from a year ago.

For the full year, net profit was 4% higher at \$882 million. Total income was 2% higher at \$1.90 billion. Excluding property disposal gains in 2013, net profit increased by 9% and total income by 4%. Net interest income rose 8% to \$1.10 billion as average loan volumes and net interest margin were higher. Non-interest income excluding property gains remained flat at \$802 million as a broad-based increase in fee income was more than offset by lower trading and treasury customer income. Expenses were 10% higher at \$789 million due to the acquisition of the Societe Generale's private banking business in Asia, the consolidation of a credit card joint venture and the increase in headcount to support business growth. Allowances fell to \$52 million due to lower general provision as total loan growth including trade bills was moderate.

Other regions

Net profit for Rest of Greater China was little changed from the previous quarter at \$39 million. Net interest income was

unchanged at \$149 million. Non-interest income fell 20% to \$66 million due to lower fee and treasury customer income. Expenses increased 3% to \$168 million while total allowances fell 12% to \$23 million as higher specific allowances were more than offset by lower general allowances.

Compared to a year ago, net profit more than doubled. Net interest income rose 13% from higher net interest margin and loan volumes, while non-interest income was 6% higher. Total income and expenses rose at a similar pace of 11%, and allowances were little changed.

For the full year, net profit rose to \$237 million from \$92 million a year ago. Total income was 28% higher at \$950 million as both net interest and non-interest income rose. Expenses were 14% higher at \$622 million. Allowances declined 11% to \$68 million as lower general allowances were partially offset by higher specific allowances.

South and South-east Asia recorded a net loss of \$29 million compared to a net profit of \$16 million in the previous quarter. Total income rose 14%. Net interest income rose 4% to \$106 million from higher loan volumes, while non-interest income increased 48% to \$43 million as income from treasury customer flows and trading income were higher. Expenses were 16% higher at \$88 million. Total allowances rose from \$41 million to \$121 million from higher specific allowances.

A net loss of \$29 million was recorded in the current year compared to a profit of \$22 million a year ago. Total income rose 16% from higher net interest and non-interest income. Expenses rose 28%, while allowances rose from \$54 million to \$121 million from higher specific allowances.

For the full year, net profit fell 78% to \$44 million. Total income was 8% lower at \$552 million mainly due to lower trading income, while expenses were 10% higher at \$310 million. Allowances more than doubled to \$272 million from \$126 million due to higher specific allowances.

Net profit for Rest of the World declined 67% to \$14 million. Total income was 14% higher at \$75 million as net interest income rose 6% to \$52 million and non-interest income rose 35% to \$23 million from higher trading income. Expenses were 35% higher at \$27 million. Allowances rose to \$17 million from a net write-back of \$10 million in the previous quarter as general allowances were higher.

Compared to a year ago, total income rose 7% from higher trading income, while expenses rose 29%. Total allowances were \$17 million, compared to a net write-back of \$2 million a year ago.

For the full year, net profit was 17% higher at \$117 million. Total income fell 13% to \$266 million as non-interest income fell due to lower trading income, while expenses rose 7% to \$88 million. Allowances fell to \$21 million from \$91 million due mainly to lower specific allowances, partially offset by higher general allowances.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	31 Dec 2014	30 Sept 2014	31 Dec 2013
Gross	279,154	265,204	252,181
Less:			
Specific allowances	983	1,008	1,129
General allowances	2,583	2,515	2,398
Net total	275,588	261,681	248,654
By business unit			
Consumer Banking/ Wealth Management	82,312	77,146	70,995
Institutional Banking	195,043	186,117	178,609
Others	1,799	1,941	2,577
Total (Gross)	279,154	265,204	252,181
By geography ^{1/}			
Singapore	129,167	125,148	119,463
Hong Kong	49,881	46,848	41,418
Rest of Greater China	50,865	49,097	47,910
South and South-east Asia	25,446	23,573	23,004
Rest of the World	23,795	20,538	20,386
Total (Gross)	279,154	265,204	252,181
By industry			
Manufacturing	33,024	32,907	30,034
Building and construction	48,712	45,450	43,016
Housing loans	52,866	51,752	49,147
General commerce	56,658	55,368	51,803
Transportation, storage & communications	23,650	22,204	21,265
Financial institutions, investment & holding companies	16,168	14,203	11,013
Professionals & private individuals (excluding housing loans)	23,849	21,374	19,180
Others	24,227	21,946	26,723
Total (Gross)	279,154	265,204	252,181
By currency			
Singapore dollar	109,493	106,466	101,456
US dollar	96,552	91,184	84,998
Hong Kong dollar	32,476	30,654	29,463
Chinese Yuan	20,399	17,672	18,401
Others	20,234	19,228	17,863
Total (Gross)	279,154	265,204	252,181

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 5% from the previous quarter to \$279 billion. Excluding currency effects, loan growth was 3% from regional corporate borrowing, trade loans and secured consumer loans.

Gross customer loans rose 11% from a year ago. Excluding currency effects, loan growth was 9%. The growth was broad-based across regional corporate loans and secured consumer loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	31 Dec 2014			30 Sept 2014			31 Dec 2013		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)
By business unit									
Consumer Banking/ Wealth Management	276	0.3	60	266	0.3	57	293	0.4	73
Institutional Banking and Others	2,143	1.1	923	2,159	1.1	951	2,589	1.4	1,056
Total non-performing loans (NPL)	2,419	0.9	983	2,425	0.9	1,008	2,882	1.1	1,129
Debt securities	7	-	3	8	-	3	9	-	3
Contingent liabilities & others	87	-	44	92	-	53	105	-	50
Total non-performing assets (NPA)	2,513	-	1,030	2,525	-	1,064	2,996	-	1,182
By geography									
Singapore	428	0.3	143	414	0.3	125	435	0.4	109
Hong Kong	265	0.5	107	251	0.5	106	233	0.6	117
Rest of Greater China	342	0.7	132	318	0.6	133	282	0.6	146
South and South-east Asia	906	3.6	411	944	4.0	431	587	2.6	195
Rest of the World	478	2.0	190	498	2.4	213	1,345	6.6	562
Total non-performing loans	2,419	0.9	983	2,425	0.9	1,008	2,882	1.1	1,129
Debt securities	7	-	3	8	-	3	9	-	3
Contingent liabilities & others	87	-	44	92	-	53	105	-	50
Total non-performing assets (NPA)	2,513	-	1,030	2,525	-	1,064	2,996	-	1,182
Loss Allowance Coverage									
Specific allowances			1,030			1,064			1,182
General allowances			3,054			2,974			2,865
Total Allowances			4,084			4,038			4,047
Total Allowances/ NPA			163%			160%			135%
Total Allowances/ unsecured NPA			296%			324%			204%

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	31 Dec 2014		30 Sept 2014		31 Dec 2013	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	660	331	622	304	488	240
Building and construction	357	115	440	171	226	42
Housing loans	113	8	110	8	112	9
General commerce	434	140	408	132	397	142
Transportation, storage & communications	338	153	336	147	1,145	465
Financial institutions, investment & holding companies	106	90	139	122	265	146
Professionals & private individuals (excluding housing loans)	166	53	161	52	155	48
Others	245	93	209	72	94	37
Total non-performing loans	2,419	983	2,425	1,008	2,882	1,129
Debt securities	7	3	8	3	9	3
Contingent liabilities & others	87	44	92	53	105	50
Total non-performing assets	2,513	1,030	2,525	1,064	2,996	1,182

By loan classification (\$m)	31 Dec 2014		30 Sept 2014		31 Dec 2013	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	1,592	212	1,599	243	1,981	306
Doubtful	652	549	701	596	753	614
Loss	269	269	225	225	262	262
Total	2,513	1,030	2,525	1,064	2,996	1,182
Restructured assets						
Substandard	317	32	299	38	878	168
Doubtful	120	111	126	116	343	326
Loss	25	25	43	43	56	56
Total	462	168	468	197	1,277	550

By collateral type (\$m)	31 Dec 2014		30 Sept 2014		31 Dec 2013	
	NPA		NPA		NPA	
Unsecured non-performing assets	1,378		1,247		1,986	
Secured non-performing assets by collateral type						
Properties	441		434		351	
Shares and debentures	316		415		323	
Fixed deposits	11		16		33	
Others	367		413		303	
Total	2,513		2,525		2,996	

By period overdue

(\$m)	31 Dec 2014 NPA	30 Sept 2014 NPA	31 Dec 2013 NPA
Not overdue	597	405	1,281
<90 days overdue	273	368	275
91-180 days overdue	162	325	272
>180 days overdue	1,481	1,427	1,168
Total	2,513	2,525	2,996

Asset quality remained healthy as non-performing assets were stable from the previous quarter at \$2.51 billion. The NPL rate was unchanged at 0.9% from the previous quarter.

Allowance coverage amounted to 163% of non-performing assets and to 296% if collateral was considered. These included cumulative general allowances of \$3.05 billion.

CUSTOMER DEPOSITS

(\$m)	31 Dec 2014	30 Sept 2014	31 Dec 2013
By currency and product			
Singapore dollar	138,332	137,256	134,758
Fixed deposits	15,084	17,880	17,079
Savings accounts	100,693	99,262	97,022
Current accounts	22,463	20,027	20,616
Others	92	87	41
US dollar	93,445	88,016	75,023
Fixed deposits	54,311	53,462	43,172
Savings accounts	8,777	7,873	5,858
Current accounts	26,244	21,910	18,616
Others	4,113	4,771	7,377
Hong Kong dollar	31,450	29,499	29,840
Fixed deposits	19,437	17,925	18,964
Savings accounts	6,507	6,544	6,437
Current accounts	4,908	4,541	3,993
Others	598	489	446
Chinese Yuan	20,463	18,952	22,647
Fixed deposits	17,413	16,527	20,737
Savings accounts	1,180	1,013	701
Current accounts	1,811	1,358	1,167
Others	59	54	42
Others	33,483	31,259	30,097
Fixed deposits	24,659	23,827	22,548
Savings accounts	2,596	2,432	2,411
Current accounts	5,450	4,043	4,417
Others	778	957	721
Total	317,173	304,982	292,365
Fixed deposits	130,904	129,621	122,500
Savings accounts	119,753	117,124	112,429
Current accounts	60,876	51,879	48,809
Others	5,640	6,358	8,627

Customer deposits rose 4% from the previous quarter to \$317 billion, with the growth led by US dollar current accounts.

Customer deposits were 8% higher than a year ago, with US dollar deposits accounting for more than half the increase. Singapore dollar deposits rose moderately as an increase in savings and current accounts was offset by an decrease in fixed deposits.

DEBTS ISSUED

(\$m)	31 Dec 2014	30 Sept 2014	31 Dec 2013
Subordinated term debts ^{1/}	4,665	5,545	5,544
Senior medium term notes	10,857	10,666	5,635
Commercial papers	14,561	13,899	12,142
Negotiable certificates of deposit	1,072	1,119	1,235
Other debt securities	5,473	5,253	4,103
Total	36,628	36,482	28,659
Due within 1 year	23,919	23,892	17,108
Due after 1 year	12,709	12,590	11,551
Total	36,628	36,482	28,659

Note:

^{1/} On 19 November 2014, DBS Bank Ltd. offered to redeem for cash up to USD 550 million of the USD 900 million Floating Rate Subordinated Notes due 2021 Callable with Step-up in 2016. The transaction was completed on 8 January 2015, when USD 550 million of the notes were redeemed and subsequently cancelled. The remaining USD 350 million of notes that were not repurchased are subject to the original terms and conditions of the notes.

VALUE AT RISK AND TRADING INCOME

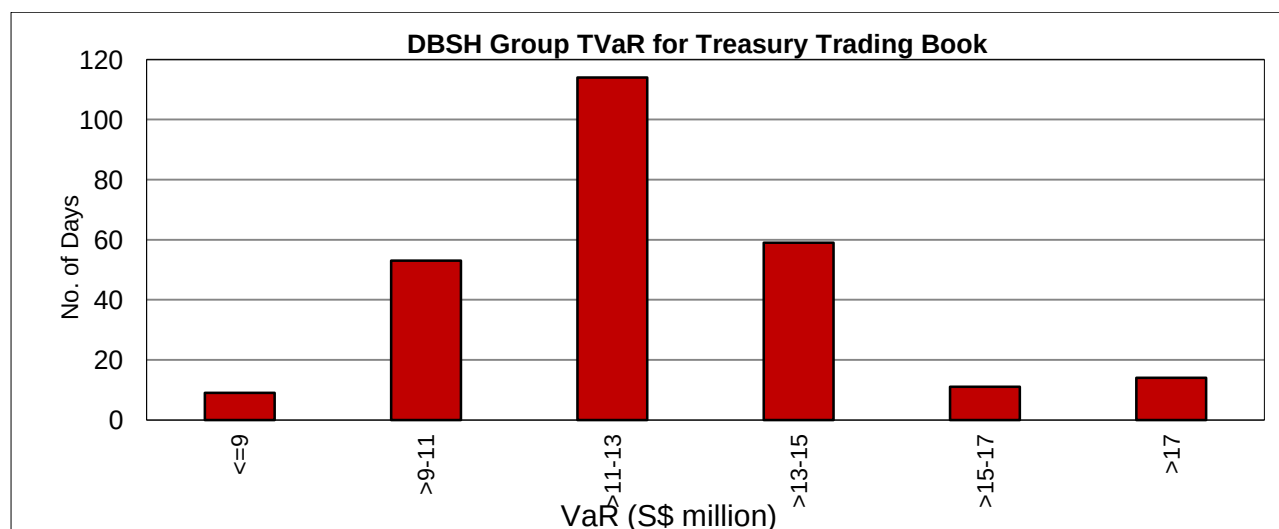
The Group's market risk appetite framework leverages on the Tail Value-at-Risk (TVaR) metric to monitor and limit market risk exposures. TVaR, or more commonly referenced as Expected Shortfall, is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 95% confidence interval, over a one-day holding period.

The following table shows for Treasury's trading portfolios at period-end, average, high and low diversified TVaR.

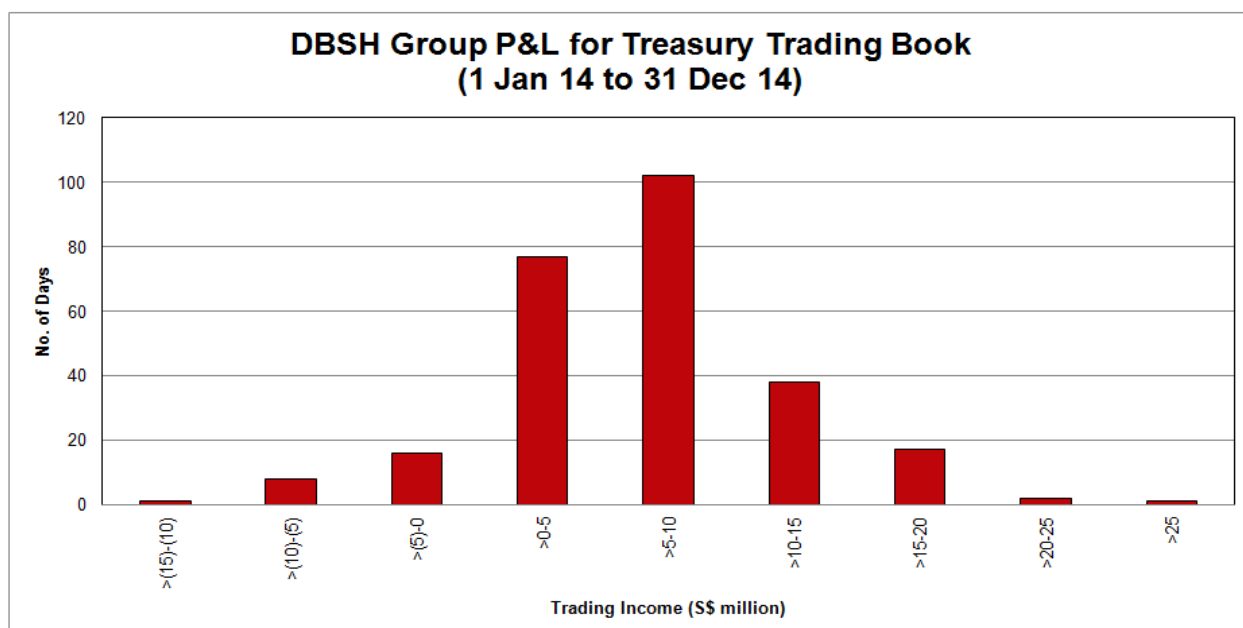
(\$m)	As at 31 Dec 2014	1 Jan 2014 to 31 Dec 2014		
		Average	High	Low
Total	16	12	19	8

Treasury's trading portfolio experienced three back-testing exceptions from 1 January 2014 to 31 December 2014 compared with five in the corresponding prior period. The exceptions in 2014 occurred in February, September and December.

The chart below shows the histogram of VaR for the Group's trading book for the period from 1 January 2014 to 31 December 2014.



The chart below shows the frequency distribution of daily trading income of the Group for the period from 1 January 2014 to 31 December 2014.



CAPITAL ADEQUACY

(\$m)	31 Dec 2014	30 Sep 2014	31 Dec 2013
Share capital	10,113	10,112	9,607
Disclosed reserves and others	26,814	25,876	23,918
Total regulatory adjustments to Common Equity Tier 1	(1,080)	(1,013)	(1)
Regulatory adjustments due to insufficient Additional Tier 1 capital	(1,144)	(883)	(876)
Common Equity Tier 1	34,703	34,092	32,648
Additional Tier 1 capital instruments ^{1/}	3,179	3,169	4,144
Total regulatory adjustments to Additional Tier 1 capital	(3,179)	(3,169)	(4,144)
Tier 1 capital	34,703	34,092	32,648
Provisions eligible as Tier 2 capital	1,354	1,280	1,217
Tier 2 capital instruments ^{1/}	4,304	4,282	4,955
Total regulatory adjustments to Tier 2 capital	(1)	(1)	(1)
Total capital	40,360	39,653	38,819

Risk-Weighted Assets ("RWA")

Credit RWA	206,423	195,457	188,124
Market RWA	41,813	43,254	35,092
Operational RWA	15,950	15,730	14,865
Total RWA	264,186	254,441	238,081

Capital Adequacy Ratio ("CAR") (%)

Common Equity Tier 1	13.1	13.4	13.7
Tier 1	13.1	13.4	13.7
Total	15.3	15.6	16.3
Pro forma Common Equity Tier 1 under final rules effective 1 Jan 2018	11.9	12.1	11.9

Minimum CAR (%)

Common Equity Tier 1	5.5	5.5	4.5
Tier 1	7.0	7.0	6.0
Total	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.

Compared to the previous quarter, the Common Equity Tier 1 ratio declined by 0.3% points due mainly to goodwill deduction arising from the acquisition of Societe Generale's private banking business in Asia. Likewise, the Common Equity Tier 1 ratio based on final rules effective 1 January 2018 declined by 0.2% points from the previous quarter to 11.9%.

ADDITIONAL PILLAR 3 DISCLOSURES

The Composition of Capital, Main Features of Capital Instruments 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 Financial Results, Supplements, and Regulatory Disclosures section of the Group website: (<http://www.dbs.com/investor/financial-performance/default.page>).

Credit Risk-Weighted Assets

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

(\$m)	RWA ^{1/}
Advanced IRBA	
Retail exposures	
Residential mortgage exposures	3,518
Qualifying revolving retail exposures	3,708
Other retail exposures	449
Foundation IRBA	
Wholesale exposures	
Sovereign exposures	5,410
Bank exposures	19,774
Corporate exposures ^{2/}	97,100
Specialised lending exposures	23,790
IRBA for equity exposures	6,958
IRBA for securitisation exposures	599
Total IRBA	161,306
Standardised Approach	
Residential mortgage exposures	2,180
Regulatory retail exposures	1,365
Corporate exposures	10,260
Commercial real estate exposures	1,516
Other exposures	
Real estate, premises, equipment and other fixed assets	1,485
Exposures to individuals	14,599
Others	3,526
Securitisation exposures	332
Total Standardised Approach	35,263
Exposures to Central Counterparties	176
Credit Valuation Adjustment	7,214
RWA arising from Regulatory Adjustment ^{3/}	2,464
Total credit risk	206,423

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.

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)	31 Dec 2014			
	Total risk-weighted assets	Common Equity Tier 1	CAR (%)	
			Tier 1	Total
DBS Bank (Hong Kong) Limited	35,359	14.6	14.6	16.7
DBS Bank (China) Limited	16,384	11.1	11.1	11.6

UNREALISED VALUATION SURPLUS

(\$m)	31 Dec 2014	30 Sept 2014	31 Dec 2013
Properties ^{1/}	885	798	686
Investment securities classified as loans and receivables and held to maturity ^{2/}	237	148	73
Total	1,122	946	759

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 increased from \$946 million in the previous quarter to \$1.12 billion due to higher valuation for investment securities and properties.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In \$ millions	4th Qtr 2014 ^{1/}	4th Qtr 2013 ^{1/}	+/(-) %	3rd Qtr 2014 ^{1/}	+/(-) %	Year 2014	Year 2013	+/(-) %
Income								
Interest income	2,335	2,085	12	2,266	3	8,948	7,986	12
Interest expense	661	631	5	664	-	2,627	2,417	9
Net interest income	1,674	1,454	15	1,602	4	6,321	5,569	14
Net fee and commission income	459	439	5	555	(17)	2,027	1,885	8
Net trading income	92	163	(44)	271	(66)	901	1,095	(18)
Net income from investment securities	100	82	22	74	35	274	276	(1)
Other income	15	184	(92)	12	25	293	273	7
Total income	2,340	2,322	1	2,514	(7)	9,816	9,098	8
Expenses								
Employee benefits	610	527	16	573	6	2,294	2,065	11
Other expenses	516	503	3	536	(4)	2,036	1,853	10
Allowances for credit and other losses	211	151	40	177	19	667	770	(13)
Total expenses	1,337	1,181	13	1,286	4	4,997	4,688	7
Operating profit after allowances	1,003	1,141	(12)	1,228	(18)	4,819	4,410	9
Share of profits of associates and joint venture	9	13	(31)	6	50	79	79	-
Profit before tax	1,012	1,154	(12)	1,234	(18)	4,898	4,489	9
Income tax expense	141	134	5	193	(27)	713	615	16
Net profit	871	1,020	(15)	1,041	(16)	4,185	3,874	8
Attributable to:								
Shareholders	838	973	(14)	1,008	(17)	4,046	3,672	10
Non-controlling interests	33	47	(30)	33	-	139	202	(31)
	871	1,020	(15)	1,041	(16)	4,185	3,874	8

Note:

1/ Unaudited

Audited Consolidated Statement of Comprehensive Income

In \$ millions	4th Qtr 2014 ^{1/}	4th Qtr 2013 ^{1/}	+/(-) %	3rd Qtr 2014 ^{1/}	+/(-) %	Year 2014	Year 2013	+/(-) %
Net profit	871	1,020	(15)	1,041	(16)	4,185	3,874	8
Other comprehensive income ^{2/} :								
Foreign currency translation differences for foreign operations	66	20	>100	33	100	96	(87)	NM
Share of other comprehensive income of associates and joint venture	(1)	-	NM	3	NM	7	(4)	NM
Available-for-sale financial assets and others								
Net valuation taken to equity	130	(99)	NM	(4)	NM	467	(542)	NM
Transferred to income statement	(74)	(67)	(10)	(52)	(42)	(165)	(176)	6
Tax on items taken directly to or transferred from equity	(3)	11	NM	2	NM	(14)	41	NM
Other comprehensive income, net of tax	118	(135)	NM	(18)	NM	391	(768)	NM
Total comprehensive income	989	885	12	1,023	(3)	4,576	3,106	47
Attributable to:								
Shareholders	953	837	14	986	(3)	4,432	2,900	53
Non-controlling interests	36	48	(25)	37	(3)	144	206	(30)
	989	885	12	1,023	(3)	4,576	3,106	47

Notes:

1/ Unaudited

2/ 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

Audited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Dec 2014	30 Sept 2014 ^{1/}	31 Dec 2013	31 Dec 2014	30 Sept 2014 ^{1/}	31 Dec 2013
ASSETS						
Cash and balances with central banks	19,517	19,656	18,726			
Government securities and treasury bills	29,694	32,948	27,497			
Due from banks	42,263	38,686	39,817	13		
Derivatives	16,995	14,114	17,426	14		
Bank and corporate securities	37,763	37,667	33,546			
Loans and advances to customers	275,588	261,681	248,654			
Other assets	11,249	12,359	8,925			
Associates and joint venture	995	998	1,166			
Subsidiaries	-	-	-	19,416	13,884	12,547
Properties and other fixed assets	1,485	1,439	1,449			
Goodwill and intangibles	5,117	4,835	4,802			
TOTAL ASSETS	440,666	424,383	402,008	19,443	13,884	12,547
LIABILITIES						
Due to banks	16,176	12,518	13,572			
Deposits and balances from customers	317,173	304,982	292,365			
Derivatives	18,755	15,669	18,132			
Other liabilities	11,728	15,459	11,594	17	11	11
Other debt securities	31,963	30,937	23,115	1,661	1,592	
Subordinated term debts	4,665	5,545	5,544			
TOTAL LIABILITIES	400,460	385,110	364,322	1,678	1,603	11
NET ASSETS	40,206	39,273	37,686	17,765	12,281	12,536
EQUITY						
Share capital	10,171	10,170	9,676	10,194	10,193	9,704
Other equity instruments	803	803	803	803	803	803
Other reserves	6,894	6,756	6,492	152	129	136
Revenue reserves	19,840	19,021	17,262	6,616	1,156	1,893
SHAREHOLDERS' FUNDS	37,708	36,750	34,233	17,765	12,281	12,536
Non-controlling interests	2,498	2,523	3,453			
TOTAL EQUITY	40,206	39,273	37,686	17,765	12,281	12,536
OTHER INFORMATION ^{1/}						
Net book value per share (\$)						
(i) Basic	14.85	14.46	13.61	6.79	4.57	4.73
(ii) Diluted	14.74	14.36	13.51	6.77	4.59	4.74

Note:

1/ Unaudited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Statement of Changes in Equity

GROUP

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
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	68		(68)		-		-
Issue of shares upon exercise of share options	13				13		13
Reclassification of reserves upon exercise of share options	4		(4)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	489				489		489
Cost of share-based payments			88		88		88
Redemption of preference shares of a subsidiary					-	(895)	(895)
Dividends paid to shareholders ^{1/}				(1,468)	(1,468)		(1,468)
Dividends paid to non-controlling interests					-	(141)	(141)
Change in non-controlling interests					-	(63)	(63)
Total comprehensive income			386	4,046	4,432	144	4,576
Balance at 31 December 2014	10,171	803	6,894	19,840	37,708	2,498	40,206
Balance at 1 January 2013	9,542	-	7,229	14,966	31,737	4,261	35,998
Purchase of treasury shares	(28)				(28)		(28)
Draw-down of reserves upon vesting of performance shares	37		(37)		-		-
Issue of shares upon exercise of share options	18				18		18
Reclassification of reserves upon exercise of share options	4		(4)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	103				103		103
Cost of share-based payments			76		76		76
Issue of perpetual capital securities		803			803		803
Purchase of preference shares of a subsidiary					-	(805)	(805)
Dividends paid to shareholders ^{1/}				(1,376)	(1,376)		(1,376)
Dividends paid to non-controlling interests					-	(209)	(209)
Total comprehensive income			(772)	3,672	2,900	206	3,106
Balance at 31 December 2013	9,676	803	6,492	17,262	34,233	3,453	37,686

Note:

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

Unaudited Statement of Changes in Equity

COMPANY					
In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
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			(68)		(68)
Issue of shares upon exercise of share options	13				13
Reclassification of reserves upon exercise of share options	4		(4)		-
Cost of share-based payments			88		88
Issue of shares pursuant to Scrip Dividend Scheme	489				489
Dividends paid to shareholders ^{1/}				(1,469)	(1,469)
Total comprehensive income				6,192	6,192
Balance at 31 December 2014	10,194	803	152	6,616	17,765
Balance at 1 January 2013	9,574	-	101	1,476	11,151
Purchase of treasury shares	(28)				(28)
Transfer of treasury shares	33				33
Draw-down of reserves upon vesting of performance shares			(37)		(37)
Issue of shares upon exercise of share options	18				18
Reclassification of reserves upon exercise of share options	4		(4)		-
Cost of share-based payments			76		76
Issue of shares pursuant to Scrip Dividend Scheme	103				103
Issue of perpetual capital securities		803			803
Dividends paid to shareholders ^{1/}				(1,376)	(1,376)
Total comprehensive income				1,793	1,793
Balance at 31 December 2013	9,704	803	136	1,893	12,536

Note:

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

Audited Consolidated Cash Flow Statement

In \$ millions	Year 2014	Year 2013
Cash flows from operating activities		
Net profit	4,185	3,874
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	667	770
Depreciation of properties and other fixed assets	220	214
Share of profits of associates and joint venture	(79)	(79)
Net gain on disposal (net of write-off) of properties and other fixed assets	(35)	(44)
Net income from investment securities	(274)	(276)
Net gain on disposal of associate	(223)	(221)
Cost of share-based payments	88	76
Income tax expense	713	615
Fair value gain on acquisition of interest in joint venture	(3)	-
Profit before changes in operating assets & liabilities	5,259	4,929
<i>Increase/(Decrease) in:</i>		
Due to banks	2,604	(1,779)
Deposits and balances from customers	24,808	38,901
Other liabilities	1,306	716
Other debt securities and borrowings	8,643	9,323
<i>(Increase)/Decrease in:</i>		
Restricted balances with central banks	111	(998)
Government securities and treasury bills	(1,986)	8,540
Due from banks	(2,446)	(10,427)
Loans and advances to customers	(27,558)	(38,845)
Bank and corporate securities	(3,865)	(8,117)
Other assets	(2,167)	(388)
Tax paid	(733)	(562)
Net cash generated from operating activities (1)	3,976	1,293
Cash flows from investing activities		
Proceeds from disposal of interest in associates	435	425
Acquisition of interest in associate and joint venture	(88)	(65)
Dividends from associates	98	52
Purchase of properties and other fixed assets	(263)	(227)
Proceeds from disposal of properties and other fixed assets	55	63
Acquisition of business	(281)	-
Net cash (used in)/generated from investing activities (2)	(44)	248
Cash flows from financing activities		
Increase in share capital	502	121
Purchase of treasury shares	(79)	(28)
Dividends paid to shareholders of the Company	(1,468)	(1,376)
Dividends paid to non-controlling interests	(141)	(209)
Issue of perpetual capital securities	-	803
Purchase of preference shares of a subsidiary	-	(805)
Payment upon maturity of subordinated term debts	(977)	-
Redemption of preference shares of a subsidiary	(895)	-
Change in non-controlling interests	(63)	-
Net cash used in financing activities (3)	(3,121)	(1,494)
Exchange translation adjustments (4)	91	(91)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	902	(44)
Cash and cash equivalents at 1 January	10,949	10,993
Cash and cash equivalents at 31 December	11,851	10,949

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	
	2014	2013
Ordinary shares		
Balance at 1 January	2,449,724,042	2,442,028,426
Shares issued pursuant to Scrip Dividend Scheme	28,350,961	5,996,350
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	1,010,231	1,600,623
As at 30 September	2,479,085,234	2,449,625,399
Shares issued on exercise of share options pursuant to the DBSH Share Option Plan	41,225	98,643
Balance at 31 December [a]	2,479,126,459	2,449,724,042
Treasury shares held by DBSH		
Balance at 1 January	4,644,000	5,344,000
Shares transferred to trust holding shares pursuant to DBSH Share Plan / DBSH Employee Share Plan	(4,462,000)	(2,500,000)
Purchase of treasury Shares	4,927,000	1,800,000
Balance at 31 December [b]	5,109,000	4,644,000
Ordinary shares net of treasury shares [a] – [b]	2,474,017,459	2,445,080,042

No purchase or transfers of treasury shares took place from 1 October to 31 December 2014.

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

	31 Dec 2014	31 Dec 2013
(Number)		
Conversion of non-voting redeemable CPS	30,011,421	30,011,421
Exercise of share options	354,877	1,434,875
Weighted average number of shares for the year		
- ordinary shares	2,456,660,977	2,441,214,479
- fully diluted	2,486,769,543	2,471,541,666

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 to 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

REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX Listing Manual, DBSH wishes to advise that there are no persons occupying a managerial position in DBSH, DBS Bank Ltd or any of the principal subsidiaries of DBSH who are relatives of a director or chief executive officer or substantial shareholder of DBSH.

The extract of the audit report dated 9 February 2015, on the financial statements of DBS Group Holdings Ltd and its subsidiaries for the year ended 31 December 2014 which have been prepared in accordance with Singapore Financial Reporting Standards, is as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD (INCORPORATED IN SINGAPORE)

Report on the Financial Statements

We have audited the accompanying financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 1 to 71, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

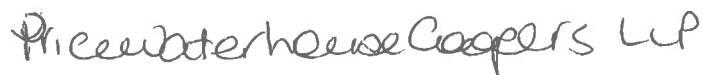
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by Monetary Authority of Singapore, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 9 February 2015