



Live more, Bank less

To: Shareholders

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

Unaudited Financial Results for the First Half/ Second Quarter Ended 30 June 2018

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

Dividends

For the first half of 2018, the Directors have declared an interim one-tier tax-exempt dividend of 60 cents for each DBSH ordinary share (the “1H18 Interim Dividend”), up 82% from the 33 cents declared for the first half of 2017. The estimated dividend payable is \$1,538 million (2017: \$843 million).

Ex-dividend Date

The DBSH ordinary shares will be quoted ex-dividend on 8 August 2018.

Closure of Books

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 13 August 2018 for the purpose of determining shareholders' entitlement to the 1H18 Interim Dividend.

Scrip Dividend Scheme

The DBSH Scrip Dividend Scheme will not be applied to the 1H18 Interim Dividend.

Payment Date

The payment date for cash dividends will be on 21 August 2018.

By order of the Board

Teoh Chia-Yin
Group Secretary

1 August 2018
Singapore

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

...DBS/

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

Tel: 65.6878 8888

www.dbs.com



Performance Summary

Financial Results
For the First Half/ Second Quarter ended
30 June 2018
(Unaudited)

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

Contents	Page
Overview	2
Financial Review	
Net Interest Income	5
Net Fee and Commission Income	7
Other Non-Interest Income	7
Expenses	8
Allowances for Credit and Other Losses	8
Performance by Business Segment	9
Performance by Geography	12
Customer Loans	16
Non-Performing Assets and Loss Allowance Coverage	17
Customer Deposits	20
Debts Issued	20
Trading Income and Risk	21
Capital Adequacy	22
Unrealised Property Valuation Surplus	23
Financial Statements	
Unaudited Consolidated Income Statement	24
Unaudited Consolidated Statement of Comprehensive Income	25
Unaudited Balance Sheets	26
Unaudited Consolidated Statement of Changes in Equity	27
Unaudited Statement of Changes in Equity	29
Unaudited Consolidated Cash Flow Statement	31
Other Financial Information	32
Additional Information	
Share Capital	33
Interested Party Transactions Pursuant to Listing Rule 920(1)	33
Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)	33
Confirmation by the Board	34

OVERVIEW

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

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	2nd Qtr 2018	2nd Qtr 2017	% chg	1st Qtr 2018	% chg	1st Half 2018	1st Half 2017	% chg
Selected income statement items (\$m)								
Net interest income	2,224	1,888	18	2,128	5	4,352	3,719	17
Net fee and commission income	706	636	11	744	(5)	1,450	1,301	11
Other non-interest income	273	400	(32)	488	(44)	761	790	(4)
Total income	3,203	2,924	10	3,360	(5)	6,563	5,810	13
Expenses	1,418	1,268	12	1,398	1	2,816	2,516	12
Profit before allowances	1,785	1,656	8	1,962	(9)	3,747	3,294	14
Allowances for credit and other losses	105	304	(65)	164	(36)	269	504	(47)
Profit before tax	1,680	1,352	24	1,798	(7)	3,478	2,790	25
Net profit	1,372	1,140	20	1,521	(10)	2,893	2,350	23
One-time items	(38)	(10)	(>100)	(10)	(>100)	(48)	25	NM
- ANZ integration costs	(4)	(14)	71	(12)	67	(16)	(24)	33
- Others ¹	(34)	4	NM	2	NM	(32)	49	NM
Net profit including one-time items	1,334	1,130	18	1,511	(12)	2,845	2,375	20
Selected balance sheet items (\$m)								
Customer loans	338,071	302,973	12	328,218	3	338,071	302,973	12
<i>Constant-currency change</i>			12		1			12
Total assets	540,004	486,699	11	529,909	2	540,004	486,699	11
Customer deposits	387,560	342,886	13	375,826	3	387,560	342,886	13
<i>Constant-currency change</i>			14		2			14
Total liabilities	491,960	437,830	12	478,828	3	491,960	437,830	12
Shareholders' funds	47,214	46,514	2	48,707	(3)	47,214	46,514	2
Key financial ratios (%) (excluding one-time items)²								
Net interest margin	1.85	1.74		1.83		1.84	1.74	
Non-interest/total income	30.6	35.4		36.7		33.7	36.0	
Cost/income ratio	44.3	43.4		41.6		42.9	43.3	
Return on assets	1.03	0.95		1.18		1.11	0.99	
Return on equity ³	11.8	10.1		13.1		12.5	10.6	
Loan/deposit ratio	87.2	88.4		87.3		87.2	88.4	
NPL ratio	1.6	1.5		1.6		1.6	1.5	
ECL ⁴ Stage 3 (SP) for loans/average loans (bp)	12	40		20		16	33	
Common Equity Tier 1 capital adequacy ratio	13.6	14.4		14.0		13.6	14.4	
Tier 1 capital adequacy ratio	14.4	15.2		15.0		14.4	15.2	
Total capital adequacy ratio	16.2	16.5		15.8		16.2	16.5	
Leverage ratio ⁵	7.0	7.9		7.6		7.0	7.9	
Average all-currency liquidity coverage ratio ⁶	135	150		125		130	144	
Net stable funding ratio ⁷	110	NA		110		110	NA	
Per share data (\$)								
Per basic and diluted share								
- earnings excluding one-time items	2.12	1.77		2.38		2.25	1.83	
- earnings	2.10	1.76		2.38		2.23	1.84	
- net book value ⁸	17.71	17.49		18.29		17.71	17.49	

Notes:

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

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

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

4 Refers to expected credit loss

5 Leverage Ratio is computed based on MAS Notice 637.

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

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

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

NM Not meaningful

NA Not applicable

Net profit for the second quarter rose 20% from a year ago to \$1.37 billion, underpinned by double-digit percentage growth in net interest income and fee income. The results were moderated by weak trading income. Total income rose 10% to \$3.20 billion. Compared to the previous quarter's record, net profit fell 10% as other non-interest income declined 44%. Business momentum over the quarter was healthy as consumer and non-trade loan growth, underlying net interest margin progression and overall fee income trends were sustained.

Net interest income increased 18% from a year ago and 5% from the previous quarter to \$2.22 billion. Loans increased 12% from a year ago from broad-based growth, and 1% in constant-currency terms from the previous quarter. Net interest margin rose 11 basis points from a year ago and two basis points from the previous quarter to 1.85% from higher interest rates in Singapore and Hong Kong.

Net fee income increased 11% from a year ago to \$706 million, led by wealth management and cards. It was 5% below the previous quarter, when buoyant markets resulted in a high base for wealth management fees and brokerage commissions.

Other non-interest income declined 32% from a year ago to \$273 million due to lower trading income and gains from investment securities. It was 44% lower compared to the previous quarter, which had also included a property disposal gain.

Expenses were 12% higher than a year ago at \$1.42 billion. Excluding the consolidation of the retail and wealth management business acquired from ANZ, they were 5% higher. Expenses rose marginally by 1% compared to the previous quarter. Profit before allowances of \$1.79 billion was 8% higher than a year ago and 9% below the previous quarter.

Asset quality was healthy. Non-performing assets were little changed from the previous quarter at \$5.87 billion. Total allowances of \$105 million were one-third a year ago. Allowance coverage was at 92% and at 173% if collateral was considered.

The liquidity coverage ratio was at 135% and the net stable funding ratio was at 110%. The Common Equity Tier 1 ratio was at 13.6% while the leverage ratio was at 7.0%.

Net profit for the first half rose 23% to a record \$2.89 billion. The performance was underpinned by a 13% increase in total income to \$6.56 billion. Return on equity was 12.5%. Including one-time items, net profit was \$1.33 billion for the second quarter and \$2.85 billion for the first half.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	2nd Qtr 2018			2nd Qtr 2017			1st Qtr 2018		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer non-trade loans	286,477	2,154	3.01	258,269	1,723	2.68	278,235	1,978	2.88
Trade assets	50,107	392	3.14	42,632	265	2.49	49,245	342	2.81
Interbank assets ¹	45,573	207	1.82	48,253	139	1.16	49,259	216	1.78
Securities and others	100,051	611	2.45	86,861	484	2.23	95,346	534	2.27
Total	482,208	3,364	2.80	436,015	2,611	2.40	472,085	3,070	2.64
Interest-bearing liabilities									
Customer deposits	382,875	829	0.87	346,350	531	0.61	373,154	680	0.74
Other borrowings	68,201	311	1.83	56,418	192	1.37	67,265	262	1.58
Total	451,076	1,140	1.01	402,768	723	0.72	440,419	942	0.87
Net interest income/margin²		2,224	1.85		1,888	1.74		2,128	1.83

Average balance sheet	1st Half 2018			1st Half 2017		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	282,379	4,132	2.95	258,044	3,402	2.66
Trade assets	49,678	734	2.98	42,303	522	2.49
Interbank assets ¹	47,406	423	1.80	46,566	266	1.15
Securities and others	97,711	1,145	2.36	83,858	930	2.24
Total	477,174	6,434	2.72	430,771	5,120	2.40
Interest-bearing liabilities						
Customer deposits	378,041	1,509	0.80	343,737	1,024	0.60
Other borrowings	67,736	573	1.71	55,165	377	1.38
Total	445,777	2,082	0.94	398,902	1,401	0.71
Net interest income/margin²		4,352	1.84		3,719	1.74

Notes:

1 Includes non-restricted balances with central banks.

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

Net interest income rose 18% from a year ago to \$2.22 billion. Net interest margin rose 11 basis points to 1.85% as higher interest rates in Singapore and Hong Kong resulted in a faster expansion of loan yields than deposit costs. Asset volumes were also higher, led by customer loan and trade asset growth.

Compared to the previous quarter, net interest income rose 5% from higher asset volumes and a two basis point increase in net interest margin. While higher interest rates

in Singapore and Hong Kong boosted net interest margin by four basis points, the impact was moderated by an increase in liquidity buffers given the uncertain market environment and by Tier-2 capital issuances during the quarter.

For the first half, net interest income rose 17% to \$4.35 billion from a combination of asset growth and higher net interest margin.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	2nd Qtr 2018 vs 2nd Qtr 2017			2nd Qtr 2018 vs 1st Qtr 2018		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	188	244	432	59	93	152
Trade assets	47	81	128	6	40	46
Interbank assets	(8)	74	66	(16)	5	(11)
Securities and others	73	54	127	26	44	70
Total	300	453	753	75	182	257
Interest expense						
Customer deposits	56	242	298	18	122	140
Other borrowings	40	79	119	8	37	45
Total	96	321	417	26	159	185
Net impact on net interest income	204	132	336	49	23	72
Due to change in number of days			-			24
Net Interest Income			336			96

Volume and rate analysis (\$m) Increase/(decrease) due to change in	1st Half 2018 vs 1st Half 2017		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	320	411	731
Trade assets	91	122	213
Interbank assets	5	150	155
Securities and others	154	61	215
Total	570	744	1,314
Interest expense			
Customer deposits	102	383	485
Other borrowings	86	110	196
Total	188	493	681
Net impact on net interest income	382	251	633
Due to change in number of days			-
Net Interest Income			633

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	2nd Qtr 2018	2nd Qtr 2017	% chg	1st Qtr 2018	% chg	1st Half 2018	1st Half 2017	% chg
Brokerage	38	38	-	49	(22)	87	76	14
Investment banking	39	41	(5)	38	3	77	86	(10)
Transaction services ¹	160	154	4	156	3	316	311	2
Loan-related	91	104	(13)	99	(8)	190	232	(18)
Cards ²	171	130	32	156	10	327	253	29
Wealth management ³	300	245	22	331	(9)	631	467	35
Others	18	19	(5)	22	(18)	40	47	(15)
Fee and commission income	817	731	12	851	(4)	1,668	1,472	13
Less: Fee and commission expense	111	95	17	107	4	218	171	27
Total	706	636	11	744	(5)	1,450	1,301	11

Notes:

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

2 Net of interchange fees paid.

3 Includes fees of \$76 million in first half 2018 (first half 2017: \$23 million) from sales of treasury products that were previously classified as other non-interest income. The change was applied prospectively from 1 April 2017.

Net fee income grew 11% from a year ago to \$706 million. Wealth management fees increased 22% to \$300 million from stronger sales of investment products and bancassurance. Card fees rose 32% to \$171 million from higher credit and debit card transactions as well as the consolidation of ANZ. Transaction services fees grew 4% to \$160 million due to higher cash management income.

Net fee income was 5% below the previous quarter due to a high base for wealth management fees and brokerage commissions, which had benefited from buoyant investor sentiment.

For the first half, net fee income rose 11% to a new high of \$1.45 billion, led by wealth management and cards.

OTHER NON-INTEREST INCOME

(\$m)	2nd Qtr 2018	2nd Qtr 2017	% chg	1st Qtr 2018	% chg	1st Half 2018	1st Half 2017	% chg
Net trading income	227	295	(23)	368	(38)	595	565	5
Net income from investment securities ¹	30	95	(68)	22	36	52	197	(74)
Net gain on fixed assets	-	-	-	86	(100)	86	1	>100
Others ² (include rental income and share of profits of associates)	16	10	60	12	33	28	27	4
Total	273	400	(32)	488	(44)	761	790	(4)

Notes:

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

2 Excludes one-time item.

Other non-interest income fell 32% from a year ago and 44% from the previous quarter to \$273 million as a flatter yield curve and wider credit spreads created trading headwinds. Net income from investment securities was also lower compared to a year ago. The decline from the previous quarter was also due to a net gain on fixed assets during that period.

For the first half, other non-interest income fell 4% to \$761 million as lower net income from investment securities was partially offset by a net gain on fixed assets.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES¹

(\$m)	2nd Qtr 2018	2nd Qtr 2017	% chg	1st Qtr 2018	% chg	1st Half 2018	1st Half 2017	% chg
Staff	783	718	9	785	-	1,568	1,429	10
Occupancy	110	97	13	100	10	210	197	7
Computerisation	220	198	11	238	(8)	458	419	9
Revenue-related	99	71	39	80	24	179	137	31
Others	206	184	12	195	6	401	334	20
Total	1,418	1,268	12	1,398	1	2,816	2,516	12
Staff headcount at period-end	25,697	22,305	15	25,731	-	25,697	22,305	15
<i>Staff headcount at period-end excluding insourcing staff and staff from ANZ integration²</i>	21,179	20,719	2	21,322	(1)	21,179	20,719	2
Included in the above table were:								
Depreciation of properties and other fixed assets	83	74	12	77	8	160	145	10

Note:

1 Excludes one-time item.

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

Expenses rose 12% from a year ago to \$1.42 billion. The consolidation of ANZ contributed to the increase in staff and revenue-related costs. Excluding ANZ, expenses were 5% higher.

Compared to the previous quarter, expenses were 1% higher. For the half year, expenses rose 12% to \$2.82 billion. Excluding ANZ, they were 6% higher.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	2nd Qtr 2018	2nd Qtr 2017	% chg	1st Qtr 2018	% chg	1st Half 2018	1st Half 2017	% chg
ECL¹ Stage 1 and 2 (GP)²	7	-	NM	7	-	14	-	NM
ECL ¹ Stage 3 (SP) for loans ³	98	301	(67)	162	(40)	260	494	(47)
Singapore	29	92	(68)	69	(58)	98	215	(54)
Hong Kong	15	111	(86)	(1)	NM	14	121	(88)
Rest of Greater China	3	13	(77)	(2)	NM	1	24	(96)
South and Southeast Asia	55	82	(33)	79	(30)	134	120	12
Rest of the World	(4)	3	NM	17	NM	13	14	(7)
ECL ¹ Stage 3 (SP) for other credit exposures	-	2	(100)	(5)	NM	(5)	7	NM
Total ECL¹ Stage 3 (SP)	98	303	(68)	157	(38)	255	501	(49)
Allowances for other assets	-	1	(100)	-	-	-	3	(100)
Total	105	304	(65)	164	(36)	269	504	(47)

Notes:

1 Refers to expected credit loss.

2 Excludes one-time item.

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

NM Not Meaningful

SP for loans for the second quarter amounted to \$98 million, bringing the amount for the first half to \$260 million. Included in the second quarter SP for loans was a write-back for an oil and gas support service exposure.

GP amounted to \$7 million for the quarter and \$14 million for the first half due to loan growth.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected income statement items					
2nd Qtr 2018¹					
Net interest income	872	1,008	91	253	2,224
Net fee and commission income	419	278	-	9	706
Other non-interest income	108	135	16	14	273
Total income	1,399	1,421	107	276	3,203
Expenses	748	456	156	58	1,418
Allowances for credit and other losses	58	74	1	(28)	105
Profit before tax	593	891	(50)	246	1,680
1st Qtr 2018¹					
Net interest income	793	940	125	270	2,128
Net fee and commission income	449	281	-	14	744
Other non-interest income	117	137	124	110	488
Total income	1,359	1,358	249	394	3,360
Expenses	685	441	143	129	1,398
Allowances for credit and other losses	47	85	(6)	38	164
Profit before tax	627	832	112	227	1,798
2nd Qtr 2017¹					
Net interest income	699	900	143	146	1,888
Net fee and commission income	342	280	-	14	636
Other non-interest income	99	118	115	68	400
Total income	1,140	1,298	258	228	2,924
Expenses	633	437	135	63	1,268
Allowances for credit and other losses	38	340	-	(74)	304
Profit before tax	469	521	123	239	1,352
1st Half 2018¹					
Net interest income	1,665	1,948	216	523	4,352
Net fee and commission income	868	559	-	23	1,450
Other non-interest income	225	272	140	124	761
Total income	2,758	2,779	356	670	6,563
Expenses	1,433	897	299	187	2,816
Allowances for credit and other losses	105	159	(5)	10	269
Profit before tax	1,220	1,723	62	473	3,478
1st Half 2017¹					
Net interest income	1,392	1,771	271	285	3,719
Net fee and commission income	681	596	-	24	1,301
Other non-interest income	226	250	174	140	790
Total income	2,299	2,617	445	449	5,810
Expenses	1,230	860	268	158	2,516
Allowances for credit and other losses	66	480	-	(42)	504
Profit before tax	1,003	1,277	177	333	2,790

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected balance sheet and other items²					
30 Jun 2018					
Total assets before goodwill and intangibles	114,454	258,424	107,503	54,448	534,829
Goodwill and intangibles					5,175
Total assets					540,004
Total liabilities	213,520	187,926	46,505	44,009	491,960
Capital expenditure for 2nd Qtr 2018	19	2	3	94	118
Depreciation for 2nd Qtr 2018	10	2	1	70	83
31 Mar 2018					
Total assets before goodwill and intangibles	112,709	249,535	107,081	55,410	524,735
Goodwill and intangibles					5,174
Total assets					529,909
Total liabilities	210,042	176,463	46,349	45,974	478,828
Capital expenditure for 1st Qtr 2018	23	4	1	52	80
Depreciation for 1st Qtr 2018	13	3	1	60	77
30 Jun 2017					
Total assets before goodwill and intangibles	98,438	235,618	102,067	45,462	481,585
Goodwill and intangibles					5,114
Total assets					486,699
Total liabilities	192,087	160,395	43,643	41,705	437,830
Capital expenditure for 2nd Qtr 2017	18	3	2	51	74
Depreciation for 2nd Qtr 2017	12	3	1	58	74

Notes:

- 1 Non-interest income, expenses, allowances for credit and other losses and profit before tax exclude one-time items.
- 2 Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments.

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

The various business segments are described below:

Consumer Banking/ Wealth Management

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

Compared to a year ago, profit before tax was 26% higher at \$593 million. Total income rose 23% to \$1.40 billion. Net interest income increased 25% to \$872 million due to higher loan and deposit volumes and an improved net interest margin. Non-interest income rose 20% to \$527 million from higher investment product and bancassurance sales as well as card transactions. Expenses were 18% higher at \$748 million. Total allowances rose 53% to \$58 million partly due to the consolidation of ANZ.

Compared to the previous quarter, profit before tax declined 5%. Total income grew 3%. Net interest income increased 10% from higher loan and deposit balances and an improved net interest margin. Non-interest income decreased 7% as investment product sales fell from a high base. Expenses rose 9% while total allowances increased 23% partly due to ANZ consolidation.

For the first half, profit before tax was \$1.22 billion, 22% higher than a year ago. Total income was 20% higher at \$2.76 billion. Net interest income rose 20% to \$1.67 billion due to higher loan and deposit volumes and an improved net interest margin. Non-interest income was 21% higher at \$1.09 billion. Expenses increased 17% to \$1.43 billion from

headcount growth, investment in business capabilities and higher marketing activities. Total allowances were 59% higher at \$105 million as SP rose partly due to the consolidation of ANZ.

Institutional Banking

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

Compared to a year ago, profit before tax increased 71% to \$891 million. Total income rose 9% to \$1.42 billion from higher income from cash management, trade finance and investment banking activities, partially offset by lower income from loan-related activities. Expenses rose 4% to \$456 million, while allowances were \$266 million lower at \$74 million.

Compared to previous quarter, profit before tax rose 7% to \$891 million. Total income increased 5% due to higher contributions from cash management, trade finance and treasury customer activities. Expenses rose 3% and allowances were \$11 million lower.

For the first half, profit before tax rose 35% to \$1.72 billion. Total income rose 6% to \$2.78 billion as contributions from cash management and investment banking activities increased. Expenses were 4% higher at \$897 million. Total allowances of \$159 million were one-third a year ago.

Treasury Markets

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

Treasury Markets recorded a pre-tax loss of \$50 million compared to a profit of \$123 million a year ago. Total income fell 59% to \$107 million as contributions declined for most activities. Expenses were 16% higher at \$156 million as staff and business-related costs increased.

Compared to the previous quarter, total income fell 57% largely due to lower contributions from interest rate and equity activities, partially offset by higher contribution from foreign exchange activities. Expenses increased 9% from higher business-related costs.

For the first half, profit before tax declined 65% to \$62 million. Total income declined 20% to \$356 million due to lower contributions from interest rate, credit and equity activities, partially offset by higher contribution from foreign exchange activities. Expenses increased 12% largely from higher staff and business-related expenses.

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

Income from treasury customer activities rose 8% from a year ago to \$312 million due to higher income from sales of foreign exchange and equity products, which were partially offset by lower income from fixed income, credit and interest rate products. Compared to the previous quarter, income from customer activities declined 3% due to lower sales of equity and interest rate products, partially offset by higher income from foreign exchange products. For the first half, income increased 7% to \$635 million mainly due to higher sales of foreign exchange and equity products, partially offset by lower income from fixed income and interest rate products.

Others

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income statement items						
2nd Qtr 2018¹						
Net interest income	1,418	440	167	137	62	2,224
Net fee and commission income	443	155	42	51	15	706
Other non-interest income	116	55	91	9	2	273
Total income	1,977	650	300	197	79	3,203
Expenses	816	255	177	144	26	1,418
Allowances for credit and other losses	37	31	(4)	43	(2)	105
Profit before tax	1,124	364	127	10	55	1,680
Income tax expense	172	60	31	1	16	280
Net profit	924	304	96	9	39	1,372
1st Qtr 2018¹						
Net interest income	1,360	402	176	126	64	2,128
Net fee and commission income	467	166	46	50	15	744
Other non-interest income	257	153	56	15	7	488
Total income	2,084	721	278	191	86	3,360
Expenses	849	232	172	119	26	1,398
Allowances for credit and other losses	125	(18)	11	51	(5)	164
Profit before tax	1,110	507	95	21	65	1,798
Income tax expense	142	71	21	(1)	14	247
Net profit	938	436	74	22	51	1,521
2nd Qtr 2017¹						
Net interest income	1,238	343	129	115	63	1,888
Net fee and commission income	418	138	32	34	14	636
Other non-interest income	267	55	47	19	12	400
Total income	1,923	536	208	168	89	2,924
Expenses	746	235	155	107	25	1,268
Allowances for credit and other losses	217	26	18	33	10	304
Profit before tax	960	275	35	28	54	1,352
Income tax expense	110	46	7	4	14	181
Net profit	820	229	28	23	40	1,140

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 2018¹						
Net interest income	2,778	842	343	263	126	4,352
Net fee and commission income	910	321	88	101	30	1,450
Other non-interest income	373	208	147	24	9	761
Total income	4,061	1,371	578	388	165	6,563
Expenses	1,665	487	349	263	52	2,816
Allowances for credit and other losses	162	13	7	94	(7)	269
Profit before tax	2,234	871	222	31	120	3,478
Income tax expense	314	131	52	-	30	527
Net profit	1,862	740	170	31	90	2,893
1st Half 2017¹						
Net interest income	2,422	694	248	233	122	3,719
Net fee and commission income	845	283	75	69	29	1,301
Other non-interest income	526	83	93	61	27	790
Total income	3,793	1,060	416	363	178	5,810
Expenses	1,480	465	301	219	51	2,516
Allowances for credit and other losses	357	46	35	58	8	504
Profit before tax	1,956	549	80	86	119	2,790
Income tax expense	223	92	14	18	29	376
Net profit	1,670	457	66	67	90	2,350
Selected balance sheet items						
30 Jun 2018						
Total assets before goodwill and intangibles	345,176	88,009	51,423	23,075	27,146	534,829
Goodwill and intangibles	5,136	29	-	10	-	5,175
Total assets	350,312	88,038	51,423	23,085	27,146	540,004
Non-current assets ²	1,547	294	166	132	4	2,143
Gross customer loans	218,088	63,028	30,066	12,988	18,501	342,671
31 Mar 2018						
Total assets before goodwill and intangibles	340,394	83,718	51,842	21,211	27,570	524,735
Goodwill and intangibles	5,136	28	-	10	-	5,174
Total assets	345,530	83,746	51,842	21,221	27,570	529,909
Non-current assets ²	1,543	311	123	110	4	2,091
Gross customer loans	214,013	58,505	29,188	12,617	18,545	332,868
30 Jun 2017						
Total assets before goodwill and intangibles	321,137	72,558	41,005	20,960	25,925	481,585
Goodwill and intangibles	5,083	31	-	-	-	5,114
Total assets	326,220	72,589	41,005	20,960	25,925	486,699
Non-current assets ²	1,551	354	79	58	5	2,047
Gross customer loans	199,941	53,406	23,689	12,679	17,707	307,422

Notes:

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

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

Singapore

Net profit increased 13% to \$924 million from a year ago. Total income rose 3% to \$1.98 billion. An increase in net interest income and fee income was moderated by a decline in other non-interest income as trading income and income from investment securities fell. Net interest income rose 15% to \$1.42 billion from higher net interest margin and loan volumes. Fee income was 6% higher at \$443 million, led by an increase in wealth management fees. Expenses increased 9% to \$816 million, resulting in profit before allowances declining slightly to \$1.16 billion. Allowances of \$37 million were one-fifth a year ago due to a write-back for an oil and gas support service exposure.

Compared to the previous quarter, net profit was marginally lower. Total income fell 5%. A 4% increase in net interest income from loan growth and higher net interest margin was more than offset by a decline in non-interest income. Fee income fell 5% due partly to a high base for wealth management. Other non-interest income fell 55% from weaker trading income. Total allowances declined 70% due to the oil and gas support service exposure write-back.

For the first half, net profit rose 11% to \$1.86 billion. Total income increased 7% to \$4.06 billion from higher net interest margin, loan volumes as well as fee income from wealth management and cards. They were partially offset by a decline in income from investment securities. A halving of total allowances to \$162 million also contributed to the net profit growth.

Hong Kong

The second quarter results incorporated a 4% depreciation of the Hong Kong dollar against the Singapore dollar compared to a year ago, and a 2% appreciation compared to the previous quarter.

Net profit rose 33% to \$304 million from a year ago. Net interest income grew 28% to \$440 million from loan growth and a 28 basis point increase in net interest margin to 1.98%. Fee income rose 12% to \$155 million as higher wealth management and cash management fees were partially offset by declines in trade finance and loan-related fees. The consolidation of ANZ contributed to the increase in net interest income and fee income. Other non-interest income was stable. Total income rose 21% to \$650 million, faster than the 9% increase in expenses to \$255 million. Profit before

allowances increased 31% to \$395 million. Total allowances rose \$5 million to \$31 million.

Compared to the previous quarter, net profit fell 30% due largely to a property disposal gain of \$86 million in the previous quarter. Excluding the gain, net profit was 13% lower from a moderation in fee and other non-interest income due to less buoyant market conditions. Net interest income increased 9% from loan growth and a higher net interest margin, which rose 11 basis points. Lower wealth management fees and treasury customer income resulted in a 7% decline in fee income and 64% fall in other non-interest income. Expenses were 10% higher. Total allowances were \$31 million compared to a write-back of \$18 million in the previous quarter.

For the first half, net profit rose 62% to \$740 million. Excluding the property disposal gain, net profit increased 43%. Total income rose 29% to \$1.37 billion from broad-based growth as well as the property disposal gain. Expenses rose 5% to \$487 million. Total allowances declined \$33 million to \$13 million mainly due to lower GP.

Rest of Greater China

Net profit tripled to \$96 million from a year ago as total income grew 44% and allowances declined. Net interest income increased 29% to \$167 million from higher loan volumes and the consolidation of ANZ. Fee income rose 31% to \$42 million from the ANZ consolidation. Other non-interest income doubled to \$91 million partly due to higher treasury customer sales. With expenses rising 14% to \$177 million, profit before allowances more than doubled to \$123 million. Total allowances fell from \$18 million to a net write-back of \$4 million due to GP write-backs.

Compared to the previous quarter, net profit was 30% higher. Total income rose 8%. An increase in other non-interest income from higher trading income was partially offset by a decline in net interest income as net interest margin fell. Expenses rose 3%, resulting in a 16% increase in profit before allowances.

For the first half, net profit almost tripled to \$170 million. Total income grew 39% to \$578 million from loan growth, higher net interest margin, an increase in treasury customer sales and the consolidation of ANZ. With expenses increasing 16% to \$349 million, profit before allowances doubled to \$229 million. Total allowances of \$7 million were one-fifth a year ago as SP fell and there was a write-back of GP.

South and Southeast Asia

Net profit fell 61% from a year ago to \$9 million. Total income rose 17% to \$197 million. While net interest income increased 19% to \$137 million and fee income grew 50% to \$51 million due to the ANZ consolidation, other non-interest income halved to \$9 million due to weaker trading income. Expenses increased 35% to \$144 million while total allowances rose 30% to \$43 million, due partly to ANZ.

Compared to the previous quarter, net profit was 59% lower. Total income rose 3% as a 9% increase in net interest income from the full-period consolidation of ANZ was partially offset by a 40% decline in other non-interest income due to lower trading income. A 21% increase in expenses was partially offset by a 16% decline in total allowances as GP was lower.

For the first half, net profit halved to \$31 million as total income growth was more than offset by higher expenses and allowances. Total income rose 7% to \$388 million as net interest income and fee income growth was partially offset by a decline in other non-interest income. Expenses increased 20% to \$263 million and total allowances rose 62% to \$94 million due partly to the consolidation of ANZ.

Rest of the World

Net profit fell 3% to \$39 million from a year ago. Net interest income and fee income were little changed. A \$10 million decline in other non-interest income to \$2 million led to an 11% reduction in total income to \$79 million. Expenses were stable at \$26 million. There was a net allowance write-back of \$2 million compared to a charge of \$10 million a year ago.

Compared to the previous quarter, net profit was 24% lower. Total income fell 8% due to a decline in other non-interest income. Expenses were unchanged while total allowances rose slightly by \$3 million.

For the first half, net profit was unchanged at \$90 million. Total income fell 7% to \$165 million as a 3% increase in both net interest income and fee income was more than offset by a 67% decline in other non-interest income. Expenses were little changed. There was a net allowance write-back of \$7 million compared to a charge of \$8 million a year ago.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
Gross	342,671	332,868	327,769	307,422
Less:				
ECL ¹ Stage 3 (SP) ²	2,376	2,370	2,276	1,207
ECL ¹ Stage 1 & 2 (GP) ²	2,224	2,280	2,394	3,242
Net total	338,071	328,218	323,099	302,973
By business unit				
Consumer Banking/Wealth Management	112,015	109,890	108,847	95,984
Institutional Banking	227,818	220,308	216,317	209,966
Others	2,838	2,670	2,605	1,472
Total (Gross)	342,671	332,868	327,769	307,422
By geography³				
Singapore	159,655	156,627	155,299	148,163
Hong Kong	54,149	51,586	51,017	48,234
Rest of Greater China	55,642	54,508	53,020	46,916
South and Southeast Asia	27,832	26,061	24,474	24,834
Rest of the World	45,393	44,086	43,959	39,275
Total (Gross)	342,671	332,868	327,769	307,422
By industry				
Manufacturing	35,178	33,449	32,636	32,771
Building and construction	70,421	66,447	64,520	60,546
Housing loans	73,968	73,500	73,293	64,850
General commerce	53,153	51,947	51,119	48,692
Transportation, storage & communications	30,729	29,374	30,480	30,411
Financial institutions, investment & holding companies	20,445	19,937	17,221	14,768
Professionals & private individuals (excluding housing loans)	31,309	30,180	29,393	25,312
Others	27,468	28,034	29,107	30,072
Total (Gross)	342,671	332,868	327,769	307,422
By currency				
Singapore dollar	137,588	137,370	134,558	126,378
US dollar	107,873	104,038	103,943	101,206
Hong Kong dollar	41,648	38,541	38,891	34,389
Chinese yuan	12,926	11,865	11,055	10,127
Others	42,636	41,054	39,322	35,322
Total (Gross)	342,671	332,868	327,769	307,422

Notes:

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

Gross customer loans rose 1% from the previous quarter and 12% from a year ago in constant-currency terms to \$343 billion. The growth over the 12 months was broad-based across regions and businesses.

During the quarter, the growth was due to consumer and non-trade corporate loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	30 Jun 2018			31 Mar 2018			31 Dec 2017			30 Jun 2017		
	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)	NPA (\$m)	NPL (% of loans)	SP ⁴ (\$m)
By business unit												
Consumer Banking/ Wealth Management	703	0.6	150	709	0.6	146	676	0.6	130	449	0.5	75
Institutional Banking and Others	4,626	2.0	2,226	4,682	2.1	2,224	4,841	2.2	2,146	4,022	1.9	1,132
Total non-performing loans (NPL)	5,329	1.6	2,376	5,391	1.6	2,370	5,517	1.7	2,276	4,471	1.5	1,207
Debt securities, contingent liabilities & others	541	-	140	426	-	146	553	-	243	375	-	134
Total non-performing assets (NPA)	5,870	-	2,516	5,817	-	2,516	6,070	-	2,519	4,846	-	1,341
By geography¹												
Singapore	3,369	2.1	1,446	3,273	2.1	1,429	3,191	2.1	1,322	1,886	1.3	346
Hong Kong	555	1.0	269	557	1.1	258	625	1.2	279	684	1.4	264
Rest of Greater China	435	0.8	121	452	0.8	127	436	0.8	131	379	0.8	105
South and Southeast Asia	878	3.2	499	993	3.8	517	1,078	4.4	489	1,142	4.6	351
Rest of the World	92	0.2	41	116	0.3	39	187	0.4	55	380	1.0	141
Total non-performing loans (NPL)	5,329	1.6	2,376	5,391	1.6	2,370	5,517	1.7	2,276	4,471	1.5	1,207
Debt securities, contingent liabilities & others	541	-	140	426	-	146	553	-	243	375	-	134
Total non-performing assets (NPA)	5,870	-	2,516	5,817	-	2,516	6,070	-	2,519	4,846	-	1,341
Loss Allowance Coverage												
ECL ² Stage 3 (SP)			2,516			2,516			2,519			1,341
ECL ² Stage 1 and 2 (GP)			2,590			2,572			2,620			3,481
Total allowances			5,106			5,088			5,139			4,822
(Total allowances+RLAR) / NPA ³			92%			90%			85%			100%
(Total allowances+RLAR) / unsecured NPA ³			173%			177%			173%			234%

Note:

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

2 Refers to expected credit loss.

3 Computation for 2018 includes regulatory loss allowance reserves (RLAR) of \$286 million for 30 Jun 2018 (Mar'18: \$150 million) as part of total allowances.

4 Refers to Expected Credit Loss Stage 3.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Jun 2018		31 Mar 2018		31 Dec 2017		30 Jun 2017	
	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹
By industry								
Manufacturing	710	352	780	353	817	358	834	237
Building and construction	236	132	210	97	229	96	283	96
Housing loans	181	8	183	7	167	7	154	8
General commerce	562	225	576	226	623	231	821	242
Transportation, storage & communications	2,874	1,431	2,803	1,438	2,824	1,350	1,767	415
Financial institutions, investment & holding companies	50	17	51	17	66	22	74	14
Professionals & private individuals (excluding housing loans)	521	139	523	136	491	121	280	69
Others	195	72	265	96	300	91	258	126
Total non-performing loans	5,329	2,376	5,391	2,370	5,517	2,276	4,471	1,207
Debt securities, contingent liabilities & others	541	140	426	146	553	243	375	134
Total non-performing assets	5,870	2,516	5,817	2,516	6,070	2,519	4,846	1,341

(\$m)	30 Jun 2018		31 Mar 2018		31 Dec 2017		30 Jun 2017	
	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹	NPA	SP ¹
By loan grading								
Non-performing assets								
Substandard	3,205	360	3,351	415	3,561	397	3,585	285
Doubtful	1,267	758	1,139	774	1,216	829	633	428
Loss	1,398	1,398	1,327	1,327	1,293	1,293	628	628
Total	5,870	2,516	5,817	2,516	6,070	2,519	4,846	1,341
Of which: restructured assets								
Substandard	573	84	578	78	545	76	541	93
Doubtful	333	203	377	255	256	182	136	89
Loss	47	47	49	49	47	47	12	12
Total	953	334	1,004	382	848	305	689	194

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
	NPA	NPA	NPA	NPA
By collateral type				
Unsecured non-performing assets	3,117	2,953	2,978	2,059
Secured non-performing assets by collateral type				
Properties	819	891	959	1,029
Shares and debentures	208	233	224	214
Cash deposits	174	32	33	6
Others	1,552	1,708	1,876	1,538
Total	5,870	5,817	6,070	4,846

Note:

1 Refers to Expected Credit Loss Stage 3.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
	NPA	NPA	NPA	NPA
By period overdue				
Not overdue	1,414	1,368	1,448	883
Within 90 days	436	260	865	682
Over 90-180 days	343	821	1,097	671
Over 180 days	3,677	3,368	2,660	2,610
Total	5,870	5,817	6,070	4,846

Non-performing assets were stable from the previous quarter at \$5.87 billion as non-performing loan formation was offset by write-offs and recoveries.

Allowance coverage was at 92% and at 173% if collateral was considered.

CUSTOMER DEPOSITS

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
By currency and product				
Singapore dollar	155,266	160,140	156,893	152,856
Fixed deposits	12,223	13,368	15,153	13,603
Savings accounts	116,901	117,922	114,865	112,853
Current accounts	26,042	28,720	26,710	26,269
Others	100	130	165	131
US dollar	135,077	126,360	128,586	110,536
Fixed deposits	83,747	73,065	72,327	62,943
Savings accounts	19,643	21,176	20,671	16,735
Current accounts	29,946	30,634	34,072	29,165
Others	1,741	1,485	1,516	1,693
Hong Kong dollar	38,705	33,689	35,208	32,954
Fixed deposits	16,888	13,757	14,870	13,916
Savings accounts	9,363	9,041	9,505	9,392
Current accounts	12,398	10,646	10,272	9,037
Others	56	245	561	609
Chinese yuan	12,107	11,637	11,402	10,080
Fixed deposits	7,287	7,717	7,029	6,798
Savings accounts	910	1,006	1,056	818
Current accounts	2,925	2,087	2,699	1,964
Others	985	827	618	500
Others	46,405	44,000	41,545	36,460
Fixed deposits	32,503	30,013	28,317	25,747
Savings accounts	7,275	7,066	6,640	4,852
Current accounts	6,306	6,701	6,390	5,710
Others	321	220	198	151
Total	387,560	375,826	373,634	342,886
Fixed deposits	152,648	137,920	137,696	123,007
Savings accounts	154,092	156,211	152,737	144,650
Current accounts	77,617	78,788	80,143	72,145
Others	3,203	2,907	3,058	3,084

Customer deposits rose 2% from the previous quarter and 14% from a year ago in constant-currency terms to \$388

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

DEBTS ISSUED

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
Subordinated term debts ¹	3,641	1,379	1,138	2,186
Senior medium term notes ¹	11,017	10,555	8,197	5,598
Commercial papers ¹	12,422	17,523	17,696	17,206
Negotiable certificates of deposit ¹	3,914	3,645	3,793	2,435
Other debt securities ¹	7,357	6,487	6,002	5,704
Covered bonds ²	4,990	4,959	5,028	3,326
Total	43,341	44,548	41,854	36,455
Due within 1 year	26,218	29,718	27,851	21,187
Due after 1 year	17,123	14,830	14,003	15,268
Total	43,341	44,548	41,854	36,455

Notes:

1 Unsecured

2 Secured

TRADING INCOME AND RISK

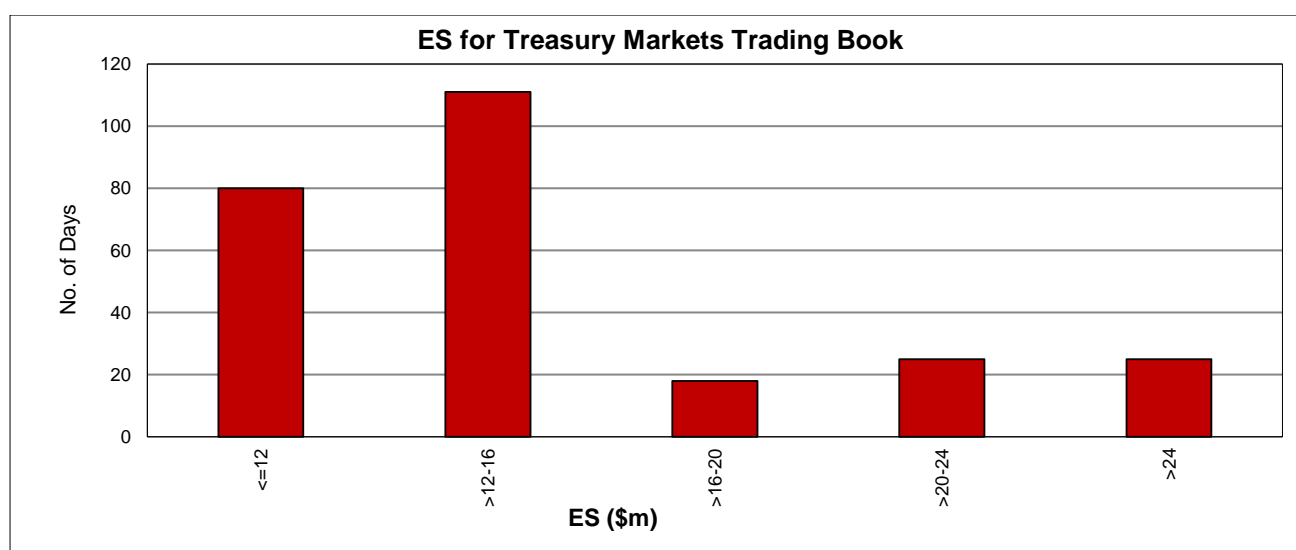
The Group's market risk appetite framework leverages on the Expected Shortfall (ES) metric to monitor and limit market risk exposures. ES is calculated using the historical simulation value-at-risk (VaR) approach and averaging the losses beyond the 97.5% confidence interval over a one-day holding period.

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

(\$m)	As at 30 Jun 2018	Average	1 Jul 2017 to 30 Jun 2018	
			High	Low
Total	12	15	26	8

Treasury Markets' trading portfolio experienced six back-testing exceptions from 1 July 2017 to 30 June 2018. The exceptions occurred in August, February, March, May and June.

The chart below provides the histogram of ES for the Group's trading book for the period from 1 July 2017 to 30 June 2018.



The chart below shows the frequency distribution of daily trading income of Treasury Markets' trading portfolio for the period from 1 July 2017 to 30 June 2018.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
Share capital	11,205	11,205	11,205	11,165
Disclosed reserves and others	33,918	35,545	34,455	33,556
Total regulatory adjustments to Common Equity Tier 1 capital	(5,508)	(5,596)	(4,490)	(4,391)
Common Equity Tier 1 capital	39,615	41,154	41,170	40,330
Additional Tier 1 capital instruments ¹	2,420	2,981	3,375	3,371
Total regulatory adjustments to Additional Tier 1 capital	-	-	(1,120)	(1,097)
Tier 1 capital	42,035	44,135	43,425	42,604
Total allowances eligible as Tier 2 capital	1,558	1,060	961	1,419
Tier 2 capital instruments ¹	3,669	1,505	1,212	2,017
Total capital	47,262	46,700	45,598	46,040
Risk-Weighted Assets ("RWA")				
Credit RWA	238,403	237,175	229,238	222,254
Market RWA	33,122	37,486	38,670	38,377
Operational RWA	20,294	20,011	19,681	19,050
Total RWA	291,819	294,672	287,589	279,681
Capital Adequacy Ratio ("CAR") (%)				
Basel III fully phased-in Common Equity Tier 1 ²	13.6	14.0	13.9	14.0
Common Equity Tier 1	13.6	14.0	14.3	14.4
Tier 1	14.4	15.0	15.1	15.2
Total	16.2	15.8	15.9	16.5
Minimum CAR including Buffer Requirements (%)³				
Common Equity Tier 1	8.7	8.7	8.0	8.0
Effective Tier 1	10.2	10.2	9.5	9.5
Effective Total	12.2	12.2	11.5	11.5
Of which: Buffer Requirements (%)				
Capital Conservation Buffer	1.875	1.875	1.25	1.25
Countercyclical Capital Buffer	0.3	0.3	0.2	0.2

Notes:

- As part of the Basel III transition arrangements, regulatory capital recognition of outstanding Additional Tier 1 and Tier 2 capital instruments that no longer meet the minimum criteria is gradually being phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition was capped at 90% in 2013, with this cap decreasing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 January 2013, the nominal amount serving as the base is not reduced.
- Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments (e.g., for goodwill) applicable from 1 January 2018 by RWA as at each reporting date. The transition period for regulatory adjustments ended on 1 January 2018, which means the disclosed CET1 ratio will henceforth be the same as the fully phased-in ratios.
- Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

The Common Equity Tier 1 ratio as at 30 June 2018 was robust at 13.6% after a \$2.8 billion dividend payment, which included a special dividend of \$1.3 billion, during the quarter. Risk-weighted assets were lower from the previous quarter due mainly to methodology enhancements. The Group's leverage ratio stood at 7.0%, well above the 3% minimum requirement.

PILLAR 3, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO DISCLOSURES

The Group's combined Pillar 3, Liquidity Coverage Ratio and Net Stable Funding Ratio disclosures document and Main Features of Capital Instruments document are published in the Investor Relations section of the Group's website (<http://www.dbs.com/investor/index.html>) and (<https://www.dbs.com/investor/capital-disclosures.html>) respectively. These disclosures are pursuant to MAS's Notices to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore", No. 651 "Liquidity Coverage Ratio ("LCR") Disclosure" and No. 653 "Net Stable Funding Ratio ("NSFR") Disclosure".

UNREALISED PROPERTY VALUATION SURPLUS

The unrealised property valuation surplus as at 30 June 2018 was approximately \$1,504 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

In \$ millions	2nd Qtr 2018	2nd Qtr 2017	+ /(-) %	1st Qtr 2018	+ /(-) %	1st Half 2018	1st Half 2017	+ /(-) %
Income								
Interest income	3,364	2,611	29	3,070	10	6,434	5,120	26
Interest expense	1,140	723	58	942	21	2,082	1,401	49
Net interest income	2,224	1,888	18	2,128	5	4,352	3,719	17
Net fee and commission income	706	636	11	744	(5)	1,450	1,301	11
Net trading income	227	295	(23)	368	(38)	595	565	5
Net income from investment securities	30	95	(68)	22	36	52	197	(74)
Other income	16	10	60	98	(84)	114	378	(70)
Non-interest income	979	1,036	(6)	1,232	(21)	2,211	2,441	(9)
Total income	3,203	2,924	10	3,360	(5)	6,563	6,160	7
Employee benefits	785	727	8	786	-	1,571	1,445	9
Other expenses	637	555	15	624	2	1,261	1,095	15
Total expenses	1,422	1,282	11	1,410	1	2,832	2,540	11
Profit before allowances	1,781	1,642	8	1,950	(9)	3,731	3,620	3
Allowances for credit and other losses	105	304	(65)	164	(36)	269	854	(69)
Profit before tax	1,676	1,338	25	1,786	(6)	3,462	2,766	25
Income tax expense	314	177	77	245	28	559	327	71
Net profit	1,362	1,161	17	1,541	(12)	2,903	2,439	19
Attributable to:								
Shareholders	1,334	1,130	18	1,511	(12)	2,845	2,375	20
Non-controlling interests	28	31	(10)	30	(7)	58	64	(9)
	1,362	1,161	17	1,541	(12)	2,903	2,439	19

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In \$ millions	2nd Qtr 2018	2nd Qtr 2017	+ /(-) %	1st Qtr 2018	+ /(-) %	1st Half 2018	1st Half 2017	+ /(-) %
Net profit	1,362	1,161	17	1,541	(12)	2,903	2,439	19
Other comprehensive income								
Items that may be reclassified subsequently to income statement:								
Translation differences for foreign operations	175	(74)	NM	(119)	NM	56	(136)	NM
Other comprehensive income of associates	1	1	-	1	-	2	(5)	NM
Gains (losses) on debt instruments classified at fair value through other comprehensive income ¹ / available-for-sale financial assets and others								
Net valuation taken to equity	(149)	113	NM	(194)	23	(343)	427	NM
Transferred to income statement	(23)	(70)	67	(17)	(35)	(40)	(156)	74
Taxation relating to components of other comprehensive income	20	1	>100	15	33	35	(12)	NM
Items that will not be reclassified to income statement:								
Gains (losses) on equity instruments classified at fair value through other comprehensive income (net of tax) ¹	(53)	-	NM	13	NM	(40)	-	NM
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	15	(80)	NM	20	(25)	35	(110)	NM
Other comprehensive income, net of tax	(14)	(109)	87	(281)	95	(295)	8	NM
Total comprehensive income	1,348	1,052	28	1,260	7	2,608	2,447	7
Attributable to:								
Shareholders	1,319	1,021	29	1,230	7	2,549	2,384	7
Non-controlling interests	29	31	(6)	30	(3)	59	63	(6)
	1,348	1,052	28	1,260	7	2,608	2,447	7

Note:

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

NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED BALANCE SHEETS¹

In \$ millions	The Group				The Company			
	30 Jun 2018	31 Mar 2018	31 Dec 2017 ²	30 Jun 2017	30 Jun 2018	31 Mar 2018	31 Dec 2017 ²	30 Jun 2017
Assets								
Cash and balances with central banks	20,959	23,064	26,463	26,942				
Government securities and treasury bills	48,011	45,870	39,753	40,244				
Due from banks	35,692	37,525	35,975	30,180	24	20	13	12
Derivatives	18,360	18,252	17,585	17,872	29	16	36	51
Bank and corporate securities	55,946	54,738	55,589	49,303				
Loans and advances to customers	338,071	328,218	323,099	302,973				
Other assets	15,647	14,977	12,066	12,024	3	2	2	-
Associates	849	842	783	874				
Subsidiaries	-	-	-	-	27,445	25,045	24,357	23,685
Properties and other fixed assets	1,294	1,249	1,233	1,173				
Goodwill and intangibles	5,175	5,174	5,165	5,114				
Total assets	540,004	529,909	517,711	486,699	27,501	25,083	24,408	23,748
Liabilities								
Due to banks	21,462	19,518	17,803	22,709				
Deposits and balances from customers	387,560	375,826	373,634	342,886				
Derivatives	18,893	19,185	18,003	16,996	26	27	28	15
Other liabilities	20,704	19,751	16,615	18,784	86	61	66	62
Other debt securities	39,700	43,169	40,716	34,269	4,130	3,992	4,078	3,512
Subordinated term debts	3,641	1,379	1,138	2,186	3,641	1,379	630	646
Total liabilities	491,960	478,828	467,909	437,830	7,883	5,459	4,802	4,235
Net assets	48,044	51,081	49,802	48,869	19,618	19,624	19,606	19,513
Equity								
Share capital	11,200	11,200	11,082	11,042	11,203	11,203	11,092	11,053
Other equity instruments	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812
Other reserves	3,758	3,752	4,256	4,469	108	81	170	115
Revenue reserves	30,444	31,943	30,308	29,191	6,495	6,528	6,532	6,533
Shareholders' funds	47,214	48,707	47,458	46,514	19,618	19,624	19,606	19,513
Non-controlling interests	830	2,374	2,344	2,355				
Total equity	48,044	51,081	49,802	48,869	19,618	19,624	19,606	19,513
Other Information								
Net book value per share (\$)								
(i) Basic and diluted	17.71	18.29	17.85	17.49	6.94	6.95	6.96	6.93

Note:

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

2 Audited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2018

The Group	Attributable to shareholders of the Company						
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non- controlling interests	Total equity
Balance at 1 January 2018	11,082	1,812	4,256	30,308	47,458	2,344	49,802
Impact of adopting SFRS(I) 9 on 1 January 2018			(86)	95	9		9
Balance at 1 January 2018 after adoption of SFRS(I) 9	11,082	1,812	4,170	30,403	47,467	2,344	49,811
Draw-down of reserves upon vesting of performance shares	118		(118)		-		-
Cost of share-based payments			55		55		55
Dividends paid to shareholders ¹				(2,857)	(2,857)		(2,857)
Dividends paid to non-controlling interests					-	(66)	(66)
Change in non-controlling interests					-	(7)	(7)
Redemption of preference shares issued by a subsidiary					-	(1,500)	(1,500)
Total comprehensive income			(349)	2,898	2,549	59	2,608
Balance at 30 June 2018	11,200	1,812	3,758	30,444	47,214	830	48,044
Balance at 1 January 2017	10,670	1,812	4,322	27,805	44,609	2,361	46,970
Draw-down of reserves upon vesting of performance shares	105		(105)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	267				267		267
Cost of share-based payments			55		55		55
Transfers			78	(78)	-		-
Dividends paid to shareholders ¹				(801)	(801)		(801)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(7)	(7)
Total comprehensive income			119	2,265	2,384	63	2,447
Balance at 30 June 2017	11,042	1,812	4,469	29,191	46,514	2,355	48,869

Note:

¹ Includes distributions of \$37 million paid on capital securities classified as equity (Jun'17: \$38 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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

The Group	Attributable to shareholders of the Company						
In \$ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non- controlling interests	Total equity
Balance at 1 April 2018	11,200	1,812	3,752	31,943	48,707	2,374	51,081
Cost of share-based payments			27		27		27
Dividends paid to shareholders ¹				(2,839)	(2,839)		(2,839)
Dividends paid to non-controlling interests					-	(66)	(66)
Change in non-controlling interests					-	(7)	(7)
Redemption of preference shares issued by a subsidiary					-	(1,500)	(1,500)
Total comprehensive income			(21)	1,340	1,319	29	1,348
Balance at 30 June 2018	11,200	1,812	3,758	30,444	47,214	830	48,044
Balance at 1 April 2017	10,775	1,812	4,469	28,923	45,979	2,393	48,372
Issue of shares pursuant to Scrip Dividend Scheme	267				267		267
Cost of share-based payments			29		29		29
Dividends paid to shareholders ¹				(782)	(782)		(782)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(7)	(7)
Total comprehensive income			(29)	1,050	1,021	31	1,052
Balance at 30 June 2017	11,042	1,812	4,469	29,191	46,514	2,355	48,869

Note:

¹ Includes distributions of \$19 million paid on capital securities classified as equity (Jun'17: \$19 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2018

The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2018	11,092	1,812	170	6,532	19,606
Transfer of treasury shares	111				111
Draw-down of reserves upon vesting of performance shares			(118)		(118)
Cost of share-based payments			55		55
Dividends paid to shareholders ¹				(2,857)	(2,857)
Total comprehensive income			1	2,820	2,821
Balance at 30 June 2018	11,203	1,812	108	6,495	19,618
Balance at 1 January 2017	10,690	1,812	168	6,545	19,215
Transfer of treasury shares	96				96
Draw-down of reserves upon vesting of performance shares			(105)		(105)
Issue of shares pursuant to Scrip Dividend Scheme	267				267
Cost of share-based payments			55		55
Dividends paid to shareholders ¹				(801)	(801)
Total comprehensive income			(3)	789	786
Balance at 30 June 2017	11,053	1,812	115	6,533	19,513

Note:

1 Includes distributions of \$37 million paid on capital securities classified as equity (Jun'17: \$38 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 JUNE 2017

The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 April 2018	11,203	1,812	81	6,528	19,624
Cost of share-based payments			27		27
Dividends paid to shareholders ¹				(2,839)	(2,839)
Total comprehensive income				2,806	2,806
Balance at 30 June 2018	11,203	1,812	108	6,495	19,618
Balance at 1 April 2017	10,786	1,812	88	6,546	19,232
Issue of shares pursuant to Scrip Dividend Scheme	267				267
Cost of share-based payments			29		29
Dividends paid to shareholders ¹				(782)	(782)
Total comprehensive income			(2)	769	767
Balance at 30 June 2017	11,053	1,812	115	6,533	19,513

Note:

¹ Includes distributions of \$19 million paid on capital securities classified as equity (Jun'17: \$19 million)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

In \$ millions	1st Half 2018	1st Half 2017	2nd Qtr 2018	2nd Qtr 2017
Cash flows from operating activities				
Profit before tax	3,462	2,766	1,676	1,338
Adjustments for non-cash and other items:				
Allowances for credit and other losses	269	854	105	304
Depreciation of properties and other fixed assets	160	145	83	74
Share of profits or losses of associates	(15)	(13)	(10)	(6)
Net gain on disposal (net of write-off) of properties and other fixed asset	(85)	(1)	-	-
Net gain on divestment of subsidiary	-	(350)	-	-
Net income from investment securities	(52)	(197)	(30)	(95)
Cost of share-based payments	55	55	27	29
Interest expense on subordinated term debts	22	38	15	17
Profit before changes in operating assets & liabilities	3,816	3,297	1,866	1,661
Increase/(Decrease) in:				
Due to banks	3,737	6,902	1,967	3,794
Deposits and balances from customers	12,344	(1,005)	10,102	1,923
Other liabilities	4,939	(1,988)	(61)	907
Other debt securities and borrowings	(826)	6,517	(3,473)	2,548
(Increase)/Decrease in:				
Restricted balances with central banks	535	256	809	612
Government securities and treasury bills	(8,575)	(6,971)	(1,968)	(869)
Due from banks	262	(307)	1,876	(2,885)
Bank and corporate securities	(393)	(3,973)	(1,010)	(2,312)
Loans and advances to customers	(14,064)	(5,559)	(8,243)	(6,217)
Other assets	(4,486)	4,531	(610)	(1,064)
Tax paid	(378)	(322)	(232)	(170)
Net cash (used in)/ generated from operating activities (1)	(3,089)	1,378	1,023	(2,072)
Cash flows from investing activities				
Dividends from associates	16	21	6	10
Proceeds from disposal of interest in associate	-	1	-	-
Increase in investment in associate	(69)	-	-	-
Proceeds from disposal of properties and other fixed assets	99	1	-	-
Purchase of properties and other fixed assets	(198)	(148)	(118)	(74)
Proceeds from divestment of subsidiary	-	735	-	-
Proceeds from acquisition of business	262	-	-	-
Change in non-controlling interests	(7)	(7)	(7)	(7)
Net cash generated from/ (used in) investing activities (2)	103	603	(119)	(71)
Cash flows from financing activities				
Issue of subordinated term debts	3,013	-	2,256	-
Interest paid on subordinated term debts	(23)	(48)	(9)	(10)
Redemption/purchase of subordinated term debts	(508)	(866)	-	-
Redemption of preference shares issued by a subsidiary	(1,500)	-	(1,500)	-
Dividends paid to non-controlling interests	(66)	(62)	(66)	(62)
Dividends paid to shareholders of the Company, net of scrip dividends ¹	(2,857)	(534)	(2,839)	(515)
Net cash used in financing activities (3)	(1,941)	(1,510)	(2,158)	(587)
Exchange translation adjustments (4)	(18)	(68)	(18)	(77)
Net change in cash and cash equivalents² (1)+(2)+(3)+(4)	(4,945)	403	(1,272)	(2,807)
Cash and cash equivalents at beginning of period	18,693	20,132	15,017	23,342
Impact of adopting SFRS(I) 9 at beginning of period	(3)	-	-	-
Cash and cash equivalents at end of period	13,745	20,535	13,745	20,535

Notes:

1 Includes distributions paid on capital securities classified as equity

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

OTHER FINANCIAL INFORMATION

1. Off-balance Sheet Items

In \$ millions	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
Contingent liabilities	25,161	22,650	20,819	20,863
Commitments ¹	256,733	246,826	245,264	232,885
Financial Derivatives	2,118,343	2,042,115	1,975,967	2,043,299

Note:

¹ Includes commitments that are unconditionally cancellable at any time of \$213,528 million (Mar'18: \$204,893 million, Dec'17: \$204,338 million, Jun'17: \$190,296 million).

ADDITIONAL INFORMATION
SHARE CAPITAL

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

Number of shares	1st Half 2018	1st Half 2017	2nd Qtr 2018	2nd Qtr 2017
Issued Ordinary shares				
Balance at beginning of period	2,563,936,434	2,548,962,085	2,563,936,434	2,548,962,085
Shares issued pursuant to Scrip Dividend Scheme	-	13,089,924	-	13,089,924
Balance at end of period	2,563,936,434	2,562,052,009	2,563,936,434	2,562,052,009
Treasury shares				
Balance at beginning of period	(6,303,700)	(11,727,700)	(65,700)	(6,303,700)
Shares transferred to trust holding shares pursuant to DBSH Share Plan/ DBSH Employee Share Plan	6,238,000	5,424,000	-	-
Balance at end of period	(65,700)	(6,303,700)	(65,700)	(6,303,700)
Issued Ordinary shares net of Treasury shares	2,563,870,734	2,555,748,309	2,563,870,734	2,555,748,309

- (b) The weighted average number of Issued Ordinary shares net of Treasury shares (both basic and fully diluted) for the first half of 2018 is 2,562,767,883.

INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)

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

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

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

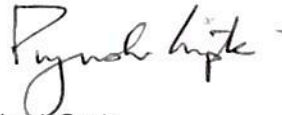
CONFIRMATION BY THE BOARD

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

On behalf of the board of directors



Peter Seah Lim Huat
Chairman



Piyush Gupta
Chief Executive Officer

1 August 2018
Singapore