



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 of 2017

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

Dividend

For the first half of 2017, the Directors have declared an interim one-tier tax-exempt dividend of 33 cents for each DBSH ordinary share (the "1H17 Interim Dividend"), up 10% from the 30 cents declared for first half 2016. The estimated dividend payable is \$843 million (2016: \$757 million).

Ex-dividend Date

The DBSH ordinary shares will be quoted ex-dividend on 11 August 2017.

Closure of Books

The Transfer Books and Register of Members of DBSH will be closed from **5.00 p.m. on 15 August 2017** up to (and including) 16 August 2017 for the purpose of determining shareholders' entitlement to the 1H17 Interim Dividend.

Scrip Dividend Scheme

The DBSH Scrip Dividend Scheme will be applied to the 1H17 Interim Dividend.

The issue price for new shares to be allotted to shareholders who have elected to receive the 1H17 Interim Dividend in scrip shall be the average of the closing prices of each DBSH ordinary share on the SGX-ST on 11, 14 and 15 August 2017.

The 1H17 Interim Dividend will be payable on or about 4 October 2017. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the 1H17 Interim Dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

A separate announcement setting out further details on the application of the DBSH Scrip Dividend Scheme to the 1H17 Interim Dividend and the notice of books closure will be made in due course.

By order of the Board

Goh Peng Fong
Group Secretary

3 August 2017
Singapore

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

...DBS/

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Performance Summary

Financial Results
For the First Half/ Second Quarter ended
30 June 2017
(Unaudited)

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

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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 2016, with the exception of the following changes adopted with effect from 1 January 2017:

Adoption of the following amendments to accounting standards that are issued by the Accounting Standards Council and relevant for the Group:

- Amendments to FRS 7: Disclosure Initiative
- Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 112: Clarification of the scope of the Standard (that was issued as part of Improvements to FRSs (issued in December 2016))

There is no significant impact on the Group’s financial statements from the adoption of the above amendments to FRSs.

Early adoption of FRS 109 Own Credit Risk and reclassification of Structured Notes and Structured Deposits

FRS 109 Financial Instruments (FRS 109), which has a mandatory adoption date of 1 January 2018, allows for the early adoption of the requirements for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss. Under FRS 109, changes to the fair value of such financial liabilities that is attributable to a reporting entity’s own credit risk are taken to revenue reserves through other comprehensive income. The amounts are not transferred to the income statement even when realised. The Group has decided to early adopt this new presentation from 1 January 2017.

Consequent to the new presentation, the Group has classified all un-bifurcated structured notes and deposits as “designated at fair value through profit or loss”. There is no impact to the amounts and line items reflected in the consolidated balance sheet or income statement for prior periods.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	2nd Qtr 2017	2nd Qtr 2016	% chg	1st Qtr 2017	% chg	1st Half 2017	1st Half 2016	% chg
Selected income statement items (\$m)								
Net interest income	1,888	1,833	3	1,831	3	3,719	3,666	1
Net fee and commission income	636	628	1	665	(4)	1,301	1,202	8
Other non-interest income	400	458	(13)	390	3	790	916	(14)
Total income	2,924	2,919	-	2,886	1	5,810	5,784	-
Expenses	1,268	1,285	(1)	1,248	2	2,516	2,550	(1)
Profit before allowances	1,656	1,634	1	1,638	1	3,294	3,234	2
Allowances for credit and other losses	304	366	(17)	200	52	504	536	(6)
Profit before tax	1,352	1,268	7	1,438	(6)	2,790	2,698	3
Net profit	1,140	1,051	8	1,210	(6)	2,350	2,254	4
One-time items	(10)	-	NM	35	NM	25	-	NM
- Divestment of subsidiary	-	-	NM	350	(100)	350	-	NM
- General allowances	-	-	NM	(350)	NM	(350)	-	NM
- ANZ integration costs	(14)	-	NM	(10)	(40)	(24)	-	NM
- Tax on one-time items	4	-	NM	45	(91)	49	-	NM
Net profit including one-time items	1,130	1,051	8	1,245	(9)	2,375	2,254	5
Selected balance sheet items (\$m)								
Customer loans	302,973	284,814	6	298,440	2	302,973	284,814	6
Constant-currency change			5		2			5
Total assets	486,699	450,886	8	480,356	1	486,699	450,886	8
Customer deposits	342,886	310,098	11	342,452	-	342,886	310,098	11
Constant-currency change			9		1			9
Total liabilities	437,830	406,174	8	431,984	1	437,830	406,174	8
Shareholders' funds	46,514	42,354	10	45,979	1	46,514	42,354	10
Key financial ratios (%) (excluding one-time items)¹								
Net interest margin	1.74	1.87		1.74		1.74	1.86	
Non-interest/total income	35.4	37.2		36.6		36.0	36.6	
Cost/income ratio	43.4	44.0		43.2		43.3	44.1	
Return on assets	0.95	0.95		1.03		0.99	1.01	
Return on equity ²	10.1	10.1		11.1		10.6	11.0	
Loan/deposit ratio	88.4	91.8		87.1		88.4	91.8	
NPL ratio	1.5	1.1		1.4		1.5	1.1	
Specific allowances (loans)/average loans (bp)	40	48		26		33	32	
Common Equity Tier 1 capital adequacy ratio	14.4	14.2		14.6		14.4	14.2	
Tier 1 capital adequacy ratio	15.2	14.4		15.4		15.2	14.4	
Total capital adequacy ratio	16.5	16.3		16.6		16.5	16.3	
Leverage ratio ³	7.9	7.7		7.9		7.9	7.7	
Average all-currency liquidity coverage ratio ⁴	150	116		138		144	118	
Per share data (\$)								
Per basic and diluted share								
- earnings excluding one-time items	1.77	1.67		1.90		1.83	1.79	
- earnings	1.76	1.67		1.92		1.84	1.79	
- net book value ⁵	17.49	16.48		17.37		17.49	16.48	

Notes:

- 1 Return on assets, return on equity, specific allowances (loan)/average loans and per share data are computed on an annualised basis.
 - 2 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.
 - 3 Leverage Ratio is computed based on MAS Notice 637.
 - 4 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>.
 - 5 Non-controlling interests are not included as equity in the computation of net book value per share.
- NM Not meaningful

Net profit for the second quarter rose 8% from a year ago to \$1.14 billion. Total income of \$2.92 billion was just shy of a quarterly record as loans rose 6% and fee income trends were sustained. The strong operating performance was offset by lower net interest margin, trading income and gains on investment securities. Net profit was 6% below the previous quarter's record due to higher allowances.

Net interest income increased 3% from a year ago and the previous quarter to \$1.89 billion. Loans rose 2% from the previous quarter and 6% from a year ago from broad-based growth. Net interest margin fell 13 basis points from a year ago to 1.74% due to lower Singapore dollar interest rates, and was stable from the previous quarter.

Net fee income rose 1% from a year ago to \$636 million. An increase in annuity fee income streams, led by double-digit growth in wealth management, was offset by a decline in investment banking and loan-related fees. Net fee income was 4% below the previous quarter's record.

Other non-interest income fell 13% from a year ago to \$400 million from lower trading income and income on investment securities, as well as an absence of gains on fixed assets. It was 3% higher than the previous quarter.

Expenses declined 1% from a year ago to \$1.27 billion as ongoing digitalisation and productivity initiatives yielded cost savings. Profit before allowances of \$1.66 billion was 1% higher than a year ago and the previous quarter.

Non-performing assets rose marginally from the previous quarter to \$4.85 billion as non-performing loan formation was offset by write-offs and recoveries. The non-performing loan rate rose to 1.5%. Specific allowances amounted to \$304 million, bringing the amount for the first half to \$504 million. Allowance coverage was at 100% and at 234% if collateral was considered.

Liquidity and capital were healthy. The average liquidity coverage ratio during the quarter was 150%. The Common Equity Tier 1 ratio was at 14.4% while the leverage ratio was at 7.9%.

Net profit for the first half was \$2.35 billion. Including one-time items, net profit was \$1.13 billion for the second quarter and \$2.38 billion for the first half.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	2nd Qtr 2017			2nd Qtr 2016			1st Qtr 2017		
	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	258,269	1,723	2.68	243,460	1,642	2.71	257,816	1,679	2.64
Trade assets	42,632	265	2.49	40,227	225	2.25	41,971	257	2.48
Interbank assets ¹	48,253	139	1.16	30,566	85	1.12	44,860	127	1.15
Securities and others	86,861	484	2.23	80,919	459	2.28	80,822	446	2.24
Total	436,015	2,611	2.40	395,172	2,411	2.45	425,469	2,509	2.39
Interest-bearing liabilities									
Customer deposits	346,350	531	0.61	308,099	406	0.53	341,095	493	0.59
Other borrowings	56,418	192	1.37	57,499	172	1.20	53,898	185	1.39
Total	402,768	723	0.72	365,598	578	0.64	394,993	678	0.70
Net interest income/margin²		1,888	1.74		1,833	1.87		1,831	1.74

Average balance sheet	1st Half 2017			1st Half 2016		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer non-trade loans	258,044	3,402	2.66	242,735	3,315	2.75
Trade assets	42,303	522	2.49	41,508	468	2.27
Interbank assets ¹	46,566	266	1.15	33,111	179	1.09
Securities and others	83,858	930	2.24	79,468	903	2.29
Total	430,771	5,120	2.40	396,822	4,865	2.47
Interest-bearing liabilities						
Customer deposits	343,737	1,024	0.60	310,623	845	0.55
Other borrowings	55,165	377	1.38	57,974	354	1.23
Total	398,902	1,401	0.71	368,597	1,199	0.65
Net interest income/margin²		3,719	1.74		3,666	1.86

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 3% from a year ago to \$1.89 billion. The impact of higher customer loans and other interest-bearing assets was offset by a 13 basis point decline in net interest margin due to softer Singapore dollar interest rates.

Net interest income was also 3% higher than the previous quarter due to higher interest-bearing assets. Net interest

margin was stable as an increase in Singapore dollar interest rates was offset by lower Hong Kong dollar interest rates.

For the first half, net interest income rose 1% to \$3.72 billion as higher asset volumes was offset by lower net interest margin.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	2nd Qtr 2017 vs 2nd Qtr 2016			2nd Qtr 2017 vs 1st Qtr 2017		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer non-trade loans	100	(19)	81	3	22	25
Trade assets	13	27	40	4	1	5
Interbank assets	49	5	54	10	1	11
Securities and others	34	(9)	25	33	(1)	32
Total	196	4	200	50	23	73
Interest expense						
Customer deposits	51	74	125	8	23	31
Other borrowings	(3)	23	20	9	(4)	5
Total	48	97	145	17	19	36
Net impact on net interest income	148	(93)	55	33	4	37
Due to change in number of days			-			20
Net Interest Income			55			57

Volume and rate analysis (\$m) Increase/(decrease) due to change in	1st Half 2017 vs 1st Half 2016		
	Volume	Rate	Net change
Interest income			
Customer non-trade loans	210	(103)	107
Trade assets	9	48	57
Interbank assets	73	16	89
Securities and others	50	(18)	32
Total	342	(57)	285
Interest expense			
Customer deposits	90	95	185
Other borrowings	(17)	44	27
Total	73	139	212
Net impact on net interest income	269	(196)	73
Due to change in number of days			(20)
Net Interest Income			53

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	2nd Qtr 2017	2nd Qtr 2016	% chg	1st Qtr 2017	% chg	1st Half 2017	1st Half 2016	% chg
Brokerage	38	38	-	38	-	76	79	(4)
Investment banking	41	83	(51)	45	(9)	86	105	(18)
Transaction services ¹	154	148	4	157	(2)	311	290	7
Loan-related	104	120	(13)	128	(19)	232	244	(5)
Cards ²	130	108	20	123	6	253	222	14
Wealth management ³	245	179	37	222	10	467	355	32
Others	19	24	(21)	28	(32)	47	47	-
Fee and commission income	731	700	4	741	(1)	1,472	1,342	10
Less: Fee and commission expense	95	72	32	76	25	171	140	22
Total	636	628	1	665	(4)	1,301	1,202	8

Notes:

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

2 Net of interchange fees paid.

3 Includes \$23 million that would have been previously classified as other non-interest income. The amount represents fees earned from wealth management treasury products sold on open investment architecture platforms. The change in classification will be applied prospectively from 1 April 2017.

Compared to a year ago, net fee income was 1% higher at \$636 million. The growth was led by a significant increase in wealth management fees to \$245 million from stronger sales of unit trusts and other investment products. Transaction service fees increased 4% to \$154 million due to higher cash management income. Card fees were also higher, led by higher transactions in Singapore. These increases were offset by a halving of investment banking fees from a high base. Loan-related

fees were also lower. Net fee income was 4% below the record in the previous quarter mainly due to a decline in loan-related fees.

For the first half, net fee income rose 8% to a new high of \$1.30 billion, led by double-digit growth in wealth management.

OTHER NON-INTEREST INCOME

(\$m)	2nd Qtr 2017	2nd Qtr 2016	% chg	1st Qtr 2017	% chg	1st Half 2017	1st Half 2016	% chg
Net trading income ¹	295	307	(4)	270	9	565	622	(9)
Net income from investment securities	95	116	(18)	102	(7)	197	202	(2)
Net gain on fixed assets	-	13	(100)	1	(100)	1	13	(92)
Others ² (include rental income and share of profits or losses of associates)	10	22	(55)	17	(41)	27	79	(66)
Total	400	458	(13)	390	3	790	916	(14)

Notes:

1 Net trading income includes valuation adjustments such as bid-offer valuation adjustment, credit valuation adjustment and funding valuation adjustment.

2 Excludes one-time item.

Other non-interest income fell 13% from a year ago to \$400 million from lower trading income and income from investment securities, as well as the absence of gains on fixed assets. It was 3% higher than the previous quarter as trading income rose.

For the first half, other non-interest income fell 14% or \$126 million to \$790 million due to lower trading income and a non-recurring item of \$38 million a year ago.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES¹

(\$m)	2nd Qtr 2017	2nd Qtr 2016	% chg	1st Qtr 2017	% chg	1st Half 2017	1st Half 2016	% chg
Staff	718	683	5	711	1	1,429	1,389	3
Occupancy	97	98	(1)	100	(3)	197	195	1
Computerisation	198	246	(20)	221	(10)	419	483	(13)
Revenue-related	71	63	13	66	8	137	130	5
Others	184	195	(6)	150	23	334	353	(5)
Total	1,268	1,285	(1)	1,248	2	2,516	2,550	(1)
Staff headcount at period-end	22,305	21,912	2	22,331	-	22,305	21,912	2
Staff headcount at period-end excluding insourcing staff	21,518	21,814	(1)	21,673	(1)	21,518	21,814	(1)
Included in the above table were:								
Depreciation of properties and other fixed assets	74	67	10	71	4	145	134	8

Note:

1 Excludes one-time item.

Expenses declined 1% from a year ago to \$1.27 billion as digitalisation and productivity initiatives resulted in lower costs. Excluding staff that was insourced, headcount declined 1% from a year ago.

Compared to the previous quarter, expenses were 2% higher. For the half year, expenses were 1% lower at \$2.52 billion.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	2nd Qtr 2017	2nd Qtr 2016	% chg	1st Qtr 2017	% chg	1st Half 2017	1st Half 2016	% chg
General allowances (GP) ¹	-	(228)	NM	-	-	-	(228)	NM
Specific allowances for loans & other credit exposures								
Specific allowances (SP) for loans ²	301	336	(10)	193	56	494	459	8
Singapore	92	226	(59)	123	(25)	215	249	(14)
Hong Kong	111	38	>100	10	>100	121	61	98
Rest of Greater China	13	39	(67)	11	18	24	55	(56)
South and Southeast Asia	82	35	>100	38	>100	120	87	38
Rest of the World	3	(2)	NM	11	(73)	14	7	100
Specific allowances for other credit exposures	2	240	(99)	5	(60)	7	287	(98)
	303	576	(47)	198	53	501	746	(33)
Specific allowances (SP) for securities, properties and other assets	1	18	(94)	2	(50)	3	18	(83)
Total	304	366	(17)	200	52	504	536	(6)

Notes:

1 Excludes one-time item.

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

NM Not Meaningful

Specific allowances for the second quarter amounted to \$304 million, bringing the amount for the first half to \$504 million. A significant portion of the charges for both the second quarter and the first half was for exposures in the oil and gas support services sector.

The sector accounted for the majority of the charges for Singapore and Hong Kong in the second quarter.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENT

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected income statement items					
2nd Qtr 2017¹					
Net interest income	699	900	143	146	1,888
Non-interest income	441	398	115	82	1,036
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 Qtr 2017¹					
Net interest income	693	871	128	139	1,831
Non-interest income	466	448	59	82	1,055
Total income	1,159	1,319	187	221	2,886
Expenses	597	423	133	95	1,248
Allowances for credit and other losses	28	140	-	32	200
Profit before tax	534	756	54	94	1,438
2nd Qtr 2016					
Net interest income	677	856	153	147	1,833
Non-interest income	393	484	118	91	1,086
Total income	1,070	1,340	271	238	2,919
Expenses	586	428	146	125	1,285
Allowances for credit and other losses	28	628	-	(290)	366
Profit before tax	456	284	125	403	1,268
1st Half 2017¹					
Net interest income	1,392	1,771	271	285	3,719
Non-interest income	907	846	174	164	2,091
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
1st Half 2016					
Net interest income	1,322	1,724	272	348	3,666
Non-interest income	770	927	306	115	2,118
Total income	2,092	2,651	578	463	5,784
Expenses	1,144	848	283	275	2,550
Allowances for credit and other losses	55	762	-	(281)	536
Profit before tax	893	1,041	295	469	2,698

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 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
31 Mar 2017					
Total assets before goodwill and intangibles	97,533	228,497	104,530	44,681	475,241
Goodwill and intangibles					5,115
Total assets					480,356
Total liabilities	191,842	159,008	45,074	36,060	431,984
Capital expenditure for 1st Qtr 2017	19	4	2	49	74
Depreciation for 1st Qtr 2017	11	3	1	56	71
30 Jun 2016					
Total assets before goodwill and intangibles	91,769	220,917	90,066	43,019	445,771
Goodwill and intangibles					5,115
Total assets					450,886
Total liabilities	173,666	144,691	49,884	37,933	406,174
Capital expenditure for 2nd Qtr 2016	19	4	4	17	44
Depreciation for 2nd Qtr 2016	9	3	1	54	67

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 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. General allowances taken at Group level are based on policies that meet the requirements of MAS Notice to Banks No. 612. The amounts charged to individual business units are determined by changes in their credit exposures for the period, with any differences taken to the Others segment.

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 rose 3% to \$469 million. Total income grew 7% to \$1.14 billion from continued customer acquisition and stronger cross-selling of products. Net interest income rose 3% to \$699 million and non-interest income increased 12% to \$441 million. Expenses increased 8% to \$633 million. Allowances increased \$10 million to \$38 million from higher general allowances. Specific allowances were stable.

Compared to the previous quarter, total income decreased 2%. Non-interest income declined 5% as investment sales fell from a high base in the previous quarter. Net interest income grew 1% with higher loan and deposit volumes, partially offset by lower net interest margin. Expenses rose 6% and allowances were \$10 million higher as general allowances rose.

For the first half, profit before tax was \$1 billion, 12% higher than a year ago. Total income was 10% higher at \$2.30

billion. Net interest income rose 5% to \$1.39 billion as impact from higher loan and deposit volumes was partially offset by lower net interest margin. Non-interest income was 18% higher at \$907 million. Expenses increased 8% to \$1.23 billion from headcount growth, investment in business capabilities and higher marketing and advertising activities. Allowances were \$11 million higher at \$66 million as general allowances rose.

Institutional Banking

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

Compared to a year ago, profit before tax rose 83% to \$521 million due to lower specific allowances. Total income declined 3% to \$1.30 billion from lower treasury customer and investment banking contributions. The decline was partially offset by higher cash management contributions. Expenses increased 2% to \$437 million.

Compared to the previous quarter, profit before tax fell 31% to \$521 million mainly from higher specific and general allowances. Income decreased 2% as there were lower contributions from loan-related and investment banking activities. These were partially offset by higher cash management contributions. Expenses were 3% higher.

For the first half, profit before tax rose 23% to \$1.28 billion as specific allowances fell. Total income was stable at \$2.62 billion as lower treasury customer and investment banking activities were offset by an increase in interest income from current account deposits. Expenses were 1% higher at \$860 million.

Treasury Markets

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

Compared to a year ago, profit before tax declined 2% to \$123 million from lower income, partially offset by lower expenses. Total income declined 5% to \$258 million due to lower contributions from interest rate and credit products which were partially offset by higher equity and foreign exchange activities. Expenses were 8% lower at \$135 million due to lower staff and business-related expenses.

Compared to the previous quarter, profit before tax more than doubled. Total income rose 38% largely due to increased interest rate and foreign exchange activities. Expenses rose slightly by 2%.

For the first half, profit before tax declined 40% to \$177 million. Total income declined 23% to \$445 million as higher contribution from equity products was more than offset by lower contributions from interest rate products. Expenses fell 5% to \$268 million.

Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management (CBG) and Institutional Banking (IBG) is not reflected in the Treasury Markets segment, but in the respective customer segments. Income from treasury customer activities declined 10% from a year ago to \$290 million largely due to lower income from IBG. Compared to the previous quarter, income from customer activities declined 5% as lower contributions from interest rate and equity products were partially offset by higher fixed income for both segments. For the first half, income declined 5% to \$594 million as the impact of lower treasury customer activities at IBG was partially offset by higher activities at CBG.

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

(\$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 2017¹						
Net interest income	1,238	343	129	115	63	1,888
Non-interest income	685	193	79	53	26	1,036
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
1st Qtr 2017¹						
Net interest income	1,184	351	119	118	59	1,831
Non-interest income	686	173	89	77	30	1,055
Total income	1,870	524	208	195	89	2,886
Expenses	734	230	146	112	26	1,248
Allowances for credit and other losses	140	20	17	25	(2)	200
Profit before tax	996	274	45	58	65	1,438
Income tax expense	113	46	7	14	15	195
Net profit	850	228	38	44	50	1,210
2nd Qtr 2016						
Net interest income	1,245	320	116	101	51	1,833
Non-interest income	711	200	72	80	23	1,086
Total income	1,956	520	188	181	74	2,919
Expenses	773	232	158	98	24	1,285
Allowances for credit and other losses	167	96	45	30	28	366
Profit before tax	1,016	192	(15)	53	22	1,268
Income tax expense	141	31	-	6	11	189
Net profit	848	161	(15)	46	11	1,051
1st Half 2017¹						
Net interest income	2,422	694	248	233	122	3,719
Non-interest income	1,371	366	168	130	56	2,091
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
1st Half 2016						
Net interest income	2,488	650	231	200	97	3,666
Non-interest income	1,379	374	174	151	40	2,118
Total income	3,867	1,024	405	351	137	5,784
Expenses	1,540	460	320	184	46	2,550
Allowances for credit and other losses	220	125	73	73	45	536
Profit before tax	2,107	439	12	94	46	2,698
Income tax expense	265	69	4	28	19	385
Net profit	1,784	370	8	65	27	2,254

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
Selected balance sheet items						
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
31 Mar 2017						
Total assets before goodwill and intangibles	317,918	71,165	40,325	20,904	24,929	475,241
Goodwill and intangibles	5,083	32	-	-	-	5,115
Total assets	323,001	71,197	40,325	20,904	24,929	480,356
Non-current assets ²	1,553	368	79	53	6	2,059
Gross customer loans	197,055	52,544	23,229	13,283	16,831	302,942
30 Jun 2016						
Total assets before goodwill and intangibles	298,560	68,943	37,088	18,916	22,264	445,771
Goodwill and intangibles	5,083	32	-	-	-	5,115
Total assets	303,643	68,975	37,088	18,916	22,264	450,886
Non-current assets ²	1,916	363	76	48	7	2,410
Gross customer loans	191,146	51,061	19,865	12,087	14,185	288,344

Notes:

- 1 Non-interest income, expenses, allowances for credit and other losses, profit before tax, income tax expense and net profit 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 ("FRS"), as modified by the requirements of MAS Notice to Banks No. 612.

Singapore

Net profit declined 3% to \$820 million from a year ago. Total income was 2% lower at \$1.92 billion. Net interest income declined 1% to \$1.24 billion from lower net interest margin, partially offset by higher loan volumes. Non-interest income fell 4% as lower investment banking, loan-related and treasury customer activities were partially offset by higher wealth management and card contributions. Expenses declined 3% to \$746 million from digitalisation and productivity initiatives. Profit before allowances was little changed at \$1.18 billion. Excluding the general allowance write-back of \$250 million a year ago, allowances fell 48% to \$217 million.

Compared to the previous quarter, net profit was 4% lower. Total income rose 3%, as net interest income rose 5% from higher net interest margin and loan volumes. Non-interest income was stable as lower loan-related fee and gains on investment securities were offset by higher wealth management and card fees and trading income. Expenses were little changed and profit before allowances rose 4%. Total allowances increased \$77 million from higher specific allowances partially offset by a decline in general allowances.

For the first half, net profit declined 6% to \$1.67 billion. Total income fell 2% to \$3.79 billion from lower net interest margin and trading income, partially offset by fee income growth led by wealth management, cards and transaction services. Expenses were 4% lower at \$1.48 billion. Excluding the general allowance write-back of \$250 million a year ago, allowances fell 24% to \$357 million.

Hong Kong

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

appreciation of the average Hong Kong dollar against the Singapore dollar compared to the previous quarter. Net profit rose 42% to \$229 million from a year ago. Net interest income grew 7% to \$343 million from higher asset volumes, more than offsetting a 10 basis point decline in net interest margin to 1.70%. Non-interest income declined 4% to \$193 million as higher fee income from capital markets, cash management and wealth management was more than offset by lower trading income and absence of fixed asset gains. Expenses were stable at \$235 million. Allowances declined \$70 million to \$26 million from lower specific allowances.

Compared to the previous quarter, net profit was little changed. Net interest income fell 2%. Net interest margin fell nine basis points in line with lower Hong Kong dollar interbank rates, which offset the impact of a 3% increase in loans. Non-interest income rose 12% from higher trading income and fee income contributions from wealth management, loan-related and transaction services activities. Total income and expenses were both 2% higher. Allowances were \$6 million higher at \$26 million as general and specific allowances rose.

For the first half, net profit rose 24% to \$457 million. Total income was 4% higher at \$1.06 billion. Net interest income rose 7% to \$694 million as the impact of higher loan volumes was partially offset by lower net interest margin. Non-interest income fell 2% to \$366 million as broad-based increases in fee income was offset by lower trading income and treasury customer flows, as well as an absence of gains on fixed assets. Expenses were stable at \$465 million. Total allowances declined \$79 million to \$46 million as specific allowances were lower. General allowances rose from \$1 million to \$28 million from loan growth.

Rest of Greater China

Net profit rose to \$28 million from a loss of \$15 million a year ago as income grew 11% and allowances were lower. Net interest income increased 11% to \$129 million from higher loan volumes and net interest margin. Non-interest income was 10% higher at \$79 million from higher trading income. With expenses falling 2% to \$155 million, profit before allowances rose 77% to \$53 million. Total allowances fell from \$45 million to \$18 million as specific allowances declined, partially offset by higher general allowances.

Compared to the previous quarter, net profit declined \$10 million to \$28 million. Total income was flat as an 8% increase in net interest income from higher net interest margin was offset by a 11% decline in non-interest income as fee income declined from a high base in the previous quarter. Expenses rose 6%, while allowances were little changed at \$18 million as lower specific allowances were offset by higher general allowances.

For the first half, net profit rose to \$66 million from \$8 million a year ago. Total income grew 3% to \$416 million as net interest income rose from higher net interest margin and loan volumes, partially offset by lower non-interest income. Expenses fell 6% to \$301 million. Total allowances fell from \$73 million to \$35 million from lower specific allowances.

South and Southeast Asia

Net profit of \$23 million was 50% lower than a year ago. Total income was 7% lower at \$168 million. A 14% increase in net interest income to \$115 million from higher loan volumes and net interest margin was more than offset by a 34% decline in non-interest income to \$53 million from lower trading income and fees. Expenses increased 9% to \$107 million from higher staff and general expenses. Total allowances rose \$3 million to \$33 million from higher specific allowances, partially offset by lower general allowances.

Compared to the previous quarter, net profit was 48% lower. Total income declined 14% from lower net interest income and gains on investment securities. Expenses declined 4%, while total allowances rose \$8 million to \$33 million from higher specific allowances.

For the first half, net profit was little changed at \$67 million. Total income was 3% higher at \$363 million as net interest income rose 17% to \$233 million, while non-interest income declined 14% to \$130 million from lower trading income. Expenses rose 19% to \$219 million. Total allowances fell from \$73 million to \$58 million from lower general allowances.

Rest of the World

Net profit rose to \$40 million from \$11 million a year ago. Total income increased 20% to \$89 million from higher net interest income and trading income, partially offset by lower fees. Expenses were stable at \$25 million. Total allowances fell \$18 million to \$10 million from lower general allowances.

Compared to the previous quarter, total income was stable as growth in net interest income from higher loan volumes offset lower trading income. Expenses were stable, while total allowances rose from a net write-back of \$2 million to a charge of \$10 million. Net profit declined \$10 million to \$40 million.

For the first half, net profit rose to \$90 million from \$27 million a year ago. Total income was 30% higher at \$178 million while expenses rose 11% to \$51 million. Total allowances fell \$37 million to \$8 million from lower general allowances.

CUSTOMER LOANS

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
Gross	307,422	302,942	305,415	288,344
Less:				
Specific allowances	1,207	1,272	1,270	1,061
General allowances ¹	3,242	3,230	2,629	2,469
Net total	302,973	298,440	301,516	284,814
By business unit				
Consumer Banking/Wealth Management	95,984	94,810	95,085	90,800
Institutional Banking	209,966	204,773	207,282	195,845
Others	1,472	3,359	3,048	1,699
Total (Gross)	307,422	302,942	305,415	288,344
By geography²				
Singapore	148,163	145,816	145,025	141,894
Hong Kong	48,234	49,087	50,223	48,923
Rest of Greater China	46,916	42,650	43,060	36,469
South and Southeast Asia	24,834	25,732	27,389	27,094
Rest of the World	39,275	39,657	39,718	33,964
Total (Gross)	307,422	302,942	305,415	288,344
By industry				
Manufacturing	32,771	30,690	31,235	30,087
Building and construction	60,546	57,565	58,358	56,048
Housing loans	64,850	64,629	64,465	60,913
General commerce	48,692	46,796	46,881	45,206
Transportation, storage & communications	30,411	31,218	31,964	27,819
Financial institutions, investment & holding companies	14,768	16,594	16,742	15,254
Professionals & private individuals (excluding housing loans)	25,312	24,692	25,091	24,042
Others	30,072	30,758	30,679	28,975
Total (Gross)	307,422	302,942	305,415	288,344
By currency				
Singapore dollar	126,378	124,096	123,733	121,457
US dollar	101,206	100,487	102,120	93,437
Hong Kong dollar	34,389	33,502	35,588	32,825
Chinese yuan	10,127	10,912	11,577	11,732
Others	35,322	33,945	32,397	28,893
Total (Gross)	307,422	302,942	305,415	288,344

Notes:

- 1 The methodology for allocating general allowances was modified in First Quarter 2017 to harmonise the treatment between loans and non-loan assets.
- 2 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 1% from the previous quarter and 7% from a year ago to \$307 billion. The growth from both comparative periods was broad based,

encompassing trade, corporate, consumer and Singapore housing loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	30 Jun 2017			31 Mar 2017			31 Dec 2016			30 Jun 2016		
	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)	NPA (\$m)	NPL (% of loans)	SP (\$m)
By business unit												
Consumer Banking/ Wealth Management	449	0.5	75	444	0.5	78	430	0.5	76	376	0.4	69
Institutional Banking and Others	4,022	1.9	1,132	3,920	1.9	1,194	3,986	1.9	1,194	2,883	1.5	992
Total non-performing loans (NPL)	4,471	1.5	1,207	4,364	1.4	1,272	4,416	1.4	1,270	3,259	1.1	1,061
Debt securities, contingent liabilities & others	375	-	134	469	-	220	440	-	271	595	-	343
Total non-performing assets (NPA)	4,846	-	1,341	4,833	-	1,492	4,856	-	1,541	3,854	-	1,404
By geography¹												
Singapore	1,886	1.3	346	2,015	1.4	513	1,725	1.2	383	907	0.6	323
Hong Kong	684	1.4	264	619	1.3	175	687	1.4	187	666	1.4	131
Rest of Greater China	379	0.8	105	422	1.0	131	432	1.0	136	420	1.2	119
South and Southeast Asia	1,142	4.6	351	937	3.6	311	1,188	4.3	425	973	3.6	436
Rest of the World	380	1.0	141	371	0.9	142	384	1.0	139	293	0.9	52
Total non-performing loans (NPL)	4,471	1.5	1,207	4,364	1.4	1,272	4,416	1.4	1,270	3,259	1.1	1,061
Debt securities, contingent liabilities & others	375	-	134	469	-	220	440	-	271	595	-	343
Total non-performing assets (NPA)	4,846	-	1,341	4,833	-	1,492	4,856	-	1,541	3,854	-	1,404
Loss Allowance Coverage												
Specific allowances			1,341			1,492			1,541			1,404
General allowances			3,481			3,494			3,166			2,947
Total allowances			4,822			4,986			4,707			4,351
Total allowances/NPA			100%			103%			97%			113%
Total allowances/ unsecured NPA			234%			217%			210%			226%

Note:

1 NPLs by geography are classified according to the country of incorporation of the borrower.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Jun 2017		31 Mar 2017		31 Dec 2016		30 Jun 2016	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
By industry								
Manufacturing	834	237	788	257	904	298	772	262
Building and construction	283	96	283	94	381	136	367	117
Housing loans	154	8	145	7	134	8	119	6
General commerce	821	242	831	257	880	271	853	196
Transportation, storage & communications	1,767	415	1,702	450	1,427	316	576	292
Financial institutions, investment & holding companies	74	14	71	11	83	15	52	2
Professionals & private individuals (excluding housing loans)	280	69	279	72	280	71	244	64
Others	258	126	265	124	327	155	276	122
Total non-performing loans (NPL)	4,471	1,207	4,364	1,272	4,416	1,270	3,259	1,061
Debt securities, contingent liabilities & others	375	134	469	220	440	271	595	343
Total non-performing assets (NPA)	4,846	1,341	4,833	1,492	4,856	1,541	3,854	1,404

(\$m)	30 Jun 2017		31 Mar 2017		31 Dec 2016		30 Jun 2016	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
By loan grading								
Non-performing assets								
Substandard	3,585	285	3,412	287	3,439	338	2,627	342
Doubtful	633	428	675	459	792	578	673	508
Loss	628	628	746	746	625	625	554	554
Total	4,846	1,341	4,833	1,492	4,856	1,541	3,854	1,404
Of which: restructured assets								
Substandard	541	93	495	86	467	91	431	79
Doubtful	136	89	141	91	139	93	119	73
Loss	12	12	3	3	7	7	11	11
Total	689	194	639	180	613	191	561	163

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
	NPA	NPA	NPA	NPA
By collateral type				
Unsecured non-performing assets	2,059	2,296	2,242	1,928
Secured non-performing assets by collateral type				
Properties	1,029	916	973	857
Shares and debentures	214	242	312	304
Fixed deposits	6	5	11	33
Others	1,538	1,374	1,318	732
Total	4,846	4,833	4,856	3,854

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
	NPA	NPA	NPA	NPA
By period overdue				
Not overdue	883	591	705	1,120
<90 days overdue	682	970	698	507
91-180 days overdue	671	301	1,215	550
>180 days overdue	2,610	2,971	2,238	1,677
Total	4,846	4,833	4,856	3,854

Non-performing assets rose marginally from the previous quarter to \$4.85 billion as non-performing loan formation was offset by write-offs and recoveries. Non-performing loan formation in the first half moderated from the high levels in the previous three quarters.

Allowance coverage was at 100% and at 234% if collateral was considered. Of the collateral, \$1.03 billion was in property assets, which were regularly re-valued and recorded with a haircut of at least 15%.

CUSTOMER DEPOSITS

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
By currency and product				
Singapore dollar	152,856	153,844	152,115	142,537
Fixed deposits	13,603	14,680	15,814	15,349
Savings accounts	112,853	111,882	108,761	103,414
Current accounts	26,269	27,194	27,455	23,698
Others	131	88	85	76
US dollar	110,536	109,125	112,107	94,195
Fixed deposits	62,943	62,584	63,855	51,763
Savings accounts	16,735	16,996	16,793	13,996
Current accounts	29,165	27,575	29,731	27,246
Others	1,693	1,970	1,728	1,190
Hong Kong dollar	32,954	33,134	36,234	31,084
Fixed deposits	13,916	15,200	17,933	15,528
Savings accounts	9,392	8,844	9,155	8,253
Current accounts	9,037	8,466	8,630	6,807
Others	609	624	516	496
Chinese yuan	10,080	9,852	9,822	8,962
Fixed deposits	6,798	6,851	7,096	5,864
Savings accounts	818	925	753	1,646
Current accounts	1,964	1,716	1,818	1,386
Others	500	360	155	66
Others	36,460	36,497	37,168	33,320
Fixed deposits	25,747	25,962	25,480	21,985
Savings accounts	4,852	4,688	5,155	4,301
Current accounts	5,710	5,744	6,350	6,186
Others	151	103	183	848
Total	342,886	342,452	347,446	310,098
Fixed deposits	123,007	125,277	130,178	110,489
Savings accounts	144,650	143,335	140,617	131,610
Current accounts	72,145	70,695	73,984	65,323
Others	3,084	3,145	2,667	2,676

Customer deposits rose 11% from a year ago to \$343 billion and were little changed from the previous quarter.

Savings and current deposits accounted for three-fifths of the increase from a year ago. By currency, the increase was in Singapore dollar and US dollar.

DEBTS ISSUED

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
Subordinated term debts ¹	2,186	2,201	3,102	4,019
Senior medium term notes ¹	5,598	4,924	6,410	6,318
Commercial papers ¹	17,206	15,225	11,586	18,790
Negotiable certificates of deposit ¹	2,435	2,362	2,137	1,341
Other debt securities ¹	5,704	5,854	5,385	6,194
Covered bonds ²	3,326	3,303	2,227	2,116
Total	36,455	33,869	30,847	38,778
Due within 1 year	21,187	19,969	18,405	23,952
Due after 1 year	15,268	13,900	12,442	14,826
Total	36,455	33,869	30,847	38,778

Notes:

1 Unsecured

2 Secured

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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 2017	Average	1 Jul 2016 to 30 Jun 2017 High	Low
Total	21	24	31	18

Treasury Markets' trading portfolio experienced three back-testing exceptions from 1 July 2016 to 30 June 2017. The exceptions occurred in September, December and April.

The chart below provides the histogram of ES for the Group's trading book for the period from 1 July 2016 to 30 June 2017.



The chart below shows the frequency distribution of daily trading income of Treasury Markets' trading portfolio for the period from 1 July 2016 to 30 June 2017.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
Share capital	11,165	10,898	10,899	10,640
Disclosed reserves and others	33,556	33,289	31,930	30,942
Total regulatory adjustments to Common Equity Tier 1 capital	(4,391)	(4,488)	(3,413)	(3,395)
Regulatory adjustments due to insufficient Additional Tier 1 capital	-	-	-	-
Common Equity Tier 1 capital	40,330	39,699	39,416	38,187
Additional Tier 1 capital instruments ¹	3,371	3,356	3,761	2,799
Total regulatory adjustments to Additional Tier 1 capital	(1,097)	(1,121)	(2,268)	(2,256)
Tier 1 capital	42,604	41,934	40,909	38,730
Provisions eligible as Tier 2 capital	1,419	1,390	1,263	1,376
Tier 2 capital instruments ¹	2,017	2,012	2,857	3,644
Total regulatory adjustments to Tier 2 capital	-	-	(2)	(1)
Total capital	46,040	45,336	45,027	43,749
Risk-Weighted Assets ("RWA")				
Credit RWA	222,254	218,378	226,014	212,230
Market RWA	38,377	35,302	34,037	38,270
Operational RWA	19,050	18,755	18,567	17,792
Total RWA	279,681	272,435	278,618	268,292
Capital Adequacy Ratio ("CAR") (%)				
Basel III fully phased-in Common Equity Tier 1 ²	14.0	14.2	13.3	13.4
Common Equity Tier 1	14.4	14.6	14.1	14.2
Tier 1	15.2	15.4	14.7	14.4
Total	16.5	16.6	16.2	16.3
Minimum CAR including Buffer Requirements (%)³				
Common Equity Tier 1	8.0	8.0	7.2	7.2
Effective Tier 1	9.5	9.5	8.7	8.7
Effective Total	11.5	11.5	10.7	10.7
Of which: Buffer Requirements (%)				
Capital Conservation Buffer	1.25	1.25	0.625	0.625
Countercyclical Capital Buffer	0.2	0.2	0.1	0.1

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 and capital investments exceeding certain thresholds) applicable from 1 January 2018 by RWA as at each reporting date.
- Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

Capital adequacy ratios as at 30 June 2017 were lower as compared to 31 March 2017. Common Equity Tier 1 capital increased due to profit accretion which was partly offset by dividends paid (net of scrip dividend election). Total risk-weighted assets was higher due to broad-based increase in exposures. The Group's leverage ratio stood at 7.9%, well above the minimum 3% envisaged by the Basel Committee.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Geographical Distribution of RWA used in the computation of Countercyclical Capital Buffer Requirement

The table below sets out the geographical breakdown of the RWA of private sector credit exposures relevant for the computation of the countercyclical capital buffer requirement.

Country	30 Jun 2017		
	Country-specific requirement (%) (A)	Proportion of relevant Group RWA (%) (B)	Applicable countercyclical buffer requirement (%) (A) x (B)
Hong Kong	1.25	15.5	0.2
Sweden	1.25	0.1	#

Less than 0.1%

PILLAR 3 AND LIQUIDITY COVERAGE RATIO DISCLOSURES

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

UNREALISED PROPERTY VALUATION SURPLUS¹

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
Properties	533	535	909	868

Note:

1 Unrealised valuation surplus represents the excess of market value over the carrying value of the properties. The market values of the properties were based on valuation at year-end.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

(\$m)	2nd Qtr 2017	2nd Qtr 2016	+/(-) %	1st Qtr 2017	+/(-) %	1st Half 2017	1st Half 2016	+/(-) %
Income								
Interest income	2,611	2,411	8	2,509	4	5,120	4,865	5
Interest expense	723	578	25	678	7	1,401	1,199	17
Net interest income	1,888	1,833	3	1,831	3	3,719	3,666	1
Net fee and commission income	636	628	1	665	(4)	1,301	1,202	8
Net trading income	295	307	(4)	270	9	565	622	(9)
Net income from investment securities	95	116	(18)	102	(7)	197	202	(2)
Other income	10	35	(71)	368	(97)	378	92	>100
Non-interest income	1,036	1,086	(5)	1,405	(26)	2,441	2,118	15
Total income	2,924	2,919	-	3,236	(10)	6,160	5,784	7
Employee benefits	727	683	6	718	1	1,445	1,389	4
Other expenses	555	602	(8)	540	3	1,095	1,161	(6)
Total expenses	1,282	1,285	-	1,258	2	2,540	2,550	-
Profit before allowances	1,642	1,634	-	1,978	(17)	3,620	3,234	12
Allowances for credit and other losses	304	366	(17)	550	(45)	854	536	59
Profit before tax	1,338	1,268	6	1,428	(6)	2,766	2,698	3
Income tax expense	177	189	(6)	150	18	327	385	(15)
Net profit	1,161	1,079	8	1,278	(9)	2,439	2,313	5
Attributable to:								
Shareholders	1,130	1,051	8	1,245	(9)	2,375	2,254	5
Non-controlling interests	31	28	11	33	(6)	64	59	8
	1,161	1,079	8	1,278	(9)	2,439	2,313	5

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(\$m)	2nd Qtr 2017	2nd Qtr 2016	+/(-) %	1st Qtr 2017	+/(-) %	1st Half 2017	1st Half 2016	+/(-) %
Net profit	1,161	1,079	8	1,278	(9)	2,439	2,313	5
Other comprehensive income								
Items that may be reclassified subsequently to income statement:								
Foreign currency translation differences for foreign operations	(74)	(66)	(12)	(62)	(19)	(136)	(208)	35
Share of other comprehensive income of associates	1	(2)	NM	(6)	NM	(5)	(7)	29
Available-for-sale financial assets and others								
Net valuation taken to equity	113	56	>100	314	(64)	427	541	(21)
Transferred to income statement	(70)	(61)	(15)	(86)	19	(156)	(94)	(66)
Taxation relating to components of other comprehensive income	1	(2)	NM	(13)	NM	(12)	(14)	14
Item that will not be reclassified to income statement:								
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	(80)	-	NM	(30)	(>100)	(110)	-	NM
Other comprehensive income, net of tax	(109)	(75)	(45)	117	NM	8	218	(96)
Total comprehensive income	1,052	1,004	5	1,395	(25)	2,447	2,531	(3)
Attributable to:								
Shareholders	1,021	974	5	1,363	(25)	2,384	2,475	(4)
Non-controlling interests	31	30	3	32	(3)	63	56	13
	1,052	1,004	5	1,395	(25)	2,447	2,531	(3)

Note:

NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED BALANCE SHEETS

(\$m)	The Group				The Company			
	30 Jun 2017	31 Mar 2017	31 Dec 2016 ¹	30 Jun 2016	30 Jun 2017	31 Mar 2017	31 Dec 2016 ¹	30 Jun 2016
Assets								
Cash and balances with central banks	26,942	30,943	26,840	14,438				
Government securities and treasury bills	40,244	39,583	33,401	36,550				
Due from banks	30,180	27,378	30,018	29,048	12	17	18	16
Derivatives	17,872	19,037	25,757	22,033	51	28	29	80
Bank and corporate securities	49,303	47,052	45,417	44,878				
Loans and advances to customers	302,973	298,440	301,516	284,814				
Other assets	12,024	10,749	11,042	11,600				
Associates	874	878	890	900				
Subsidiaries	-	-	-	-	23,685	22,409	22,285	20,963
Properties and other fixed assets	1,173	1,181	1,572	1,510				
Goodwill and intangibles	5,114	5,115	5,117	5,115				
Total assets	486,699	480,356	481,570	450,886	23,748	22,454	22,332	21,059
Liabilities								
Due to banks	22,709	19,028	15,915	17,499				
Deposits and balances from customers	342,886	342,452	347,446	310,098				
Derivatives	16,996	18,101	24,497	21,458	15	28	22	6
Other liabilities	18,784	18,534	15,895	18,341	62	46	50	46
Other debt securities	34,269	31,668	27,745	34,759	3,512	2,502	2,400	2,410
Subordinated term debts	2,186	2,201	3,102	4,019	646	646	645	659
Total liabilities	437,830	431,984	434,600	406,174	4,235	3,222	3,117	3,121
Net assets	48,869	48,372	46,970	44,712	19,513	19,232	19,215	17,938
Equity								
Share capital	11,042	10,775	10,670	10,442	11,053	10,786	10,690	10,463
Other equity instruments	1,812	1,812	1,812	803	1,812	1,812	1,812	803
Other reserves	4,469	4,469	4,322	6,873	115	88	168	113
Revenue reserves	29,191	28,923	27,805	24,236	6,533	6,546	6,545	6,559
Shareholders' funds	46,514	45,979	44,609	42,354	19,513	19,232	19,215	17,938
Non-controlling interests	2,355	2,393	2,361	2,358				
Total equity	48,869	48,372	46,970	44,712	19,513	19,232	19,215	17,938
Other Information								
Net book value per share (\$)								
(i) Basic and diluted	17.49	17.37	16.87	16.48	6.93	6.85	6.86	6.79

Note:

1 Audited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2017

The Group	Attributable to shareholders of the Company						
	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non-controlling interests	Total equity
(\$m)							
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
Balance at 1 January 2016	10,114	803	6,705	22,752	40,374	2,422	42,796
Purchase of treasury shares	(28)				(28)		(28)
Draw-down of reserves upon vesting of performance shares	107		(107)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	249				249		249
Cost of share-based payments			54		54		54
Dividends paid to shareholders ¹				(770)	(770)		(770)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(58)	(58)
Total comprehensive income			221	2,254	2,475	56	2,531
Balance at 30 June 2016	10,442	803	6,873	24,236	42,354	2,358	44,712

Note:

1 Includes distributions paid on capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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

The Group	Attributable to shareholders of the Company						
	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non-controlling interests	Total equity
(\$m)							
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
Balance at 1 April 2016	10,192	803	6,923	23,955	41,873	2,394	44,267
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	249				249		249
Cost of share-based payments			28		28		28
Dividends paid to shareholders ¹				(770)	(770)		(770)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(4)	(4)
Total comprehensive income			(77)	1,051	974	30	1,004
Balance at 30 June 2016	10,442	803	6,873	24,236	42,354	2,358	44,712

Note:

1 Includes distributions paid on capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2017

The Company

(\$m)	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
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
Balance at 1 January 2016	10,144	803	168	6,580	17,695
Purchase of treasury shares	(28)				(28)
Transfer of treasury shares	98				98
Draw-down of reserves upon vesting of performance shares			(107)		(107)
Issue of shares pursuant to Scrip Dividend Scheme	249				249
Cost of share-based payments			54		54
Dividends paid to shareholders ¹				(770)	(770)
Total comprehensive income			(2)	749	747
Balance at 30 June 2016	10,463	803	113	6,559	17,938

Note:

1 Includes distributions paid on capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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

The Company

(\$m)	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
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
Balance at 1 April 2016	10,214	803	83	6,573	17,673
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of shares pursuant to Scrip Dividend Scheme	249				249
Cost of share-based payments			28		28
Dividends paid to shareholders ¹				(770)	(770)
Total comprehensive income			3	756	759
Balance at 30 June 2016	10,463	803	113	6,559	17,938

Note:

1 Includes distributions paid on capital securities classified as equity

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

(\$m)	1st Half 2017	1st Half 2016	2nd Qtr 2017	2nd Qtr 2016
Cash flows from operating activities				
Profit before tax	2,766	2,698	1,338	1,268
Adjustments for non-cash and other items:				
Allowances for credit and other losses	854	536	304	366
Depreciation of properties and other fixed assets	145	134	74	67
Share of profits or losses of associates	(13)	49	(6)	17
Net gain on disposal (net of write-off) of properties and other fixed assets	(1)	(13)	-	(13)
Net gain on divestment of subsidiary	(350)	-	-	-
Net income from investment securities	(197)	(202)	(95)	(116)
Cost of share-based payments	55	54	29	28
Interest expense on subordinated term debts	38	59	17	30
Profit before changes in operating assets & liabilities	3,297	3,315	1,661	1,647
Increase/(Decrease) in:				
Due to banks	6,902	(492)	3,794	2,119
Deposits and balances from customers	(1,005)	(6,227)	1,923	(3,408)
Other liabilities	(1,988)	7,637	907	2,642
Other debt securities and borrowings	6,517	(3,185)	2,548	9,928
(Increase)/Decrease in:				
Restricted balances with central banks	256	134	612	339
Government securities and treasury bills	(6,971)	(2,101)	(869)	587
Due from banks	(307)	8,921	(2,885)	(522)
Bank and corporate securities	(3,973)	(4,961)	(2,312)	(2,442)
Loans and advances to customers	(5,559)	(5,515)	(6,217)	(11,107)
Other assets	4,531	(257)	(1,064)	(227)
Tax paid	(322)	(317)	(170)	(198)
Net cash generated/(used in) from operating activities (1)	1,378	(3,048)	(2,072)	(642)
Cash flows from investing activities				
Dividends from associates	21	17	10	7
Proceeds from disposal of interest in associate	1	-	-	-
Proceeds from disposal of properties and other fixed assets	1	15	-	15
Purchase of properties and other fixed assets	(148)	(121)	(74)	(44)
Proceeds from divestment of subsidiary	735	-	-	-
Change in non-controlling interests	(7)	(58)	(7)	(4)
Net cash generated from/(used in) investing activities (2)	603	(147)	(71)	(26)
Cash flows from financing activities				
Issue of subordinated term debts	-	630	-	260
Interest paid on subordinated term debts	(48)	(53)	(10)	(1)
Redemption/purchase of subordinated term debts	(866)	(613)	-	-
Purchase of treasury shares	-	(28)	-	-
Dividends paid to non-controlling interests	(62)	(62)	(62)	(62)
Dividends paid to shareholders of the Company, net of scrip dividends ¹	(534)	(521)	(515)	(521)
Net cash used in financing activities (3)	(1,510)	(647)	(587)	(324)
Exchange translation adjustments (4)	(68)	(313)	(77)	(50)
Net change in cash and cash equivalents² (1)+(2)+(3)+(4)	403	(4,155)	(2,807)	(1,042)
Cash and cash equivalents at beginning of period	20,132	12,078	23,342	8,965
Cash and cash equivalents at end of period	20,535	7,923	20,535	7,923

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. Fair Value of Financial Instruments

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

(\$m)	The Group							
	30 Jun 2017				31 Dec 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets at fair value through profit or loss								
- Government securities and treasury bills	10,850	1,816	-	12,666	7,713	1,285	-	8,998
- Bank and corporate securities	7,956	1,870	32	9,858	5,022	2,743	42	7,807
- Other financial assets	-	7,656	-	7,656	-	9,133	-	9,133
Available-for-sale financial assets								
- Government securities and treasury bills	24,406	1,213	-	25,619	21,352	1,089	-	22,441
- Bank and corporate securities ¹	14,080	1,120	87	15,287	14,510	1,598	115	16,223
- Other financial assets	-	4,982	-	4,982	-	4,417	-	4,417
Derivatives	22	17,849	1	17,872	57	25,699	1	25,757
Liabilities								
Financial liabilities at fair value through profit or loss								
- Other debt securities	-	5,602	1	5,603	-	5,045	4	5,049
- Other financial liabilities	4,071	1,289	12	5,372	2,290	1,881	-	4,171
Derivatives	38	16,950	8	16,996	66	24,415	16	24,497

Note:

1 Excludes unquoted equities stated at cost of \$234 million (Dec'16: \$242 million).

There were no material movements in Level 3 financial instruments during the quarter.

2. Off-balance Sheet Items

(\$m)	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Jun 2016
Contingent liabilities	20,863	20,944	22,714	18,517
Commitments ¹	232,885	230,245	235,951	221,579
Financial Derivatives	2,043,299	2,049,940	2,070,543	1,998,125

Note:

1 Includes commitments that are unconditionally cancellable at any time of \$190,296 million (Mar'17:\$189,061 million, Dec'16: \$193,016 million, Jun'16:\$180,475 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 2017	1st Half 2016	2nd Qtr 2017	2nd Qtr 2016
Ordinary shares				
Balance at beginning of period	2,548,962,085	2,514,780,749	2,548,962,085	2,514,780,749
Shares issued pursuant to Scrip Dividend Scheme	13,089,924	16,700,472	13,089,924	16,700,472
Balance at end of period	2,562,052,009	2,531,481,221	2,562,052,009	2,531,481,221
Treasury shares				
Balance at beginning of period	(11,727,700)	(13,000,000)	(6,303,700)	(9,618,000)
Shares transferred to trust holding shares pursuant to DBSH Share Plan/ DBSH Employee Share Plan	5,424,000	5,282,000	-	-
Purchase of treasury shares	-	(1,900,000)	-	-
Balance at end of period	(6,303,700)	(9,618,000)	(6,303,700)	(9,618,000)
Total	2,555,748,309	2,521,863,221	2,555,748,309	2,521,863,221

- (b) The weighted average number of ordinary shares (both basic and fully diluted) for the first half of 2017 is 2,542,345,132.

INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)

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

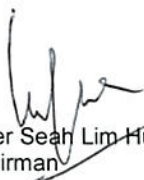
CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)

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 2017 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

3 August 2017
Singapore