

Basel II: Pillar 3 Disclosures

(Currency: Indian rupees in thousands)

Basel II Disclosures

Particulars	30-Jun-11	30-Sep-11	31-Dec-11
Tier 1 Capital	16,382,467	16,125,036	16,892,592
Total Capital	25,043,287	24,900,098	26,263,524
Total Capital Required	16,779,308	19,281,461	19,972,853
Tier 1 Capital ratio	8.79%	7.53%	7.61%
Total Capital Adequacy ratio	13.43%	11.62%	11.83%

Basel II: Pillar 3 Disclosures
Quantitative Disclosures as at 30 September 2011

(Currency: Indian rupees in thousands)

1. Scope of application
1. Scope of application

DBS Bank Ltd., India ('the Bank') operates in India as a branch of DBS Bank Ltd. Singapore a banking entity incorporated in Singapore with limited liability. As at 30th September 2011, the Bank has a 12 branch presence in 12 cities. The Bank does not have any subsidiaries in India and the disclosures contained herein only pertain to the Bank.

Quantitative Disclosures

Capital Deficiencies: The Bank does not have any subsidiaries in India and is accordingly not required to prepare Consolidated Financial Statements. Also, it does not have any interest in Insurance Entities.

2. Capital Structure
Quantitative Disclosures
Capital Funds

Particulars	30 Sep 11
A. Tier I Capital	16,125,036
Of which	
- Capital (Funds from Head Office)	9,518,321
- Reserves and Surplus	7,292,803
- Amounts deducted from Tier I capital ;	
- Deferred Tax Asset	590,835
- Adjustment for less liquid positions	95,253
B. Tier 2 Capital (net of deductions)	8,775,062
Of which	
B.1 Subordinated debt eligible for inclusion in Tier 2 capital	
- Total amount outstanding	39,448,822
- Of which amount raised during the period	NIL
- Amount eligible as capital funds	8,062,518
B.2 Other Tier 2 Capital	
- Provision for Standard Assets/Derivatives	698,298
- Provision for Country Risk	13,246
-Excess Provision on sale of NPA	1,000
C. Total Eligible Capital	24,900,098

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Total Capital Required	19,281,461
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Total Capital Adequacy ratio	11.62%

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3. Capital Adequacy
Quantitative disclosures

Particulars	30 Sep 11
A Capital requirements for Credit Risk (<i>Standardised Approach</i>)	13,899,842
B Capital requirements for Market Risk (<i>Standardised Duration Approach</i>)	
- Interest rate risk	3,679,554
- Foreign exchange risk	315,000
- Equity risk	-
- Unearned credit spreads	350,585
C Capital requirements for Operational risk (<i>Basic Indicator Approach</i>)	952,598
D Adjustment for Prudential Floor	83,882
E Capital Adequacy Ratio of the Bank (%)	11.62%
F Tier 1 CRAR (%)	7.53%

4. General Disclosures
General Disclosures for Credit Risk
Quantitative Disclosures
Credit Exposure

Particulars	30 Sep 11
Fund Based (Gross Advances)	114,801,249
Non Fund Based *	171,003,747

* The amount includes trade exposures and FX/derivative exposures.

The Bank does not have overseas operations and hence exposures are restricted to the domestic segment.

Basel II: Pillar 3 Disclosures*Quantitative Disclosures as at 30 September 2011*

(Currency: Indian rupees in thousands)

4. General Disclosures (Continued)**Industry wise Exposures (Fund Based Advances)**

Industry	30 Sep 11
Other Industries	30,220,377
Petro- chemicals	20,071,797
NBFCs	10,980,000
Construction	8,388,987
Drugs and Pharmaceuticals	6,893,858
Other Metal & Metal Products	6,871,122
Real Estate	6,445,422
Mining	3,967,384
Engineering	3,590,209
Telecommunications	3,008,311
Other Textiles	2,247,993
Paper & Paper Products	2,072,176
Iron & Steel	2,057,089
Computer Software	1,603,458
Power	1,313,241
Electronics	1,124,284
Automobiles including trucks	1,010,447
Petroleum	734,625
Infrastructure	600,000
Chemicals, Dyes, Paints, etc	553,727
Trading	465,263
Electricity	404,260
Food Processing	146,925
Cement	29,140
Residual Advances	1,154
Total Credit Exposure	114,801,249

Basel II: Pillar 3 Disclosures
Quantitative Disclosures as at 30 September 2011

(Currency: Indian rupees in thousands)

4. General Disclosures (Continued)
Industry wise Exposures (Non - Fund Based)* –

Industry	30 Sep 11
Bank	98,350,580
Other Industries	9,214,720
Trading	7,170,305
Petroleum	5,369,780
Manufacturing	5,116,831
Other Metal & Metal Products	4,737,898
NBFCs	3,824,072
Construction	3,822,347
Chemicals, Dyes, Paints, etc	3,753,504
Petrochemicals	3,669,794
Iron & Steel	2,757,969
Telecommunications	2,753,817
Drugs and Pharmaceuticals	1,977,535
Other Textiles	1,973,197
Shipping	1,741,792
Engineering	1,736,719
Food Processing	1,702,962
Cement	1,622,915
Automobiles including trucks	1,347,749
Paper & Paper Products	1,252,572
Agriculture related activities	1,209,361
Computer software	997,939
Infrastructure	969,225
Hospitality	902,313
Services	893,392
Electricity	567,940
Fertilisers	385,811
Real Estate	367,672
Information & Technology/Commun.	280,470
Power	249,053
Machinery	176,127
Entertainment and Recreation	55,632
Mining	37,549
Electronics	14,205
Total Credit Exposure	171,003,747

* The amount includes trade exposures and Foreign exchange and derivative exposures.

Basel II: Pillar 3 Disclosures
Quantitative Disclosures as at 30 September 2011

(Currency: Indian rupees in thousands)

4. General Disclosures (Continued)
Maturity of Assets as at 30 September 2011

Particulars	Cash	Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Assets	Other Assets
1 day	31,908	130,765	875,588	4,582,159	18,633,035	-	82,752
2-7 days	-	1,078,811	-	22,327,025	8,362,913	-	126,245
8-14 Days	-	864,208	-	3,320,297	4,302,006	-	28,340
15-28 Days	-	364,379	-	2,127,265	18,296,325	-	72,105
29 Days-3 Months	-	1,881,876	-	16,147,092	22,845,893	-	280,833
3-6 Months	-	530,672	-	42,387,592	22,432,848	-	268,443
6 Months - 1 Year	-	482,057	-	11,574,595	5,480,567	-	102,943
1-3 Years	-	734,049	-	2,691,911	6,085,280	-	84,664
3-5Years	-	57,626	-	228,990	4,259,328	-	29,924
Over 5Years	-	3,264,378	-	10,482,324	3,115,654	395,792	61,415,356
Total	31,908	9,388,821	875,588	115,869,250	113,813,849	395,792	62,491,605

Basel II: Pillar 3 Disclosures
Quantitative Disclosures as at 30 September 2011

(Currency: Indian rupees in thousands)

4. General Disclosures (Continued)
Classification of NPA's

Particulars	30 Sep 11
Amount of NPAs (Gross)	987,400
Substandard	4,080
Doubtful 1	751,317
Doubtful 2	232,003
Doubtful 3	-
Loss	-

Movement of NPAs and Provision for NPAs

Particulars	30 Sep 11
A Amount of NPAs (Gross)	987,400
B Net NPAs	NIL
C NPA Ratios	
- Gross NPAs to gross advances (%)	0.86%
- Net NPAs to net advances (%)	NIL
D Movement of NPAs (Gross)	
- Opening balance as of the beginning of the financial year	834,480
- Additions	220,123
- Reductions on account of recoveries/ write - offs	67,203
- Closing balance	987,400
E Movement of Provision for NPAs	
- Opening balance as of the beginning of the financial year	601,017
- Provision made during the year	453,586
- Write - offs / Write - back of excess provision	67,203
- Closing balance	987,400

Amount of Non-Performing Investments and amount of provisions held for non-performing investments: Nil

Movement in Provisions Held towards Depreciation on Investments

Particulars	As at 30 Sep 11
Opening Balance	547,491
Add: Provisions Made During the Year	-
Less: Write off / Write back of Excess provisions during the Year	429,681
Closing Balance	117,810

Basel II: Pillar 3 Disclosures*Quantitative Disclosures as at 30 September 2011*

(Currency: Indian rupees in thousands)

5. Disclosures for Credit Risk: Portfolios subject to Standardised approach*Quantitative Disclosures*

Categorization of Net Advances (outstanding) classified on the basis of Risk Weightage is provided below:

Particulars	30 Sep 11
< 100 % Risk Weight	74,264,821
100 % Risk Weight	36,934,052
> 100 % Risk Weight	2,614,976
Total	113,813,849

6. Disclosures for Credit Risk Mitigation on Standardised approach*Quantitative Disclosures*

As of 30th September 2011, the Bank has not availed of Credit Mitigation techniques.

7. Disclosure on Securitisation for Standardised approach

The Bank has not securitized any assets in the period under review.

8. Disclosure on Market Risk in Trading book*Quantitative Disclosures***Capital Requirement for Market Risk**

Particulars	30 Sep 11
Interest rate risk	3,679,554
Foreign exchange risk (including gold)	315,000
Equity position risk	-
Unearned Credit Spreads	350,585

Basel II: Pillar 3 Disclosures*Quantitative Disclosures as at 30 September 2011*

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9. Interest rate risk in the banking book (IRRBB)*Quantitative Disclosures*

The Bank uses a PV based approach to measure the impact on economic value for upward and downward rate shocks. This measures the potential change in economic value of the Bank for a unit change in interest rates. The change in economic value due to a unit change in interest rates are :-

Change in economic value due to a unit change in interest rates	INR Million
30 September 2011	(2.42)

The impact on Earnings is computed as per the definition laid down in the ALM Policy of the Bank. Per the policy, Earnings-at-Risk (EaR) measures the interest rate risk from the earnings perspective. It is computed as an impact (over a 1-year horizon) of a 1% parallel shift in the yield curve on the Bank's earning. This is computed using the net IRS gaps for each bucket upto 1 year and the mark-to-market impact of 1% rise in interest rates on the AFS and HFT portfolio is to this. The aggregate of these approximates the net revenue impact of a 1% parallel shift (increase in interest rates) in the yield curve over a 1 year horizon and acts as a useful tool in the hands of the ALCO to monitor and assess the impact of Interest rate risk exposure of the Bank on its revenue.

EaR is computed at a Bank-wide level on the INR book. It is not computed individually for the trading and banking books. Hence the impact on Earnings for the Banking book alone cannot be assessed. The EAR on the INR book (trading and banking) is:

EaR on the INR book (trading and banking)	INR Million
23 September 2011	(581.61)