

Basel III: Pillar 3 Disclosures

as at 31 December 2015

(Currency: Indian rupees in million)

1. Capital Adequacy

Qualitative disclosures

The CRAR of the Bank as at 31st December 2015 is 15.92% as computed under Basel III norms, which is higher than the minimum regulatory CRAR requirement of 9%.

The Bank's capital management framework is guided by the existing capital position, proposed growth and strategic direction. Impact of economic environment has resulted in an increasing and continuing need to focus on the effective management of risk, and commensurate capital to bear that risk. The Bank carefully assesses its growth opportunities relative to the capital available to support them, particularly in the light of the economic environment and capital requirements under Basel III. The Bank maintains a strong discipline over capital allocation and ensuring that returns on investment cover capital costs.

Quantitative disclosures

	Particulars	31 Dec 15
A	Capital requirements for Credit Risk (Standardised Approach)*	20,375
В	Capital requirements for Market Risk (Standardised Duration Approach)*	
	- Interest rate risk	3,867
	- Foreign exchange risk	360
	- Equity risk	24
C	Capital requirements for Operational risk (Basic Indicator Approach)*	1,613
D	CET1 Capital Ratio (%)	9.84%
Е	Tier1 Capital Ratio (%)	9.84%
F	Total Capital Ratio (%)	15.92%

^{*} Capital required is calculated at 8% of Risk Weighted Assets for CVA, Market Risk and Operational Risk.

2. General Disclosures

As part of overall corporate governance, the Group Board has approved a comprehensive Integrated Risk Framework covering risk governance for all risk types and for all entities within the Group, including India. This framework defines authority levels, oversight responsibilities, policy structures and risk appetite limits to manage the risks that arise in connection with the use of financial instruments. On a day-to-day basis, business units have primary responsibility for managing specific risk exposures while Risk Management Group (RMG) exercises independent risk oversight on the Group as a whole. RMG is the central resource for quantifying and managing the portfolio of risks taken by the Group as a whole.



as at 31 December 2015

(Currency: Indian rupees in million)

2. General Disclosures (Continued)

A) General Disclosures for Credit Risk

Qualitative Disclosures

Credit Risk Management Policy

The credit policies and basic procedures of the Bank relating to its lending activities are contained in the Local Credit / Loan Policy of the Bank, Core Credit Policy at Singapore and the Credit Manual. These are based on the general credit principles, directives / guidelines issued by the RBI from time to time as well as instructions and guidelines of DBS Bank Ltd, Singapore (hereinafter referred to as 'the Head Office'). In the unlikely event of any conflict amongst the RBI guidelines and Head Office Guidelines, the more conservative policy / guideline is followed.

The Core Credit Policy and the Credit / Loan policy outlines the Bank's approach to Credit Risk Management and sets out the rules and guidelines under which the Bank would develop and grows its lending business. These policies provide guidance to the Bank's Corporate Banking, SME Banking and Financial Institutions Group to manage the growth of their portfolio of customer assets in line with the Bank's credit culture and profitability objectives, taking into account the capital needed to support the growth.

Supplementary policies to the main Core Credit Policy and the Credit / Loan policy have also been laid out, for certain types of lending and credit-related operations. These include subject specific policies relating to risk ratings, Default policy, Specialized Lending etc., as well as guidelines for Real Estate lending, NBFC lending, hedging of FX exposures, credit risk mitigation, sectoral and individual / group borrower limits, bridge loans, bill discounting, etc.

Responsibility for monitoring post-approval conditions and risk reporting resides with the Credit Control Unit (CCU), which reports in to Head of CCU in Singapore, with local oversight of the Senior Risk Executive (SRE) in India. The Risk Based Supervision (RBS) submission to RBI contains further details on the same.

Advances are classified into performing and non-performing advances (NPAs) as per RBI guidelines. NPA's are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

Quantitative Disclosures

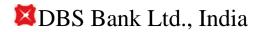
Credit Exposure

Particulars	31 Dec 15
Fund Based *	163,059
Non Fund Based **	163,348

^{*} This amount represents Gross Advances and Bank exposures.

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

^{**} This amount represents trade and unutilized exposures after applying credit conversion factor and Credit equivalent of FX/derivative exposures.



as at 31 December 2015

(Currency: Indian rupees in million)

2. General Disclosures (Continued)

Quantitative Disclosures (Continued)

Industry wise Exposures (Fund Based exposures)

Industry	31 Dec 15
Bank *	32,371
Construction	21,438
Basic Metal & Metal products - Iron and Steel	8,879
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	8,771
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	8,491
Vehicles, Vehicle Parts and Transport Equipments	6,248
Infrastructure - Telecommunication	6,191
Food Processing - Edible Oils and Vanaspati	5,511
Mining and Quarrying - Others	5,108
Infrastructure - Transport - Roadways	4,575
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,311
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	4,185
Paper and Paper Products	4,075
Non-Banking Financial Institutions/Companies	3,615
All Engineering - Others	3,512
Water sanitation	3,173
Rubber, Plastic and their Products	2,668
Food Processing - Others	2,567
Infrastructure - Energy - others	2,446
All Engineering - Electronics	2,307
Transport Operators	2,206
Home Loans	1,981
Computer Software	1,901
Infrastructure - Electricity (generation-transportation and distribution)	1,741
Trading Activity	1,601
Beverages	1,557
Tourism, Hotel and Restaurants	1,418
Other Industries	1,274
Social & Commercial Infrastructure	1,221
Metal and Metal Products	1,202
Professional Services	986
Glass & Glassware	879
Other Services	777
Coal	749
Wood and Wood Products	538
Textiles - Others	414
Textiles - Cotton	406
Loan Against Property	386
Tea	373
Aviation	299
Cement and Cement Products	238
Retail Trade	133
Agriculture & allied activities Wholesele Trade (other than Food Procurement)	120
Wholesale Trade (other than Food Procurement)	109
Sugar Gems and Jewellery	96 12
Total Credit Exposure (fund based)	163,059
Total Credit Exposure (fund pased)	103,039

^{*} Represents lending which is backed by Bank guarantee.



as at 31 December 2015

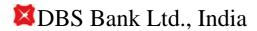
(Currency: Indian rupees in million)

2. General Disclosures (Continued)

Quantitative Disclosures (Continued)

Industry wise Exposures (Non - Fund Based exposures)

Industry	31 Dec 15
Exposure to Banks	56,622
Financial Institutions	25,191
Metal and Metal Products	7,562
Trading Activity	6,838
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	6,315
Non-Banking Financial Institutions/Companies	5,818
Infrastructure - Electricity (generation-transportation and distribution)	4,658
Vehicles, Vehicle Parts and Transport Equipments	4,453
Infrastructure - Transport - Ports	4,330
Retail Others	4,131
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	3,671
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	2,924
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	2,895
Infrastructure - Energy - others	2,717
Other Industries	2,462
All Engineering - Others	2,432
Construction	2,258
Infrastructure - Telecommunication	1,952
Basic Metal & Metal products - Iron and Steel	1,715
Other Services	1,672
Rubber, Plastic and their Products	1,555
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	1,202
Food Processing - Edible Oils and Vanaspati	1,180
All Engineering - Electronics	1,111
Cement and Cement Products	913
Tourism, Hotel and Restaurants	882
Computer Software	860
Paper and Paper Products	815
Mining and Quarrying - Others	600
Professional Services	561
Infrastructure - Transport - Roadways	529
Beverages	414
Glass & Glassware	342
Petro-chemicals	309
Food Processing - Others	307
Textiles - Others	271
Transport Operators	245
Infrastructure - Others	238
Wholesale Trade (other than Food Procurement)	210
Wood and Wood Products	104
Food Processing - Tea	46
Agriculture & allied activities	24
Aviation	12
Textiles - Spinning Mills	l 1
Food processing – Sugar	162.249
Total Credit Exposure (non-fund based)	163,348



as at 31 December 2015

(Currency: Indian rupees in million)

2. General Disclosures (Continued)

Maturity of Assets as at 31 December 2015

Particulars	Cash	Balance with RBI	Balance with Banks	Investments	Loans & Advances (net of provisions)	Fixed Assets	Other Assets
1 day	41	82	403	63,844	11,006	-	18,547
2–7 days	-	692	-	3,744	3,710	-	145
8–14 Days	-	476	-	2,518	9,041	-	74
15–28 Days	-	519	-	2,746	16,929	-	491
29 Days–3 Months	-	1,216	-	6,437	35,816	-	1,986
3–6 Months	-	296	-	1,569	32,345	-	2,057
6 Months – 1 Year	-	117	-	620	12,275	-	3,399
1–3 Years	-	441	1,654	3,588	7,223	-	7,329
3–5Years	-	108	3,308	1,743	9,702	-	1,148
Over 5Years	-	4,022	-	22,336	15,551	657	11,002
Total	41	7,968	5,364	109,145	153,599	657	46,178

Note: The same maturity bands as used for reporting positions in the ALM returns have been used by the Bank.

DBS Bank Ltd., India

Basel III: Pillar 3 Disclosures (*Continued*)

as at 31 December 2015

(Currency: Indian rupees in million)

2. General Disclosures (Continued)

Classification of NPA's

Particulars	31 Dec 15
Amount of NPAs (Gross)	15,320
Substandard	3,051
Doubtful 1	6,531
Doubtful 2	4,806
Doubtful 3	749
Loss	183

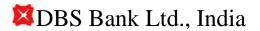
Movement of NPAs and Provision for NPAs

	Particulars	31 Dec 15
A	Amount of NPAs (Gross)	15,320
В	Net NPAs	6,414
С	NPA Ratios - Gross NPAs to gross advances (%) - Net NPAs to net advances (%)	9.42% 4.18%
D	Movement of NPAs (Gross) Opening balance as of the beginning of the financial year Additions Reductions on account of recoveries/ write - offs Closing balance	12,839 3,107 626 15,320
Е	Movement of Provision for NPAs Opening balance as of the beginning of the financial year Provision made during the year Write – offs / Write – back of excess provision Closing balance	6,263 2,998 355 8,906

General Provisions

In accordance with RBI guidelines, the Bank maintains provision on standard advances, standard derivative exposures and provision on Unhedged Foreign Currency Exposure (UFCE). Movement in general provision (including UFCE) is detailed below:

31 Dec 15
1,085
1,005
115
970



as at 31 December 2015

(Currency: Indian rupees in million)

Amount of Non-Performing Investments and Provision for NPIs

Non-Performing Investments and Provision for NPIs is given below:

	Particulars	31 Dec 15
A	Amount of Non-Performing Investments (Gross)	113
В	Amount of provisions held for non-performing investments	-

Movement in Provisions Held towards Depreciation on Investments

Movement in Provisions Held towards Depreciation on Investments is given below:

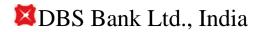
Particulars	31 Dec 15
Opening Balance	22
Add: Provisions Made During the Year	6
Less: Write off / Write back of Excess provisions during the Year	-
Closing Balance	28

Industry wise Past Due Loans

Particulars	31 Dec 15
Construction	2,635
Basic Metal & Metal products - Iron and Steel	2,220
Infrastructure - Transport - Roads & Bridges	1,884
Construction	737
Infrastructure - Transport - Roads & Bridges	445
Textiles - Cotton - Spinning Mills	406
Glass & Glassware	299
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	200
Basic Metal & Metal products - Iron and Steel	100
All Engineering - Others	100
Tourism, Hotel and Restaurants	97
Basic Metal & Metal products - Other Metal and Metal Products	86
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and	54
Pharmaceuticals	
Food Processing - Others	10
Total	9,273

Ageing of Past Due Loans

Particulars	31 Dec 15
Overdue upto 30 Days	1,587
Overdue between 31 and 60 Days	2,761
Overdue between 61 and 90 Days	4,925
Total	9,273



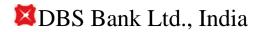
as at 31 December 2015

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Industry wise NPAs

Particulars	Amount of NPA	Specific Provision
Water sanitation	3,173	1,350
Infrastructure - Electricity (generation-transportation and distribution)	1,741	777
Infrastructure - Transport - Roadways	1,245	905
All Engineering - Others	1,167	1,167
Social & Commercial Infrastructure	1,153	751
Tourism, Hotel and Restaurants	1,113	446
Computer Software	983	912
Transport Operators	802	284
Coal	749	353
Construction	713	405
Mining and Quarrying - Others	489	366
Food Processing - Edible Oils and Vanaspati	316	109
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	282	113
Metal and Metal Products	221	221
All Engineering - Electronics	218	33
Food Processing - Others	213	105
Rubber, Plastic and their Products	212	212
Vehicles, Vehicle Parts and Transport Equipments	183	183
Textiles - Others	147	76
Beverages	142	80
Infrastructure - Telecommunication	49	49
Basic Metal & Metal products - Iron and Steel	9	9
Total	15,320	8,906

The Bank does not have overseas operations and hence amount of NPAs and past due loans are restricted to the domestic segment.



as at 31 December 2015

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Industry wise General Provisions

Particulars	31 Dec 15
Construction	219
Financial Institutions / Advances backed by Banks	191
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	53
Basic Metal & Metal products - Iron and Steel	46
Vehicles, Vehicle Parts and Transport Equipments	44
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	36
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	27
Non-Banking Financial Institutions/Companies	26
Infrastructure - Telecommunication	25
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	24
Food Processing - Edible Oils and Vanaspati	21
Retail Others	21
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	20
Mining and Quarrying - Others	19
Infrastructure - Transport - Roadways	17
Paper and Paper Products	17
Beverages	17
Rubber, Plastic and their Products	15
All Engineering - Electronics	14
All Engineering - Others	13
Food Processing - Others	12
Other Industries	11
Trading Activity	10
Infrastructure - Energy - Others	9
Infrastructure - Transport - Ports	8
Professional Services	6
Coal	6
Transport Operators	6
Metal and Metal Products	5
Tourism, Hotel and Restaurants	5
Computer Software	4
Glass & Glassware	4
Other Services	3
Petro-chemicals	3
Textiles - Cotton	2
Textiles - Others	2
Wood and Wood Products	2
Cement and Cement Products	2
Infrastructure - Electricity (generation-transportation and distribution)	2
Food Processing - Tea	2
Aviation	1
Wholesale Trade (other than Food Procurement)	1
Total	970



as at 31 December 2015

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Industry wise Specific Provisions (net of write-backs) during the current period

Particulars	31 Dec 15
Infrastructure - Water sanitation	529
Infrastructure - Electricity (generation-transportation and distribution)	506
Infrastructure - Transport - Roadways	408
Coal	353
Transport Operators	284
Tourism, Hotel and Restaurants	166
Mining and Quarrying - Others	122
Food Processing - Edible Oils and Vanaspati	109
Food Processing - Others	105
Beverages	80
Infrastructure - Others	69
Construction	61
Rubber, Plastic and their Products	53
Computer Software	53
Metal and Metal Products	44
All Engineering - Electronics	33
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	22
Infrastructure - Telecommunication	(10)
Infrastructure - Transport - Inland Waterways	(14)
Basic Metal & Metal products - Iron and Steel	(33)
Total	2,940

The Bank does not have overseas operations and hence amount of NPAs and past due loans are restricted to the domestic segment.

Industry wise write-off's during the current period

Particulars	31 Dec 15
Computer Software	101
Infrastructure - Communication - Telecommunication and Telecom Services	90
Infrastructure - Transport - Roads & Bridges	52
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	29
Basic Metal & Metal products - Iron and Steel	19
Total	291

as at 31 December 2015

(Currency: Indian rupees in million)

3. Disclosures for Credit Risk: Portfolios subject to Standardised approach

Qualitative Disclosures

Currently based on our clientele, ratings of the following agencies have been used i.e. CARE, CRISIL, India Ratings and Research Private Ltd., ICRA, Brickwork, SME Rating Agency Pvt Ltd (SMERA), Standards & Poors, Moody's and Fitch for all exposures. The Bank assigns Long term credit ratings accorded by the chosen credit rating agencies for assets which have a contractual maturity of more than one year. However, in accordance with RBI guidelines, the Bank classifies all cash credit exposures as long term exposures and accordingly the long term ratings accorded by the chosen credit rating agencies are assigned. Currently the Bank uses issuer ratings. In accordance with RBI guidelines, for risk-weighting purposes, short-term ratings are deemed to be issue-specific.

Quantitative Disclosures

Categorization of Credit Exposures (Fund and Non Fund based) * classified on the basis of Risk Weightage is provided below:

Particulars	31 Dec 15
< 100 % Risk Weight	192,505
100 % Risk Weight	108,524
> 100 % Risk Weight	16,310
Total	317,339

^{*} Credit Exposures are reported net of NPA provisions and provision for diminution in fair value of advances classified as Restructured Standard.

LEVERAGE RATIO

The leverage ratio has been calculated using the definitions of capital and total exposure. The Bank's leverage ratio, calculated in accordance with the RBI guidelines under consolidated framework is as follows:

Particulars	31 Dec 15
Tier I Capital	29,881
Exposure Measure	453,956
Leverage Ratio	6.58%