

Basel III: Pillar 3 Disclosures*as at 30 June 2019*

(Currency: Indian rupees in million)

1. Capital Adequacy*Qualitative disclosures*

The CRAR of DBS Bank India Limited ('the Bank'), a Wholly Owned Subsidiary (WOS) of DBS Bank Ltd., Singapore is 18.51% as computed under Basel III norms, which is higher than the minimum regulatory CRAR requirement (including CCB) of 12.50%.

The Bank's capital management framework is guided by the existing capital position, proposed growth and strategic direction. Growth opportunities have 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		30 June 19
A	Capital requirements for Credit Risk (<i>Standardised Approach</i>) *	37,065
B	Capital requirements for Market Risk (<i>Standardised Duration Approach</i>) *	
-	Interest rate risk	5,971
-	Foreign exchange risk	360
-	Equity risk	21
C	Capital requirements for Operational risk (<i>Basic Indicator Approach</i>) *	1,728
D	CET1 Capital Ratio (%)	13.74%
E	Tier1 Capital Ratio (%)	13.74%
F	Total Capital Ratio (%)	18.51%

* Capital required is calculated at 8% of Risk Weighted Assets for Credit Valuation Adjustment (CVA), Market Risk and Operational Risk and at 12.50% of Risk Weighted Assets for others.

2. General Disclosures

As part of overall corporate governance, the Bank has set up a framework which 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 Bank as a whole. RMG is the central resource for quantifying and managing the portfolio of risks taken by the Bank.

Basel III: Pillar 3 Disclosures

as at 30 June 2019

(Currency: Indian rupees in million)

2. General Disclosures (Continued)**A) General Disclosures for Credit Risk*****Qualitative Disclosures*****Credit Risk Management Policy**

Under the DBS India risk governance structure, the India Risk Exco ('Risk EXCO') serves as the Location Risk Committee for governance over Credit, Market & Liquidity, Operational Risk and other risks under the supervision of Board Risk Management Committee (BRMC). The BRMC oversees the risk governance, risk approaches and limits of DBS India and ensures that these risks are effectively managed within the Bank's overall risk governance framework.

The credit policies and basic procedures of the Bank relating to its lending activities are contained in the India specific Local Credit / Loan Policy of the Bank as well as Parent Core Credit Policies and other standards followed across all DBS group entities. 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 Parent Core Credit Policies and the India 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 grow its lending business. These policies provide guidance to the Bank's Corporate Banking, SME Banking, Financial Institutions Group and Consumer Banking 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 Parent Core Credit Policy and the India Credit / Loan policies 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, collateral valuation, collection management, etc.

The India Credit Risk Committee, comprising Chief Executive Officer, Chief Risk Officer and other senior Institutional Banking Group and Consumer Banking Group representatives and Credit Officers, and Head of Special Assets Management meets on a monthly basis. The committee has oversight of Credit risk related strategy planning, implementing necessary guidelines, procedures to manage identified risks, credit portfolio movements and other relevant trends in the Credit Risk Committee and shared with Head office as required.

Responsibility for monitoring post-approval conditions for institutional borrowers resides with the Credit Control Unit (CCU), which reports to the Chief Risk Officer (CRO) in India. The responsibility for risk reporting is with the Credit Risk - COO team which reports to the CRO in India. The Risk Based Supervision (RBS) submission to RBI contains further details on the same.

Basel III: Pillar 3 Disclosures*as at 30 June 2019*

(Currency: Indian rupees in million)

2. General Disclosures (*Continued*)*General Disclosures for Credit Risk (Continued)**Qualitative Disclosures*

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	30 June 19
Fund Based *	230,210
Non Fund Based **	257,394

* Represents Gross Advances and Bank exposures.

** Represents trade and unutilised exposures after applying credit conversion factor and Credit equivalent of FX/derivative exposures.

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

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

2. General Disclosures (Continued)
Quantitative Disclosures (Continued)
Industry wise Exposures (Fund Based exposures)

Industry	30 June 19
Bank *	63,349
Construction	16,644
Non-Banking Financial Institutions/Companies	16,352
Infrastructure - Electricity (generation-transportation and distribution)	16,328
Vehicles, Vehicle Parts and Transport Equipments	14,392
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	13,307
Computer Software	13,161
Home Loan	9,333
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	7,121
Other Industries	6,541
Metal and Metal Products	5,991
All Engineering - Others	4,179
Wholesale Trade (other than Food Procurement)	3,956
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	3,876
Food Processing - Others	3,665
Trading Activity	3,417
Rubber, Plastic and their Products	3,351
Retail Trade	3,229
Textiles - Others	2,548
Loan Against Property	2,451
Other Services	1,940
Basic Metal & Metal products - Iron and Steel	1,935
All Engineering - Electronics	1,842
Paper and Paper Products	1,558
Transport Operators	1,418
Petro-chemicals	1,371
Food Processing - Edible Oils and Vanaspati	1,218
Personal Loan	1,112
Wood and Wood Products	761
Glass & Glassware	641
Infrastructure - Transport - Roadways	613
Tea	445
Tourism, Hotel and Restaurants	407
Leather and Leather products	327
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	303
Cement and Cement Products	202
Textiles - Cotton	197
Coffee	192
Mining and Quarrying - Others	155
Infrastructure - Telecommunication	152
Sugar	151
Infrastructure - Social and Commercial Infrastructure -Education Institutions	79
Total Credit Exposure (fund based)	230,210

* Includes advances covered by Letters of Credit issued by other Banks.

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

2. General Disclosures (*Continued*)
Quantitative Disclosures (Continued)
Industry wise Exposures (Non - Fund Based exposures)

Industry	30 June 19
Financial Institutions	85,937
Banks	67,283
Non-Banking Financial Institutions/Companies	12,070
Construction	9,950
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	8,762
Infrastructure - Telecommunication	8,391
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	6,444
Food Processing - Edible Oils and Vanaspati	6,146
Infrastructure - Electricity (generation-transportation and distribution)	6,136
Infrastructure - Transport - Ports	5,833
Trading Activity	5,268
Other Industries	4,159
Retail Others	4,037
All Engineering - Others	2,604
Vehicles, Vehicle Parts and Transport Equipments	2,599
Metal and Metal Products	2,505
Computer Software	2,366
Basic Metal & Metal products - Iron and Steel	2,350
Other Services	2,189
Cement and Cement Products	1,736
Food Processing - Others	1,366
All Engineering - Electronics	1,157
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	1,043
Petro-chemicals	1,009
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	995
Rubber, Plastic and their Products	903
Textiles - Others	736
Beverages	558
Aviation	521
Transport Operators	453
Wholesale Trade (other than Food Procurement)	453
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	352
Paper and Paper Products	292
Professional Services	244
Wood and Wood Products	186
Textiles - Cotton	124
Glass & Glassware	106
Food processing - Coffee	38
Infrastructure - Others	23
Coal	21
Food processing - Sugar	16

Basel III: Pillar 3 Disclosures*as at 30 June 2019*

(Currency: Indian rupees in million)

2. General Disclosures (*Continued*)*Quantitative Disclosures (Continued)***Industry wise Exposures (Non - Fund Based exposures)**

Industry	30 June 19
Tourism, Hotel and Restaurants	13
Agriculture & allied activities	8
Leather and Leather products	7
Food Processing - Tea	4
Infrastructure - Water sanitation	1
Total Credit Exposure (non-fund based)	257,394

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

3. General Disclosures (*Continued*)
Maturity of Assets as at 30 June 2019

Particulars	Cash	Balance with RBI	Balance with Banks	Investments (net of depreciation)	Loans & Advances (net of provisions)	Fixed Assets	Other Assets
1 day	57	11,412	14,180	10,461	133	-	349
2-7 days	-	32	-	134,975	-	-	1,655
8-14 Days	-	20	-	6,536	2,121	-	39
15-30 Days	-	21	-	1,441	11,188	-	120
1 month - 2 months	-	51	-	2,642	13,626	-	232
2-3 months	-	25	-	1,254	16,642	-	243
3-6 Months	-	21	-	3,001	9,312	-	178
6 Months – 1 Year	-	12	100	1,806	-	-	151
1-3 Years	-	72	17,255	11,158	58,189	-	805
3-5Years	-	27	24,502	1,875	3,550	-	407
Over 5Years	-	5,446	-	35,258	53,971	725	81,431
Total	57	17,139	56,037	210,407	168,732	725	85,610

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

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

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

Particulars	30 June 19
Amount of NPAs (Gross)	6,221
Substandard	829
Doubtful 1	813
Doubtful 2	2,943
Doubtful 3	1,636
Loss	-

Movement of NPAs and Provision for NPAs

Particulars	30 June 19
A Amount of NPAs (Gross)	6,221
B Net NPAs	779
C NPA Ratios	
- Gross NPAs to gross advances (%)	3.57%
- Net NPAs to net advances (%)	0.46%
D Movement of NPAs (Gross)	
- Opening balance as of the beginning of the financial year	5,832
- Additions	418
- Reductions on account of recoveries/ write - offs	29
- Closing balance	6,221
E Movement of Provision for NPAs	
- Opening balance as of the beginning of the financial year	5,243
- Provision made during the year	226
- Write – offs / Write – back of excess provision	27
- Closing balance	5,442

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 provisions is detailed below

Particulars	30 June 19
Opening Balance	1,239
Add: Provisions Made During the Year	195
Less: Write off / Write back of Excess provisions during the Year	-
Closing Balance	1,434

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(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	30 June 19
A Amount of Non-Performing Investments (Gross)	358
B Amount of provisions held for non-performing investments	253

Movement in Provisions held towards Depreciation on Investments

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

Particulars	30 June 19
Opening Balance	1,239
Add: Provisions made during the year	-
Less: Write off / Write back of excess provisions during the year	349
Closing Balance	890

Industry wise Past Due Loans

Particulars	30 June 19
All Engineering - Others	1,014
Textiles - Others	390
All Engineering - Electronics	297
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	285
Other Services	152
Leather and Leather products	129
Wholesale Trade (other than Food Procurement)	105
Vehicles, Vehicle Parts and Transport Equipments	100
Paper and Paper Products	77
Trading Activity	20
Retail Trade	18
Total	2,587

Ageing of Past Due Loans

Particulars	30 June 19
Overdue upto 30 Days	1,722
Overdue between 31 and 60 Days	13
Overdue between 61 and 90 Days	852
Total	2,587

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

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

Industry wise NPAs

Particulars	Amount of NPA	Specific Provision
Construction	1,712	1,712
Trading Activity	1,313	965
Infrastructure - Transport - Roadways	613	613
Paper and Paper Products	478	478
Computer Software	339	339
Food Processing - Edible Oils and Vanaspati	286	286
All Engineering - Others	238	36
All Engineering - Electronics	218	218
Glass & Glassware	191	118
Transport Operators	156	130
Textiles - Others	147	147
Gas/LNG (storage and pipeline)	145	109
Basic Metal & Metal products - Iron and Steel	113	86
Infrastructure - Social and Commercial Infrastructure -Education Institutions	77	77
Other Metal and Metal Products	75	75
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	51	26
Home Loan	39	9
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	21	12
Personal Loans	9	6
Total	6,221	5,442

Industry wise General Provisions

Particulars	30 June 19
Financial Institutions	153
Computer Software	147
Construction	146
Non-Banking Financial Institutions/Companies	111
Vehicles, Vehicle Parts and Transport Equipments	95
Banks	85
Other Industries	67
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	66
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	52
Metal and Metal Products	49
Infrastructure - Electricity (generation-transportation and distribution)	46
Wholesale Trade (other than Food Procurement)	44
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	40
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	37
Retail Others	35
All Engineering - Others	28
Basic Metal & Metal products - Iron and Steel	26
Food Processing - Others	22
Trading Activity	21
Infrastructure - Others	20
Rubber, Plastic and their Products	19
Other Services	19
Textiles - Others	14

Basel III: Pillar 3 Disclosures
as at 30 June 2019

(Currency: Indian rupees in million)

Industry wise General Provisions (Continued)

Particulars	30 June 19
Infrastructure - Transport - Ports	13
Food Processing - Edible Oils and Vanaspati	12
All Engineering - Electronics	9
Transport Operators	8
Textiles - Cotton	8
Petro-chemicals	6
Food Processing - Tea	5
Paper and Paper Products	5
Infrastructure - Telecommunication	4
Wood and Wood Products	4
Cement and Cement Products	3
Glass & Glassware	2
Food processing - Coffee	2
Tourism, Hotel and Restaurants	2
Mining and Quarrying - Others	2
Food processing - Sugar	2
Leather and Leather products	2
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	1
Beverages	1
Agriculture & allied activities	1
Total	1,434

Industry wise Specific Provisions (net of write-backs)

Particulars	30 June 19
Trading Activity	217
Construction	(20)
Retail Others	2
Total	199

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

Particulars	30 June 19
Personal Loan	7
Total	7

Basel III: Pillar 3 Disclosures*as at 30 June 2019*

(Currency: Indian rupees in million)

4. 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. The Bank uses both issue specific and issuer ratings. In accordance with RBI guidelines, for risk-weighting purposes, short-term ratings are deemed to be issue-specific. For the mortgage loans portfolio, risk weight is derived as per LTV ratio.

Quantitative Disclosures

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

Particulars	30 June 19
< 100 % Risk Weight	340,897
100 % Risk Weight	125,358
> 100 % Risk Weight	15,910
Total	482,165

* Credit Exposures are reported net of NPA provisions and provision for diminution in fair value of restructured advances classified as 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	30 Jun 19
Tier I Capital	56,254
Exposure Measure	721,545
Leverage Ratio	7.80%