DBS

DBS Bank India Limited

BASEL III: PILLAR 3 DISCLOSURES AS AT 31 MARCH 2020

(Currency: Indian rupees in million)

1. Scope of application

Qualitative Disclosures

DBS Bank India Limited ('the Bank'), operates in India as a Wholly Owned Subsidiary ("WOS") of DBS Bank Ltd., Singapore, a banking entity incorporated in Singapore with limited liability. As at 31 March 2020, the Bank has a presence of 34 branches (21 in metros, 4 in urban areas, 1 in semi-urban area and 8 in rural cities (including 7 URC's)). The branch network is spread across 23 cities. The Bank does not have any subsidiaries in India nor any interest in Insurance Entities. Thus, the disclosures contained herein only pertain to the Bank.

a. List of group entities considered for consolidation

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation
Not Applicable					

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity / country of incorporation	Principal activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
DBS Asia Hub 2 Private Limited	IT and Business Support Services to group entities	2,243.94 *	-	NA	2,994.57 *

* Per Audited Financial Statements as at 31st March 2019.

c. List of group entities considered for consolidation

Name of the entity / country of incorporation (as indicated in (i) a. above)	Principal activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Not Applicable			

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principal activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
Not Applicable				

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principal activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Not Applicable				

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.

2. Capital Adequacy

Qualitative disclosures

The CRAR of the Bank is 16.33% as computed under Basel III norms, which is higher than the minimum regulatory CRAR requirement (including CCB) of 11.875%.

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.

The novel coronavirus (Covid 2019) continues its rapid march across the globe, including India. On 11 March 20, the Covid 2019 outbreak was declared a global pandemic by the World Health Organization. Covid 2019's toll permeates not just across human lives, but business and financial markets too, the extent of which is currently unascertainable. Various governments, civil society and many organisations, including the Bank, have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. On 24 March 20, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and then again by 14 days across the country to contain the spread of virus. There is a high level of uncertainty about the duration of the lockdown and the time required for life and business to get normal. The extent to which the Covid 2019 pandemic will impact the Bank's operations and financial metrics (including Capital adequacy) is dependent on the future developments, which are highly uncertain; including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact, whether government mandated or elected by the Bank.

Quantitative disclosures

	Particulars	31 Mar 20
A	Capital requirements for Credit Risk (Standardised Approach) *	35,008
B	Capital requirements for Market Risk (Standardised Duration Approach) *	
	- Interest rate risk	7,951
	- Foreign exchange risk	360
	- Equity risk	4
C	Capital requirements for Operational risk (Basic Indicator Approach) *	1,728
D	CET1 Capital Ratio (%)	13.12%
E	Tier1 Capital Ratio (%)	13.12%
F	Total Capital Ratio (%)	16.33%

* Capital required is calculated at 8% of Risk Weighted Assets for CVA, Market Risk and Operational Risk and at 11.875% of Risk Weighted Assets for others.

3. 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.

Under the DBS India risk governance structure, the India Risk Exco ('Risk EXCO') serves as the Bank's 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 responsibilities of the committees are summarized below:

India Board Risk Management Committee (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.
- Approves the Bank's overall and specific risk governance approach including risk appetite approach, risk authority limits, major risk policies and significant changes thereto.
- Approves risk models which are used for capital computation and monitor the performance of previously approved models.
- Reviews (in parallel with the Board Audit Committee) the adequacy and effectiveness of the Bank's internal control approach.

India Risk Exco ("Risk EXCO")

- Serves as the Bank's Risk Committee for governance over counterparty credit risk, operational risk, market risk, liquidity risk and cross-risk stress-testing for major downside risks.
- Monitors and discusses the Bank's risk profiles, as well as market and regulatory developments.
- Oversees the Internal Capital Adequacy Assessment Process (ICAAP) including scenarios used and approve risk assessments results.
- Serves as a discussion forum for any matter escalated by the underlying risk committees and endorse India specific risk policies and local adoption of Group policies as required, before recommendation to India Board for approval.

India Credit Risk Committee (CRC)

- To review, measure and monitor DBIL's credit risk portfolio including special loan and asset review situations e.g. review of non-performing loans and credits showing weaknesses.
- Review and monitor the adequacy, accuracy and effectiveness of credit systems for credit risk management and credit risk control.
- Assess and monitor specific credit concentrations at business or sector level

and credit trends affecting the portfolio; implementing necessary policies or procedures to manage identified risks.

- Assess and monitor key policy deviations e.g. overdue credit reviews, Target Market and Risk Acceptance Criteria (TMRAC) deviations and / or regulatory allowances specific to the bank.
- Endorse local credit policies for approvals.
- Exercise active oversight to ensure continuing appropriateness of stress testing in accordance with the responsibilities delegated from time to time and as documented in the Credit Stress Testing Policy.

A) General Disclosures for Credit Risk

Qualitative Disclosures

Credit Risk Management Policy

The management of Credit Risk including concentration credit risk requires active oversight by India Credit Risk Committee (CRC), India Risk Executive Committee (India Risk Exco) and India Board Risk Management Committee (India BRMC).The India Risk Exco and CRC have adequate understanding of inherent credit risks in specific activities of the Bank, particularly those that may significantly affect the financial condition of the Bank.The India Risk Exco and CRC are responsible to formulate/review credit risk policy, credit risk strategy and risk exposure of the Bank. The credit risk policy is endorsed by the CRC and Board Risk Management Committee (India BRMC) and approved by the Board.

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 Group 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 Parent"). In the unlikely event of any conflict amongst the RBI guidelines and Parent's Guidelines, the more conservative policy / guideline is followed.

The Group 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 Group 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 DBS Group, 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 – Chief Operating Office team which reports to the CRO 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 Mar 20
Fund Based *	252,041
Non Fund Based **	267,573

* 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.

Industry wise Exposures (Fund Based exposures)

Industry	31 Mar 20
Bank *	60,724
Infrastructure - Electricity (generation-transportation and distribution)	19,094
Non-Banking Financial Institutions/Companies	17,120
Construction	14,949
Computer Software	13,426
Vehicles, Vehicle Parts and Transport Equipment's	13,261
Other Industries	12,630
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	9,180
Other Services	8,863
Home Loan	8,261
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	7,696
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	7,450
Metal and Metal Products	5,898
Infrastructure - Telecommunication	5,696
All Engineering - Others	5,599
Trading Activity	4,381
Wholesale Trade (other than Food Procurement)	4,316
Rubber, Plastic and their Products	3,951
Food Processing - Others	3,839
Textiles - Others	3,266
Retail Trade	3,217
Basic Metal & Metal products - Iron and Steel	3,175
Loan Against Property	2,382
All Engineering - Electronics	2,174
Transport Operators	1,993
Personal Loan	1,526
Paper and Paper Products	1,077
Petro-chemicals	947
Textiles - Cotton	803
Glass & Glassware	799
Wood and Wood Products	588
Food Processing - Edible Oils and Vanaspati	526
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	511
Tourism, Hotel and Restaurants	407
Tea	393
Leather and Leather products	391
Infrastructure - Transport - Roadways	373
Social & Commercial Infrastructure	255
Sugar	234
Cement and Cement Products	195
Beverages	170
Agriculture & allied activities	127
Coffee	101
Professional Services	76
Infrastructure - Social and Commercial Infrastructure -Education Institutions	1
Total Credit Exposure (fund based)	**252,041**

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

Industry wise Exposures (Non - Fund Based exposures)

Industry	31 Mar 20
Financial Institutions	116,555
Banks	52,634
Non-Banking Financial Institutions/Companies	17,943
Construction	7,505
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	6,552
Other Industries	6,293
Infrastructure - Electricity (generation-transportation and distribution)	6,239
Infrastructure - Transport - Ports	5,584
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,626
All Engineering - Others	4,258
Trading Activity	4,134
Retail Others	3,760
Vehicles, Vehicle Parts and Transport Equipment's	3,432
Wholesale Trade (other than Food Procurement)	2,871

Industry	31 Mar 20
Metal and Metal Products	2,397
All Engineering - Electronics	2,343
Cement and Cement Products	2,153
Other Services	2,069
Computer Software	2,013
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	1,872
Food Processing - Others	1,695
Food Processing - Edible Oils and Vanaspati	1,332
Basic Metal & Metal products - Iron and Steel	1,180
Rubber, Plastic and their Products	1,054
Textiles - Others	798
Infrastructure - Others	739
Aviation	739
Beverages	673
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	636
Transport Operators	615
Infrastructure - Telecommunication	528
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	526
Paper and Paper Products	443
Petro-chemicals	377
Professional Services	334
Wood and Wood Products	258
Textiles - Cotton	179
Glass & Glassware	105
Food processing - Coffee	57
Mining and Quarrying - Others	41
Tourism, Hotel and Restaurants	13
Food processing - Sugar	7
Leather and Leather products	5
Food Processing - Tea	4
Agriculture & allied activities	1
Infrastructure - Water sanitation	1
Total Credit Exposure (non-fund based)	**267,573**

Maturity of Assets as at 31 March 2020

Particulars	Cash	Balance with RBI	Balance with Banks and money at call and short notice	Invest-ments (net of deprecia-tion)	Loans & Advances (net of provi-sions)	Fixed Assets	Other Assets
1 Day	171	8,132	10,678	154,295	3,283	-	2,238
2–7 Days	-	447	-	2,498	929	-	32
8–14 Days	-	338	-	1,885	7,941	-	79
15-30 Days	-	549	-	3,065	18,301	-	156
1 Month - 2 Months	-	791	-	6,917	19,556	-	190
2-3 Months	-	356	25	1,988	29,692	-	146
3–6 Months	-	388	3,783	2,166	37,603	-	186
6 Months – 1 Year	-	444	1,967	6,681	17,082	-	170
1–3 Years	-	1,130	28,753	8,176	27,419	-	722
3–5 Years	-	183	11,350	6,458	6,071		199
Over 5 Years	-	5,499	-	40,140	23,430	908	123,058
Total	**171**	**18,257**	**56,556**	**234,269**	**191,307**	**908**	**127,176**

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

Classification of NPA's

Particulars	31 Mar 20
Amount of NPAs (Gross)	5,076
Substandard	1,000
Doubtful 1	1,150
Doubtful 2	506
Doubtful 3	2,420
Loss	-

Movement of NPAs and Provision for NPAs

	Particulars	31 Mar 20
A	Amount of NPAs (Gross)	5,076
B	Net NPAs	897
C	NPA Ratios	
	- Gross NPAs to gross advances (%)	2.60%
	- Net NPAs to net advances (%)	0.47%
D	Movement of NPAs (Gross)	
	- Opening balance as of the beginning of the financial year	5,832
	- Additions	1,489
	- Reductions on account of recoveries/ write - offs	2,245
	- Closing balance	5,076
E	Movement of Provision for NPAs	
	- Opening balance as of the beginning of the financial year	5,243
	- Provision made during the year	1,132
	- Write – offs / Write – back of excess provision	2,196
	- Closing balance	4,179

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	31 Mar 20
Opening Balance	1,239
Add: Provisions Made During the Year	234
Less: Write off / Write back of Excess provisions during the Year	-
Closing Balance	1,473

The above includes provision for stressed sectors (INR 65 Million), based on the Bank's evaluation of risk and stress in various sectors. In accordance with the RBI Guidelines relating to the Covid 2019 regulatory package dated 27 March 20 and 17 April 20, the Bank has formed a policy for providing relief to eligible borrowers. Based on the policy, the Bank has granted a moratorium of three months to eligible borrowers on the payment of all instalments and/or interest, as applicable, falling due between 1 March 20 and 31 August 20 classified as standard, even if overdue, as of 29 February 20. As of 31 March 20, the quantum of loans where the Bank has granted moratorium /extended deferment to SMA / overdue categories stood at INR 47,163 thousand and accordingly, the Bank has recorded a provision on INR 10,000 thousand against these loans.

Amount of Non-Performing Investments and Provision for NPIs

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

	Particulars	31 Mar 20
A	Amount of Non-Performing Investments (Gross)	293
B	Amount of provisions held for non-performing investments	284

Movement in Provisions held towards Depreciation on Investments

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

Particulars	31 Mar 20
Opening Balance	1,239
Add: Provisions made during the year	-
Less: Write off / Write back of excess provisions during the year	428
Closing Balance	**811**

Industry wise Past Due Loans *

Particulars	31 Mar 20
All Engineering - Electronics	299
Trading Activity	208
Construction	58
Home Loan	50
Basic Metal & Metal products - Other Metal and Metal Products	47
Personal Loan	44
Loan Against Property	34
All Engineering - Others	13
Agriculture & allied activities	5
Total	**758**

* For accounts where moratorium is granted in accordance with the RBI guidelines/the Bank's policy, the asset classification has stayed stand still during moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).

Ageing of Past Due Loans

Particulars	31 Mar 20
Overdue upto 30 Days	433
Overdue between 31 and 60 Days	311
Overdue between 61 and 90 Days	14
Total	**758**

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

Industry wise NPAs

Particulars	Amount of NPA	Specific Provision
Construction	1,709	1,709
All Engineering - Others	1,147	538
Trading Activity	824	669
Infrastructure - Transport - Roadways	373	373
Computer Software	191	191
Glass & Glassware	174	174
Textiles - Others	147	147
Gas/LNG (storage and pipeline)	145	109
Transport Operators	137	130
Home Loan	65	21
Basic Metal & Metal products - Iron and Steel	63	26
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	51	51
Personal Loans	45	40
Loan Against Property	5	1
Total	**5,076**	**4,179**

Industry wise General Provisions *

Particulars	31 Mar 20
Financial Institutions	255
Vehicles, Vehicle Parts and Transport Equipments	123
Non-Banking Financial Institutions/Companies	113
Construction	103
Other Industries	97
Banks	77
Infrastructure - Electricity (generation-transportation and distribution)	74
Other Services	64
Computer Software	60
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	51
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	46
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	40
Infrastructure - Others	33
Basic Metal & Metal products - Iron and Steel	28
Metal and Metal Products	28
Trading Activity	25
Home Loan	25
All Engineering - Others	24
Wholesale Trade (other than Food Procurement)	24
Food Processing - Others	24
Infrastructure - Telecommunication	23
Rubber, Plastic and their Products	23
Textiles - Others	14
All Engineering - Electronics	13
Transport Operators	13
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	8
Loan Against Property	7
Paper and Paper Products	6
Personal Loan	6
Textiles - Cotton	6
Petro-chemicals	5
Tourism, Hotel and Restaurants	4
Glass & Glassware	4
Wood and Wood Products	4
Cement and Cement Products	4
Retail Others	3
Infrastructure - Transport - Ports	3
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	2
Food Processing - Edible Oils and Vanaspati	2
Food Processing - Tea	2
Leather and Leather products	2
Beverages	1
Food processing - Coffee	1
Professional Services	1
Food processing - Sugar	1
Agriculture & allied activities	1
Total	**1,473**

* Includes provision for Stressed sector and COVID-19 regulatory package.

Movement in Industry wise Specific Provisions (net of write-backs)

Particulars	31 Mar 20
All Engineering - Others	395
Trading Activity	277
Personal Loan	245
Retail Others	50
Other Industries	(23)
Metal and Metal Products	(75)
Infrastructure - Others	(77)
Computer Software	(148)
All Engineering - Electronics	(218)
Infrastructure - Transport - Roadways	(240)
Food Processing - Edible Oils and Vanaspati	(286)
Paper and Paper Products	(478)
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	(486)
Total	**(1,064)**

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	31 Mar 20
Paper and Paper Products	488
Trading Activity	467
Infrastructure - Transport - Roadways	240
All Engineering - Electronics	218
Food Processing - Edible Oils and Vanaspati	134
Infrastructure - Others	78
Metal and Metal Products	75
Personal Loan	72
Basic Metal & Metal products - Iron and Steel	60
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	4
Total	**1,836**

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), Infomerics, 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.

Quantitative Disclosures

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

Particulars	31 Mar 20
< 100 % Risk Weight	396,335
100 % Risk Weight	143,013
> 100 % Risk Weight	14,019
Total	**553,367**

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

5. Disclosures for Credit Risk Mitigation on Standardised approach

Qualitative Disclosures

This is detailed in our policy on Credit Risk Mitigation techniques and Collateral Management.

Quantitative Disclosures

Currently, eligible financial collateral in the form of fixed deposits under lien, amount accepted under Parallel Deposit and guarantees issued by eligible guarantor as specified in RBI guidelines have been used as credit risk mitigants. In the case of fixed deposits under lien, the Bank reduces its credit exposure to counterparty by the value of the fixed deposits.

The details of exposures (after application of haircut) wherein the bank has used credit risk mitigants (CRM) are as under:

Product	Amount of CRM
Fund based exposure	9,512
Total	9,512

6. Disclosure on Securitisation for Standardised approach

The Bank has not undertaken any securitisation and hence this disclosure is not applicable.

7. Disclosure on Market Risk in Trading book

Qualitative disclosures

Market Risk arises from changes in value from changes in interest rates yields, foreign exchange rates, equity prices, commodity prices, credit spreads and the impact of changes in the correlations and volatilities of these risk factors. The Bank's market risk appetite is determined by the Board of Directors through the Board Risk Management Committee, with detailed limit frameworks recommended by the appropriate risk committees. The Market & Liquidity Risk Committee and the Risk Executive Committee, oversees the market risk management infrastructure, sets market risk control limits and provides enterprise-wide oversight of all market risks and their management.

The Bank's market risk framework identifies the types of the market risk to be covered, the risk metrics and methodologies to be used to capture such risk and the standards governing the management of market risk within the Bank including the limit setting and independent model validation, monitoring and valuation.

The principal market risk appetite measure is Expected Shortfall. The Expected Shortfall is supplemented by risk control measures, such as sensitivities to risk factors, including their volatilities, as well as P&L loss triggers (Management Action Triggers) for management action.

Expected Shortfall estimates the potential loss on the current portfolio assuming a specified time horizon and level of confidence. The Expected Shortfall methodology uses a historical simulation approach to forecast the market risk. Expected Shortfall risk factor scenarios are aligned to parameters and market data used for valuation. The Expected Shortfall is calculated for T&M trading, T&M banking and Central Operations book.

The Bank computes the Trading and Banking Expected Shortfall daily, while the Central Operations Expected Shortfall is computed on a weekly basis. The trading Expected Shortfall forecasts are back tested against the profit and loss of the trading book to monitor its predictive power.

To complement the Expected Shortfall framework, regular stress testing is carried out to monitor the Bank's vulnerability to shocks. Also, monthly and annual P/L stop loss limits are monitored daily for the Trading book.

The risk control measures such as Interest rate PV01 (IRPV01), FX Delta & FX Vega measure the interest rate and FX rate risk to the current portfolio. The IR PV01 measures the change in the Net present value (NPV) due to an increase of 1 basis point in interest rates. The FX delta measures the change in the NPV due to an increase of 1 unit in FX rates, while the FX Vega measures the change in the NPV due to an increase of 1 unit in FX volatilities. The currency wise IRPV01 and FX Delta is calculated daily for T&M trading, T&M banking and Central Operations book, while the FX Vega is calculated daily for the T&M trading book.

Qualitative Disclosures

The other risk control measures such as Credit spread PV01 (CSPV01) and Jump to default (JTD) measures the change in the NPV due to an increase of 1 basis point in credit spreads and the expected loss due to immediate default respectively. The CSPV01 and JTD are calculated daily for T&M trading book.

Quantitative Disclosures

Capital Requirement for Market Risk *

Particulars	31 Mar 20
Interest rate risk	7,951
Foreign exchange risk (including gold)	360
Equity position risk	4

* Capital required for Market Risk is calculated at 8% of Risk Weighted Assets.

8. Operational Risk

Qualitative Disclosures

Strategy and Process

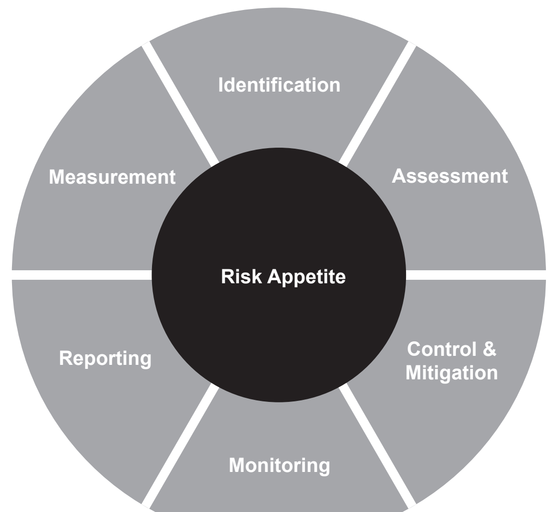
DBIL (DBS Bank India Limited Operational Risk Management (ORM) policy:

– Defines operational risk and the scope of its application;
– Establishes the dimensions of operational risk;
– Provides a consistent country wide approach for managing operational risk in a structured, systematic and consistent manner.

Operational risk arises from inadequate or failed internal processes, people, systems or from external events. It includes legal risk but excludes strategic or reputation risk.

DBIL adopts a zero-tolerance mindset for operational risk that can endanger the franchise.

DBIL adopts the following risk management approach to manage operational risk:



The operational risk management (ORM) approach adopted by DBIL comprises several elements as follows:

FOUNDATION	Risk Appetite/ Culture & Awareness		
	Governance		
	Operational Risk Policies & Standards / Taxonomy		
RISK TOOLS	Risk & Control Self-Assessment	Issue management & Action Tracking	Risk Profiling & Reporting
	Operational Risk Event Management & Reporting		
	Key Operational Risk Indicators		
	Scenario Assessment		
RISK MITIGATION PROGRAMMES	Internal Controls		
	Business Continuity Management		
	Group Insurance Programme		
RISK QUANTIFCATION	Loss Provisioning & Capital Allocation		
SYSTEM	Operational Risk Management System		

The policy comprises of risk governance, risk policies, risk mitigation programmes, risk and control self-assessments, risk event management and reporting, and key risk indicators.

The ORM policy includes inter-alia:

a) ORM Governance key responsibilities (Board, Senior Management, Location / Business level, unit operational risk managers control functions, Risk Management Group – Operational Risks and Internal Audit.

b) ORM guiding principles

c) Core Operational Risk Standards (CORS)

d) Controls and mitigations:

- Internal controls
- Group Insurance Programme; and
- Business Continuity Management

e) Risk Tools and Mechanisms comprising:
   - Risk & Control Self-Assessment (RCSA)
   - Operational Risk Event Management & Reporting (OREM&R)
   - Key Risk Indicators (KRI)
   - Scenario Assessment (SA)
   - Internal Controls
   - Issue Management & Action Tracking
   - Risk profiling and reporting

f) Risk Quantification & Disclosure
   - Loss Provisioning / Capital Allocation

Structure and Organisation

The Bank has in place an India Operational Risk Committee (IORC) which meets on a monthly basis to discuss Operational Risk issues / related matters. The committee is chaired by the Chief Risk Officer (CRO) and is administered by the Head - Operational Risk, India. The committee reports to the Risk Exco. This ensures appropriate management and oversight of the prevailing operational risks in the Bank.

The IORC comprises of Chief Risk Officer, Country Head, Chief Operating Officer Head of Operational Risk and the Heads of Consumer Banking Group, Global Transaction Services, Treasury & Markets, Institutional Banking – Chief Operating Officer, Finance, Legal & Compliance, Priority Sector Lending, Chief Information Security Officer, Head T&O Risk Management, Internal Audit (permanent standing invitee) and other invited members as defined in the Terms of Reference (TOR).

As part of the Bank's ORM structure, an independent Operational Risk function is in place led by the local Head of Operational Risk, who reports to the CRO, India and functionally to the Group Head of Operational Risk at the Head Office in Singapore.

Coverage includes identifying, assessing, controlling / mitigating risk, monitoring, reporting and measuring risk and also ensuring compliance with DBS Group standards and meeting local (RBI) and MAS regulatory requirements relating to Operational Risk.

DBIL adopts the three lines of defence model for the management of operational risk. In addition to the independent second line of defence by Risk Management Group - Operational Risk, Unit Operational Risk Managers (UORM) are appointed within the first line of defence for all Business Units (BU) and Support Units (SU) to support and implement the risk management policy / standards & processes and to ensure maintenance of adequate controls on an ongoing basis. Periodic training / orientations / discussions are held to keep UORM updated with key developments. As the third line of defence, Audit provides independent assurance.

Risk Mitigation Programs

Internal Controls

The day-to-day management of Operational Risk within the Bank is through maintenance of a comprehensive system of internal controls. An effective internal control system is a combination of a strong control environment and appropriate internal control procedures. These internal controls comprise of preventive, detective, directive and corrective controls.

Group Insurance Programme (GIP)

GIP helps to mitigate operational risk losses from significant risk events.

The key objective of GIP is to reduce low frequency high impact financial losses via transfer of loss to external funding sources (insurers). In line with DBIL ORM philosophy, high frequency low impact operational losses are managed through establishment of strong internal controls.

Business Continuity Management (BCM) is a key Operational Risk programme of DBIL to minimize the impact of a business disruption, irrespective of cause, and to provide an acceptable level of business until normal business operations are resumed.

BU/SUs are to comply with the BCM Policies and Standards established by Business Continuity Management (BCM).

BCM includes the following:

– Establishment of ownership, roles and responsibilities
– Risk analysis
– Business impact analysis
– Recovery strategies
– Familiarisation of emergency response and crisis management plans
– Regular review and maintenance
– Regular, complete and meaningful testing

Risk Reporting and Measurement

Operational Risk related MIS is reported through the central ORM system (GRC – Governance, Risk and Control), as follows:

– Incident Management (INC) Module in GRC - for reporting of Risk Events (including near miss and timing error, etc.)
– Issue and Action Management (I&A) Module in GRC - for tracking of issues and actions emanating from Risk Events, Audit Issues, Regulatory Issues and other risk related issues
– Key Indicator (KI) Module in GRC - for reporting and monitoring of Key Risk Indicators (KRI)
– Risk and Control Self-Assessment (RCSA) Module in GRC- to facilitate and record the assessment of the Risk and Control Self-Assessment process. RCSA review and assessment is performed as per risk-based frequency approach.

  The Operational Risk Profile including relevant MIS relating to the above is placed at the monthly India Operational Risk Committee (IORC).

Approach for operational risk capital assessment

– The Bank currently adopts the Basic Indicator Approach to calculate capital requirements for operational risk.

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

Qualitative Disclosures

The Asset and Liability Committee ("ALCO") oversees the structural interest rate risk and funding liquidity risk in the Bank. The Market & Liquidity Risk Committee (MLRC) ensures that the exposures are within prudent levels. Structural interest rate risk arises from mismatches in the interest rate profile of customer loans and deposits. This interest rate risk has several aspects: basis risk arising from different interest rate benchmarks, interest rate re-pricing risk, yield curve risks and embedded optionality. To monitor the structural interest rate risk, the tools used by DBS include re-pricing gap reports based on traditional as well as duration gap approach, sensitivity analysis and income simulations under various scenarios.

Quantitative Disclosures

The Bank uses the Duration Gap approach to measure the impact of Market Value of Equity (MVE) for upward and downward rate shocks. This measures the potential change in MVE of the Bank for a 200 bps change in interest rates. The change in MVE due to a 200 bps change in interest rates are (for banking and trading book):-

Change in MVE due to a 200 bps change in interest rates	INR Million
31st March, 2020	4,932

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 up to 1 year. The aggregate of these approximates the net interest income 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 MLRC to monitor and assess the impact of Interest rate risk exposure of the Bank on its NII.

EaR is computed for the banking book.

EaR on the INR book (banking)	INR Million
31st March, 2020	305

10. General Disclosure for Exposures Related to Counterparty Credit Risk

Qualitative Disclosures

USE OF ECONOMIC CAPITAL (EC) FOR CONCENTRATION RISK MANAGEMENT

While the Bank firmly complies with regulatory capital requirements at all times, we recognize the need to have more robust methodologies to measure capital usage. Currently, Economic Capital (EC) model is not used in DBS India, but the Bank has adopted other qualitative and quantitative measures to address credit concentration risk. In addition to the regulatory limits, there are internally developed risk limits on the amount of exposure, as a percentage of the total exposure, that can be taken on any single industry, to avoid any sector concentration. Additionally, the Bank has developed maximum exposure limit norms which stipulates the amount of exposure that may be taken on a borrower considering its turnover and credit risk rating. In order to address the geographic concentration risk, the bank has implemented a policy on the maximum amount of advance, as a percentage of the total advances, which can be booked in a branch. The quantitative measurement of concentration risk, both for name and sector concentration and allocation of additional capital is one of the components of our ICAAP.

CREDIT RISK MITIGANTS

Collateral

Where possible, the Bank takes collateral as a secondary recourse to the borrower. Collateral includes cash, marketable securities, properties, trade receivables, inventory and equipment and other physical and financial collateral. The Bank may also take fixed and floating charges on the assets of borrowers. It has put in place policies to determine the eligibility of collateral for credit risk mitigation, which include requiring specific collaterals to meet minimum operational requirements in order to be considered as effective risk mitigants.

When a collateral arrangement is in place for financial market counterparties covered under market standard documentation (such as Master Repurchase Agreements and International Swaps and Derivatives Association (ISDA) agreements), collateral received is marked to market on a frequency mutually agreed with the counterparties.

Other Risk Mitigants

The Bank manages its credit exposure from derivatives, repo and other repo-style transactions by entering into netting and collateral arrangements with counterparties where it is appropriate and feasible to do so. The credit risk associated with outstanding contracts with positive mark to market is reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with a single counterparty in a netting-eligible jurisdiction are settled on a net basis.

The Bank may also enter into agreements which govern the posting of collateral with derivative counterparties for credit risk mitigation (e.g. Credit Support Annexes under ISDA master agreements). These are governed by internal guidelines with respect to the eligibility of collateral types and the frequency of collateral calls.

In addition, the Bank also uses guarantees as credit risk mitigants. While the Bank may accept guarantees from any counterparty, it sets internal thresholds for considering guarantors to be eligible for credit risk mitigation.

COUNTER PARTY RISK MANAGEMENT

Counterparty risk that may arise from traded products and securities is measured on a loan equivalent basis and included under the Bank's overall credit limits to counterparties. Issuer Default Risk that may arise from traded products and securities are generally measured based on jump-to-default computations.

The Bank actively monitors and manages its exposure to counterparties in over-the-counter (OTC) derivative trades to protect its balance sheet in the event of counterparty default. Counterparty risk exposures which may be materially and adversely affected by market risk events are identified, reviewed and acted upon by management and highlighted to the appropriate risk committees. In addition, the Bank's risk measurement methodology takes into account the higher risks associated with transactions that exhibit a strong relationship between the creditworthiness of a counterparty and the expected future replacement value of a relevant transaction (so called wrong-way risk) as identified during the trade booking process. The current exposure method is used for calculating the Bank's net credit exposure and regulatory capital for counterparty exposures, using the mark-to-market exposures with an appropriate add-on factor for potential future exposures.

Quantitative Disclosures

Particulars	Notionals	Credit Exposures
- Currency Derivatives	2,004,447	118,647
- Interest Rate Derivatives	5,099,743	91,008

11. Composition of Capital (Rs. in million)

	Basel III common disclosure template to be used from March 31, 2020		Ref No
Common Equity Tier 1 capital : instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	50,377	A
2	Retained earnings	4,901	G
3	Accumulated other comprehensive income (and other reserves)	4,090	B+C
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	59,368	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments	521	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets	2,436	F
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	H
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which : mortgage servicing rights	-	
25	of which : deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
	a.of which : Investments in the equity capital of unconsolidated insurance subsidiaries	-	
	b.of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
	c.of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
	d.of which : Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	2,957	
29	Common Equity Tier 1 capital (CET1)	56,411	
Additional Tier 1 capital : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which : instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (41a+41b)	-	
	a. of which : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
	b. of which : Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which:	-	
	of which:	-	
	of which:		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
	a. Additional Tier 1 capital reckoned for capital adequacy	-	

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	Basel III common disclosure template to be used from March 31, 2020		Ref No
45	Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)	56,411	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	11,350	I
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	2,464	D+E+J
51	Tier 2 capital before regulatory adjustments	13,814	
Tier 2 capital : regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
	a. of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-	
	b. of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
	Regulatory Adjustments Applied to Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	13,814	
	a. Tier 2 capital reckoned for capital adequacy	13,814	
	b. Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	
	c. Total Tier 2 capital admissible for capital adequacy (58a + 58b)	13,814	
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	70,225	
60	Total risk weighted assets (60a + 60b + 60c)	429,907	
	a. of which: total credit risk weighted assets	304,368	
	b. of which: total market risk weighted assets	103,934	
	c. of which: total operational risk weighted assets	21,605	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.12%	
62	Tier 1 (as a percentage of risk weighted assets)	13.12%	
63	Total capital (as a percentage of risk weighted assets)	16.33%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.375%	
65	of which : capital conservation buffer requirement	1.875%	
66	of which : bank specific countercyclical buffer requirement	-	
67	of which : G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	5.75%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.375%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	11.875%	

	Basel III common disclosure template to be used from March 31, 2020		Ref No
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,840	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,805	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	
(only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Notes to the above Template

Row No. of the template	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	2,436
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	2,436
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which : Increase in Common Equity Tier 1 capital	-
	of which : Increase in Additional Tier 1 capital	-
	of which : Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	-
	i) Increase in Common Equity Tier 1 capital	-
	ii) Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	2,464
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	2,464
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-

12. Composition of Capital – Reconciliation Requirements

			(Rs. in million)
Step 1		**Balance sheet as in financial statements**	**Balance sheet under regulatory scope of consolidation**
		As on 31 Mar 2020	**As on 31 Mar 2020**
A	**Capital & Liabilities**		
i.	Paid-up Capital	50,377	50,377
	Reserves & Surplus	9,978	9,978
	Minority Interest	-	-
	Total Capital	**60,355**	**60,355**
ii.	Deposits	**356,521**	**356,521**
	of which : Deposits from banks	46,587	46,587
	of which : Customer deposits	309,934	309,934
	of which : Other deposits (CD's)	-	-
iii.	Borrowings	**90,867**	**90,867**
	of which : From RBI	21,190	21,190
	of which : From banks	4,829	4,829
	of which : From other institutions & agencies	53,498	53,498
	of which : Others (pl. specify)		
	of which : Capital instruments	11,350	11,350
iv.	Other liabilities & provisions	**120,901**	**120,901**
	Total	**628,644**	**628,644**
B	**Assets**		
i.	Cash and balances with Reserve Bank of India	**18,428**	**18,428**
	Balance with banks and money at call and short notice	**56,556**	**56,556**
ii.	Investments :	**234,269**	**234,269**
	of which : Government securities	212,974	212,974
	of which : Other approved securities	-	-
	of which : Shares	76	76
	of which : Debentures & Bonds	10,082	10,082
	of which : Subsidiaries / Joint Ventures / Associates	-	-
	of which : Others (Commercial Papers, Certificate of deposits, Security Receipts of Asset Reconstruction Companies)	11,137	11,137
iii.	Loans and advances	**191,307**	**191,307**
	of which : Loans and advances to banks	4,168	4,168
	of which : Loans and advances to customers	187,139	187,139
iv.	Fixed assets	**908**	**908**
v.	Other assets	**127,176**	**127,176**
	of which : Goodwill and intangible assets	-	-
	of which : Deferred tax assets	4,948	4,948
vi.	Goodwill on consolidation	-	-
vii.	Debit balance in Profit & Loss account	-	-
	Total Assets	**628,644**	**628,644**

			(Rs. in million)	
Step 2		**Balance sheet as in financial statements**	**Balance sheet under regulatory scope of consolidation**	**Ref No.**
		As on 31 Mar 2020	**As on 31 Mar 2020**	
A	**Capital & Liabilities**			
i.	Paid-up Capital	**50,377**	**50,377**	
	of which : Amount eligible for CET1	50,377	50,377	A
	of which : Amount eligible for AT1	-	-	
	Reserves & Surplus	**9,978**	**9,978**	
	of which :			
	Statutory Reserve	4,085	4,085	B
	Capital Reserve	5	5	C
	Investment Reserve	362	362	D
	Investment Fluctuation Reserve	624	624	E
	Deferred Tax Reserve	1	1	
	Revenue Reserve	4,901	4,901	G
	Minority Interest	-	-	
	Total Capital	**60,355**	**60,355**	
ii.	Deposits	**356,521**	**356,521**	
	of which : Deposits from banks	46,587	46,587	
	of which : Customer deposits	309,934	309,934	
	of which : Other deposits (CD's)	-	-	
iii.	Borrowings	**90,867**	**90,867**	
	of which : From RBI	21,190	21,190	
	of which : From banks	4,829	4,829	
	of which : From other institutions & agencies	53,498	53,498	
	of which : Others			
	of which : Capital instruments	11,350	11,350	
	- of which Eligible for T2 capital	11,350	11,350	I
iv.	Other liabilities & provisions	**120,901**	**120,901**	
	of which : Provision against standard asset and country risk	1,478	1,478	J
	Total	**628,644**	**628,644**	
B	**Assets**			
i.	Cash and balances with Reserve Bank of India	**18,428**	**18,428**	
	Balance with banks and money at call and short notice	**56,556**	**56,556**	
ii.	Investments :	**234,269**	**234,269**	
	of which : Government securities	212,974	212,974	
	of which : Other approved securities	-	-	
	of which : Shares	76	76	
	of which : Debentures & Bonds	10,082	10,082	
	of which : Subsidiaries / Joint Ventures / Associates	-	-	
	of which : Others (Commercial Papers, Certificate of deposits, Security Receipts of Asset Reconstruction Companies)	11,137	11,137	
iii.	Loans and advances	**191,307**	**191,307**	
	of which : Loans and advances to banks	4,168	4,168	
	of which : Loans and advances to customers	187,139	187,139	
iv.	Fixed assets	**908**	**908**	
v.	Other assets	**127,176**	**127,176**	
	of which : Goodwill and intangible assets	-	-	
	of which : Deferred tax assets associated with accumulated losses	2,436	2,436	F
	of which : Deferred tax assets arising from temporary differences other than accumulated losses (amount above 10% threshold, net of related tax liability)	-	-	H
vi.	Goodwill on consolidation	-	-	
vii.	Debit balance in Profit & Loss account	-	-	
	Total	**628,644**	**628,644**	

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13. Main features of equity and debt capital instruments

		(Rs. in million)
		As on 31 Mar 2020
1	Issuer	DBS Bank India Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE01GA01014
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / group & solo	Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital	50,377
9	Par value of instrument	50,377
10	Accounting classification	Equity Share Capital
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	NA
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary, or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Represents the most subordinated claim in liquidation
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

14. Disclosure for Banking Book Positions

In accordance with the RBI guidelines on investment classification and valuation, Investments are classified on the date of purchase into "Held for Trading" ('HFT'), "Available for Sale" ('AFS') and "Held to Maturity" ('HTM') categories (hereinafter called "categories"). Investments which the Bank intends to hold till maturity are classified as HTM securities.

As per the RBI guidelines, investments classified under HTM category are carried at their acquisition cost and not marked to market. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognised in the Statement of Profit and Loss. Any gain from sale of investments under HTM category is recognised in the Statement of Profit and Loss and is appropriated, net of taxes and statutory reserve, to "Capital Reserve" in accordance with the RBI Guidelines. The book value of Bank's investment HTM portfolio was Rs. 37,932 million as at March 31, 2020. Further, the Bank has investment in shares/Optionally Convertible Debentures which are received on conversion of debt which are classified under AFS category in accordance with RBI guidelines.

15. LEVERAGE RATIO

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk based capital framework) divided by the exposure measure, with this ratio expressed as a percentage.

As per RBI guidelines, disclosures required for leverage ratio for the Bank at March 31, 2020 are as follows:

On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	521,056
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(2,956)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**518,100**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	57,738
5	Add-on amounts for PFE associated with all derivatives transactions	117,767
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**175,505**
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	15,700
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	1,697
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**17,397**
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	263,503
18	(Adjustments for conversion to credit equivalent amounts)	(186,299)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**77,204**
Capital and total exposures		
20	Tier 1 capital	56,411
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**788,206**
Leverage ratio		
22	**Basel III leverage ratio**	**7.16%**

Summary comparison of accounting assets vs. leverage ratio exposure measure

1	Total consolidated assets as per published financial statements	628,644
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	83,617
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1,697
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	77,204
7	Other adjustments	(2,956)
8	**Leverage ratio exposure**	**788,206**