

Basel II: Pillar 3 Disclosures
Quantitative disclosures as at 30 September 2012

(Currency: Indian rupees in thousands)

1. Scope of application
Qualitative Disclosures

DBS Bank Ltd., India ('the Bank') operates in India as a branch of DBS Bank Ltd., Singapore a banking entity incorporated in Singapore with limited liability. As at 30 September 2012, the Bank has a presence of 12 branches across 12 cities. The Bank does not have any subsidiaries in India and the disclosures contained herein only pertain to the Bank.

Quantitative Disclosures

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

2. Capital Structure
Quantitative Disclosures
Capital Funds

Particulars	30 Sep 12
A. Tier I Capital	22,189,910
Of which	
- Capital (Funds from Head Office)	14,603,321
- Reserves and Surplus	8,971,613
- Amounts deducted from Tier I capital ;	
- Deferred Tax Asset	1,252,508
- Adjustment for less liquid Positions	132,516
B. Tier 2 Capital (net of deductions)	12,215,650
Of which	
B.1 Subordinated debt eligible for inclusion in Tier 2 capital	
- Total amount outstanding	12,685,200
- Of which amount raised during the period	-
- Amount eligible as capital funds	11,094,955
B.2 Other Tier 2 Capital	
- Investment reserve account	182,367
- Provision for Standard Assets/Derivatives	927,763
- Provision for Country Risk	9,565
- Excess Provision on sale of NPA	1,000
C. Total Eligible Capital	34,405,560

Particulars	30 Sep 12
Tier 1 Capital	22,189,910
Total Capital	34,405,560
Total Capital Required	23,268,761
Tier 1 Capital ratio	8.58%
Total Capital Adequacy ratio	13.31%

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3. Capital Adequacy
Quantitative disclosures

Particulars	30 Sep 12
A Capital requirements for Credit Risk (<i>Standardised Approach</i>)	17,489,072
B Capital requirements for Market Risk (<i>Standardised Duration Approach</i>)	
- Interest rate risk	4,288,961
- Foreign exchange risk	315,000
- Equity risk	-
C Capital requirements for Operational risk (<i>Basic Indicator Approach</i>)	1,175,728
D Adjustment for Prudential Floor	-
E Capital Adequacy Ratio of the Bank (%)	13.31%
F Tier 1 CRAR (%)	8.58%

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

Particulars	30 Sep 12
Fund Based (Gross Advances)	137,160,704
Non Fund Based *	231,484,166

* The amount includes trade exposures after applying the 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.

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

Industry	30 Sep 12
Petroleum, Coal Products and Nuclear Fuels	18,646,683
Construction	11,122,154
Iron and Steel	8,120,216
Engineering	7,632,935
Mining and Quarrying	5,928,987
Drugs and Pharmaceuticals	5,914,300
Other Metal and Metal Products	5,444,191
Chemicals and Chemical Products	4,982,211
Vehicles, Vehicle Parts and Transport Equipments	4,736,700
Beverages	3,422,814
Textiles	2,768,216
Roadways	2,494,530
Food processing	2,419,229
Paper and Paper Products	2,400,736
Energy	1,912,667
Electricity	1,866,450
Electronics	1,540,658
Glass & Glassware	1,150,000
Rubber, Plastic and their Products	865,993
Telecommunication	695,884
Coal	500,000
Wood and Wood Products	240,000
Tea	202,094
Cement and Cement Products	144,023
Leather and Leather products	121,819
Silk	100,000
Oil (storage and pipeline)	91,535
Petro-chemicals	51,294
Coffee	44,927
Residual Advances	1,007
Other Industries	41,598,451
Total Credit Exposure	137,160,704

Industry wise Exposures (Non - Fund Based)*

Industry	30 Sep 12
Bank	159,170,427
Manufacturing	6,179,377
Chemicals, Dyes, Paints, etc	4,872,630
Other Metal and Metal Products	3,856,861
Trading	3,819,730
Petroleum	3,661,911
Telecommunications	3,294,102
Construction	3,153,153
Iron and Steel	2,977,858
NBFCs	2,973,302
Petro-chemicals	2,945,450
Engineering	2,226,127
Drugs and Pharmaceuticals	2,214,745

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

Industry	30 Sep 12
Services	1,979,860
Information & Technology/Communication	1,777,930
Infrastructure	1,686,944
Power	1,682,063
Vehicles, Vehicle Parts and Transport Equipments	1,640,889
Fertilisers	1,638,936
Automobiles including trucks	1,618,129
Computer Software	1,460,385
Textiles	1,388,212
Cement and Cement Products	1,373,142
Electricity	1,366,689
Food Processing	1,179,521
Rubber, Plastic and their Products	1,115,045
Hospitality	1,068,453
Commodities	627,433
Beverage	561,482
Paper & Paper Products	428,006
Gas/LNG (storage and pipeline)	415,620
Glass & Glassware	368,028
Coal	235,833
Roadways	233,667
Mining	198,471
Shipping	175,455
Infrastructure	145,244
Agriculture & allied activities	100,869
Real Estate	100,846
Electronics	92,492
Energy	81,538
Other Industries	5,397,311
Total Credit Exposure	231,484,166

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

Basel II: Pillar 3 Disclosures
Quantitative disclosures as at 30 September 2012

(Currency: Indian rupees in thousands)

4. General Disclosures (Continued)
Maturity of Assets as at 30 Sep 2012

Particulars	Cash	Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Assets	Other Assets
1 day	37,063	58,759	1,230,970	527,984	9,056,562	-	126,572
2-7 days	-	2,001,740	-	56,791,757	4,637,233	-	203,643
8-14 Days	-	471,316	-	3,479,802	9,558,927	-	77,221
15-28 Days	-	506,740	-	3,471,956	21,871,973	-	163,897
29 Days-3 Months	-	1,055,369	-	45,789,218	30,137,839	-	517,696
3-6 Months	-	235,193	-	24,012,707	26,015,175	-	325,837
6 Months - 1 Year	-	788,266	-	8,430,441	10,463,289	-	142,055
1-3 Years	-	432,779	-	10,366,121	12,590,950	-	278,652
3-5Years	-	135,299	-	775,144	8,843,807	-	289,023
Over 5Years	-	3,634,534	-	20,439,493	1,794,500	411,556	88,530,531
Total	37,063	9,319,995	1,230,970	174,084,623	134,970,254	411,556	90,655,126

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

Particulars	30 Sep 12
Amount of NPAs (Gross)	3,910,108
Substandard	2,937,446
Doubtful 1	4,080
Doubtful 2	893,582
Doubtful 3	75,000
Loss	-

Movement of NPAs and Provision for NPAs

Particulars	30 Sep 12
A Amount of NPAs (Gross)	3,910,108
B Net NPAs	1,719,658
C NPA Ratios	
- Gross NPAs to gross advances (%)	2.85%
- Net NPAs to net advances (%)	1.27%
D Movement of NPAs (Gross)	
- Opening balance as of the beginning of the financial year	2,146,623
- Additions	1,766,184
- Reductions on account of recoveries/ write - offs	2,699
- Closing balance	3,910,108
E Movement of Provision for NPAs	
- Opening balance as of the beginning of the financial year	1,372,266
- Provision made during the year	818,184
- Write - offs / Write - back of excess provision	-
- Closing balance	2,190,450

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

Movement in Provisions Held towards Depreciation on Investments

Particulars	30 Sep 2012
Opening Balance	128,083
Add: Provisions Made During the Year	-
Less: Write off / Write back of Excess provisions during the Year	119,720
Closing Balance	8,363

Basel II: Pillar 3 Disclosures*Quantitative disclosures as at 30 September 2012*

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

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

Particulars	30 Sep 12
< 100 % Risk Weight	76,714,661
100 % Risk Weight	51,539,051
> 100 % Risk Weight	8,906,992
Total	137,160,704

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

As of 30th September 2012, the Bank has not availed of Credit Mitigation techniques.

7. Disclosure on Securitisation for Standardised approach

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

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

Particulars	30 Sep 12
Interest rate risk	4,288,961
Foreign exchange risk (including gold)	315,000
Equity position risk	-

Basel II: Pillar 3 Disclosures*Quantitative disclosures as at 30 September 2012*

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9. Interest rate risk in the banking book (IRRBB)*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 change in interest rates are:-

Change in MVE due to a 200 bps change in interest rates	INR Million
28 Sep 2012	(2,344.55)

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he 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 and the mark-to-market impact of 1% rise in interest rates on the AFS and HFT portfolio is to this. The aggregate of these approximates the net revenue impact of a 1% parallel shift (increase in interest rates) in the yield curve over a 1 year horizon and acts as a useful tool in the hands of the ALCO to monitor and assess the impact of Interest rate risk exposure of the Bank on its revenue.

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

EaR on the INR book (trading and banking)	INR Million
28 Sep 2012	(957.83)