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Asia First,
India on Course

DBS Bank Ltd., India
Annual Report 2009 - 2010

DBS. Living, Breathing Asia

DBS

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Images on cover page

1. Inaugurated in June 2009, the eight lane, 4.7km long **Bandra Worli Sealink** is an engineering marvel across the Arabian sea and links the city of Mumbai with its western suburbs, greatly reducing travel time.

2. Started in January 2003, the world class **Delhi Metro** revolutionised the mass urban transport system in Delhi. Built in record time, it integrated with other modes of public transport and a trendsetter for such projects across India.

3. Built in 2007, the four towers of **UB City** have completely changed the skyline of Bengaluru. This 1.1 million sq. feet of mixed use development with high end commercial, luxury retail and serviced apartments of chrome and glass demonstrates the seamless blending of modern edifices with serene flora.

Asia First

Asia is recovering from the global financial turmoil as a strengthened economic block. A more robust and influential Asia, a major player on the world stage, has emerged from these challenging and unprecedented times.

Born and bred in Asia, DBS understands Asia, its people, its cultures, the ins and outs, and the ups and downs of doing business in the region. We are fully committed to our customers and the communities in Asia.

DBS puts Asia first.

DBS. Living, Breathing Asia

India on Course

One of Asia's most dynamic economies, India continues to stride on its growth course at a brisk pace. And being the first and the largest Asian bank in India, DBS is focused on seamlessly connecting India with other growing markets of the world's new economic powerhouse.

Through its network of 10 branches spread across the country in key locations, DBS offers its customers – both corporate and retail, insights to a myriad of opportunities across businesses, products and services, reaffirming its unique position of Asia's Banking Specialist.

DBS First

Banking from Asia, for Asia, by Asia

Headquartered and listed in Singapore, DBS Group Holdings Ltd. is one of the largest financial services groups in Asia. Established four decades ago as the Development Bank of Singapore, DBS has spread its operations across 16 markets with a network comprising more than 250 branches/outlets and over 1,000 ATMs across 50 cities. It is a well-capitalised bank with credit ratings among the highest in the Asia Pacific region. Today, DBS is the largest bank in Singapore, a leading bank in Hong Kong, the first and the largest Asian bank in India and a fast growing full service bank in China, Indonesia and Taiwan.

As a bank that specialises in Asia, DBS leverages its insights, deep understanding of the region and appreciation of local cultures to facilitate growth in some of Asia's fastest growing economies and build lasting relationships with its clients.

DBS acknowledges the passion, commitment and can-do spirit in each of its 14,000 staff, representing over 30 nationalities, whose passion and commitment exemplifies the rich heritage and bold ambition that drives New Asia.

India First

Seamlessly connecting India with Asia

As the Indian economy continues to stride on its growth course, DBS, being the first and the largest Asian bank in India, is focused on fulfilling its promise of offering seamless connectivity with Asia, the world's new economic powerhouse.

The year 2009-10 was a year of consolidation, following the rapid growth of the DBS India franchise in 2008-09 across branches, clients, products and services. Product proposition was strengthened; client relationships deepened; services enhanced and new branches made profitable. The commitment to India has further intensified with two new branch licenses received and an ambitious plan embarked upon to mark a significant growth in the franchise over the next five years.

Through its network of 10 branches spread across the country in key locations, DBS continues to offer its customers - both corporate and retail, insights to a myriad of opportunities across businesses, products and services, reaffirming its unique position of Asia's Banking Specialist.

Customer First

The confidence our customers have in us drives us to excel and redefine boundaries

Be it individuals aspiring to grow their wealth or companies seeking to expand their business, our understanding of their evolving needs enables us to constantly innovate and provide better solutions. We are committed to building mutually rewarding relationships with our customers, based on transparency and trust.

Having served the Asian region for over four decades now, we take pride in our ability to offer market insights and structure innovative solutions amidst tight deadlines. Our pool of experienced relationship managers, with intimate knowledge of Asian trends and close relationships with local industry, offers new propositions, in line with your growth aspirations and customised strategies to finance them. Using our extensive reach and in-depth knowledge, we tailor-make cross border financial solutions to make enterprises more efficient and competitive.

Today, we enjoy the confidence of several clients - leading Indian and International companies, emerging local corporates, small & medium enterprises, financial institutions and high net worth individuals who have chosen to work with us for the personalised, high quality experience that we provide in addition to banking expertise.

People First

Our people drive the accomplishment of our vision and the realisation of our ambitions

At DBS, it is the calibre of our people that enables us to provide a differentiated Asian experience to our customers. We are committed to being the Employer of Choice for our talented staff by adopting the best people practices. Our endeavour is to create an inclusive, learning and performance oriented culture across the expanding franchise, based on our PRIDE values. A culture that fosters the inherent uniqueness in each individual, respects diversity and differences in opinion, recognises performance and builds a unified team that is steadfast in driving the organisation's growth agenda.

This year, several new ideas were initiated to fulfill this commitment. India became the first country in DBS world to launch a formal talent management program aimed at identifying and nurturing talent. Recognition being key to staff engagement, we launched "DBS League", a specially created program to acknowledge and reward the select deserving staff, who go way above and beyond their call of duty to exemplify the organisation's goals and values.

Some of our best talent was seconded overseas to further build on their capabilities by performing not just different roles but also doing them in a different geography and with a global outlook.

Community First

Caring for the community is a value that DBS proudly upholds

At DBS, we believe in supporting children and learning in Asia as the young hold the key to Asia's future. 'DBS Happy Ever Asia Relay', our 2009 regional Corporate Social Responsibility (CSR) programme, was a resounding success, by raising well over INR 20 million in just three months. With DBS matching funds raised, almost INR 50 million will go towards helping the children of Asia

The entire month of November saw our enthusiastic staff undertake several activities and initiatives in-house to raise funds for Aseema, our partner NGO that is building an education centre for underprivileged children residing in tribal villages near Igatpuri. Photography contest, playing bingo, newspaper recycling, auctioning of gifts received, getting caricatures made – several such fun-filled activities were organised by a dedicated Volunteer Action Team (VAT) across locations, resulting in large staff participation and several new opportunities for engagement and team building. Several staff also voluntarily contributed a one-day salary for this fund raising. To further demonstrate their commitment towards the cause of educating underprivileged children, 2 teams of 30 staff each participated in the Mumbai Marathon 2010, running to raise funds and over 30 staff participated in 'DBS BUILD', a day long activity to assist the actual, on-site construction of the educational centre.

Ideas, when pursued with diligent passion and a noble objective, often lead to results beyond expectations. And this was proven by the record funds raised by our staff, resulting in India as a country winning the prestigious Chairman's Award for the 'Most Funds Raised per Full Time Employee'.

DBS BUILD - A day long activity undertaken by DBS staff volunteers to support construction of an education centre at Awalkheda, a small tribal village near Igatpuri. This centre is being built by our NGO partner Aseema Charitable Trust to impart holistic education to children from surrounding villages

Gift@auction - The biggest fund raising event organised by DBS team in India as part of the Happy Ever Asia Relay to raise funds for educating underprivileged children

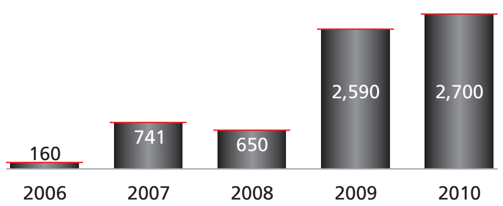
Five Year Financials at a Glance

Figures in INR million

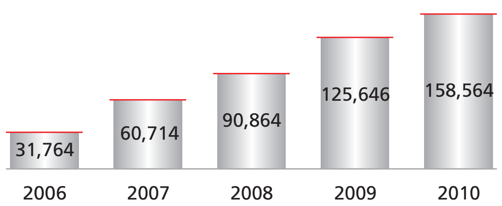
	2010	2009	2008	2007	2006
PROFIT & LOSS					
Net Interest Income	5,622	3,147	2,407	1,388	940
Net Fee & Commission Income	1,704	1,949	364	334	90
Net Trading Income	(158)	1,067	(731)	485	(184)
Expenses	1,676	1,648	882	741	390
Net Profit Before Taxes (NPBT)	4,620	4,482	1,118	1,276	284
Net Profit After Taxes (NPAT)	2,700	2,590	650	741	160
BALANCE SHEET					
Total Asset	158,564	125,646	90,864	60,714	31,764
Total Productive Asset	146,015	116,107	84,139	56,993	29,394
Total Loan	40,512	27,423	23,684	12,298	8,917
Total Deposit	83,126	60,229	50,957	38,362	14,522
Shareholders' Equity	16,706	14,005	11,415	10,765	5,728
FINANCIAL RATIOS(%)					
Capital Adequacy Ratio (*)	16.96%	15.70	18.15	29.24	31.33
Return on Average Assets	2.06	2.59	0.92	1.72	0.54
Return on Average Equity	17.59	20.38	5.86	8.99	3.81
Cost to Income Ratio	23.38%	27%	43%	34%	46%
Non Performing Loan-net	399.95	149.30	10.89	-	-
Net Interest Margin	4.29%	3.14%	3.41%	3.21%	3.17%
Loan to Deposit	48.74	45.53	46.48	32.06	61.40

* The CRAR as at March 2010 and March 2009 is calculated as per Basel II norms, and includes a capital charge for Operational Risk.

NET PROFIT AFTER TAXES (NPAT)



TOTAL ASSET



Financial Performance Review

EXECUTIVE SUMMARY

DBS Bank India continued to demonstrate strong operating performance and broadbased growth in the financial year 2009-10. The Bank's Balance Sheet size grew by 26% to INR 159 billion; Operating Profit grew by 21% to INR 5.5 billion.

Despite the difficult conditions for the banking industry with India's GDP adjusting to a lower growth trajectory at around 7%, subdued conditions for industrial growth, and credit quality affected by the economic slowdown, the Bank registered growth both in size & profitability.

During the year, the Bank consolidated its product offerings and geographical presence in India. The branch network was strengthened and the new branches set up in the preceding year were made fully functional.

The Bank's loan portfolio grew by an impressive 48% with an increase in net interest income of 79% over the previous financial year. The customer base was widened, with the proportion of the largest borrowers to Gross Advances declining by over 10 %.

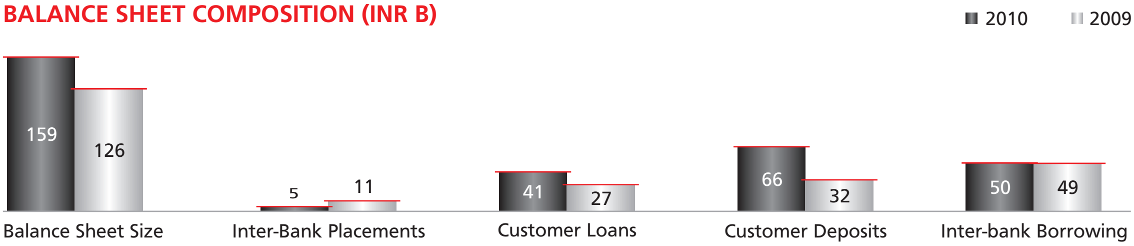
There was an increase in the gross non-performing assets of the Bank to INR 760 million. The Bank continued its stance of adequately providing for loan losses. As at 31st March 2010, the net NPA ratio stood at 1% and the Provisioning coverage ratio at 47.40 %.

On the liability side, the customer deposits of the Bank doubled from INR 32 billion as of March 2009 to INR 66 billion, with reliance on wholesale / interbank money dropped from 62% to 43%.

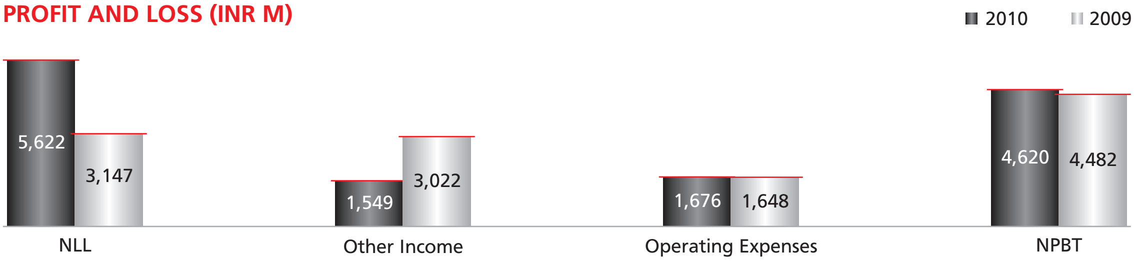
The Bank has expanded its service delivery network across all its branches in India. Despite the Bank's added expenditure on expanding & reinforcing its network, systems and workforce and the associated incidental overheads, the Cost Income ratio for the year fell to 23% as compared to 27% for the previous financial year, reflecting improved operational efficiency. Business per employee increased by about 50% to INR 255 million.

There was a rise in sovereign yields because of increased government borrowings during the year. This resulted in falling bond prices and additional depreciation provisions on investments in the trading-book to the extent of INR 0.46 billion.

BALANCE SHEET COMPOSITION (INR B)



PROFIT AND LOSS (INR M)



PERFORMANCE FINANCIAL YEARS 2010 AND 2009

a. Profit and Loss

a.1 Net Revenue

Net interest income increased by INR 2,475 M or 79% to INR 5,622 M in the current year.

	2010		2009		2010 vs 2009	
	INR M	% contribution	INR M	% contribution	INR M	% contribution
Placement with Banks, including RBI	145	1.7%	1,666	20.6%	(1,520)	-91.3%
Investment securities	5,890	66.9%	4,031	49.9%	1,859	46.1%
Loan and Advances	2,763	31.4%	2,389	29.5%	373	15.6%
Total Interest Income	**8,798**	**100.0%**	**8,086**	**100.0%**	**712**	**8.8%**
Interbank Borrowings	1,124	35.4%	2,701	54.7%	(1,577)	-58.4%
Demand Deposit	-	0.0%	-	0.0%	-	0
Savings Account	6	0.2%	2	0.0%	3	132.0%
Fixed Deposits	2,046	64.4%	2,236	45.3%	(189)	-8.5%
Total Interest Expense	**3,176**	**100.0%**	**4,939**	**100.0%**	**(1,763)**	**-35.7%**
Net Interest Income	**5,622**		**3,147**		**2,475**	**78.6%**
Other Income	**1,549**		**3,022**		**(1,473)**	**49%**

The Bank's gross interest income rose to INR 8.80 billion (8.8% growth rise over the previous period). There was a substantial increase in the interest income from loans & advances, mainly due to wider loan spreads and a 32% increase in the average size of the portfolio. Interest income from Investment securities grew proportionate to the higher volumes of investments.

There was a marked fall in Interest Expense, which decreased by 36% as compared to the previous year, as interest rates moved down significantly in the Indian money market as well as internationally. Net Interest Income consequently grew by an impressive 78% year-on-year, and contributed positively to the year's operating profit.

The Bank's Other income comprises predominantly of fees. Fee income at INR 1.7 billion contributed to 31% of the operating profit for the year, originating from diverse business segments including loan processing, trade transactions (on and off-balance sheet), remittance services, and bancassurance business.

The Bank continues to rely on steady growth in business volumes and basic banking business as a part of its strategic focus. Trading profits from the bonds, derivatives and foreign exchange segments have accounted for less than 2% of the operating profits over the last three financial years. The outstanding trades in derivatives & foreign exchange contracts were INR 1.84 trillion on 31st March 2010 as against INR 2.39 trillion in March 2009 and INR 3.39 trillion in March 2008.

a.2 Operating Expenses

	2010		2009		2009 vs 2008	
	INR M	**% contribution**	**INR M**	**% contribution**	**INR M**	**% contribution**
Staff Expenses	733	43.7%	915	55.5%	(182)	-19.9%
Occupancy Charges	530	31.7%	328	19.9%	202	61.7%
Others	413	24.7%	405	24.6%	8	2.0%
Total Operating Expenses	**1,676**	**100.0%**	**1,648**	**100.0%**	**27**	**1.7%**

Operating expenses continued to grow in line with business growth & branch expansion. The Bank has fortified its geographical footprint in India and is catering to a wider range of customers across various sectors & territories. At the same time, it has kept a tight control over costs. The Cost Income ratio for the year was 23% as compared to 27% for the previous financial year.

b. Balance Sheet

As at 31st March 2010, DBS India's Balance Sheet size stood at INR 159 Billion, a growth of 26% from the previous year. There was a commensurate increase in the productive (interest earning) assets of the Bank. The loan book grew by 48% predominantly through surge in the trade financing & term loan portfolio.

The Bank continued to hold a major portion of its assets in the form of risk-free Government Securities and inter-bank deposits (including tradeable Certificates of Deposits).

During the year, as a result of conscious efforts to broad base its sources of funds, there was a significant increase in the volume of customer deposits which doubled to INR 66 billion from INR 32 billion in the previous year. The share of interbank term deposits has correspondingly reduced. With the introduction of additional facilities for its Treasures customers, the Bank expects to increase the volume of low cost deposits going forward.

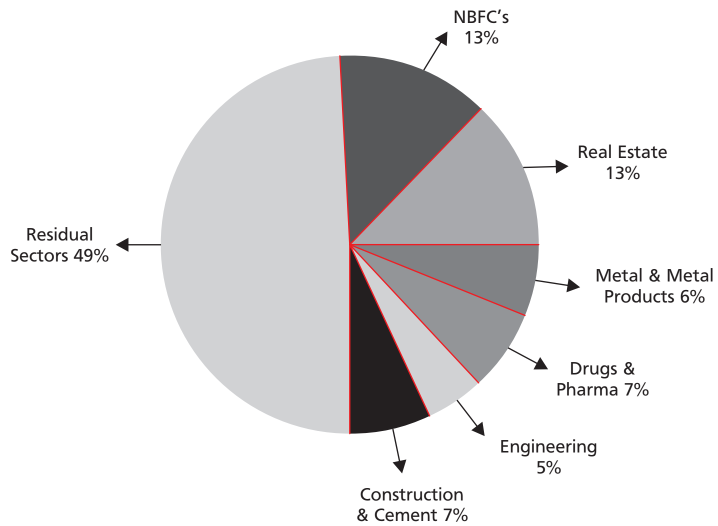
The Bank's owned funds, in the form of Capital & Reserves, along with subordinated debt from Head Office stood at INR 42 billion, and financed 24% of the Balance Sheet (as against 29% in March 2009).

	2010		2009		2010 vs 2009	
	INR M	**% contribution**	**INR M**	**% contribution**	**INR M**	**% contribution**
Cash and Cash Equivalent	5,369	3.4%	3,260	2.6%	2,109	64.7%
Bank Placement	6,060	3.8%	13,093	10.4%	(7,033)	-53.7%
Marketable securities	100,863	63.6%	78,107	62.2%	22,756	29.1%
Loan and Advances	40,512	25.5%	27,423	21.8%	13,089	47.7%
Other Assets	6,120	3.9%	3,958	3.2%	2,162	54.6%
Allowances for Possible Losses on Productive Assets	(360)	-0.2%	(195)	-0.2%	(165)	
Total Asset	**158,564**	**100.0%**	**125,646**	**100.0%**	**32,918**	**26.2%**
Deposits from Customer	66,371	41.9%	32,449	25.8%	33,922	104.5%
Interbank Deposits	16,756	10.6%	27,780	22.1%	(11,024)	-39.7%
Borrowing (from Banks/RBI/CCIL)	33,210	20.9%	24,971	19.9%	8,240	33.0%
Other Liability (including capital and Reserves)	42,227	26.6%	40,447	32.2%	1,781	4.4%
Total Liabilities	**158,564**	**100.0%**	**125,646**	**100.0%**	**32,918**	**26.2%**

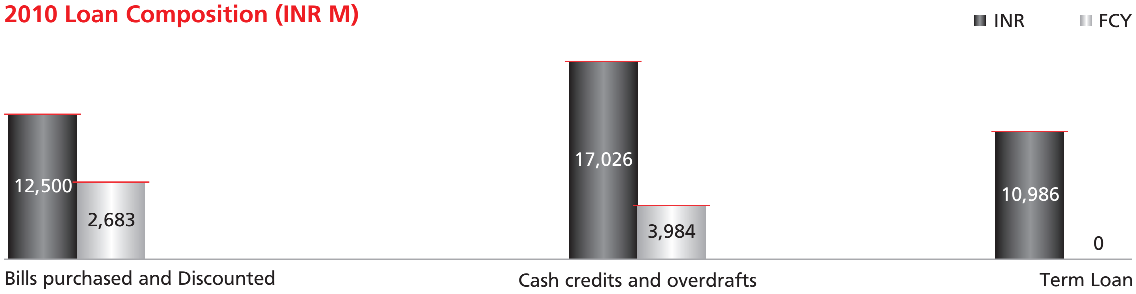
b1. Loans and Advances

In the year of challenging market conditions and sluggish credit growth across the financial sector, the aggregate advances of the Bank have increased by 48% over the previous year. The advances represent corporate credit only, as the Bank has not forayed into consumer lending as part of its strategy. Corporate lending itself has been spread over a wide range of sectors including Construction/Real Estate, Pharmaceuticals, Engineering, & Metals. The Bank has also been proactive in maintaining the credit quality of its assets.

2010 SECTOR WISE LOAN COMPOSITION



2010 Loan Composition (INR M)

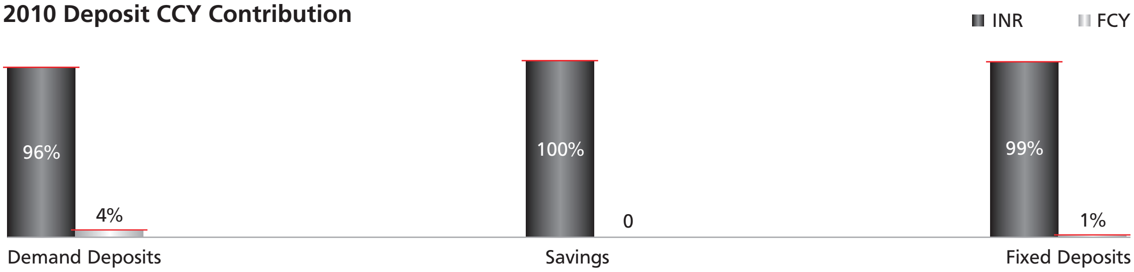


b2. Customer Deposits

Customer Deposits increased 104% to INR 66.4 B as a result of the focussed deposit mobilisation initiatives on the back of an extended branch network. Fixed (term) deposits account for 91% of total customer deposits, Demand deposits account for 8% & Savings deposits for the balance.

Deposit Diversification (INR M)

2010 Deposit CCY Contribution



c. Capital

The CRAR for March 2010 was 16.96% as compared to the regulatory minimum requirement of 9%. The Tier-I capital ratio was 11.14 %.

The Bank computes & monitors capital adequacy in accordance with the Revised Framework of the International Convergence of Capital Measurement& Capital Standards (ie, BASEL II). As per RBI guidelines on BASEL-II compliance, capital charge required to be maintained as of 31st March 2010 is subject to a prudential floor being at least 80% of the capital requirement under BASEL-I norms. The Bank has followed this prescription while disclosing its capital adequacy ratios.

During the year, the Bank transferred free reserves of INR 1.7 Billion to 'Capital Retained in India for CRAR Purposes', thus augmenting its Tier 1 Capital to that extent.

The Bank's capital mamangement approach is enunciated in its ICAAP policy (for Internal Capital Adequacy Assessment). It seeks to maintain a strong capital base in order to support its growth plans & business strategies, and ensuring compliance with regulatory requirements at all times.

2009 - 2010 Highlights

April - June 09

- May 2009: DBS worked with a premier Indian BPO company in developing and executing a long term hedging strategy for its exports income.
- Jun 2009: DBS establishes itself as one of the leading working capital providers to Micro Labs Limited, one of Bengaluru's largest pharmaceutical companies.
- Jun 2009: DBS commences a working capital relationship with HDFC Ltd., India's largest housing finance company.
- Jun 2009: DBS wins a cash management mandate for the western region from the cargo division of India's largest private airline.
- Jun 2009: DBS League, a special programme to acknowledge and reward superlative performance and efforts of deserving staff in India is launched.

July - September 09

- Jul 09: DBS commences a working capital relationship with Micromax Informatics Limited, one of India's fastest growing mobile handset manufacturers in India
- Jul 2009: DBS provides cash management services (payment and collection) to UTV Software Communications Limited, India's leading media conglomerate, by offering a customised doorstep solution, specialised MIS and an integrated payment gateway.
- Aug 2009: DBS structures an innovative, trade financing solution for Singapore based suppliers of Godrej Industries Limited for purchase of palm related products.
- Aug 2009: Leveraging its Asia expertise and connectivity, DBS structured and funded a term loan for the Ascendas Group, pioneers and leaders in construction and management of IT Parks in India.
- Aug 2009: DBS won its first mandate as collecting banker for QIP from Opto Circuits (India) Limited.
- Sep 2009: DBS is the lead arranger of a term loan to Techno Electric & Engineering Company Limited, (a leading EPC contractor for power projects) and provides escrow facility to facilitate their acquisition of "Superwind", a Suzlon Group Company.
- Sep 2009: DBS is inducted into the consortium of banks providing working capital to Shree Cement, one of India's lowest cost cement producers - a first such success for DBS in the Eastern region.
- Sep 2009: DBS is invited to join the working capital consortium of Tamil Nadu Newsprint and Papers Limited, marking a first such success for DBS among Indian public sector undertakings.
- Sep 2009: DBS commences working capital relationship with Muthoot Finance Limited, a leading NBFC specialising in asset backed retail lending.
- Sep 2009: DBS offers Nilkamal Limited, one of India' largest plastic component manufacturers, a customised payments solution offering seamless connectivity between the client's and bank's ERP systems.
- Sep 2009: DBS and Aviva Life Insurance announce a strategic Bancassurance partnership, enabling DBS to offer customised life insurance solutions to its clients.

October - December 09

- Oct 2009: DBS is the sole advisor and lender to the Jatia Group, owners of the Four Seasons hotel properties in India, in the realignment/demerger exercise of the joint businesses owned by the Group. This mandate involved complex structuring within tight statutory timelines.

- Nov 2009: DBS is ranked India's Best Small Bank and India's Fastest Growing Small Bank in the category of Small Banks (Balance sheet size more than or equal to Rs. 3,000 crore, No. of branches less than or equal to 10) by Business Today - KPMG study on India' Best Banks 2009.

- Nov 2009: DBS and Tata AIG General Insurance announce a tie-up enabling DBS to offer general insurance products and services to its clients.

January - March 10

- Jan 2010: DBS launches maiden brand building campaign in India across leading business print and electronic publications

- Jan 2010: Two teams from DBS participate in the Mumbai Marathon, raising funds to support education of underprivileged children

- Jan 2010: DBS partners Knight Frank to offer real estate services in the residential and commercial domain to the bank's clientele on a referral basis.

- Jan 2010: DBS advises Siva Group, a global conglomerate with diversified businesses, on the holding structure for its Asian operations and arranges banking facilities for their wholly owned step down subsidiary Rudhra Energy Pte. Limited.

- Feb 2010: DBS India wins the prestigious Chairman's award for the Most Funds Raised per Full Time Employee during the Happy Ever Asia Relay in November 2009.

- Mar 2010 – DBS extends a long term loan to PVR Limited, the leading multiplex cinema exhibition company, marking a significant foray for the bank in the rapidly growing entertainment industry.

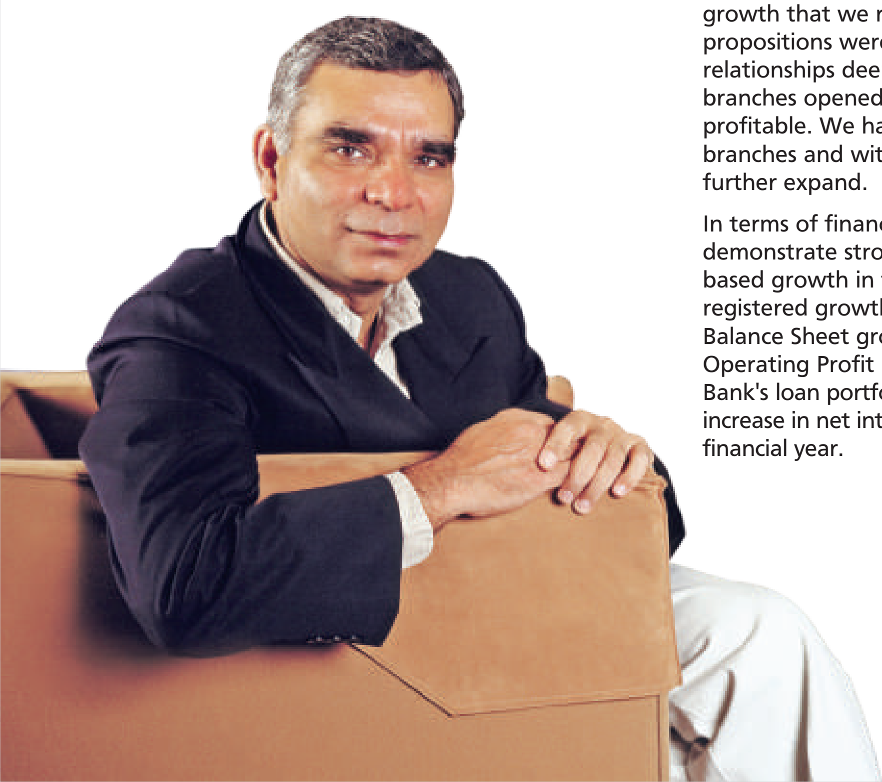
- Mar 2010: DBS announces India growth strategy - to focus on large corporates, small and mid size enterprises, high net worth and emerging affluent customers.

- Mar 2010: DBS wins Rising Star Cash Management Bank in India at The Asset Triple A Transaction Banking Awards 2010. A repeat of previous year achievement and an acknowledgement of the continuing strong growth and enhanced capabilities of the business.

- Mar 2010: DBS receives two licenses to open branches in Cuddalore (Tamil Nadu) and Kolhapur (Maharashtra).

CEO's Letter

DBS India CEO, Sanjiv Bhasin, shares highlights of 2009-10, the year of deepening relationships with stakeholders, offering seamless connectivity across Asia and articulating a clear strategy for driving future growth to reaffirm DBS' unique position of Asia's Banking Specialist.



2009-10 saw Asia's emergence as a robust and influential player on the world stage amidst arguably the worst economic downturn. As the developed world, struggled to manage volatile stock markets and falling global trade, Asia led the path to growth.

India with its domestic consumption driven economy contributed to Asia's emergence as one of the key players on world stage. The growth opportunity that India offers, backed by a proven track record of strong economic fundamentals, stable government and robust regulations, continues to attract investments from overseas investors.

Several Indian corporates were at the forefront of driving this growth both in the local and overseas markets. Being headquartered in Asia, our reach and understanding of the region enabled us to identify unique opportunities for our clients. Keeping in line with DBS' Customer First approach, we partnered client enterprises, offered new financing propositions and tailor made cross border solutions, enabling Indian businesses to establish a meaningful presence in growth markets across the region.

During the year, DBS was ranked India's Best Small Bank and India's Fastest Growing Small Bank in the category of Small Banks (Balance sheet size more than or equal to Rs.3,000 crore, No. of branches less than or equal to 10) by the Business Today - KPMG study on India' Best Banks 2009. In a repeat of previous year's achievement and an acknowledgement of the strong growth of the business, DBS was awarded the Rising Star Cash Management Bank in India at The Asset Triple A Transaction Banking Awards 2010.

As a franchise, we focused on consolidating the holistic growth that we recorded in the previous year. Product propositions were strengthened, client base expanded, relationships deepened, services enhanced and all 8 new branches opened in FY 2008-09, made fully functional and profitable. We have received licenses to open two new branches and with this addition, our growing network will further expand.

In terms of financials, DBS Bank India continued to demonstrate strong operating performance and broad based growth in the financial year 2009-10. The Bank registered growth both in size and profitability with Balance Sheet growing by 26% to INR 159 billion and Operating Profit rising by 21% to INR 5.5 billion. The Bank's loan portfolio grew by an impressive 48% with an increase in net interest income of 79% over the previous financial year.

Another significant highlight of the year was our articulation of a clear strategy for growing our franchise by focusing on select business segments. Large companies, small and mid sized enterprises on the corporate side and high net worth and affluent segments on the retail side.

Concentrating our energies in gaining substantially more market share in these segments, we intend to make DBS India a significant contributor to the DBS Group's overall revenues over the next few years. We also formally launched a corporate brand building programme in India with an advertising campaign in leading business and electronic media highlighting our Asian roots and proposition.

It is the caliber of our people, the DBS TEAM that enables us to provide a differentiated service experience to our customers. As an organization, we are committed to being the Employer of Choice for our talented staff by adopting the best people practices. Our endeavour is to create an inclusive, learning and performance oriented culture across the expanding franchise, based on our values. This year, several news ideas were initiated to fulfill this commitment and to ensure that Customer Focus on every aspect of our service is never compromised.

India became the first country in DBS world to launch a formal talent management program aimed at identifying and nurturing talent. Recognition being key to staff engagement, we launched “DBS League”, a specially created program to acknowledge and reward the select deserving staff, who go way above and beyond their call of duty to exemplify the organisation's goals and values. Some of our best talent was seconded overseas to further build on their capabilities by performing not just different roles but also doing them in a different geography and with a global outlook.

Proudly upholding the inherent value of caring for the community, our staff organized and participated in several activities to support our corporate commitment towards educating underprivileged children. The year saw our enthusiastic staff arrange several activities and events in-house to raise funds for Aseema, our partner NGO that is building an education centre for underprivileged children, residing in tribal villages near Igatpuri. These initiatives were undertaken as part of the Happy Ever Asia Relay, a region wide programme to inform, educate and raise funds from staff, which were then matched by DBS and contributed to select charities. The quantum of funds collected by team India won them the prestigious Chairman's award for the Most Funds Raised per Full Time Employee during this relay.

Through our network of 10 branches spread across the country in key locations, and two more branches to open this year, we will roll out several new initiatives and continue to offer our customers - both corporate and retail, insights to opportunities across businesses, products and services, reaffirming DBS' unique position of Asia's Banking Specialist.

Sanjiv Bhasin
GM & CEO, DBS Bank Ltd., India

DBS Bank Ltd.
Management Team

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1 Sanjiv Bhasin
2 Vijit Yadav
3 Vivek Batra
4 Rahul Johri
5 Yazad Cooper
6 Vinay Gupta
7 Sanjeev Lall
8 Sanjeev Uppal
9 Rajesh Pai
10 Rajat Agrawal
11 Sumit Sharma

Senior Management Committee

1. SANJIV BHASIN
General Manager & CEO

Sanjiv joined DBS Bank India in September 2008 and serves as the General Manager and Chief Executive Officer of the Bank. Before joining DBS, he was the Chief Executive Officer & Managing Director of Rabo India Finance, the Indian subsidiary of Rabobank Nederland. He has also worked as the Chief Operating Officer (COO) of HSBC India, where he started his career.

Across a career spanning over 30 years, Sanjiv has donned several key leadership roles mainly in the Corporate Banking, Investment Banking and Credit & Risk Management divisions of HSBC in India and overseas, including stints with the Investment Bank in London and as the Chief Executive Officer of HSBC Mauritius.

By qualification, Sanjiv is an MBA in Finance from XLRI Jamshedpur and holds a B.Com (Hons) degree from Sriram College of Commerce, New Delhi.

2. VIJIT YADAV
Head, Technology & Operations

Vijit joined DBS Bank India in April 2007 and serves as Head, Technology and Operations. He is also a member of the India ALCO, HR Committee and The Risk and Control Committee. Prior to joining DBS, he was Director at Dell's Global Finance Back Office operating group in Bengaluru.

Previously, Vijit has held leadership positions with HSBC in the Consumer Bank, Corporate Bank and as the Head of NRI Services and Delivery Channels. With over 20 years of experience, he brings a deep understanding of both, banking and technology domains. By qualification, Vijit is an MBA from IMI and holds a Master’s degree from St. Stephens College, Delhi University

3. VIVEK BATRA
Head, Institutional Banking

Vivek joined DBS Bank India in New Delhi in June 2005 to head the initiative for establishing the Branch, developing the business strategy and ensuring strong financial performance. He later moved to Mumbai as Head, Corporate Banking, and is currently the Head, Institutional Banking Group, India. Vivek also oversees the Bank's Investment Banking business in India. He sits on several committees, including the India ALCO, HR Committee and Risk and Control Committee.

Having worked in various leadership roles at HSBC across Mumbai, Kolkata & New Delhi,Vivek brings a rich network of relationships and relevant experience of 16 years. He started his career with the Kotak Group in the Capital Markets/ Securities team. By qualification, Vivek is an MBA from IIM Calcutta.

4. RAHUL JOHRI
Head, Consumer Banking

Rahul joined DBS Bank India in October 2008 and serves as the Head, Consumer Banking. Before joining DBS, he worked with Standard Chartered Bank (India) and Barclays Bank in senior assignments. At Standard Chartered Bank, he was the Business Head - Global NRI Services, prior to which he performed regional level roles in Branch Banking including the CEO's Representative for North and East India. At Barclays Bank, he was the Business Head, Retail Liabilities and was involved in the setting-up of the retail bank in India.

In his 19 years of professional experience, Rahul has worked across verticals, primarily in the consumer banking domain. By qualification, he is an MBA from XLRI Jamshedpur and holds a B. Tech (Hons) degree in mechanical engineering from IIT, Kharagpur.

5. YAZAD COOPER
Head, Finance

Yazad joined DBS Bank India in August 2004 and serves as Head, Finance. He is a member of the India ALCO and the Risk and Control Committee. He has also held officiating responsibilities over the finance function at two overseas entities, in addition to being an ALCO member at Cholamandalam DBS Finance Limited (a JV between the Murugappa Group and DBS Singapore).

Having previously worked with KPMG, Deutsche Bank and HSBC, Yazad has 17 years of relevant experience in the Banking and Financial Services domain. By qualification, he is a CA.

6. VINAY GUPTA
Head, Legal & Compliance

Vinay joined DBS Bank India in August 2004 and serves as the Head, Legal and Compliance. Earlier, he has worked with DBS Bank India as Head, Technology & Operations and Head, Compliance - South & South East Asia (SSEA) at the Group Head Office in Singapore.

A seasoned banker, Vinay has over 27 years of relevant experience, which transcends several verticals. He has earlier worked as Business Head, Retail Banking with Global Trust Bank and as AGM, Retail Banking & Operations, Majan International Bank, Muscat. Vinay has also held several positions with HSBC India in the past including Head, Retail Banking - Western India; Senior Account Manager - Corporate Banking; Head, Trade Finance - Northern India; Branch Operations Manager at Delhi and as Manager, Financial Control in Delhi and Mumbai.

By qualification, Vinay is an MBA from IIM Ahmedabad and holds an M.A.(Hons.) degree in Economics from Birla Institute of Science & Technology, Pilani

7. SANJEEV LALL

Head, Branches

Sanjeev joined DBS Bank India in April, 2004 and heads branches across the country for DBS. He has played a significant role in establishing the Enterprise Banking (Middle Market and SME) business in India and is a member of the India Asset Liability Management Committee, which is also responsible for the Bank's ALM and investment policy. As the Head of Branches, Sanjeev is responsible for the overall corporate governance of the branches in India and administering the delivery of all corporate and consumer banking businesses through these branches.

Sanjeev brings a rich experience of 20 years in the industry. Prior to joining DBS, Sanjeev was with Credit Lyonnais, where he looked after their corporate banking business in Western India. By qualification, he is an MBA from XLRI and holds an Economics (Hons.) degree from Delhi University.

8. RAJESH PAI

Head, Treasury & Markets

Rajesh joined DBS Bank India in January 2004 and serves as the Head, Treasury and Markets. Rajesh has earlier worked with leading international banks including Citibank, Banque Indosuez as FX Trader and with Standard Chartered Bank's Global Treasury in India, London and UAE as the Treasury Manager. He has also worked as Treasury Head for the State Bank of Mauritius.

Rajesh has over 20 years of Indian and international treasury experience and by qualification, is an MBA from Mumbai University and an Electronics & Communication engineer.

9. SANJEEV UPPAL

Head, Global Transaction Services

Sanjeev joined DBS Bank India in July 2008 as Head, Global Transaction Services (GTS). Before heading GTS, he was Director and Head, Technology and Operations, of PT Bank DBS, Indonesia since 2005.

Prior to joining DBS, Sanjeev worked with HSBC for about 20 years, handling a variety of roles including Head - Operations & Banking Services; Head - Transaction (Cash Management & Trade) business and has also managed the Consumer Banking business for the Northern Region. By qualification, he is a CA.

10. RAJAT AGRAWAL

Head, Credit Risk

Rajat joined DBS Bank India in April 2009 and serves as the Head, Credit Risk. Before joining DBS, he was with HSBC Bank, where he was a key member of the credit team, responsible for credit approvals, managing stressed accounts, early warning, and interfacing with regulators and auditors.

In his 16 years of experience, Rajat has worked across several verticals in the financial domain including as an investment banker with Global Trust Bank (GTB) and as a business development manager with Summit Usha Martin Finance.
At Indbank Merchant Banking Services, he was responsible for dealing, market making and setting up the trading terminal for the OTCEI (Over the Counter Exchange of India).
By qualification, Rajat is an MBA from IIM Ahmedabad and an Economic (Hons) graduate from St. Stephens College, Delhi University.

11. SUMIT SHARMA

Head, HR

Sumit joined DBS Bank India in March 2009 as Head, HR. Prior to DBS, Sumit worked with HSBC in corporate and consulting roles, where he has garnered valuable experience by working across geographies like India, Hong Kong, UK and Indonesia. He has also previously worked with Genpact, India.

Through his 18-year career, Sumit has covered a gamut of HR responsibilities with particular emphasis on talent management and strategic HR. By qualification, he is an MBA from INSEAD, France, and also a management graduate from XLRI.

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DBS Bank Ltd.
Branches in India

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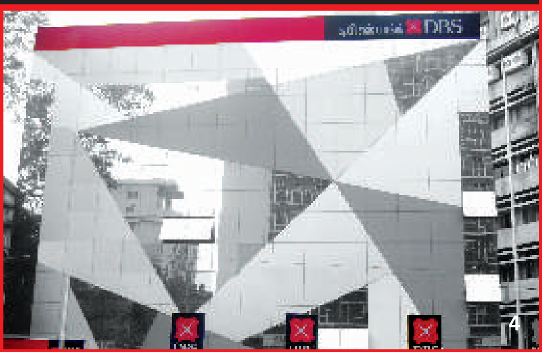

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1 Mumbai
2 New Delhi
3 Bengaluru
4 Chennai
5 Kolkata
6 Pune
7 Surat
8 Nashik
9 Salem
10 Moradabad

Financial Statements

Auditors' Report

on the Accounts of DBS Bank Ltd., India under Section 30 of the Banking Regulation Act, 1949.

We have audited the attached Balance Sheet of **DBS Bank Ltd., India** (incorporated in Singapore) ('the Bank') as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement annexed thereto for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, read with the provisions of sub-sections (1), (2) and (5) of Section 211 and sub-section (5) of Section 227 of the Companies Act, 1956, the Balance Sheet and the Profit and Loss Account together with the notes thereon, are not required to be and are not drawn up in accordance with Schedule VI of the Companies Act, 1956. The Balance Sheet and Profit and Loss Account are, therefore, drawn up in conformity with Form A and B of the Third Schedule to the Banking Regulation Act, 1949 to the extent applicable to the Bank.

We report that:

a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.

b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

c. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.

d. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.

e. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, so far as they apply to Banks and are not inconsistent with the Banking Regulation Act, 1949 and the method of accounting prescribed by the Reserve Bank of India (RBI).

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the principal accounting policies and the other notes thereon, give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956 in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of Balance Sheet, of the state of affairs of the Bank as at March 31, 2010;

(ii) in the case of the Profit and Loss Account of the profits for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

For **A P Sanzgiri & Co.**
Chartered Accountants

Mehul Shah
Partner
Membership No: 100909
Firm Reg. No: 116293W

Place: Mumbai
Date: 11th May 2010

Balance Sheet

As at 31 March 2010

(Currency: Indian rupees in thousands)

	Schedule	As at 31 Mar 2010	As at 31 Mar 2009
CAPITAL AND LIABILITIES			
Capital	1	9,518,321	9,518,321
Reserves and Surplus	2	7,187,196	4,486,919
Deposits	3	83,126,415	60,228,642
Borrowings	4	54,156,580	47,433,037
Other liabilities and provisions	5	4,575,493	3,978,965
Total		**158,564,005**	**125,645,884**
ASSETS			
Cash and balances with Reserve Bank of India	6	5,369,063	3,260,266
Balances with banks and money at call and short notice	7	6,060,066	13,092,595
Investments	8	100,862,522	78,106,625
Advances	9	40,151,990	27,228,468
Fixed Assets	10	272,549	293,477
Other Assets	11	5,847,815	3,664,453
Total		**158,564,005**	**125,645,884**
Contingent Liabilities	12	1,876,440,810	2,423,592,266
Bills for collection		8,878,222	4,645,068
Notes to Accounts	18		

Schedules referred to herein form an integral part of the Balance Sheet

As per our report of even date

For **A P Sanzgiri & Co.**
Chartered Accountants

Mehul Shah
Partner

For **DBS Bank Ltd., India**

Sanjiv Bhasin
General Manager and
Chief Executive Officer

Yazad Cooper
Head Finance

Place: Mumbai
Date: 11th May 2010

Profit and Loss Account

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

	Schedule	Year ended 31 Mar 2010	Year ended 31 Mar 2009
INCOME			
Interest earned	13	8,798,059	8,086,402
Other income	14	1,548,708	3,021,961
Total		**10,346,767**	**11,108,363**
EXPENDITURE			
Interest expended	15	3,176,010	4,939,215
Operating expenses	16	1,675,541	1,648,197
Provisions and contingencies	17	2,794,939	1,930,579
Total		**7,646,490**	**8,517,991**
PROFIT			
Net Profit for the year		2,700,277	2,590,372
Profit brought forward		1,905,977	1,051,501
Total		**4,606,254**	**3,641,873**
APPROPRIATIONS			
Statutory Reserve		675,069	647,593
Appropriation to / (Redemption from) Investment Reserve Account		(117,208)	84,972
Capital retained in India for CRAR purposes		1,706,470	1,003,331
Balance carried over to balance sheet		2,341,923	1,905,977
Total		**4,606,254**	**3,641,873**

Schedules referred to herein form an integral part of the Balance Sheet

As per our report of even date

For **A P Sanzgiri & Co.**
Chartered Accountants

For **DBS Bank Ltd., India**

Mehul Shah
Partner

Sanjiv Bhasin
General Manager and
Chief Executive Officer

Yazad Cooper
Head Finance

Place: Mumbai
Date: 11th May 2010

Cash Flow Statement

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

		Year ended 31 Mar 2010	Year ended 31 Mar 2009
Cash Flows from Operating Activities			
Net Profit before taxation and extraordinary items		4,620,062	4,482,137
Adjustments for:			
Depreciation on Fixed Assets		128,955	86,555
(Profit) on sale of Fixed assets		(305)	(302)
Provision on Standard Assets/Derivatives		79,980	87,380
Provisions for Depreciation on Investments		463,270	(196,115)
Bad Debts Written Off		136,045	-
Other Provisions		(3,208)	26,418
Provision for Non Performing Assets		199,067	121,130
Operating Profit before Working Capital changes		**5,623,866**	**4,607,203**
(Increase) in Investments		(23,219,167)	(32,786,708)
(Increase) in Advances		(13,258,634)	(3,708,205)
(Increase) / Decrease in Other Assets		(1,903,147)	77,088
Increase in Deposits		22,897,773	9,271,925
Increase / (Decrease) in Other liabilities and provisions		519,756	(15,417,108)
Increase in Borrowings		6,723,543	20,264,327
Income Tax Paid		(2,200,000)	(1,350,000)
Net Cash Flow generated from / (used in) Operating Activities	**A**	**(4,816,010)**	**(19,041,478)**
Cash Flows from Investing Activities			
Purchase of Fixed Assets / CWIP		(108,227)	(271,295)
Proceeds from sale of Fixed Assets		505	691
Net Cash Flow generated from / (used in) Investing Activities	**B**	**(107,722)**	**(270,604)**
Cash Flows from Financing Activities			
Subordinated Debt from Head Office		-	17,417,011
Net Cash Flow from Financing Activities	**C**	**-**	**17,417,011**
Net Increase / (Decrease) in cash and cash equivalents	**(A+B+ C)**	**(4,923,732)**	**(1,895,071)**
Cash and cash equivalents at the beginning of the year		16,352,861	18,247,932
Cash and cash equivalents at the end of the year		**11,429,129**	**16,352,861**
Notes: Cash and Cash equivalents represent			
Cash and balances with Reserve Bank of India		5,369,063	3,260,266
Balances with banks and money at call and short notice		6,060,066	13,092,595
Total		**11,429,129**	**16,352,861**

As per our report of even date
For **A P Sanzgiri & Co.**
Chartered Accountants

Mehul Shah
Partner

For **DBS Bank Ltd., India**

Sanjiv Bhasin
General Manager and
Chief Executive Officer

Yazad Cooper
Head Finance

Place: Mumbai
Date: 11th May 2010

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

		As at 31 Mar 2010	As at 31 Mar 2009
01. CAPITAL			
Face value of securities deposited with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949		1,150,000	550,000
Head Office Account (including start-up capital of INR 313,371 thousand)		**9,518,321**	**9,518,321**
02. RESERVES AND SURPLUS			
A	**Statutory Reserve**		
	Balance as per last balance sheet	1,144,477	496,884
	Additions during the year	675,069	647,593
		1,819,546	**1,144,477**
B	**Capital Reserve**	**5,096**	**5,096**
C	**Investment Reserve Account**		
	Balance as per last balance sheet	117,208	32,236
	Additions during the year	-	84,972
	Appropriation towards additional Depreciation requirement for the year	117,208	-
		-	**117,208**
D	**Capital retained in India for CRAR purposes**		
	Balance as per last balance sheet	1,313,625	310,294
	Additions during the year	1,706,470	1,003,331
		3,020,095	**1,313,625**
E	**Balance in Profit and Loss Account**	**2,341,923**	**1,905,977**
F	**Deferred Tax Reserve**	**536**	**536**
	Total	**7,187,196**	**4,486,919**

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

			As at 31 Mar 2010	As at 31 Mar 2009
03. DEPOSITS				
A	**(i)**	**Demand Deposits**		
		From banks	341,847	420,102
		From others	5,315,905	2,623,203
			5,657,752	3,043,305
	(ii)	**Saving Bank Deposits**	**280,346**	**254,322**
	(iii)	**Term Deposits**		
		From banks	16,413,974	27,359,686
		From others	60,774,343	29,571,329
			77,188,317	56,931,015
		Total	**83,126,415**	**60,228,642**
B	Deposits of branches in India		83,126,415	60,228,642
	Total		**83,126,415**	**60,228,642**
04. BORROWINGS				
I	**Borrowings in India**			
	(i)	Reserve Bank of India	5,700,000	4,200,000
	(ii)	Other banks	1,550,000	4,070,000
	(iii)	Other institutions and agencies	21,245,769	12,893,479
			28,495,769	**21,163,479**
II	**Borrowings outside India from Banks**		**4,714,503**	**3,807,234**
III	**Subordinated Debt***		**20,946,308**	**22,462,324**
	Total		**54,156,580**	**47,433,037**
Secured borrowings included in I and II above			26,945,769	17,093,479

* : Subordinated loan in the nature of long term borrowings in foreign currency from Head Office.

		As at 31 Mar 2010	As at 31 Mar 2009
05. OTHER LIABILITIES AND PROVISIONS			
	Bills payable	155,691	108,842
	Interest accrued	358,511	436,993
	Contingent Provision against Standard Advances	239,677	171,929
	Contingent Provision against Derivatives exposures	66,068	53,836
	Others (including provisions)	3,755,546	3,207,365
	Total	**4,575,493**	**3,978,965**

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

	As at 31 Mar 2010	As at 31 Mar 2009
06. CASH AND BALANCES WITH RESERVE BANK OF INDIA		
Cash in hand (including foreign currency notes)	11,547	7,812
Balances with RBI in Current Account	5,357,516	3,252,454
Total	**5,369,063**	**3,260,266**
07. BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
I In India		
(i) Balance with Banks		
In Current Accounts	16,763	12,375
In Other Deposit Accounts	5,000,000	10,772,000
	5,016,763	10,784,375
(ii) Money at call and short notice	-	-
	5,016,763	10,784,375
II Outside India		
In Current Accounts	1,043,303	2,308,220
In Other Deposit Accounts	-	-
Money at call and short notice	-	-
	1,043,303	2,308,220
Total	**6,060,066**	**13,092,595**
08. INVESTMENTS		
Investments in India in		
Government securities *	51,909,986	39,197,096
Debentures and Bonds	270,000	270,000
Others (Certificate of Deposits)	48,682,536	38,639,529
Total	**100,862,522**	**78,106,625**
Gross Investments in India	101,334,098	78,114,931
Less: Provision for depreciation	471,576	8,306
Net Investments in India	**100,862,522**	**78,106,625**

* : Includes :

(A) Securities pledged as margin with CCIL INR 348,422 thousand (PY INR 308,728 thousand)

(B) Securities held u/s 11(2)(b) with RBI INR 1,145,927 thousand (PY INR 549,823 thousand),

(C) Securities pledged as collateral for LAF INR 6,206,158 thousand (PY INR 4,530,907 thousand),

(D) Securities held with CCIL for borrowings under CBLO INR 21,674,270 thousand (PY INR 13,114,871 thousand)

(E) Securities kept as margin for RTGS INR 4,164,823 thousand (PY INR 4,208,167 thousand)

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

		As at 31 Mar 2010	As at 31 Mar 2009
09. ADVANCES			
A	Bills purchased and discounted	12,319,905	6,594,038
	Cash credits, overdrafts and loans repayable on demand	16,974,359	14,940,160
	Term Loans	10,857,726	5,694,270
	Total	**40,151,990**	**27,228,468**
B	Secured by tangible assets *	22,234,693	14,529,131
	Covered by Bank / Government Guarantees**	5,859,210	2,081,022
	Unsecured	12,058,087	10,618,315
	Total	**40,151,990**	**27,228,468**
C	Advances in India		
	Priority Sectors	18,237,697	11,226,155
	Public Sectors	-	-
	Banks	-	-
	Others	21,914,293	16,002,313
	Advances Outside India	-	-
	Total	**40,151,990**	**27,228,468**

* : includes secured by book debts

** : includes advances covered by LCs issued by banks

		As at 31 Mar 2010	As at 31 Mar 2009
10. FIXED ASSETS			
I	Other Fixed Assets (including furniture and fixtures)		
	Cost at the beginning of the year	540,188	271,022
	Additions during the year	108,227	271,776
	Deductions during the year	(2,283)	(2,610)
		646,132	540,188
	Accumulated depreciation	(373,583)	(246,711)
	Total	**272,549**	**293,477**

	As at 31 Mar 2010	As at 31 Mar 2009
11. OTHER ASSETS		
Interest accrued	1,012,135	1,687,290
Tax paid in advance / Tax Deducted at Source (net of provisions)	641,208	-
Non Banking assets acquired in satisfaction of claims (Re. 1)	-	-
Stationery & Stamps	27	11
Deferred Tax Asset	127,610	153,785
Others	4,066,835	1,823,367
Total	**5,847,815**	**3,664,453**

	As at 31 Mar 2010	As at 31 Mar 2009
12. CONTINGENT LIABILITIES		
Liability on account of outstanding forward exchange contracts	674,561,455	1,462,329,442
Liability on account of outstanding Currency and Interest Rate Swap and Option contracts	1,164,430,774	927,474,637
Guarantees given on behalf of constituents in India	26,011,593	25,766,524
Acceptances, endorsements and other obligations	11,368,103	5,868,268
Other items for which the Bank is contingently liable	68,885	2,153,395
Total	**1,876,440,810**	**2,423,592,266**

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

	Year ended 31 Mar 2010	Year ended 31 Mar 2009
13. INTEREST EARNED		
Interest / discount on advances / bills	2,762,453	2,389,066
Income on investments	5,890,244	4,031,493
Interest on balances with RBI and other inter-bank funds	145,362	1,665,843
Total	**8,798,059**	**8,086,402**
14. OTHER INCOME		
Commission, exchange and brokerage	1,703,917	1,949,046
Net Profit / (Loss) on sale of investments	250,417	(53,644)
Net Profit on sale of land, buildings and other assets	305	302
Net Profit / (Loss) on Foreign Exchange and Derivative transactions	(408,377)	1,120,712
Miscellaneous Income	2,446	5,545
Total	**1,548,708**	**3,021,961**
15. INTEREST EXPENDED		
Interest on Deposits	2,051,573	2,238,037
Interest on RBI / Inter-bank borrowings *	1,124,437	2,701,178
Total	**3,176,010**	**4,939,215**
* : including interest on repos, CBLOs and subordinated debt		
16. OPERATING EXPENSES		
Payments to and provisions for employees	732,842	915,157
Rent, taxes and lighting	367,639	219,580
Printing and Stationery	5,647	4,212
Advertisement and publicity	27,822	42,786
Depreciation on bank's property	128,955	86,555
Auditor's fees and expenses	500	350
Law Charges	8,105	4,594
Postage, Telegram, Telephone, etc.	46,713	29,920
Repairs and maintenance	33,881	21,926
Insurance	43,952	26,601
Brokerage charges	27,181	33,360
Professional Fees	33,418	26,359
Head Office Expenses	88,105	111,195
Other Expenditure	130,781	125,602
Total	**1,675,541**	**1,648,197**

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

17. PROVISIONS AND CONTINGENCIES

	Year ended 31 Mar 2010	Year ended 31 Mar 2009
Provision for Non Performing Assets	199,067	121,130
Bad Debts written off (net)	136,045	-
Provision for Standard Asset	67,748	33,545
Provision for Credit Exposures in Derivatives	12,232	53,835
Provision/(Write-back) for Depreciation on Investments	463,270	(196,115)
Provision for Current Income-Tax	1,893,610	1,999,484
Provision/(Write-back) for Deferred Income-Tax	26,175	(107,718)
Provision/(Write-back) for Fringe Benefit Tax	(441)	6,351
Provision for Wealth Tax	10	-
Provision/(Write-back) for Country Risk	(2,725)	3,696
Provision for Employee Benefits	1,677	14,642
Other Provisions	(1,729)	1,729
Total	**2,794,939**	**1,930,579**

18. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

1. Background

The accompanying financial statements for the year ended 31 March 2010 comprise the accounts of the Indian branches of DBS Bank Ltd., which is incorporated in Singapore. The Indian branches of the Bank as at 31 March 2010 are located at Mumbai, New Delhi, Bangalore, Chennai, Pune, Kolkata, Nasik, Surat, Salem and Moradabad.

2. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention, on an accrual basis of accounting, unless otherwise stated and comply with the generally accepted accounting principles prescribed by the Companies (Accounting Standards) Rules 2006 to the extent applicable and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949, circulars issued by the Reserve Bank of India ('RBI') from time to time and current practices prevailing within the banking industry in India.

3. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

4. Significant Accounting Policies

(i) Foreign Exchange

Foreign currency assets, liabilities and off balance sheet items are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange positions in spot and forward contracts are revalued at the rates notified by FEDAI. The resultant gain or loss is recognised in the Profit and Loss Account.

Income and expenditure in foreign currency is translated at the exchange rates as prevailing on the month end in which such income or expenditure is recorded.

(ii) Derivative transactions

Derivatives comprise interest rate swaps, cross currency swaps and options and are a part of the trading book. These are valued at the estimated realisable market price and the resultant gain / loss is recorded in the Profit & Loss Account. The net unrealised profits or losses on these products are reflected in the Balance Sheet under Other Liabilities or Other Assets respectively.

Option contracts are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the Profit & Loss Account and

(Currency: Indian rupees in thousands)

corresponding asset or liability is shown under Other Asset or Other Liability as the case may be. Premium received or premium paid is recognised in the Profit & Loss Account upon expiry or exercise of the option.

(iii) Investments

Classification

Investments, accounted on a value date basis, are classified as Held for Trading ('HFT'), Available for Sale ('AFS') and Held to Maturity ('HTM') in accordance with RBI guidelines.

Valuation

Investments classified under the HFT and AFS categories are valued at lower of acquisition cost or market value in aggregate for each category of investment, in accordance with the guidelines issued by the RBI and based on the year-end rates as published by Primary Dealers Association of India ('PDAI') jointly with the Fixed Income Money Market and Derivatives Association of India ('FIMMDA'). Net depreciation is recognised in the Profit and Loss Account and net appreciation, (if any) is ignored per category of investment classification. Consequent to revaluation, the book value of the individual security is not changed. Treasury Bills and Certificate of Deposits are valued on a carrying cost basis.

In accordance with the RBI's Master Circular DBOD.No.BP.BC.3/21.04.141/2009-10 dated 1st July 2009, the provision on account of depreciation in the HFT and AFS categories in excess of the required amount is credited to the Profit & Loss Account and an equivalent amount (net of taxes if any and net of transfer of Statutory Reserve as applicable to such excess provision) is appropriated to an Investment Reserve Account. The provisions required to be created on account of depreciation in the AFS & HFT categories is debited to the Profit & Loss account and an equivalent amount (net of tax benefit, if any and net of consequent reduction in transfer to Statutory Reserves) is transferred from the Investment Reserve Account to the Profit & Loss Account.

Securities categorised under HTM are carried at acquisition cost, or at amortised cost if acquired at a premium over the face value. Such premium is amortised over the remaining period to maturity of that security.

Brokerage, commission, etc. paid at the time of purchase / sale is charged to the Profit and Loss Account.

Transfer of securities between categories

Reclassification of investments from one category to the other, is done in accordance with RBI guidelines and any such transfer is accounted for at the lower of acquisition cost / book value / market value, as on the date of transfer and depreciation, if any, on such transfer is fully provided for.

Accounting for repos/reverse repos

In accordance with RBI Circular DBOD.No.BP.BC.3/21.04.141/2009-10 dated 1st July 2009, Repurchase/Reverse-repurchase transactions (other than those under the Liquidity Adjustment Facility 'LAF' with RBI) are considered as outright sale and purchase contracts respectively. The difference between the clean price of the first leg and the clean price of the second leg is recognised as interest income/expense over the period of the transaction.

(iv) Advances

Advances are stated net of specific loan provisions and write offs. Provision for loan losses made in respect of identified advances, are based on the periodic review as per Bank's policy, which comply with RBI guidelines.

The Bank also maintains a general loan loss provision on Standard Advances and Derivative Exposures at rates as prescribed by RBI, and discloses the same in Schedule 5 ('Other liabilities and Provisions').In addition the Bank maintains provision for country risk in accordance with RBI guidelines and the same is included under Schedule 5 ('Other liabilities and Provisions').

(v) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight line basis over the estimated useful life of the asset at the rates mentioned below:

Assets	Rate
Office Equipment	12.50%-20.00%
Computers	33.33%
Furniture and Fixtures	20.00%
Motor Vehicles	20.00%
Leasehold Improvements	Over the life of the lease

Depreciation for the entire month is charged in the month in which the asset is purchased. Depreciation on assets sold during the year is

(Currency: Indian rupees in thousands)

charged to the Profit and Loss account on a pro-rata basis up to the beginning of the month of sale.

(vi) Employee Benefits

(a) Provident Fund: The Bank has its own trust for Provident Fund for the benefit of its employees. Contributions to the Provident Fund are recognised on an accrual basis and charged to the Profit And Loss account.

(b) Gratuity: The Bank has a Gratuity Fund for its employees under the Group Gratuity cum Life Assurance Scheme of the Life Insurance Corporation of India ('LIC'). The Bank's contribution towards the Fund is charged to the Profit And Loss account. In terms of the revised Accounting Standard 15, the Bank has made a provision towards Gratuity based on an actuarial valuation done by an independent actuary as at the year end, using the Projected Unit Credit Method. The fair value of the Fund's assets is compared with the gratuity liability, as actuarially determined, and the shortfall if any is provided for. Actuarial gains/losses are taken to the Profit and Loss account.

(c) Compensated Absences: The Bank makes a provision for compensated absences on the basis of actuarial valuation, as carried out by an independent actuary, and the same is charged to the Profit And Loss account.

(vii) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognised as an expense in the Profit and Loss Account over the lease term.

(viii) Revenue Recognition

Income is accounted for on an accrual basis except in case of interest on non-performing assets which is recognised on receipt basis.

Fee and commission income is recognized when due, except on guarantees which are recognised on a receipt basis.

(ix) Taxation

Provision for tax comprises current tax and net change in deferred tax assets and liability during the year. Current tax provisions represent the estimated liability on income tax as determined in accordance with the provisions of the Income Tax Act 1961. Wealth Tax liability is determined in accordance with the provisions under the Wealth Tax Act, 1957. Deferred tax adjustments reflect the changes in the deferred tax assets or liabilities during the year. Deferred taxation is provided on timing differences, using the liability method between the accounting and tax statement on income and expenses. Deferred Tax Assets are recognised only to the extent that there is a reasonable certainty as regards to its realisability.

(x) Net Profit

Net profit is computed after:

- Provision for loan losses / write offs, country risk provision, general loan loss provision on standard assets and derivatives
- Provision for diminution in the value of investments
- Provision for income tax and wealth tax
- Provision for deferred taxation
- Charge for head office administrative expenses for the year
- Other usual and necessary provisions.

(xi) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities on account of foreign exchange contracts, derivative transactions, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

5. Capital Reserve

Capital Reserves disclosed in Schedule 2 includes bank balances and fixed assets transferred by the erstwhile Development Bank of Singapore Ltd., Mumbai Representative Office to the Bank upon closure of the Representative Office.

6. Capital

The Bank is following RBI guidelines for calculation of capital adequacy under BASEL II requirements. Credit Risk is calculated using the Standardised Approach, Operational Risk is calculated using the Basic Indicator Approach and Market Risk is computed in accordance with RBI guidelines with minimum capital requirement being expressed in terms of two specific charges – Specific Market Risk and General Market Risk.The capital adequacy ratio of the bank, calculated as per Basel II requirement as well as under the earlier method (BASEL I) is set out below:

Per BASEL II

Particulars	As at 31 Mar 2010	As at 31 Mar 2009
CRAR (%)*	16.96%	15.70%
CRAR - Tier I Capital (%)	11.14%	10.27%
CRAR - Tier II Capital (%)	5.82%	5.43%
Amount of eligible Subordinated Debt in Tier-II	7,040,969	5,913,867

*As per para 4.1.2 of the RBI's Master Circular for Prudential Guidelines on Capital Adequacy and Market Discipline - (NCAF), viz, DBOD.No.BP.BC. 73 / 21.06.001 /2009-10 dated February 8, 2010, the Bank is required to maintain a prudential floor on capital requirements of 80 per cent of the capital required under Basel I. The Bank's capital requirement as per the BASEL-II framework has been accordingly enhanced to meet the prudential floor.

Per BASEL I

Particulars	As at 31 Mar 2010	As at 31 Mar 2009
CRAR (%)	13.64%	18.40%
CRAR - Tier I Capital (%)	8.96%	12.03%
CRAR - Tier II Capital (%)	4.68%	6.37%
Amount of eligible Subordinated Debt in Tier-II	7,078,356	5,913,867

07. Investments

Particulars	As at 31 Mar 2010	As at 31 Mar 2009
Value of Investments (*)		
Gross Value of Investments	101,334,098	78,114,931
Less: Provision for Depreciation	471,576	8,306
Net Value of Investments	100,862,522	78,106,625
Movement in Provisions Held towards Depreciation on Investments		
Opening Balance	8,306	204,421
Add: Provisions Made During the Year	463,270	-
Less: Write off / Write back of Excess provisions during the Year	-	(196,115)
Closing Balance	**471,576**	**8,306**

(*) All investments are held in India.

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

08. Repo/ Reverse Repo Transactions

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March 2010
Securities sold under Repos	-	28,116,253	12,023,548	5,700,000
	(-)	(26,594,105)	(10,721,083)	(6,231,633)
Securities purchased	-	41,150,000	9,277,447	-
under Reverse Repos	(-)	(19,500,000)	(264,522)	(-)

(Figures in brackets indicate previous year figures)

09. Non - SLR Investment Portfolio

Issuer composition of Non – SLR Investments as at 31 March 2010 is stated below:

Issuer	Amount	Extent of "private placement"	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
PSUs	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
FIs -	-	-	-	-	
	(-)	(-)	(-)	(-)	(-)
Banks	48,682,536	-	-	-	-
	(38,639,529)	(-)	(-)	(-)	(-)
Private Corporates	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Subsidiaries/ Joint	-	-	-	-	-
Ventures	(-)	(-)	(-)	(-)	(-)
Others	270,000	80,000	-	-	-
	(270,000)	(80,000)	(-)	(-)	(-)
Provision held	-	-	-	-	-
towards depreciation	(-)	(-)	(-)	(-)	(-)
Total	**48,952,536**	**80,000**	**-**	**-**	**-**
	(38,909,529)	**(80,000)**	**(-)**	**(-)**	**(-)**

(Figures in brackets indicate previous year figures)

10. Non performing Non - SLR Investments

Non performing Non - SLR Investments as at 31 March 2010 were Nil (Previous Year: Nil).

(Currency: Indian rupees in thousands)

11. Derivatives - Forward Rate Agreements/ Interest Rate Swap

The Bank deals in Interest Rate Swaps and Forward Rate Agreements.

Particulars	As at 31 Mar 2010	As at 31 Mar 2009
Notional principal of Interest Rate Swaps	993,355,935	754,508,692
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	6,818,503	11,351,240
Collateral required by the bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	93%	94%
The fair value of the swap book [asset / (liability)]	(403,311)	(229,164)

In terms of the guidelines issued by RBI, the following additional information is disclosed in respect of outstanding Interest Rate Swaps and FRAs as at year end:

Benchmark	Terms	31 March 2010		31 March 2009	
		Nos.	Notional Principal	Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	163	58,167,500	182	63,973,500
6 Month MIFOR	Receive Fixed Pay Floating	93	38,348,000	117	47,702,000
3 Month MIFOR	Pay Fixed Receive Floating	-	-	1	640,000
OIS 1 year	Pay Fixed Receive Floating	204	223,490,000	222	217,962,090
OIS 1 year	Receive Fixed Pay Floating	198	231,410,000	205	199,800,000
OIS 6 months	Pay Fixed Receive Floating	475	191,700,505	274	95,860,505
OIS 6 months	Receive Fixed Pay Floating	485	195,466,598	259	92,616,598
JPY Libor 6 months	Pay Fixed Receive Fixed	2	652,860	2	972,898
JPY Libor 6 months	Receive Fixed Pay Fixed	2	652,860	2	972,898
JPY Libor 6 months	Pay Fixed Receive Floating	5	1,093,945	3	352,817
JPY Libor 6 months	Receive Fixed Pay Floating	4	1,085,777	3	351,787
JPY Libor 6 months	Pay Floating Receive Floating	1	874,657	1	937,961
USD Libor 1 year	Pay Fixed Receive Fixed	2	898,000	2	1,014,400
USD Libor 1 year	Receive Fixed Pay Fixed	2	898,000	2	1,014,400
USD Libor 3 months	Pay Fixed Receive Fixed	1	673,500	1	760,800
USD Libor 3 months	Receive Fixed Pay Fixed	1	673,500	1	760,800
USD Libor 3 months	Pay Fixed Receive Floating	24	5,483,291	3	1,866,496
USD Libor 3 months	Receive Fixed Pay Floating	21	5,034,291	3	1,866,497
USD Libor 3 months	Pay Floating Receive Floating	2	291,850	-	-
USD Libor 3 months	Receive Floating Pay Floating	5	1,234,750	-	-
USD Libor 6 months	Pay Fixed Receive Floating	36	13,098,253	31	10,685,655
USD Libor 6 months	Receive Fixed Pay Floating	40	20,174,648	32	14,396,590
USD Libor 6 months	Receive Floating Pay Floating	7	1,953,150	-	-
Total		**1,773**	**993,355,935**	**1,346**	**754,508,692**

All interest rate swaps have been entered into with reputed counter parties under approved credit lines and are in the nature of trading. Management believes that these transactions carry negligible inherent credit risk and no collateral is insisted upon from the counter party as per market practice.

Schedule to Financial Statements

As at 31 March 2010

(Currency: Indian rupees in thousands)

12. Exchange Traded Derivatives

The Bank does not deal in Exchange Traded Derivatives.

13. Disclosure on Risk Exposure in Derivatives

Qualitative Disclosures

The Bank undertakes transactions in derivative contracts either in the role of a User or as a Market Maker. The Bank ensures that by undertaking such transactions, additional risk assumed (if any) is within the limits governed by the relevant policies and guidance under the Integrated Risk Framework and as approved by the Risk Committees.

Derivative exposures are subject to market Risk Control and Risk Appetite Limits separately calibrated for the Trading and Banking books. These Corporate level limits are administered at Head Office and monitored by Head Office as well as locally. Appetite Limits are for VaR and stress losses. Control Limits are for sensitivities to interest rates and FX rates, as well as Risk Class Contribution grids, which measure first order, as well as higher order risks for interest rate and FX products, including options. The setting of the Risk Appetite Limit takes into consideration the Bank's risk bearing capacity, level of business activity, operational considerations, market volatility and utilisation. The limit calibration process is dynamic and aims to consistently maintain and enhance the relevance of the various applicable limits as risk capacity, risk consumption and market behaviour changes. Carved out of the control limits at corporate level are granular business level sensitivity limits for interest rates at product, desk / trader book & tenor levels for each currency and for FX at desk / trader book level for each currency.

All derivative trades entered by the Bank are undertaken in the trading book (there is no hedging book maintained by the Bank) and valued in line with the accounting policy covering the trading transactions. Additionally, these trades may be on account of proprietary positions or for covering customer transactions.

The Bank has a Credit Risk Management unit which is responsible for setting up counterparty limits for all transactions including derivatives on the basis of the counter-party's control structure. While setting up these limits, the Bank follows rigorous appraisal principles and procedures similar to those for loan limits. Typically these exposures remain unsecured in line with market, wherein customers do not make available collateral against derivative or foreign exchange limits. Additionally, the Bank independently evaluates the Potential Credit Exposure ('PCE') on account of all derivative transactions, wherein limits are separately specified by product and tenor.

The Bank applies the Current Exposure method to assess credit risk associated with Derivatives and Foreign Exchange contracts. Credit risk on a contract is computed as the sum of its mark-to-market value if positive and its potential future exposure which is calculated based on its notional value and its residual maturity. The Bank has made a provision on such credit exposures in accordance with RBI Circular DBOD.No.BP.BC.17/21.04.048/2009-10 dated July 1, 2009.

(Currency: Indian rupees in thousands)

Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	**Derivatives (Notional Principal Amount)**		
	(a) - For Hedging	-	-
	(b) - For Trading	167,525,309	996,905,465
2	**Marked to Market Positions**		
	(a) - Asset	887,737	-
	(b) - Liability	-	403,311
3	**Credit Exposure**	15,156,349	14,247,812
4	**Likely impact of 1% change in interest rates (100*PV01)**		
	(a) - On Hedging Derivatives	-	-
	(b) - On Trading Derivatives	62,777	(271,494)
5	**Maximum & Minimum of 100*PV01 observed during the year**		
	(a) - On Hedging : Maximum	-	-
	Minimum	-	-
	(b) - On Trading : Maximum	78,099	444,528
	Minimum	(258,823)	(391,873)

14. Non Performing Assets (Funded)

Particulars			31 Mar 10	31 Mar 09
(I)	Net NPA to Net Advances (%)		1.00%	0.55%
(ii)	Movement in Gross NPAs			
	(a)	Opening Balance	311,675	50,329
	(b)	Additions during the year	1,122,678	271,419
		Sub Total (A)	1,434,353	321,748
	(a)	Up gradations	-	-
	(b)	Recoveries	536,409	10,073
	(c)	Write-offs*	137,545	-
		Sub Total (B)	673,954	10,073
		Gross NPAs as on 31 Mar (A-B)	**760,399**	**311,675**
(iii)	Movement in Net NPAs			
	(a)	Opening Balance	149,295	9,079
	(b)	Additions during the year	3,77,068	150,289
	(c)	Reductions during the year	126,411	10,073
	(d)	Closing Balance	399,952	149,295
(iv)	Movement in provisions for NPAs			
	(a)	Opening Balance	162,380	41,250
	(b)	Provisions made during the year	745,610	121,130
	(b)	Write off / Write back of excess provisions**	547,543	-
	(b)	Closing Balance	**360,447**	**162,380**

*Gross of INR 1,500 thousands (Previous Year Nil) recovered after write off.

**Includes an amount of INR 1,000 thousands (Previous Year Nil), not written back in the Profit & Loss Account, pertaining to sale of an NPA to a Reconstruction Company.

Schedule to Financial Statements

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

15. NPA provisioning coverage ratio

The NPA provisioning coverage ratio of the Bank was 47.40% as on 31 March 2010 (Previous Year 52.10%)

16. Concentration of NPA's

Particulars	31 Mar 10	31 Mar 09
Total Exposure to top four NPA accounts	709,185	289,051

17. Sector-wise NPA's

Sector	Percentage to Total Advances	
	31 Mar 10	31 Mar 09
Agriculture & allied activities	-	-
Industry (Micro & small, Medium and Large)	2.02%	1.31%
Services	-	-
Personal Loans	-	-

18. Concentration of Deposits

Particulars	31 Mar 10	31 Mar 09
Total Deposits of twenty largest depositors	62,704,403	50,711,120
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	75.43%	84.20%

19. Concentration of Advances

Particulars	31 Mar 10	31 Mar 09
Total Advances to twenty largest borrowers	43,715,624	35,778,022
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	37.53%	47.54%

Advances have been computed as per the definition of Credit Exposure including derivatives as prescribed in RBI's Master Circular DBOD.No.Dir.BC.15/13.03.00/2009-10 dated July 1, 2009.

20. Concentration of Exposures

Particulars	31 Mar 10	31 Mar 09
Total Exposure to twenty largest borrowers/customers	43,715,624	35,778,022
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	20.07%	23.33%

Exposures are computed based on Credit and Investment exposure as prescribed in RBI's Master Circular DBOD.No.Dir.BC.15/13.03.00/2009-10 dated July 1, 2009.

21. Overseas Assets, NPAs and Revenue

Particulars	31 Mar 10	31 Mar 09
Total Assets	1,043,303	2,308,220
Total NPAs	-	-
Total Revenue	229	7,311

(Currency: Indian rupees in thousands)

22. Off Balance Sheet Sponsored Special Purpose Vehicles

The Bank does not have any off balance sheet sponsored Special Purpose Vehicles as at 31 March 2010 (Previous Year: Nil)

23. Loan restructuring

Particulars of Accounts Restructured		CDR Mechanism	SME Debt Restructuring	Others
Standard Advances	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Sub-standard Advances	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Doubtful Advances	No. of Borrowers	-	-	1
	Amount outstanding	-	-	88,118
	Sacrifice (diminution in the fair value)	-	-	-

24. Financial Assets sold to Securitisation / Reconstruction Companies for Asset Reconstruction

Particulars	31 Mar 10	31 Mar 09
No. of accounts	2	-
Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
Aggregate consideration	2,500	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,500	-

25. Provision for Standard Assets and Derivatives

Particulars	31 Mar 10	31 Mar 09
General Loan Loss Provision on Standard Assets	239,677	171,929
General Provision on Credit Exposures on Derivatives	66,068	53,836

26. Business Ratios

	Particulars	31 Mar 10	31 Mar 09
i	Interest Income to working funds	7.77%	8.48%
ii	Non-interest income to working funds	1.37%	3.17%
iii	Operating profits to working funds	4.85%	4.74%
iv	Return on Assets	2.38%	2.72%
v	Business (deposits plus advances) per employee	255,450	166,232
vi	Net Profit per employee	6,475	7,216
vii	Percentage of Net NPA to Net Advances	1.00%	0.55%

Note: Business volume has been computed based on advances & deposits (excluding interbank deposits) outstanding as at the year-end. Similarly, employee numbers are those as at the year-end.

Schedule to Financial Statements

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

27. Exposure to Capital Market

There was no exposure to Capital Market as at 31 March 2010 (Previous Year: Nil).

28. Exposure to Real Estate Sector

Particulars	31 Mar 10	31 Mar 09
Direct Exposure		
Residential Mortgages	-	-
Commercial Real Estate	8,299,967	5,624,611
Investments in Mortgage backed Securities	-	-
Indirect Exposure	**-**	**-**

29. Risk Category Wise Country Risk Exposure

Provision for Country Risk Exposure in terms of RBI master circular DBOD.No.BP.BC.17/21.04.048/2009-10 dated 1st July 2009 is as follows:

Risk Category	Exposure (net) as at March 2010	Provision held as at March 2010	Exposure (net) as at March 2009	Provision held as at March 2009
Insignificant	3,083,964	-	8,389,013	4,964
Low	4,871,688	2,239	576,662	-
Moderate	227,908	-	73,407	-
High	21,869	-	7,614	-
Very high	14,130	-	-	-
Restricted	1,183	-	-	-

Country risk provisions are held in addition to the provisions required to be held as per the asset classification status. In terms of the RBI circular, the provision is made for only those countries where the net funded exposure is not less than 1 percent of total assets. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement are held.

30. Single Borrower and Group Borrower Exposure Limits

During the year, the Bank's credit exposures ceiling to individual borrowers has been exceeded in two cases, namely HDFC Ltd. and Larsen & Toubro. Prior approval of the India Management Committee has been obtained for exceeding the exposure ceiling in the above accounts.

31. Income Tax

The amount of provision for Income Tax made during the year is:

Particulars	31 Mar 10	31 Mar 09
Provision for Current Tax	1,893,610	1,999,484
Provision for/(Write-back of) Deferred Tax	26,175	(107,718)
Provision for/(Write-back of) Fringe Benefit Tax	(441)	6,351

32. Deferred Taxes

The composition of Deferred Tax Asset / (Liability) is:

Particulars	31 Mar 10	31 Mar 09
Depreciation on fixed assets	10,428	429
Provision on advances	70,148	12,716
Bonus deductible on payment basis u/s 43B	37,674	132,678
Provision for employee benefits	11,521	10,813
Amortisation of club membership fees	(2,161)	(2,851)
Total	**127,610**	**153,785**

(Currency: Indian rupees in thousands)

33. Subordinated Debt

During the year ended 31st March 2010, the Bank has not raised Subordinated Debt (Previous Year 31,095 JPY Million).

34. Maturity profile of assets and liabilities

	1 Day	2-7 Days	8-14 Days	15-28 Days	29 Days -3 Months	3-6 Months	6 Months -1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Loans & Advances	626,046	2,623,498	2,242,339	4,982,458	8,551,755	11,389,974	1,432,988	5,212,232	514,952	2,575,748	40,151,990
	(1,283,503)	(3,202,857)	(2,321,633)	(2,917,724)	(7,185,731)	(2,719,085)	(3,133,727)	(4,225,197)	(237,500)	(1,511)	(27,228,468)
Investments	-	-	4,392,288	3,890,616	21,141,035	31,495,225	28,738,939	9,502,981	960,570	740,868	100,862,522
	(-)	(7,776,156)	(-)	(299,412)	(5,671,050)	(3,423,657)	(41,563,282)	(17,332,541)	(1,807,903)	(232,624)	(78,106,625)
Deposits	555,324	8,697,263	10,882,593	8,400,529	23,180,091	12,060,232	10,897,096	6,294,131	2,126,647	32,509	83,126,415
	(279,964)	(22,365,854)	(8,169,122)	(8,472,318)	(6,352,157)	(6,976,349)	(3,740,592)	(3,843,456)	(28,830)	(-)	(60,228,642)
Borrowings	4	33,210,268	-	-	-	3,603,563	2,402,375	-	14,940,370	-	54,156,580
	(3,233)	(24,967,480)	(-)	(-)	(-)	(-)	(-)	(6,440,625)	(16,021,699)	(-)	(47,433,037)
Foreign Currency Assets(*)	1,042,490	172,161	988,461	2,104,117	4,696,724	3,196,253	-	2,500	-	530,381	12,733,087
	(5,122,216)	(1,652,926)	(5,645,816)	(483,687)	(2,411,294)	(1,106,652)	(-)	(-)	(-)	(599,130)	(17,021,721)
Foreign Currency Liabilities(*)	2,051,559	4,972,944	588,971	2,000,734	2,149,467	9,480,265	8,398,980	16,831	14,957,230	-	44,616,981
	(1,496,614)	(11,821,878)	(512,906)	(133,369)	(1,142,367)	(5,076,116)	(71,732)	(6,561,074)	(16,021,699)	(-)	(42,837,755)

(Figures in brackets indicate previous year figures)

(*) Foreign currency assets and liabilities exclude off-balance sheet assets and liabilities.

Schedule to Financial Statements

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

35. Segmental Reporting

In line with RBI guidelines, the Bank has identified "Treasury & Markets" and "Corporate Wholesale Banking" as the primary reporting segments. The Bank does not have a Retail banking segment.

Treasury & Markets activity comprise trading in bonds, derivatives and foreign exchange operations on the proprietary account and for customers. Revenues under this section primarily comprise fees, gains / losses from trading and income from the investment portfolio.

Corporate and Wholesale Banking primarily comprise Corporate Banking, Enterprise & Mid-Market and Institutional Banking. Revenues for the segment are derived from interest and fee income on loans and advances, float income and fee based income for non funded advances.

The expenses of both the segments comprise funding costs, personnel costs and other direct and allocated overheads.

	Treasury & Markets	Corporate/ Wholesale Banking	Other Banking Operations	Total
Segmental Revenue	5,829,526 (6,506,895)	4,475,921 (4,605,806)	41,320 (-4,338)	10,346,767 (11,108,363)
Total Revenue				10,346,767 (11,108,363)
Results	4,135,626 (3,538,753)	798,507 (1,037,648)	-314,071 (-94,263)	4,620,062 (4,482,138)
Unallocated charges				- (-)
Operating Profit				4,620,062 (4,482,138)
Tax				1,919,785 (1,891,766)
Extraordinary profit/loss	-	-	-	-
Net Profit after Tax				2,700,277 (2,590,372)
Segment Assets	116,910,857 (84,432,379)	40,287,470 (40,514,585)	- (-)	157,198,327 (124,946,964)
Unallocated assets				1,365,678 (698,920)
Total Assets				**158,564,005** **(125,645,884)**
Segment Liabilities	76,953,199 (76,342,617)	61,719,452 (31,701,824)	2,888,207 (2,587,203)	141,560,858 (110,631,644)
Unallocated Liabilities				297,630 (1,009,000)
Capital and Reserves				16,705,517 (14,005,240)
Total Liabilities				**158,564,005** **(125,645,884)**

(Figures in brackets indicate previous year figures)

The bank does not have overseas operations and operates only in the domestic segment.

(Currency: Indian rupees in thousands)

36. Related Parties

Related parties disclosures under Accounting Standard 18 include:

Parent

- DBS Bank Limited, Singapore

Associates

- Overseas branches of DBS Bank Limited Singapore
- Subsidiaries of DBS Bank Limited Singapore
- DBS Cholamandalam Securities Limited
- DBS Bank Ltd. FII
- Cholamandalam DBS Finance Limited
- DBS Cholamandalam Distribution Limited

Key Management Personnel

- Sanjiv Bhasin: General Manager and Chief Executive Officer

With regard to RBI Circular No. DBOD.BP.BC.No.22/21.04.018/2009-10 dated 1 July 2009, the Bank has not disclosed details pertaining to related parties where under a category, there is only one entity. Accordingly disclosures have only been made for transactions with "Associates / Joint Ventures". Similarly, there has been only one entity under Key Management personnel at any given point of time, and therefore, those details are also not disclosed.

Items / Related Party	31 Mar 2010	31 Mar 2009
Deposit	510	2,724
	(10,620)	(5,110)
Placement of Deposits	6,653	3,361
	(7,715,340)	(538,592)
Securities Purchased	5,036,004	7,012,532
Securities Sold	5,278,216	11,549,066
Borrowings	224,500	-
	(673,500)	(615,741)
Investments	270,000	270,000
	(270,000)	(270,000)
Derivatives / Forward Contracts	1,400,000	12,805,307
	(43,151,288)	(32,562,157)
Interest paid	57	2,175
Interest received	32,469	32,429

(Figures in brackets indicate maximum outstanding during the year)

37. Operating Leases

Operating Leases are entered into for office premises and staff accommodation. The total of future minimum lease payments under non-cancellable operating leases as determined by the lease agreements for each of the following periods are as follows:

	31 Mar 2010	31 Mar 2009
Not later than one year	265,998	2,130
Later than one year and not later than 5 years	167,711	3,147
Later than five years	Nil	Nil

The lease payments for the year ended 31 March 2010, charged to the Profit and Loss Account amount to INR 364,481 thousand (previous year INR 218,039 thousand).

Schedule to Financial Statements

For the year ended 31 March 2010

(Currency: Indian rupees in thousands)

38. Employee Benefits

Provident Fund: The Bank's contribution to the employees' Provident Fund was INR 25,876 thousands (PY INR 17,966 thousand).

Compensated Absences: The Bank charged to the Profit & Loss Account an amount of INR 3,907 thousands as liability for compensated absences for the year ended 31st March 2010 (PY INR 17,029 thousand).

Gratuity: The Bank's contribution to Life Insurance Corporation of India ('LIC') towards the Gratuity Fund for the year ended 31st March 2010 was INR 9,651 thousand (PY INR 140 thousand).

The following table gives the disclosures regarding the Gratuity Scheme in accordance with Accounting Standard 15 (Revised) as notified by the Companies (Accounting Standards) Rules 2006.

(I) Changes in Defined Benefit Obligation during the Year	31 Mar 10	31 Mar 09
Opening Defined Benefit Obligation	20,013	12,266
Interest cost	1,974	1,358
Current Service Cost	9,218	4,814
Actuarial (Gain) / Losses	(2,571)	1,575
Benefits Paid	(241)	-
Closing Defined Benefit Obligation	28,393	20,013

(II) Changes in fair value of Plan Assets	31 Mar 10	31 Mar 09
Opening Fair Value of Plan Assets	11,435	10,467
Expected Return on Plan Assets	937	777
Actuarial Gain / (Losses)	263	191
Contributions by employer	9,651	-
Benefits Paid	(241)	-
Closing Fair Value of Plan Assets	22,045	11,435

(III) Net Asset / (Liability) recognised in the Balance Sheet	31 Mar 10	31 Mar 09
Present Value of obligations as at year end	28,393	20,013
Fair Value of plan assets as at year end	22,045	11,435
Net Asset / (Liability) recognised in the Balance Sheet	(6,348)	(8,578)

(IV) Amount recognised in the Profit & Loss Account	31 Mar 10	31 Mar 09
Current Service Cost	9,218	4,814
Interest on Defined Benefit Obligation	1,974	1,358
Expected Return on Plan Assets	(937)	(777)
Net Actuarial Losses / (Gains) up to previous year	-	1,798
Net Actuarial Losses / (Gains) for the current year	(2,834)	1,384
Amount recognised in the Profit & Loss Account	(2,230)	8,577

(V) Asset Information	31 Mar 10	31 Mar 09
Insurer Managed Funds	22,045	11,435

(VI) Principal Actuarial Assumptions	31 Mar 10	31 Mar 09
Discount Rate (per annum)	8.40%	6.80%
Expected rate of return on assets (per annum)	7.50%	7.50%
Salary Escalation Rate (per annum)	10% for first 3 years & 7% thereafter	10% for first 4 years & 7% thereafter

(Currency: Indian rupees in thousands)

39. Complaints

In terms of RBI Circular DBOD.BP.BC.No.22/21.04.018/2009-10 dated 1 July 2009,, the details of customer complaints & ombudsman awards during the year are as under:

Particulars	31 Mar 10	31 Mar 09
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	76	17
No. of complaints redressed during the year	77	16
No. of complaints pending at the end of the year	0	1

Particulars	31 Mar 10	31 Mar 09
No. of unimplemented awards at the beginning of the year	-	-
No. of awards passed by the Banking Ombudsmen during the year	-	-
No. of awards implemented during the year	-	-
No. of Unimplemented Awards at the end of the year	-	-

40. Impairment of Assets

There is no material impairment of assets and as such there is no provision required in terms of Accounting Standard 28 'Impairment of Assets' issued by the Institute of the Chartered Accountants of India.

41. Contingent Liabilities

a) Liability on account of forward exchange contracts/Liability on account of outstanding Currency and Interest Rate Swap and Option contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate options/swaps and forward rate agreements on its own account and for customers.

Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward Rate Agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right, but not the obligation, to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. The notional principal amounts of foreign exchange & derivatives contracts have been recorded as contingent liabilities.

b) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers. Generally, guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

c) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

d) Other items for which the bank is contingently liable

Other items represent estimated amount of contracts remaining to be executed on capital account and outstanding inter-bank repo transactions.

42. Other Disclosures

- The Bank did not hold any floating provision in its books as at 31st March 2010 (PY: Nil).
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 1,208,710 thousands (PY: INR 1,958,647 thousands).
- The bank has transferred an amount of INR 117,208 thousands standing in Investment Reserve account to Balance in Profit and Loss Account.
- Apart from the above, there was no draw

(Currency: Indian rupees in thousands)

down on Reserves during the year ended 31 March 2010 (PY: Nil).

- The Bank did not issue any Letter of Comforts (LoCs) during the year ended 31 March 2010 (PY: Nil).
- There were no purchases or sales of non-performing financial assets from other banks during the year ended 31 March 2010 (PY: Nil).
- There have been no reported cases of delays in payments in excess of 45 days to Micro, Small and Medium Enterprises or of interest payments due to delays in such payments, during the year ended 31 March 2010 (PY: Nil).
- There are no material prior period items included in the Profit and Loss account, which are required to be disclosed as per Accounting Standard 5, read with RBI guidelines (PY: Nil).
- During the financial year under review, no penalty has been imposed by RBI on the Bank (PY: Nil).
- The Bank has not financed any margin trading activities nor securitised any assets during the current year (PY: Nil).
- The Bank has earned an amount of INR 23,813 thousands in respect of Bancassurance business undertaken during the year ended 31 March 2010. (PY: INR 2,024 thousands).
- There are no advances granted against intangible securities such as charge over the rights, licenses, authority, etc. (PY: Nil).

43. Previous year's figures have been regrouped/ rearranged, wherever necessary.

For DBS Bank Ltd., India

Sanjiv Bhasin General Manager and Chief Executive Officer	**Yazad Cooper** Head Finance

Place: Mumbai
Date: 11th May 2010

(Currency: Indian rupees in thousands)

01. 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 31st March 2010, the Bank has a presence of 10 branches across 10 cities. The Bank does not have any subsidiaries in India (although it is required to prepare a consolidated return including its associate for the purposes of Consolidated Prudential Reporting (CPR)) and the disclosures contained herein only pertain to the Bank. As on 31st March 2010 the Bank had reached an agreement with the Murugappa Group for the latter to buy over its 37.48% stake in Cholamandalam DBS Finance.

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.

02. Capital Structure

Qualitative Disclosures

Composition of **Tier 1** Capital

- Interest free Capital funds injected by Head office
- Statutory Reserves calculated at 25% net profits of each year
- Capital retained in India for CRAR purposes
- Capital Reserves

Composition of **Tier 2** Capital

- Subordinated Debt
- Provisions on Standard Assets/Derivatives
- Provision for Country Risk
- Excess Provision on sale of NPA

Quantitative Disclosures

Capital Funds

	Particulars	31 Mar 10
A.	**Tier I Capital**	**14, 081,938**
	Of which	
	- Capital (Funds from Head Office)	9,518,321
	- Reserves and Surplus	4, 844,737
	- Amounts deducted from Tier I capital:	
	- Deferred Tax Asset	127,610
	- Adjustment for less liquid positions	78,737
	- Nostro account balance with Head Office	74,773
B.	**Tier 2 Capital (net of deductions)**	**7, 349,953**
	Of which	
B.1	Subordinated debt eligible for inclusion in Tier 2 capital	
	- Total amount outstanding	20,946,308
	- Of which amount raised during the period	-
	- Amount eligible as capital funds	7,040,969
B.2	Other Tier 2 Capital	
	- Provision for Standard Assets/Derivatives	305,745
	- Provision for Country Risk	2,239
	- Excess Provision on sale of NPA	1,000
C.	**Total Eligible Capital**	**21, 431,891**

Basel II: Pillar 3 Disclosures

As at 31 March 2010

(Currency: Indian rupees in thousands)

Particulars	Mar 10
Tier 1 Capital	14, 081,938
Total Capital	21, 431,891
Total Capital Required	11,372,751
Tier 1 Capital ratio	11.14%
Total Capital Adequacy ratio	16.96%

03. Capital Adequacy

Qualitative disclosures

The CRAR of the Bank is 16.96 % as computed under Basel II norms. Under the earlier norms, the CRAR would have been 13.64%. The ratio under both frameworks is higher than the minimum regulatory CRAR requirement of 9%.

The Bank's capital management framework is guided by the existing capital position, proposed growth and strategic direction. 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 advent of Basel II. The Bank maintains a strong discipline over capital allocation and ensuring that returns on investment cover capital costs.

Quantitative disclosures

	Particulars	31 Mar 09
A	Capital requirements for Credit Risk (Standardised Approach)	6,456,892
B	Capital requirements for Market Risk (Standardised Duration Approach)	
	- Interest rate risk	2,384,579
	- Foreign exchange risk	270,000
	- Equity risk	-
C	Capital requirements for Operational risk	770,612
D	Adjustment for Prudential Floor	1,490,668
E	Capital Adequacy Ratio of the Bank (%)	16.96%
F	Tier 1 CRAR (%)	11.14%

04. General Disclosures

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

A) General Disclosures for Credit Risk

Qualitative Disclosures

Credit Risk Management Policy

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

(Currency: Indian rupees in thousands)

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

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

Responsibility for monitoring post-approval conditions and risk reporting resides with the Credit Control Unit (CCU), which reports in to Head of CCU in Singapore, with local oversight of the Head of Credit 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 as well as MAS Guidelines. NPA's are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI as well as MAS, using the more conservative approach wherever there is a difference.

Quantitative Disclosures

Credit Exposure

Particulars	31 Mar 10
Fund Based (Advances)	40,512,437
Non Fund Based *	89,692,824

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

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

Industry wise Exposures (Fund Based Advances)

Industry	31 Mar 10
Bank	5,829,210
NBFC's	5,252,988
Real Estate	5,401,713
Construction	1,673,784
Drugs and Pharmaceuticals	2,980,625
Metal & Metal Products	2,224,121
Engineering	1,910,842
Electronics	1,199,433
Cement	1,130,075
Textiles	900,867
Telecommunications	870,990
Computer Software	862,348
Chemicals, Dyes, Paints, etc.	440,582
Electricity	420,226
Automobiles including trucks	414,648
Food Processing	367,360

Basel II: Pillar 3 Disclosures

As at 31 March 2010

(Currency: Indian rupees in thousands)

Industry	31 Mar 10
Iron & Steel	350,000
Mining	332,485
Infrastructure	231,314
Paper & Paper Products	126,501
Power	97,114
Sugar	3
Residual advances	1,370
Other industries	7,493,838
Total Credit Exposure	**40,512,437**

Industry wise Exposures (Non-Fund Based)*

Industry	31 Mar 10
Bank	53,294,834
NBFC's	1,159,050
Real Estate	1,240,603
Construction	2,229,888
Drugs and Pharmaceuticals	1,541,659
Metal & Metal Products	5,169,531
Engineering	685,320
Electronics	30,046
Cement	651,596
Textiles	1,953,954
Telecommunications	1,366,198
Computer Software	315,692
Chemicals, Dyes, Paints, etc.	1,718,043
Electricity	617,845
Automobiles including trucks	422,946
Food Processing	339,073
Iron & Steel	1,544,563
Mining	626,659
Infrastructure	18,557
Paper & Paper Products	1,082,957
Power	59,366
Sugar	140,906
Commodities	-
Information & Technology/Commun.	141,625
Petrochemicals	946,660
Petroleum	1,412,765
Trading	13,790
Shipping	852,712
Other industries	10,115,986
Total Credit Exposure	**89,692,824**

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

(Currency: Indian rupees in thousands)

Maturity of Assets as at 31 March 2010

Particulars	Cash	Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Assets	Other Assets
1 day	11,547	94,518	1,057,566	-	626,046	-	204,758
2–7 days	-	570,987	-	-	2,623,498	-	204,757
8–14 Days	-	198,244	-	4,392,288	2,242,339	-	246,282
15–28 Days	-	635,051	-	3,890,616	4,982,458	-	36,782
29 Days–3 Months	-	854,685	-	21,141,035	8,551,755	-	814,138
3–6 Months	-	529,141	-	31,495,225	11,389,974	-	297,753
6 Months – 1 Year	-	149,520	5,000,000	28,738,939	1,432,988	-	328,696
1–3 Years	-	421,879	2,500	9,502,981	5,212,232	-	89,840
3–5 Years	-	111,947	-	960,570	514,952	-	9,081
Over 5 Years	-	1,791,544	-	740,868	2,575,748	272,549	3,615,728
Total	**11,547**	**5,357,516**	**6,060,066**	**100,862,522**	**40,151,990**	**272,549**	**5,847,815**

Basel II: Pillar 3 Disclosures

As at 31 March 2010

(Currency: Indian rupees in thousands)

Classification of NPAs

Particulars	31 Mar 10
Amount of NPAs (Gross)	760,399
Substandard	534,406
Doubtful 1	225,993
Doubtful 2	-
Doubtful 3	-
Loss	-

Movement of NPAs and Provision for NPAs

	Particulars	31 Mar 10
A	Amount of NPAs (Gross)	760,399
B	Net NPAs	399,952
C	NPA Ratios	
	- Gross NPAs to gross advances (%)	1.88%
	- Net NPAs to net advances (%)	1.00%
D	Movement of NPAs (Gross)	
	- Opening balance as of the beginning of the financial year	311,675
	- Additions	1,122,678
	- Reductions	673,954
	- Closing balance	760,399
E	Movement of Provision for NPAs	
	- Opening balance as of the beginning of the financial year	162,380
	- Provision made during the year	745,610
	- Write-offs / Write-back of excess provision	547,543
	- Closing balance	360,447

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

05. 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, Fitch and ICRA 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 the guidelines of RBI, the Bank classifies all cash credit exposures as long term exposures and accordingly the long term ratings accorded by the chosen credit rating agencies are assigned. Currently, the Bank uses issuer ratings. In accordance with RBI guidelines, for risk-weighting purposes, short-term ratings are deemed to be issue-specific.

(Currency: Indian rupees in thousands)

Quatitative Disclosures

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

Particulars	31 Mar 10
< 100 % Risk Weight	25,210,694
100 % Risk Weight	13,776,630
> 100 % Risk Weight	1,164,666
Total	**40,151,990**

06. 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

As of 31st March 2010, the Bank has not availed of Credit Mitigation techniques.

07. Disclosure on Securitisation for Standardised approach

Not applicable as the Bank does not Securitise assets.

08. Disclosure on Market Risk in Trading book

Qualitative disclosures

Market Risk arises from changes in value from changes in interest rate 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 Banks market risk appetite is determined by the Group Board of Directors, with detailed limit frameworks recommended by the appropriate risk committees. The Group Market Risk Committee, which reports into the Group 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 Group'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 Group including the limit setting and independent model validation, monitoring and valuation.

The principal market risk appetite measures are Value at Risk (VaR) and stress loss. The VaR is supplemented by risk control measures, such as sensitivities to risk factors, including their volatilities, as well as loss triggers for management action.

VaR estimates the potential loss on the current portfolio assuming a specified time horizon and level of confidence. The trading book VaR methodology uses a historical simulation approach to forecast the Group's market risk. The methodology is also used to compute average tail loss metrics. VaR risk factor scenarios are aligned to parameters and market data used for valuation.

On a daily basis, the Bank computes VaR for each trading business unit and location, and at the Group level. The VaR forecasts are back-tested against the profit and loss of the trading book to monitor its predictive power.

To complement the VaR framework, regular stress testing is carried out to monitor the Banks vulnerability to shocks.

Basel II: Pillar 3 Disclosures

As at 31 March 2010

(Currency: Indian rupees in thousands)

Quantitative Disclosures

Capital Requirement for Market Risk

Particulars	31 Mar 10
Interest rate risk	2,384,579
Foreign exchange risk (including gold)	270,000
Equity position risk	-

09. Operational Risk

Qualitative Disclosures

Overview

The Bank's Operational Risk Management (ORM) framework:

- "Defines" operational risk and the scope of its application;
- "Establishes" the dimensions of operational risk;
- "Provides" a framework for managing operational risk

Operational Risk is defined as "the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events, including legal risk, but does not include strategic or reputation risk".

There are three dimensions of operational risk:

- Risk Cause
- Risk Event
- Risk Effect

Policy Framework

Core Operational Risk Standards ('CORS') are a set of minimum operating control standards that apply to all Business Units / Support Units (BUs / SUs) to manage Operational Risk. Business specific policies and procedures are in line with these minimum control standards. The effective implementation of these standards in conjunction with corporate and business-specific policies provides the Bank with reasonable assurance that it is proactively managing its Operational Risk.

The policy covers guidelines for:

- Management oversight
- People management
- Transaction initiation, execution and maintenance
- Financial accounting control
- Legal, regulatory and market practice compliance
- Software, Systems Development and Infrastructure Management
- Information Security
- Physical Security
- Business Continuity Management

Risk Mitigation Programs

Internal Controls

The day-to-day management of Operational Risk 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 – preventive, detective, escalation and corrective controls.

Insurance Program (IP)

The key objectives of the IP are to:

- Reduce financial loss of risk events via transfer of loss to external funding sources (insurers)
- Prepare the Bank to qualify for any potential reduction in Operational Risk Capital under Basel II

The IP provides cover for low-frequency high-impact loss incidents, while the low impact operational losses are managed through existing strong internal controls.

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

- Establishing 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

(Currency: Indian rupees in thousands)

Tools and Mechanisms

Control Self Assessment: The process of Control Self Assessment comprises:

- Assessment of the quality and effectiveness of underlying controls
- Assessment of the level of compliance with relevant Core Operational Risk Standards and Minimum Acceptable Standards
- Identification of control weakness/ material risks and establishment of appropriate action plans to address the same.

Risk Event Management (REM) and reporting is for:

- Fostering a consistent and robust risk event management and reporting culture
- Building a risk event database that will be in line with Basel II requirements to progress towards a more sophisticated capital quantification approach for Operational Risk
- Providing management with regular reports on Operational Risk exposures at a granular level

Key Risk Indicators (KRI) tracking and reporting:

- Serve as pre-warning signals of the changes in the level of risks and the effectiveness of controls
- Enabling prompt corrective action to be taken to prevent or reduce potential loss exposures through proper tracking and trend analysis of KRIs.

New Product Approval (NPA) is a review / approval process to ensure that:

- New business initiatives and changes are introduced in a controlled manner
- Risks inherent in the new proposals are properly addressed
- Appropriate due diligence is conducted prior to the commencement of new business

Approach for operational risk capital assessment

The Bank currently follows the Basic Indicator Approach for Operational Risk capital assessment. Migration to advanced approaches will be as per the guidance from the Bank's Head Office in Singapore. Discussions on this migration are currently underway.

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

Qualitative Disclosures

The Asset and Liability Committee ("India ALCO") oversees the structural interest rate risk and funding liquidity risk in the Bank. The ALCO 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, sensitivity analysis and income simulations under various scenarios.

Quantitative Disclosures

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

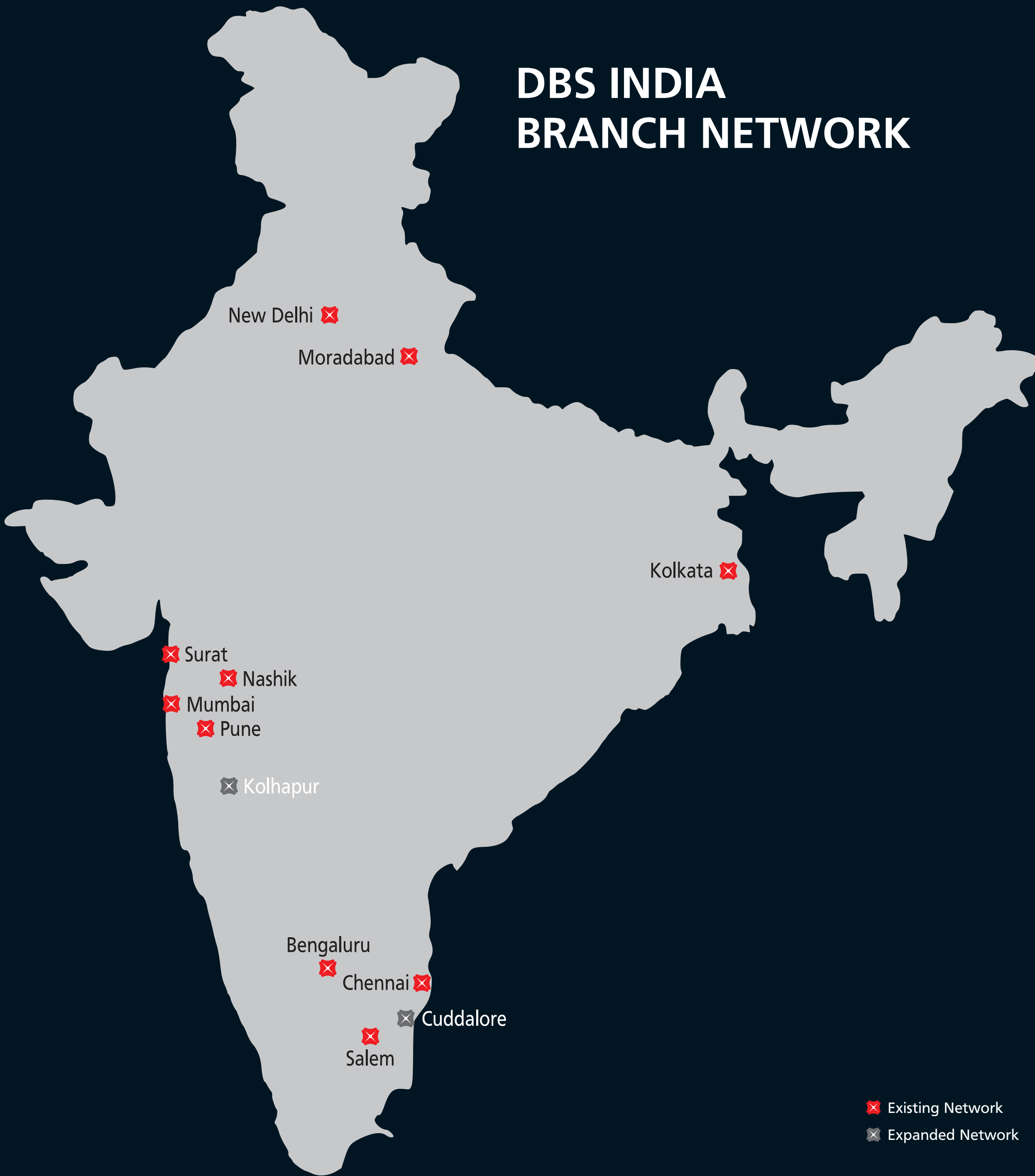
Change in economic value due to a unit change in interest rates	INR Million
31 March 2010	1.9

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

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

EaR on the INR book (trading and banking)	INR Million
31 March 2010	(705.9)

DBS INDIA BRANCH NETWORK



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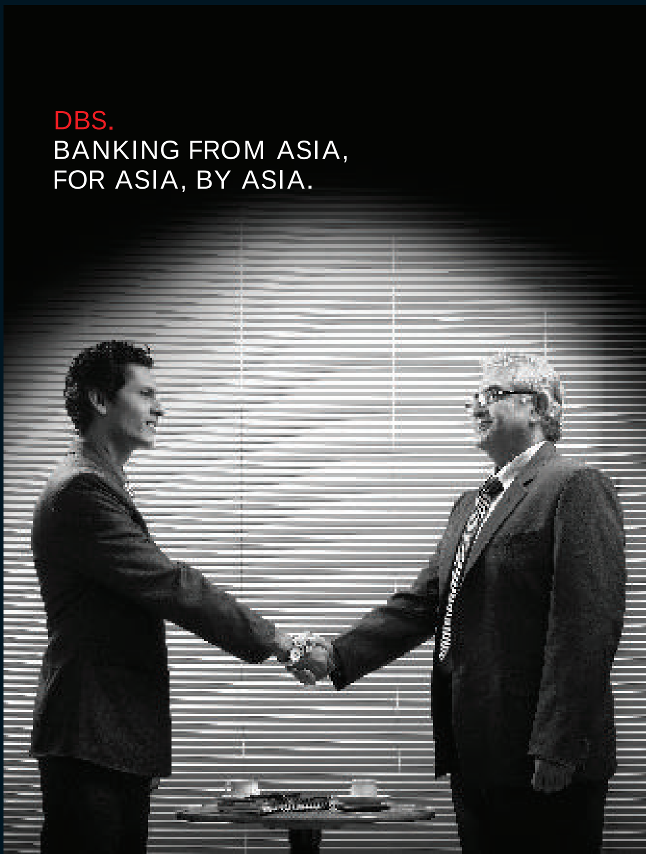
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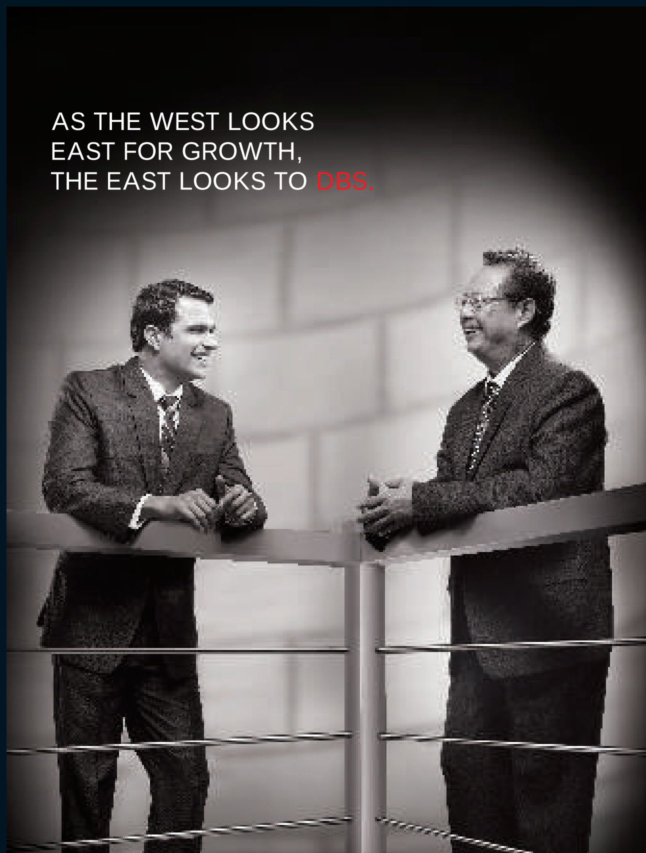
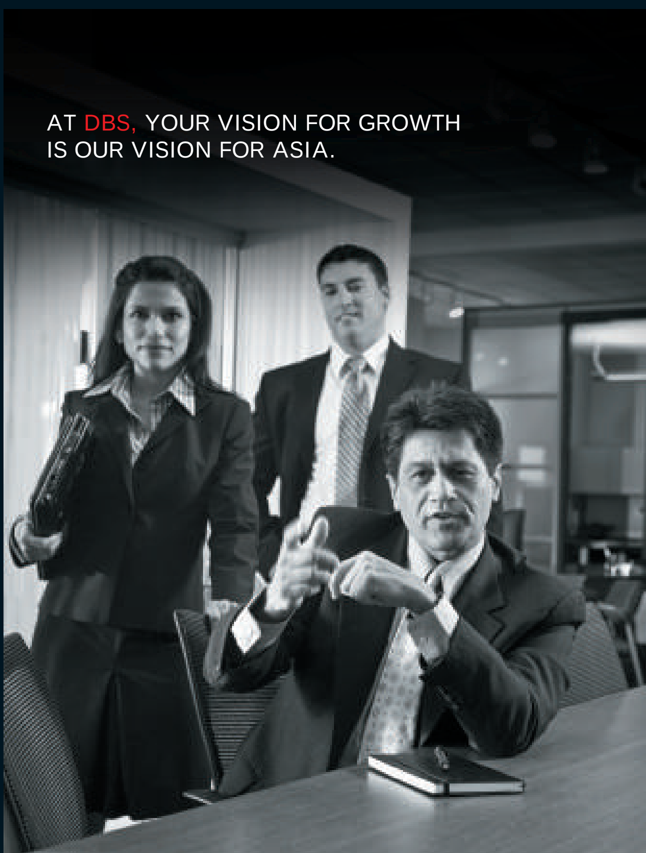

AS THE WEST LOOKS
EAST FOR GROWTH,
THE EAST LOOKS TO DBS.


AT DBS, YOUR VISION FOR GROWTH
IS OUR VISION FOR ASIA.

DBS

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Cuddalore and Kolhapur to open shortly.