

INDEPENDENT AUDITOR'S REPORT TO THE INDIA MANAGEMENT COMMITTEE OF DBS BANK LTD., INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **DBS BANK LTD., INDIA** ("the Bank"), which comprise the Balance Sheet as at 31 March 2017, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the "Act"), in so far as applicable to banks, and the Guidelines issued by the Reserve Bank of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Bank's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act and Section 30 of the Banking Regulation Act, 1949, based on our audit, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and found them to be satisfactory.
 - b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.
 - c) As explained in paragraph 2 below, the financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by the branches.
 - d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
 - e) The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable to banks.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Bank.
 - iv. The disclosure with respect to holdings or dealings in Specified Bank Notes, as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 as required under amendment to Schedule III to the Companies Act, 2013, is not applicable as the financial statements of the Bank are prepared under section 29 and Third Schedule of the Banking Regulation Act, 1949.
2. We report that during the course of our audit we have visited and performed select relevant procedures at 6 branches. Since the Bank's key operations are automated, with the key applications largely integrated to the core banking systems, it does not require its branches, to submit any financial returns. Accordingly our audit is carried out centrally at the Head Office and Central Processing Units, based on the necessary records and data required for the purposes of the audit being made available to us.



For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.117365W)

A handwritten signature in blue ink, appearing to read "R. Daruvala".

Rukshad N. Daruvala
Partner
(Membership No. 111188)

Mumbai, 29 May 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of the auditor's report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **DBS BANK LTD., INDIA** ("the Bank") as at 31 March, 2017 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, the Banking Regulation Act, 1949 and the guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and other applicable regulations. A bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorisations of management of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.117365W)

A handwritten signature in blue ink, appearing to read "R. Daruvala".

Rukshad N. Daruvala
Partner
(Membership No.111188)

Mumbai, 29 May, 2017

DBS Bank Ltd., India

Financial statements
together with Auditors' report
for the year ended 31 March 2017

DBS Bank Ltd., India

Balance Sheet

as at 31 March 2017

(Currency: Indian rupees in thousand)

	<i>Schedule</i>	31 Mar 2017	31 Mar 2016
CAPITAL AND LIABILITIES			
Capital	1	32,113,534	32,113,534
Reserves and surplus	2	14,051,501	12,061,730
Deposits	3	269,909,652	234,275,293
Borrowings	4	57,815,001	115,363,613
Other liabilities and provisions	5	71,530,887	44,640,072
Total		445,420,575	438,454,242
ASSETS			
Cash and balances with Reserve Bank of India	6	19,882,499	9,927,571
Balances with banks and money at call and short notice	7	26,962,433	41,082,246
Investments	8	102,481,286	155,839,572
Advances	9	218,382,258	176,530,995
Fixed assets	10	580,580	740,446
Other assets	11	77,131,519	54,333,412
Total		445,420,575	438,454,242
Contingent liabilities	12	3,881,912,201	3,710,021,248
Bills for collection		87,712,584	67,950,971
Significant accounting policies and notes to accounts	18		

Schedules referred to above form an integral part of these financial statements

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants



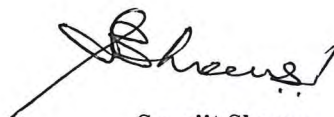
Rukshad N. Daruvala

Partner

Membership No: 111188

Mumbai, 29 May, 2017

For DBS Bank Ltd., India



Surojit Shome

Chief Executive Officer, India



Rajesh Prabhu

*Managing Director and
Chief Financial Officer*

29 May, 2017. Mumbai



DBS Bank Ltd., India

Profit and loss account

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

	Schedule	31 Mar 2017	31 Mar 2016
INCOME			
Interest earned	13	25,779,291	20,918,759
Other income	14	6,226,691	2,800,086
Total		32,005,982	23,718,845
EXPENDITURE			
Interest expended	15	18,533,812	13,390,135
Operating expenses	16	8,250,060	6,026,943
Provisions and contingencies	17	5,094,116	4,216,169
Total		31,877,988	23,633,247
PROFIT			
Net Profit for the year		127,994	85,598
Profit brought forward		(2,680,450)	(2,745,416)
Total		(2,552,456)	(2,659,818)
APPROPRIATIONS			
Transfer to Statutory Reserve		31,998	21,400
Transfer (from)/to Investment Reserve Account		(176,906)	(768)
Capital retained in India for CRAR purposes		-	-
Balance carried over to Balance Sheet		(2,407,548)	(2,680,450)
Total		(2,552,456)	(2,659,818)

Schedules referred to above form an integral part of these financial statements

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants



Rukshad N. Daruvala

Partner


Membership No: 111188

Mumbai, 29 May, 2017

For DBS Bank Ltd., India



Surojit Shome
Chief Executive Officer, India



Rajesh Prabhu
Managing Director and
Chief Financial Officer

29 May 2017 Mumbai



DBS Bank Ltd., India

Cash flow statement

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation and extraordinary items	231,805	143,803
Adjustments for:		
Depreciation on Fixed Assets	384,653	367,807
(Profit) /Loss on sale and write off of Fixed assets	28,762	(23)
Foreign exchange (loss) on revaluation of subordinated debt	(365,300)	-
Provision/(Write back) for :		
Standard Assets/Derivatives	187,454	32,308
Depreciation on Investments	415,712	1,804
Contingent credit	18,288	(296)
Country risk	13,357	17,122
Non Performing Assets (including write offs net of write backs)	4,355,494	4,107,026
Employee Benefits including bonus	11,378	(91,774)
Operating profit before working capital changes	5,281,603	4,577,777
(Increase) in Term Deposits with Banks	(12,224,000)	(6,725,500)
(Increase) /Decrease in Investments (excluding HTM investments)	52,942,574	(20,675,790)
(Increase) in Advances	(46,226,140)	(22,188,994)
(Increase)/Decrease in Other Assets	(21,598,811)	3,295,286
Increase in Deposits	35,634,359	60,325,728
Increase/(Decrease) in Other liabilities and provisions	28,541,499	(3,486,954)
	42,351,084	15,121,553
Income Tax Paid	(1,303,108)	(1,218,046)
Net cash from operating activities	A 41,047,976	13,903,507
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (net of write off)	(317,311)	(559,926)
Proceeds from sale of Fixed Assets	12	56
(Increase)/Decrease in Capital Work in Progress	63,750	(19,282)
Net cash used in investing activities	B (253,549)	(579,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional Capital from Head Office	-	6,674,673
Increase / (Decrease) in Borrowings	(57,183,312)	23,310,508
Repayment of subordinated debt to Head Office	-	(7,773,700)
Net cash from / (used in) financing activities	C (57,183,312)	22,211,481
Net increase / (decrease) in cash and cash equivalents	(A+B+C) (16,388,885)	35,535,836



DBS Bank Ltd., India

Cash flow statement (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
Cash and cash equivalents at the beginning of the year	44,284,317	8,748,481
Cash and cash equivalents at the end of the year	27,895,432	44,284,317
Net increase/(decrease) in cash and cash equivalents	<u>(16,388,885)</u>	<u>35,535,836</u>
Notes: Cash and cash equivalents represent		
Cash and balances with Reserve Bank of India (refer schedule 6)	19,882,499	9,927,571
Balances with banks and money at call and short notice (refer schedule 7)	26,962,433	41,082,246
Less: Deposits not considered as cash and cash equivalents as per AS-3		
Margin Deposit - Maturity greater than 90 days	(143,000)	(100,000)
Term Deposits with Banks - Maturity greater than 90 days	(18,806,500)	(6,625,500)
Total	<u>27,895,432</u>	<u>44,284,317</u>

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants



Rukshad N. Daruvala

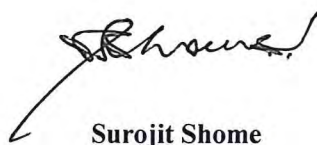
Partner

Membership No: 111188

Mumbai, 29 May, 2017



For DBS Bank Ltd., India



Surojit Shome

Chief Executive Officer, India



Rajesh Prabhu

Managing Director and
Chief Financial Officer

29 May 2017 Mumbai



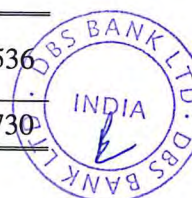
DBS Bank Ltd., India

Schedules to financial statements

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
1 CAPITAL		
Amount of deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (Face Value)	5,510,000	5,200,000
Opening Balance	32,113,534	25,438,861
Add: Additional capital received from Head Office during the year (refer schedule 18 note [6])	-	6,674,673
Total	32,113,534	32,113,534
2 RESERVES AND SURPLUS		
A Statutory Reserve		
Opening Balance	3,724,779	3,703,379
Additions during the year	31,998	21,400
Deductions during the year	-	-
	3,756,777	3,724,779
B Capital Reserve (refer schedule 18 note [5])		
Opening Balance	5,096	5,096
Additions during the year	-	-
Deductions during the year	-	-
	5,096	5,096
C Investment Reserve Account (refer schedule 18 note [64])		
Opening Balance	251,674	252,442
Additions during the year	-	-
Deductions during the year	176,906	768
	74,768	251,674
D Capital retained in India for CRAR purposes		
Opening Balance	10,760,095	10,760,095
Additions during the year (refer schedule 18 note [64])	1,861,777	-
Deductions during the year	-	-
	12,621,872	10,760,095
E (Debit)/ Credit balance in Profit and Loss Account	(2,407,548)	(2,680,450)
F Deferred Tax Reserve	536	536
Total	14,051,501	12,061,730



DBS Bank Ltd., India

Schedules to financial statements (*Continued*)

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
3 DEPOSITS		
A (I) Demand Deposits		
(i) From banks	2,835,318	1,531,280
(ii) From others	14,678,712	12,748,807
	<u>17,514,030</u>	<u>14,280,087</u>
(II) Saving Bank Deposits	7,821,384	4,606,863
(III) Certificate of Deposits	1,973,279	-
(IV) Term Deposits		
(i) From banks	28,773,095	6,623,000
(ii) From others	213,827,864	208,765,343
	<u>242,600,959</u>	<u>215,388,343</u>
Total	<u><u>269,909,652</u></u>	<u><u>234,275,293</u></u>
B (i) Deposits of branches in India	269,909,652	234,275,293
(ii) Deposits of branches outside India	-	-
Total	<u><u>269,909,652</u></u>	<u><u>234,275,293</u></u>
4 BORROWINGS		
I Borrowings in India		
(i) Reserve Bank of India	-	59,810,000
(ii) Other banks	-	5,560,000
(iii) Other institutions and agencies	13,630,871	5,036,994
	<u>13,630,871</u>	<u>70,406,994</u>
II Borrowings outside India	27,323,130	27,730,319
III Subordinated Debt*	16,861,000	17,226,300
Total	<u><u>57,815,001</u></u>	<u><u>115,363,613</u></u>
<i>Secured borrowings included in I, II and III above</i>	13,630,871	64,846,994

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



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
5 OTHER LIABILITIES AND PROVISIONS		
I Bills Payable	435,732	408,792
II Inter Office adjustments (net)	-	-
III Interest Accrued	1,953,470	1,931,672
IV Contingent Provision against Standard Advances	896,101	809,367
V Contingent Provision against Derivatives exposures	230,507	154,519
VI Others (including provisions)*	68,015,077	41,335,722
Total	71,530,887	44,640,072
* includes provision for unhedged foreign currency exposure amounting to INR 178,297 thousand (previous year – INR 153,565 thousand)		
6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	62,563	51,940
II. Balances with Reserve Bank of India		
(i) In Current Accounts	10,819,936	9,875,631
(ii) In Other Accounts	9,000,000	-
	19,819,936	9,875,631
Total	19,882,499	9,927,571
7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
I In India		
(i) Balance with Banks		
(a) In Current Accounts	71,532	44,272
(b) In Other Deposit Accounts [§]	18,949,500	6,725,500
	19,021,032	6,769,772
(ii) Money at Call and Short Notice		
(b) with Banks	-	1,000,000
(b) with other institutions	-	1,179,851
	-	2,179,851
II Outside India		
(i) In Current Accounts	732,831	2,716,366
(ii) In Other Deposit Accounts	-	-
(iii) Money at Call and Short Notice	7,208,570	29,416,257
	7,941,401	32,132,623
Total	26,962,433	41,082,246

§ Includes Fixed Deposits placed under lien towards exchange traded derivatives of INR 143,000 thousand (Previous Year – INR 100,000 thousand)



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in thousand)

31 Mar 2017

31 Mar 2016

8 INVESTMENTS

Investments in India in

(i) Government securities *	81,138,244	137,425,791
(ii) Other approved securities	-	-
(iii) Shares**	863,169	107,157
(iv) Debentures and Bonds***	10,934,096	6,206,427
(v) Subsidiaries and Joint Ventures	-	-
(vi) Others (Certificate of Deposits, Commercial Papers and Security Receipts of Asset Reconstruction Companies)	9,545,777	12,100,197
Total	102,481,286	155,839,572
Gross Investments in India	102,921,030	155,863,604
Less: Provision for depreciation	439,744	24,032
Net Investments in India	102,481,286	155,839,572

* Includes :

(A) Securities pledged as margin with CCIL (Clearing Corporation of India Limited) INR 8,183,183 thousand (Previous Year: INR 4,807,382 thousand)

(B) Securities held u/s 11(2)(b) with Reserve Bank of India INR 5,316,106 thousand (Previous Year: INR 5,035,125 thousand)

(C) Securities pledged as collateral for LAF (Liquidity Adjustment Facility) / MSF (Marginal Standing Facility) Nil (Previous Year: INR 61,811,248 thousand)

(D) Securities kept as margin for RTGS (Real Time Gross Settlement) INR 16,298,943 thousand (Previous Year: INR 18,256,792 thousand)

(E) Securities pledged as collateral with CCIL for Market repo INR 13,311,081 thousand (Previous Year: INR 4,846,429 thousand)

** Represents shares received on conversion of debt and interest due thereon.

*** Includes Optionally Convertible Debentures received on conversion of debt.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
9 ADVANCES		
A		
(i) Bills purchased and discounted [§]	103,949,337	71,862,745
(ii) Cash credits, overdrafts and loans repayable on demand	86,849,877	76,416,060
(iii) Term Loans	27,583,044	28,252,190
Total	218,382,258	176,530,995
B		
(i) Secured by tangible assets *	72,538,359	65,403,824
(ii) Covered by Bank / Government Guarantees**	59,014,298	40,262,834
(iii) Unsecured	86,829,601	70,864,337
Total	218,382,258	176,530,995
C I Advances in India		
(i) Priority Sectors	62,799,127	52,360,181
(ii) Public Sectors	-	-
(iii) Banks	-	-
(iv) Others	155,583,131	124,170,814
II Advances outside India	-	-
Total	218,382,258	176,530,995

§ Net off Interbank Participation Certificates (IBPC) with risk participation

* includes secured by book debts and stocks

** includes advances covered by Letters of credit issued by other banks



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
10 FIXED ASSETS		
I Premises		
Cost on 31 st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
	-	-
Depreciation to date	-	-
Net book value of Premises	-	-
II Other Fixed Assets (including furniture and fixtures)		
Cost on 31 st March of the preceding year	2,412,905	1,859,686
Additions during the year	317,311	559,926
Deductions during the year	(208,811)	(6,707)
	2,521,405	2,412,905
Depreciation to date	(1,949,417)	(1,744,801)
Net book value of Other Fixed Assets	571,988	668,104
III Capital work-in-progress	8,592	72,342
Total (I+II+III)	580,580	740,446
11 OTHER ASSETS		
(i) Inter Office adjustments (net)	-	-
(ii) Interest accrued	4,751,663	4,416,713
(iii) Tax paid in advance / Tax Deducted at Source (net of provisions)	4,179,726	2,876,617
(iv) Stationery & Stamps	-	-
(v) Deferred Tax Asset (refer schedule 18 note [35])	4,755,385	4,859,196
(vi) Non-banking assets acquired in satisfaction of claims	141,100	141,100
(vii) Others *	63,303,645	42,039,786
Total	77,131,519	54,333,412

* Includes MAT credit entitlement of INR 490,642 thousand (Previous Year – INR 490,642 thousand)



DBS Bank Ltd., India

Schedules to financial statements (*Continued*)

as at 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
12 CONTINGENT LIABILITIES		
(i) Claims against the bank not acknowledged as debts	279,010	59,053
(ii) Liability for partly paid investments	-	-
(iii) Liability on account of outstanding foreign exchange contracts*	1,736,784,244	1,717,673,827
(iv) Liability on account of outstanding Currency and Interest Rate Swap, Option contracts and Interest Rate Derivatives *	2,071,953,662	1,929,978,366
(v) Guarantees given on behalf of constituents		
- in India	42,129,760	34,033,153
- outside India	12,605,009	17,773,671
(vi) Acceptances, endorsements and other obligations	17,814,871	10,497,812
(vii) Other items for which the Bank is contingently liable	345,645	5,366
Total	3,881,912,201	3,710,021,248

*represents notionals.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
13 INTEREST EARNED		
(i) Interest / discount on advances / bills	13,108,388	10,935,543
(ii) Income on investments	11,055,311	9,361,273
(iii) Interest on balances with RBI and other inter-bank funds	804,451	242,104
(iv) Others	811,141	379,839
Total	25,779,291	20,918,759
14 OTHER INCOME		
(i) Commission, exchange and brokerage	1,863,657	2,184,028
(ii) Net Profit / (Loss) on sale of investments	2,206,129	388,668
(iii) Net Profit on sale of land, buildings and other assets	12	56
(iv) Net Profit / (Loss) on Foreign Exchange and Derivative transactions	2,103,533	79,130
(v) Income earned by way of dividends , etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
(vi) Miscellaneous Income (refer schedule 18 note [64])	53,360	148,204
Total	6,226,691	2,800,086
15 INTEREST EXPENDED		
(i) Interest on Deposits	14,283,192	10,223,197
(ii) Interest on RBI / Inter-bank borrowings *	1,533,931	2,018,178
(iii) Others	2,716,689	1,148,760
Total	18,533,812	13,390,135

* including interest on Subordinated Debt



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

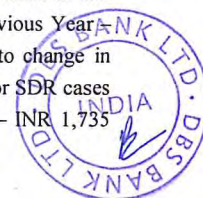
(Currency: Indian rupees in thousand)

	31 Mar 2017	31 Mar 2016
16 OPERATING EXPENSES		
(i) Payments to and provisions for employees	3,496,037	3,076,388
(ii) Rent, taxes and lighting	583,104	518,886
(iii) Printing and Stationery	30,299	25,858
(iv) Advertisement and publicity	209,100	127,979
(v) Depreciation on Bank's property	384,653	367,807
(vi) Auditor's fees and expenses	4,814	3,900
(vii) Law Charges	53,343	58,947
(viii) Postage, Telegram, Telephone, etc.	101,554	64,689
(ix) Repairs and maintenance	49,446	77,811
(x) Insurance	283,217	205,033
(xi) Brokerage charges	90,617	73,054
(xii) Professional Fees	338,183	195,606
(xiii) Head Office Expenses (refer schedule 18 note [64])	-	43,007
(xiv) Computerisation and related expenses	1,292,662	424,577
(xv) Travelling expenses	103,487	99,878
(xvi) Fixed assets written off	28,774	33
(xvii) Other Expenditure	1,200,770	663,490
Total	8,250,060	6,026,943

17 PROVISIONS AND CONTINGENCIES

Provision /(Write-back of provision) for contingent credit	18,288	(296)
Provision for Non-Performing advances*	4,355,494	4,107,026
Provision for Standard Asset (including standard asset provisioning on current credit exposure for derivatives and Unhedged Foreign Currency Exposure)	187,454	32,308
Provision/(Write-back of provision) for Depreciation on Investments	415,712	1,804
Provision for Tax		
- Current Income-Tax (net of MAT credit entitlement of Nil (Previous Year: INR 490,642 thousand))	-	(268,875)
- Deferred Tax credit	103,811	327,080
Provision for Country Risk	13,357	17,122
Total	5,094,116	4,216,169

* Includes write offs INR 2,482,423 thousand (Previous Year – INR 1,252,291 thousand), provision for diminution in fair value of restructured advances INR 10,770 thousand (Previous Year – Nil), Loss on sale of NPA 238,223 (Previous Year – Nil), loss on conversion of debt Nil (Previous Year – INR 100,466 thousand), provision for cases pertaining to change in ownership of borrowing entities (outside SDR scheme) Nil (Previous Year – INR 358,500 thousand), provision for SDR cases – INR 358,989 thousand (Previous Year – Nil) and net of write backs INR 3,902 thousand (Previous Year – INR 1,735 thousand).



DBS Bank Ltd., India

Schedules to financial statements (*Continued*)

as at 31 March 2017

(Currency: Indian rupees in thousand)

Schedule 18

Significant Accounting policies and Notes to Accounts

1. Background

The accompanying financial statements for the year ended 31 March 2017 comprise the accounts of the India branches of DBS Bank Ltd. ('the Bank'), which is incorporated in Singapore. The India branches of the Bank as at 31 March 2017 are located at Mumbai, New Delhi, Bengaluru, Chennai, Pune, Kolkata, Nashik, Surat, Salem, Moradabad, Kolhapur and Cuddalore.

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 in accordance with Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('the RBI') from time to time, the Accounting Standards ('AS') prescribed under Section 133 of the Companies Act 2013, to the extent applicable and current practices prevailing within the banking industry in India. The accounting policies have been consistently applied except for the changes in accounting policies disclosed in these financial statements.

3. Use of estimates

The preparation of financial statements, in conformity with GAAP, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

4. Significant accounting policies

(i) Advances

Advances are classified as performing and non-performing based on the RBI prudential norms. Advances are stated net of bills rediscounted, inter bank participation certificate on risk sharing basis, specific loan provisions, write offs including the diminution in the fair value of restructured accounts. Provision for loan losses are made in respect of identified advances based on management's assessment of degree of impairment, subject to minimum provisioning levels prescribed by the RBI guidelines.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(i) Advances (*Continued*)

The Bank also maintains a general loan loss provision on Standard Advances (including restructured advances classified as standard) and Derivative Exposures at rates as prescribed by the RBI, and discloses the same in Schedule 5 ('Other liabilities and Provisions'). In addition, the Bank maintains provision for country risk and provision for diminution in the fair value of standard advances in accordance with the RBI guidelines and the same is included under Schedule 5 ('Other liabilities and Provisions') and Schedule 9 ('Advances') respectively.

In accordance with the RBI guidelines on Strategic Debt Restructuring (SDR) and change in ownership of borrowing entities (outside SDR scheme) ('outside SDR cases'), on conversion of debt to equity, the existing asset classification of the account, as on the reference date is continued for a period of 18 months from the reference date. On divestment of the Bank's holding in favour of a 'new promoter', the asset classification of the account is upgraded to 'Standard'. However, the quantum of provision held by the Bank against the said account as on the date of divestment is not reversed to the extent of outstanding loan of the account. The provision held by the Bank for these accounts is included under Schedule 9 ('Advances').

Receivables acquired under factoring are treated as a part of loans and advances and included under Schedule 9 ('Advances') under the head 'Bills Purchased and Discounted'.

(ii) Investments

Classification

Investments, are recognised on settlement date (i.e. value date) basis and are classified as Held for Trading ('HFT'), Available for Sale ('AFS') or Held to Maturity ('HTM') in accordance with the RBI guidelines.

In the financial statements, investments are disclosed under six categories as set out in Schedule 8 – Investments.

Acquisition Cost

In determining acquisition cost of an investment:

- Brokerage, Commission, etc. paid at the time of acquisition, are charged to Profit and Loss Account.
- Cost of investments is determined using First in First Out method.
- Broken period interest on debt instruments is accounted for in accordance with the RBI guidelines.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(ii) Investments (*Continued*)

Disposal of Investments

Profit/Loss on sale of investments under the HFT and AFS categories are recognised in the Profit and Loss Account.

The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserves is appropriated from "Profit and Loss Account" to "Capital Reserve Account". Loss on sale, if any, is recognised fully in the Profit and Loss Account.

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 rates as published by Primary Dealers Association of India ('PDAI') jointly with the Fixed Income Money Market and Derivatives Association of India ('FIMMDA'). Treasury Bills, Commercial Paper and Certificate of Deposits are held at carrying cost. Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company (ARC) from time to time. Investments received in lieu of restructured advances are valued in accordance with the RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. All other Non SLR investments are valued by applying the mark up above the corresponding yield on GOI securities as directed by the RBI. 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. Securities received on account of conversion of debt or unpaid interest into debt or equity instruments are classified under AFS and valued in accordance with the RBI guidelines. Depreciation on these instruments is not offset against the appreciation in any other securities held under the AFS category. Depreciation on equity shares acquired on SDR is distributed over a maximum period of four calendar quarters from the date of conversion of debt into equity.

In accordance with the RBI guidelines, the provision on account of depreciation in the HFT and AFS categories in excess of the required amount is credited to the Profit and 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 provision required to be created on account of depreciation in the AFS & HFT categories is debited to the Profit and 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 and 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 the relevant security on a straight line basis.

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



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(ii) Investments (*Continued*)

Transfer of securities between categories

Reclassification of investments from one category to the other is done in accordance with the 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 Repurchase/Reverse-repurchase transactions

In accordance with the RBI guidelines, Repurchase/Reverse-repurchase transactions (including those under the Liquidity Adjustment Facility 'LAF' with the RBI) are accounted as collateralised borrowing and lending. The difference between the clean price of the first leg and the clean price of the second leg is recognised as interest expense/income over the period of the transaction.

(iii) Foreign Exchange

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account. Monetary assets and liabilities in foreign currencies are translated at the period end at the rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant gain or loss is recognised in the Profit and Loss Account. Contingent liabilities denominated in foreign currencies are disclosed at the closing rate of exchange as notified by FEDAI.

(iv) Derivative transactions

Derivatives comprise of interest rate swaps, interest rate futures, cross currency swaps, forward contracts and options. Forward contracts linked to FCNR (B) deposits under swap window as per the RBI guidelines issued on September 6, 2013, forward contracts that are entered into for swapping sub-debt, cross currency swaps entered into to hedge long term deposits and placements are classified as hedges and rest are held for trading purposes.

Forward contracts held for trading purposes are revalued at rates notified by FEDAI for specified maturities and at interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The resulting profits or losses are included in the Profit and Loss Account as per the regulations stipulated by the RBI/ FEDAI.

Forward contracts classified as hedges are translated at the prevailing spot rate at the time of swap. The premium / discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and it is recognised in the Profit and Loss Account.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(iv) *Derivative transactions (Continued)*

Cross currency swaps entered into to hedge inter-bank deposits are accounted on an accrual basis.

Derivatives held for trading purposes are recognised at their fair values on inception and subsequently marked to market (MTM) on a daily basis. The resultant gain / loss is recorded in the Profit and Loss Account. Unrealised gains or losses on these products are reflected in the Balance Sheet under Other Assets or Other Liabilities 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 and Loss Account and corresponding asset or liability is shown under Other Assets or Other Liabilities as the case may be. Premium received or premium paid is recognised in the Profit and Loss Account upon expiry or exercise of the option.

(v) *Fixed Assets*

Fixed Assets are stated at historical cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/functioning capability from/of such assets.

Fixed assets individually costing less than INR 40 thousand are fully expensed in the year of purchase.

Depreciation is provided on a straight line basis over the estimated useful life of the asset. The useful life as prescribed in Schedule II to the Companies Act, 2013 is considered as the maximum useful life. The Bank, pursuant to the Companies Act, 2013, has carried out a technical assessment of the useful life of its assets taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use. Pursuant to this policy, depreciation is provided at the following useful life which is lower than or equal to the corresponding useful life prescribed in Schedule II:

Assets	Useful life
Office Equipment	5 years
Computers (Hardware and Software)	3 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years

Leasehold Improvements is depreciated over the useful life of the lease or useful life, whichever is less.

Depreciation for the entire month is charged for the month in which the asset is purchased. Depreciation on assets sold during the year is charged to the Profit and Loss Account on a pro-rata basis up to the month prior to the month of sale.

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(vi) *Non-Banking assets acquired in satisfaction of claims*

These assets are carried at net realisation value at inception. Subsequent recognition is calculated at lower of recorded value or subsequent net realisable value. Net realisable value is determined based on independent professional valuation reports.

(vii) *Employee Benefits*

Short term benefits

Employee benefit, payable wholly within twelve months of receiving employee services are classified as short- term employee benefits. These benefits include salaries, bonus and special allowance. The undiscounted amount of short- term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

Post-retirement 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. The Banks's liability towards provident fund (for interest portion) being a defined benefit plan is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains / losses are charged to the Profit and Loss Account as applicable.
- (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 has further opted for unit linked plan for the purpose of gratuity. In terms of the revised Accounting Standard 15, provision is made 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 recognised in the Profit and Loss Account.
- (c) **Compensated Absences:** The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Bank records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial valuation using Projected Unit Credit Method.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(viii) *Employee share based payment:*

The eligible employees of the Bank have been granted stock awards under various plans, of equity shares of the ultimate holding company, DBS Group Holding Ltd. As per the various plans, these stock awards vest in a graded manner over a period of two to four years. In accordance with the Guidance note on 'Share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), all the schemes are classified as equity settled schemes. The Bank has adopted fair value method of accounting for the shares whereby the fair value is computed based on the market value of the shares at the date of grant. The fair value of the shares awarded is amortised to the Profit and Loss Account in a graded manner over the vesting period of the shares.

(ix) *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 on straight line basis in accordance with the AS - 19, Leases.

(x) *Revenue Recognition*

Income is recognised on an accrual basis in accordance with contractual arrangements except in case of interest on non-performing assets, Strategic Debt Restructuring (SDR) and Scheme for Sustainable Structuring of Stressed Assets (S4A), which is recognised on receipt basis as per the RBI norms.

Unrealised interest which is converted into Funded Interest Term Loan (FITL) has a corresponding credit in "Sundry Liabilities Account (Interest Capitalisation)". Interest on FITL is recognised on receipt basis.

Income on non-coupon bearing discounted instruments and instruments which carry a premia on redemption is recognised over the tenor of the instrument on a straight line basis.

Fee income is recognised at the inception of the transaction except in cases of fee income from issue of guarantees, buyer's credit, letter of credit and mortgages which is recognised over the life of the instrument instead of recognising the same at the inception of the transaction.

(xi) *Taxation*

Provision for tax comprises of current tax and net change in deferred tax assets and liability during the year. The Profit and Loss Account of India branches of DBS Bank Limited are drawn up in accordance with the Banking Regulation Act, 1949 (BR Act). The BR Act requires to draw up accounts of only banking business of the India branches. Accordingly, the income recognition and consequent current tax provision represent the estimated liability of income-tax after considering relief for unassessed brought forward unabsorbed losses of the banking business of the India branches of DBS Bank Limited on a standalone basis. Deferred tax adjustments reflect the changes in the deferred tax assets or liabilities during the year.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(xi) Taxation (*Continued*)

Deferred taxation is provided on timing differences between the accounting and tax statement on income and expenses. Deferred tax assets / liabilities are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the bank will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the bank

(xii) Net Profit / (Loss)

Net profit / (loss) is computed after:

- Provision for loan losses / write offs, provision for devolved off balance sheet exposure to NPA customer, country risk provision, general loan loss provision on standard assets and derivatives (including provision for unhedged foreign currency exposures), provision for diminution in fair value of Restructured Loans;
- Provision for diminution in the value of investments;
- Provision for income tax;
- Provision for deferred taxation;
- Charge for head office administrative expenses for the year; and
- Other usual and necessary provisions.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, provision is recognised when the Bank has a present obligation as a result of past events 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 (other than employee benefits) 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.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

4. Significant accounting policies (*Continued*)

(xiii) Provisions, Contingent Liabilities and Contingent Assets (*Continued*)

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.

(xiv) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at Call and short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

(xv) Segment Reporting

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by the RBI.

(xvi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xvii) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

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.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

6. Capital

The Bank follows the RBI guidelines for calculation of capital adequacy under BASEL III 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 the 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 III requirement is set out below:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Common Equity Tier 1 (CET1) capital ratio (%)	11.62%	13.01%
Tier 1 capital ratio (%)	11.62%	13.01%
Tier 2 capital ratio (%)	4.87%	5.63%
Total Capital ratio (CRAR) (%)	16.49%	18.64%
Amount of equity capital raised	-	6,674,673
Amount of Additional Tier 1 capital raised	-	-
Amount of Tier-2 capital raised	-	-
Of which		
Debt capital instrument	-	-

During the year the Head Office of the Bank has infused additional CET1 amounting to Nil (Previous Year – INR 6,674,673 thousand).

7. Investments

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Value of investments (*)		
Gross value of investments	102,921,030	155,863,604
Less: Provision for depreciation	439,744	24,032
Net value of investments	102,481,286	155,839,572
Movement in Provisions held towards depreciation on investments		
Opening balance	24,032	22,228
Add: Provisions made during the year	415,712	1,804
Less: Write back of excess provisions during the year to Profit and Loss account	-	-
Closing Balance	439,744	24,032

(*) All investments are held in India.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

8. Repo / Reverse Repo Transactions

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31 March
Securities sold under Repos				
i) Government securities	- (-)	89,006,970 (67,012,100)	35,160,889 (27,339,172)	13,630,871 (67,012,100)
ii) Corporate debt securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under Reverse Repos				
i) Government securities	- (-)	43,204,866 (17,745,600)	8,248,370 (2,395,533)	9,000,000 (1,131,400)
ii) Corporate debt securities	- (-)	- (-)	- (-)	- (-)

(Figures in brackets indicate previous year numbers)

Note: The above includes LAF deals done with the RBI and CCIL

9. Non – Statutory Liquidity Ratio (SLR) Investment Portfolio

Issuer composition of Non – SLR Investments as at 31 March 2017 is stated below:

No.	Issuer	Amount	Extent of “private placement”	Extent of “below investment grade” securities	Extent of “unrated” Securities	Extent of “unlisted” securities
(i)	Public Sector Undertakings	1,250,000 (201,405)	1,250,000 (201,405)	- (-)	- (-)	- (-)
(ii)	Financial Institutions*	5,842,391 (5,588,106)	5,842,391 (5,588,106)	- (-)	- (-)	- (-)
(iii)	Banks	- (5,596,024)	- (5,596,024)	- (-)	- (-)	- (-)
(iv)	Private Corporates	9,265,862 (6,117,278)	9,265,862 (6,117,278)	- (-)	1,010,973 (130,073)	121,183 (-)
(v)	Subsidiaries / Joint ventures	- (-)	- (-)	- (-)	- (-)	- (-)
(vi)	Others#	5,071,251 (935,000)	5,071,251 (935,000)	- (-)	2,512,600 (-)	5,071,251 (935,000)
(vii)	Provision held towards depreciation	86,463 (24,032)				
	Total	21,343,041 (18,413,781)	21,429,504 (18,437,813)	- (-)	3,523,573 (130,073)	5,192,434 (935,000)

(Figures in brackets indicate previous year numbers)

* includes investments in NBFC issuances

Others represent investments in security receipts of an asset reconstruction company.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

10. Non performing Non – SLR Investments

Non performing Non – SLR Investments as at 31 March 2017 are as under

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Opening balance	130,073	45,532
Additions during the year since 1 st April	540,951	84,541
Reductions during the above period	-	-
Closing balance	671,024	130,073
Total provisions held	64,485	22,916

11. Derivatives – Interest Rate Swap / Forward Rate Agreements

The Bank deals in Interest Rate Swaps / Forward Rate Agreements (FRAs).

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Notional principal of Interest Rate Swaps	1,727,803,095	1,561,510,797
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	7,360,439	5,152,411
Collateral required by the bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	67.83%	84.73%
The fair value of the swap book asset / (liability)	123,901	(45,399)

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

Benchmark	Terms	31 March 2017		31 March 2016	
		Nos.	Notional Principal	Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	260	127,560,000	254	122,490,000
6 Month MIFOR	Receive Fixed Pay Floating	231	128,290,000	208	128,130,000
CAD CDOR 3M	Pay Fixed Receive Floating	1	485,921	1	512,300
CAD CDOR 3M	Receive Fixed Pay Floating	1	485,921	1	512,300
EUR Libor 6 months	Pay Fixed Receive Floating	1	910,909	-	-
EUR Libor 6 months	Receive Fixed Pay Floating	1	910,909	-	-
OIS 1Y CMP	Pay Fixed Receive Floating	189	216,350,000	269	350,637,020
OIS 1Y CMP	Receive Fixed Pay Floating	241	283,909,460	300	318,517,446
OIS 6 months	Pay Fixed Receive Floating	-	-	47	12,688,679



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

11. Derivatives – Interest Rate Swap / Forward Rate Agreements (Continued)

Benchmark	Terms	31 March 2017		31 March 2016	
		Nos.	Notional Principal	Nos.	Notional Principal
OIS 6 months	Receive Fixed Pay Floating	-	-	64	21,292,866
OIS 6M COM	Pay Fixed Receive Floating	600	219,701,927	424	159,589,227
OIS 6M COM	Receive Fixed Pay Floating	568	204,863,611	335	131,855,263
USD BS Libor 1 month 3 months	Pay Floating Receive Floating	6	5,071,270	2	3,551,268
USD BS Libor 1 month 6 months	Receive Floating Pay Floating	3	489,618	4	848,064
USD BS Libor 3 months	Pay Floating Receive Floating	25	31,550,966	19	6,688,347
USD Libor 1 month	Pay Fixed Receive Floating	4	4,575,600	2	1,481,683
USD Libor 1 month	Receive Fixed Pay Floating	4	4,575,600	2	1,481,683
USD Libor 3 months	Pay Fixed Receive Floating	55	55,232,370	62	53,579,060
USD Libor 3 months	Pay Floating Receive Floating	1	145,913	3	430,339
USD Libor 3 months	Receive Fixed Pay Floating	58	55,495,823	64	53,492,100
USD Libor 6 months	Pay Fixed Receive Floating	188	209,305,633	142	107,699,698
USD Libor 6 months	Receive Fixed Pay Floating	80	177,891,644	65	85,675,741
USD Libor 6 months	Receive Floating Pay Floating	-	-	3	357,713
Total		2,517	1,727,803,095	2,271	1,561,510,797

All interest rate swaps have been entered into with reputed counter parties under approved credit lines and are in the nature of trading.

These interest rate swaps / FRAs are accounted for as per the accounting policy set out in schedule 18 note 4 (iv).

The above information does not include interest rate contracts with Cap and floor feature.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

12. Exchange Traded Interest Rate Derivatives

Particulars	31 Mar 17	31 Mar 16
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year:		
(a) NSE 10Y 7.59%	17,135,688	565,400
(b) NSE 10Y 7.72%	-	17,411,600
(c)NSE 10Y 8.4%	-	1,600,000
(d)NSE 13Y 7.88%	-	1,160,800
(e)NSE 6Y 8.27%	-	207,200
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March		
(a) NSE 10Y 7.59%	-	565,400
(iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	565,400
(iv) Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	83

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 Committee.

Derivative exposures are subject to Market Risk Control and Risk Appetite Limits separately calibrated for the Trading and Banking books. These entity level limits are administered at Head Office and monitored by Head Office as well as locally. Appetite Limit is for Expected Shortfall. 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 entity level are granular business level sensitivity limits for interest rates at desk / trader book and 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 except for forward contracts entered for swapping sub-debt which are held in banking book. The Bank has also entered into inter-bank deposits and uses cross currency swaps to manage the risk arising from them. Such currency swaps too are held in the banking book.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

13. Disclosure on Risk Exposure in Derivatives (Continued)

Qualitative Disclosures (Continued)

All Derivative contracts are valued on a mark-to-market basis with appropriate market curves tagged for respective currencies except for Forward contracts in banking book which are translated at the prevailing spot rate at the time of swap. The premium / discount on the Banking Book swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and it is recognised in the Profit and Loss Account. Cross-currency swaps entered into to hedge inter-bank deposits are accounted for on accrual basis.

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 counterparty'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 an income reversal on such current credit exposures in accordance with the RBI Circular DBR.No.BP.BC.2 /21.04.048/2015-16 dated 01 July 2015.

Quantitative Disclosures

31 Mar 2017			
Sr. No	Particular	Currency Derivatives #	Interest Rate Derivatives@
1	Derivatives (Notional Principal Amount)		
(a)	- For Hedging **	36,311,608	-
(b)	- For Trading	2,044,623,203	1,727,803,095
2	Marked to Market Positions		
(a)	- Asset	50,266,341	7,360,439
(b)	- Liability	54,005,842	7,236,538
3	Credit Exposure	127,960,239	23,044,857
4	Likely impact of 1% change in interest rates (100*PV01)		
(a)	- On Hedging Derivatives **	(456,880)	-
(b)	- On Trading Derivatives	(1,581,223)	1,099,901
5	Maximum & Minimum of 100*PV01 observed during the year		
(a)	- On Hedging **: Maximum	(50,027)	-
	Minimum	(548,615)	-
(b)	- On Trading : Maximum	(1,240,750)	1,900,756
	Minimum	(1,698,776)	983,071



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

13. Disclosure on Risk Exposure in Derivatives (Continued)

Quantitative Disclosures (Continued)

			31 Mar 2016	
Sr. No	Particular	Currency Derivatives #	Interest Rate Derivatives@	
1	Derivatives (Notional Principal Amount)			
(a)	- For Hedging **	57,109,310		-
(b)	- For Trading	2,028,466,686	1,562,076,197	
2	Marked to Market Positions			
(a)	- Asset	33,477,320	5,152,511	
(b)	- Liability	28,885,249	5,197,827	
3	Credit Exposure	108,608,511	17,765,452	
4	Likely impact of 1% change in interest rates (100*PV01)			
(a)	- On Hedging Derivatives **	(81,007)		-
(b)	- On Trading Derivatives	(1,289,859)	1,893,800	
5	Maximum & Minimum of 100*PV01 observed during the year			
(a)	- On Hedging ** :			
	Maximum	(20,627)		-
	Minimum	(122,225)		-
(b)	- On Trading : Maximum	(511,972)	2,025,533	
	Minimum	(1,348,780)	653,553	

Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

** The hedges pertain to contracts which are linked to FCNR (B) deposits under swap window as per the RBI guidelines issued on September 6, 2013, forward contracts that are entered into for swapping sub-debt and cross currency swaps for hedging inter-bank deposits accepted and placed which are held in banking book.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

14. Non-Performing Assets (Funded)

Particulars	31 Mar 17	31 Mar 16
(i) Net NPA to Net Advances (%)	2.12 %	4.34 %
(ii) Movement in Gross NPAs		
(a) Opening Balance	16,327,054	12,838,723
(b) Additions during the year **	6,019,036	6,406,823
Sub Total (A)	22,346,090	19,245,546
Reductions during the year		
(a) Up gradations	100,000	-
(b) Recoveries #	4,415,822	1,565,735
(c) Technical/ Prudential write-offs	1,167,427	657,708
(d) Write-offs	8,279,007	695,049
Sub Total (B)	13,962,256	2,918,492
Gross NPAs as on 31 Mar (A-B)	8,383,834	16,327,054
(iii) Movement in provisions for NPAs		
(a) Opening Balance	8,660,992	6,263,488
(b) Provisions made during the year * @	2,767,771	4,385,755
(c) Write off / Write back of excess provisions	7,669,586	1,988,251
(d) Closing Balance	3,759,177	8,660,992
(iv) Movement in Net NPAs		
(a) Opening Balance	7,666,062	6,575,235
(b) Additions during the year	3,251,265	4,170,791
(c) Reductions during the year	6,292,670	3,079,964
(d) Closing Balance	4,624,657	7,666,062

* Includes an amount of INR 228,583 thousand (Previous Year: INR 745,000 thousand) pertaining to provision for restructured accounts classified as NPA.

Includes an amount of for which security receipt of INR 2,512,600 thousand (Previous Year: Nil) and equity shares of INR 217,787 thousand have been received on sale / conversion of debt (Previous Year: INR 76,034 thousand).

** Includes fresh NPA of INR 6,011,101 thousand (Previous Year: INR 6,130,154 thousand)

@Includes provision on fresh NPA of INR 2,431,225 thousand (Previous Year: INR 1,959,363 thousand)

15. Non-Performing Assets (NPA) provisioning coverage ratio

The NPA provisioning coverage ratio of the Bank including technical write off was 51.58% as on 31 March 2017 (Previous Year: 62.28%).

16. Non-Performing Assets (Mark to Market on derivative deals)

Basis the guidelines issued by the RBI vide notification DBOD.No.BP.BC.31/21.04.157/2012-13 dated 23 July 2012, Crystallised Receivables – Positive MTM on terminated derivative deals overdue for more than 90 days and Positive MTM on Live deals for NPA Customers have been reported under “Schedule 11 - Other Assets” after netting of the “Suspense crystallised receivables” and “Suspense account Positive MTM”. The Gross value of crystallised receivables as on 31 March 2017 is Nil (Previous Year: INR 482,709 thousand) and the Net value is Nil (Previous Year: Nil).

17. Concentration of Gross NPA's

Particulars	31 Mar 17	31 Mar 16
Total Exposure to top four NPA accounts*	6,065,840	8,685,673

* This includes receivables on derivative products of INR 42,354 thousand (Previous Year INR 17,625 thousand).



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

18. Sector-wise Gross NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	31 Mar 17	31 Mar 16
Agriculture & allied activities	-	-
Industry (Micro & small, Medium and Large)	5.51%	12.53%
Services	1.46%	2.67%
Personal Loans	-	-

For the purpose of this disclosure, the bank has compiled the data which has been relied upon by the auditor.

19. Concentration of Deposits

Particulars	31 Mar 17	31 Mar 16
Total Deposits of twenty largest depositors	135,686,195	117,736,198
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	50.27%	50.26%

20. Concentration of Advances*

Particulars	31 Mar 17	31 Mar 16
Total Advances* # to twenty largest borrowers	114,875,150	94,024,127
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	29.75%	28.32%

*Advances have been computed as per the definition of Credit Exposure including derivatives as prescribed in the RBI's Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015.

Excludes advances covered by banks guarantees and derivative exposures with Banks and Clearing Corporation of India Limited as counterparties.

21. Concentration of Exposures**

Particulars	31 Mar 17	31 Mar 16
Total Exposure** # to twenty largest borrowers/customers	119,625,150	94,265,566
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	29.36%	27.34%

**Exposures are computed based on Credit and Investment exposure as prescribed in the RBI's Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015.

Excludes advances covered by banks guarantees and derivative exposures with Banks and Clearing Corporation of India Limited as counterparties and investment in government securities.

22. Overseas Assets, NPAs and Revenue

As the Bank is a branch of a foreign bank, this disclosure is not applicable.

23. Off Balance Sheet Sponsored Special Purpose Vehicles

The Bank did not have any off balance sheet sponsored Special Purpose Vehicle as at 31 March 2017 (Previous Year: Nil).



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring

S No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total													
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total											
1	Restructured Accounts as on 01 April 2016			2		3					1			3			4			2			5			7	
	No. of borrowers	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	1,384,732	-	4,189,307	-	5,574,039	-	-	-	-	100,081	-	505,024	-	605,105	-	1,484,813	-	-	-	-	-	-	-	-	-	6,179,144
	Provision thereon	155,000	-	2,183,626	-	2,338,626	-	-	-	-	6,770	-	385,145	-	391,915	-	161,770	-	-	-	-	-	-	-	-	-	2,730,541
2	Fresh restructuring	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	Amount outstanding	-	-	*1,427,073	-	1,427,073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,427,073
	Provision thereon	-	-	688,056	-	688,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	688,056
3	Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring (Continued)

S.No	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total							
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total		
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	1,384,732	-	-	-	1,384,732	-	-	-	-	-	-	-	-	-	-	1,384,732
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
6	Write-offs of restructured accounts during the FY	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	155,000	-	-	-	155,000	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	2	-	2	-	-	-	-	1	-	-	2	-	-	-	3
	Amount outstanding	-	-	@5,429,053	-	5,429,053	-	-	-	#100,081	-	-	-	\$505,024	-	-	605,105	5,934,077
	Provision thereon	-	-	2,684,355	-	2,684,355	-	-	-	6,770	-	-	-	385,145	-	-	391,915	3,076,270



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring (Continued)

S No.	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total					
		Standard	Sub-Standard	Total	Standard	Sub-Standard	Total	Standard	Sub-Standard	Total	Standard	Sub-Standard	Total			
7	Restructured Accounts as on 31 March 2017	-	-	1	-	-	1	-	-	1	-	-	2	-	-	2
	No. of borrowers	-	-	1	-	-	1	-	-	1	-	-	2	-	-	2
	Amount outstanding	-	-	187,327	-	-	187,327	-	-	-	-	-	187,327	-	-	187,327
	Provision thereon	-	-	187,327	-	-	187,327	-	-	-	-	-	187,327	-	-	187,327

Note: Amount o/s represents Funded outstanding

*During the year there was a downgrade in one borrower from standard to doubtful category.

@Includes reduction in outstanding balance on account of cash recoveries of INR 272,664 thousand and conversion of debt into equity shares of INR 163,349 thousand, preference shares of INR 54,438 thousand and security receipts of INR 1,545,098 thousand for 3 borrowers.

#Represents account restructured under S4A Scheme (refer schedule 18 note - 60).

\$ Includes reduction in outstanding on account of cash recoveries of INR 118,538 thousand.

^ represents an account with credit balance, wherein the Bank has received temporary credit.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring (Continued)

S.No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total					
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on 01 April 2015																		
	No. of borrowers	1	-	-	-	1	-	-	-	-	-	-	-	1	1	2	-	-	5
	Amount outstanding	1,286,430	-	-	1,286,430	-	-	-	-	100,210	488,516	36,864	-	625,590	1,386,640	488,516	36,864	-	1,912,020
	Provision thereon	155,000	-	-	155,000	-	-	-	-	6,770	244,258	36,864	-	287,892	161,770	244,258	36,864	-	442,892
2	Fresh restructuring																		
	No. of borrowers	-	-	2	-	2	-	-	-	-	-	1	-	1	-	-	-	-	3
	Amount outstanding	98,302	-	4,356,807**	-	4,455,109	-	-	-	-	-	498,227	-	498,227	98,302	-	4,855,034	-	4,953,336
	Provision thereon	-	-	2,282,394	-	2,282,394	-	-	-	-	-	369,348	-	369,348	-	-	2,651,742	-	2,651,742
3	Upgradations to restructured standard category during the FY																		
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



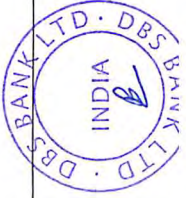
DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring (Continued)

S.No	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total				
		Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Loss	Total
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

24. Loan restructuring (Continued)

S.No	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total									
		Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Loss	Total					
7	Restructured Accounts as on 31 March 2016	1	-	2	-	-	3	-	-	-	1	-	3	-	4	2	-	5	-	7
	No. of borrowers																			
	Amount outstanding	1,384,732	-	4,189,307	-	5,574,039	-	-	-	100,081	-	-	505,024	-	605,105	1,484,813	-	4,694,331	-	6,179,144
	Provision thereon	155,000	-	2,183,626	-	2,338,626	-	-	-	6,770	-	-	385,145	-	391,915	161,770	-	2,568,771	-	2,730,541

Note: Amount o/s represents Funded outstanding

* During the year, there was a downgrade in one of the restructured customer from substandard to doubtful and same is shown as part of Sub-standard under Others.

** During the year there were 2 new additions cases of restructuring under CDR mechanism amounting to INR 4,356,807 thousand.

*** During the year, there was a part recovery of INR 21,067 thousand and INR 9,000 thousand is on account of conversion to equity shares.

Represents recovery on account of conversion to equity shares of INR 67,034 thousand and loss of conversion of INR 100,466 thousand.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in thousand)

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

Particulars	31 Mar 17	31 Mar 16
(i) No. of accounts*	15	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	4,144,223	-
(iii) Aggregate consideration	3,906,000	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate loss over net book value	238,223	-

* excludes write-off accounts sold and includes one account partially sold.

Details of security receipts received on account of sale of financial assets to Securitisation / Reconstruction Company for Asset Reconstruction is as under

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
Book value of investment in security receipts	3,392,745	935,000	-	-	3,392,745	935,000

26. Details of non-performing financial assets purchased/sold

There were no purchases or sales of non-performing financial assets from/to other banks during the year ended 31 March 2017 (Previous Year: Nil).

27. Provision for Standard Assets and Derivatives

Particulars	31 Mar 17	31 Mar 16
General Loan Loss Provision on Standard Assets (including standard asset provisioning on asset classified as standard restructured)	896,101	809,367
General Provision on Credit Exposures on Derivatives	230,507	154,519

28. Business Ratios

Particulars	31 Mar 17	31 Mar 16
i Interest Income to working funds	5.77%	5.91%
ii Non-interest income to working funds	1.39%	0.79%
iii Operating profits to working funds	1.17%	1.21%
iv Return on Assets	0.03%	0.02%
v Business (deposits plus advances) per employee	420,245	376,120
vi Net Profit per employee	117	78

Notes:

- Working funds are reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.
- Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
- Business volume has been computed based on advances & deposits (excluding interbank deposits) outstanding as at the year-end.
- Employee numbers are those as at the year-end.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

29. Exposure to Capital Market

Sr. No.	Particulars	31 March 17	31 March 16
(i)	Direct investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii)	Advances against shares, bonds, debentures or other securities or on clean basis to individuals for investment in shares (including IPO's/ESOPS), convertible bonds, convertible debentures and units of equity oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv)	Advances for any other purposes to the extent secured by collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	198,709	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to venture capital funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	198,709	-

Note: Securities received on account of restructuring of loan (except securities received under Scheme for Sustainable Structuring of Stressed Assets) is excluded from exposure to capital market.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

30. Exposure to Real Estate Sector

Particulars	31 Mar 2017	31 Mar 2016
a) Direct Exposure	18,999,719	14,118,069
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	9,776,129	3,102,521
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	9,223,590	11,015,548
(iii) Investments in Mortgage backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure	5,972,999	3,364,807
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	5,972,999	3,364,807
Total Exposure to Real Estate Sector	24,972,718	17,482,876

Note: Excludes non-banking assets acquired in satisfaction of claims.

31. Risk Category Wise Country Risk Exposure

Provision for Country Risk Exposure in terms of the RBI master circular DBR.No.BP.BC.9/21.04.048/2015-16 dated 01 July 2015 is as follows:

Risk Category	Exposure (net) as at 31 March 2017	Provision held as at 31 March 2017	Exposure (net) as at 31 March 2016	Provision held as at 31 March 2016
Insignificant	30,637,295	31,079	49,711,994	26,239
Low	13,919,222	8,517	4,640,366	-
Moderate	85,554	-	2,611,582	-
High	733,646	-	161,511	-
Very high	436	-	2,934	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	45,376,153	39,596	57,128,387	26,239

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 requirements are held.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

32. Single Borrower (SBL) and Group Borrower (GBL) Exposure

There were no instances of exposure in excess of the prudential exposure limits during the current year for SBL (Previous year - Nil) and for GBL (Previous year Nil)

33. Unsecured Advances

There are no unsecured advances (Previous Year: Nil) for which Bank has taken charge over brand (intangible securities). The estimated value of the collateral is Nil. (Previous Year: Nil).

34. Penalties imposed by the RBI

During the financial year under review, no penalty has been levied by the RBI. (Previous Year: Nil).

35. Deferred Taxes

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

Particulars	31 Mar 2017	31 Mar 2016
Deferred tax assets (A):	4,755,757	4,922,152
- Depreciation on fixed assets	121,964	66,176
- Provision on advances	2,354,633	4,300,334
- Disallowance u/s 43B of Income Tax Act 1961	73,570	28,213
- Provision for employee benefits	40,879	78,228
- Amortisation of fee income	59,936	41,471
- Carry forward Income tax losses	1,892,866	227,219
- Provision for country risk, outside SDR cases and contingent credit	181,266	180,511
- Others	30,643	-
Deferred tax liabilities (B):	(372)	(62,956)
- Amortisation of Club membership	(372)	(372)
- AS-19 Straight lining	-	(291)
- Provision u/s 36(1)(viiia)	-	(62,293)
Net Deferred tax assets (A-B)	4,755,385	4,859,196

36. Subordinated Debt

The Bank has not raised any Subordinated Debt during the year ended 31 March 2017. (Previous Year: Nil).



DBS Bank Ltd., India

Schedules to financial statements (Continued) as at 31 March 2017

(Currency: Indian rupees in thousand)

37. Maturity profile of assets and liabilities

	1 Day	2-7 Days	8-14 Days	15-30 Days	31 Days - 2 Months	2-3 Months	3-6 Months	6 Months - 1 Year	1-3 Years	3-5 Years	Over 5 Years	31-Mar-17 Total
Deposits	10,320,906	29,965,938	34,386,675	29,868,826	26,547,815	30,417,309	36,800,229	27,178,177	26,564,233	16,668,915	1,190,629	269,909,652
Advances	9,444,281	11,967,051	4,859,197	31,518,251	26,942,424	20,524,844	49,282,406	22,173,860	22,292,787	6,064,744	13,312,413	218,382,258
Investments	1,855,550	19,717,791	3,085,506	5,161,255	6,455,721	3,429,646	13,688,945	2,722,454	10,104,648	4,753,574	31,506,196	102,481,286
Borrowings	547,290	16,454,760	1,822,818	14,316,125	3,956,455	1,324,854	2,531,699	-	16,861,000	-	-	57,815,001
Foreign Currency Assets (*)	8,697,976	1,728,938	2,858,880	17,730,630	10,181,419	6,334,175	22,370,270	5,044,914	1,626,378	17,098,398	1,323,225	94,995,203
Foreign Currency Liabilities (*)	4,192,426	2,846,657	1,852,050	14,331,203	4,012,852	1,346,358	2,700,962	3,085,172	23,754,979	176,292	1,880	58,300,831

(*) Foreign currency assets and liabilities exclude off-balance sheet assets and liabilities and consequent unrealised profit/ loss on the same.

The classification of assets and liabilities under the different maturity buckets are compiled by management on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

37. Maturity profile of assets and liabilities (Continued)

	31 March 2016										
	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
Deposits	4,800,500	23,558,053	26,039,895	31,957,690	68,418,028	5,713,680	37,268,646	30,168,556	5,285,871	1,064,374	234,275,293
Advances	12,903	2,809,295	2,636,218	6,244,895	24,549,011	13,260,264	22,826,943	89,568,021	6,144,571	8,478,874	176,530,995
Investments	81,361,010	4,829,714	2,559,956	8,955,120	12,554,184	1,279,978	9,202,735	8,545,996	3,829,620	22,721,259	155,839,572
Borrowings	738,842	57,458,101	13,980,353	9,868,682	14,553,178	1,538,157	-	-	17,226,300	-	115,363,613
Foreign Currency Assets (*)	32,718,864	2,310,633	3,646,873	6,373,982	3,833,799	8,657,573	1,368,850	20,565,824	6,050,482	782,637	86,309,517
Foreign Currency Liabilities (*)	4,566,221	2,571,107	4,021,685	9,878,665	9,921,125	1,731,216	34,660,686	8,173,215	17,278,452	1,115	92,803,487

(*) Foreign currency assets and liabilities exclude off-balance sheet assets and liabilities and consequent unrealised profit/ loss on the same.

The classification of assets and liabilities under the different maturity buckets are compiled by management on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

38. Segmental Reporting

As per the guidelines issued by the RBI vide DBOD.No.BP.BC.81/21.04.018/2006-07 dated April 18, 2007, the classification of exposures to the respective segments is being followed. With effect from 1st April 2012 due to internal reorganisation, Funding Management Unit (FMU) which was part of treasury was carved out as a separate business segment. Accordingly, the Bank has identified "Treasury", "Retail Banking" and "Corporate / Wholesale Banking" and "Funding Management Unit" as the primary reporting segments. The business segments have been identified and reported based on the organisation structure, the nature of products and services offered, the internal business reporting system and the guidelines prescribed by the RBI.

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

Retail Banking segment constitutes the business with individuals through the branch network and other delivery channels like ATM, Internet banking etc. This segment raises deposits from customers and provides fee based wealth management distribution services to such customers.

Corporate / Wholesale Banking caters to the Corporate and Institutional customers. This segment includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under "Retail Banking". These also include custody operations, payment and settlement operations and factoring advances. Small and medium enterprises are also included in Corporate / Wholesale Banking.

FMU results depicts the net impact of the internal fund transfer pricing (FTP) policy of the Bank whereby FMU charges a FTP to each respective business for the asset owned by them and provides a FTP credit for liabilities raised by each business. The capital of the bank resides with the FMU team.

Segment revenues stated below are aggregate of Schedule 13- Interest income and Schedule 14- Other income.

The segment expenses comprise funding costs (external and internal), personnel costs and other direct and allocated overheads.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

38. Segmental Reporting (*Continued*)

Segment results are determined basis the segment revenue, segment cost and inter-unit notional charges / recoveries for cost of funds.

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segmental Revenue	15,285,840	15,456,163	1,263,979	-	32,005,982
(external revenue)	<i>(9,000,145)</i>	<i>(14,100,807)</i>	<i>(617,893)</i>	<i>(-)</i>	<i>(23,718,845)</i>
Total Revenue					32,005,982
					<i>(23,718,845)</i>
Results	3,883,894	(1,870,657)	(4,159,854)	2,378,422	231,805
	<i>(779,818)</i>	<i>(-130,719)</i>	<i>(-2,743,723)</i>	<i>(2,238,427)</i>	<i>(143,803)</i>
Unallocated expenses					-
					<i>(-)</i>
(Loss) / Profit before tax and extraordinary items					231,805
					<i>(143,803)</i>
Tax					103,811
					<i>(58,205)</i>
Extraordinary profit/loss					-
					<i>(-)</i>
Net (Loss)/ Profit after Tax					127,994
					<i>(85,598)</i>

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segment Assets	212,135,217	213,500,638	9,142,759	-	434,778,614
	<i>(250,282,295)</i>	<i>(174,816,495)</i>	<i>(3,713,755)</i>	<i>(-)</i>	<i>(428,812,545)</i>
Unallocated assets					10,641,961
					<i>(9,641,697)</i>
Total Assets					445,420,575
					<i>(438,454,242)</i>
Segment Liabilities	139,727,970	112,354,530	146,192,482	-	398,274,982
	<i>(157,933,013)</i>	<i>(97,770,765)</i>	<i>(138,196,280)</i>	<i>(-)</i>	<i>(393,900,058)</i>
Unallocated Liabilities					980,558
					<i>(378,920)</i>
Capital and Reserves					46,165,035
					<i>(44,175,264)</i>
Total Liabilities					445,420,575
					<i>(438,454,242)</i>

(Figures in brackets and italics indicate previous year numbers)

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

In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

39. Related Parties

Related parties' disclosures under AS 18 include:

Ultimate Parent

DBS Group Holdings Ltd

Parent

DBS Bank Ltd., Singapore

Branches of Parent / Subsidiaries of Parent

- DBS Bank (Hong Kong) Limited
- DBS Bank Ltd., London
- DBS Bank Ltd., Tokyo
- DBS Bank Ltd., Taipei
- DBS Bank Ltd., Los Angeles
- DBS Bank (China) Limited
- PT Bank DBS Indonesia
- DBS Asia Hub 2 Private Limited

Entity over which the Bank exercises control

- DBS Bank Employees' Provident Fund Trust

Key Management Personnel

- Surojit Shome: General Manager and Chief Executive

With regard to the RBI Circular No. DBOD.BP.BC No.7 /21.04.018/2015-16 dated 01 July 2015, 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 "Branches of Parent / Subsidiaries of Parent".

Items / Related Party	31 Mar 2017	31 Mar 2016
Deposit	245,454 (655,449)	655,449 (715,585)
Placement of Deposits	31,764 (6,989,654)	5,079 (3,566,253)
Borrowings	- (2,386,604)	63 (1,408,082)
Guarantees / Derivatives / Forward Contracts	3,869,103 (6,350,391)	4,570,409 (5,414,869)
Interest paid	4,666	67
Interest received	4,303	631
Rendering of services*	12,982	13,157
Receiving of services	4,744	-

* excludes service tax

(Figures in brackets indicate maximum outstanding during the year)



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

39. Related Parties (*Continued*)

Material related party transactions are given below:

A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category. Following were the material transactions between the Bank and its related parties:

Acceptance of Deposits:

Deposit placed by DBS Asia Hub 2 Private Limited INR 243,385 thousand (Previous Year: INR 655,381 thousand)

Placement of Deposits:

Nostro deposit was placed with DBS Bank Ltd., China foreign currency equivalent of INR 14,565 thousand (Previous Year: INR 418 thousand), DBS Bank Ltd., London foreign currency equivalent of INR 11,007 thousand (Previous Year: INR 4,110 thousand) and DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 6,191 thousand (Previous Year: INR 550 thousand).

Guarantees / Derivatives / Forward Contracts:

Guarantees given on behalf of DBS Bank Ltd., London foreign currency equivalent of INR 2,526,296 thousand (Previous Year: 3,735,669 thousand). Guarantees given on behalf of DBS Bank Ltd., Taipei foreign currency equivalent of INR 1,035,743 thousand (Previous Year: INR 783,924 thousand). FX deal entered into with DBS Hong Kong foreign currency equivalent of INR 21,273 thousand (Previous Year: INR 40,937 thousand)

Interest paid:

Interest paid on term deposits to DBS Asia Hub 2 Private Limited INR 4,325 thousand (Previous Year: Nil). Interest on money market borrowing paid to DBS Bank Ltd., London foreign currency equivalent of INR 341 thousand (Previous Year: INR 67 thousand).

Interest received:

Interest on money market lending received from DBS Bank Ltd., London foreign currency equivalent of INR 4,303 thousand (Previous Year: INR 631 thousand).

Rendering of Services:

Income on rendering of employee services from DBS Asia Hub 2 Private Limited INR 7,346 thousand (Previous Year: INR 11,969 thousand)

Receiving of Services:

Direct Billing costs pertaining to DBS Bank (Hong Kong) Limited foreign currency equivalent of INR 293 thousand (Previous Year: NIL). Direct Billing costs pertaining to DBS Bank (China) Limited foreign currency equivalent of INR 4,451 thousand (Previous Year: NIL).



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

40. Operating Leases

Operating Leases are entered into for office premises, ATM 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:

Particulars	31 Mar 2017	31 Mar 2016
Not later than one year	336,059	276,098
Later than one year and not later than 5 years	1,168,194	34,344
Later than five years	75,525	Nil

The lease payments for the year ended 31 March 2017 charged to the Profit and Loss Account amount to INR 482,049 thousand (Previous Year: INR 452,977 thousand).

The Bank has entered into operating lease arrangements for office premises, ATM's and residential premises for select bank staff.

Certain leases are cancellable on providing notice period of 1 month to 6 months and may be renewed for a further period from 1 year to 3 years based on mutual agreement of both the parties.

41. Employee Benefits

Provident Fund: The Bank's contribution to the Employees' Provident Fund during the year was INR 117,111 thousand (Previous Year: INR 104,310 thousand).

The defined benefit obligation of interest rate guarantee on exempt Provident Fund in respect of the employees of the Bank has been determined for the year ended 31 March 2017 based on the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India. The defined benefit obligation of interest rate guarantee as at 31 March 2017 based on actuarial valuation is INR 13,331 thousand (Previous Year: INR 7,136 thousand).

Table 1: Break-down of Liability to be recognised in the Balance Sheet

Particulars	31 Mar 2017	31 Mar 2016
A Value of the Interest Rate Guarantee	25,795	19,625
B Accumulated Balance in the Provident Fund	1,820,346	1,477,508
C Present Value of the Obligation (A+B)	1,846,141	1,497,133
D Carrying Value of Plan Assets	1,832,810	1,489,997
E Liability recognised in the Balance Sheet (C – D)	13,331	7,136

Table 2: Parameters of PF investment and obligations

Particulars	31 Mar 2017	31 Mar 2016
I Discount rate for the term of the obligation	6.8%p.a.	7.3%p.a.
II Average historical yield on the investment portfolio	8.75%p.a.	8.8%p.a.
III Discount rate for the remaining term to maturity of the investment portfolio	6.8%p.a.	7.3%p.a.
IV Expected Investment Return	8.4%-8.7%p.a.	8.5%-9%p.a.
V Guaranteed Rate of Return	8.65%p.a.	8.8%p.a.
VI Salary escalation rate for the term of the obligation	6%p.a.	7%p.a.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

41. Employee Benefits (Continued)

Compensated Absences: The Bank has charged INR 11,805 thousand to the Profit and Loss Account towards provision for compensated absences during the year ended 31 March 2017. (Previous Year charge of INR 2,895 thousand).

Principal Actuarial Assumptions	31 Mar 2017	31 Mar 2016
Discount Rate (per annum)	6.60%	7.5%
Salary Escalation Rate (per annum)	6%	7%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate (per annum)	20%	17%

Gratuity: The Bank has charged INR 37,619 thousand towards provision held in the Gratuity Fund for the year ended 31 March 2017 (Previous Year charge of INR 47,891 thousand).

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

(I) Net Asset / (Liability) recognised in the Balance Sheet	31 Mar 2017	31 Mar 2016
Present Value of obligations as at year end	202,477	176,358
Fair Value of plan assets as at year end	164,858	136,625
Net Asset / (Liability) recognised in the Balance Sheet	(37,619)	(39,733)

(II) Changes in Defined Benefit Obligation during the Year	31 Mar 2017	31 Mar 2016
Opening Defined Benefit Obligation (DBO)	176,358	144,059
Interest cost	13,227	11,237
Current Service Cost	34,399	32,024
Past Service Cost	-	-
Actuarial (Gain) / Losses	8,040	5,578
Benefits Paid	(29,547)	(16,540)
Closing Defined Benefit Obligation	202,477	176,358

(III) Changes in fair value of Plan Assets	31 Mar 2017	31 Mar 2016
Opening Fair Value of Plan Assets	136,625	14,807
Expected Return on Plan Assets	10,257	694
Actuarial Gain / (Losses)	7,790	254
Contributions by employer	39,733	137,410
Benefits Paid	(29,547)	(16,540)
Closing Fair Value of Plan Assets	164,858	136,625
Estimated Employer Contributions for the next year	65,000	40,000
Actual Return on Plan Assets	18,047	948



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

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41. Employee Benefits (Continued)

(IV) Amount recognised in the Profit and Loss Account	31 Mar 2017	31 Mar 2016
Current Service Cost	34,399	32,024
Interest on Defined Benefit Obligation	13,227	11,237
Expected Return on Plan Assets	(10,257)	(694)
Net Actuarial Losses / (Gains) for the current year	250	5,324
Amount recognised in the Profit and Loss Account	37,619	47,891

(V) Asset Information	31 Mar 2017	31 Mar 2016
Insurer Managed Funds (non unit-linked)	1%	5%
Insurer Managed Funds (unit-linked)	99%	95%
Total	100%	100%

(VI) Experience adjustments	31 Mar 17	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13
Present Value of DBO	202,477	176,358	144,059	97,976	86,181
Fair Value of Plan Assets	164,858	136,625	14,807	15,421	22,757
Funded Status [Surplus/ (Deficit)]	(37,619)	(39,733)	(129,252)	(82,555)	(63,424)
Experience adjustment on Plan Liabilities : (Gain) / Loss	10,517	3,160	(513)	4,985	6,418
Experience adjustment on Plan Asset : Gain	7,380	241	(342)	159	307

(VII) Principal Actuarial Assumptions	31 Mar 2017	31 Mar 2016
Discount Rate (per annum)	6.6%	7.5%
Expected rate of return on assets (per annum)	7.5%	7.8%
Salary Escalation Rate (per annum)	6%	7%
Attrition Rate	20%	17%
Expected average remaining working lives of employees	4 years	5 years
Mortality Rate	IALM 2006-08 (Ultimate).	IALM 2006-08 (Ultimate).

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

In computing the above information, certain estimates have been made by the Bank's management, which have been relied upon by the auditors.



DBS Bank Ltd., India

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for the year ended 31 March 2017

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42. Employee share based payments

The Bank grants shares in its ultimate parent, DBS Group Holdings Ltd, to certain eligible employees. Upon settlement the shares are transferred to its employees. The shares are awarded to the eligible employees as per the current schemes which are set out below:

- a.** Restricted share plan - The shares awarded under the said plan to the eligible employees could be performance-based and/or time-based. Where time-based awards are granted, they will only vest after the satisfactory completion of time-based service conditions. A time-based award comprises two elements, namely, the main award and the retention (also known as “kicker”) award.

Shares awarded vest in a graded manner whereby, thirty-three percent of the shares comprised in the main award will vest two years after the date of grant. A further thirty-three percent of the shares comprised in the main award will vest three years after the date of grant. The remainder thirty-four percent of the shares comprised in the main award, together with the shares comprised in the retention award, known as kicker will vest four years after the date of grant.

- b.** Chairman Recognition award – Eligible employees of the Bank are awarded ordinary shares for their excellent performance during the year. Shares awarded vest in a graded manner whereby thirty-three percent of the shares will vest two years after the date of grant, a further thirty-three percent of the shares comprised in the main award will vest three years after the date of grant and the remainder thirty-four percent of the shares will vest four years after the date of grant.

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2017 is shown below:

Category	Year	No. of unvested shares as at 31 March 2016	Granted	Additional shares for rights issue	Vested	Lapsed	No. of unvested shares as at 31 March 2017
Restricted Share Plan	2013	22,924	-	-	21,418	1,506	-
	2014	69,856	-	-	20,251	27,250	22,355
	2015	31,993	-	-	9,796	1,150	21,047
	2016	55,550	-	-	-	1,287	54,263
	2017	-	94,288	-	-	-	94,288
Chairman's Recognition Award	2013	16,766	-	-	14,994	1,772	-
	2014	40,810	-	-	17,270	5,730	17,810
	2015	44,553	-	-	12,972	5,200	26,381
	2016	100,573	-	-	-	7,600	92,973
	2017	-	57,900	-	-	-	57,900

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 – SGD 19.10.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

42. Employee share based payments (Continued)

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2016 is shown below:

Category	Year	No. of unvested shares as at 31 March 2015	Granted	Additional shares for rights issue	Vested	Lapsed	No. of unvested shares as at 31 March 2016
Restricted Share Plan	2012	29,828	-	-	29,420	408	-
	2013	32,669	-	-	9,737	8	22,924
	2014	99,368	-	-	29,512	-	69,856
	2015	33,543	-	-	-	1,550	31,993
	2016	-	55,550	-	-	-	55,550
Chairman's Recognition Award	2012	15,722	-	-	11,341	4,381	-
	2013	41,133	-	-	13,951	10,416	16,766
	2014	71,600	-	-	20,900	9,890	40,810
	2015	47,753	-	-	-	3,200	44,553
	2016	-	100,573	-	-	-	100,573

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 – SGD 19.10.

The charge to Profit and Loss Account for the year ended 31 March 2017 was INR 83,917 thousand (Previous Year: INR 83,591 thousand).

Asset on account of share based payment as at 31 March 2017 is INR 12,612 thousand (Previous Year liability: INR 16,382 thousand).

43. Complaints

In terms of the RBI Circular DBR.No.BP.BC.No.23 /21.04.018/2015-16 dated 1 July 2015, the details of customer complaints and Banking Ombudsman awards during the year are as under:

Particulars	31 Mar 17	31 Mar 16
No. of complaints pending at the beginning of the year	8	2
No. of complaints received during the year	1,053	535
No. of complaints redressed during the year	1,058	529
No. of complaints pending at the end of the year	3	8

The above disclosure is compiled by the management and relied upon by the auditors.

Particulars	31 Mar 17	31 Mar 16
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	-	-

The above disclosure is compiled by the management and relied upon by the auditors.



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017

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44. Impairment of Assets

There is no impairment of fixed assets and as such there is no provision required in terms of Accounting Standard 28 'Impairment of Assets'.

45. Contingent Liabilities

a) *Claims against bank not acknowledged as debt*

This includes liability on account of income tax demands raised against the Bank that are referred to various authorities. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows

b) *Liability on account of forward exchange contracts/Liability on account of outstanding Currency and Interest Rate Swap, Option contracts and Interest Rate Derivatives*

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. Interest Rate Futures is a standardised interest rate derivative contract traded on a recognised stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract. The notional principal amounts of foreign exchange and derivatives contracts have been recorded as contingent liabilities.

c) *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 fulfil its financial or performance obligations.

d) *Acceptances, endorsements and other obligations*

These include documentary credits 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.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

45. Contingent Liabilities (Continued)

e) *Other items for which the bank is contingently liable*

Other items represent amount payable against bills re-discounted, estimated amount of contracts remaining to be executed on capital account and value of investment traded on or before the Balance Sheet date with a settlement post Balance Sheet date and Depositor Education and Awareness Fund (DEAF).

46. Disclosure under Micro, Small & Medium Enterprises Development Act, 2006

The Bank has a policy of payment to its vendors based on the agreed credit terms. Consequently, as per Bank's policy 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 2017 (Previous Year: Nil).

The above information takes into account only those suppliers who have responded to inquiries made by the Bank for this purpose.

For the purpose of this disclosure, the Bank has compiled the data, which has been relied upon by the auditor.

47. Movement in provisions

Disclosure of movement in provisions in accordance with AS 29 is set out below:

Particulars	31 Mar 17	31 Mar 16
Opening balance at the beginning of the year	65,217	65,217
Add : Provision made during the year	-	-
Less : Utilisation, write back of excess provisions during the year	-	-
Closing balance at the end of the year	65,217	65,217

Note: Provision represents potential claims/demand.

48. Technical Write-Offs

In terms of the RBI Circular DBR.BP.BC.No.8 / 21.04.018 / 2015-16 dated 1 July 2015, the details of technical write-offs and the recoveries made thereon during the year are as under:

Particulars	31 Mar 17	31 Mar 16
Opening balance of Technical/ Prudential written-off accounts	3,995,266	3,337,558
Add: Technical/ Prudential write-offs during the year	1,167,427	657,708
Sub-total (A)	5,162,693	3,995,266
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	3,995,266*	
Closing balance as at March 31 (A-B)	1,167,427	3,995,266

* includes amount of technical /prudential write-off accounts sold during the year



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

49. Unhedged Foreign Currency Exposure (UFCE)

The RBI has issued various guidelines advising banks to closely monitor the unhedged foreign currency exposures of their borrowing clients. However, the extent of unhedged foreign currency exposures of the entities continues to be significant and this can increase the probability of default in times of high currency volatility.

The RBI had, therefore, introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures.

The process for ascertaining the amount of UFCE, estimating the extent of the likely loss, the riskiness of the unhedged positions, provisions thereof, etc. are to be done as per the RBI Circular DBOD. No. BP.BC. 85/21.06.200/2013-14 dated January 15, 2014. DBS India's policy Guidelines for Monitoring Unhedged Foreign Currency Exposures of Corporates, Provisioning & Capital requirements encompass the RBI guidelines in this regard.

This guideline indicates the definition of "unhedged foreign currency exposure" (as per the RBI) and how to estimate the extent of likely loss. Likely loss is defined as "The loss to the entity in case of movement in USD-INR exchange rate may be calculated using the annualised volatilities (currently pegged at 12.49% of notional by the RBI guidelines). Once the loss figure is calculated, it may be compared with the annual EBID of the corporate as per the latest quarterly results certified by the statutory auditors. This loss may be computed as a percentage of EBID. Higher this percentage, higher will be the susceptibility of the entity to adverse exchange rate movements. Therefore, as a prudential measure, all exposures to such entities (whether in foreign currency or in INR) would attract incremental capital and provisioning requirements (i.e., over and above the present requirements) as prescribed by the RBI.

As per the RBI guideline, the UFCE may be obtained from entities every quarter on self-certification basis, and preferably should be internally audited by the entity concerned. However, at least on an annual basis, UFCE information should be audited and certified by the statutory auditors of the entity for its authenticity. For this purpose, for cases with large UFCE where the likely loss to EBID is over 75% are tabled at the Credit Committee on a quarterly basis.

In terms of the RBI Circular DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated 15 January 2014, the details of incremental provisioning and capital held by the Bank are as below:

Particulars	31 Mar 17	31 Mar 16
Incremental provision on account of UFCE	178,297	153,565
Incremental risk weighted assets on account of UFCE	6,575,870	6,187,833



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

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(Currency: Indian rupees in thousand)

50. Intra-Group Exposures

In terms of the RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated 11 February 2014, the disclosures on intra-group exposures are as below:

Particulars	31 Mar 17	31 Mar 16
Total amount of intra-group exposures	5,572,562	4,115,944
Total amount of top-20 intra-group exposures	5,572,562	4,115,944
Percentage of intra-group exposures to total exposure of the bank on borrowers /customers	1.37%	1.19%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

Total Exposure has been computed basis the guidelines provided in the exposure norms circular.

Proprietary derivative position with head office is based on the information provided by the management which has been relied upon by the auditors.

51. Transfers to Depositor Education and Awareness Fund (DEAF)

In terms of the RBI circular DBR.No.BP.BC.No.23 /21.04.018/2015-16 dated 1 July 2015, there is transfer to DEAF during the year. Accordingly, the disclosures on DEAF are as below:

Particulars	31 Mar 17	31 Mar 16
Opening balance of amounts transferred to DEAF	-	-
Add : Amounts transferred to DEAF during the year	887	-
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	887	-



Schedules to Financial Statements (Continued)
for the year ended 31 March 2017

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52. Liquidity Coverage Ratio

The RBI vide its circular DBOD.BP.BC.No.120 / 21.04.098/2013-14 dated 9 June 2014, notified Basel III framework on Liquidity Standards covering Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards. As per the guidelines, following is the disclosure of information on Liquidity Coverage Ratio (LCR)

Particulars	30-Jun-2016		30-Sep-2016		31-Dec-2016		31 Mar-17	
	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA) (A)		60,703,135		57,362,752		73,955,287		79,412,958
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:		3,358,044		6,264,591		6,466,450		7,283,588
(i) Stable deposits	33,684,644	10,420	63,099,846	45,394	65,253,051	58,855	73,544,218	70,834
(ii) Less stable deposits	208,406	3,347,624	907,877	6,219,197	1,177,106	6,407,595	1,416,678	7,212,754
3. Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	168,546,333	76,771,280	157,465,582	73,490,803	180,351,894	84,251,722	170,547,464	79,911,406
(ii) Non-operational deposits (all counterparties)	37,212,589	9,276,294	29,718,705	7,429,676	39,495,660	9,873,915	35,403,489	8,850,872
(iii) Unsecured debt	131,333,744	67,494,986	127,746,877	66,061,127	140,856,234	74,377,807	135,143,975	71,060,534
4. Secured wholesale funding								
5. Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	23,880,718	5,049,615	22,778,163	5,688,832	25,186,513	5,682,314	23,311,067	5,785,954
(ii) Outflows related to loss of funding on debt products	2,983,085	2,983,085	3,875,623	3,875,623	3,565,152	3,565,152	3,891,336	3,891,336



Schedules to Financial Statements (Continued)
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(iii) Credit and liquidity facilities	20,897,633	2,066,530	18,902,540	1,813,209	21,621,361	2,117,162	19,419,731	1,894,618
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	154,192,753	6,384,993	151,424,381	6,279,315	176,019,611	7,528,283	184,344,018	7,874,702
8. Total Cash Outflows (B)		91,563,932		91,723,540		103,928,769		100,855,650
Cash Inflows								
9. Secured lending (e.g. reverse repos)	1,124,403	-	943,887	-	1,931,777	-	2,476,707	-
10. Inflows from fully performing exposures	46,807,073	34,962,971	57,333,283	45,312,138	58,320,983	39,873,925	54,572,705	39,061,901
11. Other cash inflows	20,783,345	1,470,012	19,929,599	2,582,932	27,063,452	1,043,453	24,202,262	1,232,092
12. Total Cash Inflows (C)		36,432,983		47,895,071		40,917,378		40,293,993
21. TOTAL HQLA		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
22. Total Net Cash Outflows (D = B-C)		60,703,135		57,362,752		57,362,752		79,412,958
23. Liquidity Coverage Ratio (%) (A)/(D)		55,130,949		43,828,470		43,828,470		60,561,657
		120.26%		110.36%		130.57%		131.78%

* Average is calculated based on three month end data points for each quarter (June to December 2016). For March 2017 quarter average is calculated based on daily data points.

In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.



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(Currency: Indian rupees in thousand)

Particulars	30-Jun-2015		30-Sep-2015		31-Dec-2015		31-Mar-16	
	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA) (A)		40,256,217		43,997,373		49,157,039		54,471,756
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:		6,374,565		5,920,987		2,168,328		2,263,330
(i) Stable deposits	319,024	15,951	487,208	24,360	59,717	2,986	83,524	4,176
(ii) Less stable deposits	63,586,141	6,358,614	58,966,264	5,896,626	21,653,418	2,165,342	22,591,539	2,259,154
3. Unsecured wholesale funding, of which:		54,560,241		55,441,881		65,352,553		70,662,412
(i) Operational deposits (all counterparties)	21,822,985	5,432,095	19,095,732	4,737,202	25,724,738	6,393,075	33,464,377	8,327,027
(ii) Non-operational deposits (all counterparties)	94,219,725	49,128,146	95,968,712	50,704,679	111,716,877	58,959,478	127,322,600	62,335,385
(iii) Unsecured debt								
4. Secured wholesale funding								
5. Additional requirements, of which	15,795,257	4,453,057	17,478,587	4,475,567	18,535,534	3,814,025	21,547,789	5,442,849
(i) Outflows related to derivative exposures and other collateral #	2,453,850	3,118,917	3,030,787	3,030,787	2,178,302	2,178,302	3,653,411	3,653,411
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities	13,341,407	1,334,141	14,447,800	1,444,780	16,357,231	1,635,723	17,894,378	1,789,438
6. Other contractual funding obligations								
7. Other contingent funding obligations	155,174,428	7,758,721	157,665,350	7,883,268	155,782,624	7,789,131	155,564,065	6,954,140
8. Total Cash Outflows (B)		73,146,585		73,721,702		79,124,037		85,322,731
Cash Inflows								
9. Secured lending (e.g. reverse repos)	617,107				1,903,281		692,019	
10. Inflows from fully performing exposures	44,694,538	30,679,193	45,743,532	31,965,293	45,984,480	33,252,058	48,479,907	37,676,325
11. Other cash inflows	24,725,837	1,125,837	24,983,917	850,584	25,843,625	643,625	25,412,604	1,762,604



DBS Bank Ltd., India

Schedules to Financial Statements (Continued) for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

12. Total Cash Inflows (C)	31,805,030	32,815,877	33,895,683	39,438,928
21. TOTAL HQLA	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
22. Total Net Cash Outflows (D = B-C)	40,256,217	43,997,373	49,157,039	54,471,756
23. Liquidity Coverage Ratio (%) (A)/(D)	41,341,555 97.37%	40,905,825 107.56%	45,228,354 108.69%	45,883,803 118.72%

Average is calculated based on three month end data points for each quarter (June 2015 to March 2016).

The largest absolute net 30-day collateral flow is arrived at using data of preceding 24 months for Mar'16, and the Mar'16 collateral flow is also considered for previous periods (Apr'15 to Feb'16).

In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

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(Currency: Indian rupees in thousand)

52. Liquidity Coverage Ratio (Continued)

Qualitative disclosure around LCR

The main LCR drivers for the Bank are as under (observed over 4 quarter end data):

31 Mar 2017	Average	Maximum	Minimum
HQLA	58,377,947	76,120,123	48,644,491
Total Cash Inflows	46,398,583	51,852,283	39,047,823
Total Cash Outflows	99,451,748	111,322,505	93,052,814
Total Net cash outflows	53,053,165	68,329,757	43,188,544

The main LCR drivers for the Bank are as under (observed over 3 month's daily data):

31 Mar 2016	Average	Maximum	Minimum
HQLA	44,624,081	52,430,808	35,773,341
Total Cash Inflows	40,933,987	60,642,656	31,323,403
Total Cash Outflows	78,769,476	93,101,662	69,855,125
Total Net cash outflows	37,835,489	47,317,940	32,459,006

The Bank's HQLA primarily consist of excess SLR maintained in the form of Government Securities /T-Bills, 9% of NDTL (as permissible by the RBI), 2% MSF (as permissible by the RBI), Corporate Bonds which classify as Level 2 Assets & Commercial Paper which classify as Level 2 assets.

The Bank primarily relies wholesale funding, in the form of term deposits. Further, the bank is gradually increasing its current account and savings account deposits over a period of time. The total deposits (current account, savings account and term deposits) comprise of 32% of retail clients (CBG) and 68% of corporate clients (IBG & SME).

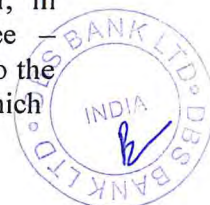
The Bank primarily maintains margin for settlement of MTM arising from derivative deals. The same is managed on a daily basis and any top up if required is done. However, no major volatility is observed leading to liquidity risk.

The Bank monitors LCR daily on a combined basis (i.e. INR + FCY). Further the Bank raises deposits and borrowings in foreign currency which are swapped into INR and lent/invested thereafter.

The overall liquidity management is guided by ALCO which takes into account local as well as HO regulations. The relevant units (RMG MLR, CT and TLM) interact regularly with each other and respective HO counterparts as well to ensure consistency in policy framing and decision making conforming to standards set by the regulations in both the locations.

53. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Bank has a CSR Committee. All the CSR projects undertaken by the Bank were planned in a participatory manner, in consultation with the CSR committee and the India Management Committee - IMC (wherever required). The Bank's CSR agenda/ vision is to actively contribute to the social and economic development of the communities including the communities in which



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(Currency: Indian rupees in thousand)

53. Corporate Social Responsibility (CSR) (Continued)

DBS India operate and build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. During the year, the Bank had negative average profits and hence no CSR expenditure has been debited (PY – NIL) to Profit & Loss account, towards CSR activities which are specified in Schedule VII of the Companies Act, 2013.

54. Sector-wise Advances

Sector	Current Year			Previous Year		
	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector						
1 Agriculture and allied activities	-	-	-	-	-	-
2 Advances to industries sector eligible as priority sector lending	46,976,945	2,005,992	4.27%	37,526,966	2,725,220	7.26%
Of which Construction	-	-	-	1,325,100	-	-
3 Services	16,400,342	-	-	16,421,926	-	-
4 Personal loans	3,550	-	-	3,280	-	-
Of which Home Loans	3,550	-	-	3,280	-	-
Sub-total (A)	63,380,837	2,005,992	3.16%	53,952,172	2,725,220	5.05%
B Non Priority Sector						
1. Agriculture and allied activities	-	-	-	120,299	-	-
2. Industry	82,859,353	5,152,718	6.22%	78,843,504	11,853,093	15.03%
Of which Construction	9,544,691	-	-	11,215,817	712,551	6.35%
3. Services	67,264,673	1,225,124	1.82%	49,171,891	1,748,741	3.56%
Of which Commercial Real Estate	6,250,000	-	-	10,330,003	-	-
4. Personal loans*	8,654,110	-	-	3,265,891	-	-
Of which Home Loans	6,386,455	-	-	2,717,025	-	-
Of which Loans against Property	2,235,630	-	-	548,865	-	-
Sub-total (B)	158,778,136	6,377,842	4.02%	131,401,585	13,601,834	10.35%
Total (A+B)	222,158,973	8,383,834	3.77%	185,353,757	16,327,054	8.81%

* Personal loan includes home loans and loan against property

** Represent gross advances



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

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55. Priority Sector Lending Certificates (PSLC)(Category-wise) sold and purchased during the year

Particulars	31 Mar 17	31 Mar 16
PSLC purchased during the year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
Total	-	-
PSLC sold during the year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	310,000	-
(iv) PSLC – General	130,000	-
Total	440,000	-

56. Disclosures on Flexible Structuring of Existing Loans

There were no borrowers taken up for flexibility structuring during the year (Previous Year – Nil).

57. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

The disclosure on Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period) as on 31 March 2017 is as under

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
3	3,681,027*	-	-	-	3,681,027*	-

* excludes equity shares amounting to INR 339,949 thousand

The disclosure on Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period) as on 31 March 2016 is as under

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	1,048,565	-	1,048,565	-	-	-



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58. Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

There were no accounts as on the reporting date where Bank has decided to effect change in ownership outside SDR, which are currently under the stand-still period (Previous Year – Nil).

59. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

There were no project loan accounts during the year where Bank has decided to effect change in ownership. (Previous Year – Nil)

60. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A)

The disclosure on S4A as on 31 March 2017 is as under

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	107,280	107,280	-*	39,080
Classified as NPA	404,989	206,280	198,709	107,073

* The Bank has not received any shares under the scheme as the package is being formalised.

The disclosure on S4A as on 31 March 2016 is as under

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	-	-	-	-
Classified as NPA	-	-	-	-

61. Divergence in the asset classification and provisioning

There is no instance of divergence in the asset classification and provisioning of advances based on the latest inspection report published by the RBI.



DBS Bank Ltd., India

Schedules to Financial Statements (Continued)

for the year ended 31 March 2017

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62. Provision pertaining to fraud accounts

The disclosure on provision pertaining to fraud accounts in accordance with the RBI circular DBR.No.BP.BC.92/21.04.048/2015-16 dated 18 April 2016 is as under

Particulars	31 Mar 17	31 Mar 16
No. of frauds reported during the year	19	6
Amount involved in fraud	871	711,156
Amount involved in fraud net of recoveries / write-offs as at the end of the year	594	-
Provisions held as at the end of the year	-	-
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

63. Implementation of Indian Accounting Standards (IndAS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015. Further, a press release was issued by the MCA on 18 January 2016 outlining the roadmap for implementation of Indian Accounting Standards (IndAS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India shall comply with the IndAS for financial statements for accounting period beginning from 1 April 2018 onwards, with comparatives for the period ending 31 March 2018. In preparedness towards achieving the same, the Bank had prepared proforma financials as per IndAS as on 30 September 2016 as per extant regulatory guidelines and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting IndAS as per regulatory requirement.

64. Other Disclosures

- The Bank did not hold any floating provision in its books as at 31 March 2017 (Previous Year: Nil).
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 4,067,073 thousand (Previous Year: INR 3,717,649 thousand).
- The Bank has transferred an amount of INR 176,906 thousand from Investment Reserve account to Balance in Profit and Loss Account (Previous Year: INR 768 thousand). Pursuant to the approval received from the RBI, the Bank has transferred an amount of INR 1,861,777 thousand from 'Other Liabilities' to 'Capital Retained in India for CRAR purposes' (Previous Year: Nil).
Apart from the above, there was no drawdown from reserves during the year ended 31 March 2017.



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Schedules to Financial Statements *(Continued)*

for the year ended 31 March 2017

(Currency: Indian rupees in thousand)

- The Bank did not issue any Letters of Comfort (LoC) during the year ended 31 March 2017 (Previous Year: Nil).
- The Bank has not financed any margin trading activities nor securitised any assets during the current year (Previous Year: Nil).
- The Bank did not deal in any Credit default swaps during the year ended 31 March 2017. (Previous Year: Nil).
- The Bank has not sold or transferred securities to/from HTM category during the year. (Previous Year: Nil)
- The Bank has earned an amount of INR 77,264 thousand in respect of Bancassurance business undertaken during the year ended 31 March 2017 (Previous Year: INR 55,369 thousand).
- The net book value of the fixed assets includes computer software of INR 120,575 thousand as at 31 March 2017. (Previous Year: INR 143,675 thousand).
- Head office expense is arrived after the reversal of previous year provision of Nil (Previous Year: INR 187,475 thousand).
- The Bank's compensation policies including that of CEO's, is in conformity with the FSB principles and standards. In accordance with the requirements of the RBI Circular No. DBR.NO.BC.72/29.67.001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to the RBI confirming the above mentioned aspect.
- Receivables acquired under factoring (gross) as on 31 March 2017 amounts to INR 26,597,229 thousand (Previous Year: INR 13,693,505 thousand).
- During the year, the Bank has not credited any amount to Profit and Loss Account on account of assets acquired in satisfaction of claim (Previous Year: INR 134,712 thousand).
- There were no prior period items that have been debited / credited to Profit and Loss Account (Previous Year – Nil).



DBS Bank Ltd., India

Schedules to Financial Statements (*Continued*)

for the year ended 31 March 2017


(Currency: Indian rupees in thousand)

- Previous year's figures have been regrouped / rearranged, wherever necessary to conform to the current year's presentation.

For DBS Bank Ltd., India



Surojit Shome
Chief Executive Officer, India



Rajesh Prabhu
Managing Director and
Chief Financial Officer

29 May 2017 Mumbai

