

DBS Bank Ltd., India

Financial statements
together with Auditors' report
for the period ended 28 February 2019

INDEPENDENT AUDITOR'S REPORT

To Chief Executive Officer of DBS Bank Ltd., India

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of DBS Bank Ltd., India ('the Bank'), which comprise the Balance Sheet as at February 28, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013, as amended ('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 February 28, 2019, its loss and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Emphasis of Matter- Going Concern Basis of Preparation

We draw attention to Schedule 18 - Note 1 to the financial statements. The Reserve Bank of India, vide letter no DBR.IBD.No.6409/23.13.046/2018-19 dated February 04, 2019 ('the RBI Order') has sanctioned, the Scheme of Amalgamation ('the Scheme') of the entire undertaking of the Bank with DBS Bank India Limited ('the Transferee Bank'), with effect from March 01, 2019 ('the Effective Date'), under Section 44 A of the Banking Regulation Act, 1949. Upon the Scheme becoming effective, the Balance Sheet of the Bank shall be prepared as at the close of the business on the date immediately preceding the Effective Date.

Pursuant to the RBI Order, all assets and liabilities of the Bank shall be deemed transferred to and vested in the Transferee Bank as a Going Concern. Accordingly, these financial statements have been prepared on a Going Concern Basis of Accounting.

Our Opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's management is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other

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information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The other information is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Bank's Management is responsible for the matters stated in section 134(5) of the Act, with respect to 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the guidelines and directions issued by the Reserve Bank of India from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information of the Bank for the year ended March 31, 2018 was audited by another auditor who expressed an unmodified opinion on those financial statements vide report dated 11 June 2018. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

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- (c) The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 2 branches for the purpose of our audit.
3. As required by Section 143(3) of the Act, we report 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;
 - (b) 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) Reporting requirement pursuant to provisions of Section 164 (2) of the Act are not applicable considering this is a branch of DBS Bank Ltd., Singapore;
 - (f) 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 separate Report in "Annexure 1" to this report;
 - (g) In our opinion, the entity being a banking company, the provisions of section 197 read with Schedule V of the Act are not applicable to the Bank for the period ended 28 February 2019; and
 - (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, 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 - Refer Schedule 18 - Note 45a to the 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 - Refer Schedule 18 - Note 45b to the financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No.: 121411
Place: Mumbai
Date: 28 June 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DBS BANK LTD., INDIA

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

To Chief Executive Officer of DBS Bank Ltd., India

We have audited the internal financial controls over financial reporting of DBS Bank Ltd., India (the 'Bank') as of February 28, 2019 in conjunction with our audit of the financial statements of the Bank for the period 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 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.

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 on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were established and maintained and if such controls operated effectively in all material respects.

Our 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 control 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company'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. A company'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 company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company'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 control 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, 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 February 28, 2019, 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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty,

per Sarvesh Warty

Partner

Membership No.: 121411

Place: Mumbai

Date: 28 June 2019

DBS Bank Ltd., India

Balance Sheet

as at 28 February 2019

(Currency: Indian rupees in thousand)

	<i>Schedule</i>	28-Feb-19	31-Mar-18
CAPITAL AND LIABILITIES			
Capital	1	49,901,500	37,057,895
Reserves and Surplus	2	8,663,094	8,722,791
Deposits	3	314,741,731	292,216,578
Borrowings	4	69,202,379	86,001,868
Other Liabilities and Provisions	5	68,690,812	44,533,020
Total		511,199,516	468,532,152
ASSETS			
Cash and Balances with Reserve Bank of India	6	19,531,912	21,348,314
Balances with banks and money at call and short notice	7	50,098,664	38,397,893
Investments	8	185,326,877	177,976,818
Advances	9	186,125,203	178,670,566
Fixed Assets	10	593,527	645,369
Other Assets	11	69,523,333	51,493,192
Total		511,199,516	468,532,152
Contingent Liabilities	12	7,202,228,532	4,836,322,710
Bills for collection		126,774,574	87,917,726
Significant accounting policies & 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 S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty.

Sarvesh Warty
Partner

Membership No: 121411
Mumbai, 28 June 2019

For DBS Bank Ltd., India

Surojit Shome
Surojit Shome
Authorised Signatory

Rajesh Prabhu
Rajesh Prabhu
Authorised Signatory

Mumbai, 28 June 2019

DBS Bank Ltd., India

Profit and loss account

as at 28 February 2019

(Currency: Indian rupees in thousand)

	Schedule	Period ended 28-Feb-19	Year ended 31-Mar-18
I. INCOME			
Interest earned	13	27,704,843	24,853,948
Other income	14	2,983,650	2,966,412
TOTAL		30,688,493	27,820,360
II. EXPENDITURE			
Interest expended	15	20,633,218	18,374,895
Operating expenses	16	9,794,599	9,488,309
Provisions and contingencies	17	320,373	5,285,866
TOTAL		30,748,190	33,149,070
III. PROFIT/(LOSS)			
Net Loss for the period / year		(59,697)	(5,328,710)
Profit brought forward		(7,661,490)	(2,407,548)
TOTAL		(7,721,187)	(7,736,258)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		-	-
Transfer to/(from) Investment Reserve		-	(74,768)
Capital retained in India for CRAR purposes		-	-
Balance carried over to Balance Sheet		(7,721,187)	(7,661,490)
TOTAL		(7,721,187)	(7,736,258)

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

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty

Sarvesh Warty
Partner

Membership No: 121411
Mumbai, 28 June 2019

Surojit Shome

Surojit Shome
Authorised Signatory

Rajesh Prabhu

Rajesh Prabhu
Authorised Signatory

Mumbai, 28 June 2019

DBS Bank Ltd., India

Cash flow statement

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation and extraordinary items	142,003	(6,663,484)
Adjustments for:		
Depreciation on Fixed Assets	316,428	402,417
(Profit) /Loss on sale and write off of Fixed assets	(232)	4,030
Foreign exchange loss on revaluation of subordinated debt	1,443,000	84,500
Provision/(Write back) for:		
Standard Asset/Derivatives	145,464	(73,571)
Depreciation on Investments	(40,519)	1,218,701
Contingent credit	1,659	(20,913)
Other provisions	(1,095)	(22,738)
Non Performing Assets (including write offs net of write backs)	13,164	5,519,161
Employee Benefits	(97,234)	57,323
Operating profit before working capital changes	1,922,638	505,426
Increase in Term Deposits placed with Banks	(11,504,625)	(12,434,500)
Increase in Investments (excluding HTM investments)	(7,309,540)	(76,714,231)
(Increase)/Decrease in Advances	(7,467,801)	34,213,444
(Increase)/Decrease in Other Assets	(17,803,923)	27,226,836
Increase in Deposits	22,525,153	22,306,926
Increase/(Decrease) in Other Liabilities & Provisions	24,108,998	(26,958,882)
	4,470,900	(31,854,981)
Income Tax paid	(427,918)	(250,000)
Net cash from / (used in) operating activities (A)	4,042,982	(32,104,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed Assets (including movement in Capital Work in Progress)	(264,603)	(481,472)
Proceeds from Sale of Fixed Assets	249	6,500
Net cash used in investing activities (B)	(264,354)	(474,972)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional capital from Head Office	12,843,605	4,944,361
(Decrease)/Increase in Borrowings	(18,242,489)	28,102,367
Net Cash (used in) / from financing activities (C)	(5,398,884)	33,046,728
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,620,256)	466,775



DBS Bank Ltd., India

Cash flow statement (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
Cash and cash equivalents at the beginning of the period	28,362,207	27,895,432
Cash and cash equivalents at the end of the period	26,741,951	28,362,207
Net (Decrease) / Increase in cash and cash equivalents	(1,620,256)	466,775
Notes: Cash and cash equivalents represent		
Cash and Balances with Reserve Bank of India (refer schedule 6)	19,531,912	21,348,314
Balances with banks and money at call and short notice (refer schedule 7)	50,098,664	38,397,893
Less: Deposits not considered as cash and cash equivalents as per AS - 3 Margin Deposit - Maturity greater than 90 days	(100,000)	(100,000)
Term Deposits with Banks - Maturity greater than 90 days	(42,788,625)	(31,284,000)
TOTAL	26,741,951	28,362,207

For S.R. Batliboi & Associates LLP

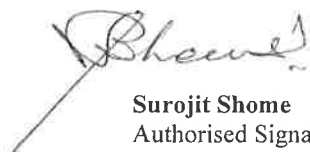
Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

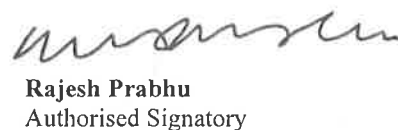
Sarvesh Warty.

Sarvesh Warty
Partner

Membership No: 121411
Mumbai, 28 June 2019


Surojit Shome
Authorised Signatory

For DBS Bank Ltd., India


Rajesh Prabhu
Authorised Signatory

Mumbai, 28 June 2019

DBS Bank Ltd., India

Schedules to financial statements

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
1 CAPITAL		
Amount of deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (Face Value)	4,250,000	4,050,000
Opening Balance	37,057,895	32,113,534
Add: Additional capital received from Head Office during the period / year (refer schedule 18 note [6])	12,843,605	4,944,361
Total	49,901,500	37,057,895
2 RESERVES & SURPLUS		
A Statutory Reserve (refer schedule 18 note [64])		
Opening Balance	3,756,777	3,756,777
Additions during the period / year	-	-
Deduction during the period / year	-	-
	3,756,777	3,756,777
B Capital Reserve (refer schedule 18 note [5])		
Opening Balance	5,096	5,096
Additions during the period / year	-	-
Deduction during the period / year	-	-
	5,096	5,096
C Investment Reserve Account (refer schedule 18 note [64])		
Opening Balance	-	74,768
Additions during the period / year	-	-
Deduction during the period / year	-	74,768
	-	-
D Capital retained in India for CRAR purposes		
Opening Balance	12,621,872	12,621,872
Additions during the period / year	-	-
Deduction during the period / year	-	-
	12,621,872	12,621,872
E Debit balance in Profit and Loss Account	(7,721,187)	(7,661,490)
F Deferred Tax Reserve	536	536
Total	8,663,094	8,722,791



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
3 DEPOSITS		
A (I) Demand Deposits		
(i) From Banks	3,527,345	4,034,457
(ii) From Others	32,075,393	19,857,885
	35,602,738	23,892,342
(II) Saving Bank Deposits	15,360,035	13,169,146
(III) Certificate of Deposits	-	-
(IV) Term Deposits		
(i) From Banks	46,203,784	41,666,130
(ii) From Others	217,575,174	213,488,960
	263,778,958	255,155,090
Total	314,741,731	292,216,578
B		
(i) Deposits of branches in India	314,741,731	292,216,578
(ii) Deposits of branches outside India	-	-
Total	314,741,731	292,216,578
4 BORROWINGS		
(I) Borrowings in India		
(i) Reserve Bank of India	-	30,650,000
(ii) Other Banks	-	-
(iii) Other institutions and agencies	46,609,088	8,458,748
	46,609,088	39,108,748
(II) Borrowings outside India	4,204,791	29,947,620
(III) Subordinated debt*	18,388,500	16,945,500
Total	69,202,379	86,001,868
<i>Secured borrowings included in I, II and III above</i>	46,609,088	39,108,748

*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 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
5 OTHER LIABILITIES & PROVISIONS		
I Bills Payable	207,792	191,367
II Inter Office adjustments (net)	-	-
III Interest Accrued	2,702,151	2,358,572
IV Contingent Provision against Standard Advances	825,654	881,661
V Contingent Provision against Derivatives exposures	198,887	128,236
VI Others (including provisions)*	64,756,328	40,973,184
Total	68,690,812	44,533,020
* includes provision for unhedged foreign currency exposure amounting to INR 350,009 thousand (previous year – INR 221,437 thousand)		
6 CASH & BALANCE WITH RESERVE BANK OF INDIA		
(I) Cash in hand (including foreign currency notes)	67,207	46,966
(II) Balances with Reserve Bank of India		
(i) in Current Account	13,964,705	12,651,348
(ii) in Other Accounts	5,500,000	8,650,000
	19,464,705	21,301,348
Total	19,531,912	21,348,314
7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
(I) In India		
(i) Balance with Banks		
(a) In Current Accounts	106,139	127,388
(b) In Other Deposit Accounts \$	42,888,625	31,384,000
	42,994,764	31,511,388
(ii) Money at call and short notice		
(a) With Banks	-	-
(b) With other institutions	-	1,509,167
	-	1,509,167
(II) Outside India		
(i) In Current Accounts	5,575,184	1,435,709
(ii) In Other Deposit Accounts	-	-
(iii) Money at call and short notice	1,528,716	3,941,629
	7,103,900	5,377,338
Total	50,098,664	38,397,893

\$ Includes Fixed deposits placed under lien towards exchange traded derivatives of INR 100,000 thousand (Previous year - INR 100,000 thousand)



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
8 INVESTMENTS		
(I) Investments in India in		
(i) Government Securities *	149,384,126	144,596,945
(ii) Other approved securities	-	-
(iii) Shares**	218,516	972,135
(iv) Debentures and Bonds ***	15,550,869	10,641,274
(v) Subsidiaries and Joint Ventures	-	-
(vi) Others (Certificates of Deposits, Commercial Papers and, Security Receipts of Asset Reconstruction Companies)	20,173,366	21,766,464
Total	185,326,877	177,976,818
Gross Investments in India	186,892,215	179,635,263
Less: Provision for depreciation	1,565,338	1,658,445
Net Investments in India	185,326,877	177,976,818

*Includes:

(A) Securities pledged as margin with CCIL (Clearing Corporation of India Limited) were INR 11,166,063 thousand (Previous Year: INR 1,989,223 thousand)

(B) Securities held u/s 11(2)(b) with Reserve Bank of India INR 4,164,453 thousands (Previous Year: INR 3,978,446 thousand)

(C) Securities pledged as collateral for LAF (Liquidity Adjustment Facility) / MSF (Marginal Standing Facility) were Nil (Previous Year: INR 31,006,142 thousand)

(D) Securities kept as margin for RTGS (Real Time Gross Settlement) INR 13,240,400 thousand (Previous Year: INR 19,845,200 thousand)

(E) Securities pledged as collateral with CCIL for Market repo INR 46,693,044 thousand (Previous Year: INR 8,420,206 thousand)

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

***Includes (OCD) Optionally Convertible Debentures of INR 1,279,255 thousand (Previous Year: INR 1,228,016 thousand) received on conversion of debt.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
9 ADVANCES		
A		
(i) Bills purchased and discounted	46,724,163	77,501,620
(ii) Cash credits, overdrafts and loans repayable on demand	108,670,519	69,995,629
(iii) Term Loans	30,730,521	31,173,317
Total	186,125,203	178,670,566
B		
(i) Secured by tangible assets *	73,876,285	55,195,170
(ii) Covered by Bank/Government Guarantees**	18,399,958	37,914,344
(iii) Unsecured	93,848,960	85,561,052
Total	186,125,203	178,670,566
C I Advances in India		
(i) Priority Sectors	72,253,825	65,664,795
(ii) Public Sectors	1,259	-
(iii) Banks	-	-
(iv) Others	113,870,119	113,005,771
II Advances outside India	-	-
Total	186,125,203	178,670,566

* 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 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
10 FIXED ASSETS		
I Premises		
Cost on 31st March of the preceding year	-	-
Additions during the period / year	-	-
Deductions during the period / year	-	-
	-	-
Depreciation to date	-	-
Net book value of Premises	-	-
II Other Fixed Asset (including furniture & fixture)		
Cost on 31st March of the preceding year	2,711,837	2,521,405
Additions during the period / year	164,164	443,963
Deductions during the period / year	(2,352)	(253,531)
	2,873,649	2,711,837
Depreciation to date	(2,426,662)	(2,112,569)
Net book value of Other Fixed Asset	446,987	599,268
III Capital work-in-progress	146,540	46,101
Total (I + II + III)	593,527	645,369
11 OTHER ASSETS		
(i) Inter Office Adjustments (net)	-	-
(ii) Interest Accrued	3,654,388	5,508,845
(iii) Tax paid in advance / Tax Deducted at Source (net of provisions)	4,376,670	3,948,752
(iv) Stationery and Stamps	-	-
(v) Deferred Tax Asset (refer schedule 18 note [35])	5,888,459	6,090,159
(vi) Non-Banking Assets acquired in satisfaction of claims	135,100	141,100
(vii) Others *	55,468,716	35,804,336
Total	69,523,333	51,493,192

* 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 28 February 2019

(Currency: Indian rupees in thousand)

	28-Feb-19	31-Mar-18
12 CONTINGENT LIABILITIES		
(i) Claims against the bank not acknowledged as debts	266,971	285,199
(ii) Liability for partly paid investments	-	-
(iii) Liability on account of outstanding foreign exchange contracts*	2,091,030,570	1,802,358,881
(iv) Liability on account of outstanding Currency and Interest Rate Swap, Options Contracts & Interest Rate Derivatives*	5,034,328,137	2,950,850,341
(v) Guarantees given on behalf of constituents		
- in India	28,941,089	53,176,409
- outside India	7,196,607	8,817,725
(vi) Acceptances, endorsements and other obligations	40,408,257	20,798,115
(vii) Other items for which the Bank is contingently liable	56,901	36,040
Total	7,202,228,532	4,836,322,710

*represents notionals



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	Period ended 28-Feb-19	Year ended 31-Mar-18
13 INTEREST EARNED		
(i) Interest / discount on advances / bills	11,899,946	11,554,423
(ii) Income on investments	11,785,283	9,960,683
(iii) Interest on balances with RBI and other inter-bank funds	1,736,192	1,614,394
(iv) Others	2,283,422	1,724,448
Total	27,704,843	24,853,948
14 OTHER INCOME		
(i) Commission, exchange and brokerage	1,967,950	2,016,420
(ii) Net (Loss) on sale of investments	(588,227)	(45,382)
(iii) Net Profit on sale of land, buildings and other assets	232	(4,030)
(iv) Net Profit/ (Loss) on Foreign Exchange and Derivative transactions	1,551,981	970,661
(v) Income earned by way of dividends etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
(vi) Miscellaneous Income	51,714	28,743
Total	2,983,650	2,966,412
15 INTEREST EXPENDED		
(i) Interest on Deposits	15,834,623	15,163,141
(ii) Interest on RBI / Inter-bank borrowings*	1,315,333	1,084,780
(iii) Others	3,483,262	2,126,974
Total	20,633,218	18,374,895

*including interest on Subordinated Debt



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

	Period ended 28-Feb-19	Year ended 31-Mar-18
16 OPERATING EXPENSES		
(i) Payments to and provisions for employees	4,130,885	3,878,131
(ii) Rent, taxes and lighting	593,247	671,577
(iii) Printing and Stationery	52,488	40,899
(iv) Advertisement and publicity	329,340	273,349
(v) Depreciation on Bank's property	316,428	402,417
(vi) Auditors fees and expenses	5,356	4,100
(vii) Law Charges	14,067	57,249
(viii) Postages, Telegrams, Telephones, etc.	120,543	123,517
(ix) Repairs and maintenance	54,042	78,226
(x) Insurance	279,860	281,863
(xi) Brokerage charges	102,921	74,210
(xii) Professional Fees	462,062	356,322
(xiii) Head Office Expenses (Refer Schedule 18 Note [64])	-	-
(xiv) Computerisation & Related Exp	1,604,744	1,742,518
(xv) Travelling expenses	139,212	138,471
(xvi) Fixed Assets Written Off	-	-
(xvii) Other Expenditure	1,589,404	1,365,460
Total	9,794,599	9,488,309
17 PROVISIONS & CONTINGENCIES		
(i) Provision / (Write-back of provision) for contingent credit	1,659	(20,913)
(ii) Provision for Non Performing advances / write offs (net)	13,164	5,519,161
(iii) Provision / (Write-back of provision) for Standard Asset (including standard asset provisioning on current credit exposure for derivatives and Unhedged Foreign Currency Exposure)	145,464	(73,571)
(iv) Provision for Depreciation on Investments	(40,519)	1,218,701
(v) Provision for Tax		
- Current Income-tax	-	-
- Deferred Tax charge/(Credit)	201,700	(1,334,774)
(vi) Other provisions	(1,095)	(22,738)
Total	320,373	5,285,866



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

Schedule 18

Significant Accounting policies and Notes to Accounts

1. Background

The accompanying financial statements for the period ended 28 February 2019 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 28 February 2019 are located at Mumbai, New Delhi, Bengaluru, Chennai, Pune, Kolkata, Nashik, Surat, Salem, Moradabad, Kolhapur and Cuddalore.

On 4 February 2019, the Reserve Bank of India has approved the Scheme of Amalgamation under section 44A of the Banking Regulations Act, 1949 of the entire undertaking of the Bank with DBS Bank India Limited (DBIL), a wholly owned subsidiary (WOS) of DBS Bank Ltd, Singapore. Accordingly, all the branches of the Bank in India will function as branches of DBIL to carry on business of banking through WOS mode under section 22(1) of the Banking Regulations Act, 1949 with effect from 1 March 2019 ('the Effective Date'). Hence, the results of the Bank is not comparable to the that of corresponding previous year. Upon the Scheme becoming effective, the Balance Sheet of the Bank shall be prepared as at the close of the business on the date immediately preceding the Effective Date. Accordingly, these financial statements have been prepared on a Going Concern Basis of Accounting. These financial statements are prepared to facilitate amalgamation of the Bank with DBIL.

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 certificates 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)

as at 28 February 2019

(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 Current Credit Exposure 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 5 ('Other liabilities and Provisions').

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)

as at 28 February 2019

(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') / Financial Benchmark India Pvt Ltd ('FBIL') as applicable. 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. All other Non SLR investments (excluding shares) 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.

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)

as at 28 February 2019

(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.

Short Sale

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions reflected are included under Schedule 8 ('Investments'). Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

(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 period / 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 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.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

4. Significant accounting policies (Continued)

(iv) Derivative transactions (Continued)

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.

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 period / 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 period / year is charged to the Profit and Loss Account on a pro-rata basis up to the month prior to the month of sale.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

4. Significant accounting policies (Continued)

(v) Fixed Assets (Continued)

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.

(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

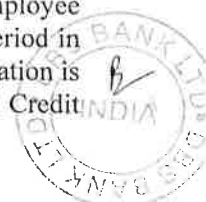
Employee benefit, payable wholly within twelve months of receiving employee services are classified as short- term employee benefits. These benefits include salaries, bonus and special allowance. The undiscounted amount of short- term employee benefits to be paid in exchange for employee services are 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 Bank'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 period / year end and actuarial gains / losses are charged to the Profit and Loss Account as applicable.

(b) **Gratuity:** For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(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)

as at 28 February 2019

(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'), 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 period / 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 period / year.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

4. Significant accounting policies (Continued)

(xi) Taxation (Continued)

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

Deferred tax asset is recognised for carried forward tax losses and unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. For all other temporary differences, deferred tax asset is recognised where there is reasonable certainty that taxable income will be available against which such deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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 period / 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.



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

(Currency: Indian rupees in thousand)

4. Significant accounting policies (Continued)

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

A disclosure of contingent liability is made when there is:

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

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

Contingent liabilities on account of foreign exchange contracts, derivative transactions, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

Contingent assets are not recognised in the financial statements. However, 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 Bank are segregated based on the available information.

(xvii) Service tax input credit / Goods & Service Tax (GST)

Service tax / GST 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.



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5. Capital Reserve

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

6. Capital

The Bank 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 28 Feb 2019	As at 31 Mar 2018
Common Equity Tier 1 (CET1) capital ratio (%)	14.72%	11.34%
Tier 1 capital ratio (%)	14.72%	11.34%
Tier 2 capital ratio (%)	5.29%	4.80%
Total Capital ratio (CRAR) (%)	20.01%	16.14%
Amount of capital received from HO during the period / year		
- Common Equity Tier 1 Capital	12,843,605	4,944,361
- Additional Tier 1 capital	-	-
- Tier 2 capital	-	-
Of which Debt capital instrument	-	-

During the period, the Head Office of the Bank has infused additional CET1 amounting to INR 12,843,605 thousand (Previous Year – INR 4,944,361).

7. Investments

Particulars	As at 28 Feb 19	As at 31 Mar 2018
Value of investments (*)		
Gross value of investments	186,892,215	179,635,263
Less: Provision for depreciation	1,565,338	1,658,445
Net value of investments	185,326,877	177,976,818
Movement in Provisions held towards depreciation on investments		
Opening balance	1,658,445	439,744
Add: Provisions made during the period / year	-	1,218,701
Less: Write back of excess provisions during the period / year to Profit and Loss account	93,107	-
Closing Balance	1,565,338	1,658,445

* All investments are held in India



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8. Repo/ Reverse Repo Transactions

	Minimum outstanding during the period / year	Maximum outstanding during the period / year	Daily average outstanding during the period / year	As at 28 Feb
Securities sold under Repos				
i) Government securities	10,398,801 (-)	81,341,611 (68,469,583)	46,232,975 (20,330,679)	46,609,088 (39,108,748)
ii) Corporate debt securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under Reverse Repos				
i) Government securities	- (-)	42,960,000 (42,139,263)	10,955,516 (17,261,348)	5,500,000 (10,159,167)
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 of 28 February 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	7,650,932 (1,902,285)	7,650,932 (1,902,285)	- (-)	- (-)	- (-)
(ii)	Financial Institutions*	6,388,976 (6,124,260)	6,388,976 (6,124,260)	- (-)	- (-)	986,841 (-)
(iii)	Banks	4,235,362 (-)	4,235,362 (-)	- (-)	- (-)	4,235,362 (-)
(iv)	Private Corporates	6,476,234 (15,829,247)	6,476,234 (15,829,247)	- (-)	1,856,404 (2,550,524)	6,059,220 (1,403,454)
(v)	Subsidiaries / Joint ventures	- (-)	- (-)	- (-)	- (-)	- (-)
(vi)	Others#	12,141,954 (9,988,553)	12,141,954 (9,988,553)	- (-)	391,403 (-)	12,141,954 (9,988,553)
(vii)	Provision held towards depreciation	950,707 (464,472)				
	Total	35,942,751 (33,379,873)	36,893,458 (33,844,345)	- (-)	2,247,807 (2,550,524)	23,423,377 (11,392,007)

(Figures in brackets indicate previous year numbers)

* includes investments in NBFC

Others represent investments in security receipts of an asset reconstruction company and Pass Through Certificates



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10. Non performing Non – SLR Investments

Non performing Non – SLR Investments are as under:

Particulars	As at 28 Feb 2019	As at 31 Mar 2018
Opening balance	809,570	671,024
Additions during the period / year since 1st April	-	138,546
Reductions during the above period / year	(448,776)	-
Closing balance	360,794	809,570
Total provisions held (net)	219,815	115,162

11. Derivatives – Interest Rate Swap / Forward Rate Agreements

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

Particulars	As at 28 Feb 2019	As at 31 Mar 2018
Notional principal of Interest Rate Swaps	4,623,180,444	2,498,827,184
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	23,353,986	10,874,979
Collateral required by the bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	28.91%	51.39%
The fair value of the swap book asset / (liability)	439,899	367,041

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 period / year end:

Benchmark	Terms	28-Feb-19		31-Mar-18	
		Nos.	Notional Principal	Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	278	143,040,000	268	134,520,000
6 Month MIFOR	Receive Fixed Pay Floating	242	152,832,000	224	121,090,000
CAD CDOR 3M	Pay Fixed Receive Floating	1	537,200	1	506,500
CAD CDOR 3M	Receive Fixed Pay Floating	1	537,200	1	506,500
OIS 1Y CMP	Pay Fixed Receive Floating	899	1,002,798,454	479	463,381,919
OIS 1Y CMP	Receive Fixed Pay Floating	734	958,205,287	472	494,400,000



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

Benchmark	Terms	28-Feb-19		31-Mar-18	
		Nos.	Notional Principal	Nos.	Notional Principal
OIS 6M COM	Pay Fixed Receive Floating	2,294	880,061,413	838	309,443,467
OIS 6M COM	Receive Fixed Pay Floating	2,133	809,165,954	773	274,352,380
USD BS Libor 1 month 3 months	Pay Floating Receive Floating	2	1,060,875	4	2,150,775
USD BS Libor 1 month 6 months	Receive Floating Pay Floating	3	8,133,375	4	7,511,419
USD BS Libor 3 months	Pay Floating Receive Floating	12	27,127,063	22	35,168,604
USD Libor 1 month	Pay Fixed Receive Floating	7	13,002,791	8	27,787,361
USD Libor 1 month	Receive Fixed Pay Floating	7	13,002,791	8	27,787,361
USD Libor 3 months	Pay Fixed Receive Floating	44	94,444,550	44	80,190,603
USD Libor 3 months	Pay Floating Receive Floating	-	-	1	81,469
USD Libor 3 months	Receive Fixed Pay Floating	43	89,176,637	48	80,337,247
USD Libor 6 months	Pay Fixed Receive Floating	216	217,374,819	268	229,693,199
USD Libor 6 months	Receive Fixed Pay Floating	124	186,721,315	136	178,772,312
AUD BBSW 6M	Pay Fixed Receive Floating	3	214,614	4	600,540
AUD BBSW 6M	Receive Fixed Pay Floating	3	214,614	4	600,540
AUD BBSW S 6M	Pay Fixed Receive Floating	18	1,047,318	20	1,215,093
AUD BBSW S 6M	Receive Fixed Pay Floating	18	1,047,318	20	1,215,093
EUR	Pay Fixed Receive Floating	22	3,521,557	26	4,597,014
EUR	Receive Fixed Pay Floating	22	3,521,557	26	4,597,014
GBP LIBOR 6M	Pay Fixed Receive Floating	31	7,445,871	37	9,160,387
GBP LIBOR 6M	Receive Fixed Pay Floating	31	7,445,871	37	9,160,387
IN1 OIS 1Y	Pay Fixed Receive Floating	1	500,000	-	-
IN1 OIS 1Y	Receive Fixed Pay Floating	1	1,000,000	-	-
Total		7,190	4,623,180,444	3,773	2,498,827,184

All interest rate swaps have been entered into with reputed counterparties 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.



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12. Exchange Traded Interest Rate Derivatives

During the period, the Bank did not deal in exchange traded interest rate derivatives (Previous year Nil)

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.

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.



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Schedules to financial statements (Continued)

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13. Disclosure on Risk Exposure in Derivatives (Continued)

Qualitative Disclosures (Continued)

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

The Bank applies the Current Exposure method to assess credit risk associated with Derivatives and Foreign Exchange contracts. Credit risk on a contract is computed as the sum of its mark-to-market value if positive and its potential future exposure which is calculated based on its notional value and its residual maturity.

Quantitative Disclosures

Sr. No	Particular	Currency Derivatives #	28-Feb-19 Interest Rate Derivatives@
1	Derivatives (Notional Principal Amount)		
(a)	- For Hedging **	60,492,283	-
(b)	- For Trading	2,441,685,980	4,623,180,444
2	Marked to Market Positions		
(a)	- Asset	26,367,719	23,353,986
(b)	- Liability	32,085,160	22,914,087
3	Credit Exposure	114,412,941	61,877,166
4	Likely impact of 1% change in interest rates (100*PV01)		
(a)	- On Hedging Derivatives **	(1,552,049)	-
(b)	- On Trading Derivatives	(1,094,206)	1,289,063
5	Maximum & Minimum of 100*PV01 observed during the period		
(a)	- On Hedging **: <ul style="list-style-type: none"> Maximum Minimum 	(616,896) (1,755,062)	- -
(b)	- On Trading : <ul style="list-style-type: none"> Maximum Minimum 	(553,226) (1,790,138)	2,801,727 807,670

Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

** The hedges pertain to 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.



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13. Disclosure on Risk Exposure in Derivatives (Continued)

Qualitative Disclosures (Continued)

Sr. No	Particular	Currency Derivatives #	31-Mar-18 Interest Rate Derivatives@
1	Derivatives (Notional Principal Amount)		
(a)	- For Hedging **	48,051,135	-
(b)	- For Trading	2,206,330,903	2,498,827,184
2	Marked to Market Positions		
(a)	- Asset	21,183,983	10,874,979
(b)	- Liability	23,050,516	10,507,938
3	Credit Exposure	107,689,109	32,031,055
4	Likely impact of 1% change in interest rates (100*PV01)		
(a)	- On Hedging Derivatives **	(582,857)	-
(b)	- On Trading Derivatives	(1,571,062)	2,245,561
5	Maximum & Minimum of 100*PV01 observed during the period / year		
(a)	- On Hedging ** :		
	Maximum	(431,947)	-
	Minimum	(696,922)	-
(b)	- On Trading :		
	Maximum	(1,488,162)	2,249,501
	Minimum	(1,719,709)	1,084,299

Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

** The hedges pertain to 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.



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14. Non-Performing Assets (Funded)

Particulars	28-Feb-19	31-Mar-18
(i) Net NPA to Net Advances (%)	0.34%	1.09%
(ii) Movement in Gross NPAs		
(a) Opening Balance	9,382,421	8,383,834
(b) Additions during the period/year **	904,617	4,977,238
Sub Total (A)	10,287,038	13,361,072
Reductions during the period/year		
(a) Up gradations	36,948	381,088
(b) Recoveries #	2,131,822	2,160,279
(c) Technical/ Prudential write-offs	-	-
(d) Write-offs	2,071,270	1,437,284
Sub Total (B)	4,240,040	3,978,651
Gross NPAs (A-B)	6,046,998	9,382,421
(iii) Movement in provisions for NPAs		
(a) Opening Balance	7,431,225	3,759,177
(b) Provisions made during the period/year @	1,205,744	4,864,179
(c) Write off / Write back of excess provisions	3,231,554	1,192,131
(d) Closing Balance*	5,405,415	7,431,225
(iv) Movement in Net NPAs		
(a) Opening Balance	1,951,196	4,624,657
(b) Additions during the period/year	(301,127)	113,059
(c) Reductions during the period/year	1,008,486	2,786,520
(d) Closing Balance	641,583	1,951,196

* Includes an amount of INR 174,304 thousand (Previous Year: INR 428,602 thousand) pertaining to provision for restructured accounts classified as NPA.

Includes amount for which security receipt of INR 400,000 thousand (Previous Year: Nil), equity shares of INR 39,995 thousand (Previous Year: INR 319,396 thousand) and Optionally Convertible Debentures of Nil (Previous Year: INR 10,081 thousand) have been received on sale / conversion of debt.

** Includes fresh NPA of INR 803,895 thousand (Previous Year: INR 4,993,569 thousand)

@Includes provision on fresh NPA of INR 14,434 thousand (Previous Year: INR 2,131,481 thousand)

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

The NPA provisioning coverage ratio of the Bank including technical write off was 91.11% as on 28 February 2019 (Previous Year: 81.50%).

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 28 February 2019 is Nil (Previous Year: Nil) and the Net value is Nil (Previous Year: Nil).



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17. Concentration of Gross NPA's

Particulars	28-Feb-19	31-Mar-18
Total Exposure to top four NPA accounts*	2,967,267	6,200,075

*This includes receivables on derivative products of Nil (Previous Year Nil)

18. Sector-wise Gross NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	28-Feb-19	31-Mar-18
Agriculture & allied activities	-	-
Industry (Micro & small, Medium and Large)	3.66%	8.29%
Services	2.70%	1.30%
Personal Loans	0.29%	0.25%

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

19. Concentration of Deposits

Particulars	28-Feb-19	31-Mar-18
Total Deposits of twenty largest depositors	158,038,137	155,709,040
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	50.21%	53.29%

20. Concentration of Advances*

Particulars	28-Feb-19	31-Mar-18
Total Advances* # to twenty largest borrowers	117,964,419	112,169,650
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	27.45%	27.81%

*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	28-Feb-19	31-Mar-18
Total Exposure** # to twenty largest borrowers/customers	120,274,289	120,812,841
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	26.01%	27.64%

**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



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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 28 February 2019 (Previous Year: Nil).



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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 2018			1		1								1		1	
	Amount outstanding			148,300		148,300								148,300		148,300	
	Provision thereon			148,300		148,300								148,300		148,300	
2	Fresh restructuring																
	Amount outstanding																
	Provision thereon																
3	Upgradations to restructured standard category during current period																
	Amount outstanding																
	Provision thereon																



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24. Loan restructuring (Continued)

S No	Type of Restructuring Asset Classification	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	
4	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the current period and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Downgradations of restructured accounts during the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Write-offs of restructured accounts during the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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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	Standard	Sub-Standard	Doubtful	Loss	Total		
7	Restructured Accounts as on 28 February 2019	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1
	Amount outstanding	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	-	-	148,300	-	-	-	148,300
	Provision thereon	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	-	-	148,300	-	-	-	148,300

Note: Amount o/s represents Funded outstanding



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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	
1	Restructured Accounts as on 01 April 2017			1		1									1	2	2
	No. of borrowers			1		1				1					1	2	2
	Amount outstanding			187,327		187,327									187,327	187,327	187,327
	Provision thereon			187,327		187,327									187,327	187,327	187,327
2	Fresh restructuring																
	No. of borrowers																
	Amount outstanding																
	Provision thereon																
3	Upgradations to restructured standard category during the FY																
	No. of borrowers																
	Amount outstanding																
	Provision thereon																



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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 2018			1			1						1
	No. of borrowers			1			1						1
	Amount outstanding			148,300			148,300						148,300
	Provision thereon			148,300			148,300						148,300

Note: Amount o/s represents Funded outstanding

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

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

@ Reduction in outstanding balance on account of cash recoveries of INR 39,027 thousand for 1 borrower.



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(Currency: Indian rupees in thousand)

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

Particulars	28-Feb-19	31-Mar-18
(i) No. of accounts	1	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	2,038,273
(iii) Aggregate consideration	800,000	1,600,000
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate (gain) / loss over net book value	(800,000)	438,273

The disclosure pertaining to banks investments in security receipts as on 28 February 2019 is as under:

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i) Book value of SRs backed by NPAs sold by the bank as underlying	391,403	-	-
Provision held against (i)	(391,403)	-	-
ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii) (Gross)	391,403	-	-

The disclosure pertaining to banks investments in security receipts as on 31 March 2018 is as under:

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i) Book value of SRs backed by NPAs sold by the bank as underlying	3,392,745	-	-
Provision held against (i)	-	-	-
ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii) (Gross)	3,392,745	-	-

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 period ended 28 February 2019 (Previous Year: Nil).

27. Provision for Standard Assets and Derivatives

Particulars	28-Feb-19	31-Mar-18
General Loan Loss Provision on Standard Assets (including standard asset provisioning on asset classified as standard restructured)	825,654	881,661
General Provision on Credit Exposures on Derivatives	198,887	128,236



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28. Business Ratios

Particulars	28-Feb-19	31-Mar-18
i Interest Income to working funds	5.36%	5.42%
ii Non-interest income to working funds	0.58%	0.65%
iii Operating profits to working funds	0.05%	(0.01)%
iv Return on Assets	(0.01)%	(1.16)%
v Business (deposits plus advances) per employee	302,345	364,191
vi Net Profit per employee	(40)	(4,485)

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 11 months (Previous Year: 12 months) of the financial period / 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 period / year-end.
- Employee numbers are those as at the period / year-end.

29. Exposure to Capital Market

Sr. No.	Particulars	28-Feb-19	31-Mar-18
(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	645,168	686,758
(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	645,168	686,758

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.



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30. Exposure to Real Estate Sector

Particulars	28-Feb-19	31-Mar-18
a) Direct Exposure	24,327,923	30,109,878
(i) Residential Mortgages -	14,600,360	16,975,540
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)		
(ii) Commercial Real Estate -	9,727,563	13,134,338
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;		
(iii) Investments in Mortgage backed Securities (MBS) and other securitised exposures –	-	-
a. Residential,	-	-
b. Commercial Real Estate,	-	-
b) Indirect Exposure	12,812,552	9,400,963
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	12,812,552	9,400,963
Total Exposure to Real Estate Sector	37,140,475	39,510,841

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 28 February 2019	Provision held as at 28 February 2019	Exposure (net) as at 31 March 2018	Provision held as at 31 March 2018
Insignificant	19,948,792	9,556	34,594,742	16,858
Low	6,080,313	-	6,468,126	-
Moderate	78,802	-	728,084	-
High	412,128	-	105,121	-
Very high	2,893	-	13,007	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	26,522,928	9,556	41,909,080	16,858

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.



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

During the period, the Bank's credit exposures ceiling to individual borrowers has been exceeded for Vodafone Idea Limited due to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with Idea Cellular Limited which was beyond the control of the Bank. The exposure was subsequently brought down within single borrower limits within the reported period.

There were no instances of exposure in excess of the prudential exposure limits during the previous year for SBL and for GBL

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 period under review, RBI imposed penalty of INR 10,000 thousand. (Previous Year: Nil).

35. Deferred Taxes

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

Particulars	28-Feb-19	31-Mar-18
Deferred tax assets (A):	5,888,759	6,090,459
- Depreciation on fixed assets	93,718	86,789
- Provision on advances	2,498,875	3,107,438
- Disallowance u/s 43B of Income Tax Act 1961	51,206	65,429
- Provision for employee benefits	27,296	47,050
- Amortisation of fee income	42,003	46,375
- Carry forward Income tax losses	3,020,200	2,580,925
- Provision for country risk, outside SDR cases and contingent credit	128,613	131,707
- Others	26,848	24,751
Deferred tax liabilities (B):	(300)	(300)
- Amortisation of Club membership	(300)	(300)
Net Deferred tax assets (A-B)	5,888,459	6,090,159

The Bank has suffered tax losses in recent years primarily on account of non-performing assets and have created deferred tax assets on such unabsorbed business losses carried forward as at the period end.

While assessing and concluding on the virtual certainty of making sufficient taxable profits in the near future to realise such unabsorbed business losses, the Management has considered Bank's current levels of income earning assets, interest bearing liabilities and operating margins, NPA recovery plans and current capital position including recent capital infusion during the period.



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36. Subordinated Debt

The Bank has not raised any Subordinated Debt during the period ended 28 February 2019.
(Previous Year: Nil).



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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	28-Feb-19 Total
Deposits	32,180,658	24,932,544	20,244,091	20,158,851	35,651,967	24,222,305	62,627,689	18,343,732	47,437,653	28,641,507	300,734	314,741,731
Advances	6,154,064	8,819,867	19,316,665	29,646,710	11,609,473	12,226,595	21,819,484	3,071,642	14,796,234	3,134,780	55,529,689	186,125,203
Investments	80,159,120	4,161,819	4,565,808	1,417,922	3,999,190	4,956,939	11,510,113	11,963,269	16,948,071	12,888,145	32,756,481	185,326,877
Borrowings	46,609,088	1,427,564	331,174	1,303,710	692,547	-	449,796	-	-	-	18,388,500	69,202,379
Foreign Currency Assets (*)	12,517,526	2,696,450	3,396,907	11,991,093	7,373,662	5,185,331	12,699,653	8,977,132	16,606,429	27,530,590	841,001	109,815,774
Foreign Currency Liabilities (*)	14,880,804	1,431,101	331,174	1,342,135	716,438	438,958	1,703,109	3,539,583	1,423,096	2,776,519	18,400,524	46,983,441

(*) 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. This has been relied upon by the auditors.



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37. Maturity profile of assets and liabilities (Continued)

	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-18 Total
Deposits	14,925,807	36,990,349	34,360,680	34,211,140	31,460,511	21,483,035	40,702,135	22,092,357	29,883,885	25,074,694	1,031,985	292,216,578
Advances	13,182,797	8,841,529	7,520,183	26,857,672	12,718,303	8,757,874	33,726,896	12,754,996	21,579,276	2,645,499	30,085,541	178,670,566
Investments	1,171,518	87,130,886	3,720,599	5,198,420	10,044,180	2,761,014	8,067,826	9,782,328	11,036,415	5,422,329	33,641,303	177,976,818
Borrowings	-	33,089,720	11,955,682	12,901,938	5,141,561	4,363,257	1,604,230	-	-	-	16,945,500	86,001,868
Foreign Currency Assets (*)	5,780,088	1,808	3,464	20,499	20,202	17,643	1,746,739	7,702	4,891,876	24,768,769	769,881	38,028,671
Foreign Currency Liabilities (*)	5,575,823	3,982,286	1,957,192	14,782,087	7,898,481	4,634,866	4,746,736	181,479	159,491	363,457	16,945,500	61,227,398

(*) 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. This has been relied upon by the auditors.



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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, mobile 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 corporate unallocated assets (fixed assets, etc. excluding taxes) and liabilities of the bank reside 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.



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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	23,159,724 <i>(11,995,993)</i>	23,184,038 <i>(25,649,021)</i>	4,803,241 <i>(5,414,050)</i>	3,339,390 <i>(16,254,116)</i>	54,486,393 <i>(59,313,180)</i>
Less: Intersegmental Revenue					23,797,900 <i>(31,574,624)</i>
Unallocated Income					- <i>(81,804)</i>
Total Revenue					30,688,493 <i>(27,820,360)</i>
Results	(350,323) <i>(-575,461)</i>	1,305,496 <i>(-4,020,101)</i>	(3,040,024) <i>(-3,001,532)</i>	2,226,854 <i>(933,610)</i>	142,003 <i>(-6,663,484)</i>
Profit / (Loss) before tax and extraordinary items					142,003 <i>(-6,663,484)</i>
Tax					201,700 <i>(-1,334,774)</i>
Net Loss after Tax					(59,697) <i>(-5,328,710)</i>

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segment Assets	124,205,484 <i>(115,453,741)</i>	310,729,886 <i>(278,552,355)</i>	45,696,467 <i>(45,906,313)</i>	19,036,366 <i>(18,580,832)</i>	499,668,203 <i>(458,493,241)</i>
Unallocated assets					11,531,313 <i>(10,038,911)</i>
Total Assets					511,199,516 <i>(468,532,152)</i>
Segment Liabilities	149,683,186 <i>(106,497,677)</i>	220,286,860 <i>(232,085,681)</i>	61,629,636 <i>(62,190,179)</i>	21,034,140 <i>(21,977,929)</i>	452,633,822 <i>(422,751,466)</i>
Unallocated Liabilities					58,565,694 <i>(45,780,686)</i>
Total Liabilities					511,199,516 <i>(468,532,152)</i>

(Figures in brackets and italics indicate previous period / 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.



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39. Related Parties

Details of branches / subsidiaries of parent are disclosed below were the Bank has transactions during the period / comparative period. Further, details of Ultimate Parent and Parent are given below:

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

Entity over which the Bank exercises control

- DBS Bank Employees' Provident Fund Trust

Key Management Personnel

- Surojit Shome: Chief Executive Officer, India

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	28-Feb-19	31-Mar-18
Deposit	1,407,284 (2,984,767)	347,087 (473,932)
Placement of Deposits	189,937 (504,566)	55,662 (2,476,599)
Borrowings	6,348 (2,920,760)	- (3,340,101)
Guarantees / Derivatives / Forward Contracts	4,532,885 (6,222,613)	4,549,210 (22,323,274)
Other liabilities	3,216	-
Interest paid	19,892	4,342
Interest received	263	91
Rendering of services*	129,311	81,804
Receiving of services	4,320	4,179

(Figures in brackets indicate maximum outstanding during the period / year)

* (excludes Goods and Service Tax)



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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 1,322,548 thousand (Previous Year: INR 197,019 thousand) and DBS Bank India Limited of INR 84,668 thousand (Previous Year: INR 150,000 thousand).

Placement of Deposits:

Nostro deposit was placed with DBS Bank Ltd., London foreign currency equivalent of INR 164,529 thousand (Previous Year: INR 33,033 thousand), DBS Bank (China) Limited, foreign currency equivalent of INR 17,601 thousand (Previous Year: INR 17,261 thousand), and DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 7,807 thousand (Previous Year: INR 5,411 thousand).

Borrowings:

Nostro overdraft with DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 6,347 thousand (Previous Year: Nil).

Guarantees / Derivatives / Forward Contracts:

Guarantees given on behalf of DBS Bank Ltd., London foreign currency equivalent of INR 1,393,922 thousand (Previous Year: INR 1,925,510 thousand). Guarantees given on behalf of DBS Bank Ltd., Taipei foreign currency equivalent of INR 749,462 thousand (Previous Year: INR 840,450 thousand). Guarantees given on behalf of DBS Bank (China) Limited foreign currency equivalent of INR 670,970 thousand (Previous Year: Nil). FX deal entered into with DBS Asia Hub 2 Private Limited foreign currency equivalent of INR 1,545,783 thousand (Previous Year: INR 987,400 thousand). FX deal entered into with DBS Bank Ltd., Hong Kong foreign currency equivalent of INR 39,776 thousand (Previous Year: INR 775,596 thousand).

Other liabilities:

Other liabilities include accrued interest payable on term deposit payable to DBS Asia Hub 2 Private Limited amounting to INR 2,140 thousand (Previous Year: Nil) and direct billing cost payable to DBS Bank (China) Limited foreign currency equivalent of INR 774 thousand (Previous Year: Nil)

Interest paid:

Interest paid on term deposits to DBS Asia Hub 2 Private Limited INR 10,627 thousand (Previous Year: INR 3,546 thousand). Interest paid on term deposits to DBS Bank India Limited INR 7,703 thousand (Previous Year: Nil). Interest on money market borrowing paid to DBS Bank Ltd., London foreign currency equivalent of INR 1,561 thousand (Previous Year: INR 795 thousand).



DBS Bank Ltd., India

Schedules to financial statements (Continued)

as at 28 February 2019

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39. Related Parties (Continued)

Interest received:

Interest on money market lending received from DBS Bank Ltd., London foreign currency equivalent of Nil (Previous Year: INR 91 thousand). Interest income from on nostro received DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 263 thousand (Previous Year: Nil)

Rendering of Services:

Reimbursement on services to DBS Bank India Limited INR 121,944 thousand (Previous Year: INR 60,439 thousand), Guarantee commission Income from DBS Bank Ltd, London INR 2,133 thousand (Previous Year: INR 17,737 thousand).

Receiving of Services:

Direct Billing costs pertaining to DBS Bank (Hong Kong) Limited foreign currency equivalent of INR 532 thousand (Previous Year: INR 349 thousand). Direct Billing costs pertaining to DBS Bank (China) Limited foreign currency equivalent of INR 3,787 thousand (Previous Year: INR 3,638 thousand).

40. Operating Leases

Operating Leases are entered into for office premises, ATM premises, vehicles and accommodation to staff. 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	28-Feb-19	31-Mar-18
Not later than one year	303,960	525,070
Later than one year and not later than 5 years	722,461	1,691,495
Later than five years	-	13,586

The lease payments for the period ended 28 February 2019 charged to the Profit and Loss Account amount to INR 503,995 thousand (Previous Year: INR 570,011 thousand).

The Bank has entered into operating lease arrangements for office premises, ATM's, vehicles 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 period was INR 169,353 thousand (Previous Year: INR 130,795 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 period ended 28 February 2019 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 28 February 2019 based on actuarial valuation is INR 18,847 thousand (Previous Year: INR 24,590 thousand).



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41. Employee Benefits (Continued)

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

Particulars	28-Feb-19	31-Mar-18
A Value of the Interest Rate Guarantee	32,947	36,845
B Accumulated Balance in the Provident Fund	2,565,326	2,182,273
C Present Value of the Obligation (A+B)	2,598,273	2,219,118
D Carrying Value of Plan Assets	2,579,426	2,194,528
E Liability recognised in the Balance Sheet (C – D)	18,847	24,590

Pursuant to the order dated 28 February 2019 from the Hon'ble Supreme Court of India relating to employer's contribution to the Provident Fund under the Provident Funds and Miscellaneous Provisions Act, 1952, the Bank's management is in the process of evaluating the said order and would consider any resulting impact in the financial statements upon receiving additional clarity on the subject.

Table 2: Parameters of PF investment and obligations

Particulars	28-Feb-19	31-Mar-18
I Discount rate for the term of the obligation	7.5% p.a	7.6% p.a
II Average historical yield on the investment portfolio	8.5% p.a	8.4% p.a
III Discount rate for the remaining term to maturity of the investment portfolio	7.5% p.a	7.6% p.a
IV Expected Investment Return	8.5% p.a	8.4% p.a
V Guaranteed Rate of Return	8.65% p.a	8.55% p.a
VI Salary escalation rate for the term of the obligation	7.5% p.a	7.5% p.a

Compensated Absences: The Bank has charged INR 1,841 thousand to the Profit and Loss Account towards provision for compensated absences during the period ended 28 February 2019. (Previous Year charge of INR 6,387 thousand).

Principal Actuarial Assumptions	28-Feb-19	31-Mar-18
Discount Rate (per annum)	7.10%	7.10%
Salary Escalation Rate (per annum)	7.50%	7.5%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate (per annum)	18%	18%

Gratuity: The Bank has charged INR 36,018 thousand towards provision held in the Gratuity Fund for the period ended 28 February 2019 (Previous Year charge of INR 67,501 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	28-Feb-19	31-Mar-18
Present Value of obligations as at year end	270,590	250,085
Fair Value of plan assets as at year end	254,452	189,965
Net Liability recognised in the Balance Sheet	(16,138)	(60,120)



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(Currency: Indian rupees in thousand)

41. Employee Benefits (Continued)

(II) Changes in Defined Benefit Obligation	28-Feb-19	31-Mar-18
Opening Defined Benefit Obligation (DBO)	250,085	202,477
Interest cost	16,276	13,363
Current Service Cost	41,278	41,716
Past Service Cost	-	-
Actuarial (Gain) / Losses	(9,503)	24,050
Benefits Paid	(27,546)	(31,521)
Closing Defined Benefit Obligation	270,590	250,085

(III) Changes in fair value of Plan Assets	28-Feb-19	31-Mar-18
Opening Fair Value of Plan Assets	189,965	164,858
Expected Return on Plan Assets	15,364	11,325
Actuarial (Losses) / Gain	(3,331)	303
Contributions by employer	80,000	45,000
Benefits Paid	(27,546)	(31,521)
Closing Fair Value of Plan Assets	254,452	189,965
Estimated Employer Contributions for the next year	60,000	60,000
Actual Return on Plan Assets	12,033	11,628

(IV) Amount recognised in the Profit and Loss Account	28-Feb-19	31-Mar-18
Current Service Cost	41,278	41,716
Interest on Defined Benefit Obligation (DBO)	16,276	13,363
Expected Return on Plan Assets	(15,364)	(11,325)
Net Actuarial Losses / (Gains) for the current period / year	(6,172)	23,747
Amount recognised in the Profit and Loss Account	36,018	67,501

(V) Asset Information	28-Feb-19	31-Mar-18
Insurer Managed Funds (non unit-linked)	0.03%	0.03%
Insurer Managed Funds (unit-linked)	99.97%	99.97%
Total	100%	100%



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(Currency: Indian rupees in thousand)

41. Employee Benefits (Continued)

(VI) Experience adjustments	28-Feb-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Present Value of DBO	270,590	250,085	202,477	176,358	144,059
Fair Value of Plan Assets	254,452	189,965	164,858	136,625	14,807
Funded Status [Surplus/ (Deficit)]	(16,138)	(60,120)	(37,619)	(39,733)	(129,252)
Experience adjustment on Plan Liabilities : (Gain) / Loss	(9,503)	5,681	10,517	3,160	(513)
Experience adjustment on Plan Asset : Gain	(2,248)	(1,244)	7,380	241	(342)

(VII) Principal Actuarial Assumptions	28-Feb-19	31-Mar-18
Discount Rate (per annum)	7.10%	7.10%
Expected rate of return on assets (per annum)	7.10%	6.60%
Salary Escalation Rate (per annum)	7.50%	7.5%
Attrition Rate	18%	18%
Expected average remaining working lives of employees	4 years	4 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.

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:

- 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.



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42. Employee share based payments (Continued)

- 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 period ended 28 February 2019 is shown below:

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 – SGD 27.31.

Category	Year	No. of unvested shares as at 31 March 2018	Granted	Addition al shares for rights issue	Vested	Lapsed	No. of unvested shares as at 28 February 2019
Restricted Share Plan	2015	10,433	-	135	10,274	294	-
	2016	39,233	-	1,405	15,325	-	25,313
	2017	89,640	-	1,295	25,706	8,450	56,779
	2018	62,395	-	992	-	2,561	60,826
	2019	-	167,244	-	-	1,081	166,163
Chairman's Recognition Award	2015	10,791	-	146	10,315	622	-
	2016	57,624	-	78	23,600	9,227	24,875
	2017	50,400	-	744	13,800	9,186	28,158
	2018	68,500	-	512	-	38,296	30,716

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2018 is shown below:

Category	Year	No. of unvested shares as at 31 March 2017	Grante d	Addition al shares for rights issue	Vested	Lapsed	No. of unvested shares as at 31 March 2018
Restricted Share Plan	2014	22,355	-	-	20,478	1,877	-
	2015	21,047	-	-	9,005	1,609	10,433
	2016	54,263	-	-	15,030	-	39,233
	2017	94,288	-	-	3,695	953	89,640
	2018	-	62,395	-	-	-	62,395
Chairman's Recognition Award	2014	17,810	-	-	14,816	2,994	-
	2015	26,381	-	-	10,431	5,159	10,791
	2016	92,973	-	-	27,768	7,581	57,624
	2017	57,900	-	-	-	7,500	50,400
	2018	-	68,500	-	-	-	68,500

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 – SGD 27.31.



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Schedules to financial statements (Continued)

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42. Employee share based payments (Continued)

The charge to Profit and Loss Account for the period ended 28 February 2019 was INR 89,075 thousand (Previous Year: INR 86,684 thousand).

Asset on account of share based payment as at 28 February 2019 is INR 2,110 thousand (Previous Year liability: INR 4,431 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 period / year are as under:

Particulars	28-Feb-19	31-Mar-18
No. of complaints pending at the beginning of the year	15	3
No. of complaints received during the period / year	735	885
No. of complaints redressed during the period / year	718	873
No. of complaints pending at the end of the period / year	32	15

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

Particulars	28-Feb-19	31-Mar-18
No. of unimplemented awards at the beginning of the year	-	-
No. of awards passed by the Banking Ombudsmen during the period / year	-	-
No. of awards implemented during the period / year	-	-
No. of unimplemented awards at the end of the period / year	-	-

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

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



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Schedules to financial statements (Continued)

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45. Contingent Liabilities (Continued)

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

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. The following table sets forth, for the periods indicated, details relating to enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.



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

Sr. No.	Particulars	28-Feb-19		31-Mar-18	
		Principal	Interest	Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier.	-	-	-	248
2.	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date.	-	480	-	-
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding	-	-	-	-
4.	The amount of interest accrued and remaining unpaid	-	-	-	248
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-	-	-

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 auditors.

47. Movement in provisions

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

Particulars	28-Feb-19	31-Mar-18
Opening balance at the beginning of the period / year	65,217	65,217
Add : Provision made during the period / year	-	-
Less : Utilisation, write back of excess provisions during the period / year	-	-
Closing balance at the end of the period / 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 period / year are as under:

Particulars	28-Feb-19	31-Mar-18
Opening balance of Technical/ Prudential written-off accounts	1,167,427	1,167,427
Add: Technical/ Prudential write-offs during the period / year	-	-
Sub-total (A)	1,167,427	1,167,427
Less: Recoveries made from previously technical/ prudential written-off accounts during the period / year (B)	-	-
Closing balance (A-B)	1,167,427	1,167,427



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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 respective 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	28-Feb-19	31-Mar-18
Incremental provision on account of UFCE	350,009	221,437
Incremental risk weighted assets on account of UFCE	14,411,652	11,594,855



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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	28-Feb-19	31-Mar-18
Total amount of intra-group exposures	7,198,635	5,580,708
Total amount of top-20 intra-group exposures	7,198,635	5,580,708
Percentage of intra-group exposures to total exposure of the bank on borrowers /customers	1.56%	1.28%
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.

*There was a breach in Aug-2018, in Intra-group exposure limits as excess limit was loaded by oversight for a DBS group entity. This had resulted in the Limits temporarily exceeding the cap on single borrower and group borrower exposure stipulated by RBI for Intra-Group exposures. The utilization of limits was, however well below the stipulated caps. The error was corrected within a few days. Also this incidence was reported to RBI vide letter dated 7th Sept 2018.

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 period / year. Accordingly, the disclosures on DEAF are as below:

Particulars	28-Feb-19	31-Mar-18
Opening balance of amounts transferred to DEAF	2,120	887
Add : Amounts transferred to DEAF during the period / year	1,733	1,233
Less : Amounts reimbursed by DEAF towards claims	556	-
Closing balance of amounts transferred to DEAF	3,297	2,120



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Schedules to financial statements (Continued)

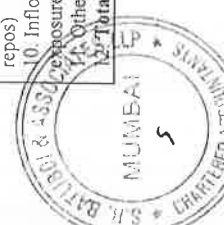
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52. Liquidity Coverage Ratio

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-2018		30-Sep-2018		31-Dec-2018		28-Feb-19	
	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)	96,240,877	96,240,877	91,594,155	91,594,155	93,290,300	93,290,300	101,495,706	101,495,706
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	48,599,676	4,680,807	59,579,204	5,754,470	59,361,927	5,710,408	58,367,812	5,587,841
(i) Stable deposits	3,583,189	179,159	4,069,001	203,450	4,515,675	225,783	4,978,791	248,939
(ii) Less stable deposits	45,016,487	4,501,648	55,510,203	5,551,020	54,846,252	5,484,625	53,389,021	5,338,902
3. Unsecured wholesale funding, of which:	193,053,823	90,320,074	189,429,773	90,970,686	209,991,108	95,286,183	207,457,971	94,393,014
(i) Operational deposits (all counterparties)	-	-	21,630,292	3,336	-	-	-	-
(ii) Non-operational deposits (all counterparties)	193,053,823	90,320,074	167,799,481	90,967,350	209,991,108	95,286,183	207,457,971	94,393,014
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured wholesale funding	-	-	-	-	-	-	-	-
5. Additional requirements, of which	24,954,926	7,077,927	24,191,021	7,126,949	24,170,442	7,539,105	23,614,384	6,887,595
(i) Outflows related to derivative exposures and other collateral	5,197,359	5,197,359	5,343,868	5,343,868	5,804,463	5,804,463	5,136,805	5,136,805
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	19,757,567	1,880,568	18,847,153	1,783,081	18,365,979	1,734,642	18,477,579	1,750,790
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	221,293,292	9,589,539	213,870,174	9,239,439	233,772,086	10,133,664	218,097,589	9,398,615
8. Total Cash Outflows (B)	3,104,941	111,668,347	2,155,731	113,091,544	4,016,783	118,669,360	1,713,249	116,267,065
Cash Inflows								
9. Secured lending (e.g. reverse repos)	51,019,157	36,875,062	59,536,304	42,650,966	68,325,249	51,658,267	74,577,664	48,074,498
10. Inflows from fully performing exposures	7,899,853	858,603	21,051,922	1,402,742	15,377,746	1,652,662	21,036,449	934,068
11. Other cash inflows	-	-	-	-	-	-	-	-
12. Total Cash Inflows (C)	37,733,665	37,733,665	44,053,708	44,053,708	53,310,929	53,310,929	49,008,566	49,008,566



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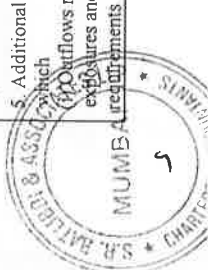
(Currency: Indian rupees in thousand)

52. Liquidity Coverage Ratio (Continued)

Particulars	30-Jun-2018		30-Sep-2018		31-Dec-18		28-Feb-2019	
	Total Unweighted Value (average*)	Total Adjusted Value	Total Unweighted Value (average*)	Total Adjusted Value	Total Unweighted Value (average*)	Total Adjusted Value	Total Unweighted Value (average*)	Total Adjusted Value
21. TOTAL HQLA		96,240,877		91,594,155		93,290,300		101,495,706
22. Total Net Cash Outflows (D = B-C)		73,934,682		69,037,836		65,358,431		67,258,499
23. Liquidity Coverage Ratio (%) (A)/(D)		130.17%		132.67%		142.74%		150.90%

* Average is calculated based on daily data points for the entire period. In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.

Particulars	30-Jun-2017		30-Sep-2017		31-Dec-2017		31-Mar-18	
	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		67,759,591		79,653,547		101,601,839		95,719,130
1. Total High Quality Liquid Assets (HQLA) (A)		67,759,591		79,653,547		101,601,839		95,719,130
Cash Outflows		68,272,934		51,766,407		52,872,692		50,458,346
2. Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	1,681,718	85,326	2,149,068	107,453	2,604,560	130,228	3,060,304	153,015
(ii) Less stable deposits	66,591,216	6,762,655	49,617,339	4,961,733	50,268,132	5,026,813	47,398,042	4,739,804
3. Unsecured wholesale funding, of which:		154,016,226		179,028,345		199,185,570		188,968,444
(i) Operational deposits (all counterparties)	36,333,506	9,199,737	37,225,042	9,306,260	10,522,705	2,630,676	-	-
(ii) Non-operational deposits (all counterparties)	117,682,720	56,338,403	141,803,303	68,839,211	188,662,865	92,550,363	188,968,444	91,268,827
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured wholesale funding		-		-		-		-
5. Additional requirements, of which:		8,169,270		7,631,122		7,739,167		7,881,493
(i) Outflows related to derivative exposures and other collateral requirements	25,603,709	6,265,965	26,549,442	5,615,334	27,307,214	5,665,769	28,076,145	5,744,152
(ii) Outflows related to derivative exposures and other collateral requirements	6,265,965	6,265,965	5,615,334	5,615,334	5,665,769	5,665,769	5,744,152	5,744,152



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(Currency: Indian rupees in thousand)

52. Liquidity Coverage Ratio (Continued)

Particulars	30-Jun-2017		30-Sep-2017		31-Dec-2017		31-Mar-18	
	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*)
(iii) Credit and liquidity facilities	19,337,744	1,903,305	20,934,108	2,015,788	21,641,445	2,073,398	22,331,993	2,137,341
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	199,634,149	8,571,966	220,478,685	9,487,174	240,701,936	10,511,942	234,700,266	10,109,359
8. Total Cash Outflows (B) Cash Inflows		89,127,357		100,332,953		118,589,189		114,152,498
9. Secured lending (e.g. reverse repos)	1,202,913	-	1,389,810	-	1,981,674	-	2,502,582	-
10. Inflows from fully performing exposures	50,780,265	35,434,840	48,915,627	33,745,119	49,606,962	34,243,301	53,519,435	36,060,930
11. Other cash inflows	11,128,101	2,179,413	21,521,140	1,387,965	15,047,469	1,140,091	14,538,647	1,174,057
12. Total Cash Inflows (C)		37,614,253		35,133,084		35,383,392		37,234,987
21. TOTAL HQLA		67,759,591		79,653,547		101,601,839		95,719,130
22. Total Net Cash Outflows (D = B-C)		51,513,104		65,199,869		83,205,797		76,917,511
23. Liquidity Coverage Ratio (%) (A)/(D)		131.54%		122.17%		122.11%		124.44%
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value

* Average is calculated based on daily data points for the entire year. 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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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):

28 Feb 19	Average	Maximum	Minimum
HQLA	95,192,952	124,114,808	66,971,638
Total Cash Inflows	45,601,485	76,900,435	26,117,220
Total Cash Outflows	114,734,814	129,973,249	99,847,761
Total Net Cash Outflows#	69,133,329	88,279,308	49,076,379

31 Mar 2018	Average	Maximum	Minimum
HQLA	86,130,438	124,207,134	54,159,531
Total Cash Inflows	36,352,308	45,657,532	24,344,518
Total Cash Outflows	105,560,585	134,070,000	74,239,713
Total Net Cash Outflows#	69,208,277	99,777,290	33,219,722

#The Maximum and Minimum of Total Net Cash Outflows will not equal the respective differences since the same may be of different dates

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

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 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.



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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 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 period ended 28 February 2019, the Bank had negative average profits and hence no CSR expenditure has been debited (Previous Year – Nil) to Profit & Loss account, towards CSR activities which are specified in Schedule VII of the Companies Act, 2013.

54. Sector-wise Advances

Sector	Outstanding Total Advances **	28-Feb-2019 Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	31-Mar-18 Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector						
1 Agriculture and allied activities	147,396	-	0.00%	48,881	-	0.00%
2 Advances to industries sector eligible as priority sector lending	55,360,002	129,424	0.23%	46,870,593	2,014,613	4.30%
<i>Of which - Basic Metal & Metal products - Other Metal and Metal Products</i>	4,999,935	5,705	0.11%	13,208,518	9,330	0.07%
<i>Of which - Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals</i>	15,344,453	12,731	0.08%	5,554,056	11,732	0.21%
<i>Of which - Vehicle, Vehicle Parts and Transport Equipment's</i>	7,655,612	-	0.00%	3,085,339	-	0.00%
3 Services	16,862,193	-	0.00%	20,413,406	-	0.00%
<i>Of which - Non-banking financial institutions /companies</i>	2,828,156	-	0.00%	2,654,513	-	0.00%
4 Personal loans	8,097	-	0.00%	2,706	-	0.00%
<i>Of which - Home Loans</i>	5,607	-	0.00%	2,706	-	0.00%
<i>Of which - Loan Against Property</i>	2,485	-	0.00%	-	-	0.00%
Sub-total (A)	72,377,688	129,424	0.18%	67,335,586	2,014,613	2.99%
B Non Priority Sector						
1. Agriculture and allied activities	-	-	0.00%	-	-	0.00%
2. Industry	69,881,705	4,453,797	6.37%	54,880,242	6,429,577	11.72%
<i>Of which - Basic Metal & Metal products - Other Metal and Metal Products</i>	1,050,186	57,201	5.45%	954,772	142,817	14.96%



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54. Sector-wise Advances (Continued)

Sector	Outstanding Total Advances **	28-Feb-19 Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	31-Mar-18 Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<i>Of which – Chemicals and Chemical Products (Dyes, Paints, etc.) – Drugs and Pharmaceuticals</i>	1,286,181	8,296	0.65%	82,822	9,991	12.06%
<i>Of which – Construction</i>	17,267,732	1,731,602	10.03%	8,017,664	1,760,528	21.96%
<i>Of which – Vehicle, Vehicle Parts and Transport Equipment's</i>	6,884,235	-	0.00%	7,004,344	-	0.00%
3. Services	35,837,723	1,425,204	3.98%	48,862,015	900,617	1.84%
<i>Of which - Non-banking financial institutions/companies</i>	14,506,682	-	0.00%	6,345,624	-	0.00%
4. Personal loans*	13,433,502	38,573	0.29%	15,065,202	37,614	0.25%
<i>Of which Home Loans</i>	10,313,238	17,652	0.17%	12,652,197	37,614	0.30%
<i>Of which Loans against Property</i>	2,422,844	14,941	0.62%	2,391,388	-	0.00%
Sub-total (B)	119,152,930	5,917,574	4.97%	118,807,459	7,367,808	6.20%
Total (A+B)	191,530,618	6,046,998	3.16%	186,143,045	9,382,421	5.04%

* Personal loan includes home loans and loan against property

** Represent gross advances

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

Particulars	28-Feb-19	31-Mar-18
PSLC purchased during the period / year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
Total	-	-
PSLC sold during the period / year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	3,000,000	1,000,000
(iv) PSLC – General	7,500,000	-
Total	10,500,000	1,000,000



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56. Disclosures on Flexible Structuring of Existing Loans

There were no borrowers taken up for flexibility structuring during the period ended 28 February 2019 (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 28 February 2019 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
NIL						

The disclosure on Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period) as on 31 March 2018 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	-	472,195*	-	-	-	472,195*

*excludes equity shares amounting to INR 303,554 thousand

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 period / year where Bank has decided to effect change in ownership. (Previous Year – Nil)



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

The disclosure on S4A as on 28 February 2019 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	1,571,438	915,815	655,623	136,568
Classified as NPA	91,831	65,908	25,923	40,648

The disclosure on S4A as on 31 March 2018 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	2,057,787	1,109,590	948,197	225,227
Classified as NPA	90,699	64,776	25,923	26,003

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.

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	28-Feb-19	31-Mar-18
No. of frauds reported during the period / year	93	29
Amount involved in fraud	1,455,236	588
Amount involved in fraud net of recoveries / write-offs as at the end of the period / year	286,923	67
Provisions held as at the end of the period / year	285,643	3
Amount of unamortised provision debited from "other reserves" as at the end of the period / year	-	-

63. Implementation of Indian Accounting Standards (IndAS)

The Ministry of Corporate Affairs (MCA), Government of India had 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 ended 31 March 2018. Subsequently, in accordance with press release on 'Statement on



DBS Bank Ltd., India

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63. Implementation of Indian Accounting Standards (IndAS) (Continued)

Developmental and Regulatory Policies' dated 5 April 2018, RBI has advised deferment of implementation of IndAS by one year taking into consideration various legislative amendments required to align with IndAS requirements and implementation constraints on the banking sector in general.

In preparedness towards achieving the same and in accordance with RBI guidelines, the Bank had prepared proforma financials as per IndAS as on 30 June 2018, 30 September 2018 and 31 December 2018 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 timelines.

64. Other Disclosures

- The Bank did not hold any floating provision in its books as at 28 February 2019 (Previous Year: Nil).
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 4,939,025 thousand (Previous Year: INR 4,374,716 thousand).
- The Bank has not transferred any amount to Investment Reserve account (Previous Year: INR 74,768 thousand from Investment reserve account to Balance in Profit and Loss Account).
- The Bank has not transferred any amount to Statutory Reserve account (Previous Year: Nil).
- The Bank did not issue any Letters of Comfort (LoC) during the period ended 28 February 2019 (Previous Year: Nil).
- The Bank has not financed any margin trading activities nor securitised any assets during the current period (Previous Year: Nil).
- The Bank did not deal in any Credit default swaps during the period ended 28 February 2019. (Previous Year: Nil).
- The Bank has not sold or transferred securities to/from HTM category during the period. (Previous Year: Nil)
- The Bank has earned an amount of INR 133,557 thousand in respect of Bancassurance business undertaken during the period ended 28 February 2019 (Previous Year: INR 156,280 thousand).
- The net book value of the fixed assets includes computer software of INR 68,670 thousand as at 28 February 2019. (Previous Year: INRs 66,589 thousand).



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64. Other Disclosures (Continued)

- Head office expense is arrived after the reversal of previous year provision of Nil (Previous Year: Nil).
- 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 28 February 2019 amounts to INR 11,702,498 thousand (Previous Year: INR 14,274,677 thousand).
- Previous year's figures have been regrouped / rearranged, wherever necessary to conform to the current period's presentation.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Sarvesh Warty.

Sarvesh Warty

Partner

Membership No: 121411

Mumbai, 28 June 2019

For DBS Bank Ltd., India

Surojit Shome

Authorised Signatory

Rajesh Prabhu

Authorised Signatory

Mumbai, 28 June 2019

