



DBS Bank India Limited

Basel III: Pillar 3 Disclosures

as at 30 September 2019

(Currency: Indian rupees in million)

1. Scope of application

Qualitative Disclosures

DBS Bank India Limited ('the Bank'), operates in India as a Wholly Owned Subsidiary ("WOS") of DBS Bank Ltd., Singapore, a banking entity incorporated in Singapore with limited liability. As at 30 September 2019, the Bank has a presence of 20 branches and 6 Unbanked Rural Centre's across 20 cities. The Bank does not have any subsidiaries in India nor any interest in Insurance Entities. Thus, the disclosures contained herein only pertain to the Bank.

a. List of group entities considered for consolidation

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

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

Name of the entity / country of incorporation	Principal activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
DBS Asia Hub 2 Private Limited	IT and Business Support Services to group entities	2,244 *	-	NA	2,995 *

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



Basel III: Pillar 3 Disclosures (*Continued*)

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1. Scope of application (*Continued*)

Quantitative Disclosures (Continued)

c. List of group entities considered for consolidation

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

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

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

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

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

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

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



Basel III: Pillar 3 Disclosures (*Continued*)

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2. Capital Adequacy

Qualitative disclosures

The CRAR of the Bank is 19.01% as computed under Basel III norms, which is higher than the minimum regulatory CRAR requirement (including CCB) of 12.50%.

The Bank's capital management framework is guided by the existing capital position, proposed growth and strategic direction. Growth opportunities have resulted in an increasing and continuing need to focus on the effective management of risk, and commensurate capital to bear that risk. The Bank carefully assesses its growth opportunities relative to the capital available to support them, particularly in the light of the economic environment and capital requirements under Basel III. The Bank maintains a strong discipline over capital allocation and ensures that returns on investment cover capital costs.

Quantitative disclosures

Particulars	30 Sep 19
A Capital requirements for Credit Risk (<i>Standardised Approach</i>) *	36,226
B Capital requirements for Market Risk (<i>Standardised Duration Approach</i>) *	
- Interest rate risk	6,040
- Foreign exchange risk	360
- Equity risk	9
C Capital requirements for Operational risk (<i>Basic Indicator Approach</i>) *	1,728
D CET1 Capital Ratio (%)	14.05%
E Tier1 Capital Ratio (%)	14.05%
F Total Capital Ratio (%)	19.01%

* Capital required is calculated at 8% of Risk Weighted Assets for CVA, Market Risk and Operational Risk and at 12.50% of Risk Weighted Assets for others.

3. General Disclosures

As part of overall corporate governance, the Bank has set up a framework which defines authority levels, oversight responsibilities, policy structures and risk appetite limits to manage the risks that arise in connection with the use of financial instruments. On a day-to-day basis, business units have primary responsibility for managing specific risk exposures while Risk Management Group ("RMG") exercises independent risk oversight on the Bank as a whole. RMG is the central resource for quantifying and managing the portfolio of risks taken by the Bank.



Basel III: Pillar 3 Disclosures (*Continued*)

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3. General Disclosures (*Continued*)

A) General Disclosures for Credit Risk

Qualitative Disclosures

Credit Risk Management Policy

Under the DBS India risk governance structure, the India Risk Exco (“Risk EXCO”) serves as the Local Risk Committee for governance over Credit, Market & Liquidity, Operational Risk and other risks under the supervision of Board Risk Management Committee (“BRMC”). The BRMC oversees the risk governance, risk approaches and limits of DBS India and ensures that these risks are effectively managed within the Bank’s overall risk governance framework.

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

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

Supplementary policies to the main Parent’s Core Credit Policy and the India Credit / Loan policies have also been laid out, for certain types of lending and credit-related operations. These include subject specific policies relating to risk ratings, Default policy, Specialized Lending etc., as well as guidelines for Real Estate lending, NBFC lending, hedging of FX exposures, credit risk mitigation, sectoral and individual / group borrower limits, bridge loans, bill discounting, collateral valuation, collection management, etc.

The India Credit Risk Committee, comprising Chief Executive Officer, Chief Risk Officer and other senior Institutional Banking Group and Consumer Banking Group representatives and Credit Officers, and Head of Special Assets Management meets on a monthly basis. The committee has oversight of Credit risk related strategy planning, implementing necessary guidelines, procedures to manage identified risks, credit portfolio movements and other relevant trends in the Credit Risk Committee and shared with DBS Group, as required.

Responsibility for monitoring post-approval conditions for institutional borrowers resides with the Credit Control Unit (“CCU”), which reports to the Chief Risk Officer (“CRO”) in India. The responsibility for risk reporting is with the Credit Risk – Chief Operating Office



Basel III: Pillar 3 Disclosures (*Continued*)

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team which reports to the CRO in India. The Risk Based Supervision (RBS) submission to RBI contains further details on the same.

3. General Disclosures (*Continued*)

General Disclosures for Credit Risk (Continued)

Qualitative Disclosures (Continued)

Advances are classified into performing and non-performing advances (“NPAs”) as per RBI guidelines. NPA’s are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

Quantitative Disclosures

Credit Exposure

Particulars	30 Sep 19
Fund Based *	229,191
Non Fund Based **	255,681

* Represents Gross Advances and Bank exposures.

** Represents trade and unutilised exposures after applying credit conversion factor and Credit equivalent of FX/derivative exposures.

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



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Basel III: Pillar 3 Disclosures (*Continued*)

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3. General Disclosures (*Continued*)

Quantitative Disclosures (Continued)

Industry wise Exposures (Fund Based exposures)

Industry	30 Sep 19
Bank *	65,141
Non-Banking Financial Institutions/Companies	15,005
Construction	14,308
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	14,032
Computer Software	13,880
Vehicles, Vehicle Parts and Transport Equipments	12,850
Infrastructure - Electricity (generation-transportation and distribution)	10,303
Other Industries	8,867
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	8,778
Home Loan	8,753
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	6,112
All Engineering - Others	4,651
Wholesale Trade (other than Food Procurement)	4,371
Metal and Metal Products	4,311
Trading Activity	4,089
Rubber, Plastic and their Products	3,583
Food Processing - Others	3,556
Retail Trade	3,540
Other Services	3,282
Textiles - Others	2,542
Loan Against Property	2,381
All Engineering - Electronics	2,199
Basic Metal & Metal products - Iron and Steel	1,608
Transport Operators	1,585
Personal Loan	1,420
Paper and Paper Products	1,053
Petro-chemicals	973
Food Processing - Edible Oils and Vanaspati	862
Wood and Wood Products	684
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	638
Glass & Glassware	636
Infrastructure - Transport - Roadways	613
Tourism, Hotel and Restaurants	409
Tea	392
Leather and Leather products	358
Textiles - Cotton	325
Social & Commercial Infrastructure	235
Cement and Cement Products	227
Sugar	169
Agriculture & allied activities	147
Coffee	137
Infrastructure - Social and Commercial Infrastructure - Education Institutions	79
Infrastructure - Telecommunication	78
Professional Services	29
Total Credit Exposure (fund based)	229,191

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



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Basel III: Pillar 3 Disclosures (*Continued*)

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3. General Disclosures (*Continued*)

Quantitative Disclosures (Continued)

Industry wise Exposures (Non - Fund Based exposures)

Industry	30 Sep 19
Financial Institutions	89,255
Banks	63,017
Non-Banking Financial Institutions/Companies	12,204
Construction	8,955
Infrastructure - Telecommunication	8,292
Trading Activity	7,119
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	6,477
All Engineering - Others	6,325
Infrastructure - Transport - Ports	5,699
Infrastructure - Electricity (generation-transportation and distribution)	5,471
Other Industries	5,297
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,765
Food Processing - Edible Oils and Vanaspati	3,196
Retail Others	3,171
Metal and Metal Products	3,080
Vehicles, Vehicle Parts and Transport Equipments	2,556
Other Services	2,330
Computer Software	2,034
Cement and Cement Products	2,009
Basic Metal & Metal products - Iron and Steel	1,827
All Engineering - Electronics	1,682
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	1,251
Rubber, Plastic and their Products	1,088
Petro-chemicals	944
Food Processing - Others	886
Aviation	811
Wholesale Trade (other than Food Procurement)	723
Infrastructure - Others	666
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	663
Textiles - Others	656
Paper and Paper Products	652
Beverages	587
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	511
Professional Services	452
Transport Operators	446
Wood and Wood Products	255
Textiles - Cotton	171
Glass & Glassware	76
Food processing - Coffee	33
Coal	13
Tourism, Hotel and Restaurants	13
Food processing - Sugar	11
Leather and Leather products	6
Food Processing - Tea	5
Infrastructure - Water sanitation	1
Total Credit Exposure (non-fund based)	255,681



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3. General Disclosures (*Continued*)

Maturity of Assets as at 30 September 2019

Particulars	Cash	Balance with RBI	Balance with Banks	Investments (net of depreciation)	Loans & Advances (net of provisions)	Fixed Assets	Other Assets
1 day	71	4,661	12,744	145,047	11,965	-	2,782
2-7 days	-	55	-	1,433	4,918	-	47
8-14 Days	-	37	-	1,532	1,627	-	35
15-30 Days	-	40	-	1,778	14,754	-	100
1 month - 2 months	-	64	-	1,800	14,836	-	102
2-3 months	-	40	-	2,245	11,166	-	94
3-6 Months	-	51	-	2,354	26,855	-	171
6 Months – 1 Year	-	23	3,619	2,174	5,612	-	111
1-3 Years	-	107	17,744	13,097	63,534	-	668
3-5Years	-	41	21,617	10,682	2,450	-	320
Over 5Years	-	9,970	-	34,763	10,205	777	83,924
Total	71	15,089	55,724	216,905	167,922	777	88,354

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



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Basel III: Pillar 3 Disclosures (*Continued*)

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3. General Disclosures (*Continued*)

Classification of NPA's

Particulars	30 Sep 19
Amount of NPAs (Gross)	6,225
Substandard	657
Doubtful 1	926
Doubtful 2	2,561
Doubtful 3	2,081
Loss	-

Movement of NPAs and Provision for NPAs

Particulars	30 Sep 19
A Amount of NPAs (Gross)	6,225
B Net NPAs	680
C NPA Ratios	
- Gross NPAs to gross advances (%)	3.59%
- Net NPAs to net advances (%)	0.40%
D Movement of NPAs (Gross)	
- Opening balance as of the beginning of the financial year	5,832
- Additions	435
- Reductions on account of recoveries/ write - offs	42
- Closing balance	6,225
E Movement of Provision for NPAs	
- Opening balance as of the beginning of the financial year	5,243
- Provision made during the year	343
- Write – offs / Write – back of excess provision	41
- Closing balance	5,545

General Provisions

In accordance with RBI guidelines, the Bank maintains provision on standard advances, standard derivative exposures and provision on Unhedged Foreign Currency Exposure (“UFCE”). Movement in general provisions is detailed below

Particulars	30 Sep 19
Opening Balance	1,239
Add: Provisions Made During the Year	110
Less: Write off / Write back of Excess provisions during the Year	-
Closing Balance	1,349



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Amount of Non-Performing Investments and Provision for NPIs

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

Particulars	30 Sep 19
A Amount of Non-Performing Investments (Gross)	358
B Amount of provisions held for non-performing investments	284

Movement in Provisions held towards Depreciation on Investments

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

Particulars	30 Sep 19
Opening Balance	1,239
Add: Provisions made during the year	-
Less: Write off / Write back of excess provisions during the year	411
Closing Balance	828

Industry wise Past Due Loans

Particulars	30 Sep 19
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	1,312
All Engineering - Others	902
Trading Activity	863
Basic Metal & Metal products - Iron and Steel	750
Chemicals and Chemical Products (Dyes, Paints, etc.) - Petro-chemicals	726
Rubber, Plastic and their Products	189
Total	4,742

Ageing of Past Due Loans

Particulars	30 Sep 19
Overdue upto 30 Days	2,428
Overdue between 31 and 60 Days	1,468
Overdue between 61 and 90 Days	846
Total	4,742

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



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Basel III: Pillar 3 Disclosures (*Continued*)

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Industry wise NPAs

Particulars	Amount of NPA	Specific Provision
Construction	1,712	1,712
Trading Activity	1,312	966
Infrastructure - Transport - Roadways	613	613
Paper and Paper Products	481	481
Computer Software	334	334
Food Processing - Edible Oils and Vanaspati	286	286
All Engineering - Others	233	36
All Engineering - Electronics	218	218
Glass & Glassware	186	186
Transport Operators	156	130
Textiles - Others	147	146
Gas/LNG (storage and pipeline)	145	108
Basic Metal & Metal products - Iron and Steel	106	86
Infrastructure - Social and Commercial Infrastructure -Education Institutions	77	77
Other Metal and Metal Products	75	75
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	51	51
Home Loans	51	11
Personal Loans	22	17
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	20	12
Total	6,225	5,545

Industry wise General Provisions

Particulars	30 Sep 19
Financial Institutions	149
Construction	114
Computer Software	108
Banks	95
Non-Banking Financial Institutions/Companies	94
Other Industries	90
Chemicals and Chemical Products (Dyes, Paints, etc.) - Drugs and Pharmaceuticals	81
Vehicles, Vehicle Parts and Transport Equipments	77
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	55
Wholesale Trade (other than Food Procurement)	44
Infrastructure - Electricity (generation-transportation and distribution)	44
Retail Others	40
Rubber, Plastic and their Products	35
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	34
All Engineering - Others	29
Metal and Metal Products	28
Food Processing - Others	27
Other Services	25
Trading Activity	25
Infrastructure - Others	24
All Engineering - Electronics	19
Basic Metal & Metal products - Iron and Steel	15
Transport Operators	13



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Basel III: Pillar 3 Disclosures (*Continued*)

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Industry wise General Provisions (*Continued*)

Particulars	30 Sep 19
Textiles - Others	13
Infrastructure - Energy - Oil/Gas/Liquefied Natural Gas (LNG) storage facility	12
Infrastructure - Transport - Ports	11
Food Processing - Edible Oils and Vanaspati	7
Textiles - Cotton	6
Wood and Wood Products	5
Paper and Paper Products	4
Petro-chemicals	4
Cement and Cement Products	3
Chemicals and Chemical Products (Dyes, Paints, etc.) - Fertilisers	3
Glass & Glassware	2
Tourism, Hotel and Restaurants	2
Food processing - Sugar	2
Infrastructure - Telecommunication	2
Food processing - Coffee	2
Food Processing - Tea	2
Leather and Leather products	1
Agriculture & allied activities	1
Professional Services	1
Beverages	1
Total	1,349

Industry wise Specific Provisions (net of write-backs)

Particulars	30 Sep 19
Trading Activity	217
Glass & Glassware	68
Chemicals and Chemical Products (Dyes, Paints, etc.) - Others	25
Retail Others	15
Paper and Paper Products	2
Computer Software	(5)
Construction	(20)
Total	302

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

Industry wise write-off's

Particulars	30 Sep 19
Personal Loan	14
Total	14



Basel III: Pillar 3 Disclosures (*Continued*)

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4. Disclosures for Credit Risk: Portfolios subject to Standardised approach

Qualitative Disclosures

Currently, based on our clientele, ratings of the following agencies have been used i.e. CARE, CRISIL, India Ratings and Research Private Ltd., ICRA, Brickwork, SME Rating Agency Pvt Ltd (SMERA), Infomercials, Standards & Poors, Moody's and Fitch for all exposures. The Bank assigns Long term credit ratings accorded by the chosen credit rating agencies for assets which have a contractual maturity of more than one year. However, in accordance with RBI guidelines, the Bank classifies all cash credit exposures as long term exposures and accordingly the long term ratings accorded by the chosen credit rating agencies are assigned. The Bank uses both issue specific and issuer ratings. In accordance with RBI guidelines, for risk-weighting purposes, short-term ratings are deemed to be issue-specific.

Quantitative Disclosures

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

Particulars	30 Sep 19
< 100 % Risk Weight	332,735
100 % Risk Weight	129,456
> 100 % Risk Weight	17,136
Total	479,327

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

5. Disclosures for Credit Risk Mitigation on Standardised approach

Qualitative Disclosures

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

Quantitative Disclosures

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

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

Product	Amount of CRM
Fund based exposure	6,829
Total	6,829



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6. Disclosure on Securitisation for Standardised approach

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

7. Disclosure on Market Risk in Trading book

Qualitative disclosures

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

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

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

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

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

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

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



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7. Disclosure on Market Risk in Trading book (*Continued*)

Qualitative disclosures (Continued)

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

Quantitative Disclosures

Capital Requirement for Market Risk *

Particulars	30 Sep 19
Interest rate risk	6,040
Foreign exchange risk (including gold)	360
Equity position risk	9

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

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

Qualitative Disclosures

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

Quantitative Disclosures

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

Change in MVE due to a 200 bps change in interest rates	
30 th September 2019	3,979



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8. Interest rate risk in the banking book (IRRBB) (*Continued*)

Quantitative Disclosures (Continued)

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

EaR is computed for the banking book.

EaR on the INR book (banking)	
30 th September 2019	160

9. Operational Risk

Qualitative Disclosures

Strategy and Process

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

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

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

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

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

The ORM policy includes inter-alia:

- a) ORM Governance key responsibilities (Board, Senior Management, Location / Business level, unit operational risk managers control functions, Risk Management Group – Operational Risks and Internal Audit.
- b) ORM guiding principles
- c) Core Operational Risk Standards (“CORS”)



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- d) Controls and mitigations:
 - Internal controls
 - Group Insurance Programme; and
 - Business Continuity Management
- e) Risk Tools and Mechanisms comprising:
 - Risk & Control Self-Assessment (“RCSA”)
 - Operational Risk Event Management & Reporting (“OREM&R”)
 - Key Risk Indicators (“KRI”)
 - Scenario Assessment (“SA”)
 - Internal Controls
 - Issue Management & Action Tracking
 - Risk profiling and reporting
- f) Risk Quantification & Disclosure
 - Loss Provisioning / Capital Allocation

Structure and Organisation

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

The IORC comprises of Country Head, Chief operating officer and the Heads of Consumer Banking Group, Global Transaction Services, Treasury & Markets, Institutional Banking – Chief Operating Officer, Finance, Legal & Compliance, Internal Audit, Chief Information Security Officer, Head T&O Risk Management and GPS and other invited members as defined in the Terms of Reference (“TOR”).

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

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

The Bank adopts the three lines of defence model for the management of operational risk. In addition to the independent second line of defence by Risk Management Group - Operational Risk, Unit Operational Risk Managers (“UORM”) are appointed within the first line of defence for all Business Units (“BU”) and Support Units (“SU”) to support and implement the risk management policy / standards & processes and to ensure maintenance



Basel III: Pillar 3 Disclosures (*Continued*)

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of adequate controls on an ongoing basis. Periodic training / orientations / discussions are held to keep UORM updated with key developments. As the third line of defence, Audit provides independent assurance.

Risk Mitigation Programs

Internal Controls

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

Group Insurance Programme (“GIP”)

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

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

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

BU/SUs are to comply with the BCM Policies and Standards established by BCM.

BCM includes the following:

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

Risk Reporting and Measurement

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

- Incident Management (“INC”) Module in GRC - for reporting of Risk Events (including near miss and timing error, etc.)
- Issue and Action Management (“I&A”) Module in GRC - for tracking of issues and actions emanating from Risk Events, Audit Issues, Regulatory Issues and other risk related issues



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- Key Indicator (“KI”) Module in GRC - for reporting and monitoring of Key Risk Indicators (“KRI”)
- Risk and Control Self-Assessment (“RCSA”) Module in GRC- to facilitate and record the assessment of the Risk and Control Self-Assessment process. RCSA review and assessment is performed as per risk-based frequency approach.

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

Approach for operational risk capital assessment

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

10. General Disclosure for Exposures Related to Counterparty Credit Risk

Qualitative Disclosures

USE OF ECONOMIC CAPITAL (EC) FOR CONCENTRATION RISK MANAGEMENT

While the Bank firmly complies with regulatory capital requirements at all times, we recognize the need to have more robust methodologies to measure capital usage. The Bank has adopted both qualitative and quantitative measures to address credit concentration risk. In addition to the regulatory limits, there are internally developed risk limits on the amount of exposure, as a percentage of the total exposure, that can be taken on any single industry, to avoid any sector concentration. Additionally, the Bank has developed maximum exposure limit norms which stipulates the amount of exposure that may be taken on a borrower considering its turnover and credit risk rating. In order to address the geographic concentration risk, the bank has implemented a policy on the maximum amount of advance, as a percentage of the total advances, which can be booked in a branch. The quantitative measurement of concentration risk, both for name and sector concentration and allocation of additional capital is one of the component of the Bank’s ICAAP.

CREDIT RISK MITIGANTS

Collateral

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

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



Basel III: Pillar 3 Disclosures (*Continued*)

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10 General Disclosure for Exposures Related to Counterparty Credit Risk (*Continued*)

Other Risk Mitigants

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

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

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

COUNTER PARTY RISK MANAGEMENT

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

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

Quantitative Disclosures

Particulars	Notionals	Credit Exposures
- Currency Derivatives	2,150,242	102,819
- Interest Rate Derivatives	5,054,991	82,652



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Basel III: Pillar 3 Disclosures (*Continued*)

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11. Composition of Capital

Basel III common disclosure template to be used from March 31, 2019			Ref No
Common Equity Tier 1 capital : instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	50,377	A
2	Retained earnings	8,713	B+C+E +G
3	Accumulated other comprehensive income (and other reserves)	-	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	59,090	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments	299	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets	2,315	F
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	



Basel III: Pillar 3 Disclosures (*Continued*)

as at 30 September 2019

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11. Composition of Capital (*Continued*)

Basel III common disclosure template to be used from March 31, 2019			Ref No
Common Equity Tier 1 capital : regulatory adjustments			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	H
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which : mortgage servicing rights	-	
25	of which : deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
	a.of which : Investments in the equity capital of unconsolidated insurance subsidiaries	-	
	b.of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
	c.of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
	d.of which : Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	2,614	
29	Common Equity Tier 1 capital (CET1)	56,476	
Additional Tier 1 capital : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which : instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	



Basel III: Pillar 3 Disclosures (*Continued*)

as at 30 September 2019

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11. Composition of Capital (*Continued*)

Basel III common disclosure template to be used from March 31, 2019			Ref No
Additional Tier 1 capital : regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (41a+41b)	-	
	a. of which : Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
	b. of which : Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which:	-	
	of which:	-	
	of which:	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
	a. Additional Tier 1 capital reckoned for capital adequacy	-	
45	Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)	56,476	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	18,428	I
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	1,513	D+J



Basel III: Pillar 3 Disclosures (*Continued*)

as at 30 September 2019

(Currency: Indian rupees in million)

11. Composition of Capital (*Continued*)

Basel III common disclosure template to be used from March 31, 2019		Ref No
51	Tier 2 capital before regulatory adjustments	19,941
	Tier 2 capital : regulatory adjustments	
52	Investments in own Tier 2 instruments	-
53	Reciprocal cross-holdings in Tier 2 instruments	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	-
	a. of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-
	b. of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-
	Regulatory Adjustments Applied to Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-
	of which: [INSERT TYPE OF ADJUSTMENT]	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	19,941
	a. Tier 2 capital reckoned for capital adequacy	19,941
	b. Excess Additional Tier 1 capital reckoned as Tier 2 capital	-
	c. Total Tier 2 capital admissible for capital adequacy (58a + 58b)	19,941
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	76,417
60	Total risk weighted assets (60a + 60b + 60c)	401,995
	a. of which: total credit risk weighted assets	300,271
	b. of which: total market risk weighted assets	80,119
	c. of which: total operational risk weighted assets	21,605



Basel III: Pillar 3 Disclosures (*Continued*)

as at 30 September 2019

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11. Composition of Capital (*Continued*)

Basel III common disclosure template to be used from March 31, 2019		Ref No
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.05%
62	Tier 1 (as a percentage of risk weighted assets)	14.05%
63	Total capital (as a percentage of risk weighted assets)	19.01%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.375%
65	of which : capital conservation buffer requirement	1.875%
66	of which : bank specific countercyclical buffer requirement	-
67	of which : G-SIB buffer requirement	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.67%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.375%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum)	12.50%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,513
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,753
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA



Basel III: Pillar 3 Disclosures (*Continued*)

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11. Composition of Capital (*Continued*)

Basel III common disclosure template to be used from March 31, 2019			Ref No
(only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Notes to the above Template			
Row No. of the template	Particular		
10	Deferred tax assets associated with accumulated losses	2,315	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-	
	Total as indicated in row 10	2,315	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-	
	of which : Increase in Common Equity Tier 1 capital	-	
	of which : Increase in Additional Tier 1 capital	-	
	of which : Increase in Tier 2 capital	-	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	-	
	i) Increase in Common Equity Tier 1 capital	-	
	ii) Increase in risk weighted assets	-	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-	
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-	
50	Eligible Provisions included in Tier 2 capital	1,513	
	Eligible Revaluation Reserves included in Tier 2 capital	-	
	Total of row 50	1,513	
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-	



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12. Composition of Capital – Reconciliation Requirements

Step 1		Balance sheet as in financial statements As on 30 Sep 2019	Balance sheet under regulatory scope of consolidation As on 30 Sep 2019
A	Capital & Liabilities		
i.	Paid-up Capital	50,377	50,377
	Reserves & Surplus	9,170	9,170
	Minority Interest	-	-
	Total Capital	59,547	59,547
ii.	Deposits	272,027	272,027
	of which : Deposits from banks	44,414	44,414
	of which : Customer deposits	227,613	227,613
	of which : Other deposits (CD's)	-	-
iii.	Borrowings	133,618	133,618
	of which : From RBI	-	-
	of which : From banks	19,830	19,830
	of which : From other institutions & agencies	95,360	95,360
	of which : Others (pl. specify)		
	of which : Capital instruments	18,428	18,428
iv.	Other liabilities & provisions	79,650	79,650
	Total	544,842	544,842
B	Assets		
i.	Cash and balances with Reserve Bank of India	15,160	15,160
	Balance with banks and money at call and short notice	55,724	55,724
ii.	Investments :	216,905	216,905
	of which : Government securities	192,207	192,207
	of which : Other approved securities	-	-
	of which : Shares	101	101
	of which : Debentures & Bonds	6,888	6,888
	of which : Subsidiaries / Joint Ventures / Associates	-	-
	of which : Others (Commercial Papers, Certificate of deposits, Security Receipts of Asset Reconstruction Companies)	17,709	17,709
iii.	Loans and advances	167,922	167,922
	of which : Loans and advances to banks	10,165	10,165
	of which : Loans and advances to customers	157,757	157,757
iv.	Fixed assets	777	777
v.	Other assets	88,354	88,354
	of which : Goodwill and intangible assets	-	-
	of which : Deferred tax assets	5,374	5,374
vi.	Goodwill on consolidation	-	-
vii.	Debit balance in Profit & Loss account	-	-
	Total Assets	544,842	544,842



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Basel III: Pillar 3 Disclosures (*Continued*)

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12. Composition of Capital – Reconciliation Requirements (*Continued*)

Step 2		Balance sheet as in financial statements As on 30 Sep 2019	Balance sheet under regulatory scope of consolidation As on 30 Sep 2019	Ref No.
A	Capital & Liabilities			
i.	Paid-up Capital	50,377	50,377	
	of which : Amount eligible for CET1	50,377	50,377	A
	of which : Amount eligible for AT1	-	-	
	Reserves & Surplus	9,170	9,170	
	of which :			
	Statutory Reserve	3,808	3,808	B
	Capital Reserve	5	5	C
	Investment Reserve	154	154	D
	Deferred Tax Reserve	1	1	
	Revenue Reserve	5,202	5,202	G
	Minority Interest	-	-	
	Total Capital	59,547	59,547	
ii.	Deposits	272,027	272,027	
	of which : Deposits from banks	44,414	44,414	
	of which : Customer deposits	227,613	227,613	
	of which : Other deposits (CD's)	-	-	
iii.	Borrowings	133,618	133,618	
	of which : From RBI	-	-	
	of which : From banks	19,830	19,830	
	of which : From other institutions & agencies	95,360	95,360	
	of which : Others			
	of which : Capital instruments	18,428	18,428	
	- of which Eligible for T2 capital	18,428	18,428	I
iv.	Other liabilities & provisions	79,650	79,650	
	of which : Provision against standard asset and country risk	1,360	1,360	J
	Total	544,842	544,842	
B	Assets			
i.	Cash and balances with Reserve Bank of India	15,160	15,160	
	Balance with banks and money at call and short notice	55,724	55,724	
ii.	Investments :	216,905	216,905	
	of which : Government securities	192,207	192,207	
	of which : Other approved securities	-	-	
	of which : Shares	101	101	
	of which : Debentures & Bonds	6,888	6,888	
	of which : Subsidiaries / Joint Ventures / Associates	-	-	
	of which : Others (Commercial Papers, Certificate of deposits, Security Receipts of Asset Reconstruction Companies)	17,709	17,709	
iii.	Loans and advances	167,922	167,922	
	of which : Loans and advances to banks	10,165	10,165	
	of which : Loans and advances to customers	157,757	157,757	
iv.	Fixed assets	777	777	
v.	Other assets	88,354	88,354	
	of which : Goodwill and intangible assets	-	-	
	of which : Deferred tax assets associated with accumulated losses	2,315	2,315	F
	of which : Deferred tax assets arising from temporary differences other than accumulated losses	-	-	H
vi.	Goodwill on consolidation	-	-	
vii.	Debit balance in Profit & Loss account	-	-	
	Total	544,842	544,842	



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13. Main features of equity and debt capital instruments

		As on 30 Sep 2019
1	Issuer	DBS Bank India Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) *	INE01GA01014
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / group & solo	Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital	50,376.50
9	Par value of instrument	50,376.50
10	Accounting classification	Equity Share Capital
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	NA
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary, or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Represents the most subordinated claim in liquidation
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

* Represents 503,76,49,994 shares which are in Dematerialised mode.



Basel III: Pillar 3 Disclosures (*Continued*)

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14. Equities – Disclosure for Banking Book Positions

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

The Bank has no investment in HTM portfolio during the year ended September 30, 2019. However, the Bank has investment in shares/Optionally Convertible Debentures which are received on conversion of debt which are classified under AFS category in accordance with RBI guidelines.



Basel III: Pillar 3 Disclosures (*Continued*)

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(Currency: Indian rupees in million)

15. LEVERAGE RATIO

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

As per RBI guidelines, disclosures required for leverage ratio for the Bank at September 30, 2019 are as follows:

On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	475,568
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(2,615)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	472,953
Derivative exposures		
4	Replacement cost associated with all <i>derivatives</i> transactions (i.e. net of eligible cash variation margin)	37,295
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	124,789
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	162,084
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	8,591
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	1,093
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	9,684
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	261,596
18	(Adjustments for conversion to credit equivalent amounts)	(177,507)
19	Off-balance sheet items (sum of lines 17 and 18)	84,089
Capital and total exposures		
20	Tier 1 capital	56,476
21	Total exposures (sum of lines 3, 11, 16 and 19)	728,810
Leverage ratio		
22	Basel III leverage ratio	7.75%



Basel III: Pillar 3 Disclosures (*Continued*)

as at 30 September 2019

(Currency: Indian rupees in million)

Summary comparison of accounting assets vs. leverage ratio exposure measure

1	Total consolidated assets as per published financial statements	544,842
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	101,401
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1,093
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	84,089
7	Other adjustments	(2,615)
8	Leverage ratio exposure	728,810