

**INDEPENDENT AUDITORS' REPORT TO THE INDIA MANAGEMENT COMMITTEE OF DBS BANK LTD., INDIA****Report on the Financial Statements**

We have audited the accompanying financial statements of **DBS BANK LTD., INDIA** ("the Bank"), which comprise the Balance Sheet as at 31 March 2018, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounting Standards) Rules, 2006 as amended, in so far as applicable to banks ("Accounting Standards"), accounting principles generally accepted in India, and the Guidelines issued by the Reserve Bank of India.

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

**Auditors' Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2018, and its losses and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act and Section 30 of the Banking Regulation Act, 1949, based on our audit, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and found them to be satisfactory.
  - b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.
  - c) As explained in paragraph 2 below, the financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by the Branches.
  - d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
  - e) The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, as applicable to banks.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Bank has disclosed the impact of pending litigations as at year end on its financial position in its financial statements;
    - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses as at the year end, if any, on long-term contracts including derivative contracts; and
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Bank.
2. We report that during the course of our audit we have visited and performed select relevant procedures at 6 branches. Since the Bank's key operations are automated, with the key applications largely integrated to the core banking systems, it does not require its branches, to submit any financial returns. Accordingly our audit is carried out centrally at the Head Office and Central Processing Units, based on the necessary records and data required for the purposes of the audit being made available to us.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No.117365W)

Rukshad N. Daruvala

Partner

(Membership No. 111188)

Mumbai, 11 June 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the internal financial controls over financial reporting of **DBS BANK LTD., INDIA** ("the Bank") as at 31 March, 2018 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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 controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No.117365W)

Rukshad N. Daruvala

Partner

(Membership No. 111188)

Mumbai, 11 June 2018



DBS Bank Ltd., India

# BALANCE SHEET AS AT 31 MARCH 2018

(Currency: Indian rupees in thousands)

	Schedule	31 Mar 2018	31 Mar 2017
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	37,057,895	32,113,534
Reserves and surplus	2	8,722,791	14,051,501
Deposits	3	292,216,578	269,909,652
Borrowings	4	86,001,868	57,815,001
Other liabilities and provisions	5	44,533,020	71,530,887
<b>Total</b>		<b>468,532,152</b>	<b>445,420,575</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	21,348,314	19,882,499
Balances with banks and money at call and short notice	7	38,397,893	26,962,433
Investments	8	177,976,818	102,481,286
Advances	9	178,670,566	218,382,258
Fixed assets	10	645,369	580,580
Other assets	11	51,493,192	77,131,519
<b>Total</b>		<b>468,532,152</b>	<b>445,420,575</b>
Contingent liabilities	12	4,836,322,710	3,881,912,201
Bills for collection		87,917,726	87,712,584

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 Deloitte Haskins & Sells For DBS Bank Ltd., India**

Chartered Accountants

**Rukshad N. Daruvala** **Surojit Shome** **Rajesh Prabhu**  
Partner Chief Executive Officer, India Chief Financial Officer, India  
Membership No: 111188  
Mumbai Mumbai  
11 June, 2018 11 June, 2018

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

(Currency: Indian rupees in thousands)

	Schedule	31 Mar 2018	31 Mar 2017
<b>I. INCOME</b>			
Interest earned	13	24,853,948	25,779,291
Other income	14	2,966,412	6,226,691
<b>Total</b>		<b>27,820,360</b>	<b>32,005,982</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	18,374,895	18,533,812
Operating expenses	16	9,488,309	8,250,060
Provisions and contingencies	17	5,285,866	5,094,116
<b>Total</b>		<b>33,149,070</b>	<b>31,877,988</b>
<b>III. PROFIT/(LOSS)</b>			
Net Profit/(Loss) for the year		(5,328,710)	127,994
Profit brought forward		(2,407,548)	(2,680,450)
<b>Total</b>		<b>(7,736,258)</b>	<b>(2,552,456)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		-	31,998
Transfer (from)/to Investment Reserve		(74,768)	(176,906)
Capital retained in India for CRAR purposes		-	-
Balance carried over to Balance Sheet		(7,661,490)	(2,407,548)
<b>Total</b>		<b>(7,736,258)</b>	<b>(2,552,456)</b>

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

As per our report of even date attached.

**For Deloitte Haskins & Sells For DBS Bank Ltd., India**

Chartered Accountants

**Rukshad N. Daruvala** **Surojit Shome** **Rajesh Prabhu**  
Partner Chief Executive Officer, India Chief Financial Officer, India  
Membership No: 111188  
Mumbai Mumbai  
11 June, 2018 11 June, 2018



DBS Bank Ltd., India

# CASH FLOW STATEMENT

(Currency: Indian rupees in thousands)

	31 Mar 2018	31 Mar 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before taxation and extraordinary items	(6,663,484)	231,805
<b>Adjustments for:</b>		
Depreciation on Fixed Assets	402,417	384,653
(Profit) /Loss on sale and write off of Fixed assets	4,030	28,762
Foreign exchange gain / (loss) on revaluation of subordinated debt	84,500	(365,300)
<b>Provision/(Write back) for:</b>		
Standard Asset/Derivatives	(73,571)	187,454
Depreciation on Investments	1,218,701	415,712
Contingent credit	(20,913)	18,288
Country risk	(22,738)	13,357
Non Performing Assets (including write offs net of write backs)	5,519,161	4,355,494
Employee Benefits	57,323	11,378
<b>Operating profit before working capital changes</b>	<b>505,426</b>	<b>5,281,603</b>
Increase in Term Deposits placed with Banks	(12,434,500)	(12,224,000)
(Increase)/Decrease in Investments (excluding HTM investments)	(76,714,231)	52,942,574
(Increase)/Decrease in Advances	34,213,444	(46,226,140)
(Increase)/Decrease in Other Assets	27,226,836	(21,598,811)
Increase in Deposits	22,306,926	35,634,359
Increase/(Decrease) in Other Liabilities & Provisions	(26,958,882)	28,541,499
	(31,854,981)	42,351,084
Income Tax paid	(250,000)	(1,303,108)
<b>Net cash from / (used in) operating activities</b>	<b>A (32,104,981)</b>	<b>41,047,976</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets (including movement in Capital Work in Progress)	(481,472)	(253,561)
Proceeds from Sale of Fixed Assets	6,500	12
<b>Net cash used in investing activities</b>	<b>B (474,972)</b>	<b>(253,549)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional capital from Head Office	4,944,361	-
Increase/(Decrease) in Borrowings	28,102,367	(57,183,312)
<b>Net Cash from / (used in) financing activities</b>	<b>C 33,046,728</b>	<b>(57,183,312)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C) 466,775</b>	<b>(16,388,885)</b>
Cash and cash equivalents at the beginning of the period	27,895,432	44,284,317
Cash and cash equivalents at the end of the period	28,362,207	27,895,432
Net Increase/(Decrease) in cash and cash equivalents	466,775	(16,388,885)
<b>Notes: Cash and cash equivalents represent</b>		
Cash and balances with Reserve Bank of India (refer schedule 6)	21,348,314	19,882,499
Balances with banks and money at call and short notice		
(refer schedule 7)	38,397,893	26,962,433
Less: Deposits not considered as cash and cash equivalents as per AS - 3		
Margin Deposit - Maturity greater than 90 days	(100,000)	(143,000)
Term Deposits with Banks - Maturity greater than 90 days	(31,284,000)	(18,806,500)
<b>Total</b>	<b>28,362,207</b>	<b>27,895,432</b>

As per our report of even date attached.

For Deloitte Haskins & Sells

Chartered Accountants

Rukshad N. Daruvala

Partner

Membership No: 111188

Mumbai

11 June, 2018

For DBS Bank Ltd., India

Surojit Shome

Chief Executive Officer, India

Rajesh Prabhu

Chief Financial Officer, India

Mumbai

11 June, 2018



DBS Bank Ltd., India

Schedules to financial statements as at 31 March 2018

(Currency: Indian rupees in thousands)

	31 Mar 2018	31 Mar 2017
<b>1 CAPITAL</b>		
Amount of deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (Face Value)	4,050,000	5,510,000
Opening Balance	32,113,534	32,113,534
Add: Additional capital received from Head Office during the year (refer schedule 18 note [6])	4,944,361	-
<b>Total</b>	<b>37,057,895</b>	<b>32,113,534</b>

<b>2 RESERVES AND SURPLUS</b>		
<b>A Statutory Reserve</b>		
Opening Balance	3,756,777	3,724,779
Additions during the year	-	31,998
Deductions during the year	-	-
	3,756,777	3,756,777
<b>B Capital Reserve (refer schedule 18 note [5])</b>		
Opening Balance	5,096	5,096
Additions during the year	-	-
Deductions during the year	-	-
	5,096	5,096
<b>C Investment Reserve Account (refer schedule 18 note [64])</b>		
Opening Balance	74,768	251,674
Additions during the year	-	-
Deductions during the year	74,768	176,906
	-	74,768
<b>D Capital retained in India for CRAR purposes</b>		
Opening Balance	12,621,872	10,760,095
Additions during the year (refer schedule 18 note [64])	-	1,861,777
Deductions during the year	-	-
	12,621,872	12,621,872
<b>E (Debit)/ Credit balance in Profit and Loss Account</b>	(7,661,490)	(2,407,548)
<b>F Deferred Tax Reserve</b>	536	536
<b>Total</b>	<b>8,722,791</b>	<b>14,051,501</b>

<b>3 DEPOSITS</b>		
<b>A (I) Demand Deposits</b>		
(i) From banks	4,034,457	2,835,318
(ii) From others	19,857,885	14,678,712
	23,892,342	17,514,030
<b>(II) Saving Bank Deposits</b>	13,169,146	7,821,384
<b>(III) Certificate of Deposits</b>	-	1,973,279
<b>(IV) Term Deposits</b>		
(i) From banks	41,666,130	28,773,095
(ii) From others	213,488,960	213,827,864
	255,155,090	242,600,959
<b>Total</b>	<b>292,216,578</b>	<b>269,909,652</b>
<b>B (i) Deposits of branches in India</b>	292,216,578	269,909,652
(ii) Deposits of branches outside India	-	-
<b>Total</b>	<b>292,216,578</b>	<b>269,909,652</b>

<b>4 BORROWINGS</b>		
<b>I Borrowings in India</b>		
(i) Reserve Bank of India	30,650,000	-
(ii) Other banks	-	-
(iii) Other institutions and agencies	8,458,748	13,630,871
	39,108,748	13,630,871
<b>II Borrowings outside India</b>	29,947,620	27,323,130
<b>III Subordinated Debt*</b>	16,945,500	16,861,000
<b>Total</b>	<b>86,001,868</b>	<b>57,815,001</b>
Secured borrowings included in I, II and III above	39,108,748	13,630,871

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

<b>5 OTHER LIABILITIES AND PROVISIONS</b>		
I Bills Payable	191,367	435,732
II Inter Office adjustments (net)	-	-
III Interest Accrued	2,358,572	1,953,470
IV Contingent Provision against Standard Advances	881,661	896,101
V Contingent Provision against Derivatives exposures	128,236	230,507
VI Others (including provisions)*	40,973,184	68,015,077
<b>Total</b>	<b>44,533,020</b>	<b>71,530,887</b>

\* includes provision for unhedged foreign currency exposure amounting to INR 221,437 thousand (previous year - INR 178,297 thousand)

<b>6 CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in hand (including foreign currency notes)	46,966	62,563
II. Balances with Reserve Bank of India		
(i) In Current Accounts	12,651,348	10,819,936
(ii) In Other Accounts	8,650,000	9,000,000
	21,301,348	19,819,936
<b>Total</b>	<b>21,348,314</b>	<b>19,882,499</b>

<b>7 BALANCES WITH BANKS AND MONEY AT CALL &amp; SHORT NOTICE</b>		
<b>I In India</b>		
(i) Balance with Banks		
(a) In Current Accounts	127,388	71,532
(b) In Other Deposit Accounts \$	31,384,000	18,949,500
	31,511,388	19,021,032
(ii) Money at Call and Short Notice		
(a) with Banks	-	-
(b) with other institutions	1,509,167	-
	1,509,167	-
<b>II Outside India</b>		
(i) In Current Accounts	1,435,709	732,831
(ii) In Other Deposit Accounts	-	-
(iii) Money at Call and Short Notice	3,941,629	7,208,570
	5,377,338	7,941,401
<b>Total</b>	<b>38,397,893</b>	<b>26,962,433</b>

\$ Includes Fixed deposits placed under lien towards exchange traded derivatives of INR 100,000 thousand (Previous year - INR 143,000 thousand)

<b>8 INVESTMENTS</b>		
<b>Investments in India in</b>		
(i) Government securities *	144,596,945	81,138,244
(ii) Other approved securities	-	-
(iii) Shares**	972,135	863,169
(iv) Debentures and Bonds***	10,641,274	10,934,096
(v) Subsidiaries and Joint Ventures	-	-
(vi) Others (Certificate of Deposits, Commercial Papers and Security Receipts of Asset Reconstruction Companies)	21,766,464	9,545,777
<b>Total</b>	<b>177,976,818</b>	<b>102,481,286</b>
<b>Gross Investments in India</b>	<b>179,635,263</b>	<b>102,921,030</b>
Less: Provision for depreciation	1,658,445	439,744
<b>Net Investments in India</b>	<b>177,976,818</b>	<b>102,481,286</b>

\* Includes :

- (A) Securities pledged as margin with CCIL ( Clearing Corporation of India Limited) were INR 1,989,223 thousand (Previous Year: INR 8,183,183 thousand)
- (B) Securities held u/s 11(2)(b) with Reserve Bank of India INR 3,978,446 thousands (Previous Year: INR 5,316,106 thousand)
- (C) Securities pledged as collateral for LAF (Liquidity Adjustment Facility) / MSF (Marginal Standing Facility) were INR 31,006,142 thousand (Previous Year: Nil)
- (D) Securities kept as margin for RTGS ( Real Time Gross Settlement) INR 19,845,200 thousand (Previous Year: INR 16,298,943 thousand)
- (E) Securities pledged as collateral with CCIL for Market repo INR 8,420,206 thousand (Previous Year: INR 13,311,081 thousand)

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

\*\*\* Includes (OCD) Optionally Convertible Debentures of INR 1,228,016 thousand (Previous Year: INR 61,503 thousand) received on conversion of debt.



DBS Bank Ltd., India

<b>9 ADVANCES</b>			<b>13 INTEREST EARNED</b>		
A (i) Bills purchased and discounted <sup>§</sup>	77,501,620	103,949,337	(i) Interest / discount on advances / bills	11,554,423	13,108,388
(ii) Cash credits, overdrafts and loans repayable on demand	69,995,629	86,849,877	(ii) Income on investments	9,960,683	11,055,311
(iii) Term Loans	31,173,317	27,583,044	(iii) Interest on balances with RBI and other inter-bank funds	1,614,394	804,451
<b>Total</b>	<b>178,670,566</b>	<b>218,382,258</b>	(iv) Others	1,724,448	811,141
B (i) Secured by tangible assets *	55,195,170	72,538,359	<b>Total</b>	<b>24,853,948</b>	<b>25,779,291</b>
(ii) Covered by Bank / Government Guarantees**	37,914,344	59,014,298	<b>14 OTHER INCOME</b>		
(iii) Unsecured	85,561,052	86,829,601	(i) Commission, exchange and brokerage	2,016,420	1,863,657
<b>Total</b>	<b>178,670,566</b>	<b>218,382,258</b>	(ii) Net Profit / (Loss) on sale of investments	(45,382)	2,206,129
C I Advances in India			(iii) Net Profit on sale of land, buildings and other assets	(4,030)	12
(i) Priority Sectors	65,664,795	62,799,127	(iv) Net Profit / (Loss) on Foreign Exchange and Derivative transactions	970,661	2,103,533
(ii) Public Sectors	-	-	(v) Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
(iii) Banks	-	-	(vi) Miscellaneous Income	28,743	53,360
(iv) Others	113,005,771	155,583,131	<b>Total</b>	<b>2,966,412</b>	<b>6,226,691</b>
II Advances outside India	-	-	<b>15 INTEREST EXPENDED</b>		
<b>Total</b>	<b>178,670,566</b>	<b>218,382,258</b>	(i) Interest on Deposits	15,163,141	14,283,192
\$ Net off Interbank Participation Certificates (IBPC) with risk participation			(ii) Interest on RBI / Inter-bank borrowings *	1,084,780	1,533,931
* includes secured by book debts and stocks			(iii) Others	2,126,974	2,716,689
** includes advances covered by Letters of Credit issued by other banks			<b>Total</b>	<b>18,374,895</b>	<b>18,533,812</b>
			* including interest on Subordinated Debt		
<b>10 FIXED ASSETS</b>			<b>16 OPERATING EXPENSES</b>		
I Premises			(i) Payments to and provisions for employees	3,878,131	3,473,744
Cost on 31 <sup>st</sup> March of the preceding year	-	-	(ii) Rent, taxes and lighting	671,577	605,397
Additions during the year	-	-	(iii) Printing and Stationery	40,899	30,299
Deductions during the year	-	-	(iv) Advertisement and publicity	273,349	209,100
	-	-	(v) Depreciation on Bank's property	402,417	384,653
Depreciation to date	-	-	(vi) Auditors fees and expenses	4,100	3,658
<b>Net book value of Premises</b>	-	-	(vii) Law Charges	57,249	53,343
II Other Fixed Asset (including furniture and fixture)			(viii) Postages, Telegrams, Telephones, etc.	123,517	101,554
Cost on 31 <sup>st</sup> March of the preceding year	2,521,405	2,412,905	(ix) Repairs and maintenance	78,226	49,446
Additions during the year	443,963	317,311	(x) Insurance	281,863	283,217
Deductions during the year	(253,531)	(208,811)	(xi) Brokerage charges	74,210	90,617
	2,711,837	2,521,405	(xii) Professional Fees	356,322	338,183
Depreciation to date	(2,112,569)	(1,949,417)	(xiii) Head Office Expenses (Refer Schedule 18 Note [65])	-	-
<b>Net book value of Other Fixed Asset</b>	<b>599,268</b>	<b>571,988</b>	(xiv) Computerisation & Related Exp	1,742,518	1,292,662
III Capital work-in-progress	46,101	8,592	(xv) Travelling expenses	138,471	103,487
<b>Total (I+II+III)</b>	<b>645,369</b>	<b>580,580</b>	(xvi) Fixed Assets Written Off	-	28,774
			(xvii) Other Expenditure	1,365,460	1,201,926
			<b>Total</b>	<b>9,488,309</b>	<b>8,250,060</b>
<b>11 OTHER ASSETS</b>			<b>17 PROVISIONS AND CONTINGENCIES</b>		
(i) Inter Office adjustments (net)	-	-	(i) Provision/ (Write-back of provision) for contingent credit	(20,913)	18,288
(ii) Interest accrued	5,508,845	4,751,663	(ii) Provision for Non Performing advances / write offs (net)	5,519,161	4,355,494
(iii) Tax paid in advance / Tax Deducted at Source (net of provisions)	3,948,752	4,179,726	(iii) Provision / (Write-back of provision) for Standard Asset (including standard asset provisioning on current credit exposure for derivatives and Unhedged Foreign Currency Exposure)	(73,571)	187,454
(iv) Stationery & Stamps	-	-	(iv) Provision for Depreciation on Investments	1,218,701	415,712
(v) Deferred Tax Asset (refer schedule 18 note [35])	6,090,159	4,755,385	(v) Provision for Tax	-	-
(vi) Non-banking assets acquired in satisfaction of claims	141,100	141,100	- Current Income-tax	-	-
(vii) Others *	35,804,336	63,303,645	- Deferred Tax charge/(Credit)	(1,334,774)	103,811
<b>Total</b>	<b>51,493,192</b>	<b>77,131,519</b>	(vi) Provision for Country Risk	(22,738)	13,357
* Includes MAT credit entitlement of INR 490,642 thousand (Previous Year – INR 490,642 thousand)			<b>Total</b>	<b>5,285,866</b>	<b>5,094,116</b>
<b>12 CONTINGENT LIABILITIES</b>					
(i) Claims against the bank not acknowledged as debts	285,199	279,010			
(ii) Liability for partly paid investments	-	-			
(iii) Liability on account of outstanding foreign exchange contracts*	1,802,358,881	1,736,784,244			
(iv) Liability on account of outstanding Currency and Interest Rate Swap, Option contracts and Interest Rate Derivatives *	2,950,850,341	2,071,953,662			
(v) Guarantees given on behalf of constituents					
- in India	53,176,409	42,129,760			
- outside India	8,817,725	12,605,009			
(vi) Acceptances, endorsements and other obligations	20,798,115	17,814,871			
(vii) Other items for which the Bank is contingently liable	36,040	345,645			
<b>Total</b>	<b>4,836,322,710</b>	<b>3,881,912,201</b>			
*represents notional.					

## Schedule 18

### Significant Accounting policies and Notes to Accounts

#### 1. Background

The accompanying financial statements for the year ended 31 March 2018 comprise the accounts of the India branches of DBS Bank Ltd. ('the Bank'), which is incorporated in Singapore. The India branches of the Bank as at 31 March 2018 are located at Mumbai, New Delhi, Bengaluru, Chennai, Pune, Kolkata, Nashik, Surat, Salem, Moradabad, Kolhapur and Cuddalore.

#### 2. Basis of preparation

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

#### 3. Use of estimates

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

#### 4. Significant accounting policies

##### (i) Advances

Advances are classified as performing and non-performing based on the RBI prudential norms. Advances are stated net of bills rediscounted, inter-bank participation 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.

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 9 ('Advances').

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

##### (ii) Investments

###### Classification

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

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

###### Acquisition Cost

In determining acquisition cost of an investment:

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

###### 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.

###### 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 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.

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 year of purchase.

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

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

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

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

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

**(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 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.

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

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 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

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 Company 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.

**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 31 Mar 2018	As at 31 Mar 2017
Common Equity Tier 1 (CET1) capital ratio (%)	11.34%	11.62%
Tier 1 capital ratio (%)	11.34%	11.62%
Tier 2 capital ratio (%)	4.80%	4.87%
Total Capital ratio (CRAR) (%)	16.14%	16.49%
<b>Amount of capital received from HO during the year</b>		
- Common Equity Tier 1 Capital	4,944,361	-
- Additional Tier 1 capital	-	-
- Tier 2 capital	-	-
Of which		
Debt capital instrument	-	-

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

**7. Investments**

Particulars	As at 31 Mar 2018	As at 31 Mar 2017
<b>Value of investments (*)</b>		
Gross value of investments	179,635,263	102,921,030
Less: Provision for depreciation	1,658,445	439,744
<b>Net value of investments</b>	<b>177,976,818</b>	102,481,286
<b>Movement in Provisions held towards depreciation on investments</b>		
Opening balance	439,744	24,032
Add: Provisions made during the year	1,218,701	415,712
Less: Write back of excess provisions during the year to Profit and Loss account	-	-
<b>Closing Balance</b>	<b>1,658,445</b>	439,744

\*All investments are held in India

**8. Repo/ Reverse Repo Transactions**

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31 March
Securities sold under Repos				
i) Government securities	-	68,469,583	20,330,679	39,108,748
	(-)	(89,006,970)	(35,160,889)	(13,630,871)
ii) Corporate debt securities	-	-	-	-
	(-)	(-)	(-)	(-)
Securities purchased under Reverse Repos				
i) Government securities	-	42,139,263	17,261,348	10,159,167
	(-)	(43,204,866)	(8,248,370)	(9,000,000)
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 31 March is stated below:

No.	Issuer	Amount	Extent of "private placement"	Extent of "below investment grade" securities	Extent of "unrated" Securities	Extent of "unlisted" securities
(i)	Public Sector Undertakings	1,902,285	1,902,285	-	-	-
		(1,250,000)	(1,250,000)	(-)	(-)	(-)
(ii)	Financial Institutions*	6,124,260	6,124,260	-	-	-
		(5,842,391)	(5,842,391)	(-)	(-)	(-)
(iii)	Banks	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
(iv)	Private Corporates	15,829,247	15,829,247	-	2,550,524	1,403,454
		(9,265,862)	(9,265,862)	(-)	(1,010,973)	(121,183)
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
(vi)	Others#	9,988,553	9,988,553	-	-	9,988,553
		(5,071,251)	(5,071,251)	(-)	(2,512,600)	(5,071,251)
(vii)	Provision held towards depreciation	464,472				
		(86,463)				
<b>Total</b>		<b>33,379,873</b>	<b>33,844,345</b>	<b>-</b>	<b>2,550,524</b>	<b>11,392,007</b>
		(21,343,041)	(21,429,504)	(-)	(3,523,573)	(5,192,434)

(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

**10. Non performing Non – SLR Investments**

Non performing Non – SLR Investments are as under:

Particulars	As at 31 Mar 2018	As at 31 Mar 2017
Opening balance	671,024	130,073
Additions during the year since 1st April	138,546	540,951
Reductions during the above period	-	-
Closing balance	809,570	671,024
Total provisions held (net)	115,162	64,485

**11. Derivatives – Interest Rate Swap / Forward Rate Agreements**

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

Particulars	As at 31 Mar 2018	As at 31 Mar 2017
Notional principal of Interest Rate Swaps	2,498,827,184	1,727,803,095
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	10,874,979	7,360,439
Collateral required by the bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	51.39%	67.83%
The fair value of the swap book asset / (liability)	367,041	123,901



DBS Bank Ltd., India

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

Benchmark	Terms	31-Mar-18		31-Mar-17	
		Nos.	Notional Principal	Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	268	134,520,000	260	127,560,000
6 Month MIFOR	Receive Fixed Pay Floating	224	121,090,000	231	128,290,000
CAD CDOR 3M	Pay Fixed Receive Floating	1	506,500	1	485,921
CAD CDOR 3M	Receive Fixed Pay Floating	1	506,500	1	485,921
EUR Libor 6 months	Pay Fixed Receive Floating	-	-	1	910,909
EUR Libor 6 months	Receive Fixed Pay Floating	-	-	1	910,909
OIS 1Y CMP	Pay Fixed Receive Floating	479	463,381,919	189	216,350,000
OIS 1Y CMP	Receive Fixed Pay Floating	472	494,400,000	241	283,909,460
OIS 6M COM	Pay Fixed Receive Floating	838	309,443,467	600	219,701,927
OIS 6M COM	Receive Fixed Pay Floating	773	274,352,380	568	204,863,611
USD BS Libor 1 month 3 months	Pay Floating Receive Floating	4	2,150,775	6	5,071,270
USD BS Libor 1 month 6 months	Receive Floating Pay Floating	4	7,511,419	3	489,618
USD BS Libor 3 months	Pay Floating Receive Floating	22	35,168,604	25	31,550,966
USD Libor 1 month	Receive Fixed Pay Floating	8	27,787,361	4	4,575,600
USD Libor 3 months	Pay Fixed Receive Floating	44	80,190,603	55	55,232,370
USD Libor 3 months	Pay Floating Receive Floating	1	81,469	1	145,913
USD Libor 3 months	Receive Fixed Pay Floating	48	80,337,247	58	55,495,823
USD Libor 6 months	Pay Fixed Receive Floating	268	229,693,199	188	209,305,633
USD Libor 6 months	Receive Fixed Pay Floating	136	178,772,312	80	177,891,644
AUD BBSW 6M	Pay Fixed Receive Floating	4	600,540	-	-
AUD BBSW 6M	Receive Fixed Pay Floating	4	600,540	-	-
AUD BBSW S 6M	Pay Fixed Receive Floating	20	1,215,093	-	-
AUD BBSW S 6M	Receive Fixed Pay Floating	20	1,215,093	-	-
EUR EURIBOR 6M	Pay Fixed Receive Floating	26	4,597,014	-	-
EUR EURIBOR 6M	Receive Fixed Pay Floating	26	4,597,014	-	-
GBP LIBOR 6M	Pay Fixed Receive Floating	37	9,160,387	-	-
GBP LIBOR 6M	Receive Fixed Pay Floating	37	9,160,387	-	-
<b>Total</b>		<b>3,773</b>	<b>2,498,827,184</b>	<b>2,517</b>	<b>1,727,803,095</b>

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.

## 12. Exchange Traded Interest Rate Derivatives

Particulars	31-Mar-18	31-Mar-17
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year:		
(a) NSE 10Y 7.59%	-	17,135,688
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March		-
(a) NSE 10Y 7.59%	-	-
(iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-
(iv) Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-

## 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.

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

31-Mar-18			
S r. No	Particular	Currency Derivatives #	Interest Rate Derivatives@
<b>1</b>	<b>Derivatives (Notional Principal Amount)</b>		
(a)	- For Hedging **	48,051,135	-
(b)	- For Trading	2,206,330,903	2,498,827,184
<b>2</b>	<b>Marked to Market Positions</b>		
(a)	- Asset	21,183,983	10,874,979
(b)	- Liability	23,050,516	10,507,938
<b>3</b>	<b>Credit Exposure</b>	107,689,109	32,031,055
<b>4</b>	<b>Likely impact of 1% change in interest rates (100*PV01)</b>		
(a)	- On Hedging Derivatives **	(582,857)	-
(b)	- On Trading Derivatives	(1,571,062)	2,245,561



DBS Bank Ltd., India

31-Mar-18			
S r. No	Particular	Currency Derivatives #	Interest Rate Derivatives@
5	<b>Maximum &amp; Minimum of 100*PV01 observed during the year</b>		
(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.

31-Mar-17			
S r. No	Particular	Currency Derivatives #	Interest Rate Derivatives@
1	<b>Derivatives (Notional Principal Amount)</b>		
(a)	- For Hedging **	36,311,608	-
(b)	- For Trading	2,044,623,203	1,727,803,095
2	<b>Marked to Market Positions</b>		
(a)	- Asset	50,266,341	7,360,439
(b)	- Liability	54,005,842	7,236,538
3	<b>Credit Exposure</b>	127,960,239	23,044,857
4	<b>Likely impact of 1% change in interest rates (100*PV01)</b>		
(a)	- On Hedging Derivatives **	(456,880)	-
(b)	- On Trading Derivatives	(1,581,223)	1,099,901
5	<b>Maximum &amp; Minimum of 100*PV01 observed during the year</b>		
(a)	- On Hedging ** :		
	Maximum	(50,027)	-
	Minimum	(548,615)	-
(b)	- On Trading :		
	Maximum	(1,240,750)	1,900,756
	Minimum	(1,698,776)	983,071

# Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

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

#### 14. Non-Performing Assets (Funded)

Particulars	31-Mar-18	31-Mar-17
(i) Net NPA to Net Advances (%)	1.09%	2.12%
(ii) Movement in Gross NPAs		
(a) Opening Balance	8,383,834	16,327,054
(b) Additions during the year **	4,977,238	6,019,036
<b>Sub Total (A)</b>	<b>13,361,072</b>	<b>22,346,090</b>
Reductions during the year		
(a) Up gradations	381,088	100,000
(b) Recoveries #	2,160,279	4,415,822
(c) Technical/ Prudential write-offs	-	1,167,427
(d) Write-offs	1,437,284	8,279,007
<b>Sub Total (B)</b>	<b>3,978,651</b>	<b>13,962,256</b>
Gross NPAs as on 31 Mar (A-B)	9,382,421	8,383,834
(iii) Movement in provisions for NPAs		
(a) Opening Balance	3,759,177	8,660,992
(b) Provisions made during the year * @	4,864,179	2,767,771
(c) Write off / Write back of excess provisions	1,192,131	7,669,586
(d) Closing Balance	7,431,225	3,759,177
(iv) Movement in Net NPAs		
(a) Opening Balance	4,624,657	7,666,062

Particulars	31-Mar-18	31-Mar-17
(b) Additions during the year	113,059	3,251,265
(c) Reductions during the year	2,786,520	6,292,670
(d) Closing Balance	1,951,196	4,624,657

\* Includes an amount of INR 428,602 thousand (Previous Year: INR 228,583 thousand) pertaining to provision for restructured accounts classified as NPA.

# Includes amount for which security receipt of Nil (Previous Year: INR 2,512,600 thousand), equity shares of INR 319,396 thousand (Previous Year: INR 217,787 thousand) and Optionally Convertible Debentures of INR 10,081 thousand (Previous Year: Nil) have been received on sale / conversion of debt.

\*\* Includes fresh NPA of INR 4,993,569 thousand (Previous Year: INR 6,011,101 thousand)

@ Includes provision on fresh NPA of INR 2,131,481 thousand (Previous Year: INR 2,431,225 thousand)

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

The NPA provisioning coverage ratio of the Bank including technical write off was 81.50% as on 31 March 2018 (Previous Year: 51.58%).

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

Basis the guidelines issued by the RBI vide notification DBOD. No. BP/BC. 31/21.04.157/ 2012-13 dated 23 July 2012, Crystallised Receivables – Positive MTM on terminated derivative deals overdue for more than 90 days and Positive MTM on Live deals for NPA Customers have been reported under "Schedule 11 - Other Assets" after netting of the "Suspense crystallised receivables" and "Suspense account Positive MTM". The Gross value of crystallised receivables as on 31 March 2018 is Nil (Previous Year: Nil) and the Net value is Nil (Previous Year: Nil).

#### 17. Concentration of Gross NPAs

Particulars	31 Mar 18	31 Mar 17
Total Exposure to top four NPA accounts*	6,200,075	6,065,840

\*This includes receivables on derivative products of Nil (Previous Year INR 42,354 thousand)

#### 18. Sector-wise Gross NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	31-Mar-18	31-Mar-17
Agriculture & allied activities	-	-
Industry (Micro & small, Medium and Large)	8.29%	5.51%
Services	1.30%	1.46%
Personal Loans	0.25%	-

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

#### 19. Concentration of Deposits

Particulars	31-Mar-18	31-Mar-17
Total Deposits of twenty largest depositors	155,709,040	135,686,195
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	53.29%	50.27%

#### 20. Concentration of Advances\*

Particulars	31-Mar-18	31-Mar-17
Total Advances* # to twenty largest borrowers	112,169,650	114,875,150
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	27.81%	29.75%

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

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

#### 21. Concentration of Exposures\*\*

Particulars	31-Mar-18	31-Mar-17
Total Exposure** # to twenty largest borrowers/ customers	120,812,841	119,625,150
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	27.64%	29.36%

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

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

#### 22. Overseas Assets, NPAs and Revenue

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

#### 23. Off Balance Sheet Sponsored Special Purpose Vehicles

The Bank did not have any off balance sheet sponsored Special Purpose Vehicle as at 31 March 2018 (Previous Year: Nil).

#### 24. Loan restructuring

S No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
Asset Classification			Standard	Sub-Standard	Doubtful	Loss	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	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1	-	-	2	-	2	
		Amount outstanding	-	-	187,327	-	187,327	-	-	-	-	-	-	-	-	-	-	-	-	187,327	-	187,327	
		Provision thereon	-	-	187,327	-	187,327	-	-	-	-	-	-	-	-	-	-	-	-	187,327	-	187,327	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	1*	-	1	-	-	1	-	1	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	@39,027	-	39,027	-	-	-	-	-	-	-	-	-	-	-	-	-	39,027	-	39,027
		Provision thereon	-	-	39,027	-	39,027	-	-	-	-	-	-	-	-	-	-	-	-	-	39,027	-	39,027
7	Restructured Accounts as on 31 March 2018	No. of borrowers	-	-	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

^ 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.

S No	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 April 2016	No. of borrowers	1	-	2	-	3	-	-	-	-	1	-	3	-	4	2	-	5	-	7
		Amount outstanding	1,384,732	-	4,189,307	-	5,574,039	-	-	-	-	100,081	-	505,024	-	605,105	1,484,813	-	4,694,331	-	6,179,144
		Provision thereon	155,000	-	2,183,626	-	2,338,626	-	-	-	-	6,770	-	385,145	-	391,915	161,770	-	2,568,771	-	2,730,541
2	Fresh restructuring	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1
		Amount outstanding	-	-	*1,427,073	-	1,427,073	-	-	-	-	-	-	-	-	-	-	-	1,427,073	-	1,427,073
		Provision thereon	-	-	688,056	-	688,056	-	-	-	-	-	-	-	-	-	-	-	688,056	-	688,056
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



DBS Bank Ltd., India

S No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
Asset Classification			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon																					
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	
		Amount outstanding	1,384,732	-	-	-	1,384,732	-	-	-	-	-	-	-	-	-	-	-	1,384,732	-	-	-	1,384,732
		Provision thereon	155,000	-	-	-	155,000	-	-	-	-	-	-	-	-	-	-	-	155,000	-	-	-	155,000
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	2	-	2	-	-	-	-	-	1	-	2	-	3	1	-	4	-	5	
		Amount outstanding	-	-	@5,429,053	-	5,429,053	-	-	-	-	-	#100,081	-	\$505,024	-	605,105	100,081	-	5,934,077	-	6,034,158	
		Provision thereon	-	-	2,684,355	-	2,684,355	-	-	-	-	-	6,770	-	385,145	-	391,915	6,770	-	3,069,500	-	3,076,270	
7	Restructured Accounts as on 31 March 2017	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	^1	-	1	-	-	2	-	2	
		Amount outstanding	-	-	187,327	-	187,327	-	-	-	-	-	-	-	-	-	-	-	-	-	187,327	-	187,327
		Provision thereon	-	-	187,327	-	187,327	-	-	-	-	-	-	-	-	-	-	-	-	-	187,327	-	187,327

Note: Amount o/s represents Funded outstanding

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

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

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

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

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

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

Particulars	31-Mar-18	31-Mar-17
(i) No. of accounts*	1	15
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	2,038,273	4,144,223
(iii) Aggregate consideration	1,600,000	3,906,000
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(ii) Aggregate loss over net book value	438,273	238,223

\* excludes write-off accounts sold and includes one account partially sold during previous year.

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)	3,392,745	-	-

The disclosure pertaining to banks investments in security receipts as on 31 March 2017 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)	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 year ended 31 March 2018 (Previous Year: Nil).

## 27. Provision for Standard Assets and Derivatives

Particulars	31-Mar-18	31-Mar-17
General Loan Loss Provision on Standard Assets (including standard asset provisioning on asset classified as standard restructured)	881,661	896,101
General Provision on Credit Exposures on Derivatives	128,236	230,507

## 28. Business Ratios

Particulars	31-Mar-18	31-Mar-17
i Interest Income to working funds	5.42%	5.77%
ii Non-interest income to working funds	0.65%	1.39%
iii Operating profits to working funds	(0.01)%	1.17%
iv Return on Assets	(1.16)%	0.03%
v Business (deposits plus advances) per employee	364,191	420,245
vi Net Profit per employee	(4,485)	117



DBS Bank Ltd., India

**Notes:**

1) Working funds are reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

2) Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

3) Business volume has been computed based on advances & deposits (excluding interbank deposits) outstanding as at the year-end.

4) Employee numbers are those as at the year-end.

**29. Exposure to Capital Market**

Sr. No.	Particulars	31-Mar-18	31-Mar-17
(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	686,758	198,709
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to venture capital funds (both registered and unregistered)	-	-
	<b>Total Exposure to Capital Market</b>	<b>686,758</b>	<b>198,709</b>

**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.

**30. Exposure to Real Estate Sector**

Particulars	31-Mar-18	31-Mar-17
<b>a) Direct Exposure</b>	<b>30,109,878</b>	<b>18,999,719</b>
(i) Residential Mortgages -	16,975,540	9,776,129
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 -	13,134,338	9,223,590
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.		

Particulars	31-Mar-18	31-Mar-17
<b>b) Indirect Exposure</b>	<b>9,400,963</b>	<b>5,972,999</b>
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	9,400,963	5,972,999
<b>Total Exposure to Real Estate Sector</b>	<b>39,510,841</b>	<b>24,972,718</b>

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

**31. Risk Category Wise Country Risk Exposure**

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

Risk Category	Exposure (net) as at 31 March 2018	Provision held as at 31 March 2018	Exposure (net) as at 31 March 2017	Provision held as at 31 March 2017
Insignificant	34,594,742	16,858	30,637,295	31,079
Low	6,468,126	-	13,919,222	8,517
Moderate	728,084	-	85,554	-
High	105,121	-	733,646	-
Very high	13,007	-	436	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>41,909,080</b>	<b>16,858</b>	<b>45,376,153</b>	<b>39,596</b>

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.

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

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

**33. Unsecured Advances**

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

**34. Penalties imposed by the RBI**

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

**35. Deferred Taxes**

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

Particulars	31-Mar-18	31-Mar-17
<b>Deferred tax assets (A):</b>	<b>6,090,459</b>	<b>4,755,757</b>
- Depreciation on fixed assets	86,789	121,964
- Provision on advances	3,107,438	2,354,633
- Disallowance u/s 43B of Income Tax Act 1961	65,429	73,570
- Provision for employee benefits	47,050	40,879
- Amortisation of fee income	46,375	59,936
- Carry forward Income tax losses	2,580,925	1,892,866
- Provision for country risk, outside SDR cases and contingent credit	131,702	181,266
- Others	24,751	30,643
<b>Deferred tax liabilities (B):</b>	<b>(300)</b>	<b>(372)</b>
- Amortisation of Club membership	(300)	(372)
<b>Net Deferred tax assets (A-B)</b>	<b>6,090,159</b>	<b>4,755,385</b>

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 year 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 past track record of growth, profits and operating margins achieved, current levels of income earning assets, unrealised gains on investments, NPA recovery plans and current capital position. This is further evidenced by Bank's committed business and expansion strategy by converting itself to a wholly owned subsidiary (WOS) for which in-principle approval is received from RBI during the year (refer Schedule 18 (Note 64)).

The Bank has already incorporated the Legal Entity and filed with the RBI an application for Banking License under section 22 of Banking Regulation Act along with Bank's Head office's unconditional and irrevocable letter of support.

**36. Subordinated Debt**

The Bank has not raised any Subordinated Debt during the year ended 31 March 2018. (Previous Year: Nil).



DBS Bank Ltd., India

### 37. Maturity profile of assets and liabilities

	31-Mar-18					
	1 Day	2-7 Days	8 – 14 Days	15 – 30 Days	31 Days – 2 Months	2 – 3 Months
Deposits	14,925,807	36,990,349	34,360,680	34,211,140	31,460,511	21,483,035
Advances	13,182,797	8,841,529	7,520,183	26,857,672	12,718,303	8,757,874
Investments	1,171,518	87,130,886	3,720,599	5,198,420	10,044,180	2,761,014
Borrowings	-	33,089,720	11,955,682	12,901,938	5,141,561	4,363,237
Foreign Currency Assets (*)	5,780,088	1,808	3,464	20,499	20,202	17,643
Foreign Currency Liabilities (*)	5,575,823	3,982,286	1,957,192	14,782,087	7,898,481	4,634,866

	31-Mar-18					
	3 – 6 Months	6 Months – 1 Year	1 – 3 Years	3 – 5 Years	Over 5 Years	Total
Deposits	40,702,135	22,092,357	29,883,885	25,074,694	1,031,985	292,216,578
Advances	33,726,896	12,754,996	21,579,276	2,645,499	30,085,541	178,670,566
Investments	8,067,826	9,782,328	11,036,415	5,422,329	33,641,303	177,976,818
Borrowings	1,604,230	-	16,945,500	-	-	86,001,868
Foreign Currency Assets (*)	1,746,739	7,702	4,891,876	24,768,769	769,881	38,028,671
Foreign Currency Liabilities (*)	4,746,736	181,479	17,104,991	363,457	-	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.

	31-Mar-17					
	1 Day	2-7 Days	8 – 14 Days	15 – 30 Days	31 Days – 2 Months	2 – 3 Months
Deposits	10,320,906	29,965,938	34,386,675	29,868,826	26,547,815	30,417,309
Advances	9,444,281	11,967,051	4,859,197	31,518,251	26,942,424	20,524,844
Investments	992,381	19,717,791	3,085,506	5,161,255	6,455,721	3,429,646
Borrowings	547,290	16,454,760	1,822,818	14,316,125	3,956,455	1,324,854
Foreign Currency Assets (*)	8,697,976	1,728,938	2,858,880	17,730,630	10,181,419	6,334,175
Foreign Currency Liabilities (*)	4,192,426	2,846,657	1,852,050	14,331,203	4,012,852	1,346,358

	31-Mar-17					
	3 – 6 Months	6 Months – 1 Year	1 – 3 Years	3 – 5 Years	Over 5 Years	Total
Deposits	36,800,229	27,178,177	26,564,233	16,668,915	1,190,629	269,909,652
Advances	49,282,406	22,173,860	22,292,787	6,064,744	13,312,413	218,382,258
Investments	13,688,945	2,722,454	10,104,648	4,753,574	32,369,365	102,481,286
Borrowings	2,531,699	-	16,861,000	-	-	57,815,001
Foreign Currency Assets (*)	22,370,270	5,044,914	1,626,378	17,098,398	1,323,225	94,995,203
Foreign Currency Liabilities (*)	2,700,962	3,085,172	23,754,979	176,292	1,880	58,300,831

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

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

### 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 1<sup>st</sup> 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.

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	11,995,993	25,649,021	5,414,050	16,254,116	59,313,180
	(15,205,360)	(26,202,254)	(5,802,835)	(15,677,973)	(62,888,422)
Less: Intersegmental Revenue					31,574,624
					(30,882,440)
Unallocated Income					81,804
					(-)
Total Revenue					27,820,360
					(32,005,982)
Results	(575,461)	(4,020,101)	(3,001,532)	933,610	(6,663,484)
	(6,144,759)	(-3,452,412)	(-2,934,048)	(473,506)	(231,805)
Profit / Loss before tax and extraordinary items					(6,663,484)
					(231,805)
Tax					(1,334,774)
					(103,811)
Net (Loss)/ Profit after Tax					(5,328,710)
					(127,994)

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segment Assets	115,453,741	278,552,355	45,906,313	18,580,832	458,493,241
	(58,266,729)	(319,032,492)	(38,826,411)	(20,359,832)	(436,485,464)
Unallocated assets					10,038,911
					(8,935,111)
Total Assets					468,532,152
					(445,420,575)
Segment Liabilities	106,497,677	232,085,681	62,190,179	21,977,929	422,751,466
	(63,059,202)	(227,578,951)	(87,070,717)	(21,546,670)	(399,255,540)
Unallocated Liabilities					45,780,686
					(46,165,035)
Total Liabilities					468,532,152
					(445,420,575)

(Figures in brackets and italics indicate previous year numbers)

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

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

### 39. Related Parties

Related parties disclosures under AS 18 include:

#### Ultimate Parent

DBS Group Holdings Ltd.

#### Parent

DBS Bank Ltd., Singapore

#### Branches of Parent / Subsidiaries of Parent

- DBS Bank (Hong Kong) Limited
- DBS Bank Ltd., London
- DBS Bank Ltd., Tokyo
- DBS Bank Ltd., Taipei
- DBS Bank Ltd., Los Angeles



DBS Bank Ltd., India

- DBS Bank (China) Limited
- PT Bank DBS Indonesia
- DBS Asia Hub 2 Private Limited
- DBS Bank India Limited (w.e.f. 7 February 2018)

**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.BPBC No.7 /21.04.018/2015-16 dated 01 July 2015, the Bank has not disclosed details pertaining to related parties where under a category, there is only one entity. Accordingly, disclosures have only been made for transactions with "Branches of Parent / Subsidiaries of Parent".

Items / Related Party	31-Mar-18	31-Mar-17
Deposit	347,087	245,454
	(473,932)	(655,449)
Placement of Deposits	55,662	31,764
	(2,476,599)	(6,989,654)
Borrowings	-	-
	(3,340,101)	(2,386,604)
Guarantees / Derivatives / Forward Contracts	4,549,210	3,869,103
	(22,323,274)	(6,350,391)
Interest paid	4,342	4,666
Interest received	91	4,303
Rendering of services*	81,804	12,982
Receiving of services	4,179	4,744

(Figures in brackets indicate maximum outstanding during the year)

\* (excludes Goods and Service Tax)

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 197,019 thousand (Previous Year: INR 243,385 thousand) and DBS Bank India Limited of INR 150,000 thousand (Previous Year: Nil).

**Placement of Deposits:**

Nostro deposit was placed with DBS Bank Ltd., London foreign currency equivalent of INR 33,033 thousand (Previous Year: INR 11,007 thousand), DBS Bank Ltd., China foreign currency equivalent of INR 17,261 thousand (Previous Year: INR 14,565 thousand), and DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 5,411 thousand (Previous Year: INR 6,191 thousand).

**Guarantees / Derivatives / Forward Contracts:**

Guarantees given on behalf of DBS Bank Ltd., London foreign currency equivalent of INR 1,925,510 thousand (Previous Year: INR 2,526,296 thousand). Guarantees given on behalf of DBS Bank Ltd., Taipei foreign currency equivalent of INR 840,450 thousand (Previous Year: INR 1,035,743 thousand). FX deal entered into with DBS Asia Hub 2 Private Limited foreign currency equivalent of INR 987,400 thousand (Previous Year: Nil). FX deal entered into with DBS Hong Kong foreign currency equivalent of INR 775,596 thousand (Previous Year: INR 21,273 thousand).

**Interest paid:**

Interest paid on term deposits to DBS Asia Hub 2 Private Limited INR 3,546 (Previous Year: INR 4,325 thousand). Interest on money market borrowing paid to DBS Bank Ltd., London foreign currency equivalent of INR 795 thousand (Previous Year: INR 341 thousand).

**Interest received:**

Interest on money market lending received from DBS Bank Ltd., London foreign currency equivalent of INR 91 thousand (Previous Year: INR 4,303 thousand).

**Rendering of Services:**

Income on rendering of services to DBS Bank India Ltd INR 60,439 thousand (Previous Year: Nil), DBS Bank Ltd, London INR 17,737 thousand (Previous year: INR 3,891 thousand) and DBS Asia Hub 2 Private Limited Nil (Previous year: INR 7,346 thousand)

**Receiving of Services:**

Direct Billing costs pertaining to DBS Bank (Hong Kong) Limited foreign currency equivalent of INR 349 thousand (Previous Year: INR 293 thousand). Direct Billing costs pertaining to DBS Bank (China) Limited foreign currency equivalent of INR 3,638 thousand (Previous Year: INR 4,451 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	31-Mar-18	31-Mar-17
Not later than one year	525,070	358,205
Later than one year and not later than 5 years	1,691,495	1,207,250
Later than five years	13,586	75,525

The lease payments for the year ended 31 March 2018 charged to the Profit and Loss Account amount to INR 570,011 thousand (Previous Year: INR 504,342 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 year was INR 130,795 thousand (Previous Year: INR 117,111 thousand).

The defined benefit obligation of interest rate guarantee on exempt Provident Fund in respect of the employees of the Bank has been determined for the year ended 31 March 2018 based on the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India. The defined benefit obligation of interest rate guarantee as at 31 March 2018 based on actuarial valuation is INR 24,590 thousand (Previous Year: INR 13,331 thousand).

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

Particulars	31-Mar-18	31-Mar-17
A Value of the Interest Rate Guarantee	36,845	25,795
B Accumulated Balance in the Provident Fund	2,182,273	1,820,346
C Present Value of the Obligation (A+B)	2,219,118	1,846,141
D Carrying Value of Plan Assets	2,194,528	1,832,810
E Liability recognised in the Balance Sheet (C – D)	24,590	13,331

**Table 2: Parameters of PF investment and obligations**

Particulars	31-Mar-18	31-Mar-17
I Discount rate for the term of the obligation	7.6% p.a	6.8% p.a.
II Average historical yield on the investment portfolio	8.4% p.a	8.75% p.a.
III Discount rate for the remaining term to maturity of the investment portfolio	7.6% p.a	6.8% p.a.
IV Expected Investment Return	8.4% p.a	8.4%-8.7% p.a.
V Guaranteed Rate of Return	8.55% p.a	8.65% p.a.
VI Salary escalation rate for the term of the obligation	7.5% p.a	6% p.a.

**Compensated Absences:** The Bank has charged INR 6,387 thousand to the Profit and Loss Account towards provision for compensated absences during the year ended 31 March 2018. (Previous Year charge of INR 11,805 thousand).

Principal Assumptions	31-Mar-18	31-Mar-17
Discount Rate (per annum)	7.10%	6.60%
Salary Escalation Rate (per annum)	7.5%	6.0%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate (per annum)	18%	20%

**Gratuity:** The Bank has charged INR 67,501 thousand towards provision held in the Gratuity Fund for the year ended 31 March 2018 (Previous Year charge of INR 37,619 thousand).

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

(I) Net Asset / (Liability) recognised in the Balance Sheet	31-Mar-18	31-Mar-17
Present Value of obligations as at year end	250,085	202,477
Fair Value of plan assets as at year end	189,965	164,858
Net Asset / (Liability) recognised in the Balance Sheet	(60,120)	(37,619)
(II) Changes in Defined Benefit Obligation during the Year	31-Mar-18	31-Mar-17
Opening Defined Benefit Obligation (DBO)	202,477	176,358
Interest cost	13,363	13,227
Current Service Cost	41,716	34,399
Past Service Cost	-	-
Actuarial (Gain) / Losses	24,050	8,040
Benefits Paid	(31,521)	(29,547)
Closing Defined Benefit Obligation	250,085	202,477



DBS Bank Ltd., India

(III) Changes in fair value of Plan Assets	31-Mar-18	31-Mar-17
Opening Fair Value of Plan Assets	164,858	136,625
Expected Return on Plan Assets	11,325	10,257
Actuarial Gain / (Losses)	303	7,790
Contributions by employer	45,000	39,733
Benefits Paid	(31,521)	(29,547)
Closing Fair Value of Plan Assets	189,965	164,858
Estimated Employer Contributions for the next year	60,000	65,000
Actual Return on Plan Assets	11,628	18,047

(IV) Amount recognised in the Profit and Loss Account	31-Mar-18	31-Mar-17
Current Service Cost	41,716	34,399
Interest on Defined Benefit Obligation (DBO)	13,363	13,227
Expected Return on Plan Assets	(11,325)	(10,257)
Net Actuarial Losses / (Gains) for the current year	23,747	250
Amount recognised in the Profit and Loss Account	67,501	37,619

(V) Asset Information	31-Mar-18	31-Mar-17
Insurer Managed Funds (non unit-linked)	0.03%	1%
Insurer Managed Funds (unit-linked)	99.97%	99%
Total	100%	100%

(VI) Experience adjustments	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Present Value of DBO	250,085	202,477	176,358	144,059	97,976
Fair Value of Plan Assets	189,965	164,858	136,625	14,807	15,421
Funded Status [Surplus/ (Deficit)]	(60,120)	(37,619)	(39,733)	(129,252)	(82,555)
Experience adjustment on Plan Liabilities : (Gain) / Loss	5,681	10,517	3,160	(513)	4,985
Experience adjustment on Plan Asset : Gain	(1,244)	7,380	241	(342)	159

(VII) Principal Actuarial Assumptions	31-Mar-18	31-Mar-17
Discount Rate (per annum)	7.10%	6.60%
Expected rate of return on assets (per annum)	6.60%	7.50%
Salary Escalation Rate (per annum)	7.5%	6%
Attrition Rate	18%	20%
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.

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

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2018 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 2017	Granted	Additional 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

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

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

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

The charge to Profit and Loss Account for the year ended 31 March 2018 was INR 86,684 thousand (Previous Year: INR 83,917 thousand).

Liability on account of share based payment as at 31 March 2018 is INR 4,431 thousand (Previous Year asset: INR 12,612 thousand).

#### 43. Complaints

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

Particulars	31-Mar-18	31-Mar-17
No. of complaints pending at the beginning of the year	3	8
No. of complaints received during the year	885	1,053
No. of complaints redressed during the year	873	1,058
No. of complaints pending at the end of the year	15	3

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

Particulars	31-Mar-18	31-Mar-17
No. of unimplemented awards at the beginning of the year	-	-
No. of awards passed by the Banking Ombudsmen during the year	-	-
No. of awards implemented during the year	-	-
No. of unimplemented awards at the end of the year	-	-

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

#### 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

- 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

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



DBS Bank Ltd., India

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate options/swaps and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward Rate Agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed

period. A foreign currency option is an agreement between two parties in which one grants to the other the right, but not the obligation, to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. Interest Rate Futures is a standardised interest rate derivative contract traded on a recognised stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract. The notional principal amounts of foreign exchange and derivatives contracts have been recorded as contingent liabilities.

c) **Guarantees given on behalf of constituents**

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

d) **Acceptances, endorsements and other obligations**

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

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.

Sr. No.	Particulars	31-Mar-18		31-Mar-17	
		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.	-	-	-	-
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 the interest specified under MSMED Act, 2006	-	-	-	-
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 enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-	-	-

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	31-Mar-18	31-Mar-17
Opening balance at the beginning of the year	65,217	65,217
Add : Provision made during the year	-	-
Less : Utilisation, write back of excess provisions during the year	-	-
Closing balance at the end of the year	65,217	65,217

Note: Provision represents potential claims/demand.

48. **Technical Write-Offs**

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

Particulars	31-Mar-18	31-Mar-17
Opening balance of Technical/ Prudential written-off accounts	1,167,427	3,995,266
Add: Technical/ Prudential write-offs during the year	-	1,167,427
Sub-total (A)	1,167,427	5,162,693
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	-	3,995,266*
Closing balance as at March 31 (A-B)	1,167,427	1,167,427

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

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	31-Mar-18	31-Mar-17
Incremental provision on account of UFCE	221,437	178,297
Incremental risk weighted assets on account of UFCE	11,594,855	6,575,870

50. **Intra-Group Exposures**

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

Particulars	31-Mar-18	31-Mar-17
Total amount of intra-group exposures	5,580,708	5,572,562
Total amount of top-20 intra-group exposures	5,580,708	5,572,562
Percentage of intra-group exposures to total exposure of the bank on borrowers /customers	1.28%	1.37%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

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

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

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

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

Particulars	31-Mar-18	31-Mar-17
Opening balance of amounts transferred to DEAF	887	-
Add : Amounts transferred to DEAF during the year	1,233	887
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	2,120	887



DBS Bank Ltd., India

## 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-2017		30-Sep-2017		31-Dec-2017		31-Mar-2018	
	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)	-	67,759,591	-	79,653,547		101,601,839		95,719,130
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	68,272,934	6,847,981	51,766,407	5,069,186	52,872,692	5,157,041	50,458,346	4,892,819
(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	65,538,140	179,028,345	78,145,471	199,185,570	95,181,039	188,968,444	91,268,827
(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	25,603,709	8,169,270	26,549,442	7,631,122	27,307,214	7,739,167	28,076,145	7,881,493
(i) Outflows related to derivative exposures and other collateral	6,265,965	6,265,965	5,615,334	5,615,334	5,665,769	5,665,769	5,744,152	5,744,152
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(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)		89,127,357		100,332,953		118,589,189		114,152,498
Cash Inflows								
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
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
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%

\* 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.

Particulars	30-Jun-2016		30-Sep-2016		31-Dec-2016		31-Mar-2017	
	Total Unweighted Value (average*)	Total Weighted Value (average*)	Total Unweighted Value (average*)	Total Weighted Value (average*)	Total Unweighted Value (average*)	Total Weighted Value (average*)	Total Unweighted Value (average*)	Total Weighted Value (average*)
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA) (A)		60,703,135		57,362,752		73,955,287		79,412,958
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	33,684,644	3,358,044	63,099,846	6,264,591	65,253,051	6,466,450	73,544,218	7,283,588
(i) Stable deposits	208,406	10,420	907,877	45,394	1,177,106	58,855	1,416,678	70,834
(ii) Less stable deposits	33,476,238	3,347,624	62,191,969	6,219,197	64,075,945	6,407,595	72,127,540	7,212,754
3. Unsecured wholesale funding, of which:	168,546,333	76,771,280	157,465,582	73,490,803	180,351,894	84,251,722	170,547,464	79,911,406
(i) Operational deposits (all counterparties)	37,212,589	9,276,294	29,718,705	7,429,676	39,495,660	9,873,915	35,403,489	8,850,872
(ii) Non-operational deposits (all counterparties)	131,333,744	67,494,986	127,746,877	66,061,127	140,856,234	74,377,807	135,143,975	71,060,534
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured wholesale funding								
5. Additional requirements, of which	23,880,718	5,049,615	22,778,163	5,688,832	25,186,513	5,682,314	23,311,067	5,785,954
(i) Outflows related to derivative exposures and other collateral requirements	2,983,085	2,983,085	3,875,623	3,875,623	3,565,152	3,565,152	3,891,336	3,891,336



DBS Bank Ltd., India

Particulars	30-Jun-2016		30-Sep-2016		31-Dec-2016		31-Mar-2017	
	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*)
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	20,897,633	2,066,530	18,902,540	1,813,209	21,621,361	2,117,162	19,419,731	1,894,618
6. Other contractual funding obligations	-	-	-	-	-	-	-	-
7. Other contingent funding obligations	154,192,753	6,384,993	151,424,381	6,279,315	176,019,611	7,528,283	184,344,018	7,874,702
8. Total Cash Outflows (B)		91,563,932		91,723,541		103,928,769		100,855,650
Cash Inflows								
9. Secured lending (e.g. reverse repos)	1,124,403	-	943,887	-	1,931,777	-	2,476,707	-
10. Inflows from fully performing exposures	46,807,073	34,962,971	57,333,283	45,312,138	58,320,983	39,873,925	54,572,705	39,061,901
11. Other cash inflows	20,783,345	1,470,012	19,929,599	2,582,932	27,063,452	1,043,453	24,202,262	1,232,092
12. Total Cash Inflows (C)		36,432,983		47,895,070		40,917,378		40,293,993
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21. TOTAL HQLA		60,703,135		57,362,752		73,955,287		79,412,958
22. Total Net Cash Outflows (D = B-C)		55,130,949		43,828,471		63,011,391		60,561,657
23. Liquidity Coverage Ratio (%) (A)/(D)		110.11%		130.88%		117.37%		131.13%

\* Average is calculated based on three month end data points for each quarter (June to December 2016). For March 2017 quarter average is calculated based on daily data points. In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.

#### Qualitative disclosure around LCR

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

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

#The 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.

#### 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 year, 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	Current Year			Previous Year		
	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A Priority Sector</b>						
1 Agriculture and allied activities	48,881	-	-	-	-	-
2 Advances to industries sector eligible as priority sector lending	46,870,593	2,014,613	4.30%	46,976,945	2,005,992	4.27%
Of which - Basic Metal & Metal products - Other Metal and Metal Products	13,208,518	9,330	0.07%	4,127,760	-	-
Of which - Infrastructure - Communication - Telecommunication and Telecom Services	-	-	-	1,884,035	-	-
3 Services	20,413,406	-	-	16,400,342	-	-
Of which - Non-banking financial institutions/ companies	2,654,513	-	-	1,627,287	-	-
4 Personal loans	2,706	-	-	3,550	-	-
Of which - Home Loans	2,706	-	-	3,550	-	-
<b>Sub-total (A)</b>	<b>67,335,586</b>	<b>2,014,613</b>	<b>2.99%</b>	<b>63,380,837</b>	<b>2,005,992</b>	<b>3.16%</b>
<b>B Non Priority Sector</b>						
1. Agriculture and allied activities	-	-	-	-	-	-
2. Industry	54,880,242	6,429,577	11.72%	82,859,353	5,152,718	6.22%
Of which - Basic Metal & Metal products - Other Metal and Metal Products	954,772	142,817	14.96%	937,698	-	-
Of which - Infrastructure - Communication - Telecommunication and Telecom Services	7,849,077	-	-	19,511,866	-	-
3. Services	48,862,015	900,617	1.84%	67,264,673	1,225,124	1.82%
Of which - Non-banking financial institutions/ companies	6,345,624	-	-	1,625,947	-	-



DBS Bank Ltd., India

Sector	Current Year			Previous Year		
	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
4. Personal loans*	15,065,202	37,614	0.25%	8,654,110	-	-
Of which Home Loans	12,652,197	37,614	0.30%	6,386,455	-	-
Of which Loans against Property	2,391,388	-	-	2,235,630	-	-
Sub-total (B)	118,807,459	7,367,808	6.20%	158,778,136	6,377,842	4.02%
Total (A+B)	186,143,045	9,382,421	5.04%	222,158,973	8,383,834	3.77%

\* 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 year

Particulars	31-Mar 18	31-Mar 17
<b>PSLC purchased during the year</b>		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
<b>Total</b>	-	-
<b>PSLC sold during the year</b>		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	1,000,000	310,000
(iv) PSLC – General	-	130,000
<b>Total</b>	1,000,000	440,000

#### 56. Disclosures on Flexible Structuring of Existing Loans

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

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

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

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

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

\*excludes equity shares amounting to INR 339,949 thousand

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

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

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

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

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

The disclosure on S4A as on 31 March 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

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

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

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

#### 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	31-Mar-18	31-Mar-17
No. of frauds reported during the year	29	19
Amount involved in fraud	588	871
Amount involved in fraud net of recoveries / write-offs as at the end of the year	67	594
Provisions held as at the end of the year	3	-
Amount of unamortised provision debited from "other reserves" as at the end of the year	-	-

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

The Ministry of Corporate Affairs (MCA), Government of India 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 ending 31 March 2018. In preparedness towards achieving the same, the Bank had prepared proforma financials as per IndAS as on 30 September 2016 and 30 June 2017 as per extant regulatory guidelines and submitted the same to the RBI.

Subsequently, in accordance with press release on 'Statement on 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.

The Bank will continue its preparation towards migration to adopting IndAS as per regulatory timelines.

#### 64. Conversion to Wholly Owned Subsidiary (WOS)

During the year, the Bank has received in-principle approval from the Reserve Bank of India (RBI) to convert its existing India franchise to a locally incorporated wholly-owned subsidiary (WOS) in India. The Bank has formed working groups under the oversight of Senior Management to operationalise the same.

#### 65. Other Disclosures

- The Bank did not hold any floating provision in its books as at 31 March 2018 (Previous Year: Nil).
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 4,374,716 thousand (Previous Year: INR 4,067,073 thousand).
- The Bank has transferred an amount of INR 74,768 thousand from Investment Reserve account to Balance in Profit and Loss Account (Previous Year: INR 176,906 thousand).
- Apart from the above, there was no drawdown from reserves during the year ended 31 March 2018.
- The Bank did not issue any Letters of Comfort (LoC) during the year ended 31 March 2018 (Previous Year: Nil).
- The Bank has not financed any margin trading activities nor securitised any assets during the current year (Previous Year: Nil).
- The Bank did not deal in any Credit default swaps during the year ended 31 March 2018. (Previous Year: Nil).
- The Bank has not sold or transferred securities to/from HTM category during the year. (Previous Year: Nil)
- The Bank has earned an amount of INR 156,280 thousand in respect of Bancassurance business undertaken during the year ended 31 March 2018 (Previous Year: INR 77,264 thousand).
- The net book value of the fixed assets includes computer software of INR 66,589 thousand as at 31 March 2018. (Previous Year: INR 120,575 thousand).
- 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 31 March 2018 amounts to INR 14,274,677 thousand (Previous Year: INR 26,597,229 thousand).
- Previous year's figures have been regrouped / rearranged, wherever necessary to conform to the current year's presentation.

For DBS Bank Ltd., India

Surojit Shome Rajesh Prabhu  
Chief Executive Officer, India Chief Financial Officer, India

Mumbai  
11 June, 2018