



## INDEPENDENT AUDITOR'S REPORT

To the Members of Deutsche Bank AG, India Branches

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Deutsche Bank AG, India Branches ("the Bank"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and circulars and guidelines issued by Reserve Bank of India ("RBI") in the manner so required by banking companies and give a true and fair view in conformity with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2023, its profit after tax and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

The Bank's Management Board is responsible for the other information. The other information comprises the Basel III- Pillar III Disclosures but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Branch Management Board for the Financial Statements

The Branch Management Board of the Bank is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the applicable accounting standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by RBI from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## Report on Other Legal and Regulatory Requirements

1. The Balance sheet, the Profit and Loss Account and the Cash flow Statement for the year ended March 31, 2023, have been drawn up in accordance with the applicable accounting standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, the relevant provisions of the Banking Regulation Act, 1949, RBI Guidelines and other accounting principles generally accepted in India.
2. As required by sub section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by its branches; we have visited 4 branches for the purpose of our audit.
3. As required by Section 143(3) of the Act and as per the requirement of RBI circular no DOS.ARG.No6269/08.91.002/2019-20 dated March 17, 2020 for appointment of Statutory Central Auditors in Foreign Banks operating in India, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books except that the Bank does not have a server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the guidelines prescribed by RBI;
  - (e) In our opinion, there are no material financial transactions or matters that have an adverse effect on the functioning of the Bank;
  - (f) The requirement of section 164(2) of the Act is not applicable to the Bank considering it is a branch of Deutsche Bank AG, which is incorporated with limited liability in Germany;
  - (g) The exception relating to maintenance of accounts and other matters connected therewith are as stated in the para (b) above;
  - (h) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure" to this report;
  - (i) In our opinion, the entity being a banking company, provisions of section 197 read with Schedule V of the Act are not applicable to the Bank for the year ended March 31, 2023; and;
  - (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Schedule 12- Contingent Liabilities and note 4(o)(v) and 4(p) of Schedule 18 to the financial statements;
    - ii. The Bank has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on the long-term contracts including derivative contracts- refer Schedule 5 and note 4(g) and note 4(o)(v) of Schedule 18 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
    - iv.
      - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 4(o)(x) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 4(o)(x) to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
    - v. Reporting requirement pursuant to Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014, are not applicable to the Bank since this is a branch of Deutsche Bank AG, which is incorporated with limited liability in Germany.
    - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Bank only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Sarvesh Warty**  
Partner  
Membership Number: 121411  
UDIN: 23121411BGWEHC9758

Place of Signature: Mumbai  
Date: June 28, 2023

For **Batliboi & Purohit**  
Chartered Accountants  
ICAI Firm Registration Number: 101048W

per **Janak Mehta**  
Partner  
Membership Number: 116976  
UDIN: 23116976BGXTXK3106

Place of Signature: Mumbai  
Date: June 28, 2023



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEUTSCHE BANK AG, INDIA BRANCHES

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

We have audited the internal financial controls with reference to financial statements of Deutsche Bank AG, India Branches ("the Bank") as of March 31, 2023 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 issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 and directors 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 With Reference to Financial Statements

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

#### Opinion

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Sarvesh Warty**  
Partner  
Membership Number: 121411  
UDIN: 23121411BGWEHC9758

Place of Signature: Mumbai  
Date: June 28, 2023

For **Batliboi & Purohit**  
Chartered Accountants  
ICAI Firm Registration Number: 101048W

per **Janak Mehta**  
Partner  
Membership Number: 116976  
UDIN: 23116976BGXTXK3106

Place of Signature: Mumbai  
Date: June 28, 2023



Balance Sheet as on 31 March 2023				Profit and Loss Account for the year ended 31 March 2023			
In thousands of Indian Rupees				In thousands of Indian Rupees			
Particulars	Schedule	31 March 2023	31 March 2022	Particulars	Schedule	Year ended 31 March 2023	Year ended 31 March 2022
<b>Capital and Liabilities</b>				<b>Income</b>			
Capital	1	84,431,087	84,431,087	Interest Earned	13	85,178,807	68,362,406
Reserves and Surplus	2	138,688,125	124,019,118	Other Income	14	4,760,739	15,454,170
Deposits	3	700,696,820	799,080,246	<b>Total</b>		<b>89,939,546</b>	<b>83,816,576</b>
Borrowings	4	192,859,155	323,130,753	<b>Expenditure</b>			
Other Liabilities and Provisions	5	201,736,191	148,887,410	Interest Expended	15	34,166,874	23,802,394
<b>Total</b>		<b>1,318,411,378</b>	<b>1,479,548,614</b>	Operating Expenses	16	28,209,894	26,324,239
<b>Assets</b>				Provisions and Contingencies	17	12,893,771	18,952,497
Cash and Balances with				<b>Total</b>		<b>75,270,539</b>	<b>69,079,130</b>
Reserve Bank of India	6	71,386,468	101,748,162	<b>Profit / (Loss)</b>			
Balances with Banks and Money				Net profit for the year		14,669,007	14,737,446
at Call and Short Notice	7	73,292,337	110,713,719	Profit brought forward		14,943,043	4,965,015
Investments	8	468,394,459	578,134,872	<b>Total</b>		<b>29,612,050</b>	<b>19,702,461</b>
Advances	9	571,960,856	576,492,925	<b>Appropriations</b>			
Fixed Assets	10	1,900,306	2,079,920	Transfer to statutory reserve		3,667,252	3,684,361
Other Assets	11	131,476,952	110,379,016	Transfer to/(from) investment fluctuation reserve		(2,128,965)	1,356,515
<b>Total</b>		<b>1,318,411,378</b>	<b>1,479,548,614</b>	Transfer to/(from) investment reserve		—	(281,458)
Contingent liabilities	12	12,071,389,642	10,132,886,250	Transfer to remittable surplus retained for CRAR requirements		—	—
Bills for collection		552,976,895	411,047,343	Remittances to Head Office made during the year		—	—
Significant accounting policies and notes to the financial statements	18			Balance carried over to Balance Sheet		28,073,763	14,943,043
The accompanying notes form an integral part of this Balance Sheet				<b>Total</b>		<b>2,96,12,050</b>	<b>1,97,02,461</b>
				Significant accounting policies and notes to the financial statements			
					18		
				The accompanying notes form an integral part of this Profit and Loss Account.			

This is the Balance Sheet referred to in our report of even date.

This is the Profit and Loss Account referred to in our report of even date.

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

For **Batliboi & Purohit**  
Chartered Accountants  
Firm Registration No.: 101048W

For **Deutsche Bank AG, India Branches**

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**Sarvesh Warty**  
Partner  
Membership No. : 121411

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**Janak Mehta**  
Partner  
Membership No. : 116976

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**Kaushik Shaparia**  
Chief Executive Officer - India

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**Deepa Dev**  
Chief Financial Officer - India

Place: Mumbai  
Date : 28 June 2023

Place: Mumbai  
Date : 28 June 2023

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Date : 28 June 2023



## Cash Flow Statement for the year ended 31 March 2023

In thousands of Indian Rupees

Particulars	31 March 2023	31 March 2022
<b>Cash Flow from operating activities</b>		
Net profit before Taxes	27,682,449	27,617,188
<b>Adjustment for:</b>		
Depreciation and amortisation for the year	588,759	705,467
Profit / (Loss) on revaluation of investments (net)	3,292,178	7,368,258
Provision for loan loss (net)	(1,994,229)	3,525,922
Provision for contingent credit exposures	(3,726)	(54,860)
Bad-debts written off	998,570	2,125,437
Provision for country risk	(271,308)	110,988
Provision for standard assets	1,110,933	792,746
Other Provisions	40,089	—
(Profit)/Loss on sale of fixed assets (net)	(87)	(773)
	<u>31,443,628</u>	<u>42,190,373</u>
<b>Adjustment for:</b>		
Increase / (Decrease) in deposits	(98,383,426)	136,844,774
Increase / (Decrease) in other liabilities and provisions	51,972,793	(13,762,775)
(Increase) / Decrease in investments	106,448,235	(67,825,773)
(Increase) / Decrease in advances	5,527,728	(57,766,665)
(Increase) / Decrease in other assets	(21,927,968)	14,799,765
	<u>75,080,990</u>	<u>54,479,699</u>
Income tax paid	(12,183,410)	(16,073,670)
<b>Net cash flow from / (used in) operating activities (A)</b>	<u><b>62,897,580</b></u>	<u><b>38,406,029</b></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(479,257)	(1,066,662)
Capital Work-in-progress (Increase)/ Decrease	69,920	64,346
Proceeds from sale of fixed assets	280	902
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><b>(409,057)</b></u>	<u><b>(1,001,414)</b></u>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in borrowings (net)	(130,271,599)	46,581,071
<b>Net cash flow from/(used in) financing activities (C)</b>	<u><b>(130,271,599)</b></u>	<u><b>46,581,071</b></u>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<u><b>(67,783,076)</b></u>	<u><b>83,985,686</b></u>
Cash and cash equivalents at beginning of the year	212,461,881	128,476,195
Cash and cash equivalents at end of the year	<u>144,678,805</u>	<u>212,461,881</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<u><b>(67,783,076)</b></u>	<u><b>83,985,686</b></u>
<b>Notes on cash flow statement</b>		
1. Cash and balances with Reserve Bank of India	71,386,468	101,748,162
Balances with banks and money at call and short notice	73,292,337	110,713,719
<b>Cash and cash equivalents at end of the year</b>	<u><b>144,678,805</b></u>	<u><b>212,461,881</b></u>
2. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 specified under Section 133 of the Companies Act, 2013, read with of the Companies (Accounts) Rules, 2014.		

This is the Cash Flow Statement referred to in our report of even date.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

For **Batliboi & Purohit**

Chartered Accountants

Firm Registration No.: 101048W

For **Deutsche Bank AG, India Branches**

**Sarvesh Warty**

Partner

Membership No. : 121411

**Janak Mehta**

Partner

Membership No. : 116976

**Kaushik Shaparia**

Chief Executive Officer - India

**Deepa Dev**

Chief Financial Officer - India

Place: Mumbai

Date : 28 June 2023

Place: Mumbai

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**Schedules forming part of the Balance Sheet as on 31 March 2023**

In thousands of Indian Rupees

Particulars	31 March 2023	31 March 2022	Particulars	31 March 2023	31 March 2022
<b>Schedule 1 - Capital</b>			<b>Schedule 4 - Borrowings</b>		
Amount of deposit with Reserve Bank of India (at face value) under Section 11 (2) (b) of the Banking Regulation Act, 1949	43,500,000	37,100,000	<b>1 Borrowings in India</b>		
An amount of Rs NIL (Previous year: Rs NIL) out of the amount held as deposit under Section 11(2) of the Banking Regulation Act, 1949 has been designated as credit risk mitigation (CRM) for offsetting of non-centrally cleared derivative exposures to Head Office (including overseas branches), and is not reckoned for regulatory capital and any other statutory requirements.			(a) Reserve Bank of India	—	—
<b>Head Office Account</b>			(b) Other Banks	2,937,191	4,644
Opening Balance	84,431,087	84,431,087	(c) Other institutions and agencies	133,499,569	239,407,510
(including start-up capital of Rs 2 million and remittances from Head office)				<b>136,436,760</b>	<b>239,412,154</b>
Additions during the year	—	—	<b>2 Borrowings outside India</b>		
<b>Total</b>	<b>84,431,087</b>	<b>84,431,087</b>	Other Banks	56,422,395	83,718,599
				<b>56,422,395</b>	<b>83,718,599</b>
			<b>Total</b>	<b>192,859,155</b>	<b>323,130,753</b>
			<b>Secured borrowings included in 1 and 2 above</b>	<b>39,999,569</b>	<b>110,472,010</b>
<b>Schedule 2 - Reserves and Surplus</b>			<b>Schedule 5 - Other Liabilities and Provisions</b>		
<b>1 Statutory reserve</b>			1 Bills payable	4,884,465	5,550,380
Opening Balance	39,766,974	36,082,613	2 Inter-office adjustments - branches in India (net)	67,570	68,716
Additions during the year:			3 Interest accrued	12,941,792	11,900,711
Additions : Transfer from Profit and Loss Account	3,667,252	3,684,361	4 Others (including provisions) (Refer Schedule 18 Note-4 d i - Standard Asset Provision) (Refer Schedule 18 Note - 4 o xii)	183,842,364	131,367,603
	<b>43,434,226</b>	<b>39,766,974</b>	<b>Total</b>	<b>201,736,191</b>	<b>148,887,410</b>
<b>2 Capital reserve</b>					
Opening Balance	360,607	360,607	<b>Schedule 6 - Cash and Balances with Reserve Bank of India</b>		
Additions during the year	—	—	1 Cash in hand (including foreign currency notes)	143,536	145,776
	<b>360,607</b>	<b>360,607</b>	2 Balances with Reserve Bank of India		
<b>3 Investment fluctuation reserve</b>			(a) in current account	45,382,932	50,072,386
Opening Balance	11,765,971	10,409,456	(b) in other accounts	25,860,000	51,530,000
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 c ii)	(2,128,965)	1,356,515	<b>Total</b>	<b>71,386,468</b>	<b>101,748,162</b>
	<b>9,637,006</b>	<b>11,765,971</b>			
<b>4 Investment reserve</b>			<b>Schedule 7 - Balances with Banks and Money at Call and Short Notice</b>		
Opening Balance	—	281,458	<b>1 In India</b>		
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 a ii)	—	(281,458)	(a) Balances with banks		
	<b>—</b>	<b>—</b>	i. in current accounts	529,118	12,531
<b>5 Balance in Profit and Loss Account</b>	<b>28,073,763</b>	<b>14,943,043</b>	ii. in other deposit accounts	552,500	552,500
<b>6 Remittable Surplus retained for CRAR requirements</b>			(b) Money at call and short notice		
Opening Balance	57,182,523	57,182,523	i. with banks	—	—
Additions : Transfer from Profit and Loss Account	—	—	ii. with other institutions	29,695,634	7,921,310
	<b>57,182,523</b>	<b>57,182,523</b>	<b>2 Outside India</b>		
<b>Total</b>	<b>138,688,125</b>	<b>124,019,118</b>	(a) in current accounts	42,515,085	90,858,503
			(b) in deposit accounts	—	—
<b>Schedule 3 - Deposits</b>			(c) Money at call and short notice	—	11,368,875
<b>1 (a) Demand deposits</b>			<b>Total</b>	<b>73,292,337</b>	<b>110,713,719</b>
i. From banks	18,004,500	16,543,581			
ii. From others	291,063,843	304,516,842			
	<b>309,068,343</b>	<b>321,060,423</b>			
<b>(b) Savings bank deposits</b>	<b>29,214,734</b>	<b>32,685,593</b>			
<b>(c) Term deposits</b>					
i. From banks	—	9,846,167			
ii. From others	362,413,743	435,488,063			
	<b>362,413,743</b>	<b>445,334,230</b>			
<b>Total</b>	<b>700,696,820</b>	<b>799,080,246</b>			
<b>2 (i) Deposits of branches in India</b>	<b>700,696,820</b>	<b>799,080,246</b>			
<b>(ii) Deposits of branches outside India</b>	<b>—</b>	<b>—</b>			
<b>Total</b>	<b>700,696,820</b>	<b>799,080,246</b>			




**Schedules forming part of the Balance Sheet as on 31 March 2023**

In thousands of Indian Rupees

Particulars	31 March 2023	31 March 2022	Particulars	31 March 2023	31 March 2022
<b>Schedule 8 - Investments</b>			<b>2 Other Fixed Assets</b>		
<b>(1) Investments in India in:</b>			<b>(including furniture and fixtures)</b>		
1 Government securities	401,590,309	328,543,668	(a) Cost as on 31st March of the preceding year	4,163,968	3,130,745
2 Other approved securities	—	—	(b) Additions during the year	462,793	1,047,773
3 Shares	315,951	315,951	(c) Deductions during the year	(30,160)	(14,550)
4 Debentures and bonds	13,469,092	18,993,222	(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 n vi)	(2,941,782)	(2,477,224)
5 Others (Includes Security Receipts, Pass Through Certificates, Commercial Papers)	4,149,850	12,085,938	<b>Net Block</b>	<b>1,654,819</b>	<b>1,686,744</b>
Gross Investments in India	<b>419,525,202</b>	<b>359,938,779</b>	<b>3 Capital Work-in-progress</b>	123,083	193,003
Less : Provision for depreciation on investments	(13,455,866)	(10,163,688)	<b>Total</b>	<b>1,900,306</b>	<b>2,079,920</b>
<b>Total</b>	<b>406,069,336</b>	<b>349,775,091</b>	<b>Schedule 11 - Other Assets</b>		
<b>(2) Investments outside India in:</b>			1 Inter-office adjustments - branches in India (net)	—	—
1 Government securities	62,325,123	228,359,781	2 Interest accrued	6,673,282	5,334,986
Less : Provision for depreciation on investments	—	—	3 Tax paid in advance / tax deducted at source (net of provision for taxation)	4,184,536	3,617,921
<b>Total</b>	<b>62,325,123</b>	<b>228,359,781</b>	4 Stationery and stamps	1,913	1,103
<b>Total Investments</b>	<b>468,394,459</b>	<b>578,134,872</b>	5 Others (including deferred tax - Refer Schedule 18 Note - 4 n iv) (Refer Schedule 18 Note - 4 o xii)	120,617,221	101,425,006
<b>Schedule 9 - Advances</b>			<b>Total</b>	<b>131,476,952</b>	<b>110,379,016</b>
1 (a) Bills purchased and discounted	54,618,296	51,940,240	Others includes deposits placed with NABARD/SIDBI/NHB, etc. on account of shortfall in priority sector targets Rs 82,422 thousand (previous year: Rs 163,501 thousand)		
(b) Cash credits, overdrafts and loans repayable on demand	212,965,246	207,903,621	<b>Schedule 12 - Contingent Liabilities</b>		
(c) Term loans	304,377,314	316,649,064	1 Claims against the Bank not acknowledged as debts (including tax related matters)	4,721,750	4,083,958
<b>Total</b>	<b>571,960,856</b>	<b>576,492,925</b>	2 Liability on account of outstanding foreign exchange contracts	5,939,719,450	4,051,857,682
2 (a) Secured by tangible assets (includes advances against book debts)	311,711,550	261,289,323	3 Guarantees given on behalf of constituents		
(b) Covered by bank / Government guarantees	47,001,530	39,782,262	(a) In India	206,494,085	255,762,243
(c) Unsecured	213,247,776	275,421,340	(b) Outside India	50,385,514	45,118,848
<b>Total</b>	<b>571,960,856</b>	<b>576,492,925</b>	4 Acceptances, endorsements and other obligations	37,237,023	44,473,444
3.1 Advances in India			5 Bills rediscounted	—	—
(a) Priority sector	166,296,472	165,078,825	6 Other Items for which the Bank is contingently liable		
(b) Public sector	38,667,457	11,091,286	(a) Swaps/Forward Rate Agreement	4,554,031,305	5,274,781,506
(c) Banks	164,121	499,336	(b) Options	1,203,776,345	400,797,898
(d) Others	366,832,806	399,823,478	(c) Futures	—	—
<b>Total</b>	<b>571,960,856</b>	<b>576,492,925</b>	(d) Other items	75,024,170	56,010,671
3.2 Advances outside India	—	—	<b>Total</b>	<b>12,071,389,642</b>	<b>10,132,886,250</b>
<b>Total Advances (3.1+3.2) Total</b>	<b>571,960,856</b>	<b>576,492,925</b>			
<b>Schedule 10 - Fixed Assets</b>					
1 <b>Premises (including leasehold improvements)</b>					
(a) Cost as on 31st March of the preceding year	1,348,138	1,331,098			
(b) Additions during the year	16,464	18,889			
(c) Deductions during the year	(270)	(1,850)			
(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 n vi)	(1,241,928)	(1,147,964)			
<b>Net Block</b>	<b>122,404</b>	<b>200,173</b>			


**Schedules forming part of the Profit and Loss Account for the year ended 31 March 2023**

In thousands of Indian Rupees

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Schedule 13 - Interest Earned</b>			<b>Schedule 16 - Operating Expenses</b>		
1 Interest/discounts on advances/bills	50,179,968	37,631,817	1 Payments to and provisions for employees (Refer Schedule 18 Note-4 n i) (net of cost recoveries)	6,768,423	5,992,813
2 Income on investments	25,771,670	26,640,491	2 Rent, taxes and lighting (net of cost recoveries) (Refer Schedule 18 Note-4 n v)	785,690	858,141
3 Interest on balances with Reserve Bank of India and other interbank funds	8,130,276	3,944,195	3 Printing and stationery	39,329	28,019
4 Others	1,096,893	145,903	4 Advertisement and publicity	79,813	65,015
<b>Total</b>	<b>85,178,807</b>	<b>68,362,406</b>	5 Depreciation on Bank's property	588,759	705,467
<b>Schedule 14 - Other Income</b>			6 Auditors' fees and expenses	7,139	7,174
1 Commission, exchange and brokerage (net) (including custodial and depository income)	4,290,239	5,563,833	7 Law charges	58,041	53,247
2 Profit / (Loss) on sale of investments (net)	(2,810,209)	(3,327,034)	8 Postage, telegrams, telephones, etc.	236,410	261,370
3 Profit / (Loss) on revaluation of investments (net)	(3,292,178)	(7,795,736)	9 Repairs and maintenance	635,145	668,843
4 Profit / (Loss) on sale of fixed assets (net)	87	773	10 Insurance	1,232,740	944,099
5 Profit / (Loss) on exchange transactions (net)	5,960,987	20,041,650	11 Head office charges	2,831,436	2,264,743
6 Miscellaneous Income / (Loss) (Refer Schedule 18 Note - 4 o xiii)	611,813	970,684	12 Other expenditure (net of cost recoveries) (Refer Schedule 18 Note - 4 o xiii)	14,946,969	14,475,308
<b>Total</b>	<b>4,760,739</b>	<b>15,454,170</b>	<b>Total</b>	<b>28,209,894</b>	<b>26,324,239</b>
<b>Schedule 15 - Interest Expended</b>			<b>Schedule 17 - Provision and Contingencies</b>		
1 Interest on deposits	24,148,640	13,602,977	1 Provision for loan loss (net)	(1,994,229)	3,525,922
2 Interest on Reserve Bank of India and other interbank borrowings (including from other money market participants)	10,003,411	10,161,435	2 Provision / (write back) for contingent credit exposures	(3,726)	(54,860)
3 Others	14,823	37,982	3 Provision / (write back) for standard assets	1,110,933	792,746
<b>Total</b>	<b>34,166,874</b>	<b>23,802,394</b>	4 Provision / (write back) for country risk	(271,308)	110,988
			5 Bad debts written off	998,570	2,125,437
			6 Provision / (write back) for Non Performing investments	–	(427,478)
			7 Other Provisions (net)	40,089	–
			8 Provision for taxation:		
			(a) Current tax	11,616,795	15,171,550
			(b) Deferred tax (Refer Schedule 18 Note-4 n iv)	1,396,647	(2,291,808)
			<b>Total</b>	<b>12,893,771</b>	<b>18,952,497</b>

**Schedule 18: Notes forming part of the financial statements of the India Branches**

For the year ended 31 March 2023

**1. Background**

The accompanying financial statements for the year ended 31 March 2023 comprise accounts of the India Branches of Deutsche Bank AG (the 'Bank') which is incorporated in Germany with limited liability.

**2. Basis of preparation and use of estimates**

The financial statements have been prepared and presented under the historical cost convention and on accrual basis of accounting, unless otherwise stated, and are in accordance with the generally accepted accounting principles and statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') and Accounting Standards ('AS') specified under section 133 of the Companies Act 2013, read with the Companies (Accounting Standards) Rules 2021 to the extent applicable and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses as at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.





## Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2023

### 3. Significant accounting policies

#### a. Foreign currency translation

Monetary foreign currency assets, liabilities and contingent liabilities on account of guarantees, endorsements and other outstandings are translated at the Balance Sheet date at rates notified by the Foreign Exchange Dealers Association of India ('FEDAI'). Revenue and expenses in foreign currency are translated at the rates prevailing on the date of the transaction. Exchange difference arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss Account. Profits/losses resulting from year-end revaluations are included in the Profit and Loss Account.

#### b. Investments

- i. Investments are categorised as Held to Maturity ('HTM'), Available for Sale ('AFS') and Held for Trading ('HFT') in accordance with the RBI guidelines based on intent at the time of acquisition. However, for disclosure in the Balance Sheet, these Investments are classified as Investments in India & Outside India. These are further classified as Government securities, Other approved securities, Shares, Debentures and bonds, Investment in subsidiaries / joint ventures and other investments. These are valued in accordance with extant RBI guidelines. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within 90 days are classified as HFT investments. All other investments are classified as AFS investments.
- ii. Investments under HTM are carried at acquisition cost or amortised cost if acquired at a premium. The premium, if any, is amortised over the remaining life of the security on a straight line basis, while discount, if any, is ignored. Profit on sale of HTM securities is appropriated to Capital Reserve net of income tax and statutory reserve while loss, if any, is charged to the Profit and Loss Account. A provision is made for other than temporary diminution, if any, in the value of HTM investments.
- iii. Investments under AFS and HFT categories are revalued periodically as per RBI guidelines. Securities under each category are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for in any one classification is not reduced on account of net appreciation in any other classification.
- iv. Treasury bills including foreign currency Treasury bills, commercial paper and certificate of deposits, being discounted instruments, are valued at carrying cost.
- v. The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges, or the prices periodically declared by Fixed Income Money Market and Derivatives Association ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL').
- vi. The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the RBI guidelines. Further, in the case of unquoted fixed income securities (other than government securities), valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities of similar tenor. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.
- vii. Investments in security receipts issued by asset reconstruction companies are valued at the latest Net Asset Values ("NAV") obtained from the asset reconstruction companies.
- viii. Investments in pass through certificates (PTC's) are valued by adopting base yield curve and FIMMDA spread matrix relative to weighted average maturity of the security.
- ix. Quoted equity shares are valued at their closing price on a recognised stock exchange. Unquoted equity shares are valued at the book value if the latest balance sheet is available, else, at Re. 1 per company, as per relevant RBI guidelines.
- x. Cost of investments is based on the weighted average cost method.
- xi. Broken period interest paid at the time of acquisition of the security has been charged to the Profit and Loss Account.
- xii. Brokerage, commission, etc. paid at the time of purchase / sale is charged to the Profit and Loss Account.
- xiii. Repurchase (repo) and reverse repurchase (reverse repo) transactions are accounted for as secured borrowing and lending contracts, respectively, in accordance with the extant RBI guidelines. The transactions with RBI under Liquidity Adjustment Facility ("LAF") are also accounted for as secured borrowing and lending transactions. These transactions are reflected under Schedule 4.1 and Schedule 7.1 (Schedule 6.2 in case of Reverse repo with RBI) accordingly.
- xiv. The Bank undertakes short sale transactions in Central Government dated securities. In accordance with the RBI guidelines, such short positions are categorised as HFT and are classified under Schedule 5.4. 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.
- xv. The difference between the consideration amount of first leg and second leg of the repo/ reverse repo is recognised as interest expense/ income in the Profit and Loss Account.
- xvi. The Bank follows settlement date accounting for recording purchase and sale of investments.
- xvii. Non-performing investments are identified and provision is made thereon based on the RBI guidelines. The provision on such non-performing investments is not set off against the appreciation in respect of other performing investments.
- xviii. Transfer of investments between categories is accounted in accordance with the extant RBI guidelines.
  - a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.
  - b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount, and at amortised cost if originally placed in HTM at a premium.
  - c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provision for depreciation against the HFT securities and vice-versa.
- xix. Investment Fluctuation Reserve & Investment Reserve are created in accordance with RBI guidelines.

#### c. Derivatives transactions

- i. The Bank enters into derivative contracts such as interest rate swaps, interest rate futures, currency swaps, forward rate agreements, total return swap, currency futures, foreign currency-rupee options, cross currency options, interest rate options and foreign exchange contracts for hedging or trading purposes.
- ii. All derivative transactions are reported on a mark to market basis in the financial statements, except in the case of derivatives undertaken as hedges for risk arising from on-Balance Sheet / off-Balance Sheet exposures. The mark to market is performed based on the valuation procedures described in para 4 (g) of the Notes to the Accounts. The unrealised gains/losses are recognised in the Profit and Loss Account and the corresponding amounts are reflected as other assets/liabilities respectively in the Balance Sheet.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**3. Significant accounting policies (Continued)**

**c. Derivatives transactions (continued)**

- iii. The accounting for derivatives transactions undertaken as hedges is as follows:  
Hedging transactions are undertaken by the Bank to protect the change in the fair value or the cash flow of the underlying assets or liabilities. The hedging instrument is accounted for on accrual basis except for an instrument designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In that case the hedging instrument is marked to market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset.
- iv. Overdue receivables under derivative contracts are classified as non-performing when unpaid for a period of 90 days and recognised through the Profit and Loss Account in accordance with applicable RBI guidelines.
- v. Foreign exchange contracts outstanding at the Balance Sheet date are marked to market as per methodology and at rates notified by FEDAI for specified maturities, suitably interpolated for in-between maturity contracts as specified by FEDAI. Contracts of maturities over twelve months (Long Term Forex Contracts) are marked to market at rates derived from the Reuters curve for that respective currency. The resulting profits or losses are recognised in the Profit and Loss Account.
- vi. Currency Options trades are marked to market considering premium receivable or payable. Profit or loss on revaluation along with premium received and paid is recognised in the profit and loss account.

**d. Advances and provision for advances**

- i. Advances are classified as performing and non-performing based on the RBI guidelines and are stated after deduction of borrowings on inter-bank participation certificate with risk, interest in suspense, bills rediscounting and provisions on non-performing advances.
- ii. Non-performing advances are identified by periodic appraisals of the portfolio by the Management and appropriate provisions are made which meet the prudential accounting norms prescribed by the RBI for asset classification, income recognition, and provisioning after considering subsequent recoveries.  
Further to the provisions required to be held according to the asset classification status, country risk provisions are held for individual country exposures (other than for home country exposure) in accordance with RBI guidelines.
- iii. As per the RBI guidelines, a general provision is made on all standard advances including incremental provision on standard assets pertaining to borrowers with unhedged foreign currency exposure (UFCE). Further, the Bank maintains incremental provision in respect of advances to stressed sectors and for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. In addition, the Bank may maintains a floating provision to cover potential credit losses which are inherent in any loan portfolio but not yet identified. These provisions are included under Schedule 5.4
- iv. Purchase / sale of non-performing assets are reflected in accordance with the RBI regulations. Provisioning for non-performing assets purchased is made appropriate to the asset classification status determined in accordance with the said guidelines. In case of sale of non-performing assets at a price below the net book value, the loss is debited to the Profit and Loss Account whereas in case of a sale at higher than the net book value, the excess provision is reversed to Profit and Loss Account in accordance with applicable RBI guidelines. Recovery in respect of a non-performing asset purchased is first adjusted against its acquisition cost. In case of sale of non-performing assets to SC/RC, recovery in excess of the acquisition cost is recognised as gain in the Profit and Loss Account.
- v. Provisions for restructured assets are made in accordance with applicable RBI guidelines on restructuring of advances by banks.
- vi. In addition to above, the Bank on a prudent basis makes provisions on specific advances or exposures which are not NPAs, but has reasons to believe on the basis of the extant environment or specific information, the possible slippage of a specific advance or a group of advances or exposures or potential exposures. These provisions are included under Schedule 5.4.

**e. Fixed assets and depreciation**

- i. Fixed assets are stated at historical cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.
- ii. Fixed assets individually costing less than Rs 30 thousand are expensed off in the Profit and Loss Account.
- iii. Depreciation is provided on a straight line basis over the estimated useful life of the asset. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of few asset classes where, based on management evaluation and past experience, a different estimate of useful life is considered suitable and is consistent with its global policy / RBI guidelines as prescribed. The rates for this purpose are as follows:

Asset Type	Estimated useful life
Cost of buildings	40 years
Other fixed assets	
■ Furniture, fixtures and office equipment	10 years
■ Vehicles	5 years
■ Electronic Data Processing (EDP) hardware	3 years
■ Communication equipment	5 years

- iv. Depreciation for the entire month is charged in the month in which the asset is purchased.
- v. Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month. Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.
- vi. Leasehold improvements are depreciated over the residual period of the lease or over a period of 10 years whichever is shorter.
- vii. Software is amortised on a straight-line basis over its estimated useful life upto 10 years.
- viii. Profit on disposal of Buildings is recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve. Losses are recognised in the Profit and Loss Account.
- ix. If at the Balance Sheet date there is an indication that an impairment of fixed assets exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of its depreciable historical cost.  
Items of fixed asset that have been retired from active use and are held for sale are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**3. Significant accounting policies (Continued)**

**e. Fixed assets and depreciation (Continued)**

- x. Leasehold land and building thereon is amortised over the period of lease. The lease period of land, acquired by the Bank from Brihanmumbai Municipal Corporation ('BMC') on which the Bank has a building has expired in year 2004. The Bank's solicitor has advised that, based on the current policy on lease renewals of the Government of Maharashtra, the lease/sublease for the bank's premises is expected to be renewed for a period of 30 years on usual term and conditions. Accordingly, the Bank has amortised the leasehold land and building for 30 years.

**f. Lease transactions**

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**g. Income recognition**

- i. Revenue is recognised in accordance with the requirements of AS-9 'Revenue Recognition'. Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of interest on non-performing assets which is recognised on receipt basis as per income recognition and asset classification norms of RBI and in accordance with AS 9.
- ii. Fee and commission income is recognised on an accrual basis. Commission income on guarantees and acceptances are recognised over the life of the contract.
- iii. Income on discounted instruments is recognized over the tenure of the instrument.
- iv. The Bank, in accordance with extant RBI guidelines, enters into transactions for sale or purchase of Priority Sector Lending Certificates (PSLC). The fee received for sale of PSLCs is recorded under Schedule 14.6 and fee paid for purchase of the PSLCs is recorded under Schedule 16.12.

**h. Staff benefits**

- i. The Bank pays gratuity to employees who retire or resign after a minimum prescribed period of continuous service. For employees who have joined the Bank on or before 31 December 2015, the Bank's Gratuity Scheme provides benefits to employees which are generally higher than those under the Payment of Gratuity Act, 1972. For employees joining on or after 1 January 2016, gratuity payment is as per the provisions of the Payment of Gratuity Act, 1972. The Bank makes contributions to a separate gratuity fund on a monthly basis subject to adjustments based on actuarial valuation. This fund is recognised by the Income-tax authorities and is administered by a trust. The Gratuity Scheme is treated as a defined benefit plan and provision for gratuity expenses are made based on an independent actuarial valuation conducted by a qualified actuary at year-end as per method prescribed in AS 15, Employee benefits (revised).
- ii. The Bank contributes towards an employees' provident fund trust set up by the Bank and administered by its trustees. The Provident Fund is classified as a defined benefit plan under AS 15, Employees Benefits (revised). The Bank's contribution to the trust is charged to the Profit and Loss Account. The plan liabilities (Defined Benefit Obligation) consist of two portions: a) Accumulated member balances as on the date of valuation; b) Interest Guarantee liability determined by an independent actuary using the projected unit credit method. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The shortfall, if any, is provided for in the Profit and Loss Account (Refer Schedule 16.1)
- iii. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the financial year are treated as short term benefits. The Bank measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- iv. Eligible employees of the Bank have been granted stock awards under various plans of equity shares of Deutsche Bank AG. As per the various plans, these stock awards vest in installments (tranches) over multi year periods. During the year, the Bank has charged an amount pertaining to these under the head "Payments to and provisions for employees" as compensation cost.
- v. Actuarial gains/losses are immediately taken to the Profit and Loss Account.

**i. Taxation**

- i. Income tax expense comprises the current tax (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards) and the deferred tax charge or credit comprises the tax effects of timing differences between accounting income and taxable income for the year.
- ii. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.
- iii. Current tax assets and Current tax liabilities are off-set as the Bank has a legal right to set off the amounts representing taxes on income levied by the same governing taxation laws and the Bank intends to settle the amounts on a net basis. Deferred tax assets and deferred tax liabilities are off-set as the Bank has a legal right to set off the assets and liabilities and the amounts are related to the taxes on income levied by the same governing taxation laws.
- iv. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

**j. Provisions, contingent liabilities and contingent assets**

- i. The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. 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.
- ii. Provisions are reviewed at each Balance-Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- iii. Contingent assets are not recognised or disclosed in the financial statements.

**k. Debit Card Reward Points**

The Bank estimates the probable redemption of debit card reward points based on an independent actuarial valuation conducted by a qualified actuary at year-end. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the actuary and included in other liabilities and provisions.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements**
**a. Regulatory Capital**
**i) Composition of Regulatory Capital**

The capital adequacy ratio computed under Basel III is given below:

	31-Mar-23	31-Mar-22
i) Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	183,837,783	180,191,593
ii) Additional Tier 1 capital	—	—
iii) Tier 1 capital (i + ii)	183,837,783	180,191,593
iv) Tier 2 capital	16,473,477	17,762,817
v) Total capital (Tier 1+Tier 2)	200,311,260	197,954,410
vi) Total Risk Weighted Assets (RWAs)	1,299,828,859	1,223,162,837
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	14.14%	14.73%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.14%	14.73%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.27%	1.45%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.41%	16.18%
xi) Leverage Ratio	10.32%	9.24%
Percentage of the shareholding of		
xii) a) Government of India	NA	NA
b) State Government		
c) Sponsor Bank		
xiii) Amount of paid-up equity capital raised during the year	NA	NA
Amount of non-equity Tier 1 capital raised during the year, of which:		
xiv) a) Basel III compliant Perpetual Non-Cumulative Preference Shares	NA	NA
b) Basel III compliant Perpetual Debt Instruments		
Amount of Tier 2 capital raised during the year, of which:		
xv) a) Perpetual Cumulative Preference Shares	NA	NA
b) Redeemable Non-Cumulative Preference Shares		

**ii) Draw down from Reserves**

Investment Reserve

The Bank has drawn down investment reserve of Nil during the year ended 31 March 2023 (Previous year: Rs. 281,458 thousand) as required by RBI Master direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021.

Investment Fluctuation Reserve

The Bank has drawn down investment fluctuation reserve of Rs. 2,128,965 thousand during the year ended 31 March 2023 (Previous year: Nil) as required by RBI Master direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021.

**b. Asset liability management**
**i) Maturity pattern of certain items of assets and liabilities**

(In Rs.'000)

Maturity Bucket (31 March 2023)	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	61,418,077	6,401,297	259,010,788	5,024,447	42,672,729	6,842,172
2–7 Days	70,399,284	46,055,015	78,878,326	49,613,458	62,360,876	9,613,890
8–14 Days	13,109,299	21,561,315	3,830,907	—	92,566	—
15–30 Days	39,290,808	96,888,166	7,548,551	—	1,086,448	—
31 Days and upto 2 months	88,304,492	17,738,720	7,526,870	—	3,057,404	—
Over 2 months and upto 3 months	35,829,286	16,813,443	5,460,490	15,000,000	2,352,769	—
Over 3 Months and upto 6 months	34,625,803	16,225,095	9,369,078	—	725,154	—
Over 6 Months and upto 1 year	32,004,892	24,740,007	10,122,739	41,500,000	1,649,011	—
Over 1 Year and upto 3 years	306,746,065	142,845,592	55,633,034	81,721,250	1,214,500	71,674,434
Over 3 Year and upto 5 years	18,968,814	69,684,691	12,928,462	—	—	—
Over 5 years	—	113,007,515	18,085,214	—	6,442,255	9,527,913
<b>Total</b>	<b>700,696,820</b>	<b>571,960,856</b>	<b>468,394,459</b>	<b>192,859,155</b>	<b>121,653,712</b>	<b>97,658,409</b>


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**b. Asset liability management (Continued)**
**i) Maturity pattern of certain items of assets and liabilities (Continued)**

(In Rs. '000)

Maturity Bucket (31 March 2022)	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	7,073,389	8,076,380	203,827,516	6,746,493	90,949,585	11,152,628
2–7 Days	59,485,573	31,306,808	240,935,883	94,285,048	228,424,385	219
8–14 Days	18,576,706	59,842,533	4,329,529	20,337,637	11,758,967	3,789,679
15–30 Days	58,409,487	54,258,891	5,562,503	–	1,730,467	90
31 Days and upto 2 months	63,365,108	17,142,635	11,388,950	361,050	5,027,258	–
Over 2 months and upto 3 months	70,391,911	26,769,805	4,671,167	24,361,050	6,971,741	146
Over 3 Months and upto 6 months	54,191,198	23,042,630	10,579,170	31,081,650	2,503,466	132
Over 6 Months and upto 1 year	69,444,532	11,270,988	12,968,382	61,270,700	118,266	154
Over 1 Year and upto 3 years	379,349,796	178,151,849	55,047,137	84,687,125	–	98,173,065
Over 3 Year and upto 5 years	18,792,546	76,736,553	15,724,156	–	–	30
Over 5 years	–	89,893,853	13,100,479	–	3,718,699	5,303,637
<b>Total</b>	<b>799,080,246</b>	<b>576,492,925</b>	<b>578,134,872</b>	<b>323,130,753</b>	<b>351,202,834</b>	<b>118,419,780</b>

Classification of assets and liabilities under different maturity buckets are compiled by Management based on guidelines issued by the RBI and are based on the same estimates and assumptions as used by the Bank for compiling returns to be submitted to the RBI.

**ii) Liquidity coverage ratio (LCR)**

(In Rs. '000)

	Daily average for Quarter ended 30 June, 2022		Daily average for Quarter ended 30 September, 2022		Daily average for Quarter ended 31 December, 2022		Daily average for Quarter ended 31 March, 2023	
	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)
<b>High Quality Liquid Assets</b>								
1 Total high-quality liquid assets (HQLA)		542,950,561		467,771,919		404,272,704		400,336,539
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	90,584,257	8,931,538	92,885,395	9,160,016	94,130,188	9,282,594	93,175,411	9,187,729
(i) Stable deposits	2,537,762	126,888	2,570,474	128,524	2,608,489	130,424	2,596,228	129,811
(ii) Less stable deposits	88,046,495	8,804,650	90,314,921	9,031,492	91,521,699	9,152,170	90,579,183	9,057,918
3 Unsecured wholesale funding, of which:	767,556,757	347,749,311	682,342,683	314,043,586	707,658,289	323,026,566	676,927,672	299,447,501
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	247,727,991	61,898,780	207,986,241	51,961,677	228,985,711	57,212,349	203,923,691	50,946,576
(ii) Non-operational deposits (all counterparties)	519,828,766	285,850,531	474,356,442	262,081,909	478,672,578	265,814,217	473,003,981	248,500,925
(iii) Unsecured debt	–	–	–	–	–	–	–	–
4 Secured wholesale funding								
5 Additional requirements, of which:	599,685,653	36,807,294	628,449,158	39,397,844	649,822,805	39,998,241	645,618,252	39,974,957
(i) Outflows related to derivative exposures and other collateral requirements	–	3,348,526	–	4,604,790	–	3,416,265	–	3,281,863
(ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
(iii) Credit and liquidity facilities	599,685,653	33,458,768	628,449,158	34,793,054	649,822,805	36,581,976	645,618,252	36,693,094
6 Other contractual funding obligations	1,239,175	1,239,175	1,087,493	1,087,493	1,115,510	1,115,510	1,070,883	1,070,883
7 Other contingent funding obligations	280,144,377	8,404,331	308,085,006	9,242,550	323,013,518	9,690,406	299,853,500	8,995,605
<b>8 Total Cash Outflows</b>		<b>403,131,649</b>		<b>372,931,489</b>		<b>383,113,317</b>		<b>358,676,675</b>
<b>Cash inflows</b>								
9 Secured lending (eg. reverse repos)	102,323,561	–	104,210,864	–	63,824,782	–	52,331,095	–
10 Inflows from fully performing exposures	158,839,419	92,854,907	188,169,025	121,855,325	217,269,332	142,849,117	226,879,270	151,250,157
11 Other cash inflows	5,220,718	5,220,718	8,445,289	8,445,289	9,430,060	9,430,060	4,688,894	4,688,894
<b>12 Total Cash Inflows</b>	<b>266,383,698</b>	<b>98,075,625</b>	<b>300,825,178</b>	<b>130,300,614</b>	<b>290,524,174</b>	<b>152,279,177</b>	<b>283,899,259</b>	<b>155,939,051</b>
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		<b>542,950,561</b>		<b>467,771,919</b>		<b>404,272,704</b>		<b>400,336,539</b>
<b>14 Total Net Cash Outflows*</b>		<b>305,056,024</b>		<b>242,630,875</b>		<b>230,834,140</b>		<b>202,737,624</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>178%</b>		<b>193%</b>		<b>175%</b>		<b>197%</b>

\* Total Net Cash Outflows is capped to 25% of Cash outflows


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**b. Asset liability management (Continued)**
**ii) Liquidity coverage ratio (LCR) (Continued)**

(In Rs. '000)

	Daily average for Quarter ended 30 June, 2021		Daily average for Quarter ended 30 September, 2021		Daily average for Quarter ended 31 December, 2021		Daily average for Quarter ended 31 March, 2022	
	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)
<b>High Quality Liquid Assets</b>								
1 Total high-quality liquid assets (HQLA)		314,208,159		392,952,597		421,341,890		360,365,892
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	89,093,115	8,693,818	88,743,528	8,751,061	87,408,248	8,614,992	88,138,590	8,695,216
(i) Stable deposits	4,309,861	215,493	2,465,837	123,292	2,516,657	125,833	2,372,871	118,644
(ii) Less stable deposits	84,783,254	8,478,325	86,277,691	8,627,769	84,891,591	8,489,159	85,765,719	8,576,572
3 Unsecured wholesale funding, of which:	493,261,806	195,012,038	528,253,248	236,178,212	536,519,301	232,209,892	490,170,378	205,977,727
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	272,332,952	67,993,603	265,310,629	66,290,503	284,118,767	70,994,319	247,481,110	61,835,668
(ii) Non-operational deposits (all counterparties)	220,928,854	127,018,435	262,942,619	169,887,709	252,400,534	161,215,573	242,689,268	144,142,059
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which:	385,751,427	27,788,418	494,635,252	31,141,265	477,101,382	28,749,417	503,485,870	33,726,167
(i) Outflows related to derivative exposures and other collateral requirements	-	5,987,486	-	3,143,398	-	2,024,197	-	5,397,008
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	385,751,427	21,800,932	494,635,252	27,997,867	477,101,382	26,725,220	503,485,870	28,329,159
6 Other contractual funding obligations	891,547	891,547	811,519	811,519	855,267	855,267	831,032	831,032
7 Other contingent funding obligations	234,241,312	7,027,239	265,788,039	7,973,641	302,288,931	9,068,668	310,839,904	9,325,197
<b>8 Total Cash Outflows</b>		239,413,060		284,855,698		279,498,236		258,555,339
<b>Cash Inflows</b>								
9 Secured lending (eg. reverse repos)	36,443,465	-	152,859,204	-	153,034,057	-	91,515,897	-
10 Inflows from fully performing exposures	184,774,628	113,702,959	165,512,893	92,417,293	166,404,418	99,126,244	168,570,335	93,690,777
11 Other cash inflows	3,570,922	3,548,580	3,629,299	3,628,449	4,364,855	4,364,422	4,511,254	4,511,254
<b>12 Total Cash Inflows</b>	224,789,015	117,251,539	322,001,396	96,045,742	323,803,330	103,490,666	264,597,486	98,202,031
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		314,208,159		392,952,597		421,341,890		360,365,892
<b>14 Total Net Cash Outflows*</b>		122,161,521		188,809,956		176,007,570		160,353,308
<b>15 Liquidity Coverage Ratio (%)</b>		257%		208%		239%		225%

\* Total Net Cash Outflows is capped to 25% of Cash outflows

**Qualitative Disclosure around LCR**

The Bank measures and monitors the Liquidity Coverage Ratio (LCR) in line with the extant RBI guidelines. The LCR is intended to improve the short-term resilience of a bank's liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets ("HQLA") that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both actual and contingent exposures, in a stressed scenario. The minimum LCR requirement from is 100%.

The Bank's average LCR for the quarter ended March 2023 stood at 197% as against 225% for the quarter ended March 2022. In accordance with RBI guidelines, the LCR ratio is computed on daily LCR observations.

The Bank maintains HQLA primarily in the form of cash including excess CRR with the RBI, unencumbered SLR holdings over and above the mandatory SLR requirement, the portion of mandatory SLR holdings that are allowed by the RBI to be counted towards HQLA through the Marginal Standing Facility (MSF), the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) and AAA rated government bonds issued by foreign sovereigns.

The Bank has maintained an average HQLA of Rs. 400,336,539 thousand for quarter ended March 2023 as against Rs. 360,365,892 thousand for quarter ended March 2022.

The Bank's average net cash outflows stood at Rs. 202,737,624 thousand for quarter ended March 2023 as against Rs. 160,353,308 thousand for quarter ended March 2022. The main drivers for cash outflows are operational and non-operational deposits from corporate, and retail customers, including callable wholesale term deposits, short-term borrowings and contingent outflows from credit and liquidity facilities, letters of credit, guarantees and trade finance facilities granted to corporate customers. The main LCR inflow driver is inflows from fully performing exposures, representing inflows from loans extended to retail and corporate customers.

The Bank's Asset Liability Committee (ALCO) manages and defines its funding strategy to maintain a stress-compliant and diversified funding profile based on LCR requirements, the Bank's liquidity risk appetite and the Bank's internal liquidity risk management framework. The ALCO manages the liquidity requirements of all of the Bank's Indian branches and business centrally and holistically, meetings are chaired by the Bank's Treasurer and attended by the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), the Bank's business heads and infrastructure function heads.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)****b. Asset liability management (Continued)****iii) Net Stable Funding ratio (NSFR)**

(In Rs. '000)

ASF Item	Quarter ended 31 March 2023					Quarter ended 31 December 2022				
	Unweighted value by residual maturity					Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
1 Capital: (2+3)	-	-	-	200,311,260	200,311,260	-	-	-	198,961,860	198,961,860
2 Regulatory capital	-	-	-	200,311,260	200,311,260	-	-	-	198,961,860	198,961,860
3 Other capital instruments	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	37,130,008	14,274,770	12,974,307	-	58,306,813	37,646,616	11,054,781	13,278,759	-	56,133,902
5 Stable deposits	7,312,732	-	-	-	6,947,095	7,035,236	-	-	-	6,683,474
6 Less stable deposits	29,817,276	14,274,770	12,974,307	-	51,359,718	30,611,380	11,054,781	13,278,759	-	49,450,428
7 Wholesale funding: (8+9)	231,749,235	265,779,893	72,694,429	147,998,613	433,110,392	253,068,515	299,171,987	50,829,425	112,299,381	413,834,344
8 Operational deposits	231,749,235	-	-	-	115,874,617	253,068,515	-	-	-	126,534,258
9 Other wholesale funding	-	265,779,893	72,694,429	147,998,613	317,235,775	-	299,171,987	50,829,425	112,299,381	287,300,086
10 Other liabilities: (11+12)	141,215,429	78,531,532	-	-	-	131,910,294	41,718,148	-	-	-
11 NSFR derivative liabilities	-	-	-	33,341,283	-	-	-	-	26,620,038	-
12 All other liabilities and equity not included in the above categories	141,215,429	45,190,249	-	-	-	131,910,294	15,098,110	-	-	-
13 Total ASF (1+4+7+10)	-	-	-	-	691,728,465	-	-	-	-	668,930,106
<b>RSF Item</b>										
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	21,414,668	-	-	-	-	17,426,273
15 Deposits held at other financial institutions for operational purposes	552,500	-	-	-	276,250	552,500	-	-	-	276,250
16 Performing loans and securities: (17+18+19+21+23)	-	272,068,908	17,045,724	281,285,543	367,706,443	-	293,963,311	16,136,498	285,997,790	387,643,644
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	48,106,928	6,738,385	53,571,737	64,156,968	-	39,468,980	11,428,117	62,054,612	73,689,018
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	223,957,909	10,295,574	201,393,033	285,123,099	-	254,490,253	4,700,665	193,050,285	291,380,517
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	57,518,048	3,160,665	15,938,604	40,699,449	-	74,780,341	1,711,593	11,538,421	45,745,941
21 Performing residential mortgages, of which:	-	4,071	11,765	19,770,994	12,859,064	-	4,078	7,716	18,453,734	12,000,824
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2,301	7,047	18,243,759	11,863,117	-	4,078	7,716	18,453,734	12,000,824
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	6,549,779	5,567,312	-	-	-	12,439,159	10,573,285
24 Other assets: (sum of rows 25 to 29)	38,591,829	81,901,652	23,538	81,838,239	138,549,537	42,801,048	102,823,369	9,515	70,173,393	132,791,363
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	3,190,708	2,712,101	-	-	-	5,407,544	4,596,412
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	5,969,104	5,969,104	-	-	-	5,995,733	5,995,733
29 All other assets not included in the above categories	38,591,829	72,741,840	23,538	81,838,239	129,868,332	42,801,048	91,420,092	9,515	70,173,393	122,199,218
30 Off-balance sheet items	-	-	-	869,317,667	37,583,551	-	-	-	946,679,635	40,906,912
31 Total RSF	-	-	-	-	565,530,449	-	-	-	-	579,044,442
32 Net Stable Funding Ratio (%)	-	-	-	-	122%	-	-	-	-	116%


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**b. Asset liability management (Continued)**
**iii) Net Stable Funding ratio (NSFR) (Continued)**

(In Rs. '000)

	Quarter ended 30 September 2022					Quarter ended 30 June 2022				
	Unweighted value by residual maturity					Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
<b>ASF Item</b>										
1 Capital: (2+3)	–	–	–	198,232,749	198,232,749	–	–	–	198,360,770	198,360,770
2 Regulatory capital	–	–	–	198,232,749	198,232,749	–	–	–	198,360,770	198,360,770
3 Other capital instruments	–	–	–	–	–	–	–	–	–	–
4 Retail deposits and deposits from small business customers: (5+6)	40,978,006	17,522,376	17,452,062	–	68,710,713	40,751,590	11,179,291	9,118,302	–	55,294,196
5 Stable deposits	7,070,264	–	–	–	6,716,751	6,998,641	–	–	–	6,648,709
6 Less stable deposits	33,907,742	17,522,376	17,452,062	–	61,993,962	33,752,949	11,179,291	9,118,302	–	48,645,487
7 Wholesale funding: (8+9)	303,365,150	311,583,428	27,483,665	114,393,541	435,609,663	262,484,172	343,056,127	80,222,213	96,395,699	439,276,955
8 Operational deposits	303,365,150	–	–	–	151,682,575	262,484,172	–	–	–	131,242,086
9 Other wholesale funding	–	311,583,428	27,483,665	114,393,541	283,927,088	–	343,056,127	80,222,213	96,395,699	308,034,869
10 Other liabilities: (11+12)	126,535,352	67,239,571	–	–	–	116,778,066	63,653,955	–	–	–
11 NSFR derivative liabilities	–	–	–	16,389,587	–	–	–	–	11,340,920	–
12 All other liabilities and equity not included in the above categories	126,535,352	50,849,984	–	–	–	116,778,066	52,313,035	–	–	–
13 Total ASF (1+4+7+10)	–	–	–	–	702,553,125	–	–	–	–	692,931,921
<b>RSF Item</b>										
14 Total NSFR high-quality liquid assets (HQLA)	–	–	–	–	17,274,992	–	–	–	–	16,154,416
15 Deposits held at other financial institutions for operational purposes	552,500	–	–	–	276,250	552,500	–	–	–	276,250
16 Performing loans and securities: (17+18+19+21+23)	–	269,708,600	16,423,052	301,048,303	387,392,037	–	285,217,374	7,313,693	306,101,514	392,827,815
17 Performing loans to financial institutions secured by Level 1 HQLA	–	–	–	–	–	–	–	–	–	–
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	42,979,333	8,301,208	66,260,553	76,858,057	–	39,618,307	601,681	56,162,804	62,406,390
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	–	226,725,020	8,113,073	203,555,974	287,445,699	–	245,593,820	6,688,454	214,848,821	304,145,486
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	–	69,383,489	1,535,120	14,979,627	45,196,062	–	58,858,028	1,568,810	23,085,745	45,219,153
21 Performing residential mortgages, of which:	–	4,247	8,771	17,326,189	11,268,532	–	5,247	23,558	17,824,344	11,600,226
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	–	4,247	8,771	17,326,189	11,268,532	–	3,090	8,894	15,788,731	10,268,667
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	13,905,587	11,819,749	–	–	–	17,265,545	14,675,713
24 Other assets: (sum of rows 25 to 29)	48,211,030	134,395,048	2,003	78,716,909	150,726,149	43,351,323	176,641,440	15,024	64,712,546	143,148,284
25 Physical traded commodities, including gold	–	–	–	–	–	–	–	–	–	–
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	5,647,989	4,800,790	–	–	–	4,984,569	4,236,884
27 NSFR derivative assets	–	–	–	–	–	–	–	–	–	–
28 NSFR derivative liabilities before deduction of variation margin posted	–	–	–	6,682,640	6,682,640	–	–	–	5,989,985	5,989,985
29 All other assets not included in the above categories	48,211,030	122,064,419	2,003	78,716,909	139,242,719	43,351,323	165,666,886	15,024	64,712,546	132,921,415
30 Off-balance sheet items	–	–	–	912,687,583	38,658,945	–	–	–	848,287,104	36,607,289
31 Total RSF	–	–	–	–	594,328,373	–	–	–	–	589,014,054
32 Net Stable Funding Ratio (%)	–	–	–	–	118%	–	–	–	–	118%

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)****b Asset liability management (Continued)****iii) Net Stable Funding ratio (NSFR) (Continued)**

(In Rs. '000)

	Quarter ended 31 March 2022					Quarter ended 31 December 2021				
	Unweighted value by residual maturity					Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
<b>ASF Item</b>										
1 Capital: (2+3)	–	–	–	197,954,410	197,954,410	–	–	–	193,158,737	193,158,737
2 Regulatory capital	–	–	–	197,954,410	197,954,410	–	–	–	193,158,737	193,158,737
3 Other capital instruments	–	–	–	–	–	–	–	–	–	–
4 Retail deposits and deposits from small business customers: (5+6)	40,842,691	12,494,639	7,864,115	–	55,441,760	30,302,581	9,117,159	9,057,165	–	43,973,666
5 Stable deposits	7,209,184	–	–	–	6,848,725	6,889,025	–	–	–	6,544,574
6 Less stable deposits	33,633,507	12,494,639	7,864,115	–	48,593,035	23,413,556	9,117,159	9,057,165	–	37,429,092
7 Wholesale funding: (8+9)	265,017,776	288,198,475	138,493,174	152,824,050	498,678,762	295,404,233	7,889,047	313,639,262	59,553,361	368,019,632
8 Operational deposits	265,017,776	–	–	–	132,508,888	295,404,233	–	–	–	147,702,116
9 Other wholesale funding	–	288,198,475	138,493,174	152,824,050	366,169,874	–	7,889,047	313,639,262	59,553,361	220,317,516
10 Other liabilities: (11+12)	128,964,010	165,068,985	–	–	–	121,917,297	74,169,854	–	–	–
11 NSFR derivative liabilities	–	–	–	13,283,887	–	–	–	–	31,291,543	–
12 All other liabilities and equity not included in the above categories	128,964,010	151,785,098	–	–	–	121,917,297	42,878,311	–	–	–
13 Total ASF (1+4+7+10)	–	–	–	–	752,074,932	–	–	–	–	605,152,035
<b>RSF Item</b>										
14 Total NSFR high-quality liquid assets (HQLA)	–	–	–	–	29,783,973	–	–	–	–	19,102,045
15 Deposits held at other financial institutions for operational purposes	552,500	–	–	–	276,250	552,500	–	–	–	276,250
16 Performing loans and securities: (17+18+19+21+23)	–	265,612,434	4,549,809	319,631,253	406,534,383	–	283,679,293	8,256,502	292,010,894	385,659,440
17 Performing loans to financial institutions secured by Level 1 HQLA	–	–	–	–	–	–	–	–	–	–
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	13,417,750	1,900,000	71,501,556	74,464,219	–	29,583,217	5,835,756	58,366,141	65,721,502
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	–	252,188,476	2,626,073	205,981,525	299,389,999	–	249,441,835	2,400,662	193,153,233	286,511,618
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	–	95,213,444	1,683,815	15,507,858	58,528,738	–	91,716,485	1,542,454	17,949,392	58,296,574
21 Performing residential mortgages, of which:	–	6,208	23,736	15,803,762	10,287,417	–	5,910	20,084	14,050,053	9,145,531
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	–	2,160	9,194	13,682,866	8,899,539	–	1,983	–	11,504,132	7,478,677
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	26,344,410	22,392,748	–	4,648,331	–	26,441,467	24,280,789
24 Other assets: (sum of rows 25 to 29)	34,227,955	122,015,053	20,032	54,085,048	115,508,510	32,272,089	22,950,790	111,412	66,573,263	111,416,493
25 Physical traded commodities, including gold	–	–	–	–	–	–	–	–	–	–
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	7,918,964	6,731,120	–	–	–	7,866,991	6,686,943
27 NSFR derivative assets	–	–	–	–	–	–	–	–	–	–
28 NSFR derivative liabilities before deduction of variation margin posted	–	–	–	3,929,361	3,929,361	–	–	–	4,208,146	4,208,146
29 All other assets not included in the above categories	34,227,955	110,166,728	20,032	54,085,048	104,848,029	32,272,089	10,875,653	111,412	66,573,263	100,521,404
30 Off-balance sheet items	–	–	–	806,207,891	33,403,304	–	–	–	773,732,992	32,261,830
31 Total RSF	–	–	–	–	585,506,420	–	–	–	–	548,716,058
32 Net Stable Funding Ratio (%)	–	–	–	–	128%	–	–	–	–	110%


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**b. Asset liability management (Continued)**
**iii) Net Stable Funding ratio (NSFR) (Continued)**
**Qualitative Disclosure around NSFR**

The Bank measures and monitors Net Stable Funding Ratio (NSFR) in line with the extant RBI guidelines. NSFR, which requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities, as prescribed by regulatory requirements. It prevent banks from excessively financing long-term assets with short-term liabilities and to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

The NSFR is defined as the amount of Available Stable Funding (ASF) relative to the amount of Required Stable Funding (RSF). This ratio should be equal to at least 100% on an ongoing basis from October 2021. The main drivers for ASF are Capital, Corporate liabilities which are expected to be reliable over the time horizon considered by the NSFR, which extends to one year and deposits from retail customers, small business customers. RSF is a function of the liquidity characteristics and residual maturities of the various assets primarily one year and above.

The Bank's Asset Liability Committee (ALCO) manages and defines its funding strategy to maintain a stress-compliant and diversified funding profile based on LCR and NSFR requirements, the Bank's liquidity risk appetite and the Bank's internal liquidity risk management framework. The ALCO manages the liquidity requirements of all of the Bank's Indian branches and business centrally and holistically, meetings are chaired by the Bank's Treasurer and attended by the CEO, CFO, COO, the Bank's business heads and infrastructure function heads.

The Bank's NSFR for the quarter ended March 2023 stood at 122%

**c. Investments**
**i) Composition of Investment Portfolio\***

(In Rs. '000)

31 March 2023	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
Gross							-				-	-
Less: Provision for non-performing investments (NPI)							-				-	-
Net							-				-	-
<b>Available for Sale</b>												
Gross	384,265,012	-	315,951	13,469,092	-	4,149,850	402,199,905	-	-	-	-	402,199,905
Less: Provision for depreciation and NPI	13,073,302	-	37	-	-	382,527	13,455,866	-	-	-	-	13,455,866
Net	371,191,710	-	315,914	13,469,092	-	3,767,323	388,744,039	-	-	-	-	388,744,039
<b>Held for Trading</b>												
Gross	17,325,297	-	-	-	-	-	17,325,297	62,325,123	-	-	62,325,123	79,650,420
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	17,325,297	-	-	-	-	-	17,325,297	62,325,123	-	-	62,325,123	79,650,420
<b>Total Investments</b>	<b>401,590,309</b>	<b>-</b>	<b>315,951</b>	<b>13,469,092</b>	<b>-</b>	<b>4,149,850</b>	<b>419,525,202</b>	<b>62,325,123</b>	<b>-</b>	<b>-</b>	<b>62,325,123</b>	<b>481,850,325</b>
Less: Provision for NPI	-	-	37	-	-	331,238	331,275	-	-	-	-	331,275
Less: Provision for depreciation and NPI	13,073,302	-	-	-	-	51,289	13,124,591	-	-	-	-	13,124,591
<b>Net</b>	<b>388,517,007</b>	<b>-</b>	<b>315,914</b>	<b>13,469,092</b>	<b>-</b>	<b>3,767,323</b>	<b>406,069,336</b>	<b>62,325,123</b>	<b>-</b>	<b>-</b>	<b>62,325,123</b>	<b>468,394,459</b>

\* Exclude short sale positions.

(In Rs. '000)

31 March 2022	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
Gross							-				-	-
Less: Provision for non-performing investments (NPI)							-				-	-
Net							-				-	-
<b>Available for Sale</b>												
Gross	291,725,186	-	315,951	15,804,700	-	12,085,938	319,931,775	-	-	-	-	319,931,775
Less: Provision for depreciation and NPI	9,516,495	-	37	191,898	-	331,238	10,039,668	-	-	-	-	10,039,668
Net	282,208,691	-	315,914	15,612,802	-	11,754,700	309,892,107	-	-	-	-	309,892,107
<b>Held for Trading</b>												
Gross	36,818,482	-	-	3,188,522	-	-	40,007,004	228,359,781	-	-	228,359,781	268,366,785
Less: Provision for depreciation and NPI	122,507	-	-	1,513	-	-	124,020	-	-	-	-	124,020
Net	36,695,975	-	-	3,187,009	-	-	39,882,984	228,359,781	-	-	228,359,781	268,242,765
<b>Total Investments</b>	<b>328,543,668</b>	<b>-</b>	<b>315,951</b>	<b>18,993,222</b>	<b>-</b>	<b>12,085,938</b>	<b>359,938,779</b>	<b>228,359,781</b>	<b>-</b>	<b>-</b>	<b>228,359,781</b>	<b>588,298,560</b>
Less: Provision for NPI	-	-	37	-	-	331,238	331,275	-	-	-	-	331,275
Less: Provision for depreciation and NPI	9,639,002	-	-	193,411	-	-	9,832,413	-	-	-	-	9,832,413
<b>Net</b>	<b>318,904,666</b>	<b>-</b>	<b>315,914</b>	<b>18,799,811</b>	<b>-</b>	<b>11,754,700</b>	<b>349,775,091</b>	<b>228,359,781</b>	<b>-</b>	<b>-</b>	<b>228,359,781</b>	<b>578,134,872</b>

\* Exclude short sale positions.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**c. Investments (Continued)**
**i) Composition of Investment Portfolio (Continued)**

Investments – Government securities (Schedule 8.1) include:

- 1) Government securities amounting to Rs. 55,620,000 thousand representing face value (Previous year: Rs. 28,150,000 thousand) are collateral holdings parked with Clearing Corporation of India Limited ('CCIL') towards Settlement Guarantee Fund and Default fund.
- 2) Government securities amounting to Nil representing face value (Previous year Nil) are reported under Liquidity Adjustment Facility ('LAF') with RBI.
- 3) Government securities amounting to Rs. 60,600,000 thousand representing face value (Previous year: Rs. 15,100,000 thousand) are deposited with RBI in Intra Day Liquidity ('IDL') for availing Real Time Gross Settlement ('RTGS').
- 4) Government securities amounting to Rs. 43,500,000 thousand representing face value (Previous year Rs. 37,100,000 thousand) are held with RBI under Section 11(2)(b) of the Banking Regulation Act, 1949.
- 5) Government securities amounting to Rs. 40,236,500 thousand representing face value (Previous year Rs. 108,477,500) are given under repurchase transactions.

**ii) Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(In Rs. '000)

	31-Mar-23	31-Mar-22
<b>i) Movement of provisions held towards depreciation on investments :</b>		
a) Opening balance	10,163,688	2,795,430
b) Add: Provisions made during the year	3,292,178	7,368,258
c) Less: Write off / write back of excess provisions during the year	–	–
d) Closing balance	13,455,866	10,163,688
<b>ii) Movement of Investment Fluctuation Reserve :</b>		
a) Opening balance	11,765,971	10,409,456
b) Add: Amount transferred during the year	–	1,356,515
c) Less: Drawdown	(2,128,965)	–
d) Closing balance	9,637,006	11,765,971
<b>iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category</b>	<b>2.00%</b>	<b>2.00%</b>

**iii) Sale and transfers to/from HTM category**

During the year, the Bank has not sold /transferred securities to/from HTM category (Previous year Rs Nil).

**iv) Non-SLR investment portfolio**
**1. Non-performing non-SLR investments**

(In Rs.'000)

	31 March 2023	31 March 2022
Opening Balance	331,275	758,753
Addition during the year	–	–
Reductions during the year	–	(427,478)
Closing Balance	331,275	331,275
Off which Security receipts	331,238	331,238
<b>Total Provisions held</b>	<b>331,275</b>	<b>331,275</b>
Off which Security receipts	331,238	331,238

**2. Issuer composition of non-SLR investments**

(In Rs.'000)

Issuer	Amount	Extent of private placement <sup>s</sup>	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
<b>31 March 2023</b>					
Public sector undertakings	190,190	190,190	–	–	–
Financial Institutions (FIs)	–	–	–	–	–
Banks	50,971	50,971	–	–	–
Private Corporate (Including NBFC)	13,543,882	12,655,635	–	–	1,351,729
Subsidiaries / Joint Ventures	–	–	–	–	–
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	66,474,973	4,149,850	–	331,238	4,149,850
Provision held towards depreciation	(382,564)	(382,564)	–	(331,238)	(382,527)
<b>Total</b>	<b>79,877,452</b>	<b>16,664,082</b>	<b>–</b>	<b>–</b>	<b>5,119,052</b>

Amounts reported under the above columns are not mutually exclusive.

\* Excludes investment in equity shares

\$ The classification of securities as private placement are based on initial issuance of security.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**c. Investments (Continued)**

**iv) Non-SLR investment portfolio (Continued)**

**2. Issuer composition of non-SLR investments (Continued)**

(In Rs.'000)

Issuer 31 March 2022	Amount	Extent of private placement <sup>\$</sup>	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
Public sector undertakings	255,349	255,349	—	—	—
Financial Institutions (FIs)	2,278,241	2,278,241	—	—	—
Banks	245,416	245,416	—	—	—
Private Corporate (Including NBFC)	19,510,535	16,584,943	—	—	2,406,904
Subsidiaries/Joint Ventures	—	—	—	—	—
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	237,465,351	9,105,571	—	331,238	9,105,571
Provision held towards depreciation	(524,686)	(626,780)	—	(331,238)	(308,955)
Total	<u>259,230,206</u>	<u>27,842,740</u>	<u>—</u>	<u>—</u>	<u>11,203,520</u>

Amounts reported under the above columns are not mutually exclusive.

\* Excludes investment in equity shares

\$ The classification of securities as private placement are based on initial issuance of security.

**v) Repo transactions (in face value terms)**

(In Rs. '000)

31 March 2023	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2023
Securities sold under repos				
(i) Government securities	—	158,211,400	10,873,281	40,236,500
(ii) Corporate debt Securities	—	—	—	—
(iii) Any other securities	—	—	—	—
Securities purchased under reverse repo				
(i) Government securities	—	494,664,600	47,524,515	29,985,600
(ii) Corporate debt Securities	—	—	—	—
(iii) Any other securities	—	—	—	—

\* Nil outstanding on any day is considered for reckoning minimum outstanding and daily average

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI. As at 31 March 2023 Outstanding Reverse repo and Repo is Nil with RBI.

(In Rs. '000)

31 March 2022	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2022
Securities sold under repos				
(i) Government securities	—	216,447,700	141,656,914	108,477,500
(ii) Corporate debt Securities	—	—	—	—
(iii) Any other securities	—	—	—	—
Securities purchased under reverse repo				
(i) Government securities	—	73,910,600	6,242,110	7,850,000
(ii) Corporate debt Securities	—	—	—	—
(iii) Any other securities	—	—	—	—

\* Nil outstanding on any day is considered for reckoning minimum outstanding and daily average

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI. As at 31 March 2022 Face value of Outstanding Reverse repo is Rs. 48,056,720 thousand and Repo is Nil with RBI.




**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**d. Asset quality**
**i) Classification of advances and provisions held**

(In Rs. '000)

31 March 2023	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	563,447,372	17,022,495	10,293,551		27,316,046	590,763,418
Add: Additions during the year					9,030,175	
Less: Reductions during the year*					18,866,520	
Closing balance	566,757,421	4,700,963	12,778,738		17,479,701	584,237,122
*Reductions in Gross NPAs due to:						
i) Upgradation					11,882,491	
ii) Recoveries (excluding recoveries from upgraded accounts)					5,985,459	
iii) Technical/ Prudential Write-offs					—	
iv) Write-offs other than those under (iii) above					998,570	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	5,002,106	6,661,508	7,608,985		14,270,493	19,272,599
Add: Fresh provisions made during the year					5,910,168	
Less: Excess provision reversed/ Write-off loans					7,904,395	
Closing balance of provisions held	6,113,039	2,645,620	9,630,646		12,276,266	18,389,305
<b>Net NPAs</b>						
Opening Balance		10,360,987	2,684,566	—	13,045,553	
Add: Fresh additions during the year					3,120,007	
Less: Reductions during the year					10,962,125	
Closing Balance		2,055,343	3,148,092	—	5,203,435	
<b>Floating Provisions</b>						
Opening Balance						—
Add: Additional provisions made during the year						—
Less: Amount drawn down during the year@						—
Closing balance of floating provisions						—
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						—
Add: Technical/ Prudential write-offs during the year						—
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						—
Closing balance						—

Ratio (%)	31 March 2023	31 March 2022
Gross NPA to Gross Advances	2.99%	4.62%
Net NPA to Net Advances	0.91%	2.26%
Provision coverage ratio	70.23%	52.24%


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**d. Asset quality (Continued)**
**i) Classification of advances and provisions held (Continued)**

(In Rs. '000)

31 March 2022	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	519,843,753	6,459,737	8,106,440	–	14,566,177	534,409,930
Add: Additions during the year					30,461,726	
Less: Reductions during the year*					17,711,857	
Closing balance	563,447,372	17,022,495	10,293,551		27,316,046	590,763,418
*Reductions in Gross NPAs due to:						
i) Upgradation					12,687,396	
ii) Recoveries (excluding recoveries from upgraded accounts)					2,899,024	
iii) Technical/ Prudential Write-offs					–	
iv) Write-offs other than those under (iii) above					2,125,437	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	4,209,360	3,757,382	6,274,929	–	10,032,311	14,241,671
Add: Fresh provisions made during the year					12,411,883	
Less: Excess provision reversed/ Write-off loans					8,173,701	
Closing balance of provisions held	5,002,106	6,661,508	7,608,985		14,270,493	19,272,599
<b>Net NPAs</b>						
Opening Balance		2,702,355	1,831,511	–	4,533,866	
Add: Fresh additions during the year					18,049,843	
Less: Reductions during the year					9,538,156	
Closing Balance		10,360,987	2,684,566	–	13,045,553	
<b>Floating Provisions</b>						
Opening Balance						712,260
Add: Additional provisions made during the year						–
Less: Amount drawn down during the year@						712,260
Closing balance of floating provisions						–
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						–
Add: Technical/ Prudential write-offs during the year						–
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						–
Closing balance						–

@ Floating provision utilized for making specific provision for NPAs as per RBI circular RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated 5 May 2021.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**d. Asset quality (Continued)**
**ii) Sector-wise Advances and Gross NPAs**

(In Rs. '000)

Sector / Sub-Sector *	31 March 2023			31 March 2022		
	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>A PRIORITY SECTOR</b>						
<b>1 Agriculture and allied activities</b>	—	—	—	—	—	—
<b>2 Advances to industries sector eligible as priority sector lending, of which :</b>	<b>91,749,917</b>	<b>2,684,431</b>	<b>2.93%</b>	<b>97,314,480</b>	<b>3,521,919</b>	<b>3.62%</b>
Chemicals and Chemical Products	9,890,323	126,533	1.28%	18,664,751	24,296	0.13%
Basic Metal and Metal Products	15,938,622	434,580	2.73%	13,862,473	689,299	4.97%
All Engineering	20,818,899	356,135	1.71%	14,720,571	930,284	6.32%
Textiles	10,702,789	570,429	5.33%	10,994,294	720,553	6.55%
Other Industries				10,469,695	330,046	3.15%
<b>3 Services, of which :</b>	<b>78,011,792</b>	<b>2,564,912</b>	<b>3.29%</b>	<b>72,009,545</b>	<b>3,168,240</b>	<b>4.40%</b>
Computer Software	18,047,353	208,406	1.15%	28,766,077	308,760	1.07%
Other Services	27,325,484	1,299,058	4.75%	21,773,005	1,514,257	6.95%
Trade	10,413,454	84,519	0.81%			
<b>4 Personal loans, of which :</b>	<b>62,851</b>	<b>1,993</b>	<b>3.17%</b>	<b>78,573</b>	<b>3,662</b>	<b>4.66%</b>
Housing Loans	62,851	1,993	3.17%	78,573	3,662	4.66%
<b>Total PRIORITY SECTOR (A)</b>	<b>169,824,560</b>	<b>5,251,336</b>	<b>3.09%</b>	<b>169,402,598</b>	<b>6,693,821</b>	<b>3.95%</b>
<b>B NON PRIORITY SECTOR</b>						
<b>1 Agriculture and allied activities</b>	—	—	—	—	—	—
<b>2 Industry, of which :</b>	<b>130,718,482</b>	<b>1,680,826</b>	<b>1.29%</b>	<b>143,548,180</b>	<b>1,672,445</b>	<b>1.17%</b>
Textiles	26,513,783	360,944	1.36%	24,649,536	313,562	1.27%
All Engineering	25,594,564	241,743	0.94%	26,424,240	68,676	0.26%
Infrastructure	26,953,336	—	—	43,078,949	—	—
<b>3 Services, of which :</b>	<b>223,956,980</b>	<b>5,805,560</b>	<b>2.59%</b>	<b>219,292,123</b>	<b>12,589,107</b>	<b>5.74%</b>
Trade	46,846,385	3,362,906	7.18%	56,029,698	3,654,588	6.52%
Commercial real Estate	33,562,434	2,226	0.01%	41,576,912	7,026,821	16.90%
Non-Banking Financial Companies	98,397,976	—	—	74,305,557	—	—
Other Services				22,708,306	781,654	3.44%
<b>4 Personal loans, of which :</b>	<b>59,737,100</b>	<b>4,741,979</b>	<b>7.94%</b>	<b>58,520,517</b>	<b>6,360,673</b>	<b>10.87%</b>
Housing Loans	20,273,901	527,997	2.60%	16,292,866	503,277	3.09%
Other Personal Loans	38,973,751	4,213,982	10.81%	41,611,439	5,857,396	14.08%
<b>Total NON PRIORITY SECTOR (B)</b>	<b>414,412,562</b>	<b>12,228,365</b>	<b>2.95%</b>	<b>421,360,820</b>	<b>20,622,225</b>	<b>4.89%</b>
<b>Total (A) + (B)</b>	<b>584,237,122</b>	<b>17,479,701</b>	<b>2.99%</b>	<b>590,763,418</b>	<b>27,316,046</b>	<b>4.62%</b>

\* Sub-sector wise Advances are shown where the outstanding advances exceed 10% of the outstanding advances of that sector.

**iii) Overseas assets, NPAs and revenue**

(In Rs. '000)

	31 March 2023	31 March 2022
Total Assets	104,840,208	330,587,159
Total NPAs	—	—
Total Revenue	919,942	(159,905)

**iv) Particulars of resolution plan and restructuring**
**1. Particulars of resolution plan**

There was no Resolution plan (RP) implemented during the year ended March 31, 2023 and March 31, 2022.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**d. Asset quality (Continued)**
**iv) Particulars of resolution plan and restructuring (Continued)**
**2. Details of accounts subjected to restructuring**

(In Rs. '000)

		31 March 2023					31 March 2022				
		Agriculture and allied activities	Corporates (excluding MSME)	Micro, Small and Medium Enterprises (MSME)	Retail (excluding agriculture and MSME)	Total	Agriculture and allied activities	Corporates (excluding MSME)	Micro, Small and Medium Enterprises (MSME)	Retail (excluding agriculture and MSME)	Total
Standard	Number of borrowers	-	37	116	6	159	-	52	163	9	224
	Gross Amount	-	956,852	1,845,588	106,296	2,908,736	-	1,323,246	2,342,613	187,065	3,852,924
	Provision held	-	128,059	194,220	16,909	339,188	-	160,934	233,953	34,368	429,255
Sub-standard	Number of borrowers	-	3	26	4	33	-	18	87	7	112
	Gross Amount	-	15,151	474,724	37,299	527,174	-	362,762	1,487,872	215,513	2,066,147
	Provision held	-	15,151	300,171	18,712	334,034	-	190,572	898,674	103,269	1,192,515
Doubtful	Number of borrowers	-	25	49	13	87	-	11	16	4	31
	Gross Amount	-	996,106	1,367,152	329,000	2,692,258	-	510,199	627,426	76,179	1,213,804
	Provision held	-	746,544	896,475	208,521	1,851,540	-	335,858	382,629	53,842	772,329
Total	Number of borrowers	-	65	191	23	279	-	81	266	20	367
	Gross Amount	-	1,968,109	3,687,464	472,595	6,128,168	-	2,196,207	4,457,911	478,757	7,132,875
	Provision held	-	889,754	1,390,866	244,142	2,524,762	-	687,364	1,515,256	191,479	2,394,099

**v) Divergence in asset classification and provisioning**

There was no divergence observed by the RBI for the financial year 2021-22 in respect of the Bank's asset classification and provisioning under the extant prudential norms on Income Recognition, Asset Classification and Provisioning.

**vi) Disclosure of transfer of loan exposures**
**1. Details of loans not in default transferred or acquired**

(In Rs. '000)

	31 March 2023	31 March 2022
<b>Details of acquired</b>		
No: of accounts	-	1
Aggregate principal outstanding of loans acquired	-	1,925,000
Aggregate amount of principal outstanding as at year end	-	1,900,000
Weighted average residual tenor of loans acquired (in years)	-	3.11
Weighted average holding period by obligator (in years)	-	0.09
Retention of beneficial economic interest by obligator	-	Nil
Tangible security coverage	-	125%
Rating-wise distribution of rated loans	-	AAA
<b>Details of transferred</b>	-	-

**2. Details of NPA loans transferred during the year**

(In Rs. '000)

	31 March 2023		31 March 2022	
	To ARCs	To Bank	To ARCs	To Bank
No: of accounts	-	-	1	-
Aggregate principal outstanding of loans transferred	-	-	499,325	-
Weighted average residual tenor of the loans transferred	-	-	NA	-
Net book value of loans transferred (at the time of transfer)	-	-	Nil	-
Aggregate consideration	-	-	116,200	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	Nil	-
Aggregate consideration received on written off accounts of earlier years	-	-	-	40,000

**3. Details of stressed loans transferred or acquired during the year**

The Bank has not transferred or acquired stressed loans during the year ended March 31, 2023 and March 31, 2022.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)****d. Asset quality (Continued)****vii) Fraud accounts**

(In Rs. '000)

	31 March 2023	31 March 2022
Number of frauds reported during the year	228	10
Amounts involved	20,038	953
Provisions made during the year	13,106	—
Unamortised provision debited from 'other reserves' as at the end of the year	—	—

**viii) The Novel Coronavirus (COVID-19)**

Disclosure related to Resolution Framework for COVID-19-related Stress vide circular dated August 6, 2020 (Resolution Framework – 1.0) and May 05, 2021 (Resolution Framework – 2.0) :

(In Rs. '000)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (i.e 30 September 2022) (A) <sup>1</sup>	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year <sup>2</sup>	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (i.e 31 March 2023) <sup>3,4</sup>
Personal Loans <sup>5</sup>	3,022	—	—	147	3,043
Corporate persons	1,849,661	29,231	—	362,147	1,544,058
Of which, MSMEs	674,535	29,231	—	206,173	465,112
Others	152,464	3,505	—	80,780	75,398
<b>Total</b>	<b>2,005,147</b>	<b>32,736</b>	<b>—</b>	<b>443,074</b>	<b>1,622,499</b>

(1) Represent fund based outstanding as at 30 September 2022

(2) Represent all the amounts paid by the borrowers during the half year which may include payments done by the borrowers for the dues accrued during the half year ended 31 March 2023

(3) Represent fund based outstanding as at 31 March 2023

(4) Includes upgraded during the period

(5) Personal loans refer to Home Loans to retail customer

(In Rs. '000)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (i.e 31 March 2022) (A) <sup>1</sup>	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year <sup>2</sup>	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (i.e 30 September 2022) <sup>3,4</sup>
Personal Loans <sup>5</sup>	3,892	—	—	1,037	3,022
Corporate persons	1,943,284	74,842	—	120,509	1,849,661
Of which, MSMEs	717,912	40,778	—	39,443	674,535
Others	182,362	20,095	—	17,574	152,464
<b>Total</b>	<b>2,129,538</b>	<b>94,937</b>	<b>—</b>	<b>139,120</b>	<b>2,005,147</b>

(1) Represent fund based outstanding as at 31 March 2022

(2) Represent all the amounts paid by the borrowers during the half year which may include payments done by the borrowers for the dues accrued during the half year ended 30 September 2022

(3) Represent fund based outstanding as at 30 September 2022

(4) Includes upgraded during the period

(5) Personal loans refer to Home Loans to retail customer

**ix) Micro, Small and Medium Enterprises (MSME) accounts restructured**

Details of Micro, Small and Medium Enterprises (MSME) accounts restructured as prescribed by RBI vide circular no RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 January 1, 2019 read with RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 August 6, 2020 and RBI/2021-22/47 DOR.STR.REC.21/21.04.048/2021-22 June 4, 2021

(In Rs. '000)

	31 March 2023	31 March 2022
No. of accounts restructured (Standard)	116	163
Amounts	1,845,588	2,342,613



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**e. Exposures**

**i) Exposure to real estate sector**

(In Rs.'000)

Category	31 March 2023	31 March 2022
<b>a) Direct exposure</b>		
(i) Residential Mortgages –		
(a) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented [includes an amount of Rs 62,851 thousand (Previous year Rs 79,435 thousand) pertaining to individual housing loans eligible for priority sector advances]	20,369,296	16,516,889
(b) Other lendings secured by mortgage on residential property	105,108,322	100,390,968
(ii) Commercial Real Estate (CRE)* –	51,801,478	55,909,867
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 and/or NFB utilisation		
(iii) Other exposure (lendings secured by commercial property not falling under CRE definition)	47,814,645	42,970,151
(iv) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –	–	–
a. Residential		
b. Commercial Real Estate		
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	33,177,468	27,484,135
<b>Total</b>	<b>258,271,209</b>	<b>243,272,010</b>

\* Commercial Real Estate exposure has been computed and reported in accordance with RBI circular 'Guidelines on Classification of Exposures as Commercial Real Estate (CRE) Exposures' reference DBOD.BP.BC.No. 42 / 08.12.015/ 2009-10 dated September 9, 2009.

**ii) Exposure to capital market**

(In Rs.'000)

Items	31 March 2023	31 March 2022
(i) direct investment 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	196,957	196,957
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/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	238,548	490,242
(iv) advances for any other purposes to the extent secured by the 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	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,490,000	1,490,000
(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 by the banks 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)	–	–
(xi) irrevocable Payment Commitments issued by custodian banks in favour of stock exchanges	–	7,911,529
<b>Total</b>	<b>1,925,505</b>	<b>10,088,728</b>




**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**e. Exposures (Continued)**
**iii) Risk category-wise country exposure**

(In Rs. '000)

Risk Category	31 March 2023		31 March 2022	
	Exposure(net)	Provision held	Exposure(net)	Provision held
Insignificant	160,297,098	108,432	500,050,647	356,664
Low	15,023,844	—	31,935,341	23,076
Moderately Low	198,097	—	—	—
Moderate	—	—	—	—
Moderately High	—	—	147,829	—
High	30,139	—	—	—
Very High	60,613	—	—	—
<b>Total</b>	<b>175,609,791</b>	<b>108,432</b>	<b>532,133,817</b>	<b>379,740</b>

**iv) Unsecured advances**

(In Rs. '000)

	31 March 2023	31 March 2022
Total unsecured advances of the bank	213,247,776	275,421,340
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	—	—
Estimated value of such intangible securities	—	—

**v) Factoring exposures**

The Bank has outstanding factoring exposure of Rs. 44,866,429 thousand (Previous year: Rs. 41,469,375 thousand). The same has been included under the head 'Bills purchased and discounted' in Schedule 9.1.

**vi) Intra-group exposures**

(In Rs. '000)

	31 March 2023	31 March 2022
Total amount of Intra-group exposures	14,723,332	14,421,963
Total amount of top 20 intra group exposures	14,723,332	14,421,963
% of intra-group exposure to total exposure of the bank on borrowers / customers	0.74%	0.72%
Breach of limits on intra group exposures	No	No

**vii) Unhedged foreign currency exposure**

The Bank has in place a policy on managing credit risk arising out of Unhedged Foreign Currency Exposures of its borrowers. In order to minimize risk arising out of exposure to corporates, all foreign currency loans granted by the Bank in excess of USD 10 million are subject to it being mandatorily hedged for foreign currency risk by the corporate, except in the following cases:

- Foreign currency loans extended to finance exports provided customers have uncovered receivables to cover the loan amount.
- Foreign currency loans extended for meeting foreign currency expenditure.

In addition to the above, foreign exchange (FX) risk on unhedged exposures is a crucial part of the risk assessment of the Bank as under:

- FX risk on account of unhedged exposures is factored in during the initial and annual rating exercise based on its impact on the credit profile of the counterparty. The counterparty rating is a critical determinant of all credit reviews and credit decisions.
- FX Hedging policy of clients is discussed in detail during periodic client meetings and information is obtained about existing hedged and unhedged positions of the client and policy on hedging.
- The FX risk of unhedged positions is also qualitatively assessed based on natural hedge available to the counterparty, under business economics/type of exposure to be hedged.
- Rapid portfolio reviews are also conducted during periods of relative currency volatility and appropriate action is taken at a counterparty level to manage credit risks.

The Bank has maintained incremental standard asset provision of Rs. 975,622 thousand (Previous year Rs. 780,852 thousand) and incremental capital of Rs. 5,763,083 thousand (Previous year Rs. 4,679,209 thousand) on account of Unhedged Foreign Currency Exposure of its borrowers.

**f. Concentration of deposits, advances, exposures and NPAs**
**i) Concentration of Deposits**

(In Rs. '000)

	31 March 2023	31 March 2022
Total Deposits of twenty largest depositors	221,987,341	226,775,806
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	31.68%	28.38%



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**f. Concentration of deposits, advances, exposures and NPAs (Continued)**

**ii) Concentration of Advances\***

(In Rs. '000)

	31 March 2023	31 March 2022
Total Advances to twenty largest borrowers	717,848,122	522,778,690
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	37.40%	29.80%

\* Represents credit exposure (funded and non-funded) including derivatives exposures as per RBI guidelines on exposure norms.

**iii) Concentration of Exposures\*\***

(In Rs. '000)

	31 March 2023	31 March 2022
Total Exposure to twenty largest borrowers/customers	747,096,280	665,530,882
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	37.36%	33.05%

\*\* Represents credit and investment exposures as per RBI guidelines on exposure norms.

**iv) Concentration of NPAs§**

(In Rs. '000)

	31 March 2023	31 March 2022
Total Exposure to the top twenty NPA accounts	3,889,288	11,200,349
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	22.18%	40.92%

§ Exclude Security Receipts which are not redeemed as at the end of the resolution period and fully provided.

**g. Derivatives**

**i) Details of outstanding interest rate swap agreements / Forward Rate Agreement**

(In Rs. '000)

	31 March 2023	31 March 2022
1. The Notional principal of swap agreements	4,187,227,715	4,883,040,442
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	47,568,346	38,980,266
3. Collateral required by the bank upon entering into swaps§	Nil	Nil
4. Concentration of credit risk arising from the Swaps %		
– Banks (including CCIL*)	47.53%	58.45%
5. The fair value of the swap book	10,375,411	7,635,752

§ Excludes cash collateral received/paid under credit support agreement from/to counterparties.

\* This also includes non-bank trades novated with CCIL.

**■ Nature and terms of interest rate swaps / Forward Rate Agreement**

(In Rs. '000)

	31 March 2023	31 March 2022
Trading – MIBOR <sup>1</sup>		
Pay Fixed – Receive Floating	1,578,731,602	1,786,362,551
Trading – MIBOR <sup>1</sup>		
Pay Floating – Receive Fixed	1,633,792,018	1,983,362,071
Trading – MIFOR <sup>2</sup>		
Pay Fixed – Receive Floating	253,071,369	422,511,030
Trading – MIFOR <sup>2</sup>		
Pay Floating – Receive Fixed	75,903,989	179,071,490
Trading – MMFOR <sup>3</sup>		
Pay Fixed – Receive Floating	132,540,000	18,150,000
Trading – MMFOR <sup>3</sup>		
Pay Floating – Receive Fixed	66,503,750	14,753,750
Trading – INBMK <sup>4</sup>		
Pay Fixed – Receive Floating	4,000,000	4,000,000
Trading – T-Bills <sup>5</sup>		
Pay Fixed – Receive Floating	97,663,323	97,881,323
Trading – SOFR <sup>6</sup>		
Pay Floating – Receive Fixed	49,877,190	14,703,745
Trading – TONAR <sup>7</sup>		
Pay Floating – Receive Fixed	12,628,000	12,741,263
Trading – Others (Incl LIBOR <sup>8</sup> )		
Pay Fixed – Receive Floating	456,044	60,501,363
Trading – Others (Incl LIBOR <sup>8</sup> )		
Pay Floating – Receive Fixed	81,690,078	114,839,301
Trading – LIBOR <sup>8</sup>		
Pay Floating – Receive Floating	69,934,887	104,525,437
Trading – EUBOR <sup>9</sup>		
Pay Floating – Receive Floating	3,139,432	2,956,122
Trading – SOFR <sup>6</sup>		
Pay Floating – Receive Floating	30,148,173	35,592,158
Forward Rate Agreement		
	97,147,860	31,088,838
<b>Total</b>	<b>4,187,227,715</b>	<b>4,883,040,442</b>

1 Mumbai Interbank Offer Rate ; 2 Mumbai Interbank Forward Offer Rate ; 3 Modified MIFOR; 4 India Benchmark ; 5 Treasury Bills ; 6 The Secured Overnight Financing Rate ; 7 Tokyo Overnight Average Rate ; 8 London Interbank Offered Rate ; 9 Euro Interbank Offered Rate.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**g. Derivatives (Continued)**
**ii) Exchange Traded Interest Rate Derivatives**

(In Rs. '000)

	31 March 2023	31 March 2022
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)*		
a) 6.10% government security 2031	184	—
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding	—	—
(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"	—	—

\* Includes both purchase and sale.

**iii) Disclosures on risk exposure in derivatives**

The Bank undertakes transactions in derivative products in accordance with the extant guidelines issued by the RBI. The broad risk Management framework covering the Bank's derivative business is covered in the below paragraphs.

The Bank undertakes transactions in derivative products either in the role of a user or as market maker.

The risk governance framework at the Bank including for derivatives is designed according to a three lines of defence (3LoD) operating model in order to ensure clear accountabilities for and a comprehensive, but non-duplicative, coverage of all risk management activities across the Bank.

The Bank requires strict independence between its 3LoD in order to avoid conflicts of interest by an appropriate separation of functions and responsibilities. The Bank requires all lines of defence to establish an effective and efficient internal governance structure with well-defined roles and responsibilities

Risk Management Forum (RMF) has been established to oversee credit risk, market risk, operational risk, liquidity risk, conduct risk, compliance risk, KYC/AML risk, Pillar II risk and related matters and provide a platform to discuss and review the integrated risk management in line with local regulatory requirements and Bank's 3 LoD.

Limits are allocated to specific business lines, trading portfolio groups and geographical regions.

Amongst the most important quantitative tools and metrics currently used to measure, manage and report market risk are Value-at-Risk (VaR) and Stress Testing. The Group acknowledges the limitations in the VaR methodology by supplementing the VaR limits with other position and sensitivity limit structures, as well as with stress testing, on a consolidated basis.

To reduce derivatives related credit risk, the Bank regularly seeks the execution of master agreements (such as the International Swap Dealers Association contract) with clients.

The Bank uses Comprehensive Approach for collateral valuation.

For credit exposure measurement purposes, as the replacement values of the portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, the Bank also estimates the potential future replacement costs of the portfolios over their lifetimes.

**Hedging**

The Bank manages its risk from derivatives activity on a portfolio basis. Specific hedges undertaken, if any, are ring fenced from the transactions undertaken for trading/market making purposes and held in a separate designated portfolio for easy identification and control.

**Accounting, Valuation & Provisioning**
**Accounting & Provisioning**

Refer para 3(c) of Notes to financial statements.

**Valuation**

All instruments in derivatives portfolio are valued on the basis of a common methodology, consistent with generally accepted practices. The valuation takes into consideration all relevant market factors (e.g. prices, interest rates, currency exchange rates, volatility, liquidity etc.). The accuracy and integrity of the market prices are verified independently of trading personnel.

All linear Over The Counter (OTC) instruments are valued on a discounted cash flow basis, i.e. all future cash flows (receipts and payments) are discounted to their present value using mid market data. Market prices are obtained from established and reliable information services.

OTC option instruments are valued using proprietary option models. In case of foreign currency-rupee options, the volatility used for valuation is as given by FEDAI.

Exchange traded derivative contracts are marked to market using closing price of relevant contract as published by the recognized exchange. Resultant mark to market profit / loss is settled with the exchange on a daily basis.

In case market prices do not accurately represent the fair value that would actually be realized for a position or portfolio, valuation adjustments such as market risk close-out costs, large position liquidity adjustments are made to arrive at the appropriate fair value. These adjustments may be calculated on a portfolio basis and are reported together with, or as a part of the carrying value of the positions being valued, thus reducing trading assets or increasing trading liabilities.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**g. Derivatives (Continued)**
**iii) Disclosures on risk exposure in derivatives (Continued)**
**Quantitative Disclosures**

(In Rs. '000)

	31 March 2023		31 March 2022	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1. Derivatives (Notional Principal Amounts)				
a) For hedging	—	—	—	—
b) For Trading	7,510,299,385	4,187,227,715	4,844,396,645	4,883,040,442
2. Marked to Market Positions (net)				
a) Asset (+)	38,368,559	47,568,346	26,088,682	38,980,266
b) Liability (-)	(82,118,383)	(37,192,935)	(46,906,288)	(31,344,513)
3. Credit Exposure #	191,450,286	63,974,932	127,823,644	54,678,021
4. Likely impact of one percentage change in interest rates (100 * PV01)				
a) On hedging	—	—	—	—
b) On Trading	379,144	22,524,139	837,813	16,436,999
5. Maximum of 100*PV01 observed during the year@				
a) On hedging	—	—	—	—
b) On Trading	937,712	23,389,640	2,740,214	18,099,624
6. Minimum of 100*PV01 observed during the year@				
a) On hedging	—	—	—	—
b) On Trading	136,376	14,793,523	803,847	13,220,699

# Based on Current Exposure Method prescribed vide RBI master circular on Exposure norms.

@ Maximum &amp; Minimum of PV01 as disclosed above is based on daily risk data

\* Includes foreign exchange contracts

**iv) Credit default swaps**

During the year, the Bank has not entered into credit default swaps (Previous year Rs Nil).

**h. Disclosures relating to securitization**

During the year, the Bank has not entered into any securitisation transactions (Previous year Rs Nil).

**i. Off balance sheet SPVs sponsored**

There are no off-balance sheet SPVs sponsored by the Bank.

**j. Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(In Rs. '000)

	31 March 2023	31 March 2022
Opening balance of amounts transferred to DEAF	620,579	542,938
Add : Amounts transferred to DEAF during the year	130,928	80,243
Less : Amounts reimbursed by DEAF towards claims	(26,632)	(2,602)
Closing balance of amounts transferred to DEAF	724,875	620,579

**k. Disclosure of complaints**
**i) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman**

	31 March 2023	31 March 2022
<b>A. Complaints received by the bank from its customers</b>		
1 Number of complaints pending at beginning of the year	56	82
2 Number of complaints received during the year	3,239	,2039
3 Number of complaints disposed during the year	3,177	,2065
3.1 Of which, number of complaints rejected by the Bank	465	423
4 Number of complaints pending at the end of the year	118	56
<b>B. Maintainable complaints received by the bank from OBOs</b>		
5 Number of maintainable complaints received by the Bank from OBOs*	69	99
5.1 Of 5, number of complaints resolved in favour of the bank by BOs	32	99
5.2 Of 5, number of complaints resolved through conciliation/mediation/ /advisories issued by BOs	37	—
5.3 Of 5, number of complaints resolved after passing of Awards by BOs against the bank	—	—
6 Number of Awards unimplemented within the stipulated time (other than those appealed)	—	—

\* Nil complaints pending as at 31 March 2023 (Nil as at 31 March 2022)


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**k. Disclosure of complaints (Continued)**
**ii) Top five grounds of complaints received by the bank from customers**

Top five grounds of complaints received : Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days*
<b>31 March 2023</b>					
Internet/Mobile/Electronic Banking	10	1,696	123%	66	14
ATM/Debit Cards	37	555	-19%	13	7
Account opening/difficulty in operation of accounts	3	233	49%	9	–
Loans and advances	1	191	32%	9	–
Levy of charges without prior notice/ excessive charges/foreclosure charges	–	87	26%	5	–
Others	5	546	71%	16	–
<b>Total</b>	<b>56</b>	<b>3,308</b>	<b>55%</b>	<b>118</b>	<b>21</b>
<b>31 March 2022</b>					
Internet/Mobile/Electronic Banking	20	760	57%	10	–
ATM/Debit Cards	52	689	-39%	37	14
Account opening/difficulty in operation of accounts	5	156	33%	3	–
Loans and advances	5	145	-3%	1	–
Levy of charges without prior notice/excessive charges/foreclosure charges	3	69	60%	–	–
Others	3	319	95%	5	–
<b>Total</b>	<b>88</b>	<b>2,138</b>	<b>2%</b>	<b>56</b>	<b>14</b>

\* Based on Calendar days

**I. Disclosure of penalties imposed by the Reserve Bank of India**

During the year Nil (Previous year: Nil) penalties imposed on the Bank by the RBI under section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949, Payment and Settlement Systems Act, 2007 and Government Securities Act, 2006 (for bouncing of SGL).

**m. Disclosure on remuneration**

In accordance with the requirements of the RBI Circular No. DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 (for foreign banks operating in India under branch mode) the Bank has submitted a declaration to RBI annually from its Head Offices to the effect that their compensation structures in India, including that of CEO's, is in conformity with the Financial Stability Board (FSB) Principles and Standards.

**n. Disclosure requirements as per Accounting Standards**
**i) AS 15 – Employee Benefits**
**Gratuity**

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity is given below.

(In Rs.'000)

	<b>31 March 2023</b>	<b>31 March 2022</b>
Defined benefit obligation	<b>1,344,462</b>	1,312,174
Fair value of plan assets	<b>1,300,917</b>	1,285,726
Deficit*/(Surplus)	<b>43,545</b>	26,448
<b>Changes in present value of defined benefits obligations</b>		
Opening Balance	<b>1,312,174</b>	1,355,703
Current service cost	<b>110,318</b>	123,886
Interest cost	<b>84,881</b>	86,199
Benefits paid	<b>(127,844)</b>	(138,306)
Actuarial (gain)/loss recognised during the year	<b>(35,067)</b>	(115,308)
Closing Balance	<b>1,344,462</b>	1,312,174


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**n. Disclosure requirements as per Accounting Standards (Continued)**
**i) AS 15 – Employee Benefits (Continued)**
**Gratuity (Continued)**

	31 March 2023	31 March 2022
<b>Changes in fair value of plan assets</b>		
Opening Balance	1,285,726	1,268,790
Expected return on plan assets	95,029	93,494
Contributions by the Bank	90,499	93,898
Benefits paid	(127,844)	(138,306)
Actuarial gain/(loss) recognised during the year	(42,493)	(32,150)
Closing Balance	1,300,917	1,285,726
<b>Total expense recognised in the Profit and Loss Account in schedule 16.1</b>		
Current service cost	110,318	123,886
Interest cost	84,881	86,199
Expected return on plan assets	(95,029)	(93,494)
Net actuarial (gain)/loss recognised during the year	7,426	(83,158)
Expense recognised in the Profit and Loss Account	107,596	33,433
<b>Actual return on plan assets</b>	<b>52,536</b>	<b>61,344</b>
<b>Key Assumptions</b>		
Salary Escalation	8.00%	8.00%
Discount rate	7.20%	6.80%
Expected rate of return on plan assets	7.50%	7.50%
Attrition rate - 0 to 5 years of service	20.00%	20.00%
Attrition rate - 6 to 10 years of service	15.00%	15.00%
Attrition rate - above 10 years of service	9.00%	9.00%

\* Deficit if any is fully provided.

Gratuity Investment Pattern is as follows:

	31 March 2023	31 March 2022
Government of India Securities (Central and State)	–	–
Corporate Bonds (Including Public Sector Bonds)	–	–
Equity shares of listed companies	–	–
Cash & Cash equivalents (including other current assets)	–	0.09%
Others (including fixed deposit & special deposits) (including assets under scheme of Insurance)	–	–
Schemes of insurance - ULIP products	100.00%	99.91%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Experience adjustments are as follows:

(In Rs.'000)

	For the financial year ended				
	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Defined Benefit Obligation	1,344,462	1,312,174	1,355,703	1,282,693	1,124,028
Funded Assets	1,300,917	1,285,726	1,268,790	1,141,985	1,049,771
Deficit/ (Surplus)	43,545	26,448	86,913	140,708	74,257
Experience Gain/(Loss) adjustments on plan liabilities	(119)	26,438	(17,685)	42,578	(4,566)
Experience Gain/(Loss) adjustments on plan assets	(42,493)	(32,150)	(1,351)	51,794	7,015
Actuarial Gain/(Loss) due to change of assumptions	35,186	88,870	60,408	(105,088)	–



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)****n. Disclosure requirements as per Accounting Standards (Continued)****i) AS 15 – Employee Benefits (Continued)****Provident fund**

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for Provident Fund is given below.

(In Rs.'000)

	31 March 2023	31 March 2022
Defined benefit obligation	7,470,187	7,284,054
Fair value of plan assets	7,445,333	7,339,658
Funded Status (Surplus / (Deficit)*)	(24,854)	55,604
<b>Changes in present value of defined benefits obligations</b>		
Opening Balance	7,284,054	6,672,138
Current service cost	224,422	184,418
Interest cost	489,277	443,669
Acquisitions (credit)/ cost	109,155	61,150
Actuarial (gain)/loss - experience	126,235	101,489
Actuarial (gain)/loss - financial assumptions	(251,756)	167,173
Employee Contributions	280,782	278,493
Benefits paid	(791,982)	(624,476)
Closing Balance	7,470,187	7,284,054
<b>Changes in fair value of plan assets</b>		
Opening Balance	7,339,658	6,584,500
Acquisition adjustment	109,155	61,150
Interest income on plan assets	528,224	545,298
Employer contributions	194,621	176,856
Employee Contributions	280,782	278,493
Return on plan assets greater/(lesser) than discount rate	(215,125)	317,837
Benefits paid	(791,982)	(624,476)
Closing Balance	7,445,333	7,339,658
<b>Total expense recognised in the Profit and Loss Account in schedule 16.1</b>		
Current service cost	224,422	184,418
Net interest on net defined benefit liability / (asset)	(34,888)	(101,629)
Immediate recognition of (gains)/losses	89,604	(49,175)
Change in Irrecoverable Surplus other than Interest	—	55,604
Expense recognised in the Profit and Loss Account	279,138	89,218
<b>Key Assumptions</b>		
Discount Rate	7.20%	6.80%
Expected Return on Exempt Fund	8.15%	7.30%
Expected EPFO Return	8.15%	8.10%

\* Deficit if any is fully provided.

Plan Asset Information as follows:

	31 March 2023	31 March 2022
Government of India Securities (Central and State)	57.64%	56.75%
Debt Instruments & Related Investments	35.27%	34.85%
Equities & Related Investment	6.35%	5.26%
Cash (including Special Deposits)	0.74%	0.71%
Other	—	2.43%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Experience adjustments are as follows:

(In Rs.'000)

	For the financial year ended				
	31 March 2023	31 March 2022	31 March 2021*	31 March 2020*	31 March 2019*
Defined Benefit Obligation at end of the period	(7,470,187)	(7,284,054)	(108,998)	(68,127)	(82,697)
Plan Assets at end of the period	7,445,333	7,339,658	21,360	—	—
Funded Status	(24,854)	—	(87,637)	(68,127)	(82,697)
Experience Gain/(Loss) adjustments on plan liabilities	(126,235)	(101,489)	(4,007)	(65)	7,112
Experience Gain/(Loss) adjustments on plan assets	(215,125)	317,837	21,360	—	—
Actuarial Gain/(Loss) due to change on assumptions	251,756	(167,173)	(40,874)	22,403	(24,832)

\* Based on Net funded status / Net funded contribution position


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**n. Disclosure requirements as per Accounting Standards (Continued)**
**ii) AS 17- Segment reporting (Continued)**

'Segment Reporting' prescribed by the AS 17 and in accordance with the guidelines issued by the RBI are given below:

(In Rs.'000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2023					
Revenue	12,868,914	45,574,758	22,243,280	9,252,594	89,939,546
Less: Inter-segment revenue	(24,229,328)	17,038,971	344,313	6,846,044	–
Income from operations	37,098,242	28,535,787	21,898,967	2,406,550	89,939,546
Results	9,003,287	11,201,682	1,527,385	5,950,095	27,682,449
Unallocated Expenses					–
Operating Profit before tax					27,682,449
Income Tax and Deferred Tax					(13,013,442)
Extraordinary profit/Loss (pre-tax)					–
Net Profit after tax					14,669,007
<b>Other Information</b>					
Segment Assets	630,257,328	433,962,950	233,979,556	7,971,141	1,306,170,975
Unallocated Assets					12,240,403
Total Assets					1,318,411,378
Segment Liabilities	191,340,844	686,500,957	206,387,531	234,182,046	1,318,411,378
Unallocated Liabilities					–
Total Liabilities					1,318,411,378
Capital expenditure	1,714	133,628	282,788	61,127	479,257
Depreciation	249,528	191,936	147,295	–	588,759

(In Rs.'000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2022					
Revenue	19,537,184	37,285,533	20,047,624	6,947,909	83,818,250
Less: Inter-segment revenue	(10,999,601)	3,842,858	718,993	6,437,750	–
Income from operations	30,536,785	33,442,675	19,328,631	510,159	83,818,250
Results	13,130,502	12,237,518	(2,485,455)	4,734,623	27,617,188
Unallocated Expenses					–
Operating Profit before tax					27,617,188
Income Tax and Deferred Tax					(12,879,742)
Extraordinary profit/Loss (pre-tax)					–
Net Profit after tax					14,737,446
<b>Other Information</b>					
Segment Assets	620,714,040	581,390,884	256,477,469	7,895,786	1,466,478,179
Unallocated Assets					13,070,435
Total Assets					1,479,548,614
Segment Liabilities	207,204,308	822,291,360	229,163,019	220,889,927	1,479,548,614
Unallocated Liabilities					–
Total Liabilities					1,479,548,614
Capital expenditure	8,537	815,835	146,595	95,695	1,066,662
Depreciation	260,523	256,991	187,953	–	705,467

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which has been relied upon by the Auditors.

The Bank has classified its business groups into following segments:

- Global Markets
- Commercial banking
- Retail banking
- Others

The Bank's operations predominantly comprise of its business encompassing Global Markets, Commercial banking services and Retail banking. Global Markets activities encompass trading in forex, derivatives, corporate bonds, government securities, placement of corporate debt in the market and also offering such products to the Bank's corporate and institutional customers.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**n. Disclosure requirements as per Accounting Standards (Continued)**

**ii) AS 17- Segment reporting (Continued)**

Commercial banking encompasses transaction banking services, catering to working capital requirement of corporate customers and custodial and wealth management services. Principal products offered include loans, deposits, custodial services, trade services, cash management services and wealth management services.

Retail banking activities encompass raising of deposits from retail customers and catering to loan requirements of such customers. Principal products offered include personal loan, housing loan and business loan, deposits and advisory services.

Others in segment revenue mainly includes parabanking income and revenue earned on account of the notional capital charge and notional cost of fixed asset usage charged to other segments based on internal funds transfer pricing policy of the Bank. Others also include revenue from Capital Release Unit (CRU) which is established along with other objectives to oversee a reduction in the size of lower yielding longer-dated fixed income assets and hence free up resources that can be allocated to the Banks core strengths.

Liquidity Pool Management activities are centrally managed by Treasury and are included in Others and subsequently allocated to business segments.

Segment result is net of expenses both directly attributed as well as allocated costs from internal service providers supporting the respective business groups.

Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets.

Others in segment assets mainly includes fixed assets, security deposits and pre-paid expenses, the related charge of which are included in the respective segments either as directly attributable or allocated on a reasonable basis.

Liabilities that result from operations of a segment are included in segment liabilities.

Others in segment liabilities mainly include capital & reserves and surplus, the related notional charges of which are included under the respective segment.

The Bank renders its services within one geographical segment and has no offices or operations outside India.

**iii) AS 18 – Related party disclosures**

Related party disclosures as required by AS 18 - 'Related Party Disclosures' and in accordance with the guidelines issued by the RBI are given below:-

**Relationships during the year**

**i. Head office**

Deutsche Bank AG and its branches

**ii. Other related parties of Deutsche Bank Group where common control exists at group level\***

Deutsche India Private Limited, Deutsche Investor Services Private Limited, Deutsche Equities India Private Limited, Deutsche Securities (India) Private Limited, Deutsche Asset Management (India) Private Limited, Deutsche India Holdings Private Limited, Deutsche Investments India Private Limited, RREEF India Advisors Private Limited, Deutsche Trustee Services (India) Private Limited, DWS India Private Limited, Deutsche Nederland N.V., DB International (Asia) Limited, DWS Investment S.A., Deutsche Bank Trust Company Americas, OOO "Deutsche Bank", Deutsche Bank (Malaysia) Berhad, Deutsche Bank Società per Azioni, Deutsche Bank, Sociedad Anónima Española, Deutsche Bank Securities Inc., Deutsche Knowledge Services Pte. Ltd., Manila Branch, Deutsche Bank S.A. - Banco Alemão, Deutsche Group Services Pty Limited, DB Group Services (EURO), DB Service Centre Limited, Deutsche Bank (Suisse) SA, Deutsche Asia Pacific Holdings Pte Ltd, Deutsche Bank Europe GmbH, Filiale Belgien, DBOI Global Services (UK) Limited, Deutsche Bank Nederland N.V., Joint Stock Company Deutsche Bank DBU, DB Global Technology, Inc., Deutsche Bank (China) Co.- Ltd., DWS Distributors, Inc., Deutsche Trustees Malaysia Berhad, DB USA Core Corporation, DB UK Bank Limited, Deutsche Bank National Trust Company, Deutsche Bank Polska Spółka Akcyjna, DWS Alternatives Global Limited, DWS Group Services UK Limited, DB Privat- und Firmenkundenbank AG, Deutsche Bank Aktiengesellschaft (ehem. Deutsche Postbank AG), Deutsche Oppenheim Family Office AG, Deutsche Bank Trust Corporation, Deutsche Bank México, S.A., Institución de Banca Múltiple, Deutsche Services (CI) Limited, Deutsche Bank Americas Holding Corp., Deutsche Bank Securities Limited, DWS Investments Japan Limited, Deutsche Bank Luxembourg S.A., Deutsche Securities Inc., Deutsche Bank Zártkörűen Működő Részvénytársaság, German American Capital Corporation, DWS Investment GmbH, DWS International GmbH, DWS Beteiligungs GmbH, DB Investment Services GmbH, norisbank GmbH, DB Vita S.A., DWS Investment Management Americas, Inc., DWS Service Company, RREEF Management L.L.C., DB Operaciones y Servicios Interactivos Agrupación de Interés Económico, DWS Asset Management (Korea) Company Limited, Deutsche Bank (Cayman) Limited, DWS Investments Hong Kong Limited, Deutsche Alternative Asset Management (UK) Limited, PT Deutsche Sekuritas Indonesia, Deutsche Global Markets Limited, Deutsche Securities Korea Co., DB Alex. Brown LLC, DB Investment Managers, Inc., DB Services Americas, Inc., DB Investment Partners, Inc., DEUTSCHE BANK A.S., Deutsche Securities Saudi Arabia, Deutsche Securities (Proprietary) Limited, DB Energy Trading LLC, DWS Investments UK Limited, DB International Trust (Singapore) Limited, MortgageIT, Inc., Deutsche Bank Europe GmbH, Filiale Portugal, Deutsche CIB Centre Private Limited - Birmingham Branch, OOO "Deutsche Bank TechCentre", DB Global Technology SRL, DWS Group GmbH & Co. KGaA, DB Servicios México, Sociedad Anónima de Capital Variable, DB Capital Markets (Deutschland) GmbH, Deutsche Securities Asia Limited, Taipei Branch, DB HR Solutions GmbH, Deutsche Securities, S.A. de C.V., Casa de Bolsa, DB Industrial Holdings GmbH, DB Valoren S.à r.l.

\* Identification of the above related parties has been performed by Management which has been relied upon by the Auditors.

**iii. Key management personnel**

In accordance with the Master Direction on Financial Statements - Presentation and Disclosures only the Chief Executive Officer of the Bank, falls under the category of key management personnel, hence no disclosures pertaining to him are provided.

Chief Executive Officer of the Bank: Mr. Kaushik Shaparia


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**n. Disclosure requirements as per Accounting Standards (Continued)**
**iii) AS 18 - Related party disclosures (Continued)**

- iv. Transactions with the related parties in the ordinary course of business (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs.'000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Sale of fixed assets	—	—	—	—	—	—
	—	—	—	—	—	—
Purchase of fixed assets	—	—	—	—	—	—
	—	—	—	—	—	—
Interest paid	—	—	<b>323,455</b>	—	—	<b>323,455</b>
	—	—	<i>349,571</i>	—	—	<i>349,571</i>
Interest received	—	—	<b>1,736</b>	—	—	<b>1,736</b>
	—	—	<i>9,172</i>	—	—	<i>9,172</i>
Rendering of services - receipt	—	—	<b>767,467</b>	—	—	<b>767,467</b>
	—	—	<i>173,153</i>	—	—	<i>173,153</i>
Receiving of services - payment	—	—	<b>2,440,664</b>	—	—	<b>2,440,664</b>
	—	—	<i>1,557,459</i>	—	—	<i>1,557,459</i>
Management contracts	—	—	<b>300,769</b>	—	—	<b>300,769</b>
	—	—	<i>70,306</i>	—	—	<i>70,306</i>
Purchase of securities	—	—	<b>35,521,493</b>	—	—	<b>35,521,493</b>
	—	—	<i>15,453,017</i>	—	—	<i>15,453,017</i>
Sale of securities	—	—	<b>51,926,147</b>	—	—	<b>51,926,147</b>
	—	—	<i>24,130,022</i>	—	—	<i>24,130,022</i>
Purchase/sale of foreign exchange contracts	—	—	<b>303,543,860</b>	—	—	<b>303,543,860</b>
	—	—	<i>403,137,763</i>	—	—	<i>403,137,763</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by RBI, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

- v. Balances with related parties are as follows (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs.'000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	—	—	—	—	—	—
	—	—	<i>31</i>	—	—	<i>31</i>
Deposits	—	—	<b>26,546,020</b>	—	—	<b>26,546,020</b>
	—	—	<i>22,485,311</i>	—	—	<i>22,485,311</i>
Advances	—	—	<b>202,178</b>	—	—	<b>202,178</b>
	—	—	<i>10,000</i>	—	—	<i>10,000</i>
Balances with Banks	—	—	<b>7,503</b>	—	—	<b>7,503</b>
	—	—	<i>5</i>	—	—	<i>5</i>
Non-funded commitments	—	—	<b>8,028,470</b>	—	—	<b>8,028,470</b>
	—	—	<i>3,177,904</i>	—	—	<i>3,177,904</i>
Other Assets	—	—	<b>2,075,556</b>	—	—	<b>2,075,556</b>
	—	—	<i>1,030,069</i>	—	—	<i>1,030,069</i>
Other Liabilities	—	—	<b>2,782,314</b>	—	—	<b>2,782,314</b>
	—	—	<i>2,419,535</i>	—	—	<i>2,419,535</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by RBI, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**n. Disclosure requirements as per Accounting Standards (Continued)**

- vi. Details of maximum balances outstanding with related parties during financial year ended 31 March 2023. (Current year figures are shown in bold. Previous year's figures are shown in italics):

(In Rs.'000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>Borrowings</b>	–	–	–	–	–	–
	–	–	375,016	–	–	375,016
<b>Deposits</b>	–	–	<b>39,380,852</b>	–	–	<b>39,380,852</b>
	–	–	55,088,443	–	–	55,088,443
<b>Advances</b>	–	–	<b>207,770</b>	–	–	<b>207,770</b>
	–	–	2,213,000	–	–	2,213,000
<b>Balances with Banks</b>	–	–	<b>10,235</b>	–	–	<b>10,235</b>
	–	–	8,962,928	–	–	8,962,928
<b>Non-funded commitments</b>	–	–	<b>56,082,559</b>	–	–	<b>56,082,559</b>
	–	–	77,933,199	–	–	77,933,199
<b>Other Assets</b>	–	–	<b>2,075,556</b>	–	–	<b>2,075,556</b>
	–	–	1,090,706	–	–	1,090,706
<b>Other Liabilities</b>	–	–	<b>2,782,314</b>	–	–	<b>2,782,314</b>
	–	–	2,419,535	–	–	2,419,535

Maximum amounts outstanding for the current year have been computed based on daily balances outstanding.

Note: As per the guidance on compliance with the accounting standards by banks issued by RBI, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

- vii. The following are the material transactions between the Bank and its related parties for the year ended 31 March 2023. A specific related party transaction is disclosed as material wherever it exceeds 10% of all related party transactions in the current year in that category and if it does not conflict with the Bank's duties of customer confidentiality.

**Rendering of services – receipt**

Income from Deutsche Bank Trust Company Americas Rs. 116,662 thousand (Previous year: Rs. 60,580 thousand), Deutsche Investments India Private Limited Rs. 51,637 thousand (Previous year: Rs. 61,318 thousand), Deutsche India Private Limited Rs. 317,530 thousand (Previous year: Rs. 23,068 thousand), Deutsche Bank Società per Azioni Rs. 70,705 thousand (Previous year: Rs. 24,343 thousand), Deutsche Group Services Pty Limited Rs. 80,515 thousand (Previous year: Rs. Nil).

**Receiving of services – payment**

Expenses for receiving services from Deutsche India Private Limited Rs. 1,878,524 thousand (Previous year: Rs. 1,249,441 thousand), Deutsche Investor Services Private Limited Rs. 274,189 thousand (Previous year: Rs 151,321 thousand).

**Management contracts**

Receipt from Deutsche Investments India Private Limited Rs. 178,896 thousand (Previous year: Rs. 154,622 thousand), Deutsche India Private Limited Rs. 168,863 thousand (Previous year: Rs. 147,767 thousand), DB USA Core Corporation Rs. 231,641 thousand (Previous year: Rs 256,864 thousand), Deutsche Bank Trust Company Americas Rs. 27,341 thousand (Previous year: 59,893 thousand), Deutsche India Holdings Private Limited Rs. 12,488 thousand (Previous year: Rs. 8,455 thousand), DB Global Technology, Inc. Rs. 5,620 thousand (Previous year: Rs. 13,982 thousand payment), DBOI Global Services (UK) Limited Rs. 2,746 thousand (Previous year: Rs. 49,207 thousand payment), Deutsche Investor Services Private Limited Rs. 119 thousand (Previous year: Rs 21,359 thousand payment), Deutsche Knowledge Services Pte. Ltd., Manila Branch Rs. 15,948 thousand (Previous year: Rs. 34,939 thousand payment), DB Service Centre Limited Rs 10,331 thousand (Previous year: Rs. 62,934 thousand payment).

Payment to DB Group Services (EURO) Rs. 211,129 thousand (Previous year: Rs. 167,352 thousand), Deutsche Group Services Pty Limited Rs. 57,043 thousand (Previous year: Rs. 19,149 thousand), Deutsche Equities India Private Limited Rs 1,604 thousand (Previous Year: Rs. 50,030 thousand), OOO "Deutsche Bank Tech Centre" Rs. 4,132 thousand (Previous year: Rs. 15,101 thousand), Deutsche Bank Securities Inc. Rs. 20,145 thousand (Previous year: Rs. 56,759 thousand), Deutsche Bank (Suisse) SA Rs. 43,339 thousand (Previous year: Rs 28,252 thousand), Deutsche Bank (China) Co., Ltd. Rs. 12,488 thousand (Previous year: Rs 28,525 thousand), Deutsche Securities Inc. Rs. 5,891 thousand (Previous year: Rs 10,562 thousand).

**Balance with Bank**

Balance with Deutsche Bank (Malaysia) Berhad Rs. 1,664 thousand (Previous year: Rs. 5 thousand), Deutsche Bank Trust Company Americas Rs. 5,839 thousand (Previous year: NIL).

**Other Assets**

Deutsche India Private Limited Rs. 296,922 thousand (Previous year: 107,111 thousand), Deutsche Bank Trust Company Americas Rs. 444,159 thousand (Previous year: 282,834 thousand), DB USA Core Corporation Rs. 556,928 thousand (Previous year: 333,443 thousand).

**Other Liabilities**

Deutsche India Private Limited Rs. 1,204,450 thousand (Previous year: Rs. 488,880 thousand), DB Group Services (EURO) Rs. 597,709 thousand (Previous year: Rs. 561,022 thousand).



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**n. Disclosure requirements as per Accounting Standards (Continued)**

**iv) AS 22 - Accounting for taxes on income**

Amount of provision made for income-tax during the year

(In Rs.'000)

Provision for	31 March 2023	31 March 2022
Current tax*	11,616,795	15,171,550
Deferred tax	1,396,647	(2,291,808)

\* Includes reversal of tax provision for earlier years of Rs. 724,035 thousand (Previous year charge Rs. 276,425 thousand).

Deferred tax is accounted for on the basis of AS 22 - 'Accounting for Taxes on Income'.

Component of deferred tax assets and deferred tax liabilities are as under:

(In Rs.'000)

	31 March 2023	31 March 2022
Deferred tax asset / (Deferred tax liabilities)		
Provision for bad and doubtful debts	7,158,969	8,578,575
Depreciation on fixed assets	365,604	241,633
Provision for staff compensation and benefits	192,937	208,337
Others	338,357	423,969
<b>Net Deferred tax asset / (Deferred tax Liabilities)</b>	<b>8,055,867</b>	<b>9,452,514</b>

**v) AS 19 - Leases - Operating leases**

Disclosures as required by AS 19 - 'Leases' pertaining to leasing arrangement entered into by the Bank are given below:-

- Cancellable leasing arrangement for premises: Total lease rental of Rs. 584,459 thousand (Previous year: Rs. 619,545 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for premises: Total lease rental of Rs. 19,796 thousand (Previous year: Rs. 38,413 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for vehicles: Total lease rental of Rs. 34,662 thousand (Previous year: Rs. 31,382 thousand) has been included under Schedule 16.12.

The future minimum lease payments under non-cancellable operating lease are as follows:

(In Rs.'000)

	31 March 2023	31 March 2022
Not later than one year	42,353	45,755
Later than one year and not later than five years	66,654	45,884
Later than five years	-	-

**vi) AS 10 - Property, Plant and Equipment - Movement in carrying amount**

(In Rs.'000)

	31 March 2023	31 March 2022
<b>Premises</b>		
Gross Carrying at Beginning of the year	1,348,138	1,331,098
Accumulated Depreciation at Beginning of the year	1,147,965	1,042,571
Opening Carrying Amount	200,173	288,526
Additions during the year	16,464	18,889
Deductions (net) during the year	-	(10)
Depreciation for the period	(94,233)	(107,232)
Closing Carrying amount	122,404	200,173
Gross Carrying at end of the year	1,364,332	1,348,138
Accumulated Depreciation at end of the year	1,241,928	1,147,965
<b>Other Fixed Assets</b>		
Gross Carrying at Beginning of the year	4,163,968	3,130,745
Accumulated Depreciation at Beginning of the year	2,477,224	1,893,420
Opening Carrying Amount	1,686,744	1,237,325
Additions during the year	462,793	1,047,773
Deductions (net) during the year	(193)	(119)
Depreciation for the period	(494,526)	(598,235)
Closing Carrying amount	1,654,818	1,686,744
Gross Carrying at end of the year	4,596,601	4,163,968
Accumulated Depreciation at end of the year	2,941,782	2,477,224


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**n. Disclosure requirements as per Accounting Standards (Continued)**
**vii) AS 26 – Intangible assets included under Other fixed assets (including furniture and fixtures). It includes amount capitalized as software (In Rs'000)**

	31 March 2023	31 March 2022
Cost as at 31 March of the preceding year	2,502,260	1,680,731
Addition during the year	340,559	821,529
Deduction during the year	–	–
Accumulated depreciation to date	(1,353,796)	(1,060,583)
Net Value as at 31 March of the current year	1,489,023	1,441,677

**viii) AS 28 – Impairment of Assets**

During the year impairment of Rs. 56,895 thousand (Previous year Rs. 177,577 thousand) with respect to impairment of Software.

**ix) AS 24 on Discontinuing Operations**

No disclosures are required under AS 24 on Discontinuing Operations.

**o. Other Disclosures**
**i) Business ratios**

Year ended	31 March 2023	31 March 2022
Interest income as a percentage of working funds <sup>\$</sup>	6.22%	5.27%
Non-interest income as a percentage of working funds <sup>\$</sup>	0.35%	1.19%
Cost of Deposits <sup>&amp;</sup>	2.93%	1.86%
Net Interest Margin <sup>^</sup>	4.32%	4.01%
Operating profit <sup>^^</sup> as a percentage of working funds <sup>\$</sup>	2.01%	2.60%
Return on assets <sup>#</sup>	1.07%	1.14%
Business per employee (in Rs.000's) @.*	687,481	780,326
Profit per employee (in Rs.000's) *	8,038	8,524

<sup>\$</sup> Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

<sup>&</sup> Interest on Deposits / Average Deposits. Average Deposits to be reckoned as average of total Deposits as reported to RBI in Form ALE (Return on Assets, Liabilities and Exposures), during the 12 months of the financial year.

<sup>^</sup> Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense. Average earning assets to be reckoned as average of total interest earning assets as reported to RBI in Form ALE during the 12 months of the financial year.

<sup>^^</sup> Operating profit is profit for the year before provisions and contingencies.

<sup>#</sup> Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

<sup>@</sup> Business has been recorded as deposit (excluding interbank deposits) plus net advances.

\* Productivity ratios are based on year-end employee numbers.

**ii) Bancassurance business**

(In Rs. '000)

	31 March 2023	31 March 2022
For selling life insurance products	66,929	60,957
For selling non life insurance products	23,017	24,457
<b>Total</b>	<b>89,946</b>	<b>85,414</b>

**iii) Marketing and distribution**

	31 March 2023	31 March 2022
For selling Mutual fund products	493,727	458,518
For selling PMS products	181,284	92,347
<b>Total</b>	<b>675,011</b>	<b>550,865</b>

**iv) Disclosures regarding Priority Sector Lending Certificates (PSLCs)**

(In Rs. '000)

Type of PSLCs	31 March 2023		31 March 2022	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	–	–	–	–
PSLC - SF / MF	–	–	–	–
PSLC - Micro Enterprises	–	–	–	12,175,000
PSLC - General	108,000,000	–	67,000,000	5,500,000
<b>Total</b>	<b>108,000,000</b>	<b>–</b>	<b>67,000,000</b>	<b>17,675,000</b>





**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**o. Other Disclosures (Continued)**

**v) Provisions and contingencies**

(In Rs.'000)

	31 March 2023	31 March 2022
Provision for loan loss (net)	(1,994,229)	3,525,922
Provision / (write back) for contingent credit exposures	(3,726)	(54,860)
Provision / (write back) for standard assets	1,110,933	792,746
Provision / (write back) for country risk	(271,308)	110,988
Bad debts written off	998,570	2,125,437
Provision / (write back) for Non Performing investments	–	(427,478)
Other Provisions (net)	40,089	–
Provision for taxation:		
(a) Current tax	11,616,795	15,171,550
(b) Deferred tax	1,396,647	(2,291,808)
<b>Total</b>	<b>12,893,771</b>	<b>18,952,497</b>

Other Provisions (net) represent provisions made on prudent basis on specific advances or exposures which are not NPAs.

The Bank has reviewed all its pending litigations and long term contracts, including derivative contracts, to assess material foreseeable losses. At the year-end adequate provision for material foreseeable losses on such long term contracts, including derivative contracts has been made in the books of accounts in accordance with its accounting policy on provisions and contingencies.

**vi) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs (MCA), on 18 January 2016 issued a press release setting out the dates of Indian Accounting Standards (Ind AS) applicability for banks from the accounting period beginning 1 April 2019. The RBI had also advised that the Banks in India are required to implement Ind AS from 1 April 2019. Subsequently implementation of Ind AS was deferred by one year by RBI as the necessary legislative amendments to make the formats of financial statements compatible with Ind AS were under consideration of the Government. Further, RBI vide its notification dated 22 March 2019 has deferred the implementation of Ind AS till further notice.

Based on RBI directions, the Bank continues to submit proforma Ind AS financials to RBI on a half-yearly basis. The Ind AS guidelines converge substantially with International Financial Reporting Standards (IFRS) and the Bank already prepares its financial statements for Head Office Reporting based on IFRS. Hence, the Bank has approached Ind AS implementation primarily as a review and analysis of existing IFRS reporting practices vis-à-vis Ind AS.

**vii) Payment of DICGC Insurance Premium**

(In Rs.'000)

	31 March 2023	31 March 2022
Payment of DICGC Insurance Premium (inclusive of GST)	1,194,780	941,799
Arrears in payment of DICGC premium	–	–

**viii) Corporate Social Responsibility ('CSR')**

The Bank continues to have a strong focus on CSR and has put in place a very strong governance process around project adoption and funds disbursement. The Bank's CSR Policy document sets out the following primary objectives:

- Education** – Enabling underprivileged children and youth overcome poverty through education and to reach their full potential, by boosting their aspirations, improving their skill set and by making vocational training and job placements available to them. The Bank will work across the education continuum – primary, secondary and tertiary levels leading up to employability.
- Healthcare** – Providing end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes preventive & early screening of diseases, curative & operative healthcare for fatal diseases as well as capacity building for hospitals & institutions.
- Social & Environment Sustainability** – Developing sustainable ideas that drive social and environmental change for increasing the country's forest and water reserves and usage of renewable energy.
- Disaster Relief** – Enabling funds directly or through implementing partners to support natural disaster relief efforts as may be required in the country from time to time.
- CSR activities falling within the scope of Schedule VII of Section 135 of the Companies Act, 2013.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**
**o. Other Disclosures (Continued)**
**viii) Corporate Social Responsibility ('CSR') (Continued)**

Based on the above, the Bank has identified and executed on CSR activities.

- a. Gross amount required to be spent by the Bank is Rs. 497,875 thousand (Previous year Rs. 464,844 thousand)
- b. The details of amount spent during the respective year towards CSR are as under :

(In Rs. '000)

	31 March 2023	31 March 2022
(i) Construction / acquisition of any asset	–	–
(ii) Purpose other than (i) above	500,733	466,803
<b>Total</b>	<b>500,733</b>	<b>466,803</b>
<i>Of which Unspent by NGO as at year end</i>	–	192,446

**ix) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED), certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management and confirmation sought from suppliers by the Bank on registration with specified authority under MSMED, principal amount unpaid to such enterprises as at end of the year is Rs. 2,487 thousand (Previous year Rs. 10,402 thousand) and interest thereon is Rs Nil (Previous year Rs. Nil), principal amount paid after the due date to such enterprises is Rs. 5,208 thousand (Previous year Rs. 1,492 thousand) and the interest paid and payable to such enterprises is Rs. 9 thousand (Previous year Rs. 3 thousand) and Rs. 13 thousand (Previous year Rs. 6 thousand) respectively.

**x) Funding Transactions**

The Bank, as part of its normal business, grants loans and advances (including loans against third party deposits or other margins / security), makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) to and accepts deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking finance business, which is conducted ensuring adherence to regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries. The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**xi) Movement in provision for debit card reward points**

(In Rs.'000)

	31 March 2023	31 March 2022
Opening provision	5,554	5,527
Provision made during the year	4,829	4,621
Utilization of provision during the year	(5,001)	(4,594)
Closing balance	5,382	5,554

**xii) Details of Other Assets and Other Liabilities exceeds 1% of the total assets.**

As at 31 March 2023, under Other liabilities and Provisions – others in Schedule 5.4, details in excess of 1% of total assets are Credit Support Annex (CSA) and Derivative Mark to Market of Rs. 19,612,470 thousand (Previous year Rs. 11,188,212 thousand) and Rs. 119,382,079 thousand (Previous year Rs. 78,587,226 thousand) respectively.

As at 31 March 2023, under Other Assets – others in Schedule 11.5, details in excess of 1% of total assets is Derivative Mark to Market of Rs. 86,040,796 thousand (Previous year Rs. 65,303,339 thousand).

**xiii) Details of Other Income and Other Expenditures exceeds one per cent of the total income.**

During the financial year ended 31 March 2023, under Other Income – Miscellaneous Income in Schedule 14.6, income in excess of 1% of total income is Nil (Previous year Rs. Nil).

During the financial year ended 31 March 2023, under Other Expenses – Other expenditure in Schedule 16.12, expenses in excess of 1% of total income are services received from group companies, IT Infrastructure and Support and ineligible input credit of Goods and Service tax of Rs. 9,063,511 thousand (Previous year Rs. 8,736,998 thousand), Rs. 880,022 thousand (Previous year Rs. 1,026,448 thousand) and Rs. 1,706,037 thousand (Previous year Rs. 1,906,748 thousand) respectively.

- xiv) The Bank has received a Show Cause Notice in June 2023 ("the Notice") from the Enforcement Directorate under section 16 (3) of the Foreign Exchange Management Act, 1999 in connection with certain remittances on behalf of its customer. The Bank is assessing the Notice and is in the process of drafting a response for submission.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2023

**4. Notes to financial statements (Continued)**

**p. Provisions, Contingent liabilities and contingent asset**

Sr. No	Contingent Liabilities	Brief
1)	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal proceedings in the normal course of business. The Bank's pending claims and litigations comprise of claims & litigations against the Bank by clients and proceedings pending with Income tax authorities, which are disputed by the bank and possible to be held against the bank
2)	Liability on account of foreign exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps, total return swap, exchange traded derivatives, interest rate options and interest rate swaps with interbank participants/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 one currency against another, based on predetermined rates. Exchange traded derivatives are standardized future dated derivative contracts traded in a recognized stock exchange. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward rate agreements are over-the-counter contracts between parties that determine the rate of interest to be paid on an agreed-upon date in the future. A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset. The notional amounts that are recorded as contingent liabilities are typically amounts used as benchmark for the calculation of the interest component of the contracts.
3)	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4)	Other items for which the Bank is contingently liable – Others	These include undrawn commitments, capital commitments, amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF), forward asset purchases and value of investments traded on or before the Balance Sheet date with a settlement post the Balance Sheet date.

**q. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

Signatures to Schedule 1 to 18 form part of the Financial Statements and to the above notes.

The schedules referred to above and the attached notes form an integral part of the Financial Statements.

As per our Report of even date.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm Registration No.: 101049W/E300004

For **Batliboi & Purohit**

Chartered Accountants

Firm Registration No.: 101048W

For **Deutsche Bank AG, India Branches**

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**Sarvesh Warty**

Partner

Membership No. : 121411

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**Janak Mehta**

Partner

Membership No. : 116976

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**Kaushik Shaparia**

Chief Executive Officer - India

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**Deepa Dev**

Chief Financial Officer - India

Place: Mumbai

Date : 28 June 2023

Place: Mumbai

Date : 28 June 2023

Place: Mumbai

Date : 28 June 2023

Place: Mumbai

Date : 28 June 2023