



## 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, 2022, the Profit and Loss Account 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 Act read with Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, 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 Branch Management Board of the Bank is responsible for the other information. The other information comprises the Basel III-Pillar 3 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.

#### Responsibility 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 (Accounts) Rules, 2014 (as amended), 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.

## Other Matter

The financial statements of the Bank for the year ended March 31, 2021 were audited by S.R. Batliboi & Associates LLP who vide their report dated June 29, 2021 expressed an unmodified opinion on those financial statements.

## 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, 2022, have been drawn up in accordance with the applicable accounting standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time ("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;
  - (c) The Balance Sheet, the 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, 2006 (as amended), 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) 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;
  - (h) 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, 2022; and
  - (i) 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 statement;
    - 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 that were 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.

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

**per Sarvesh Warty**  
Partner  
Membership Number: 121411  
UDIN: 22121411ALTVEG2163

Place of Signature: Mumbai  
Date: June 28, 2022

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

**per Janak Mehta**  
Partner  
Membership Number: 116976  
UDIN: 22116976ALTRTJ9210

Place of Signature: Mumbai  
Date: June 28, 2022



## 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, 2022 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls 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 the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, 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: 22121411ALTVEG2163

Place of Signature: Mumbai  
Date: June 28, 2022

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

per **Janak Mehta**  
Partner  
Membership Number: 116976  
UDIN: 22116976ALTRTJ9210

Place of Signature: Mumbai  
Date: June 28, 2022



<b>Balance Sheet as on 31 March 2022</b>				<b>Profit and Loss Account for the year ended 31 March 2022</b>			
In thousands of Indian Rupees				In thousands of Indian Rupees			
Particulars	Schedule	31 March 2022	31 March 2021	Particulars	Schedule	Year ended 31 March 2022	Year ended 31 March 2021
<b>Capital and Liabilities</b>				<b>Income</b>			
Capital	1	84,431,087	84,431,087	Interest Earned	13	68,362,406	64,321,541
Reserves and Surplus	2	124,019,118	109,281,672	Other Income	14	15,455,844	11,153,705
Deposits	3	799,080,246	662,235,472	<b>Total</b>		<b>83,818,250</b>	<b>75,475,246</b>
Borrowings	4	323,130,753	276,549,681	<b>Expenditure</b>			
Other Liabilities and Provisions	5	148,887,410	161,801,312	Interest Expended	15	23,802,394	22,140,827
<b>Total</b>		<b>1,479,548,614</b>	<b>1,294,299,224</b>	Operating Expenses	16	26,324,239	23,060,870
<b>Assets</b>				Provisions and Contingencies	17	18,954,171	15,006,818
Cash and Balances with Reserve Bank of India	6	101,748,162	35,687,918	<b>Total</b>		<b>69,080,804</b>	<b>60,208,515</b>
Balances with Banks and Money at Call and Short Notice	7	110,713,719	92,788,277	<b>Profit / (Loss)</b>			
Investments	8	578,134,872	517,677,357	Net profit for the year		14,737,446	15,266,731
Advances	9	576,492,925	524,377,619	Profit brought forward		4,965,015	14,715,833
Fixed Assets	10	2,079,920	1,783,200	<b>Total</b>		<b>19,702,461</b>	<b>29,982,564</b>
Other Assets	11	110,379,016	121,984,853	<b>Appropriations</b>			
<b>Total</b>		<b>1,479,548,614</b>	<b>1,294,299,224</b>	Transfer to statutory reserve		3,684,361	3,816,683
Contingent liabilities	12	10,132,886,250	8,837,880,425	Transfer to/(from) investment fluctuation reserve		1,356,515	7,204,937
Bills for collection		411,047,343	331,612,938	Transfer to/(from) investment reserve		(281,458)	281,458
Significant accounting policies and notes to the financial statements	18			Transfer to remittable surplus retained for CRAR requirements		-	13,714,471
				Remittances to Head Office made during the year		-	-
				Balance carried over to Balance Sheet		14,943,043	4,965,015
				<b>Total</b>		<b>19,702,461</b>	<b>29,982,564</b>
				Significant accounting policies and notes to the financial statements			
					18		
The accompanying notes form an integral part of this Balance Sheet				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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**Avinash Prabhu**

Chief Financial Officer - India

Place: Mumbai

Date : 28 June 2022

Place: Mumbai

Date : 28 June 2022

Place: London

Date : 28 June 2022

Place: Mumbai

Date : 28 June 2022



## Cash Flow Statement for the year ended 31 March 2022

In thousands of Indian Rupees

Particulars	31 March 2022	31 March 2021
<b>Cash Flow from operating activities</b>		
Net profit before Taxes	27,617,188	27,386,966
<b>Adjustment for:</b>		
Depreciation and amortisation for the year	705,467	404,586
Provision for depreciation on investments	7,368,258	(666,331)
Provision for loan loss (net)	3,525,922	1,612,713
Provision for contingent credit exposures	(54,860)	(633,990)
Bad-debts written off	2,125,437	4,853,513
Provision for country risk	110,988	181,832
Provision for standard assets	792,746	26,104
Other Provisions	-	(453,882)
(Profit)/Loss on sale of fixed assets (net)	(773)	12,795
	<u>42,190,373</u>	<u>32,724,306</u>
<b>Adjustment for:</b>		
Increase / (Decrease) in deposits	136,844,774	63,139,907
Increase / (Decrease) in other liabilities and provisions	(13,762,775)	(141,030,646)
(Increase) / Decrease in investments	(67,825,773)	(185,211,353)
(Increase) / Decrease in advances	(57,766,665)	(20,166,249)
(Increase) / Decrease in other assets	14,799,765	146,103,010
	<u>54,479,699</u>	<u>(104,441,025)</u>
Income tax paid	(16,073,670)	(10,181,352)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b><u>38,406,029</u></b>	<b><u>(114,622,377)</u></b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(1,066,662)	(1,009,676)
Capital Work-in-progress	64,346	(56,259)
Proceeds from sale of fixed assets	902	3,683
<b>Net cash flow from/(used in) investing activities (B)</b>	<b><u>(1,001,414)</u></b>	<b><u>(1,062,252)</u></b>
<b>Cash flows from financing activities</b>		
Increase in Capital	-	8,550,000
Remittance of profit to Head Office	-	-
Increase / (Decrease) in borrowings (net)	46,581,071	136,812,749
<b>Net cash flow from/(used in) financing activities (C)</b>	<b><u>46,581,071</u></b>	<b><u>145,362,749</u></b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b><u>83,985,686</u></b>	<b><u>29,678,120</u></b>
Cash and cash equivalents at the beginning of the year	128,476,195	98,798,075
Cash and cash equivalents at the end of the year	<u>212,461,881</u>	<u>128,476,195</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b><u>83,985,686</u></b>	<b><u>29,678,120</u></b>
<b>Notes on cash flow statement</b>		
1. Cash and balances with Reserve Bank of India	101,748,162	23,707,918
Balances with banks and money at call and short notice	110,713,719	104,768,277
<b>Cash and cash equivalents at end of the year</b>	<b><u>212,461,881</u></b>	<b><u>128,476,195</u></b>

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 Rule 7 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

**Avinash Prabhu**  
Chief Financial Officer - India

Place: Mumbai  
Date: 28 June 2022

Place: Mumbai  
Date: 28 June 2022

Place: London  
Date: 28 June 2022

Place: Mumbai  
Date: 28 June 2022



**Schedules forming part of the Balance Sheet as on 31 March 2022**

In thousands of Indian Rupees

Particulars	31 March 2022	31 March 2021	Particulars	31 March 2022	31 March 2021
<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			<b>1 Borrowings in India</b>		
	37,100,000	33,250,000	(a) Reserve Bank of India		
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.			(b) Other Banks		
<b>Head Office Account</b>			(c) Other institutions and agencies		
Opening Balance	84,431,087	75,881,087		239,407,510	272,871,265
(including start-up capital of Rs 2 million and remittances from Head office)			<b>239,412,154</b>		
Additions during the year	-	8,550,000	<b>272,884,830</b>		
<b>Total</b>	<b>84,431,087</b>	<b>84,431,087</b>	<b>2022</b>		
<b>Schedule 2 - Reserves and Surplus</b>			<b>2021</b>		
<b>1 Statutory reserve</b>			<b>Schedule 4 - Borrowings</b>		
Opening Balance	36,082,613	32,265,930	<b>1 Borrowings in India</b>		
Additions during the year:			(a) Reserve Bank of India		
Additions : Transfer from Profit and Loss Account	3,684,361	3,816,683	(b) Other Banks		
	<b>39,766,974</b>	<b>36,082,613</b>	(c) Other institutions and agencies		
<b>2 Capital reserve</b>				239,407,510	272,871,265
Opening Balance	360,607	360,607	<b>239,412,154</b>		
Additions during the year	-	-	<b>272,884,830</b>		
	<b>360,607</b>	<b>360,607</b>	<b>2022</b>		
<b>3 Investment fluctuation reserve</b>			<b>2021</b>		
Opening Balance	10,409,456	3,204,519	<b>2 Borrowings outside India</b>		
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 c ii)	1,356,515	7,204,937	Other Banks		
	<b>11,765,971</b>	<b>10,409,456</b>		83,718,599	3,664,851
<b>4 Investment reserve</b>				<b>83,718,599</b>	<b>3,664,851</b>
Opening Balance	281,458	-	<b>Total</b>		
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 a ii)	(281,458)	281,458		<b>323,130,753</b>	<b>276,549,681</b>
	<b>-</b>	<b>281,458</b>	<b>Secured borrowings included in 1 and 2 above</b>		
<b>5 Balance in Profit and Loss Account</b>				<b>110,472,010</b>	<b>247,871,265</b>
	<b>14,943,043</b>	<b>4,965,015</b>	<b>Schedule 5 - Other Liabilities and Provisions</b>		
<b>6 Remittable Surplus retained for CRAR requirements</b>			<b>1 Bills payable</b>		
Opening Balance	57,182,523	43,468,052		5,550,380	5,204,402
Additions : Transfer from Profit and Loss Account	-	13,714,471	<b>2 Inter-office adjustments - branches in India (net)</b>		
	<b>57,182,523</b>	<b>57,182,523</b>		68,716	6,190
<b>Total</b>	<b>124,019,118</b>	<b>109,281,672</b>	<b>3 Interest accrued</b>		
<b>Schedule 3 - Deposits</b>				11,900,711	10,231,058
<b>1 (a) Demand deposits</b>			<b>4 Provision for taxation (net of tax paid in advance / tax deducted at source)</b>		
i. From banks	16,543,581	14,235,083		-	-
ii. From others	304,516,842	313,851,982	<b>5 Others (including provisions) (Refer Schedule 18 Note-4 d i - Standard Asset Provision)</b>		
	<b>321,060,423</b>	<b>328,087,065</b>		131,367,603	146,359,662
<b>(b) Savings bank deposits</b>			<b>Total</b>		
<b>(c) Term deposits</b>				<b>148,887,410</b>	<b>161,801,312</b>
i. From banks	9,846,167	-	<b>Schedule 6 - Cash and Balances with Reserve Bank of India</b>		
ii. From others	435,488,063	304,475,054	<b>1 Cash in hand (including foreign currency notes)</b>		
	<b>445,334,230</b>	<b>304,475,054</b>		145,776	134,223
<b>Total</b>	<b>799,080,246</b>	<b>662,235,472</b>	<b>2 Balances with Reserve Bank of India</b>		
<b>2 (i) Deposits of branches in India</b>			(a) in current account		
<b>(ii) Deposits of branches outside India</b>			(b) in other accounts		
	-	-		50,072,386	23,573,695
<b>Total</b>	<b>799,080,246</b>	<b>662,235,472</b>		51,530,000	11,980,000
			<b>Total</b>		
				<b>101,748,162</b>	<b>35,687,918</b>
			<b>Schedule 7 - Balances with Banks and Money at Call and Short Notice</b>		
			<b>1 In India</b>		
			(a) Balances with banks		
			i. in current accounts		
			ii. in other deposit accounts		
			(b) Money at call and short notice		
			i. with banks		
			ii. with other institutions		
				7,921,310	3,230,221
			<b>2 Outside India</b>		
			(a) in current accounts		
			(b) in deposit accounts		
			(c) Money at call and short notice		
				90,858,503	34,226,609
				-	50,007,240
				11,368,875	4,752,150
			<b>Total</b>		
				<b>110,713,719</b>	<b>92,788,277</b>



**Schedules forming part of the Balance Sheet as on 31 March 2022**

In thousands of Indian Rupees

Particulars	31 March 2022	31 March 2021	Particulars	31 March 2022	31 March 2021
<b>Schedule 8 - Investments</b>			<b>2 Other Fixed Assets (including furniture and fixtures)</b>		
(1) <b>Investments in India in:</b>			(a) Cost as on 31st March of the preceding year	3,130,745	2,318,665
1 Government securities	328,543,668	404,618,483	(b) Additions during the year	1,047,773	931,989
2 Other approved securities	-	-	(c) Deductions during the year	(14,550)	(119,909)
3 Shares	315,951	648,835	(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 n vi)	(2,477,224)	(1,893,420)
4 Debentures and bonds	18,993,222	16,335,184	<b>Net Block</b>	<b>1,686,744</b>	<b>1,237,325</b>
5 Others (Includes Security Receipts, Pass Through Certificates, Commercial Papers)	12,085,938	13,025,326	<b>3 Capital Work-in-progress</b>	193,003	257,349
Gross Investments in India	<b>359,938,779</b>	<b>434,627,828</b>	<b>Total</b>	<b>2,079,920</b>	<b>1,783,200</b>
Less : Provision for depreciation on investments	(10,163,688)	(2,795,430)	<b>Schedule 11 - Other Assets</b>		
<b>Total</b>	<b>349,775,091</b>	<b>431,832,398</b>	1 Inter-office adjustments - branches in India (net)	-	-
(2) <b>Investments outside India in:</b>			2 Interest accrued	5,334,986	8,004,825
1 Government securities	228,359,781	85,844,959	3 Tax paid in advance / tax deducted at source (net of provision for taxation)	3,617,921	2,715,801
Less : Provision for depreciation on investments	-	-	4 Stationery and stamps	1,103	783
	<b>228,359,781</b>	<b>85,844,959</b>	5 Others (including deferred tax - Refer Schedule 18 Note - 4 n iv)	101,425,006	111,263,444
<b>Total Investments</b>	<b>578,134,872</b>	<b>517,677,357</b>	<b>Total</b>	<b>110,379,016</b>	<b>121,984,853</b>
<b>Schedule 9 - Advances</b>			Others includes deposits placed with NABARD/SIDBI/NHB, etc. on account of shortfall in priority sector targets Rs 163,501 thousand (previous year: Rs 388,065 thousand)		
1 (a) Bills purchased and discounted	51,940,240	95,404,040	<b>Schedule 12 - Contingent Liabilities</b>		
(b) Cash credits, overdrafts and loans repayable on demand	207,903,621	167,010,959	1 Claims against the Bank not acknowledged as debts (including tax related matters)	4,083,958	2,974,934
(c) Term loans	316,649,064	261,962,620	2 Liability on account of outstanding foreign exchange contracts	4,051,857,682	3,383,420,226
<b>Total</b>	<b>576,492,925</b>	<b>524,377,619</b>	3 Guarantees given on behalf of constituents		
2 (a) Secured by tangible assets (includes advances against book debts)	261,289,323	259,420,627	(a) In India	255,762,243	211,830,076
(b) Covered by bank / Government guarantees	39,782,262	3,194,996	(b) Outside India	45,118,848	40,284,282
(c) Unsecured	275,421,340	261,761,996	4 Acceptances, endorsements and other obligations	44,473,444	29,904,592
<b>Total</b>	<b>576,492,925</b>	<b>524,377,619</b>	5 Bills rediscounted	-	-
3.1 Advances in India			6 Other Items for which the Bank is contingently liable		
(a) Priority sector	165,078,825	189,176,488	(a) Swaps/Forward Rate Agreement	5,274,781,506	4,789,817,548
(b) Public sector	11,091,286	2,342,905	(b) Options	400,797,898	331,543,137
(c) Banks	499,336	1,960,389	(c) Futures	-	-
(d) Others	399,823,478	330,897,837	(d) Other items	56,010,671	48,105,630
	<b>576,492,925</b>	<b>524,377,619</b>	<b>Total</b>	<b>10,132,886,250</b>	<b>8,837,880,425</b>
3.2 Advances outside India	-	-	<b>Schedule 10 - Fixed Assets</b>		
<b>Total Advances (3.1+3.2) Total</b>	<b>576,492,925</b>	<b>524,377,619</b>	1 <b>Premises (including leasehold improvements)</b>		
<b>Schedule 10 - Fixed Assets</b>			(a) Cost as on 31st March of the preceding year	1,331,098	1,280,447
1 <b>Premises (including leasehold improvements)</b>			(b) Additions during the year	18,889	77,687
(a) Cost as on 31st March of the preceding year	1,331,098	1,280,447	(c) Deductions during the year	(1,850)	(27,037)
(b) Additions during the year	18,889	77,687	(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 n vi)	(1,147,964)	(1,042,571)
(c) Deductions during the year	(1,850)	(27,037)	<b>Net Block</b>	<b>200,173</b>	<b>288,526</b>
(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 n vi)	(1,147,964)	(1,042,571)			
<b>Net Block</b>	<b>200,173</b>	<b>288,526</b>			



**Schedules forming part of the Profit and Loss Account for the year ended 31 March 2022**

In thousands of Indian Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Schedule 13 - Interest Earned</b>			<b>Schedule 16 - Operating Expenses</b>		
1 Interest/discounts on advances/bills	37,631,817	35,150,267	1 Payments to and provisions for employees (Refer Schedule 18 Note-4 n i) (net of cost recoveries)	5,992,813	5,987,751
2 Income on investments	26,640,491	24,967,571	2 Rent, taxes and lighting (net of cost recoveries) (Refer Schedule 18 Note-4 n v)	858,141	793,303
3 Interest on balances with Reserve Bank of India and other interbank funds	4,074,054	3,882,778	3 Printing and stationery	28,019	18,165
4 Others	16,044	320,925	4 Advertisement and publicity	65,015	29,086
<b>Total</b>	<b>68,362,406</b>	<b>64,321,541</b>	5 Depreciation on Bank's property	705,467	404,586
<b>Schedule 14 - Other Income</b>			6 Auditors' fees and expenses	7,174	4,910
1 Commission, exchange and brokerage (net) (including custodial and depository income)	5,563,833	4,090,105	7 Law charges	53,247	36,760
2 Profit / (Loss) on sale of investments (net)	(3,327,034)	(992,409)	8 Postage, telegrams, telephones, etc.	261,370	413,781
3 Depreciation on investments	(7,794,062)	(2,033,376)	9 Repairs and maintenance	668,843	562,433
4 Profit / (Loss) on sale of fixed assets (net)	773	(12,795)	10 Insurance	847,692	791,281
5 Profit / (Loss) on exchange transactions (net)	20,041,650	9,483,567	11 Head office charges	2,264,743	2,166,412
6 Miscellaneous Income / (Loss)	970,684	618,613	12 Other expenditure (net of cost recoveries)	14,571,715	11,852,402
<b>Total</b>	<b>15,455,844</b>	<b>11,153,705</b>	<b>Total</b>	<b>26,324,239</b>	<b>23,060,870</b>
<b>Schedule 15 - Interest Expended</b>			<b>Schedule 17 - Provision and Contingencies</b>		
1 Interest on deposits	13,602,977	14,655,354	1 Provision for loan loss (net)	3,525,922	1,612,713
2 Interest on Reserve Bank of India and other interbank borrowings (including from other money market participants)	10,161,435	7,443,863	2 Provision / (write back) for contingent credit exposures	(54,860)	(633,990)
3 Others	37,982	41,610	3 Provision / (write back) for standard assets	792,746	26,104
<b>Total</b>	<b>23,802,394</b>	<b>22,140,827</b>	4 Provision / (write back) for country risk	110,988	181,832
			5 Bad debts written off	2,125,437	4,853,513
			6 Provision / (write back) for Non Performing investments	(425,804)	(2,699,707)
			7 Other Provisions (net)	-	(453,882)
			8 Provision for taxation:		
			(a) Current tax	15,171,550	13,988,426
			(b) Deferred tax (Refer Schedule 18 Note-4 n iv)	(2,291,808)	(1,868,191)
			<b>Total</b>	<b>18,954,171</b>	<b>15,006,818</b>

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

For the year ended 31 March 2022

**1. Background**

The accompanying financial statements for the year ended 31 March 2022 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 Rule 7 of the Companies (Account) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 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 2022

#### 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 ('FEDA'). 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. Priority sector PTC's are valued at carrying cost.
- 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 5.5. 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 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 2022

**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 are marked-to-market using market values after considering the premium received or paid. Profit or loss on revaluation is recorded in the profit and loss account. Premium received and paid is recognised in the profit and loss account upon expiry or exercise of the options. During the year the Bank has started recognising deferred premium on option trades in the Profit and Loss account on mark to market basis which was hitherto recognised in Profit and Loss account only on realised basis. This change in treatment of deferred premium is in line with the "Guidance Note on Accounting for Derivative Contracts" issued by The Institute of Chartered Accountants of India. This matter was also discussed with Banking bodies. In accordance with this change, cumulative amount of deferred premium reflected in the balance-sheet till previous year is recognized under 'Other Income' (Sch 14.5).

**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. For standard assets, general provision has been made as prescribed by the RBI. In addition, the Bank also maintains a floating provision to cover potential credit losses which are inherent in any loan portfolio but not yet identified, which is included under Schedule 5.5.
- 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 prudential 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 5.5.

**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.
- 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.



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

For the year ended 31 March 2022

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

##### 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 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 2022

**4. Notes to financial statements**

**a. Regulatory Capital**

**i) Composition of Regulatory Capital**

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

(In Rs. '000)

	31-Mar-22	31-Mar-21
i) Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	180,191,593	176,957,316
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	180,191,593	176,957,316
iv) Tier 2 capital	17,762,817	16,496,286
v) Total capital (Tier 1+Tier 2)	197,954,410	193,453,602
vi) Total Risk Weighted Assets (RWAs)	1,223,162,837	1,119,221,052
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	14.73%	15.81%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.73%	15.81%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.45%	1.47%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.18%	17.28%
xi) Leverage Ratio	9.24%	10.33%
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 Rs. 281,458 thousand during the year ended 31 March 2022 (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 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>



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

For the year ended 31 March 2022

**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 2021)	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	33,714,312	1,322,358	296,960,632	230,916	39,885,949	3,814,150
2-7 Days	86,162,842	35,125,999	103,097,434	190,468,565	89,414,171	-
8-14 Days	25,955,562	24,302,701	5,943,487	2,861,050	1,850,157	-
15-30 Days	48,248,451	85,266,549	4,165,729	3,863,500	26,354,718	3,655,500
31 Days and upto 2 months	52,353,105	24,110,179	7,554,883	8,361,050	12,985,945	-
Over 2 months and upto 3 months	31,654,288	26,909,516	10,404,466	6,069,050	3,127,817	-
Over 3 Months and upto 6 months	20,675,180	24,441,939	8,946,208	16,706,350	27,024,858	-
Over 6 Months and upto 1 year	23,586,635	35,193,015	6,268,061	34,553,700	35,145	-
Over 1 Year and upto 3 years	317,711,757	120,147,651	43,206,781	13,435,500	-	21,560,355
Over 3 Year and upto 5 years	22,173,340	59,202,500	11,504,848	-	-	-
Over 5 years	-	88,355,212	19,624,828	-	4,033,024	7,558,503
<b>Total</b>	<b>662,235,472</b>	<b>524,377,619</b>	<b>517,677,357</b>	<b>276,549,681</b>	<b>204,711,784</b>	<b>36,588,508</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, 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>		<b>239,413,060</b>		<b>284,855,698</b>		<b>279,498,236</b>		<b>258,555,339</b>
<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>	<b>224,789,015</b>	<b>117,251,539</b>	<b>322,001,396</b>	<b>96,045,742</b>	<b>323,803,330</b>	<b>103,490,666</b>	<b>264,597,486</b>	<b>98,202,031</b>
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		<b>314,208,159</b>		<b>392,952,597</b>		<b>421,341,890</b>		<b>360,365,892</b>
<b>14 Total Net Cash Outflows*</b>		<b>122,161,521</b>		<b>188,809,956</b>		<b>176,007,570</b>		<b>160,353,308</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>257.21%</b>		<b>208.12%</b>		<b>239.39%</b>		<b>224.73%</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 2022

**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, 2020		Daily average for Quarter ended 30 September, 2020		Daily average for Quarter ended 31 December, 2020		Daily average for Quarter ended 31 March, 2021	
	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)		233,376,184		338,201,233		398,870,439		369,441,068
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	92,165,641	9,096,336	92,444,981	9,055,512	91,394,331	8,843,747	89,033,634	8,605,635
(i) Stable deposits	2,404,571	120,229	3,779,722	188,986	5,913,716	295,686	5,954,569	297,728
(ii) Less stable deposits	89,761,070	8,976,107	88,665,259	8,866,526	85,480,615	8,548,061	83,079,065	8,307,907
3 Unsecured wholesale funding, of which:	369,862,201	133,041,865	425,859,913	170,996,392	478,862,261	190,330,620	467,243,870	182,197,207
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	214,557,302	53,605,232	219,702,029	54,845,613	248,614,262	62,003,545	261,081,609	65,123,016
(ii) Non-operational deposits (all counterparties)	155,304,899	79,436,633	206,157,884	116,150,779	230,247,999	128,327,075	206,162,261	117,074,191
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding								
5 Additional requirements, of which:	304,879,210	20,294,639	329,387,175	22,138,527	365,833,099	28,452,516	402,508,323	31,110,412
(i) Outflows related to derivative exposures and other collateral requirements	-	3,752,395	-	4,288,275	-	8,146,869	-	8,378,518
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	304,879,210	16,542,244	329,387,175	17,850,252	365,833,099	20,305,647	402,508,323	22,731,894
6 Other contractual funding obligations	920,908	920,908	949,537	949,537	902,919	902,919	844,802	844,802
7 Other contingent funding obligations	202,810,360	6,084,311	193,251,128	5,797,534	221,873,762	6,656,213	240,698,872	7,220,966
<b>8 Total Cash Outflows</b>		169,438,059		208,937,502		235,186,015		229,979,022
<b>Cash inflows</b>								
9 Secured lending (eg. reverse repos)	35,430,122	-	85,054,606	-	166,902,940	-	122,581,994	-
10 Inflows from fully performing exposures	184,267,907	107,653,444	141,212,136	86,082,965	120,371,585	72,324,087	130,298,986	76,277,355
11 Other cash inflows	7,770,366	7,571,800	5,341,856	4,924,209	4,343,985	4,327,387	4,855,614	4,833,954
<b>12 Total Cash Inflows</b>	227,468,395	115,225,244	231,608,598	91,007,174	291,618,510	76,651,474	257,736,594	81,111,309
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		233,376,184		338,201,233		398,870,439		369,441,068
<b>14 Total Net Cash Outflows*</b>		54,212,815		117,930,328		158,534,541		148,867,713
<b>15 Liquidity Coverage Ratio (%)</b>		430.48%		286.78%		251.60%		248.17%

\* 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 1st January 2019 till 27th March 2020 was 100%, it reduced to 80% from 28 March 2020 till 30 September 2020. As per the RBI circular minimum LCR should be 90% from 1 October 2020 till 31 March 2021, from April 1 2021 onwards minimum LCR will be 100%.

The Bank's average LCR for the quarter ended March 2022 stood at 224.73% as against 248.17% for the quarter ended March 2021. 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. 360,365,892 thousand for quarter ended March 2022 as against Rs. 369,441,068 thousand for quarter ended March 2021.

The Bank's average net cash outflows stood at Rs. 160,353,308 thousand for quarter ended March 2022 as against Rs. 148,867,713 thousand for quarter ended March 2021. The main drivers for cash outflows are operational and non-operational deposits from corporate, and retail customers, including callable wholesale term deposits as at March 31, 2022 within the LCR horizon of 30 days, 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 2022

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

**b. Asset liability management (Continued)**

**iii) Net Stable Funding ratio (NSFR)**

(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)	-	-	-	350,778,460	350,778,460	-	-	-	252,712,098	252,712,098
2 Regulatory capital	-	-	-	197,954,410	197,954,410	-	-	-	193,158,737	193,158,737
3 Other capital instruments	-	-	-	152,824,050	152,824,050	-	-	-	59,553,361	59,553,361
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	-	345,854,712	295,404,233	7,889,047	313,639,262	-	308,466,271
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	-	213,345,824	-	7,889,047	313,639,262	-	160,764,154
10 Other liabilities: (11+12)	128,964,010	165,068,985	-	-	-	121,917,297	74,169,855	-	-	-
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 2022

**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 2022 stood at 128%

**c. Investments**

**i) Composition of Investment Portfolio**

(In Rs. '000)

31 March 2022	Investments in India						Total investments in India	Investments outside India			Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others		Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	
<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
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
<b>Total Investments</b>	<b>328,543,668</b>	-	<b>315,951</b>	<b>18,993,222</b>	-	<b>12,085,938</b>	<b>359,938,779</b>	<b>228,359,781</b>	-	-	<b>588,298,560</b>
Less: Provision for NPI	-	-	37	-	-	-	37	-	-	-	37
Less: Provision for depreciation and NPI	9,639,002	-	-	193,411	-	331,238	10,163,651	-	-	-	10,163,651
<b>Net</b>	<b>318,904,666</b>	-	<b>315,914</b>	<b>18,799,811</b>	-	<b>11,754,700</b>	<b>349,775,091</b>	<b>228,359,781</b>	-	-	<b>578,134,872</b>

(In Rs. '000)

31 March 2021	Investments in India						Total investments in India	Investments outside India			Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others		Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	
<b>Held to Maturity</b>											
Gross							-				-
Less: Provision for non-performing investments (NPI)							-				-
Net							-				-
<b>Available for Sale</b>											
Gross	340,961,495	-	648,835	15,156,871	-	13,025,326	369,792,527	-	-	-	369,792,527
Less: Provision for depreciation and NPI	1,944,013	-	425,841	-	-	332,912	2,702,766	-	-	-	2,702,766
Net	339,017,482	-	222,994	15,156,871	-	12,692,414	367,089,761	-	-	-	367,089,761
<b>Held for Trading</b>											
Gross	63,656,988	-	-	1,178,313	-	-	64,835,301	85,844,959	-	-	85,844,959
Less: Provision for depreciation and NPI	90,111	-	-	2,553	-	-	92,664	-	-	-	92,664
Net	63,566,877	-	-	1,175,760	-	-	64,742,637	85,844,959	-	-	85,844,959
<b>Total Investments</b>	<b>404,618,483</b>	-	<b>648,835</b>	<b>16,335,184</b>	-	<b>13,025,326</b>	<b>434,627,828</b>	<b>85,844,959</b>	-	-	<b>520,472,787</b>
Less: Provision for NPI	-	-	425,841	-	-	-	425,841	-	-	-	425,841
Less: Provision for depreciation and NPI	2,034,124	-	-	2,553	-	332,912	2,369,589	-	-	-	2,369,589
<b>Net</b>	<b>402,584,359</b>	-	<b>222,994</b>	<b>16,332,631</b>	-	<b>12,692,414</b>	<b>431,832,398</b>	<b>85,844,959</b>	-	-	<b>517,677,357</b>





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

For the year ended 31 March 2022

**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. 28,150,000 thousand representing face value (Previous year: Rs. 49,750,000 thousand) are collateral holdings parked with Clearing Corporation of India Limited ('CCIL') for Securities segment and Triparty Repo ('TREPS') segment.
- 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. 15,100,000 thousand representing face value (Previous year: Rs. 13,350,000 thousand) are deposited with RBI in Intra Day Liquidity ('IDL') for availing Real Time Gross Settlement ('RTGS').
- 4) Government securities amounting to Rs. 37,100,000 thousand representing face value (Previous year Rs. 33,250,000 thousand) are held with RBI under Section 11(2)(b) of the Banking Regulation Act, 1949.
- 5) Government securities amounting to Rs. 108,477,500 thousand representing face value (Previous year Rs. 171,901,400) are given under repurchase transactions.

**ii) Movement of Provisions for Depreciation and Investment Fluctuation Reserve (In Rs. '000)**

	31-Mar-22	31-Mar-21
<b>i) Movement of provisions held towards depreciation on investments :</b>		
a) Opening balance	2,795,430	3,461,761
b) Add: Provisions made during the year	7,368,258	(666,331)
c) Less: Write off / write back of excess provisions during the year	-	-
d) Closing balance	10,163,688	2,795,430
<b>ii) Movement of Investment Fluctuation Reserve :</b>		
a) Opening balance	10,409,456	3,204,519
b) Add: Amount transferred during the year	1,356,515	7,204,937
c) Less: Drawdown	-	-
d) Closing balance	11,765,971	10,409,456
<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 2022	31 March 2021
Opening Balance	425,841	3,795,841
Addition during the year	-	-
Reductions during the year	(425,804)	(3,370,000)
Closing Balance	37	425,841
<b>Total Provisions held</b>	<b>37</b>	<b>425,841</b>

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

(In Rs. '000)

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
<b>31 March 2022</b>					
Public sector undertakings	255,349	-	-	-	-
Financial Institutions (FIs)	2,278,241	-	-	-	-
Banks	245,416	-	-	-	-
Private Corporate (Including NBFC)	19,510,535	10,506,318	-	-	7,621,257
Subsidiaries/Joint Ventures	-	-	-	-	-
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	237,465,351	9,105,571	-	331,238	331,238
Provision held towards depreciation	(524,686)	(637,629)	-	(331,238)	(652,842)
<b>Total</b>	<b>259,230,206</b>	<b>18,974,260</b>	<b>-</b>	<b>-</b>	<b>7,299,653</b>

Amounts reported under the above columns are not mutually exclusive.

\*Excludes investment in equity shares



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

For the year ended 31 March 2022

**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	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
31 March 2021					
Public sector undertakings	1,436,549	-	-	-	-
Financial Institutions (FIs)	2,956,455	-	-	-	-
Banks	-	-	-	-	-
Private Corporate (Including NBFC)	17,546,270	13,416,283	-	-	1,438,564
Subsidiaries/Joint Ventures	-	-	-	-	-
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	93,915,031	8,070,073	-	332,912	332,912
Provision held towards depreciation	(761,306)	(758,753)	-	(332,912)	(335,912)
<b>Total</b>	<b>115,092,999</b>	<b>20,727,603</b>	<b>-</b>	<b>-</b>	<b>1,435,564</b>

Amounts reported under the above columns are not mutually exclusive.

\*Excludes investment in equity shares

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

(In Rs. '000)

<b>31 March 2022</b>	<b>Minimum outstanding during the year*</b>	<b>Maximum outstanding during the year</b>	<b>Daily average outstanding during the year</b>	<b>As on 31 March 2022</b>
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

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.

(In Rs. '000)

<b>31 March 2021</b>	<b>Minimum outstanding during the year*</b>	<b>Maximum outstanding during the year</b>	<b>Daily average outstanding during the year</b>	<b>As on 31 March 2021</b>
Securities sold under repos				
(i) Government securities	-	203,554,800	93,763,155	181,901,400
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government securities	100,000	55,252,000	8,484,449	3,160,000
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-

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

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI. As at 31 March 2021 Face value of Outstanding Reverse repo is Rs. 11,007,810 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 2022

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

**c. Investments (Continued)**

**vi) Security receipts**

Book value and ageing of investments held in security receipts

(In Rs. '000)

	31 March 2022	31 March 2021
Backed by NPAs sold by the bank as underlying	-	-
Backed by NPAs sold by other banks/financial institution/non-banking financial companies as underlying	331,238	332,912
<b>Total</b>	<b>331,238</b>	<b>332,912</b>

Provision held on above investments is Rs. 331,238 thousand (Previous year Rs. 332,912 thousand).

(In Rs. '000)

31 March 2022	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	331,238
Provision held against (ii)	-	-	331,238
<b>Total (i) + (ii)</b>	<b>-</b>	<b>-</b>	<b>331,238</b>

(In Rs. '000)

31 March 2021	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	332,912
Provision held against (ii)	-	-	332,912
<b>Total (i) + (ii)</b>	<b>-</b>	<b>-</b>	<b>332,912</b>



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

For the year ended 31 March 2022

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

**d. Asset quality**

**i) Classification of advances and provisions held**

(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				17,711,857	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:				12,687,396		
i) Upgradation				2,899,024	12,687,396	
ii) Recoveries (excluding recoveries from upgraded accounts)				2,125,437	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				8,173,701	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				9,538,156	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.

Ratio (%)	31 March 2022	31 March 2021
Gross NPA to Gross Advances	4.62%	2.73%
Net NPA to Net Advances	2.26%	0.86%
Provision coverage ratio	52.24%	68.87%



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

For the year ended 31 March 2022

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

**d. Asset quality (Continued)**

**i) Classification of advances and provisions held (Continued)**

(In Rs. '000)

31 March 2021	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	503,994,441	5,900,018	9,202,735	-	15,102,753	519,097,194
Add: Additions during the year					7,096,128	
Less: Reductions during the year*					7,632,704	
Closing balance	519,843,753	6,459,737	8,106,440	-	14,566,177	534,409,930
*Reductions in Gross NPAs due to:						
i) Upgradation					1,011,124	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,768,067	
iii) Technical/ Prudential <sup>16</sup> Write-offs					-	
iv) Write-offs other than those under (iii) above					4,853,513	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	4,183,256	1,796,000	6,623,598	-	8,419,598	12,602,854
Add: Fresh provisions made during the year					7,173,356	
Less: Excess provision reversed/ Write-off loans					5,560,643	
Closing balance of provisions held	4,209,360	3,757,382	6,274,929	-	10,032,311	14,241,671
<b>Net NPAs</b>						
Opening Balance		4,104,018	2,579,137	-	6,683,155	
Add: Fresh additions during the year		2,072,061			(77,228)	
Less: Reductions during the year					2,072,061	
Closing Balance		2,702,355	1,831,511	-	4,533,866	4,533,866
<b>Floating Provisions</b>						
Opening Balance						712,260
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						712,260
<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						-

**ii) Sector-wise Advances and Gross NPAs**

(In Rs. '000)

Sector / Sub-Sector *	31 March 2022			31 March 2021		
	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>97,314,480</b>	<b>3,521,919</b>	<b>3.62%</b>	103,781,292	1,652,820	1.59%
Petroleum, Coal Products and Nuclear Fuels				17,095,247	-	-
Chemicals and Chemical Products	18,664,751	24,296	0.13%	22,148,472	17,079	0.08%
Basic Metal and Metal Products	13,862,473	689,299	4.97%	11,404,067	164,998	1.45%
All Engineering	14,720,571	930,284	6.32%	14,918,188	509,245	3.41%
Textiles	10,994,294	720,553	6.55%			
Other Industries	10,469,695	330,046	3.15%			
<b>3 Services, of which :</b>	<b>72,009,545</b>	<b>3,168,240</b>	<b>4.40%</b>	87,732,379	1,876,072	2.14%
Computer Software	28,766,077	308,760	1.07%	28,896,265	80,026	0.28%
Other Services	21,773,005	1,514,257	6.95%	16,602,250	891,709	5.37%
Banking and finance other than NBFC and MFs				25,127,788	-	-
<b>4 Personal loans, of which :</b>	<b>78,573</b>	<b>3,662</b>	<b>4.66%</b>	101,695	1,630	1.60%
Housing Loans	78,573	3,662	4.66%	101,695	1,630	1.60%
<b>Total PRIORITY SECTOR (A)</b>	<b>169,402,598</b>	<b>6,693,821</b>	<b>3.95%</b>	191,615,366	3,530,522	1.84%


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

For the year ended 31 March 2022

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

(In Rs. '000)

Sector / Sub-Sector *	31 March 2022			31 March 2021		
	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>B NON PRIORITY SECTOR</b>						
<b>1 Agriculture and allied activities</b>	-	-	-	-	-	-
<b>2 Industry, of which :</b>	<b>143,548,180</b>	<b>1,672,445</b>	<b>1.17%</b>	108,538,613	1,869,644	1.72%
Textiles	24,649,536	313,562	1.27%	-	-	-
All Engineering	26,424,240	68,676	0.26%	22,126,319	574,632	2.60%
Infrastructure	43,078,949	-	-	27,471,500	-	-
<b>3 Services, of which :</b>	<b>219,292,123</b>	<b>12,589,107</b>	<b>5.74%</b>	181,791,701	3,365,690	1.85%
Trade	56,029,698	3,654,588	6.52%	45,436,789	2,454,329	5.40%
Commercial real Estate	41,576,912	7,026,821	16.90%	35,303,990	-	-
Non-Banking Financial Companies	74,305,557	-	-	72,264,712	-	-
Other Services	22,708,306	781,654	3.44%	-	-	-
<b>4 Personal loans, of which :</b>	<b>58,520,517</b>	<b>6,360,673</b>	<b>10.87%</b>	52,464,250	5,800,321	11.06%
Housing Loans	16,292,866	503,277	3.09%	9,111,009	571,138	6.27%
Other Personal Loans	41,611,439	5,857,396	14.08%	42,767,400	5,229,183	12.23%
<b>Total NON PRIORITY SECTOR (B)</b>	<b>421,360,820</b>	<b>20,622,225</b>	<b>4.89%</b>	342,794,564	11,035,655	3.22%
<b>Total (A) + (B)</b>	<b>590,763,418</b>	<b>27,316,046</b>	<b>4.62%</b>	534,409,930	14,566,177	2.73%

\* 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 2022	31 March 2021
Total Assets	<b>330,587,159</b>	174,830,958
Total NPAs	-	-
Total Revenue	<b>(159,905)</b>	73,617

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

There was no Resolution plan (RP) implemented as prescribed by RBI vide circular no RBI/2018-19/203/DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 during the year ended March 31, 2022 and March 31, 2021

**2. Details of accounts subjected to restructuring**

(In Rs. '000)

	31 March 2022					31 March 2021					
	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	-	52	163	9	224	-	5	118	3	126
	Gross Amount	-	1,323,246	2,342,613	187,065	3,852,924	-	301,421	855,103	88,509	1,245,033
	Provision held	-	160,934	233,953	34,368	429,255	-	60,284	69,246	16,460	145,990
Sub-standard	Number of borrowers	-	18	87	7	112	-	6	6	1	13
	Gross Amount	-	362,762	1,487,872	215,513	2,066,147	-	128,825	237,641	6,279	372,745
	Provision held	-	190,572	898,674	103,269	1,192,515	-	67,236	126,819	2,826	196,881
Doubtful	Number of borrowers	-	11	16	4	31	-	2	1	0	3
	Gross Amount	-	510,199	627,426	76,179	1,213,804	-	144,526	2,772	0	147,298
	Provision held	-	335,858	382,629	53,842	772,329	-	109,729	2,772	0	112,501
Total	Number of borrowers	-	81	266	20	367	-	13	125	4	142
	Gross Amount	-	2,196,207	4,457,911	478,757	7,132,875	-	574,772	1,095,516	94,788	1,765,076
	Provision held	-	687,364	1,515,256	191,479	2,394,099	-	237,249	198,837	19,286	455,372



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

For the year ended 31 March 2022

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

**d. Asset quality (Continued)**

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

	<i>(In Rs. '000)</i>
1 Gross NPAs as on March 31, 2021 as reported by the bank	14,566,177
2 Gross NPAs as on March 31, 2021 as assessed by RBI	19,050,934
3 Divergence in Gross NPAs (2-1)@	4,484,757
4 Net NPAs as on March 31, 2021 as reported by the bank	4,533,866
5 Net NPAs as on March 31, 2021 as assessed by RBI	8,345,909
6 Divergence in Net NPAs (5-4)	3,812,043
7 Provisions for NPAs as on March 31, 2021 as reported by the bank	10,032,311
8 Provisions for NPAs as on March 31, 2021 as assessed by RBI	10,705,025
9 Divergence in provisioning (8-7)	672,714
10 Reported Profit before Provisions and Contingencies for the year ended March 31, 2021	32,306,925
11 Reported Net Profit after Tax (PAT) for the year ended March 31, 2021	15,266,731
12 Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2021 after taking into account the divergence in provisioning	14,887,858
13. Divergence in Networth as on March 31, 2021 (11-12)	378,873

@ Represents one single borrower

During the year the outstanding amount from borrower are fully received.

**vi) Disclosure of transfer of loan exposures**

**1. Details of loans not in default acquired**

*(In Rs. '000)*

	31 March 2022	31 March 2021
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	-

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

*(In Rs. '000)*

	31 March 2022		31 March 2021
	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, 2022 and March 31, 2021.

**vii) Fraud accounts**

*(In Rs. '000)*

	31 March 2022	31 March 2021
Number of frauds reported during the year	10	29
Amounts involved	953	2,699,990
Provisions made during the year	-	281,513
Unamortised provision debited from 'other reserves' as at the end of the year	-	-



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

For the year ended 31 March 2022

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

**d. Asset quality (Continued)**

**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 <sup>1</sup>	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 2021) (A) <sup>2</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>3</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 2022) <sup>4,5</sup>
Personal Loans <sup>6</sup>	3,892	0	-	167	3,892
Corporate persons	2,290,875	276,489	-	129,136	1,943,284
<i>Of which, MSMEs</i>	<i>994,916</i>	<i>220,327</i>	-	<i>90,250</i>	<i>717,912</i>
Others	182,624	0	-	8,133	182,362
<b>Total</b>	<b>2,477,391</b>	<b>276,489</b>	-	<b>137,436</b>	<b>2,129,538</b>

- (1) Represent accounts where resolution plan has been implemented via (a) RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and (b) RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 and are classified as standard assets as at March 31, 2022.
- (2) Includes cases where resolution plan implemented after September 30, 2021.
- (3) Represent all the amounts paid by the borrowers during the period which may include payments done by the borrowers for the dues accrued during period.
- (4) Represent fund based outstanding as at March 31, 2022.
- (5) Includes upgraded during the period.
- (6) Personal loans refer to Home Loans to retail customer.

(In Rs. '000)

Type of borrower <sup>1</sup>	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 2021) (A) <sup>2</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>3</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 2021) <sup>4,6</sup>
Personal Loans <sup>5</sup>	20,292	16,401	-	166	3,892
Corporate persons	1,734,235	148,240	-	60,409	1,583,065
<i>Of which, MSMEs</i>	<i>752,679</i>	<i>17,334</i>	-	<i>27,039</i>	<i>731,140</i>
Others	206,092	44,419	-	9,332	159,024
<b>Total</b>	<b>1,960,619</b>	<b>209,060</b>	-	<b>69,907</b>	<b>1,745,981</b>

- (1) Represent accounts where resolution plan has been implemented via (a) RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and (b) RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 and are classified as standard assets as at September 30, 2021.
- (2) Represent fund based outstanding as at March 31, 2021.
- (3) 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 September 30, 2021.
- (4) Represent fund based outstanding as at September 30, 2021.
- (5) Personal loans refer to Home Loans to retail customer.
- (6) Includes interest charged during the moratorium period

**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 2022	31 March 2021
No. of accounts restructured (Standard)	163	118
Amounts	2,342,613	855,103





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

For the year ended 31 March 2022

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

**e. Exposures**

**i) Exposure to real estate sector**

(In Rs. '000)

Category	31 March 2022	31 March 2021
<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 79,435 thousand (Previous year Rs 103,070 thousand) pertaining to individual housing loans eligible for priority sector advances]	16,516,889	9,283,508
(b) Other lendings secured by mortgage on residential property	100,390,968	96,502,802
(ii) Commercial Real Estate (CRE)* –	55,909,867	41,767,838
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)	42,970,151	36,320,238
(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).	27,484,135	24,427,975
<b>Total</b>	<b>243,272,010</b>	<b>208,302,361</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 2022	31 March 2021
(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	529,841
(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	490,242	487,322
(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	6,871,163
<b>Total</b>	<b>10,088,728</b>	<b>9,378,326</b>

**iii) Risk category-wise country exposure**

(In Rs. '000)

Risk Category	31 March 2022		31 March 2021	
	Exposure(net)	Provision held	Exposure(net)	Provision held
Insignificant	500,050,647	356,664	335,033,585	252,723
Low	31,935,341	23,076	26,008,621	16,029
Moderately Low	-	-	54,800	-
Moderate	-	-	6,536	-
Moderately High	147,829	-	37,800	-
High	-	-	-	-
Very High	-	-	-	-
<b>Total</b>	<b>532,133,817</b>	<b>379,740</b>	<b>361,141,342</b>	<b>268,752</b>



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

For the year ended 31 March 2022

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

**e. Exposures (Continued)**

**iv) Unsecured advances**

(In Rs. '000)

	31 March 2022	31 March 2021
Total unsecured advances of the bank	275,421,340	261,761,996
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. 41,469,375 thousand (Previous year: Rs. 62,628,702 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 2022	31 March 2021
Total amount of Intra-group exposures	14,421,963	11,166,095
Total amount of top 20 intra group exposures	14,421,963	11,166,095
% of intra-group exposure to total exposure of the bank on borrowers / customers	0.72%	0.67%
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. 780,852 thousand (Previous year Rs. 1,153,364 thousand) and incremental capital of Rs. 4,679,209 thousand (Previous year Rs. 7,171,622 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 2022	31 March 2021
Total Deposits of twenty largest depositors	226,775,806	181,844,818
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	28.38%	27.46%

**ii) Concentration of Advances\***

(In Rs. '000)

	31 March 2022	31 March 2021
Total Advances to twenty largest borrowers	522,778,690	451,666,649
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	29.80%	29.09%

\*Advances are computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms.



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

For the year ended 31 March 2022

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

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

iii) Concentration of Exposures\*\*

(In Rs. '000)

	31 March 2022	31 March 2021
Total Exposure to twenty largest borrowers/customers	665,530,882	506,018,888
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	33.05%	30.33%

\*\*Exposures are computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms.

iv) Concentration of NPAs

(In Rs. '000)

	31 March 2022	31 March 2021
Total Exposure to the top twenty NPA accounts	11,200,349	4,124,774
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	40.92%	27.17%

**g. Derivatives**

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

(In Rs. '000)

	31 March 2022	31 March 2021
1. The Notional principal of swap agreements	4,883,040,442	4,420,836,170
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	38,980,266	46,327,602
3. Collateral required by the bank upon entering into swaps	Nil	Nil
4. Concentration of credit risk arising from the Swaps %		
– Banks and CCIL	58.45%	76.68%
– Others	41.55%	23.32%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
5. The fair value of the swap book	7,635,752	1,871,492

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

(In Rs. '000)

		31 March 2022	31 March 2021
Trading – MIBOR <sup>1</sup>	Pay Fixed - Receive Floating	1,786,362,551	1,507,784,495
Trading – MIBOR <sup>1</sup>	Pay Floating - Receive Fixed	1,983,362,071	1,580,397,522
Trading - MIFOR <sup>2</sup>	Pay Fixed - Receive Floating	422,511,030	561,660,000
Trading – MIFOR <sup>2</sup>	Pay Floating - Receive Fixed	179,071,490	310,700,000
Trading – MMFOR <sup>3</sup>	Pay Fixed - Receive Floating	18,150,000	-
Trading – MMFOR <sup>3</sup>	Pay Floating - Receive Fixed	14,753,750	-
Trading - INBMK <sup>4</sup>	Pay Fixed - Receive Floating	4,000,000	4,500,000
Trading - INBMK <sup>4</sup>	Pay Floating - Receive Fixed	-	1,500,000
Trading - T-Bills <sup>5</sup>	Pay Fixed - Receive Floating	97,881,323	-
Trading- SOFR <sup>6</sup>	Pay Floating - Receive Fixed	14,703,745	-
Trading- TONAR <sup>7</sup>	Pay Floating - Receive Fixed	12,741,263	-
Trading - Others (Incl LIBOR <sup>8</sup> )	Pay Fixed - Receive Floating	60,501,363	100,885,713
Trading - Others (Incl LIBOR <sup>8</sup> )	Pay Floating - Receive Fixed	114,839,301	131,616,270
Trading- LIBOR <sup>8</sup>	Pay Floating - Receive Floating	104,525,437	204,013,455
Trading- EUBOR <sup>9</sup>	Pay Floating - Receive Floating	2,956,122	3,009,825
Trading- SOFR <sup>6</sup>	Pay Floating - Receive Floating	35,592,158	-
Forward Rate Agreement		31,088,838	14,768,890
<b>Total</b>		<b>4,883,040,442</b>	<b>4,420,836,170</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 2022

**4. Notes to financial statements (Continued)****g. Derivatives (Continued)****ii) Exchange Traded Interest Rate Derivatives***(In Rs. '000)*

	31 March 2022	31 March 2021
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)*	-	-
(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.

During the year the Bank has started recognising deferred premium on option trades in the Profit and Loss account on mark to market basis which was hitherto recognised in Profit and Loss account only on realised basis. This change in treatment of deferred premium is in line with the "Guidance Note on Accounting for Derivative Contracts" issued by The Institute of Chartered Accountants of India. This matter was also discussed with Banking bodies. In accordance with this change, cumulative amount of deferred premium reflected in the balance-sheet till previous year is recognized under 'Other Income' (Sch 14.5). Had the same being accounted as hitherto, other Income (Sch 14.5) would have been lower and Other liability (Sch 5.5) would have been higher by Rs. 9,015,740 thousand.



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

For the year ended 31 March 2022

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

**g. Derivatives (Continued)**

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

**Quantitative Disclosures**

(In Rs. '000)

	31 March 2022		31 March 2021	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1. Derivatives (Notional Principal Amounts)				
a) For hedging	-	-	-	-
b) For Trading	4,844,396,645	4,883,040,442	4,083,944,741	4,420,836,170
2. Marked to Market Positions (net)				
a) Asset (+)	26,088,682	38,980,266	35,432,871	46,327,602
b) Liability (-)	(46,906,288)	(31,344,513)	(53,078,223)	(44,456,110)
3. Credit Exposure #	127,823,644	54,678,021	151,158,124	58,938,741
4. Likely impact of one percentage change in interest rates (100 * PV01)				
a) On hedging	-	-	-	-
b) On Trading	837,813	16,436,999	2,575,641	14,336,364
5. Maximum of 100*PV01 observed during the year@				
a) On hedging	-	-	-	-
b) On Trading	2,740,214	18,099,624	3,160,995	14,719,457
6. Minimum of 100*PV01 observed during the year@				
a) On hedging	-	-	-	-
b) On Trading	803,847	13,220,699	2,484,784	2,189,500

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

@ Maximum & 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 securitisation**

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 2022	31 March 2021
Opening balance of amounts transferred to DEAF	542,938	455,658
Add : Amounts transferred to DEAF during the year	80,243	88,104
Less : Amounts reimbursed by DEAF towards claims	(2,602)	(824)
Closing balance of amounts transferred to DEAF	620,579	542,938

**k. Disclosure of complaints**

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

	31 March 2022	31 March 2021
<b>A. Complaints received by the bank from its customers</b>		
1	82	26
2	2039	1,971
3	2065	1,915
3.1 Of which, number of complaints rejected by the Bank	423	286
4	56	82
<b>B. Maintainable complaints received by the bank from OBOs</b>		
5	99	115
5.1 Of 5, number of complaints resolved in favour of the bank by BOs	99	107
5.2 Of 5, number of complaints resolved through conciliation/mediation/ /advisories issued by BOs	-	2
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 2022 (6 as at 31 March 2021)

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

For the year ended 31 March 2022

**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 2022</b>					
Internet/Mobile/Electronic Banking	20	760	57%	10	0
ATM/Debit Cards	52	689	-39%	37	14
Account opening/difficulty in operation of accounts	5	156	33%	3	0
Loans and advances	5	145	-3%	1	0
Levy of charges without prior notice/ excessive charges/foreclosure charges	3	69	60%	0	0
Others	3	319	95%	5	0
<b>Total</b>	<b>88</b>	<b>2,138</b>	<b>2%</b>	<b>56</b>	<b>14</b>
<b>31 March 2021</b>					
ATM/Debit Cards	23	1,127	-29%	52	47
Internet/Mobile/Electronic Banking	0	485	84%	20	2
Loans and advances	0	150	384%	5	0
Account opening/difficulty in operation of accounts	1	117	-6%	5	0
Levy of charges without prior notice/excessive charges/foreclosure charges	1	43	-33%	3	0
Others	1	164	-31%	3	1
<b>Total</b>	<b>26</b>	<b>2,086</b>	<b>-10%</b>	<b>88</b>	<b>50</b>

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

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 are as follows.

(In Rs. '000)

	31 March 2022	31 March 2021
Non-compliance with certain provisions of directions issued by RBI contained in the "Reserve Bank of India (Interest Rate on Deposits) Directions, 2016"	-	20,000

**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.



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

For the year ended 31 March 2022

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

**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)

	31 March 2022	31 March 2021
Defined benefit obligation	1,312,174	1,355,703
Fair value of plan assets	1,285,726	1,268,790
Deficit/(Surplus)	26,448	86,913
<b>Changes in present value of defined benefits obligations</b>		
Opening Balance	1,355,703	1,282,693
Current service cost	123,886	125,052
Interest cost	86,199	82,853
Benefits paid	(138,306)	(92,172)
Actuarial (gain)/loss recognised during the year	(115,308)	(42,723)
Closing Balance	1,312,174	1,355,703
<b>Changes in fair value of plan assets</b>		
Opening Balance	1,268,790	1,141,985
Expected return on plan assets	93,494	92,774
Contributions by the Bank	93,898	127,554
Benefits paid	(138,306)	(92,172)
Actuarial gain/(loss) recognised during the year	(32,150)	(1,351)
Closing Balance	1,285,726	1,268,790
<b>Total expense recognised in the Profit and Loss Account in schedule 16.1</b>		
Current service cost	123,886	125,052
Interest cost	86,199	82,853
Expected return on plan assets	(93,494)	(92,774)
Net actuarial (gain)/loss recognised during the year	(83,158)	(41,372)
Expense recognised in the Profit and Loss Account	33,433	73,759
<b>Actual return on plan assets</b>	<b>61,344</b>	<b>91,423</b>
<b>Key Assumptions</b>		
Salary Escalation	8.00%	10.00%
Discount rate	6.80%	6.70%
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%	5.00%

Gratuity Investment Pattern is as follows:

	31 March 2022	31 March 2021
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	99.91%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Experience adjustments are as follows:

(In Rs. '000)

	31 March 2022	For the financial year ended			
		31 March 2021	31 March 2020	31 March 2019	31 March 2018
Defined Benefit Obligation	1,312,174	1,355,703	1,282,693	1,124,028	1,148,560
Funded Assets	1,285,726	1,268,790	1,141,985	1,049,771	1,091,416
Deficit/ (Surplus)	26,448	86,913	140,708	74,257	57,144
Experience Gain/(Loss) adjustments on plan liabilities	26,438	(17,685)	42,578	(4,566)	15,207
Experience Gain/(Loss) adjustments on plan assets	(32,150)	(1,351)	51,794	7,015	(18,806)
Actuarial Gain/(Loss) due to change of assumptions	88,870	60,408	(105,088)	-	58,304

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

For the year ended 31 March 2022

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

Plan Asset Information as follows:

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

Experience adjustments are as follows:

*(In Rs. '000)*

	For the financial year ended				
	31 March 2022	31 March 2021*	31 March 2020*	31 March 2019*	31 March 2018*
Defined Benefit Obligation at end of the period	(7,284,054)	(108,998)	(68,127)	(82,697)	(55,086)
Plan Assets at end of the period	7,339,658	21,360	-	-	-
Funded Status	-	(87,637)	(68,127)	(82,697)	(55,086)
Experience Gain/(Loss) adjustments on plan liabilities	(101,489)	(4,007)	(65)	7,112	(3)
Experience Gain/(Loss) adjustments on plan assets	317,837	21,360	-	-	-
Actuarial Gain/(Loss) due to change on assumptions	(167,173)	(40,874)	22,403	(24,832)	1,734

\* 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 2022

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

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

**ii) AS 17- Segment reporting**

'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
<b>For the year ended 31 March 2022</b>					
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 Rs. '000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
<b>For the year ended 31 March 2021</b>					
Revenue	18,388,399	30,408,244	19,903,021	6,775,582	75,475,246
Less: Inter-segment revenue	(7,342,799)	2,047,819	(635,129)	5,930,109	-
Income from operations	25,731,198	28,360,425	20,538,150	845,473	75,475,246
Results	16,156,546	10,489,995	(3,316,936)	4,057,361	27,386,966
Unallocated Expenses					-
Operating Profit before tax					27,386,966
Income Tax and Deferred Tax					(12,120,235)
Extraordinary profit/Loss (pre-tax)					-
Net Profit after tax					15,266,731
<b>Other Information</b>					
Segment Assets	498,378,427	540,704,862	237,431,402	7,908,026	1,284,422,717
Unallocated Assets					9,876,507
Total Assets					1,294,299,224
Segment Liabilities	257,265,766	614,424,828	212,973,780	209,634,850	1,294,299,224
Unallocated Liabilities					-
Total Liabilities					1,294,299,224
Capital expenditure	6,243	531,406	147,904	324,123	1,009,676
Depreciation	149,410	147,386	107,790	-	404,586

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.

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.



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

For the year ended 31 March 2022

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

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

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

Retail banking activities encompasses 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. Associate

Comfund Consulting Limited (dissolved on 3 December 2021)

###### iii. 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 CIB Centre 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, 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), Sal. Oppenheim jr. & Cie. AG & Co. Kommanditgesellschaft auf Aktien, Deutsche Securities Asia Limited, Singapore Branch, Deutsche Bank Trust Corporation, Deutsche Bank México, S.A., Institución de Banca Múltiple, Deutsche Bank International Limited, Deutsche Bank (Portugal), S.A., 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, Deutsche Bank S.A., 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 Trust Company Limited Japan, 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, DB Consorzio S. Cons. a r. l., 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 International Corporate Services (Ireland) Limited.

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

###### iv. Key management personnel

In accordance with the RBI guidelines, 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 2022

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

- v. 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	-	-	-	-	-	-
	-	-	727	-	-	727
Interest paid	-	-	<b>349,571</b>	-	-	<b>349,571</b>
	-	-	548,386	-	-	548,386
Interest received	-	-	<b>9,172</b>	-	-	<b>9,172</b>
	-	-	58,125	-	-	58,125
Rendering of services - receipt	-	-	<b>173,153</b>	-	-	<b>173,153</b>
	-	-	236,638	-	-	236,638
Receiving of services - payment	-	-	<b>1,406,138</b>	-	-	<b>1,406,138</b>
	-	-	1,540,722	-	-	1,540,722
Management contracts	-	-	<b>(81,015)</b>	-	-	<b>(81,015)</b>
	-	-	96,383	-	-	96,383
Purchase of securities	-	-	<b>15,453,017</b>	-	-	<b>15,453,017</b>
	-	-	45,281,900	-	-	45,281,900
Sale of securities	-	-	<b>24,130,022</b>	-	-	<b>24,130,022</b>
	-	-	55,990,131	-	-	55,990,131
Purchase/sale of foreign exchange contracts	-	-	<b>403,137,763</b>	-	-	<b>403,137,763</b>
	-	-	624,450,971	-	-	624,450,971

Note: As per the guidance on compliance with the accounting standards by banks issued by the 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.

- vi. 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	-	-	<b>31</b>	-	-	<b>31</b>
	-	-	-	-	-	-
Deposits	-	-	<b>22,485,311</b>	-	-	<b>22,485,311</b>
	-	-	18,769,480	-	-	18,769,480
Advances	-	-	<b>10,000</b>	-	-	<b>10,000</b>
	-	-	1,550,100	-	-	1,550,100
Balances with Banks	-	-	<b>5</b>	-	-	<b>5</b>
	-	-	19,107	-	-	19,107
Non-funded commitments	-	-	<b>3,177,904</b>	-	-	<b>3,177,904</b>
	-	-	70,398,713	-	-	70,398,713
Other Assets	-	-	<b>1,030,069</b>	-	-	<b>1,030,069</b>
	-	-	1,385,354	-	-	1,385,354
Other Liabilities	-	-	<b>2,419,535</b>	-	-	<b>2,419,535</b>
	-	-	2,383,387	-	-	2,383,387

Note: As per the guidance on compliance with the accounting standards by banks issued by the 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 2022

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

- vii. Details of maximum balances outstanding with related parties during financial year ended 31 March 2022. (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>	-	-	<b>375,016</b>	-	-	<b>375,016</b>
	-	-	44,479,798	-	-	44,479,798
<b>Deposits</b>	-	-	<b>55,088,443</b>	-	-	<b>55,088,443</b>
	-	-	47,771,256	-	-	47,771,256
<b>Advances</b>	-	-	<b>2,213,000</b>	-	-	<b>2,213,000</b>
	-	-	2,430,728	-	-	2,430,728
<b>Balances with Banks</b>	-	-	<b>8,962,928</b>	-	-	<b>8,962,928</b>
	-	-	47,976,587	-	-	47,976,587
<b>Non-funded commitments</b>	-	-	<b>77,933,199</b>	-	-	<b>77,933,199</b>
	-	-	485,355,269	-	-	485,355,269
<b>Other Assets</b>	-	-	<b>1,090,706</b>	-	-	<b>1,090,706</b>
	-	-	1,385,354	-	-	1,385,354
<b>Other Liabilities</b>	-	-	<b>2,419,535</b>	-	-	<b>2,419,535</b>
	-	-	9,612,659	-	-	9,612,659

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 the 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.

- viii. The following are the material transactions between the Bank and its related parties for the year ended 31 March 2022. 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 DB International (Asia) Limited Rs. 355 thousand (Previous year: 30,109 thousand), Deutsche Bank Trust Company Americas Rs. 60,580 thousand (Previous year: Rs. 48,749 thousand), Deutsche Investments India Private Limited Rs. 61,318 thousand (Previous year: Rs. 26,639 thousand), Deutsche India Private Limited Rs. 22,796 thousand (Previous year: Rs. 132,003 thousand), Deutsche Bank Società per Azioni Rs. 24,343 thousand (Previous year: Rs. NIL).

**Receiving of services – payment**

Expenses for receiving services from Deutsche India Private Limited Rs. 1,147,374 thousand (Previous year: Rs. 958,023 thousand), Deutsche Investor Services Private Limited Rs. NIL thousand (Previous year: Rs. 480,546 thousand).

**Management contracts**

Receipt from Deutsche Investments India Private Limited Rs. 154,622 thousand (Previous year: Rs. 51,990 thousand), Deutsche CIB Centre Private Limited Rs. 58,280 thousand (Previous year: Rs. 78,412 thousand), DB USA Core Corporation Rs. 256,864 thousand (Previous year: Rs. 91,716 thousand), Deutsche Bank, Sociedad Anónima Española Rs. 2,735 thousand (Previous year: Rs. 13,910 thousand payment), Deutsche Bank Trust Company Americas Rs. 59,893 thousand (Previous year: 26,664 thousand payment), Deutsche India Private Limited Rs. 89,487 thousand (Previous year: Rs. 61,915 thousand), Deutsche India Holdings Private Limited Rs. 8,455 thousand (Previous year: Rs. 8,170 thousand).

Payment to Deutsche Equities India Private Limited Rs. 50,030 thousand (Previous Year: Rs. 105,196 thousand receipt), Deutsche Investor Services Private Limited Rs. 172,680 thousand (Previous year: Rs. 20,278 receipt), DB Group Services (EURO) Rs. 167,352 thousand (Previous year: Rs. 149,862 thousand), DB Global Technology, Inc. Rs. 13,982 thousand (Previous year: Rs. 33,683 thousand), Deutsche Group Services Pty Limited Rs. 19,149 thousand (Previous year: Rs. 41,614 thousand), DBOI Global Services (UK) Limited Rs. 49,207 thousand (Previous year: Rs. 29,955 thousand), OOO "Deutsche Bank Tech Centre" Rs. 15,101 thousand (Previous year: Rs. 73,293 thousand), Deutsche Bank Securities Inc. Rs. 56,759 thousand (Previous year: Rs. 63,794 thousand), Deutsche Knowledge Services Pte. Ltd., Manila Branch Rs. 34,939 thousand (Previous year: Rs. 21,711 thousand), DB Service Centre Limited Rs. 62,934 thousand (Previous year: Rs. 39,097), Deutsche Bank (Suisse) SA Rs. 28,252 thousand (Previous year: Rs. 14,094 thousand), Deutsche Bank (China) Co., Ltd. Rs. 28,525 thousand (Previous year: Rs. 1,672 thousand), Deutsche Securities Inc. Rs. 10,562 thousand (Previous year: Rs. 7,156 thousand).

**Balance with Bank**

Balance with Deutsche Bank (Malaysia) Berhad Rs. 5 thousand (Previous year: Rs. 35 thousand), OOO "Deutsche Bank" Rs. NIL (Previous year: Rs. 19,072 thousand).

**Other Assets**

DB International (Asia) Limited Rs. 40 thousand (Previous year: Rs. 728,240 thousand), Deutsche India Private Limited Rs. 107,111 thousand (Previous year: Rs. 245,082 thousand), Deutsche Bank Trust Company Americas Rs. 282,834 thousand (Previous year: 132,014 thousand), DB USA Core Corporation Rs. 333,443 thousand (Previous year: 71,206 thousand).

**Other Liabilities**

Deutsche India Private Limited Rs. 488,880 thousand (Previous year: Rs. 605,602 thousand), Deutsche Investor Services Private Limited Rs. 222,228 thousand (Previous year: Rs. 306,335 thousand), DB Group Services (EURO) Rs. 561,022 thousand (Previous year: Rs. 465,625 thousand).



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

For the year ended 31 March 2022

**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 2022	31 March 2021
Current tax*	15,171,550	13,988,426
Deferred tax	(2,291,808)	(1,868,191)

\* Includes charge of tax provision for earlier years of Rs. 276,425 thousand (Previous year reversal Rs. 88,090 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 2022	31 March 2021
Deferred tax asset / (Deferred tax liabilities)		
Provision for bad and doubtful debts	8,578,575	6,261,669
Depreciation on fixed assets	241,633	260,044
Provision for staff compensation and benefits	208,337	209,699
Others	423,969	429,294
<b>Net Deferred tax asset / (Deferred tax Liabilities)</b>	<b>9,452,514</b>	<b>7,160,706</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. 619,545 thousand (Previous year:Rs. 157,004 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for premises: Total lease rental of Rs.38,413 thousand (Previous year: Rs. 442,092 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for vehicles: Total lease rental of Rs.31,382 thousand (Previous year: Rs 26,997 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 2022	31 March 2021
Not later than one year	45,755	253,515
Later than one year and not later than five years	45,884	59,026
Later than five years	-	-

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

(In Rs. '000)

	31 March 2022	31 March 2021
<b>Premises</b>		
<b>Gross Carrying at Beginning of the year</b>	<b>1,331,098</b>	<b>1,280,447</b>
<b>Accumulated Depreciation at Beginning of the year</b>	<b>1,042,571</b>	<b>995,329</b>
<b>Opening Carrying Amount</b>	<b>288,526</b>	<b>285,118</b>
Additions during the year	18,889	77,687
Deductions (net) during the year	(10)	(389)
Depreciation for the period	(107,232)	(73,890)
<b>Closing Carrying amount</b>	<b>200,173</b>	<b>288,526</b>
<b>Gross Carrying at end of the year</b>	<b>1,348,138</b>	<b>1,331,097</b>
<b>Accumulated Depreciation at end of the year</b>	<b>1,147,965</b>	<b>1,042,571</b>
<b>Other Fixed Assets</b>		
<b>Gross Carrying at Beginning of the year</b>	<b>3,130,745</b>	<b>2,318,664</b>
<b>Accumulated Depreciation at Beginning of the year</b>	<b>1,893,420</b>	<b>1,666,543</b>
<b>Opening Carrying Amount</b>	<b>1,237,325</b>	<b>652,121</b>
Additions during the year	1,047,773	931,989
Deductions (net) during the year	(119)	(16,089)
Depreciation for the period	(598,235)	(330,696)
<b>Closing Carrying amount</b>	<b>1,686,744</b>	<b>1,237,325</b>
<b>Gross Carrying at end of the year</b>	<b>4,163,968</b>	<b>3,130,745</b>
<b>Accumulated Depreciation at end of the year</b>	<b>2,477,224</b>	<b>1,893,420</b>

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

For the year ended 31 March 2022

**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 2022	31 March 2021
Cost as at 31 March of the preceding year	1,680,731	996,675
Addition during the year	821,529	702,813
Deduction during the year	-	(18,757)
Accumulated depreciation to date	(1,060,583)	(643,469)
Net Value as at 31 March of the current year	1,441,677	1,037,262

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

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

**ix) AS 24 on Discontinuing Operations**

No disclosures are required under AS 24 on Discontinuing Operations.

**x) Consolidated financial statements**

The Bank had 30% of ownership interest in Comfund Consulting Limited (the Company) with a face value of Rs. 3,000 thousand and investment in the company was classified as non-performing with 100% provision. An application was submitted in 2020 with National Company Law Tribunal (NCLT) Bangalore to initiate Corporate Insolvency Resolution Process (CIRP) in respect of the Company. NCLT admitted the application and appointed an Interim Resolution Professional to carry out CIRP under the provisions of Insolvency & Bankruptcy code (IBC 2016). Pursuance to this, NCLT vide its order dated 3 December 2021 has dissolved Comfund with immediate effect. Given the Company stands dissolved, during current year, this investment is written off in the books of the Bank with a corresponding reversal of provision.

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

Year ended	31 March 2022	31 March 2021
Interest income as a percentage of working funds <sup>§</sup>	5.27%	5.46%
Non-interest income as a percentage of working funds <sup>§</sup>	1.19%	0.95%
Cost of Deposits <sup>§</sup>	1.86%	2.30%
Net Interest Margin <sup>^</sup>	4.01%	4.44%
Operating profit as a percentage of working funds <sup>§</sup>	2.60%	2.57%
Return on assets <sup>#</sup>	1.14%	1.30%
Business per employee (in Rs.000's) @.*	780,326	673,393
Profit per employee (in Rs.000's) *	8,524	8,769

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

<sup>@</sup> For the purpose of computation of business per employee (deposits plus advances) interbank deposits are excluded.

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

**ii) Bancassurance business**

(In Rs. '000)

	31 March 2022	31 March 2021
For selling life insurance products	60,957	56,159
For selling non life insurance products	24,457	20,920
For selling Mutual fund products	458,518	322,411
For selling PMS products	92,347	63,231
Others	-	11,388
Total	636,279	474,109



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

For the year ended 31 March 2022

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

**o. Other Disclosures (Continued)**

**iii) Marketing and distribution**

Fees / remuneration received in respect of marketing and distribution function (excluding bancassurance business) is Rs. Nil (Previous year Rs. Nil).

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

(In Rs. '000)

Type of PSLCs	31 March 2022		31 March 2021	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	-	-	-	-
PSLC - SF / MF	-	-	-	-
PSLC - Micro Enterprises	-	12,175,000	-	-
PSLC - General	67,000,000	5,500,000	60,230,000	15,500,000
<b>Total</b>	<b>67,000,000</b>	<b>17,675,000</b>	<b>60,230,000</b>	<b>15,500,000</b>

**v) Provisions and contingencies**

(In Rs. '000)

	31 March 2022	31 March 2021
Provision for loan loss (net)	3,525,922	1,612,713
Provision / (write back) for contingent credit exposures	(54,860)	(633,990)
Provision / (write back) for standard assets	792,746	26,104
Provision / (write back) for country risk	110,988	181,832
Bad debts written off	2,125,437	4,853,513
Provision / (write back) for Non Performing investments	(425,804)	(2,699,707)
Other Provisions (net)	-	(453,882)
Provision for taxation:		
(a) Current tax	15,171,550	13,988,426
(b) Deferred tax	(2,291,808)	(1,868,191)
<b>Total</b>	<b>18,954,171</b>	<b>15,006,818</b>

Other Provisions (net) represent provisions made on prudential basis on specific advances or exposures which are not NPAs and general provision created for accounts where moratorium is granted in accordance with RBI guidelines relating to COVID-19 Regulatory Package.

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 2022	31 March 2021
Payment of DICGC Insurance Premium (inclusive of GST)	941,799	900,113
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 disbursal. The Bank's CSR Policy document sets out the following primary objectives:

- i. **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.
- ii. **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.

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

For the year ended 31 March 2022

**4. Notes to financial statements (Continued)****o. Other Disclosures (Continued)**

- iii. **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.
- iv. **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.
- v. CSR activities falling within the scope of Schedule VII of Section 135 of the Companies Act, 2013.

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. 464,844 thousand (Previous year Rs. 393,629 thousand)
- b. The details of amount spent during the respective year towards CSR are as under

*(In Rs. '000)*

	<b>31 March 2022</b>
Disbursal of funds by the Bank to the implementing agency (NGO) on:	
(i) Construction / acquisition of any asset	-
(ii) Purpose other than (i) above	466,803
<b>Total</b>	<b>466,803</b>
<i>Of which Spent by NGO during the year</i>	<i>274,357</i>
<i>Of which Unspent by NGO as at year end</i>	<i>192,446</i>

*(In Rs. '000)*

	<b>31 March 2021</b>
Disbursal of funds by the Bank to the implementing agency (NGO) on:	
(i) Construction / acquisition of any asset	-
(ii) On purpose other than (i) above	397,888
<b>Total</b>	<b>397,888</b>

**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. 10,402 thousand (Previous year Rs. 7,861 thousand) and interest thereon is Rs Nil (Previous year Rs. Nil), principal amount paid after the due date to such enterprises is Rs. 1,492 thousand (Previous year Rs. 733 thousand) and the interest payable as at 31 March 2022 to such enterprises is Rs. 9 thousand (Previous year Rs. 1 thousand).

**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)*

	<b>31 March 2022</b>	31 March 2021
Opening provision	<b>5,527</b>	7,453
Provision made during the year	<b>4,621</b>	2,091
Utilization of provision during the year	<b>(4,594)</b>	(4,017)
Closing balance	<b>5,554</b>	5,527





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

For the year ended 31 March 2022

**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 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.

**Provident fund liability**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in June 2021. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Bank will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**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.

For **Deutsche Bank AG, India Branches**

**Kaushik Shaparia**  
Chief Executive Officer India

London  
Date: 28 June 2022

As per our Report of even date.  
For **S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
**Firm registration number:** 101049W/E300004

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

Mumbai  
Date: 28 June 2022

**Avinash Prabhu**  
Chief Financial Officer India

Mumbai  
Date: 28 June 2022

For **Batliboi & Purohit**  
Chartered Accountants  
**Firm registration number:** 101048W

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

Mumbai  
Date: 28 June 2022