

Price Waterhouse LLP

Chartered Accountants

Independent Auditor's Report

To the Governing Body of DBS Bank Limited - Gift City Branch

Report on Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of DBS Bank Gift City Branch ("the Branch"), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended March 31, 2025 and schedules to the financial statements including material accounting policies and notes forming part of the financial statements which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with schedules thereon, presented in United States Dollars ("USD") as required by International Financial Services Centres Authority ("IFSCA") Banking Regulations, 2020, as amended, give the information required by Section 29 of the Banking Regulation Act, 1949 as permitted by the Prudential Directions – V5.0 of The IFSCA Banking Handbook ("the Directions"), in the manner so required for International Financial Services Centres Banking Units ("IBU") and are in conformity with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") read with para 1(iv) of Module No. 3 Prudential Reporting, Disclosure and Supervision of the Directions and give a true and fair view of the state of affairs of the Branch as at March 31, 2025, and its total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended March 31, 2025.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of Financial Statements" section of our report. We are independent of the Branch 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 opinion.

Other Information

4. The Branch's management is not required to prepare an annual report. Accordingly, the requirement for our reporting on such Other Information is not applicable.

Responsibilities of management and those charged with governance for the Financial Statements

5. The Branch's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Branch presented in USD as required by IFSCA Banking Regulations, 2020, as amended, and give the information required by Section 29 of the Banking Regulation Act, 1949 as permitted by the Directions, in the manner so required for IBU and are in conformity with IFRS issued by the IASB, read with para 1(iv) of Module No. 3 Prudential Reporting, Disclosure and Supervision of the Directions. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Branch and for preventing and detecting frauds and other irregularities; selection and application of appropriate

Price Waterhouse LLP, NESCO IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3, Western Express Highway, Goregaon, East, Maharashtra 400063.

T: +91 (22) 61197810

Registered Office and Head office: Plot No.56 & 57, Block DN, Sector V, Salt Lake, Kolkata-700091

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAS - 3673) with effect from April 22, 2020. Post its conversion to Price Waterhouse LLP, its ICAI registration number is (FRN 301112E/E300264) (ICAI registration number before conversion was 301112E)

Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Governing Body of DBS Bank Limited - Gift City Branch

Report on Audit of the Financial Statements

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so. The management is also responsible for overseeing the Branch's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 Branch 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 Branch'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 Branch 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.
9. 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.
10. 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.

Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Governing Body of DBS Bank Limited - Gift City Branch

Report on Audit of the Financial Statements

Report on other legal and regulatory requirements

11. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Branch so far as it appears from our examination of those books except that
 - I) the back-up of certain books of account and other books and papers maintained in electronic mode for an accounting software, on servers physically located in India, has been maintained on monthly basis instead of daily basis for the period April 01, 2024 to November 30, 2024, and maintained on daily basis except on Sundays for the period from December 1, 2024 to March 31, 2025 and
 - II) the backup of certain books of account have not been maintained on a daily basis on a server located in India, but maintained on an adhoc basis on a server located in India, and except for the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) (also, refer note 6 (l) of the Schedule 18 of the financial statements of the Branch).
- (c) The Balance Sheet, the Profit and Loss Account (including Other Comprehensive Income), the Statement of Changes in Equity 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 IFRS issued by IASB read with para 1(iv) of Module No. 3 Prudential Reporting, Disclosure and Supervision of the IFSCA regulations and Directions.
- (e) The requirements of Section 164(2) of the Act are not applicable considering that no directors are required to be appointed as it is a Branch of Head office which is incorporated and registered in the Singapore with limited liability.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Branch and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Branch does not have any pending litigation which would impact its financial position;
 - ii. The Branch has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 5 and 9 of the financial statements;
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Branch for the year ended March 31, 2025;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 6 (k) of the Schedule 18 of the financial statements to the accounts, 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 Branch 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 Branch ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Governing Body of DBS Bank Limited - Gift City Branch

Report on Audit of the Financial Statements

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 6 (k) of the Schedule 18 of the financial statements, no funds have been received by the Branch from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Branch 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 we 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. The requirements of Section 123 of the Act are not applicable to the Branch considering it is a Branch of Head office which is incorporated and registered in the Singapore with limited liability. Hence, reporting under Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable;
- vi. Based on our examination, which included test checks, the Branch has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated during the year for all relevant transactions recorded in the software. Further, the audit trail feature has not been enabled at the database level for five accounting software to log any direct data changes throughout the year but was enabled from the respective date mentioned in note 6 (l) of the Schedule 18 of the financial statements. During the course of performing our procedures, other than the aforesaid instances of audit trail not enabled where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior period, has been preserved by the Branch as per the statutory requirements for record retention.
12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Branch.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119

UDIN: 25101119BMIFEL4687
Place: Mumbai
Date: July 30, 2025

Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the Governing Body of DBS Bank Limited, GIFT City Branch on the financial statements for the year ended March 31, 2025.

Report on the Internal Financial Controls with reference to Financial Statements under clause (I) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of DBS Bank Limited, GIFT City Branch ("the Branch") as at March 31, 2025 in conjunction with our audit of the financial statements of the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Branch's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Branch considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("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 Branch'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

3. Our responsibility is to express an opinion on the Branch's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Branch's internal financial controls system with reference to financial statements.

Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the Governing Body of DBS Bank Limited, GIFT City Branch on the financial statements for the year ended March 31, 2025.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A Branch'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 Branch'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 Branch; (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 Branch are being made only in accordance with authorisations of management of the Branch; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Branch's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. 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 controls 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

8. In our opinion, the Branch has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Branch considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFEL4687
Place: Mumbai
Date: July 30, 2025

DBS Bank Limited - GIFT City Branch

Balance Sheet

as at 31 March 2025

(Currency : US Dollars in thousands)

| | <i>Schedules</i> | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------|----------------------------|----------------------------|
| Capital and liabilities | | | |
| Capital | 1 | - | - |
| Reserves and surplus | 2 | 47,666 | 6,989 |
| Deposits | 3 | - | - |
| Borrowings | 4 | 7,605,786 | 3,947,546 |
| Other liabilities and provisions | 5 | 26,955 | 11,977 |
| Total | | 7,680,407 | 3,966,512 |
| Assets | | | |
| Cash and balances with Reserve Bank of India | 6 | - | - |
| Balances with banks and money at call and short notice | 7 | 76,393 | 18,740 |
| Investments | 8 | 137,897 | - |
| Advances | 9 | 7,462,493 | 3,944,889 |
| Fixed assets | 10 | 350 | 342 |
| Other assets | 11 | 3,274 | 2,541 |
| Total | | 7,680,407 | 3,966,512 |
| Contingent liabilities | 12 | 304,993 | 676 |
| Material accounting policies and notes forming part of Financial Statements | 18 | | |
| Schedules referred to herein form an integral part of this Balance Sheet | | | |

As per attached report of even date

For **Price Waterhouse LLP**

Chartered Accountants

Firm Regn No: 301112E/E300264

Sharad Vasant

Partner

Membership No: 101119

Place: Mumbai

Date: July 30, 2025

For **DBS Bank Limited - GIFT City Branch**

**TARAL
NAVIN
SHAH** Digitally signed
by TARAL NAVIN
SHAH
Date: 2025.07.30
19:46:23 +05'30'

Taral Shah

IBU Head

Place: Gandhinagar

Date: July 30, 2025

**GAURAV
GOVIND
CHICHANI** Digitally signed by
GAURAV GOVIND
CHICHANI
Date: 2025.07.30
19:42:27 +05'30'

Gaurav Chichani

Finance Head

Place: Gandhinagar

Date: July 30, 2025

DBS Bank Limited - GIFT City Branch

Profit and Loss Account

for the year ended 31 March 2025

(Currency : US Dollars in thousands)

| | Schedules | for the year ended 31 March 2025 | for the period from 25 May 2023 to 31 March 2024 |
|--|------------------|---|---|
| Income | | | |
| Interest earned | 13 | 316,909 | 80,214 |
| Other income | 14 | 16,272 | 6,374 |
| Total | | 333,181 | 86,588 |
| Expenditure | | | |
| Interest expended | 15 | 272,973 | 71,508 |
| Operating expenses | 16 | 13,251 | 4,608 |
| Provisions and contingencies | 17 | 6,280 | 3,483 |
| Total | | 292,504 | 79,599 |
| Net profit for the year/period | | 40,677 | 6,989 |
| Other Comprehensive Income | | - | - |
| Items that will be reclassified to Profit And Loss Account | | - | - |
| Items that will not be reclassified to Profit And Loss Account (net of taxes) | | - | - |
| Total other comprehensive income for the year/period | | - | - |
| Total comprehensive income for the year/period | | 40,677 | 6,989 |
| Appropriations | | | |
| Transfer to statutory reserves | | - | - |
| Transfer to other reserves | | - | - |
| Transfer to Government/proposed dividend | | - | - |
| Balance carried over to Balance Sheet | | 40,677 | 6,989 |
| Material accounting policies and notes forming part of Financial Statements | 18 | | |
| Schedules referred to herein form an integral part of this Profit and Loss Account | | | |

As per attached report of even date

For **Price Waterhouse LLP**
Chartered Accountants
Firm Regn No: 301112E/E300264

Sharad Vasant
Partner
Membership No: 101119
Place: Mumbai
Date: July 30, 2025

For **DBS Bank Limited - GIFT City Branch**

**TARAL
NAVIN
SHAH** Digitally signed
by TARAL NAVIN
SHAH
Date: 2025.07.30
19:47:09 +05'30'

Taral Shah
IBU Head

Place: Gandhinagar
Date: July 30, 2025

**GAURAV
GOVIND
CHICHANI** Digitally signed
by GAURAV
GOVIND
CHICHANI
Date: 2025.07.30
19:42:59 +05'30'

Gaurav Chichani
Finance Head

Place: Gandhinagar
Date: July 30, 2025

DBS Bank Limited - GIFT City Branch

Statement of Changes in Equity

for the year ended 31 March 2025

(Currency : US Dollars in thousands)

| | Head office capital* | Reserves and surplus (Retained earnings) | Other Comprehensive Income | Total |
|--|----------------------|--|----------------------------|---------------|
| Opening Balance | - | 6,989 | - | 6,989 |
| Capital contribution | - | - | - | - |
| Income for the year | - | 40,677 | - | 40,677 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - |
| As at 31 March 2025 | - | 47,666 | - | 47,666 |

Statement of Changes in Equity

for the period from 25 May 2023 to 31 Mar 2024

| | Head office capital* | Reserves and surplus (Retained earnings) | Other Comprehensive Income | Total |
|--|----------------------|--|----------------------------|--------------|
| Capital contribution | - | - | - | - |
| Income for the period | - | 6,989 | - | 6,989 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - |
| As at 31 March 2024 | - | 6,989 | - | 6,989 |

*Minimum prescribed capital as per the IFSCA Banking Handbook Prudential Directions is maintained at head office level at all times during the period/year ;

For **Price Waterhouse LLP**

Chartered Accountants

Firm Regn No: 301112E/E300264

Sharad Vasant

Partner

Membership No: 101119

Place: Mumbai

Date: July 30, 2025

For **DBS Bank Limited - GIFT City Branch**

TARAL NAVIN SHAH
Digitally signed by TARAL NAVIN SHAH
Date: 2025.07.30 19:47:46 +05'30'

Taral Shah
IBU Head

Place: Gandhinagar
Date: July 30, 2025

GAURAV GOVIND CHICHANI
Digitally signed by GAURAV GOVIND CHICHANI
Date: 2025.07.30 19:43:27 +05'30'

Gaurav Chichani
Finance Head

Place: Gandhinagar
Date: July 30, 2025

DBS Bank Limited - GIFT City Branch

Cash Flow Statement - Indirect Method

for the year ended 31 March 2025

(Currency : US Dollars in thousands)

| | for the year ended 31 March 2025 | for the period from 25 May 2023 to 31 March 2024 |
|---|-------------------------------------|--|
| Cash flow from operating activities | | |
| Profit before Income Tax Adjustments for: | 40,677 | 6,989 |
| Other comprehensive income before tax | - | - |
| Adjustments to non cash items: | | |
| Interest Income | (316,909) | (80,214) |
| Interest Expense | 272,973 | 71,508 |
| Depreciation on fixed assets | 50 | 36 |
| Provision for advances | 6,239 | 3,483 |
| (Profit) / Loss on revaluation of investments (net) | 362 | - |
| (Profit) / Loss on exchange/derivative transactions (net) | 40 | (17) |
| Cash inflow from interest of advances/Investment | 289,847 | 55,257 |
| Cash outflow from interest on borrowings | (251,941) | (49,846) |
| | 41,338 | 7,197 |
| Adjustments for: | | |
| Increase in advances | (3,498,675) | (3,923,414) |
| Increase in Investments | (136,356) | - |
| Decrease in other assets | 2,368 | (2,519) |
| Increase in other liabilities and provisions | 14,663 | 11,992 |
| Direct taxes paid (Net) | (2,835) | (22) |
| Net cash (used in)/generated from operating activities (A) | (3,579,497) | (3,906,766) |
| Cash flow from investing activities | | |
| Purchase of Fixed Assets | (59) | (378) |
| Net cash (used in)/generated from investing activities (B) | (59) | (378) |
| Cash flow from financing activities | | |
| Borrowings from Head office (Net of Repayment) | 3,637,209 | 3,925,884 |
| Net cash (used in)/generated from financing activities (C) | 3,637,209 | 3,925,884 |
| Net increase in cash and cash equivalents (A) + (B) + (C) | 57,654 | 18,740 |
| Cash and cash equivalents as at the beginning of period | 18,740 | - |
| Cash and cash equivalents as at year/period end | 76,393 | 18,740 |
| Constituents of Balances with banks and money at call and short notice | | |
| Balance with Banks in India* | 601 | 165 |
| Balance with Banks outside India* | 75,792 | 18,575 |

*Note : Refer Schedule 7 for details

For **Price Waterhouse LLP**
Chartered Accountants
Firm Regn No: 301112E/E300264

Sharad Vasant
Partner
Membership No: 101119
Place: Mumbai
Date: July 30, 2025

For **DBS Bank Limited - GIFT City Branch**

TARAL
NAVIN SHAH

Taral Shah
IBU Head

Place: Gandhinagar
Date: July 30, 2025

GAURAV
GOVIND
CHICHANI

Gaurav Chichani
Finance Head

Place: Gandhinagar
Date: July 30, 2025

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet
as at 31 March 2025

(Currency : US Dollars in thousands)

| | <i>As at 31 March 2025</i> | <i>As at 31 March 2024</i> |
|---|----------------------------|----------------------------|
| 1 Capital | | |
| I Capital | | |
| Head Office Account | | |
| Opening Balance | - | - |
| Add: Capital Infusion by Head office | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| 2 Reserves and surplus | | |
| I Balance in Profit and Loss Account | 47,666 | 6,989 |
| | <u>47,666</u> | <u>6,989</u> |
| | <u>47,666</u> | <u>6,989</u> |
| 3 Deposits | | |
| A. I. Demand Deposits | | |
| i) From banks | - | - |
| ii) From others | - | - |
| Total i) and ii) | <u>-</u> | <u>-</u> |
| II. Savings Bank Deposits | - | - |
| III. Term Deposits | | |
| i) From banks | - | - |
| ii) From others | - | - |
| Total i) and ii) | <u>-</u> | <u>-</u> |
| TOTAL (I+II+III) | <u>-</u> | <u>-</u> |
| B. I. Deposits of branches in India | - | - |
| II. Deposits of branches outside India | - | - |
| TOTAL (I+II) | <u>-</u> | <u>-</u> |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet (Continued)

as at 31 March 2025

(Currency : US Dollars in thousands)

| | As at 31 March 2025 | As at 31 March 2024 |
|--|-------------------------|-------------------------|
| 4 Borrowings | | |
| I Borrowings in India | | |
| i) Reserve Bank of India | - | - |
| ii) Other banks | - | - |
| iii) Other institutions and agencies | - | - |
| iv) Subordinated debt | - | - |
| Total i), ii) , iii) and iv) | <u>-</u> | <u>-</u> |
| II Borrowings outside India* | 7,605,786 | 3,947,546 |
| TOTAL (I+II) | <u>7,605,786</u> | <u>3,947,546</u> |
| Secured borrowings included in I and II above | <u>-</u> | <u>-</u> |
| *Borrowings are unsecured and have no covenants | | |
| 5 Other liabilities and provisions (refer to schedule 6.b of Schedule 18) | | |
| I Bills payable | - | - |
| II Inter-office adjustments (net) | - | - |
| III Interest accrued | - | - |
| IV Provision towards standard assets* | 276 | 2 |
| V Others (including provisions) | 26,679 | 11,975 |
| VI Provision for Tax (net of advance tax) | - | - |
| TOTAL (I+II+III+IV+V+VI) | <u>26,955</u> | <u>11,977</u> |
| *This consists of ECL on undrawn commitments | | |
| 6 Cash and Balances with Reserve Bank of India | | |
| I Cash in hand (including foreign currency notes) | - | - |
| II Balances with the Reserve Bank of India | | |
| i) In current accounts | - | - |
| ii) In other accounts | - | - |
| Total i) and ii) | <u>-</u> | <u>-</u> |
| TOTAL (I+II) | <u><u>-</u></u> | <u><u>-</u></u> |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet (Continued)

as at 31 March 2025

(Currency : US Dollars in thousands)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---------------------|---------------------|
| 7 Balances with banks and money at call and short notice | | |
| I In India | | |
| i) Balances with banks | | |
| a) In current accounts | 601 | 165 |
| b) In other deposit accounts | - | - |
| Total a) and b) | 601 | 165 |
| ii) Money at call and short notice | | |
| a) with banks | - | - |
| b) with other institutions | - | - |
| Total a) and b) | - | - |
| Total i) and ii) | 601 | 165 |
| II Outside India | | |
| i) In current accounts | 35,792 | 18,575 |
| ii) In other deposit accounts | 40,000 | - |
| iii) Money at call and short notice | - | - |
| Total i), ii) and iii) | 75,792 | 18,575 |
| TOTAL (I+II) | 76,393 | 18,740 |
| 8 Investments | | |
| I Investments in India | | |
| i) Government securities | 18,413 | - |
| ii) Other approved securities | - | - |
| iii) Shares | - | - |
| iv) Debentures and bonds | 119,484 | - |
| v) Subsidiaries and/or joint ventures | - | - |
| - fully paid | | |
| - partly paid | | |
| vi) Others (CDs, CPs, Pass Through Certificates etc) | - | - |
| TOTAL i), ii), iii), iv), v) and vi) | 137,897 | - |
| II Investments outside India | - | - |
| Total (I+II) | 137,897 | - |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet (Continued)

as at 31 March 2025

(Currency : US Dollars in thousands)

| | As at 31 March 2025 | As at 31 March 2024 |
|--|---------------------|---------------------|
| 9 Advances | | |
| A. | | |
| i) Bills purchased and discounted | 1,980,966 | 1,848,432 |
| ii) Cash credits, overdrafts and loans repayable on demand | - | - |
| iii) Term loans | 5,481,527 | 2,096,457 |
| TOTAL i), ii) and iii) | 7,462,493 | 3,944,889 |
| B. | | |
| i) Secured by tangible assets* | 2,350,433 | 301,142 |
| ii) Covered by Bank / Government guarantees** | 768,325 | 86,118 |
| iii) Unsecured | 4,343,735 | 3,557,629 |
| TOTAL i), ii) and iii) | 7,462,493 | 3,944,889 |
| CI. | | |
| Advances in India | | |
| i) Priority sectors | - | - |
| ii) Public sector | 710,889 | 447,548 |
| iii) Banks** | 378,997 | 478,450 |
| iv) Others | 4,090,005 | 1,375,198 |
| TOTAL i), ii), iii) and iv) | 5,179,891 | 2,301,196 |
| CII. | | |
| Advances outside India | | |
| i) Due from banks** | 26,150 | - |
| ii) Due from others | | |
| a) Bills purchased and discounted | 1,262,338 | 1,045,801 |
| b) Syndicated Loans | 994,114 | 597,892 |
| c) Others | - | - |
| TOTAL i) and ii) | 2,282,602 | 1,643,693 |
| TOTAL CI and CII | 7,462,493 | 3,944,889 |

*includes advances secured by book debts, pledged shares and deposits

**includes advances covered by Letters of Credit issued by other banks

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet (Continued)

as at 31 March 2025

(Currency : US Dollars in thousands)

| | As at 31 March 2025 | As at 31 March 2024 |
|--|---------------------|---------------------|
| 10 Fixed assets | | |
| I Premises (including leasehold improvements) | | |
| Cost at 1 April (including revaluation) | - | - |
| Additions during the period/year | - | - |
| Revaluation of premises during the period/year | | |
| Deductions during the period/year | | |
| | - | - |
| Depreciation to date | | |
| Net book value of Premises (including leasehold improvements) | - | - |
| II Other Fixed Assets (including furniture and fixtures) | | |
| Cost at 1 April | 378 | - |
| Additions during the period/year | 32 | 378 |
| Deductions during the period/year | - | - |
| | 410 | 378 |
| Depreciation to date | (87) | (36) |
| Net book value of Other Fixed Assets (including furniture and fixtures) | 323 | 342 |
| III Capital Work-in-progress | 27 | - |
| TOTAL (I+II+III) | 350 | 342 |
| 11 Other assets | | |
| I Inter-office adjustments (net) | - | - |
| II Interest accrued | 265 | - |
| III Tax paid in advance/tax deducted at source (net of provision for tax) | 2,857 | 22 |
| IV Deferred tax (net) | - | - |
| V Stationery and stamps | - | - |
| VI Non-banking assets acquired in satisfaction of claims | - | - |
| VII Items in course of collection | - | - |
| VIII Others | 152 | 2,519 |
| TOTAL (I+II+III+IV+V+VI+VII+VIII) | 3,274 | 2,541 |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Balance Sheet (Continued)

as at 31 March 2025

(Currency : US Dollars in thousands)

| | As at 31 March 2025 | As at 31 March 2024 |
|--|---------------------|---------------------|
| 12 Contingent liabilities | | |
| I Claims against the bank not acknowledged as debts (including tax matters) | - | - |
| II Liability for partly paid investments | - | - |
| III Liability on account of outstanding forward exchange and derivative contracts | - | - |
| i) Forward contracts | 134,067 | - |
| ii) Currency options | - | - |
| iii) Derivative contracts | - | - |
| Total i), ii) and iii) | 134,067 | - |
| IV Guarantees given on behalf of constituents | | |
| i) In India | 12,512 | - |
| ii) Outside India | - | - |
| Total i) and ii) | 12,512 | - |
| V Acceptances, endorsements and other obligations | 158,414 | 676 |
| VI Bills rediscounted | - | - |
| VII Other items for which the bank is contingently liable | - | - |
| TOTAL (I+II+III+IV+V+VI+VII) | 304,993 | 676 |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Profit And Loss Account for the year ended 31 March 2025

(Currency : US Dollars in thousands)

| | for the year ended 31 March 2025 | for the period from 25 May 2023 to 31 March 2024 |
|--|-------------------------------------|---|
| 13 Interest earned | | |
| I Interest/discount on advances/bills | 314,721 | 79,851 |
| II Income on investments | 373 | - |
| III Interest on balances with Reserve Bank of India and other inter-bank funds | 1,815 | 363 |
| IV Others | - | - |
| TOTAL (I+II+III+IV) | 316,909 | 80,214 |
| 14 Other income | | |
| I Commission, exchange and brokerage (net) | 16,675 | 6,357 |
| II Profit / (Loss) on sale/maturity of investments (net) | (1) | - |
| III Profit / (Loss) on revaluation of investments (net) | (362) | - |
| IV Profit / (Loss) on disposal of land, buildings and other assets (net) | - | - |
| V Profit/ (Loss) on exchange/derivative transactions (net) | (40) | 17 |
| VI Miscellaneous income | - | - |
| TOTAL (I+II+III+IV+V+VI) | 16,272 | 6,374 |
| 15 Interest expended | | |
| I Interest on deposits | - | - |
| II Interest on Reserve Bank of India/ inter-bank borrowings | 272,958 | 71,495 |
| III Others | 15 | 13 |
| TOTAL (I+II+III) | 272,973 | 71,508 |

DBS Bank Limited - GIFT City Branch

Schedules forming part of the Profit And Loss Account (Continued) for the year ended 31 March 2025

(Currency : US Dollars in thousands)

| | for the year ended 31 March 2025 | for the period from 25 May 2023 to 31 March 2024 |
|--|-------------------------------------|---|
| 16 Operating expenses | | |
| I Payments to and provisions for employees | 667 | 407 |
| II Rent, taxes and lighting | 17 | 10 |
| III Advertisement and publicity | 1 | 7 |
| IV Depreciation on Bank's property | 50 | 36 |
| V Auditors' fees and expenses | 35 | 18 |
| VI Law charges | 44 | 1 |
| VII Postage, telegrams, telephones, etc. | 37 | 27 |
| VIII Repairs and maintenance | 14 | 19 |
| IX Referral and structuring fees* | 11,720 | 2,943 |
| X Other expenditure | 666 | 1,140 |
| TOTAL (I+II+III+IV+V+VI+VII+VIII+IX+X) | 13,251 | 4,608 |
| * Fees Paid to DBS Bank India Ltd | | |
| 17 Provisions and contingencies | | |
| I Provision for advances | 6,239 | 3,483 |
| II Taxation charge | | |
| - Current tax expense* | (988) | 1,029 |
| - Deferred tax charge | - | - |
| - Minimum Alternate Tax Credit * | 1,029 | (1,029) |
| | 41 | - |
| III Other provisions | - | - |
| TOTAL (I+II+III) | 6,280 | 3,483 |
| * MAT Expense and MAT credit created in previous period has been reversed in current financial year. | | |

DBS Bank Limited – GIFT City Branch

Schedules forming part of the Financial Statements

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts

1 Background

In April 2023, DBS Bank Limited (“DBS Bank” or “the Bank” or “the HO”) was given a license to carry out banking business by the International Financial Services Centre Authority (“IFSCA”) under IFSCA Banking Regulations, 2020, as amended (referred as “IFSCA Regulations”), consequent to which, the Bank established GIFT City Branch (hereinafter referred to as “DBS Bank Limited – GIFT City Branch” or “the Branch”) as International Financial Services Centers Banking Unit (IBU) and commenced its operations from 25th May 2023. The Branch received the foreign company registration from Ministry of Corporate Affairs (“MCA”) on 18 October 2024 with effect from 25 May 2023. The Branch has been granted Category I license for Foreign Portfolio Investor (“FPI”) and Offshore Derivative Instrument (“ODI”) on 23 Apr 2024 by the Designated Depository Participant (“DDP”) team of DBS Bank India Limited (“DBIL” , a Wholly owned subsidiary of DBS Bank) which has been issued on behalf of Securities and Exchange Board of India (“SEBI”).

The Bank’s ultimate holding company is DBS Group Holdings Ltd (“DBSH”), which is listed, incorporated and domiciled in the Republic of Singapore. The registered office of the Bank is situated at 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982 and its principal place of business at Gift City is situated at 802, 8th Floor, Hiranandani Signature, Gift SEZ, Gift City, Gandhinagar - 382355, India.

The financial statements for year ended 31 March 2025 comprises of Balance Sheet as at 31st March 2025, Profit and Loss Account, cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

Principal activities: Currently, the Branch offers Loans, Advances, Trade financing products, derivatives and trading/investment in INR Bonds (through ‘FPI’ license). All offerings from the Branch are on back-to-back funding model from the HO.

2 Basis of preparation

The financial statements together with schedules thereon, presented in United States Dollars (“USD”) as required by IFSCA Regulations, give the information required by Section 29 of the Banking Regulation Act, 1949 as permitted by the Prudential Directions – V5.0 of The IFSCA Banking Handbook (“the Directions”), in the manner so required for IBUs and are in conformity with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) read with para 1(iv) of Module No. 3 Prudential Reporting, Disclosure and Supervision of the Directions.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at Fair Value Through Profit or Loss (‘FVTPL’) or measured at Fair Value Through Other Comprehensive Income (‘FVOCI’).

New or revised standards issued, but not yet effective: Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Branch. The Branch’s assessment of the impact of these new standards and amendments is set out below

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

2 Basis of preparation (Continued)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Branch is currently assessing the detailed implications of these amendments on the Branch's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Branch is currently assessing the detailed implications of applying the new standard on the Branch's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The Branch is currently assessing the detailed implications of applying the new standard on the Branch's financial statements

3 Use of critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Branch's accounting policies.

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates that involve management's valuation judgement includes impairment of amortized cost and FVOCI financial assets (refer note 5.3.d of Schedule 18).

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

4 Going Concern

The financial statements are prepared on a going concern basis, as the management is satisfied that the Branch has the resources to continue in business for the foreseeable future. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources.

5 Material Accounting policies

5.1 Functional and presentation currency

Items included in the financial statements of the Branch are measured using the currency of the primary economic environment in which the Branch operates (the “functional currency”). Considering the local regulatory guidelines by IFSCA, cash flows, the financing structure and Head office financing arrangements with the Branch, USD is considered as the functional and presentation currency.

5.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into USD at rates of exchange prevailing on the balance sheet date. Income and expense items denominated in foreign currencies are translated into USD at exchange rates prevailing at the date of the transaction. Any gains or losses arising on translation are taken directly to the Profit and Loss Account.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into USD at the exchange rate ruling at the date when the transaction was recognized. Non-monetary items denominated in foreign currencies that are stated at fair value are translated into USD at foreign exchange rates ruling at the dates when the fair values were determined. Translation differences arising on non-monetary items measured at fair value are recognized in the Profit and Loss Account.

5.3 Financial assets and liabilities

(a) Recognition of financial assets and financial liabilities

The Branch recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(b) Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified as measured at amortized cost, FVOCI or FVTPL. The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Branch in determining the business model for assets include on how the cash flows for these assets are collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

On initial recognition, financial liabilities are classified as measured at either amortized cost or FVTPL.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.3 Financial assets and liabilities (Continued)

(c) Financial assets and financial liabilities measured at amortized cost

Financial assets are measured at amortized cost if they are held under a business model with the objective to collect contractual cash flows ("Hold to Collect") and have contractual terms under which cash flows are Solely Payments of Principal and Interest ("SPPI"). Factors considered by the Branch in determining the business model for a group of assets include on how the cash flows for these assets are collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. In making the SPPI assessment, the Branch considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets measured at amortized cost include cash and due from banks, advances and accrued income that are in the Hold to Collect (HTC) business model.

Financial liabilities are measured at amortized cost unless they are designated as measured at FVTPL to avoid accounting mismatch. All financial liabilities of the Branch are measured at amortized cost, which includes borrowings, trade creditors, amount payables and certain other liabilities.

Financial assets and financial liabilities measured at amortized cost are initially recognized at fair value including transaction costs. The initial amount recognized is subsequently reduced for principal repayments and adjusted for accrued interest using the effective interest method. In addition, the carrying amount of financial assets is adjusted by recognizing an expected credit loss allowance through profit or loss.

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability.

Gains and losses arising on the disposal of financial assets measured at amortized cost are recognized in non-interest revenue.

(d) Financial assets measured at fair value through other comprehensive income ("FVOCI")

Financial assets are measured at FVOCI if they are held under a business model with the objective of both collecting contractual cash flows and selling the financial assets ("Hold to Collect and Sell", "HTC & S"), and have contractual terms under which cash flows are SPPI.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.3 Financial assets and liabilities (Continued)

(d) Financial assets measured at fair value through other comprehensive income ("FVOCI") (Continued)

Financial assets measured at FVOCI are initially recognized at fair value, which includes direct transaction costs. The financial assets are subsequently remeasured at fair value with any changes presented in other comprehensive income ("OCI") except for changes attributable to impairment, interest income and foreign currency exchange gains and losses. Impairment losses and interest income are measured and presented in profit and loss on the same basis as financial assets measured at amortized cost (see above).

On disposal of financial assets, being debt instruments measured at FVOCI, the cumulative gains or losses in OCI are reclassified from equity and recognized in current period's other income.

(e) Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets are measured at fair value through profit or loss (FVTPL) when:

- the assets are not SPPI in nature.
- the assets are not part of a "HTC" [Hold to Collect] or "HTC & S" [Hold to Collect & Sell] business model or
- the assets are designated at FVTPL to eliminate or significantly reduce the measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different basis.

Assets measured at FVTPL are mainly recorded in the "Markets Trading Segment". Realized and unrealized gains or losses on FVTPL financial assets are taken to the profit and loss in the period they arise.

Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are classified as held for trading unless they are designated in hedge accounting relationships. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow hedges or net investment hedges are included in "Other income".

(f) Impairment of amortized cost and FVOCI financial assets

Expected Credit Loss

Expected Credit Loss ("ECL") is recognized for all financial assets held at amortized cost, debt instruments measured at FVOCI and undrawn loan commitments. It represents the present value of expected cash shortfalls over the residual term of a financial assets or undrawn loan commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months ("12-month ECL"). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the instrument ("lifetime ECL").

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.3 Financial assets and liabilities (Continued)

(f) Impairment of amortized cost and FVOCI financial assets (Continued)

Expected Credit Loss (Continue)

The ECL recognized follows the three-stage model.

- **Stage 1:** Financial assets are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit impaired. 12-month ECL is recognized for these instruments.
- **Stage 2:** Financial assets which experience a significant increase in credit risk (“SICR”) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognized for these instruments.
- **Stage 3:** Financial assets that has been credit-impaired with objective evidence of default. Stage 3 ECL is also measured as lifetime expected credit loss.

Significant increase in credit risk

Significant increase in credit risk (“SICR”) is assessed by comparing the risk of default at reporting date to the risk of default at origination using a range of qualitative and quantitative factors.

For corporate exposures, a financial asset is deemed to have experienced a significant increase in credit risk when:

- the observed change in its Probability of Default (“PD”), as observed by downgrades in the Branch’s internal credit risk rating for this asset between initial recognition and reporting dates, is more than pre-specified thresholds; or
- it is placed on internal credit “watchlists” for closer scrutiny of developing credit issues.

In any event, all corporate exposures that are more than 30 days past due, are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

Definition of default and credit-impaired financial assets

Financial instruments that become credit-impaired with evidence of default, are transferred to Stage 3.

A financial instrument is credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for more than 90 days.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.3 Financial assets and liabilities (Continued)

(f) Impairment of amortized cost and FVOCI financial assets (Continued)

Definition of default and credit-impaired financial assets (continued)

- there are other indications that the borrower is unlikely to pay, such as when a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the loan is otherwise considered to be in default.

Lifetime ECL is recognized for these assets.

A Stage 3 exposure that is restructured can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments on the credit facility in accordance with the restructured terms. Stage 3 financial assets are written-off, in whole or in part, when the Branch has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries.

Measurement of ECL

ECL is probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial asset is typically a product of its probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") discounted using the original effective interest rate to the reporting date.

- **PD:** point-in-time (based on current conditions, adjusted to consider estimates of future conditions that will impact PD) estimate of the likelihood of default.
- **LGD:** estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Branch would expect to receive, including recoveries from collaterals.
- **EAD:** estimate of the expected credit exposure at time of default, considering repayments of principal and interest as well as expected drawdowns on undrawn loan commitments.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

In most instances, expected remaining maturity is the same as the remaining contractual life which represents the maximum contractual period over which the Branch is exposed to the credit risk of the borrower.

ECL Modelling – Point-in-Time and Forward-Looking Adjustments

The Branch leverages the models and parameters implemented under the Basel II Internal Ratings-Based ("IRB") framework where possible, with appropriate modification to meet IFRS 9 requirements.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.3 Financial assets and liabilities (Continued)

(f) Impairment of amortized cost and FVOCI financial assets (Continued)

ECL Modelling – Point-in-Time and Forward-Looking Adjustments (Continued)

Other relevant historical information, loss experience or proxies is utilized for portfolios without appropriate Basel models and parameters, with a view to maximize the use of available information that is reliable and supportable.

For the corporate portfolios, credit cycle indices (“CCIs”) have been developed for significant industries and geographies using expected default frequencies. Expected default frequency is a market-based default risk measure driven by equity prices, market volatility and leverage. CCIs are then used as inputs to convert the through-the-cycle PDs derived from Basel models/parameters into the point-in-time equivalents, and to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

Expert credit judgement and post model adjustments

The measurement of ECL requires the application of expert credit judgement. These include:

- Assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists or not.
- Assessment of whether a significant increase in credit risk has occurred or not.
- Selecting and calibrating the ECL models such as CCIs.
- Determining the expected remaining maturity of revolving products.
- Determination of the forecast loss rates.
- Application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled was quantified by means of applying conditional probabilities on more severe scenarios materializing from emerging risk themes.

5.4 Interest Income and expense

Unless a financial asset is credit-impaired, interest income is recognized by applying the effective interest method to the carrying amount of a financial asset before adjusting for any allowance for expected credit losses. If a financial asset is credit-impaired, interest income is recognized by applying the effective interest rate to the carrying amount of the financial asset including any allowance for expected credit losses.

Interest expense on financial liabilities is recognized by applying the effective interest method to the amortized cost of financial liabilities.

Interest income and expense on financial assets and financial liabilities, excluding those classified at FVTPL, are presented in interest income from financial assets measured at amortized cost and FVOCI and interest expense from financial liabilities measured at amortized cost respectively. Interest generated as a result of 'negative' interest rates is recognized gross, as interest income or interest expense.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.4 Interest Income and expense (Continued)

Interest income and expense for all interest-bearing financial instruments are recognized within “interest income” and “interest expense” in the statement of income on time proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts like arrangement and participation fees.

When a loan receivable is impaired, the Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivable are recognized using the original effective interest rate.

5.5 Underwriting, Commitment and Arrangement Fee Income

The Branch recognizes fees earned on transactions-based arrangement, at a point-in-time, when it has fully provided services to the customers. In cases, where the contract requires services to be provided over time, income is recognized on systematic basis over the life of the loan.

Fee income includes income from lending activities i.e. in the nature of commitment fees, underwriting fees and arrangement fees. These fee incomes are booked upfront when the services are completed.

5.6 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined by reference to observable market prices where available and reliable. Fair values of financial assets and financial liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. Where market prices are unavailable, fair value is based on valuation models that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves.

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. The Branch classifies its assets and liabilities according to a hierarchy that has been established under IFRS for disclosure of fair value measurements. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3 inputs).

A financial instrument’s categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Further details on fair value measurements are provided in [refer note 6 (d) of Schedule 18] to the financial statements.

5.7 Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount reported in the balance sheet when there is currently a legally enforceable right to offset the recognized amounts and there is an intention to

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.7 Offsetting financial assets and liabilities (Continued)

settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Branch or the counterparty.

5.8 Balances with banks and money at call and short notice/ cash and cash equivalents

For the purpose of presentation in the cash flow statement, balances with banks and money at call and short notice includes balances with banks and other short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5.9 Current, deferred income tax, and Minimum alternate Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax is computed in accordance with the Indian Income Tax Act, 1961 and applicable laws and rules thereunder. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Branch has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously and are disclosed on a net basis.

Tax expense arising on account of payment of Minimum alternate tax (MAT) is charged to profit and loss account in the year of payment of MAT. MAT credit is recognized as an asset by way of credit to profit and loss account.

5.10 Provision and Contingent liabilities.

Provisions are recognized when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

5 Material accounting policies (Continued)

5.10 Provision and Contingent liabilities (Continued)

within the control of the Branch, or a present obligation that arises from past events but is not recognized because either an outflow of economic benefits is not probable, or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognized in the financial statements; however, disclosure is made unless the probability of settlement is remote.

5.11 Leases

The Branch recognizes lease right-of-use (“ROU”) assets and lease liabilities at the lease commencement date. Lease ROU assets are included in property and equipment, and lease liabilities are included in other liabilities for operating leases in the Branch’s balance sheet. The ROU assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date plus any initial direct costs incurred, less any lease incentives received. The ROU assets are subsequently amortized on a straight-line basis from the commencement date to the end of the lease term. In addition, the ROU assets may be reduced by impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Branch’s incremental borrowing rate. The lease liability is measured at amortized cost using a constant periodic rate of interest. It is remeasured when there is a change in an index or rate, or if the Branch changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset.

5.12 Segment reporting

The Branch is not in scope of IFRS 8 'Operating segments', as its debt or equity are not traded on a public market, therefore segmental analysis of the Branch's revenue and assets by business is not required.

5.13 Fixed Assets and depreciation

- (a) Fixed Assets are stated at historical cost less accumulated depreciation.
- (b) Depreciation is provided, from the month in which the asset is capitalized, on the straight-line method over the useful life of the asset as estimated by the Management.

| <u>Asset Type</u> | <u>Maximum estimated useful life*</u> |
|------------------------|---------------------------------------|
| Furniture and fixtures | 5 years |
| IT Equipment | 5 years |

*For these classes of assets, based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represents the maximum period over which management expects to use these assets.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (*Continued*)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (*Continued*)

5 Material accounting policies (*Continued*)

5.14 *Employee Benefits*

Gratuity liability is a defined benefit obligation and is wholly unfunded. The Branch accounts for liability for future gratuity benefits based on actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

The Branch accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Group's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

5.15 *Employee Share Based Compensation*

Employee benefits also include share-based compensation, namely the DBSH Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in note 6 (h). Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award, with a corresponding adjustment to the share plan reserves.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts

(a) Financial Risk Management

Risk is an inherent part of the Branch's business activities. The Branch's risk management framework and governance structure are intended to provide comprehensive controls and an ongoing management of major risks inherent in its business activities.

The Branch's risk management objectives are consistent with those of the head office. The Branch employs a holistic approach to risk management to ensure the broad spectrum of risk types are considered in managing its business activities. It is also intended to create a culture of risk transparency and awareness and personal responsibility throughout the Branch where collaboration, discussion, escalation and sharing of information is encouraged. The Branch's ability to properly identify, measure, monitor/control and report risk is critical to its soundness and profitability.

The Branch's activities expose it to a variety of risks; market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk associated with the effect of changes in market factors, such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term. The branch's exposure to debt securities (i.e. G-Secs and investment grade bonds) price risk arises from investments held by the branch and classified in the Profit and Loss account at fair value through profit or loss (FVTPL). To manage its price risk arising from investments in debt securities diversifies its portfolio. Given the current balance sheet of the branch, market risk management is overseen by the head office in Singapore.

Foreign currency risk

Foreign exchange risk arises when recognized assets or liabilities are denominated in a currency that is not the Branch's functional currency. The Branch's foreign currency exposure results primarily from movements of the Non-USD against the USD. The impact of changes in foreign currency rate is considered insignificant for AUD, EUR, GBP and SGD, given the Branch is on back-to-back funding model from the HO with matched tenor, currency, benchmark and maturity and given that minimal net exposure for the said currencies, no foreign exchange sensitivity analysis has been carried out and disclosed. The risk in investments (INR denominated) are mitigated by taking forward contracts. The following table gives a net open position of the Branch other than in functional currency:

| FCY as at 31 March 2025 | AUD | EUR | GBP | INR | SGD |
|--------------------------------|------------|----------------|----------------|-------------------|------------|
| Bank Balances | - | 2,267 | 3,355 | 51,357 | - |
| Advances | - | 223,611 | 295,940 | - | - |
| Investments | - | - | - | 11,786,731 | - |
| Other Assets | - | - | - | 275,801 | - |
| Total Assets | - | 225,878 | 299,295 | 12,113,889 | - |
| Borrowings | - | 223,483 | 295,732 | - | - |
| Other Liabilities | 2 | 1,110 | 2,022 | 223,770 | 184 |
| Total Liability | 2 | 224,593 | 297,754 | 223,770 | 184 |
| Forward Contracts | - | - | - | 11,449,941 | - |
| Net open position - FCY | -2 | 1,285 | 1,541 | 440,178 | -184 |
| Net open position - USD | -2 | 1,390 | 1,993 | 5,150 | -137 |

All figures in the above table are in 000s of the respective currency.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Foreign currency risk (Continued)

| FCY as at 31 March 2024 | EUR | GBP | INR | SGD |
|--------------------------------|----------------|----------------|----------------|------------|
| Bank Balances | 12 | 29 | 13,767 | - |
| Advances | 177,025 | 126,381 | - | - |
| Other Assets | - | - | 90,150 | - |
| Total Assets | 177,037 | 126,410 | 103,917 | - |
| Borrowings | 176,774 | 126,117 | - | - |
| Other Liabilities | 20 | 20 | 103,917 | 646 |
| Total Liability | 176,794 | 126,137 | 103,917 | 646 |
| Net open position - FCY | 243 | 273 | - | -646 |
| Net open position - USD | 262 | 345 | - | -479 |

All figures in the above table are in 000s of the respective currency.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument carrying variable interest rates will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument carrying fixed interest rates will fluctuate due to changes in market interest rates. Interest rate risk is insignificant given the Branch is on back-to-back funding model from the HO with matched tenor, currency, benchmark and maturity and given that there is minimal net exposure, no interest rate sensitivity analysis has been carried out and disclosed

The table below provides break up of advances and borrowings between floating rate and fixed rate:

| Particulars | As at 31 March 2025 | | |
|-----------------------|----------------------------|-------------------|--------------|
| | Floating Rate | Fixed Rate | Total |
| Advances to customers | 5,977,308 | 1,485,185 | 7,462,493 |
| Investment | - | 137,897 | 137,897 |
| Borrowings from HO | 6,009,791 | 1,595,995 | 7,605,786 |
| Net Exposure | (32,483) | 27,087 | (5,396) |

| Particulars | As at 31 March 2024 | | |
|-----------------------|----------------------------|-------------------|--------------|
| | Floating Rate | Fixed Rate | Total |
| Advances to customers | 2,096,457 | 1,848,432 | 3,944,889 |
| Borrowings from HO | 2,103,362 | 1,844,184 | 3,947,546 |
| Net Exposure | (6,905) | 4,248 | (2,657) |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit Risk

Credit Risk Management, monitors, measures and manages credit risk throughout the DBS group and defines credit risk policies and procedures. The DBS credit risk management governance includes the following activities:

- Maintaining a credit risk policy framework
- Monitoring, measuring and managing credit risk across all portfolio segments, including transaction and exposure approval
- Setting industry and geographic concentration limits, as appropriate, and establishing underwriting guidelines. Assigning and managing credit authorities in connection with the approval of credit exposure
- Managing criticized exposures and delinquent loans, and
- Estimating credit losses and supporting appropriate credit risk-based capital management.

The Branch has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process for extending credit so that credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels. The firmwide policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures.

Cash and cash equivalents, other bank balances, earmarked deposits and advances to customers which are backed by Letter of Credit("LC")/Standby Letter of Credit ("SBLC") issued by DBIL have been assessed to have low credit risk and accordingly the loss allowance recognized during the period was limited to 12 months' expected losses. Based on the low credit risk assessment, the impairment loss on these financial instruments has been assessed as insignificant. Management considers 'low credit risk' for Cash and cash equivalents, other bank balances and earmarked deposits as the same is diversified across major banking counterparties with high credit ratings. As for loans to group counterparties, management considers 'low credit risk' due to high credit rating at an overall group level

Credit risk disclosures

(i) Summary of credit risk gross financial instruments and ECL

The following disclosure presents the gross carrying/nominal amount of financial instruments to which the impairment requirements in IFRS 9 are applied and the associated allowance for ECL.

| | As at 31 March 2025 | | As at 31 March 2024 | |
|---|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | Gross carrying/ nominal amount | Allowance for ECL | Gross carrying/ nominal amount | Allowance for ECL |
| Loans and advances at amortized cost | | | | |
| - Banks | 405,386 | (239) | 478,450 | (183) |
| - Corporate and commercial | 7,066,552 | (9,206) | 3,466,439 | (3,298) |
| Total gross carrying amount on balance sheet | 7,471,938 | (9,445) | 3,944,889 | (3,481) |
| Loans and other related credit commitments | | | | |
| - Corporate and commercial | 156,123 | (276) | 538 | (2) |
| Total nominal amount off balance sheet | 156,123 | (276) | 538 | (2) |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit risk disclosures (Continued)

(ii) Summary of credit risk by stage distribution and ECL coverage

Summary of credit risk by stage distribution:

| As at 31 March 2025 | | | |
|--|-----------------------------------|----------------------|-------------------|
| ECL - Stage 1 | Gross carrying/ nominal amount | Allowance for ECL | ECL coverage % |
| Loans and advances at amortized cost | | | |
| -banks | 405,386 | 239 | 0.06% |
| -corporate and commercial | 6,993,436 | 7,581 | 0.11% |
| Total gross carrying amount on-balance sheet | 7,398,822 | 7,820 | 0.11% |
| Loans and other credit-related commitment | | | |
| -corporate and commercial | 156,123 | 276* | 0.18% |
| Total gross carrying amount off-balance sheet | 156,123 | 276 | 0.18% |

*This consists of ECL on loans and other credit related commitment, which is disclosed in schedule 5 under provision towards standard assets

| As at 31 March 2025 | | | |
|--|-----------------------------------|----------------------|-------------------|
| ECL - Stage 2 | Gross carrying/ nominal amount | Allowance for ECL | ECL coverage % |
| Loans and advances at amortized cost | | | |
| -banks | - | - | - |
| -corporate and commercial | 73,116 | 1,625 | 2.27% |
| Total gross carrying amount on-balance sheet | 73,116 | 1,625 | 2.27% |
| Loans and other credit-related commitment | | | |
| -corporate and commercial | - | - | - |
| Total gross carrying amount off-balance sheet | - | - | - |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit risk disclosures (Continued)

(ii) Summary of credit risk by stage distribution and ECL coverage (Continued)

| As at 31 March 2024 | | | |
|--|-----------------------------------|----------------------|-------------------|
| ECL - Stage 1 | Gross carrying/ nominal amount | Allowance for ECL | ECL coverage % |
| Loans and advances at amortised cost | | | |
| -banks | 478,450 | 183 | 0.04% |
| -corporate and commercial | 3,466,439 | 3,298 | 0.10% |
| Total gross carrying amount on-balance sheet | 3,944,889 | 3,481 | 0.09% |
| Loans and other credit-related commitment | | | |
| -corporate and commercial | 538 | 2* | 0.37% |
| Total gross carrying amount off-balance sheet | 538 | 2 | 0.37% |

*This consists of ECL on loans and other credit related commitment, which is disclosed in schedule 5 under provision towards standard assets

(iii) Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees:

| | Not credit impaired | | | | Credit impaired | |
|-----------------------------------|---------------------|-----------------------------|----------------|-----------------------------|-----------------|-----------------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | |
| | Gross Exposure | Allowance Provision for ECL | Gross Exposure | Allowance Provision for ECL | Gross Exposure | Allowance Provision for ECL |
| As at 1 April 2024 | | | | | | |
| Opening balance | 3,945,427 | (3,483) | - | - | - | - |
| Transfer between Stages | (73,116) | 1,625 | 73,116 | (1,625) | - | - |
| Net Portfolio Changes | 3,682,634 | (6,239) | - | - | - | - |
| Remeasurements | - | - | - | - | - | - |
| Assets written off | - | - | - | - | - | - |
| Foreign exchange | - | - | - | - | - | - |
| As at 31 March 2025 | 7,554,945 | (8,097) | 73,116 | (1,625) | - | - |
| Charge to Profit and Loss Account | | (4,614) | | (1,625) | | |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit risk disclosures (Continued)

(iv) Summary of credit risk- credit quality

The table below shows the portfolio mix of the Loans and advances to customers presented in the gross carrying value table above by internal counterparty risk rating (CRR) and PD

Stage 1: These financial assets are non-impaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognized.

Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognized.

Stage 3: There is objective evidence of impairment, and the financial assets are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognized.

The table below shows the portfolio mix of the Loans and advances to customers presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range; DBS adopts rating systems for the different asset classes under the Internal Ratings - Based Approach (IRBA).

| as at 31 March 2025 | Basel one-year PD range % | Gross Exposure (including commitments) | Allowance/Provision for ECL |
|------------------------|------------------------------|---|--------------------------------|
| CRR 1- 6B | 0.01% -0.99% | 7,011,518 | 8,383 |
| CRR 7A-7B | 1.26%-2.30% | 405,256 | 1,062 |
| CRR 8A-9 | 2.57%-28.83% | - | - |
| Others* | NA | 211,287 | - |
| Total | | 7,628,061 | 9,445 |

| as at 31 March 2024 | Basel one-year PD range % | Gross Exposure (including commitments) | Allowance/Provision for ECL |
|------------------------|------------------------------|---|--------------------------------|
| CRR 1- 6B | 0.01% -0.99% | 3,672,166 | 3,407 |
| CRR 7A-7B | 1.26%-2.30% | 27,986 | 76 |
| CRR 8A-9 | 2.57%-28.83% | - | - |
| Others* | NA | 248,756 | - |
| Total | | 3,948,908 | 3,483 |

*Others comprises of advances to the customers which are backed by LC/SBLC issued by DBIL, these exposures have been assessed to have low credit risk. Based on Low credit risk assessment the impairment loss on these exposures has been assessed as insignificant.

Sensitivity of ECL

The Branch assessed ECL sensitivity for the portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by USD 673 (000s) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit risk disclosures (Continued)

Concentration of Advances

- By top 20 borrowers

| Particulars | As at 31 March 2025 |
|---|----------------------------|
| a. Total advances to twenty largest borrowers | 5,035,166 |
| b. Total advances | 7,462,493 |
| c. Percentage of advances to twenty largest borrowers to total advances of the bank (c = a/b) | 67% |

| Particulars | As at 31 March 2024 |
|---|----------------------------|
| a. Total advances to twenty largest borrowers | 3,525,706 |
| b. Total advances | 3,944,889 |
| c. Percentage of advances to twenty largest borrowers to total advances of the bank (c = a/b) | 89% |

- By Country –

| Country | As at 31 March 2025 | % |
|----------------------|----------------------------|-------------|
| India | 5,179,891 | 69% |
| United Arab Emirates | 1,315,985 | 18% |
| United Kingdom | 258,456 | 4% |
| Mauritius | 253,871 | 3% |
| Singapore | 141,919 | 2% |
| Netherlands | 140,719 | 2% |
| Cyprus | 74,842 | 1% |
| Sweden | 59,918 | 1% |
| United States | 36,892 | 0% |
| | 7,462,493 | 100% |

| Country | As at 31 March 2024 | % |
|----------------------|----------------------------|-------------|
| India | 2,301,171 | 58% |
| United Arab Emirates | 973,199 | 25% |
| Netherlands | 271,369 | 7% |
| Mauritius | 239,684 | 6% |
| United Kingdom | 159,357 | 4% |
| United States | 109 | 0% |
| Total | 3,944,889 | 100% |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (Continued)

(a) Financial Risk Management (Continued)

Credit risk disclosures (Continued)

Concentration of Advances (Continued)

- By industry

| Broad Industry | As at 31 March 2025 | % | As at 31 March 2024 | % |
|---|--------------------------------|-------------|--------------------------------|-------------|
| Financial institutions | 3,430,825 | 47% | 1,497,973 | 38% |
| Commodities trade | 1,251,512 | 17% | 1,110,549 | 28% |
| Chemicals | 769,803 | 9% | 320,787 | 8% |
| Other manufacturers | 714,073 | 10% | 471,937 | 12% |
| Others* | 307,523 | 4% | 248,757 | 6% |
| Information and communication | 300,222 | 4% | 243,834 | 6% |
| Electronics | 238,570 | 3% | 25,857 | 1% |
| Investment holding companies | 116,600 | 2% | - | - |
| Infrastructure | 113,379 | 2% | - | - |
| Services | 84,089 | 1% | - | - |
| Agriculture, farming, mining/extraction and plantation | 55,211 | 0.6% | - | - |
| Real estate | 41,519 | 0.4% | - | - |
| Transportation | 25,364 | 0% | 25,195 | 1% |
| Construction | 13,803 | 0% | - | - |
| Total | 7,462,493 | 100% | 39,44,889 | 100% |

*Others comprises of advances to the customers which are backed by LC / SBLC issued by DBIL.

Liquidity Risk

Liquidity risk is the risk that the Branch will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities. As per IFSCA regulations, the Branch needs to maintain adequate liquidity ratios in its HO's books as per the requirements of the HO's regulator. No separate liquidity requirements are needed at Branch level. The Branch accordingly submits a quarterly return to IFSCA confirming the Liquidity Coverage Ratio maintained by head office.

Maturity of financial assets and liabilities

As at 31 March 2025

| | Less than 6 months | 6 to 12 months | 1 to 2 years | 2 to 5 years | over 5 years | No specific maturity | TOTAL |
|--|-----------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|------------------|
| Balances with banks and money at call and short notice | 76,393 | - | - | - | - | - | 76,393 |
| Investments | - | 16,652 | 24,209 | 78,624 | 18,412 | - | 137,897 |
| Advances | 1,655,461 | 763,728 | 922,818 | 4,045,203 | 875,451 | - | 8,262,661 |
| Other assets | 396 | - | - | - | 21 | 2,857 | 3,274 |
| Total Financial Assets | 1,732,250 | 780,380 | 947,027 | 4,123,827 | 893,884 | 2,857 | 8,480,225 |
| Borrowings | 1,789,411 | 761,789 | 918,622 | 4,018,533 | 808,593 | - | 8,296,948 |
| Other liabilities and provisions | 7,632 | 29 | 29 | 111 | 106 | 19,048 | 26,955 |
| Total Financial Liabilities | 1,797,043 | 761,818 | 918,651 | 4,018,644 | 808,699 | 19,048 | 8,323,903 |
| Off – balance sheet exposure* | 304,993 | - | - | - | - | - | 304,993 |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(a) Financial Risk Management (continued)

Liquidity Risk (Continued)

Maturity of financial assets and liabilities ((Continued)

| | As at 31 March 2024 | | | | | | |
|--|-----------------------|-------------------|-----------------|------------------|-----------------|----------------------------|------------------|
| | Less than 6 months | 6 to 12 months | 1 to 2 years | 2 to 5 years | over 5 years | No specific maturity | TOTAL |
| Balances with banks and money at call and short notice | 18,740 | - | - | - | - | - | 18,740 |
| Advances | 1,535,396 | 626,090 | 38,818 | 1,638,930 | 105,655 | - | 3,944,889 |
| Other assets | 1,461 | - | - | - | - | 1,080 | 2,541 |
| Total Financial Assets | 1,555,597 | 626,090 | 38,818 | 1,638,930 | 105,655 | 1,080 | 3,966,170 |
| Borrowings | 1,530,382 | 627,146 | 40,267 | 1,643,826 | 105,925 | - | 3,947,546 |
| Other liabilities and provisions | 10,785 | 139 | 208 | 123 | 152 | 570 | 11,977 |
| Total Financial Liabilities | 1,541,167 | 627,285 | 40,475 | 1,643,949 | 106,077 | 570 | 3,959,523 |
| Off – balance sheet exposure* | 676 | - | - | - | - | - | 676 |

* Off balance sheet exposures include bills to be presented but not discounted.

Funding

The Branch's source of funding is from the Head-office. The Branch's funding capacity is sufficient to meet its on and off-balance sheet obligations. The table above presents the maturity details of all financial liabilities. Amounts in the above table represent undiscounted cash flows.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. As per the requirements of IFSCA, the Branch need not maintain any separate NSFR ratios, as long as the head office maintains sufficient Net Stable Funding Ratio ("NSFR") as per the regulations of the head office regulator. The Branch accordingly submits a quarterly return to IFSCA confirming the NSFR maintained by head office.

The Branch's financial liabilities, consisting mainly of borrowings from the HO, maturities of which are matched with maturities of loans and advances. The Branch has sufficient funds to meet all maturing obligations.

Capital Management

Minimum prescribed capital as per the IFSCA, is maintained at the HO at all times. IFSCA also requires the head office to maintain requisite capital adequacy ratio as prescribed by the head office regulator. The Branch accordingly submits a quarterly return to IFSCA confirming the Capital to Risk (Weighted) Assets Ratio ("CRAR") maintained by head office.

HO exercises effective oversight over the operations of the Branch and acknowledge that the assets of the Head Office are generally available to the Branch to allow the Branch to meet its financial obligations as they fall due in accordance with the terms of the obligation, including place of payment.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(a) Financial Risk Management (continued)

Financial Derivatives

Trading Derivatives

Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealer's margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders' views of markets as they evolve.

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

| Foreign Exchange (FX) Derivatives | Underlying Notional | Assets | Liability |
|--|----------------------------|---------------|------------------|
| FX Contracts | 134,067 | - | 1,759 |

| Derivatives (Notional) | Maturity | | |
|-------------------------------|-------------------------|-------------------------|----------------|
| | Less than 1 year | More than 1 Year | Total |
| FX Contracts | 134,067 | - | 134,067 |

Derivative financial instruments are revalued on a gross position basis and the unrealized gains or losses are reflected as derivative assets or derivative liabilities. Derivative assets and liabilities arising from different transactions are only offset if the transactions are done with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis.

(b) Accruals, deferred income and other liabilities

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---------------------------------------|----------------------------|----------------------------|
| Advances received against Syndication | 5,873 | 5,459 |
| Lease Liabilities | 271 | 298 |
| Other Payables | 18,450 | 4,854 |
| Provision on Undrawn Commitments | 276 | 2 |
| Statutory dues payables | 2,085 | 1,364 |
| Other liabilities | 26,955 | 11,977 |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(c) Fair values of financial instruments not carried at fair value

| As at 31 March 2025 | Category | Carrying Amount | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|-----------------|---------|---------|-----------|------------------|
| Balances with banks and money at call and short notice | Amortised cost | 76,393 | - | - | 76,393 | 76,393 |
| Loans and advances to banks | Amortised cost | 405,147 | - | - | 405,147 | 405,147 |
| Loans and advances to customers | Amortised cost | 7,057,346 | - | - | 7,057,346 | 7,057,346 |
| Borrowings | Amortised cost | 7,605,786 | - | - | 7,605,786 | 7,605,786 |

| As at 31 March 2024 | Category | Carrying Amount | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|-----------------|---------|---------|-----------|------------------|
| Balances with banks and money at call and short notice | Amortised cost | 18,740 | - | - | 18,740 | 18,740 |
| Loans and advances to banks | Amortised cost | 478,450 | - | - | 478,450 | 478,450 |
| Loans and advances to customers | Amortised cost | 3,466,439 | - | - | 3,466,439 | 3,466,439 |
| Borrowings | Amortised cost | 3,947,546 | - | - | 3,947,546 | 3,947,546 |

For financial assets and liabilities not carried at fair value in the financial statements, the Branch has ascertained that their fair values were not materially different from their carrying amounts at the period end.

Fair value risk is insignificant given the Branch is on back-to-back funding model with matched tenor and maturity

(d) Fair values of financial instruments carried at fair value

| As at 31 March 2025 | Category | Carrying Amount | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|----------|-----------------|---------|---------|---------|----------------|
| Investments | FVTPL | 137,897 | 137,897 | - | - | 137,897 |
| Derivatives (Liability) | FVTPL | 1,759 | 1,759 | - | - | 1,759 |

(e) Payment to Auditors

| Particulars | For the year ended 31 March 2025 | For the period from 25 May 2023 to 31 March 2024 |
|--|----------------------------------|--|
| Auditor's fees and expenses include auditors' remuneration as follows: | | |
| - as statutory auditors | 35 | 18 |
| - others | - | - |
| - out of pocket expenses | 1 | - |
| Total | 36 | 18 |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(f) Tax expense

The Branch, being a branch of DBS Bank Ltd, Singapore, files its return including payment of tax, under DBS Bank Ltd, Singapore's PAN. Income under this PAN comprises in addition to GIFT City's operation, offshore income and FPI license income.

The Branch has split its business into two separate divisions for tax computation purposes:

(1) Banking Division ['Offshore Banking Unit (OBU)]; and (2) Investment division of an OBU having FPI category I License [Foreign Portfolio Investment (FPI)]. There are different tax regimes for both these divisions.

As per deduction available under section 80 LA of Income Tax Act, 1961, income earned in GIFT City Branch (Banking Division) is exempt for any continuous 10 years out of 15 years. DBS Bank Ltd – GIFT City has taken the said exemption since inception and hence there is no tax expense on the income earned in The Branch for Banking Division.

Please find below summary of tax expense for period ended 31 March 2025:

| Particulars | For the year ended 31 March 2025 | For the period from 25 May 2023 to 31 March 2024 |
|--------------------------------------|----------------------------------|--|
| Profit Before Tax | 40,677 | 6,989 |
| Tax Expense | 41 | - |
| Profit after Tax | 40,636 | 6,989 |
| Tax Expense | (988) | 1,029 |
| Minimum Alternate Tax Credit | 1,029 | (1,029) |
| Tax Expense during the period | 41 | - |

(g) Dues to Micro, Small and Medium enterprises

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---------------------|---------------------|
| I. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year. | - | - |
| II. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year. | - | - |
| III. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006. | - | - |
| IV. The amount of interest accrued and remaining unpaid at the end of the accounting year. | - | - |
| V. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Act, 2006. | - | - |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(g) Dues to Micro, Small and Medium enterprises (Continued)

The above information takes into account only those suppliers who have responded to inquiries made by the Branch for this purpose.

(h) Employee compensation and benefits

Employee benefit, payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries, bonus and special allowance. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

Post-retirement benefits

(i) Provident Fund: The employees of the Branch are covered under Provident Fund. The employee and employer contribute 12% of Basic Salary to Provident Fund A/c.

(ii) Gratuity: The bank provides for gratuity covering employees in accordance with the payment of the Gratuity Act, 1972.

The Branch has started to compute its gratuity liability based on actuarial valuation from FY 24-25. The employees have been transferred from DBS Bank India Ltd. along with the carry forward of the accrued gratuity benefits. The liability due to services rendered by employees prior to the current year has been recognized as "Past Service Cost."

Reconciliation of Defined Benefit Obligation (DBO)

| Particulars | For the year ended 31 March 2025 | For the period from 25 May 2023 to 31 March 2024 |
|----------------------|-------------------------------------|--|
| Opening balance | 52 | - |
| Current service cost | 8 | 52 |
| Net interest cost | - | - |
| Total | 60 | 52 |

The table below summarizes the key valuation results as on the valuation date:

| Particular | As at 31 March 2025 |
|--|---------------------|
| A. Present Value of the Defined Benefit Obligation | 60 |
| B. Fair Value of Plan Assets | - |
| C. Amount Not Recognized as Asset [i.e., Effect of Limiting Net Assets to Asset Ceiling] | - |
| D. Net (Liability)/ Asset recognised in the Balance Sheet [D = B – A – C] | -60 |

The table below summarizes movement in the net liability over the financial year:

| Particular | As at 31 March 2025 |
|--|---------------------|
| A. Net liability/ (asset) at the start of the year | - |
| B. Net transfer in/ (out) | - |
| C. Expenses recognised in the P&L | 60 |
| D. Re-measurements [(gains)/ losses] recognised in the OCI | - |
| E. Benefits paid | - |
| F. Net liability/ (asset) at the end of the year [F = A + B + C + D + E] | 60 |

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(h) Employee compensation and benefits (Continued)

Post-retirement benefits (Continued)

Expenses recognised in the Profit and Loss Account

| Particular | As at 31 March 2025 |
|--|---------------------|
| Service Cost | |
| A. Current Service Cost | 8 |
| B. Past Service Cost | 52 |
| C. Loss/ (Gain) from Settlement | - |
| Net Interest on net defined benefit liability/ (asset) | - |
| Total Expenses | 60 |

Net Liability/ (Asset) recognised in the Balance Sheet

| Particular | As at 31 March 2025 |
|--|---------------------|
| Present Value of DBO | 60 |
| Fair Value of Plan Assets | |
| Liability/ (Asset) recognized in the Balance Sheet | 60 |
| Funded Status [Surplus/ (Deficit)] | (60) |
| Experience Adjustment on Plan Liabilities: (Gain)/ Loss | *NA |

* Being the first actuarial valuation.

The plan is unfunded, and the status is unlikely to change over the next five years.

Actuarial assumptions :

| Particular | As at 31 March 2025 |
|---|---------------------|
| Salary Growth Rate | 6% p.a. |
| Discount Rate | 7.4% p.a. |
| Interest Rate for Interest on Net DBO | NA |
| Withdrawal Rate | 15% p.a. |
| Mortality Rate | IALM 2012-14 (Ult.) |
| Weighted average duration of the obligation | 5 years |

Sensitivity analysis

There is a negligible change in the value of the DBO when there is

- a) 1 % change in Salary growth rate /Discount rate/Withdrawal rate or increase in mortality rate by 1-3 years.

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(h) Employee compensation and benefits (Continued)

Employee share-based payment

Employee benefits also include share-based compensation, namely the DBSH Employee Share Purchase Plan (the Plan). The expense is amortised over the vesting period of each award. For fair valuation, DBSH considers the market price of share on the grant date after excluding the present value of future expected dividends to be paid during the vesting period. USD 879 (absolute) is the expense for period from 01 April 2024 to 31 March 2025. USD 212 (absolute) was the expense for the period from 25 May 2023 to 31 March 2024.

The Bank grant shares in its ultimate parent, DBS Group Holdings Ltd., to certain eligible employees. Upon settlement the shares are transferred to its employees. The shares are awarded to the eligible employees as per the current schemes which are set out below:

Restricted share plan

The shares awarded under the said plan to the eligible employees could be performance-based and/or time-based. Where time-based awards are granted, they will only vest after the satisfactory completion of time-based service conditions. A time-based award comprises two elements, namely, the main award and the retention (also known as “kicker”) award. Shares awarded vest in a graded manner whereby, in case of non-Material Risk Takers thirty-three percent of the shares comprised in the main award will vest one year after the date of grant. A further thirty-three percent of the shares comprised in the main award will vest two years after the date of grant. The remainder thirty-four percent of the shares comprised in the main award, together with the shares comprised in the retention award, known as kicker, will vest three years after the date of grant. In case of Material Risk Takers (MRT), 25% of the shares vest each year from the first to fourth year from the date of grant.

A reconciliation of employee shares-based payment movements in number of shares during the year ended 31 March 2025 is shown below:

| Category | Year | Opening Balance | Granted | Vested | Lapsed | Closing Balance |
|-----------------------|------|-----------------|---------|--------|--------|-----------------|
| Restricted Share Plan | 2024 | - | 715 | - | - | 715 |

The fair value of shares awarded as shown above is SGD 25.52. The charge to Profit and Loss Account for the year ended 31 March 2025 was USD 9 thousand and liability outstanding as on 31 Mar 2025 is USD 2 thousand.

Fair value of share awarded is computed based on the market price of shares of DBSH (ultimate holding company) on the grant date after excluding the present value of future expected dividends to be paid during the vesting period.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(i) Leases

The Branch has taken one office premises on lease. Lease contracts are typically entered into for a fixed period with termination and extension options. These are used to maximize operational flexibility in term of managing the premises used by the Branch. The lease agreements are generally non-cancellable for an initial lock in period and are renewable/cancellable thereafter by mutual consent and on mutually agreeable terms.

Information about leases for which the Branch is a lessee is presented below:

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| I) Amounts recognized in balance sheet | | |
| Right of use assets | | |
| Opening Balance | 283 | - |
| Additions to RoU assets for the period | - | 309 |
| Less: Amortisation of RoU assets for the period | (38) | (26) |
| Closing Balance | 245 | 283 |
| Lease liabilities | | |
| Current | 39 | 38 |
| Non-current | 295 | 342 |
| Total lease liabilities | 334 | 380 |
| Closing Balance | 334 | 380 |
| Maturity of contractual lease liabilities | | |
| Due within a year | 25 | 22 |
| Due between 1 and 2 years | 28 | 25 |
| Due 2 years and later | 220 | 253 |
| Total | 273 | 300 |
| Future interest payable | 61 | 80 |
| Lease liabilities | 334 | 380 |
| II) Amounts recognized in profit and loss account | | |
| Amortisation of ROU assets | 38 | 26 |
| Interest on lease liabilities | 15 | 13 |

(j) Related party transactions

i) Head Office

DBS Bank Ltd, incorporated in the Republic of Singapore is the head office of the branch and DBS Group Holdings Ltd, which is listed, incorporated and domiciled in the Republic of Singapore is the ultimate holding company of the branch.

ii) Branch Offices

Branch offices comprise of all branches of “the Bank” outside India.

iii) Subsidiary of Head office

Fellow subsidiaries comprise companies, which have a common ultimate holding company/parent company, “DBSH” or “the Bank”. These are as follows:

- DBS Bank India Ltd (“DBIL”)

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(j) Related party transactions (Continued)

iv) Key Management Personnel (KMP)

The Branch head is considered the Key Management Personnel (KMP) of the Branch.

The transactions of the Branch with related parties are detailed below:

| Nature | For the year ended 31 March 2025 | | For the period from 25 May 2023 to 31 March 2024 | |
|---|----------------------------------|--------------------|--|--------------------|
| | Transactions | Amount outstanding | Transactions | Amount outstanding |
| Ultimate Holding | | | | |
| ESOPs | 10.0 | 2.5 | 0.2 | 0.2 |
| Parent - DBS Bank Ltd, SG | | | | |
| Capital Infusion | - | - | - | - |
| Interest Free Advance | - | - | 1,500 | 1,500 |
| Borrowings (Net of repayment) | 3,637,209 | 7,563,093 | 6,170,551 | 3,925,884 |
| Interest Expense | 272,958 | 42,693 | 71,495 | 21,662 |
| Placement of Deposits | 40,000 | 40,000 | - | - |
| Interest Income | 257 | 138 | - | - |
| Bank Charges | 3 | - | 6 | - |
| Services received | 284 | 94 | 479 | 479 |
| Branch Offices | - | - | - | - |
| Fellow Subsidiaries of Parent - DBS Bank India Ltd | | | | |
| Fee payable - Revenue Sharing | 11,737 | 3,328 | 2,943 | 2648 |
| Derivatives/Forward Contracts | 144,487 | 134,067 | - | - |
| Services received | - | - | 377 | - |

Note:

- The transactions with KMP are remuneration paid which is short-term benefits (current year: USD 146 thousands vs previous year: USD 121 thousands)
- In addition to above, the Branch has provided advances to the customers which are backed by Letter of Credit (LCs) issued by DBIL, such exposures are outstanding to DBIL as at March 31, 2025.

(k) Disclosure under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The Branch, as part of its normal banking business offers loans including commitments on such loans. These transactions are part of the Branch's normal banking business and are undertaken in accordance with the IFSCA Regulations.

To the best of knowledge and belief of the Branch management, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Branch to or in any other persons or entities, 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 Branch (Ultimate Beneficiaries) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

To the best of knowledge and belief of the Branch management, the Branch has also not received any fund from any persons or entities, including foreign entities ('Funding Party') with the understanding, whether recorded in writing or otherwise, that the Branch 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.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(l) Maintenance of Books of Accounts

Back up

As required under MCA notification dated 5 August 2022, and the Companies (Accounts) Fourth Amendment Rules, 2022, the Branch is required to maintain backups of books of account on servers physically located in India daily.

The back-up of certain books of account and other books and papers maintained in electronic mode for an accounting software, on servers physically located in India, has been maintained on monthly basis instead of daily basis for the period April 01, 2024 to November 30, 2024, and maintained on daily basis except on Sundays for the period from December 1, 2024 to March 31, 2025. The back up of certain books of account was maintained during the year on a server located in India on ad hoc basis.

The Branch is in the process of putting a system in place to take daily back-ups to comply with the requirement of the relevant aforementioned Rules.

Audit trail

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, effective 1 April 2023, the Branch uses only such accounting software for maintaining its books of account that have a feature of recording audit trail, at transaction level, creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software as required under the said Rules. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. The audit trail feature was enabled at the database level for 5 accounting software during the year ended March 31, 2025 to log any direct data changes from the dates mentioned in the table:

| Sr. No. | Name of System | Audit trail at Database level |
|----------------|-----------------------|---|
| 1 | PSGL | Enabled from 20 th January 2025 |
| 2 | OPF | Enabled from 17 th January 2025 |
| 3 | IMEX | Enabled from 16 th February 2025 |
| 4 | Factor Pro | Enabled from 23 rd March 2025 |
| 5 | Murex | Enabled from 03 rd February 2025 |

Further, the Branch has preserved the audit trail for the prior financial year in compliance with statutory record retention requirements, except in relation to 6 accounting software at the database level for which audit trail feature was not enabled. The Branch has established and maintained an adequate internal control framework and based on Branch's assessment of internal control framework with reference to financials reporting, it believes that the controls with reference to Financial Statements was effective for the year ended 31 March 2025.

(m) Events after the reporting period

There were no material events subsequent to March 31, 2025, and up until the adoption of the financial statements by the Governing Committee, unless otherwise disclosed in these financial statements.

(n) Registration and filing of accounts with MCA

The Branch received the foreign company registration from MCA on 18 October 2024 with effect from 25 May 2023. The filing of the same with the MCA has been done beyond the timelines specified under sub-rule 3 of Rule 4 of The Companies (Registration of Foreign Companies) Rules, 2014. The delay is on account of delayed application for registration of the Branch as foreign company with the MCA.

DBS Bank Limited – GIFT City Branch
Schedules forming part of the Financial Statements (Continued)

for the year ended 31 March 2025

(Currency: US Dollars in thousands)

Schedule 18 - Material Accounting Policies and Notes to Accounts (Continued)

6 Notes to accounts (continued)

(o) Earnings per Share

Minimum prescribed capital as per the IFSCA Banking Handbook Prudential Directions is maintained at head office, thus the branch does not have any share capital and accordingly earnings per share is not computed.

(p) Year ended 31 March 2025 and Period ended 31 March 2024

Year ended 31 March 2025 stated in notes above are the balances for the period 01 April 2024 to 31 March 2025 and period ended 31 March 2024 stated in notes above are the balances for the period 25 May 2023 (date of commencement of operations) to 31 March 2024.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Regn No: 301112E/E300264

Sharad Vasant
Partner
Membership No: 101119
Place: Mumbai
Date: July 30, 2025

For **DBS Bank Limited – GIFT City Branch**

TARAL
NAVIN
SHAH
Digitally signed
by TARAL
NAVIN SHAH
Date:
2025.07.30
19:49:09 +05'30'

Taral Shah
IBU Head

Place: Gandhinagar
Date: July 30, 2025

GAURAV
GOVIND
CHICHANI
Digitally signed
by GAURAV
GOVIND
CHICHANI
Date: 2025.07.30
19:44:24 +05'30'

Gaurav Chichani
Finance Head

Place: Gandhinagar
Date: July 30, 2025