

Citibank N.A. – India branches

Financial statements
together with Auditor's Report
for the year ended 31 March 2015

Citibank N.A. – India branches

Financial statements together with Auditor's Report *for the year ended 31 March 2015*

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Independent Auditor's Report

To the Chief Executive Officer of Citibank N.A. – India Branches

Report on the Financial Statements

1. We have audited the accompanying financial statements of Citibank N.A. – India Branches ('the Bank'), which comprise the Balance Sheet as at 31 March 2015, the Profit and Loss Account, the Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with provisions of the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of internal financial controls, that operate 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the applicable provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Bank including its branches in accordance with Standards on Auditing ('the Standards') specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.ⁱ

Independent Auditor's Report (Continued)

Citibank N.A. – India Branches

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Act, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31 March 2015;
 - (b) in the case of the Profit and Loss account, of the profit of the Bank for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. As required sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) during the course of our audit we have visited 7 branches. Since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
9. Further, as required by section 143(3) of the Act, we further report that:
- (i) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
 - (iii) the financial accounting systems of the Bank are centralized and, therefore, returns are not necessary to be submitted by the branches;

Independent Auditor's Report (*Continued*)

Citibank N.A. – India Branches

- (iv) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (v) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- (vi) the requirements of Section 164(2) of the Act are not applicable considering the Bank is a branch of Citibank N.A., which is incorporated with limited liability in United States of America; and
- (vii) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18 - Note XX to the financial statements;
 - (b) the Bank 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 18 - Note XX to the financial statements; and
 - (c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Mumbai
26 June 2015

Manoj Kumar Vijai
Partner
Membership No: 046882

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Balance sheet of the Indian branches
as at March 31, 2015**

	Schedule	31-Mar-15 (Rs in lakhs)	31-Mar-14 (Rs in lakhs)
CAPITAL & LIABILITIES			
Capital	1	374,384	374,384
Reserves & Surplus	2	1,606,238	1,472,014
Deposits	3	8,891,200	7,831,302
Borrowings	4	1,740,783	2,641,472
Other liabilities and provisions	5	1,264,959	2,178,890
TOTAL		13,877,564	14,498,062
ASSETS			
Cash and balance with Reserve Bank of India	6	496,834	477,508
Balances with banks and money at call and short notice	7	437,674	1,153,927
Investments	8	5,717,134	5,127,213
Advances	9	6,089,631	5,651,931
Fixed Assets	10	164,247	165,953
Other Assets	11	972,044	1,921,530
TOTAL		13,877,564	14,498,062
Contingent Liabilities	12	104,018,413	105,284,425
Bills for Collection		1,297,047	1,569,335
Significant Accounting Policies & Notes to Accounts	18		

Schedules referred to herein form an integral part of the balance sheet.

As per our report of even date attached.

For B S R & Co. LLP*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

For and on behalf of Citibank N.A. - India Branches

Sd/-

Manoj Kumar Vijai*Partner*

Membership No: 046882

Sd/-

Pramit Jhaveri*Chief Executive Officer*

Sd/-

Niraj Parekh*Chief Financial Officer*

Place : Mumbai

Date : 25 June 2015

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Profit and loss account of the Indian branches
for the year ended March 31, 2015**

	Schedule	Year ended 31-Mar-15 (Rs in lakhs)	Year ended 31-Mar-14 (Rs in lakhs)
I. INCOME			
Interest earned	13	1,021,053	919,521
Other income	14	327,956	300,413
TOTAL		1,349,009	1,219,934
II. EXPENDITURE			
Interest expended	15	435,644	373,826
Operating expenses	16	315,223	285,649
Provisions and contingencies	17	255,887	271,185
TOTAL		1,006,754	930,660
III. PROFIT			
Net profit for the year		342,255	289,274
TOTAL		342,255	289,274
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		85,564	72,319
Transfer to Capital Reserve on sale of immovable property		563	4,488
Transfer to Investment Reserve		3,012	975
Transfer to Special Reserve		2,458	1,487
Balance carried over to the Balance Sheet under the Profit and Loss account		250,658	210,005
TOTAL		342,255	289,274

Significant Accounting Policies & Notes to Accounts

18

Schedules referred to herein form an integral part of the Profit and Loss account.

As per our report of even date attached.

For **B S R & Co. LLP***Chartered Accountants*

Firm's Registration No: 101248W/W-100022

For and on behalf of Citibank N.A. - India Branches

Sd/-

Manoj Kumar Vijai*Partner*

Membership No: 046882

Sd/-

Pramit Jhaveri*Chief Executive Officer*

Sd/-

Niraj Parekh*Chief Financial Officer*

Place : Mumbai

Date : 25 June 2015

CITIBANK N.A.
(Incorporated with limited liability in U.S.A.)

**Cash flow statement of the Indian branches
for the year ended March 31, 2015**

	Year ended 31-Mar-15 (Rs. in lakhs)	Year ended 31-Mar-14 (Rs. in lakhs)
<u>Cash flow from operating activities</u>		
Net profit for the year before tax	592,316	511,311
<u>Adjustments for:</u>		
Depreciation charge for the year	11,785	11,014
Profit on sale of fixed assets (net)	(895)	(10,443)
Write back of Provision on Investments	(7,079)	(2,290)
Provisions for non-performing assets/write offs (net)	3,677	42,404
Write back of provision on Restructure Advances	(6)	(65)
Floating Provision on Standard Advances	-	9,100
Standard Assets provision on UFCE	9,234	-
Increase in investments	(575,942)	(717,260)
Increase in advances	(441,371)	(490,716)
Increase in deposits	1,059,898	1,175,364
Increase/ (Decrease) in other assets	952,269	(737,611)
(Decrease)/ Increase in other liabilities and provisions	(923,166)	911,157
Direct taxes paid	(252,843)	(255,423)
Net cash flow from operating activities	427,877	446,542
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(8,308)	(13,935)
Proceeds from sale of fixed assets	1,098	10,807
Purchase of HTM investments	(6,900)	-
Net cash used in investing activities	(14,110)	(3,128)
<u>Cash flow from financing activities</u>		
Remittance to Head Office	(210,005)	(170,747)
Decrease in borrowings	(900,689)	(544,126)
Net cash used in financing activities	(1,110,694)	(714,873)
Net decrease in cash and cash equivalents	(696,927)	(271,459)
Cash and cash equivalents as at beginning of the year*	1,631,435	1,902,894
Cash and cash equivalents as at end of the year*	934,508	1,631,435

* Cash and cash equivalents include cash, balances with RBI & other banks and money at call and short notice (Refer to Schedule 6 & 7)

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248VW-100022

For and on behalf of Citibank N.A. - India Branches

Sd/-
Manoj Kumar Vijai
Partner
Membership No: 046882

Sd/-
Pramit Jhaveri
Chief Executive Officer

Sd/-
Niraj Parekh
Chief Financial Officer

Place : Mumbai
Date : 25 June 2015

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Schedules forming part of the accounts of the Indian branches (Continued)**
as at March 31, 2015

		As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 1 - CAPITAL			
CAPITAL			
Amount of deposit kept with RBI under Section 11 (2) (b) of the Banking Regulation Act, 1949 (see Schedule 18 - Note V (1))		<u>523,600</u>	<u>432,300</u>
 CAPITAL			
Initial Capital		20	20
Interest free funds from H.O. for CRAR requirements			
Opening Balance	374,364		374,364
Additions during the year	<u>-</u>	<u>374,364</u>	<u>374,364</u>
TOTAL		<u>374,384</u>	<u>374,384</u>
 SCHEDULE 2 - RESERVES & SURPLUS			
I. Statutory Reserve			
Opening Balance	464,336		392,017
Additions during the year	<u>85,564</u>	<u>549,900</u>	<u>72,319</u>
			464,336
 II. Furniture & Equipment Reserve			
(see Schedule 18 - Note V (8))			
Opening Balance	281		281
Transfers to Remittable Surplus retained for CRAR requirements	<u>(281)</u>	<u>-</u>	<u>-</u>
			281
 III. Properties Investment Reserve			
(see Schedule 18 - Note V (4))		6,194	6,194
 IV. Properties Revaluation Reserve			
Opening Balance	32,511		42,575
Additions during the year	3,387		-
Deductions during the year	(778)		(9,399)
Depreciation during the year	<u>(635)</u>	<u>34,485</u>	<u>(665)</u>
			32,511
 V. Investment Reserve			
Opening Balance	36,658		35,683
Additions during the year	<u>3,012</u>	<u>39,670</u>	<u>975</u>
			36,658

Schedules forming part of the accounts of the Indian branches (Continued)
as at March 31, 2015

		As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 2 - RESERVES & SURPLUS (Continued)			
VI. Capital Reserve on sale of immovable properties			
Opening Balance	10,981		6,493
Additions during the year	563		4,488
		11,544	10,981
VII. Foreign Exchange Reserve (see Schedule 18 - Note V (8))			
Opening Balance	11,925		11,925
Transfers to Remittable Surplus retained for CRAR requirements	(11,925)	-	-
		-	11,925
VIII. Special Reserve (see Schedule 18 - Note V (7))			
Opening Balance	8,975		7,488
Additions during the year	2,458		1,487
		11,433	8,975
IX. Remittable Surplus retained for CRAR requirements (see Schedule 18 - Note V (8))			
Opening Balance	688,193		688,193
Additions during the year :			
- Transfers from Furniture & Equipment Reserve	281		-
- Transfers from Foreign Exchange Reserve	11,925		-
- Transfers from Profit and Loss account	1,955		-
		702,354	688,193
X. Balance in the Profit and Loss Account (see Schedule 18 - Note V (8))			
Opening Balance	211,960		172,702
Additions during the year	250,658		210,005
Less: Transfers to Remittable Surplus retained for CRAR requirements	(1,955)		-
Less: Remitted during the year	(210,005)		(170,747)
		250,658	211,960
TOTAL		1,606,238	1,472,014
SCHEDULE 3 - DEPOSITS			
A. i. Demand Deposits			
i) From banks		69,987	20,016
ii) From others		2,394,933	1,956,854
		2,464,920	1,976,870
II Savings Bank Deposits		1,926,876	1,784,747
III. Term Deposits			
i) From banks		19	51
ii) From others		4,499,385	4,069,634
		4,499,404	4,069,685
TOTAL		8,891,200	7,831,302
B Deposits of branches in India		8,891,200	7,831,302
Deposits of branches outside India		-	-
		8,891,200	7,831,302

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Schedules forming part of the accounts of the Indian branches (Continued)**
as at March 31, 2015

	As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	925,100	1,221,400
ii) Other banks	57	42
iii) Other institutions and agencies	3,156	180,592
	<u>928,313</u>	<u>1,402,034</u>
II. Borrowings outside India	812,470	1,239,438
TOTAL	<u>1,740,783</u>	<u>2,641,472</u>

Secured borrowings included in I & II above
(secured against Government securities with face value of Rs 962,104 lakhs (Previous Year: Rs 1,307,447 lakhs))

925,100 1,257,377

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

I. Bills payable	94,880	82,132
II. Inter - office adjustments (net)	1,100	22
III. Interest accrued	37,449	38,133
IV. Contingent provisions against standard assets (see Schedule 18 - Note V (15.7))	59,408	50,174
V. Others (including provisions)	1,072,122	2,008,429
TOTAL	<u>1,264,959</u>	<u>2,178,890</u>

Schedules forming part of the accounts of the Indian branches (Continued)
as at March 31, 2015

		As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes)		19,135	13,745
II. Balances with Reserve Bank of India			
i) in Current account	477,699		463,763
ii) in Other Deposit accounts	-		-
		477,699	463,763
TOTAL		496,834	477,508
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I. In India			
i) Balances with banks			
a) In Current accounts	16,960		13,835
b) In Other Deposit accounts	-		259,125
		16,960	272,960
ii) Money at call and short notice			
a) With banks	-		-
b) With other institutions	-		-
		-	-
TOTAL (i & ii)		16,960	272,960
II. Outside India			
i) In Current account	11,326		10,958
ii) In Other Deposit accounts	409,388		870,009
iii) Money at call and short notice	-		-
		420,714	880,967
GRAND TOTAL (I & II)		437,674	1,153,927
SCHEDULE 8 - INVESTMENTS			
I. Investments in India in			
i) Government securities		5,690,422	4,960,824
ii) Other approved securities		-	-
iii) Debentures and Bonds		-	-
iv) Shares		1,242	1,242
v) Others (see Schedule 18 Note V (2))		25,470	165,147
TOTAL		5,717,134	5,127,213

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Schedules forming part of the accounts of the Indian branches (Continued)**
as at March 31, 2015

	As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 9 - ADVANCES		
A. i) Bills purchased and discounted (see Schedule 18 Note V (9))	338,289	246,643
ii) Cash credits, overdrafts and loans repayable on demand	943,100	938,523
iii) Term loans	4,808,242	4,466,765
TOTAL	6,089,631	5,651,931
B i) Secured by tangible assets (Including advances against book debts)	2,192,308	2,032,272
ii) Covered by Bank / Government guarantees	24,381	86,688
iii) Unsecured	3,872,942	3,532,971
TOTAL	6,089,631	5,651,931
C. I. Advances in India		
i) Priority sectors	1,791,602	1,509,108
ii) Public sector	2,338	43,797
iii) Banks	-	-
iv) Others	4,295,691	4,099,026
TOTAL	6,089,631	5,651,931
C. II. Advances outside India	-	-
GRAND TOTAL (C. I & C. II)	6,089,631	5,651,931
SCHEDULE 10 - FIXED ASSETS		
I. Leasehold land		
At cost as on 1 April	7,406	7,406
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	7,406 (2,400)	7,406 (2,252)
TOTAL	5,006	5,154
II. Premises		
At cost as on 1 April	94,985	8,085
Additions during the year	1,083	86,951
Deductions during the year	(50)	(51)
Depreciation to date	96,018 (5,217)	94,985 (3,347)
Add: Premises revaluation	90,801 34,485	91,638 32,511
TOTAL	125,286	124,149

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Schedules forming part of the accounts of the Indian branches (Continued)**
as at March 31, 2015

	As at 31.03.2015 (Rs in lakhs)	As at 31.03.2014 (Rs in lakhs)
SCHEDULE 10 - FIXED ASSETS (Continued)		
III. A Other Fixed assets (including furniture and fixtures)		
At cost as on 1 April	72,008	59,646
Additions during the year	7,184	16,228
Deductions during the year	(3,633)	(3,866)
	75,559	72,008
Depreciation to date	(47,903)	(43,667)
	27,656	28,341
III. B Other Fixed assets (taken on lease)		
At cost as on 1 April	7,954	9,008
Additions during the year	1,894	1,357
Deductions during the year	(2,590)	(2,411)
	7,258	7,954
Depreciation to date	(4,478)	(5,017)
	2,780	2,937
TOTAL	30,436	31,278
IV. Capital Work-in-progress	3,519	5,372
GRAND TOTAL (I, II, IIIA, IIIB, IV)	164,247	165,953

SCHEDULE 11 - OTHER ASSETS

I. Due from Head office	-	-
II. Interest accrued	113,253	100,305
III. Tax paid in advance/tax deducted at source (net of provision for tax) (see Schedule 18 - Note V (12))	106,646	139,539
IV. Non-banking assets acquired in satisfaction of claims	-	-
V. Deferred tax assets (net) (see Schedule 18 - Note V (23))	44,081	45,196
VI. Others	708,064	1,636,490
TOTAL	972,044	1,921,530

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	2,599	2,292
II. Liability on account of outstanding forward exchange contracts	55,948,610	54,785,321
III. Liability on account of outstanding Rupee Interest Rate Swaps	44,026,959	47,304,517
IV. Guarantees given on behalf of constituents		
a) In India	1,129,238	1,229,688
b) Outside India	269,918	405,424
V. Acceptances, endorsements and other obligations	2,005,632	1,430,346
VI. Others	635,457	126,837
TOTAL	104,018,413	105,284,425

CITIBANK N.A.*(Incorporated with limited liability in U.S.A.)***Schedules forming part of the accounts of the Indian branches (Continued)**
for the year ended March 31, 2015

	Year ended 31-Mar-15 (Rs in lakhs)	Year ended 31-Mar-14 (Rs in lakhs)
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	581,028	528,094
II Income on investments	418,109	357,262
III Interest on balances with Reserve Bank of India and other inter-bank funds	17,779	30,632
IV Others	4,137	3,533
TOTAL	1,021,053	919,521
SCHEDULE 14 - OTHER INCOME		
I Commission, exchange and brokerage	105,178	105,110
II Profit on sale of investments (net)	56,120	35,482
III Profit on sale/ write-off of fixed assets (net)	895	10,443
IV Profit on exchange transactions	161,007	149,813
V Miscellaneous income	4,756	(435)
TOTAL	327,956	300,413
SCHEDULE 15 - INTEREST EXPENDED		
I Interest on deposits	360,812	278,945
II Interest on Reserve Bank of India/ inter-bank borrowings	54,253	44,334
III Others	20,579	50,547
TOTAL	435,644	373,826
SCHEDULE 16 - OPERATING EXPENSES		
I Payments to and provisions for employees	111,645	106,861
II Rent, taxes and lighting	14,659	13,424
III Printing and stationery	3,519	5,079
IV Advertisement and publicity	9,192	11,111
V Depreciation on Bank's property	11,785	11,014
VI Auditors' fees and expenses	130	111
VII Law charges	925	982
VIII Postage, telegrams, telephones, etc.	37,860	35,945
IX Repairs and maintenance	10,967	10,385
X Insurance	9,536	7,774
XI Other expenditure	105,005	82,963
TOTAL	315,223	285,649
SCHEDULE 17 - PROVISIONS AND CONTINGENCIES		
I Provision for non-performing assets / write offs (net)	3,677	42,404
II Provision for standard assets	9,234	-
III Provision for current taxation	248,946	224,219
IV Deferred tax charge / (benefit) (see Schedule 18 - Note V (23))	1,115	(2,182)
V Write back of Provision on Investments	(7,079)	(2,290)
VI Others (see Schedule 18 - Note V (11))	(6)	9,034
TOTAL	255,887	271,185

Citibank N.A.

(Incorporated with Limited Liability in U.S.A)

Schedules forming part of the financial statements of the Indian branches

for the year ended March 31, 2015

Schedule 18

I. Background

The accompanying financial statements for the year ended March 31, 2015 comprise the accounts of Citibank N.A. – India branches ('the Bank'), a banking company under the Banking Regulation Act, 1949. Citibank N.A. is incorporated with limited liability in the United States of America.

The branches of the Bank as at March 31, 2015 are at:

Ahmedabad, Akola, Aurangabad, Bengaluru (M.G. Road and South End Road), Bhopal, Bhubaneswar, Chandigarh, Chennai (Anna Salai and Alwarpet), Coimbatore, Faridabad, Gurgaon, Indore, Jaipur, Jalandhar, Kochi, Kolkata (Brabourne Road and Chowringhee Road), Lucknow, Ludhiana, Mumbai (Lower Parel, Andheri, Fort, Juhu, Khar, Vashi and Thane), Nagpur, Nanded, Nandyal, Nasik, New Delhi (Connaught Circus, Punjabi Bagh, Nehru Place, South Extension and Vasant Vihar), Noida, Puducherry, Pune, Hyderabad (S.P.Road and Serilingampally Mandal), Surat, Vadodara and Vapi. During the year, new branches were opened in Thane, Nagpur and Serilingampally Mandal.

II. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles in India ('GAAP'), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time, Accounting Standards ('AS'), to the extent applicable and current practices within the banking industry in India. The disclosures presented herein confirm to the guidelines laid down in the Master Circular - Disclosure in Financial Statements - Notes to Accounts (DBOD.BP.BC No.8 /21.04.018/ 2014-15 dated July 1, 2014).

III. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

Citibank N.A.

(Incorporated with Limited Liability in U.S.A)

Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies

1) Investments

Classification and valuation of the Bank's investments is carried out in accordance with RBI Master Circular DBOD No BP.BC.20/ 21.04.14/ 2014-15 dated July 1, 2014 and amendments thereto.

Classification

Investments are classified as 'Held to maturity' ('HTM'), 'Available for sale' ('AFS') or 'Held for trading' ('HFT') at the time of its purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within a short period, including short sale, are classified as HFT investments. All other investments are classified as AFS investments. Shifting among the categories is accounted as per extant RBI guidelines. The Bank follows settlement date method of accounting for its investments. For disclosure in the financial statements, the investments are classified under five categories – Government securities, Other approved securities, Debentures and Bonds, Shares and Other investments and disclosed in Schedule 8 - Investments.

Valuation

Investments classified as HTM are carried at acquisition cost. Any premium on acquisition is amortised over the remaining period to maturity on a constant yield to maturity. Discount, if any, is ignored. Investments in deposits with funds of NABARD and National Housing Bank under the Priority Sector Lending Schemes are classified as HTM.

AFS and HFT investments are marked to market based on yields declared by the Fixed Income and Money Market Dealers Association ('FIMMDA') in consultation with Primary Dealers Association of India ('PDAI').

Treasury Bills, Commercial Papers and Certificate of Deposits, being discounted instruments, are valued at carrying cost. Carrying cost includes the discount accreted for the holding period on a constant yield to maturity.

Investments in Pass Through Certificates are valued on the basis of the Base Yield Curve and the applicable spreads as per the spread matrix relative to the tenor of the underlying assets in accordance with FIMMDA guidelines.

Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available or at Re 1 per equity share.

Net depreciation, if any, within each category of investments is recognized in the Profit and Loss account. The net appreciation, if any, under each category is not recognised, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Citibank N.A.

(Incorporated with Limited Liability in U.S.A)

Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

1) Investments *(Continued)*

Repurchase transactions

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank continues to accrue coupon / discount on securities during the repo period. Also, the Bank marks to market such securities as per the investment classification of the security. The difference between the clean price of the first leg and clean price of the second leg is recognized as interest income / expense in the Profit and Loss account over the period of the transaction. Similarly, securities that are taken as collateral under agreement to resale are not included in the investment account of the Bank. The transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as borrowing and lending transactions.

Broken period interest

Broken period interest paid at the time of acquisition of the security, is charged to the Profit and Loss account.

2) Advances

Classification and provisioning of advances of the Bank is carried out in accordance with the RBI Master Circular - DBOD.No.BP.BC. 9/21.04.048/ 2014-15 dated July 1, 2014 and amendments thereto.

Advances, including purchase of loan portfolios, are stated net of specific provisions and interest suspense. The Bank follows a consistent internal policy of classifying its advances as commercial and consumer loans and advances. Premium paid on acquisition of portfolio is included in advances and is amortised over the life of the portfolio.

The Bank adopts norms prescribed by RBI as specified in the circular referenced above for identification of Non Performing Assets ('NPAs'). Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed in RBI guidelines.

The Bank also maintains provision on standard assets to cover potential credit losses not yet identified, which are inherent in any loan portfolio as well as on positive mark to market gains on derivatives portfolio and discloses the same in Schedule 5 - Other liabilities and provisions. The Bank also maintains incremental provision on standard assets and on positive mark to market gains on derivatives portfolio pertaining to client's with unhedged foreign currency exposure (UFCE) in accordance with RBI guidelines.

Provisioning for restructured assets is made in accordance with the requirements prescribed by RBI guidelines. Such provisions are reduced from advances.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

3) Foreign currency transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the Profit and Loss account.

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account.

Foreign exchange trading positions including spot contracts, forward contracts and currency swap contracts are revalued daily at the rates published by newswires and monthly at closing rates notified by FEDAI for specified maturities and at interpolated rates of interim maturities. The contracts where exchange rates are not notified by FEDAI are revalued at the forward exchange rates implied by the swap curves of the respective currencies.

The gains and losses on revaluation are recorded in the Profit and Loss account at the present value equivalent using appropriate discount rates and corresponding asset or liability is shown under "Other assets" or "Other liabilities". The notional value of these contracts is recorded as contingent liability.

In compliance with AS 11, mark to market on swap contracts entered into for hedging foreign exchange risk implicit in certain foreign currency liabilities which are swapped into India rupees is not recognized. The premium/discount arising at inception of such contracts is amortised as expense/income over the life of the contract. Exchange differences on the spot leg of such contracts are recognized in the Profit and Loss account in the reporting period. The premium amortised is presented as "Interest on deposits" under Schedule 15. Notional values of these contracts are recorded as contingent liability. This accounting treatment has also been applied in case of the contracts entered into with RBI under the special US Dollar – Rupee swap window provided by RBI for swapping eligible incremental FCNR (B) deposits. These swaps have been considered as hedges for the foreign exchange risk implicit in the FCNR (B) deposits eligible for the swap facility.

Foreign currency options are marked to market using market values after considering the premium received or paid. Profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities". Premium received and premium paid is recognized in the Profit and Loss account upon expiry or exercise of the options. The notional value of these options is recorded as contingent liability.

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(Incorporated with Limited Liability in U.S.A)

Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

3) Foreign currency transactions *(Continued)*

Foreign currency futures are marked to market using closing price of the relevant futures contract as published by the exchange. Profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities". Margin money deposited with the exchange is included in "Other assets". The notional value of the futures contracts is recorded as contingent liability.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at the closing rates of exchange notified by FEDAI.

4) Rupee derivative transactions

Rupee derivative transactions primarily comprise interest rate swaps and interest rate futures. Interest rate swaps are marked to market using appropriate interest rates. Profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities". The notional value of these swaps is recorded as contingent liability.

Rupee Interest Rate Swaps, which are designated as Hedges where the underlying is not marked to market, are accounted on accrual basis pursuant to the principles of hedge accounting as permitted by RBI circular Ref.No.MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999.

Interest Rate Futures are marked to market using closing price of the relevant futures contract as published by the exchange. Profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is shown under "Other assets" or "Other liabilities". Margin money deposited with the exchange is included in "Other assets". The notional value of the futures contracts is recorded as contingent liability.

5) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks/institutions and money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents held in foreign currency).

Citibank N.A.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

6) Fixed assets and depreciation

Fixed assets, other than premises, are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Premises are revalued biennially and are stated at the revalued amount. The increase/decrease in net book value on revaluation of premises is credited/charged to 'Properties Revaluation Reserve'. On disposal of revalued premises, the amount standing to the credit of the Properties Revaluation Reserve is reversed.

Depreciation is provided on the straight-line method from the date of addition over the estimated useful life of the asset. Depreciation on assets sold during the year is charged to the Profit and Loss account upto the month of sale. In respect of any assets where management's estimate of useful life is lower, either at the time of acquisition, or during a subsequent review, the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. Pursuant to this, depreciation has been provided at the following rates:

Asset Description	Depreciation Rate (% p.a.)
Leasehold land and premises	2.00
Installations, furniture and work of art	10.00
Equipment (including Telecom Equipment and Telephone Systems)	15.00
Racks, structured cables, Other computer hardware and related equipments	20.00
Personal computers along with operating systems (Desktop/Laptop/Monitor/Desktop printer)	33.33
Software (Internally developed / Purchased)	20.00/33.33
LAN printers, servers, scanners, fax machines	25.00
Vehicles	25.00

Installations in leased premises are depreciated over a period which includes initial lease term and one renewal.

If there is any indication that an asset is impaired, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Citibank N.A.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

7) Employee benefits

Retirement and other Employee benefits are accounted in accordance with AS 15 – Employee Benefits.

(a) Provident fund

The Bank contributes to a recognised provident fund which is a defined contribution scheme, for all its employees. The contributions are accounted for on an accrual basis and recognized in the Profit and Loss account as expenditure.

(b) Superannuation

The Bank contributes to a superannuation fund in accordance with the terms of employment of a certain category of employees, which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the Profit and Loss account as expenditure.

(c) Gratuity

The Bank provides for its gratuity liability which is a defined benefits scheme. Such provision is based on actuarial valuation of the gratuity liability as at the balance sheet date carried out by an independent actuary using the Projected Unit Credit Method. The Bank contributes to gratuity fund which is managed by a trust. The funds are partly invested with Life Insurance Corporation of India and partly self-managed as per the Investment Pattern prescribed by Ministry of Finance, Government of India.

(d) Pension

The Bank provides for its pension liability for certain categories of employees which is a defined benefits scheme. Such provision is based on actuarial valuation of the pension liability at the balance sheet date carried out by an independent actuary using the Projected Unit Credit Method. The contributions to the pension fund are managed by a trust, which invests funds as per the Investment Pattern prescribed by Ministry of Finance, Government of India and Annuities are purchased from Life Insurance Corporation of India as and when the employee becomes eligible for the benefit.

(e) Leave encashment

The Bank provides for its leave encashment liability for certain category of employees who are eligible to accumulate leave, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary using the Projected Unit Credit Method.

(f) Resettlement Allowance

The Bank provides for Resettlement Allowance Liability based on actuarial valuation performed by an independent actuary using the Projected Unit Credit Method as of the balance sheet date. Resettlement Allowance is six months pay offered to certain category of employees.

Citibank N.A.

(Incorporated with Limited Liability in U.S.A)

Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

8) Income recognition

Interest income is recognised in the Profit and Loss account on an accrual basis, except in the case of interest on non-performing assets, which is recognised as income on receipt.

Fees and commission income is recognised when earned except when it is in the nature of yield enhancement. Yield enhancement fees and commission are deferred, along with related expenses including loan origination expenses and amortized over the life of the underlying asset.

Gain arising on securitisation is amortized over the life of security issued/to be issued by the SPV with upfront recognition of retained service costs and provision for credit losses. Loss is recognized immediately in the Profit and Loss account.

Gains and losses arising out of outright assignment deals are recorded upfront after providing for retained service costs and provision for credit losses, where warranted.

9) Provision for reward points on credit/debit cards

The Bank has a policy of awarding reward points to credit card and debit cards customers based on their spends. Provisions for reward points which are pending redemption by customers are made using a model based on behavioral analysis of utilization trends. The model uses historical redemption trends to estimate the probable utilization of outstanding unredeemed reward points. Such provisions are also assessed for adequacy and excess provisions vis-a-vis the model are retained in cases where abnormal movements in redemption rates are observed. The provision required is calculated basis the expected redemption determined using this model. The provisioning treatment conforms to the opinion given by the Expert Advisory Committee of the Institute of Chartered Accountants of India (The ICAI). In case of co-branded cards where rewards are offered through the partner firm, provisions are created for the entire amount due to the partner firm as per terms of the tie up arrangement and remaining unpaid as of the reporting date.

10) Taxation

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed thereunder) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Provision for current income-tax is recognized in accordance with the provisions of Income-Tax Act, 1961 and after due consideration of relevant judicial decisions and statutory provisions.

Citibank N.A.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

IV. Significant accounting policies *(Continued)*

10) Taxation *(Continued)*

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets.

Deferred tax assets are reviewed at the balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

11) Accounting for leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense on a straight-line basis over the lease period.

Financial leases

Assets taken on finance lease are recognised as fixed assets. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as interest expense and the principal amount is reduced from the liability. The assets acquired under the lease are depreciated over the lease term, which is reflective of the useful life of the leased asset.

12) Provisions and contingencies

The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015

- 1 The Bank is required to lodge additional securities with RBI under section 11(2)(b) of the Banking Regulation Act, 1949 amounting to Rs. 85,564 lakhs for the year ended March 31, 2015 (Previous year Rs. 72,320 lakhs). As at March 31, 2015, the face value of securities lodged with RBI stands at Rs. 523,600 lakhs (Previous year Rs. 432,300 lakhs).
- 2 Other investments comprise of Pass Through Certificates amounting to Rs. 18,570 lakhs (Previous year Rs. 58,706 lakhs), Certificate of Deposits : NIL (Previous year Rs. 106,441 lakhs), Deposits with NABARD amounting to Rs. 6,646 lakhs (Previous year: NIL) and National Housing Bank amounting to Rs. 254 lakhs (Previous year: NIL) under the Priority Sector Lending Schemes.
- 3 Bills received from constituents for collections on their behalf are controlled through product processor systems and are recorded in financial ledgers only when collected. These bills for collection outstanding as at the year end have been disclosed in the balance sheet.
- 4 Per the guidelines issued by RBI on Acquisition/Leasing of Premises (IBS.1728/C.553A-87 dated November 30, 1987), the Bank has retained "Properties Investment Reserve" as at March 31, 2015 of Rs. 6,194 lakhs (Previous year Rs. 6,194 lakhs).
- 5 During the year, the Bank has appropriated Rs. 3,012 lakhs (Previous Year: Rs. 975 lakhs) to Investment Reserve. Further, the Bank has neither appropriated nor withdrawn any amount from this reserve during the year (Previous Year: NIL).
- 6 During the year, there was a sale of two residential premises owned by the Bank. Gain of Rs. 1,324 lakhs on sale has been reported under Other Income. The net gain amount after netting for tax was Rs. 751 lakhs of which Rs. 188 lakhs has been appropriated to statutory reserves and the balance Rs. 563 lakhs appropriated to Capital Reserve.
- 7 The Bank has created an incremental Special Reserve of Rs. 2,458 lakhs (Previous year Rs. 1,487 lakhs) pursuant to clause (viii) under sub-section (1) to section 36 of the Income Tax Act, 1961.
- 8 During the year, the Bank has appropriated Foreign Exchange Reserve of Rs. 11,925 lakhs; Furniture & Equipment Reserve of Rs. 281 lakhs and Balance in Profit in Loss account (pertaining to previous years) of Rs. 1,955 lakhs to Remittable Surplus retained for CRAR requirements.
- 9 Amount of Bills purchased and discounted reported under Schedule 9 are net of borrowings made by the Bank under Bills Rediscounting Scheme.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

- 10** Advances of the Bank include two exposures amounting to Rs. 8,292 lakhs classified as Non Performing Loans where a portion of the exposure was covered by guarantees issued by Overseas Private Investment Corporation (OPIC). The Bank has been restituted on invoking the guarantee but proceeds have not been appropriated towards the exposures pending completion of legal proceedings for recovery of the outstanding from the obligor in order to protect the legal position of the Bank. The proceeds of the guarantee have been reported under Other Liabilities pending appropriation. To the extent of proceeds collected against the guarantee, these exposures have been considered as secured for determining provisioning requirements as per RBI norms for Non Performing Loans.

The Bank had disclosed in the previous year an exposure to an obligor in India where proceeds from invoking a SBLC issued by an offshore branch of Citibank N.A. had not been appropriated towards the loan exposure. During the current year, the Bank has liquidated the loan exposure by appropriating SBLC proceeds.

- 11** Provisions and Contingencies - Others (Schedule 17 (VI)) comprises of Rs. 6 lakhs (Previous Year: Rs. 65 lakhs) credited to the Profit and Loss account on account of change in diminution in fair value of loans, which were restructured in prior years and upgraded to standard assets during the year. There are no other items in the current year (Previous Year: Debit of Rs. 9,100 lakhs on account of floating provision).
- 12** Other Assets [Schedule 11 (III)] includes Rs. 56,130 lakhs (Previous year: Rs. 80,785 lakhs) towards disputed Income Tax paid by the Bank/ adjusted by the authorities. Provision for taxation is not considered necessary by the Bank in respect of above disputed demands based on various judicial decisions on such disputed issues.
- 13** The Bank has in place a Standby Letter of Credit (SBLC) extended by Citibank Head Office (New York) to the extent of the rupee equivalent of USD 1.97 billion, as an additional support to cover Citibank India's facilities provided to locally incorporated subsidiaries and branch offices of multinational companies, whose ultimate parent has a global banking relationship with Citibank. The Bank undertakes a credit appraisal of such exposures based on the available financials of the local subsidiaries. In addition, the Bank also receives inputs on credit assessment from Citibank franchise in respective countries which manages the global relationship for that entity and further relies on credit support from the SBLC extended by Citibank Head Office. In certain cases, specific SBLCs are obtained from Citibank branch which manages the global relationship basis periodic review.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

14. With reference to the matter pertaining to incidence of fire in the new premise of the Bank which was disclosed in the previous year, the settlement towards Contractors' policy share to the tune of Rs 181 lakhs has been received. The Insurance Loss Assessors and Surveyors have forwarded their assessment to Insurer for award of final claim in case of internal fit-out. For base building works, which is covered by the Building Condominium's fire policy, the surveyor's final assessment is still ongoing. Accordingly, the balance receivable of Rs 1,901 lakhs is being carried forward in the books in the current financial year.

The following disclosures are made in accordance with requirements of RBI guidelines and accounting standards:

15.1. Capital Adequacy Ratio

The Capital Adequacy ratio has been computed in accordance with Capital Adequacy guidelines issued vide circular DBOD.No.BP.BC.6/21.06.201/2014-15 date July 1, 2014.

Credit Valuation Adjustment (CVA) risk capital charge on OTC derivatives was to be implemented from April 1, 2014. Accordingly, CRAR ratio for March 31, 2015 is computed with CVA charge, while CRAR ratio for March 31, 2014 presented below is without CVA charge.

Ratio	As at March 31, 2015
CRAR - Total Capital ratio	15.30%
CRAR – Tier I Capital ratio	14.18%
CRAR – Tier II Capital ratio	1.12%
Amount of subordinated debt raised as Tier II capital	NIL

The Common Equity Tier I capital ratio of the Bank as of March 31, 2015 per Basel III norms is 14.18% (Previous Year - 15.35%).

Ratio	As at March 31, 2014
CRAR - Total Capital ratio	16.49%
CRAR – Tier I Capital ratio	15.35%
CRAR – Tier II Capital ratio	1.14%
Amount of subordinated debt raised as Tier II capital	NIL

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.2. Business ratio

Ratio	2014-2015	2013-2014
Percentage of net NPAs to net advances	0.40%	1.24%
Interest income as a percentage to working funds	7.26%	6.59%
Non-interest income as a percentage to working funds	2.33%	2.15%
Operating profit as a percentage to working funds	4.25%	4.01%
Return on assets	2.43%	2.07%
Business (deposits plus advances) per employee (Amount in Rs. lakhs)	2,463	2,226
Profit per employee (Amount in Rs. lakhs)	59	51

Note:

- Working Funds represent average of total assets as reported to RBI in Form X.
- Inter-bank deposits have been excluded for the computation of business per employee ratio.
- Profit per employee is based on employee count as of March 31, 2015 and March 31, 2014 respectively.

15.3. Liquidity coverage ratio

The Basel Committee on Banking Supervision (BCBS) prescribed the Liquidity Coverage Ratio (LCR) standard to promote short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to meet its liquidity requirements for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by regulators. LCR is defined as a ratio of HQLA to the total net cash outflows in a liquidity stress scenario estimated for the next 30 calendar days. As per RBI guidelines, the LCR requirement is binding on banks from January 1, 2015 with a minimum requirement of 60% for calendar year 2015. For Foreign Banks operating as branches in India, the framework would be applicable on a standalone basis (i.e. for Indian operations only).

The minimum requirement would rise in equal steps to reach 100% on January 1, 2019 as per the timeline below:

	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
Minimum LCR	60%	70%	80%	90%	100%

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.3. Liquidity coverage ratio (Continued)

The Bank's LCR, calculated as per RBI guidelines, as the average of the month end values for the quarter ended March 31, 2015 is as below

Amount in Rs. lakhs		
Particulars	Total un weighted value (average)	Total weighted value (average)
High quality liquid assets		
1 Total high quality liquid assets		3,730,630
Cash outflows		
2 Retail deposits and deposits from small business customers, of which:	4,670,500	439,849
(i) Stable deposits	544,027	27,201
(ii) Less stable deposits	4,126,473	412,648
3 Unsecured wholesale funding, of which:	4,490,178	1,393,888
(i) Operational deposits (all counterparties)	2,887,529	721,097
(ii) Non-operational deposits (all counterparties)	1,602,649	672,791
(iii) Unsecured debt		
4 Secured wholesale funding		-
5 Additional requirements, of which:		
(i) Outflows related to derivative exposures and other collateral requirements	586,352	586,352
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	1,178,132	108,688
6 Other contractual funding obligations	248,807	248,807
7 Other contingent funding obligations	4,918,118	245,906
8 Total cash outflows		3,023,490
Cash Inflows		
9 Secured lending (e.g. reverse repos)	-	-
10 Inflows from fully performing exposures	1,571,750	1,001,657
11 Other cash inflows	724,126	677,635
12 Total cash inflows	2,295,876	1,679,292
		Total Adjusted Value
13 Total HQLA		3,730,630
14 Total net cash outflows		1,344,198
15 Liquidity coverage ratio (%)		277.53%

Note: Since the above disclosure is applicable from current year, no comparative numbers have been provided.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

15.3. Liquidity coverage ratio *(Continued)*

Liquidity of the Bank is directly managed by a centralized Treasury with oversight of the Asset Liability Management Committee (ALCO). The Bank follows a comprehensive approach to balance sheet liquidity with a balanced funding profile maintained across retail and corporate customers, diversification across client segments and prudent levels of funding concentrations. The Bank meets its loan funding requirements through customer deposits and does not rely on interbank or market funding.

Liquidity buffer in excess of Statutory Liquidity Ratio (SLR) requirements to meet unforeseen outflows is maintained in Government securities and is the primary driver for the HQLA levels maintained.

The Bank continues to focus on operating account liabilities to drive balance sheet growth, with current and savings account (CASA) deposits ratio at 49.39% as of March 31, 2015. The weighted cash outflows are tempered by the largely operational nature of deposits and the retail deposit mix, including deposits from small business customers. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Liquidity requirement of the Bank on account of market valuation changes for derivative transactions has also been considered, based on the prescribed look back approach.

The weighted cash inflows are largely driven by scheduled loan maturities and are capped to 25% of weighted cash outflows. Based on the above, monthly average LCR of the Bank for the quarter ended March 31, 2015 was 277.53%.

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.4. Asset Liability Management

Maturity pattern as at March 31, 2015

Amount in Rs. lakhs

Maturity Bucket	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	157,798	1,718,750	730,430	79,276	363,150	152,809
2 to 7 days	184,853	1,312,500	726,081	600,776	111,016	102,910
8 to 14 days	278,460	341,923	465,679	386,255	188,139	271,699
15 to 28 days	307,439	505,363	309,049	101,319	217,503	265,821
29 days to 3 months	734,940	409,921	762,812	112,761	500,156	148,975
Over 3 months and upto 6 months	728,434	72,438	232,767	179,809	299,084	207,225
Over 6 months and upto one year	680,579	88,596	403,735	90,851	224,085	170,034
Over one year and upto 3 years	1,665,055	870,992	5,239,636	189,597	298,245	1,794,138
Over 3 years and upto 5 years	345,633	4,072	15,558	139	66,280	970
Over 5 years	1,006,440	392,579	5,453	-	24,988	20,944
Total	6,089,631	5,717,134	8,891,200	1,740,783	2,292,646	3,135,525

Maturity pattern as at March 31, 2014

Amount in Rs. lakhs

Maturity Bucket	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	71,804	1,686,867	125,250	191,196	252,437	217,761
2 to 7 days	185,648	1,376,366	849,290	1,257,377	486,526	36,311
8 to 14 days	180,468	95,639	266,719	-	49,922	21,652
15 to 28 days	480,862	214,433	219,496	-	246,428	11,134
29 days to 3 months	651,421	177,876	535,104	13	226,839	51,062
Over 3 months and upto 6 months	554,651	142,263	248,578	138,779	197,227	82,259

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.4 Asset Liability Management (Continued)

Maturity pattern as at March 31, 2014

Amount in Rs. lakhs

Maturity Bucket	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Over 6 months and upto one year	511,859	114,147	584,691	961,387	323,969	1,134,689
Over one year and upto 3 years	1,513,687	762,001	4,938,108	91,900	231,956	1,925,027
Over 3 years and upto 5 years	380,997	15,947	57,444	820	37,403	11,074
Over 5 years	1,120,534	541,674	6,622	-	21,573	62,534
Total	5,651,931	5,127,213	7,831,302	2,641,472	2,074,280	3,553,503

Note:

- The information on maturity pattern has been compiled based on the same estimates and assumptions as used for compiling the returns submitted to RBI.
- Assets and liabilities exclude off-balance sheet assets and liabilities.

15.5. Lending to sensitive sectors

A) Exposure to real estate sector

Amount in Rs. lakhs

Category	As at March 31, 2015	As at March 31, 2014
1. Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower:	1,646,109	1,536,593
Of which individual housing loans eligible for inclusion in priority sector advances	122,020	91,653
(ii) Commercial real estate		
Lending secured by mortgages on income producing real estates	42,199	53,539
(iii) Others*	35,109	48,045

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.5 Lending to sensitive sectors (Continued)

A) Exposure to real estate sector (Continued)

Amount in Rs. lakhs		
Category	As at March 31, 2015	As at March 31, 2014
2. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	300,624	229,634
Total	2,024,041	1,867,811
*Others include real estate exposures such as loan on mortgage of commercial property where repayment is not from cash flows generated from leasing/sale of such property.		

B) Exposure to capital market

Amount in Rs. lakhs		
Category	As at March 31, 2015	As at March 31, 2014
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,242	1,242
Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	22,026	20,418
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	650	2,083
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	87,530	168,796
Facility secured against residential real estate classified as CME based on the end use of the loan which is investment into capital markets;	2,216	2,316
Other Financial Guarantees	1,607	1,100
Total	115,271	195,955

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.6. Movement in Non- performing assets

Particulars	Amount in Rs. lakhs					
	Gross NPA	2014-2015 Provision	Net NPA	Gross NPA	2013-2014 Provision	Net NPA
Opening balance as on April 1	148,420	78,290	70,131	135,873	59,209	76,665
Additions during the year	55,365	35,395	19,970	65,193	35,828	29,365
Recoveries / write offs during the year	(125,728)	(60,116)	(65,612)	(52,646)	(16,747)	(35,899)
Closing balance as on March 31	78,057	53,569	24,488	148,420	78,290	70,131

15.7. Provision on standard assets

Category	As at March 31, 2015	As at March 31, 2014
Opening balance	50,174	50,174
Additions during the year (on account of UFCE)	9,234	-
Closing balance	59,408	50,174

The general standard assets provision is in excess of the requirements basis the current assets position. The excess has been retained in accordance with the guidelines contained in RBI Circular DBOD.BP.BC. 83 / 21.01.002/2008-09 dated November 15, 2008.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.8. Provision on standard assets (UFCE)

The assessment of unhedged foreign currency exposure is an ongoing process at the Bank. The Bank undertakes an assessment of the risks arising out of the foreign currency exposure of their corporate clients and takes suitable steps to insulate it from such risks. These steps include (i) rigorous assessment of foreign exchange (FX) risks for a client during annual review of its credit facilities including under stress testing/downside scenarios and, if found material, downgrading the Obligor Risk Rating of the client; (ii) strict adherence to internal governance standards set (viz. Suitability and Appropriateness assessment, Derivative Sales Practices) pertaining to marketing of facilities with pre-settlement risks; (iii) daily monitoring of mark-to-market (MTM) exposures on its derivative trades with clients; (iv) periodic stress testing of MTM exposures to identify potential scenarios and clients where pre-settlement risk exposures increase significantly which will also impact the credit risk. The Bank also periodically sends letters to its corporate clients and also to the clients' other bankers seeking information on unhedged FX exposure of the clients with other banks.

Wherever risks arising out of FX exposure are assessed as increased and become material, the Bank may exercise a number of options including seeking of collateral from the client, credit support from stronger parent or another bank's SBLC.

Foreign currency (FCY) loans extended to corporate obligors where those obligors have not entered into corresponding hedges with the Bank are reviewed on a monthly basis to identify potentially-at-risk clients who do not enjoy natural hedge in their business or which are not supported by MNC parents. The Bank currently draws comfort from the fact that a very small portion of its FCY loans are to clients in this category.

In accordance with guidelines issued by RBI vide circular DBOD.No.BP.BC.85 /21.06.200/2013-14 dated January 15, 2014, the incremental provisions and capital held by the Bank towards this risk as at March 31, 2015 is as follows

Amount in Rs. lakhs	
Particulars	As at March 31, 2015
Incremental Provisioning Requirement	9,234
Increase in Risk weight	392,638
Incremental Capital Requirement at 9%	35,337

Note: Since the above disclosure is applicable from current year, no comparative numbers have been provided.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

15.9. Floating Provision

In accordance with the requirements laid down in RBI guidelines, the Bank has formulated a policy on floating provisions. As required by the policy, an assessment has been performed during the year and no incremental floating provision is required for the year ended March 31, 2015 (Previous year: Rs. 9,100 lakhs). Floating provision outstanding as of March 31, 2015 has been included under "Other Liabilities".

Movement in floating provision is given below:

Category	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2015	As at March 31, 2014
Opening balance	9,100	-
Provisions made during the year	-	9,100
Draw down made during the year	-	-
Closing balance	9,100	9,100

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.10. Restructured loans

There are no restructured cases under CDR Mechanism and SME Debt Restructuring. Details in respect of Others are provided below:

Type of Restructuring Asset Classification Details		Amount in Rs. lakhs									
		Standard		Sub-Standard		Others		Loss		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	7,567	8,996	875	1,024	287	1,529	168	276	8,897	11,925
	Amount outstanding	1,323	3,441	1,839	1,349	1,128	2,380	44	438	4,334	7,608
	Provision thereon	101	165	489	318	588	1,401	44	438	1,222	2,322
Fresh restructuring during the year	No. of borrowers	1	890	2,403	871	87	34	36	37	2,527	1,832
	Amount outstanding	1,162	76	3,366	1,374	98	827	60	28	4,686	2,305
	Provision thereon	31	6	978	411	98	407	60	28	1,167	852
Upgradations to restructured standard category during the FY	No. of borrowers	356	300	(300)	(148)	(22)	(129)	(34)	(23)	-	-
	Amount outstanding	446	178	(439)	(76)	(6)	(87)	(1)	(12)	-	(160)
	Provision thereon	153	15	(149)	(76)	(3)	(87)	(1)	(12)	-	(160)
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.10 Restructured loans (Continued)

Type of Restructuring Asset Classification Details		Amount in Rs. lakhs									
		Standard		Sub-Standard		Others		Loss		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Downgradations of restructured accounts during the FY	No. of borrowers	(15)	(103)	(57)	(20)	67	68	5	55	-	-
	Amount outstanding	(3)	(21)	(120)	(54)	118	58	5	(12)	0	(29)
	Provision thereon	(3)	(1)	(120)	(10)	118	40	5	(12)	0	17
Write-offs of restructured accounts during the FY	No. of borrowers	(185)	(301)	(1,227)	(350)	(176)	(850)	(26)	(78)	(1614)	(1,579)
	Amount outstanding	(59)	(106)	(1,468)	(311)	(78)	(353)	(9)	(35)	(1,614)	(805)
	Provision thereon	(5)	(9)	(440)	(82)	(78)	(353)	(9)	(35)	(532)	(479)
Restructured accounts Recovered during the FY	No. of borrowers	(903)	(2,215)	(358)	(502)	(74)	(465)	(37)	(99)	(1372)	(3,281)
	Amount outstanding	(1,890)	(2,245)	(889)	(280)	(971)	(1,697)	(26)	(363)	(3,776)	(4,585)
	Provision thereon	(179)	(75)	(103)	(72)	(464)	(820)	(26)	(363)	(772)	(1,330)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	6,821	7,567	1,336	875	169	287	112	168	8,438	8,897
	Amount outstanding	979	1,323	2,289	1,839	289	1,128	73	44	3,630	4,334
	Provision thereon	98	101	655	489	259	588	73	44	1,085	1,222

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.11 A) Details of financial assets sold to securitisation/reconstruction company for assets reconstruction.

Amount in Rs. lakhs		
Particulars	2014-2015	2013-2014
(i) Number of accounts	181	156
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	1,063	1,201
(iii) Aggregate consideration	462	2,166
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (loss)/gain over net book value	(601)	965

B) Details of non performing financial assets sold to banks

Amount in Rs. lakhs		
Particulars	2014-2015	2013-2014
(i) Number of accounts sold	321	-
(ii) Aggregate outstanding (net of provisions)	2,635	-
(iii) Aggregate consideration received	1,236	-

The loss on sale of NPAs during the current year is partially offset by utilizing the gain on sale of NPAs in earlier year amounting to Rs 1,671 lakhs, resulting into net loss of Rs 329 lakhs.

The sale consideration for the above two transactions has been received in cash and hence there are Nil disclosure for security receipts required as per RBI circular RBI/2014-15/508 DBR.No.BP.BC.78/21.04.048/2014-15 dated March 20, 2015.

15.12. Details of non-performing financial assets purchased from banks:

There were no non performing financial assets purchased from banks during the year (Previous year: NIL).

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.13. Investment

A. Value of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
(1) Gross value of investments		
(a) In India	5,717,134	5,134,292
(b) Outside India	-	-
(2) Provisions for depreciation		
(a) In India	-	(7,079)
(b) Outside India	-	-
(3) Net value of investments		
(b) In India	5,717,134	5,127,213
(b) Outside India	-	-

Investments include government securities representing face value of Rs. 3,149,654 lakhs (Previous year: Rs. 3,437,400 lakhs) deposited for settlement guarantee fund and Collateralised Borrowings and Lending Obligation (CBLO) with Clearing Corporation of India (CCIL); and for intra-day liquidity under Real Time Gross Settlement system (RTGS), for repo transactions and Liquidity Adjustment Facility (LAF) and to meet the requirements of section 11 (2) (b) of the Banking Regulation Act, 1949 with RBI.

B. Movement of provisions held towards depreciation of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Opening balance as on April 1	7,079	9,369
Add: Provision made during the year	-	-
Less: Write back of provisions during the year	(7,079)	(2,290)
Closing balance as on March 31	-	7,079

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.14. Non-SLR investment portfolio

A) Issuer composition of non-SLR investments as on March 31, 2015

Amount in Rs. lakhs

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
Public sector undertakings	-	-	-	-	-
Financial institutions	6,900	-	-	254	6,900
Banks	-	-	-	-	-
Private corporates	1,242	1,242	-	1,242	1,242
Subsidiaries/Joint Ventures	-	-	-	-	-
Others	18,570	18,570	-	-	18,570
Provisions held towards depreciation	-	-	-	-	-
Total	26,712	19,812	-	1,496	26,712

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.14 Non-SLR investment portfolio (Continued)

Issuer composition of non-SLR investments as on March 31, 2014

Amount in Rs. lakhs

Issuer	Amount	Extent of private placement **	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
Public sector undertakings	-	-	-	-	-
Financial institutions	-	-	-	-	-
Banks*	106,441	106,441	-	-	106,441
Private corporates	1,242	1,242	-	1,242	1,242
Subsidiaries/Joint Ventures	-	-	-	-	-
Others	58,993	58,993	-	-	58,993
Provisions held towards depreciation	(287)	-	-	-	-
Total	166,389	166,676	-	1,242	166,676

* Includes investment in certificate of deposit of public sector banks.

** All certificates of deposits are considered as private placements.

B) Non-performing non-SLR investments

There were no non performing non-SLR investments as at March 31, 2015
(Previous year: NIL).

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.15. Repo and reverse repo transactions (excluding transactions under LAF)

Amount in Rs lakhs

	2014-2015			As on March 31, 2015	2013-2014			As on March 31, 2014
	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*		Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	
Securities sold under repos								
i. Government securities	400	654,750	97,724	-	198	994,285	266,717	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	492	153,342	48,333	-	500	161,000	33,783	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-

* Minimum/Daily Average outstanding during the year excludes days on which no Repo/Reverse Repo transactions were carried out.

15.16. Derivatives

Details of outstanding notional principal, nature and terms of swaps:

Amount in Rs. Lakhs

		Notional principal as at	
		March 31, 2015	March 31, 2014
Trading	Interest rates swaps		
	MIBOR Overnight Index Swaps		
	Pay Fixed Received Floating	18,250,298	17,284,763
	Pay Floating Received Fixed	17,710,255	16,891,725

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.16 Derivatives (Continued)

Details of outstanding notional principal, nature and terms of swaps:

		<i>Amount in Rs. Lakhs</i>	
		Notional principal as at	
		March 31, 2015	March 31, 2014
Trading	MIFOR		-
(contd.)	Pay Fixed Receive Floating	1,918,130	1,864,330
	Pay Floating Receive Fixed	1,948,900	1,684,300
	GOI Securities Yield/INBMK		-
	Pay Fixed Receive Floating	360,000	380,000
	Pay Floating Receive Fixed	270,000	294,167
	LIBOR		-
	Pay Fixed Receive Floating	1,992,710	4,770,623
	Pay Floating Receive Fixed	1,236,700	3,928,607
	Basis swaps		
	Pay Floating Receive Floating	308,003	186,002
	<i>Cross Currency Swaps</i>		-
	Pay Fixed Receive Fixed	222,547	140,943
	Pay Fixed Receive Floating	72,821	76,106
	Pay Floating Receive Fixed	673,657	622,673
	Pay Floating Receive Floating	345,831	407,157
	Swaptions	5,875	-
Hedging	MIBOR Overnight Index Swaps	-	20,000

MIBOR – Mumbai Interbank Offer Rate

MIFOR – Mumbai Interbank Forward Offer Rate

LIBOR – London Interbank Offer Rate

INBMK – Indian Benchmark Rate

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Schedules forming part of the financial statements of the Indian branches (Continued)

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.16 Derivatives (Continued)

	Amount in Rs. lakhs	
	March 31 2015	March 31, 2014
Losses which would be incurred if the counter-parties failed to fulfill their obligations in respect of:		
Interest rate swaps	111,355	247,140
Cross Currency swaps	47,641	44,938

	Amount in Rs. lakhs	
	March 31, 2015	March 31, 2014
Fair value of:		
Interest rate swaps	(6,232)	1,483
Cross Currency swaps	(77,522)	(92,074)

- 90.98% (Previous Year 89.34%) of Interest rate swaps, 19.14% (Previous year 22.39%) of Cross Currency Interest Rate Swaps have been contracted with banks. As at March 31, 2015 there were no outstanding Forward Rate Agreements (Previous Year: NIL).
- Agreements are entered into with banks, corporates and overseas branches of Citibank N.A. under approved credit lines. The Bank does not seek specific collateral for entering into swaps.

15.17. Disclosure pertaining to Exchange Traded Interest Rate Derivatives is given below

		Amount in Rs. lakhs	
S.No.	Particulars	March 31, 2015	March 31, 2014
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-Government Security)	FUTIRC Buy - 107,032 Sell - 147,532	-
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument- Government Security)	FUTIRC 25,000	-
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

15.18. Disclosure on risk exposure on derivatives

Qualitative disclosure

The Bank offers derivative products to customers by applying prudential criteria of suitability and appropriateness vis-à-vis customers based on applicable regulations as prescribed by RBI and existence of underlying exposures. The product offering is managed by the Treasury Front Office which comprises of sales and trading teams. Settlement and reporting of credit risks of all deals is undertaken by the Back office. An independent Middle office is responsible for monitoring and reporting risk numbers daily to management. Further, Market Risk Management unit, assigned with the responsibility for setting up market risk limits and monitoring utilizations operates independent of business. These separate units with different reporting lines ensure that market and credit risks are independently measured, monitored, and reported to ensure objectivity and transparency in risk-taking activities.

The Bank makes market in all permitted Over The Counter (OTC) derivative transactions for its customers and in the Interbank Market. The Bank also uses some of these derivatives for hedging its assets and liabilities. The Bank is also a trading member on the exchange for exchange traded foreign currency and interest rate futures.

The Bank is integrated into the overall group-wide risk and control framework, balancing senior management oversight with well-defined independent risk management functions. It is the responsibility of the senior management of the Bank to implement group's policies and practices, to oversee risk management, and to respond to the needs and issues in the Bank. The Bank's current policy is to control material market risks through a framework of limits and triggers which are approved by Local Operations Management Committee and to manage any residual exposure through a series of sensitivity analyses, scenario tests and robust controls over calculating, monitoring and reporting results.

The Risk management unit plays a key role in sanctioning of the limits, and laying down the risk assessment and monitoring methods. The policies of the Bank include setting limits upon the currency position, products specific gaps, maximum tenor, overall outstanding and also setting-up of counterparty wise pre-settlement risk limits.

Limits are monitored on a daily basis by the Treasury and Risk management unit. Exposure reports are submitted to the Treasurer as well as the Head-Risk management unit, and any limit excesses are brought to the notice of management immediately for further action.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.18 Disclosure on risk exposure on derivatives (Continued)

Qualitative disclosure (Continued)

In any derivative transaction undertaken with the counterparty, the Bank is exposed to the risk of replacing the contract at a loss if the counterparty were to default. Such credit exposure on derivatives is measured and monitored using the Current Exposure Method by adding the positive mark-to-market and an estimate of the potential future exposure due to change in the market value of the contract. The Bank has processes to monitor such exposure on each of the counterparties. Appropriate credit mitigants are used, where required as trigger events, to call for collaterals or terminate a transaction and contain the risk.

The quantitative disclosure required pursuant to RBI guidelines is given below. These disclosures also include exposure for open foreign currency futures and interest rate future contracts under the currency derivatives and interest rate derivatives category, respectively. Similarly, the notional principal amount of such open foreign currency futures contracts is included under liability on account of outstanding forward exchange contracts in Schedule 12 – Contingent Liabilities.

Amount in Rs. lakhs

Sr. No.	Particulars	March 31, 2015		March 31, 2014	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1.	Derivatives (Notional principal amount)				
a)	For hedging	1,379,410	-	1,167,674	20,000
b)	For trading	54,569,200	44,026,959	53,617,647	47,284,517
2.	Marked to market positions				
a)	Asset (+)	420,626	111,360	1,203,882	247,140
b)	Liability (-)	(508,895)	(117,654)	(1,318,264)	(245,657)
3.	Credit exposure	1,804,561	425,748	2,576,867	561,134

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.18 Disclosure on risk exposure on derivatives (Continued)

Amount in Rs. lakhs

Sr. No.	Particulars	March 31, 2015		March 31, 2014	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
4.	Likely impact of one percentage change in interest rate (100*PV01)				
a)	on hedging derivatives	1,199.72	-	3,300.20	181.71
b)	on trading derivatives	9,050.75	11,790.22	6,190.31	13,532.82
5.	Maximum of 100*PV01 observed during the year				
a)	on hedging	3,006.40	174.86	5,142.55	181.71
b)	on trading	9,050.75	14,490.61	6,190.31	15,845.97
6.	Minimum of 100*PV01 observed during the year				
a)	on hedging	1,124.88	-	7.49	-
b)	on trading	6,639.15	2,995.63	3,747.30	2,022.02

The Bank has computed maximum and minimum of PV01 for the year, based on balances at the end of every month.

The net open foreign currency position as on March 31, 2015 is Rs. (20,776) lakhs (Previous year: Rs. (38,867) lakhs)

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

15.19. Risk category wise country exposure

No provision has been made by the Bank for country risk exposure since the Bank's country wise net funded exposure does not exceed 1% of the total assets as on March 31, 2015 (Previous Year: NIL). Details of exposure as per risk category classification is as under:

Amount in Rs. lakhs

Risk Category	As at March 31, 2015		As at March 31, 2014	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	1,104,097	-	392,282	-
Low	238,630	-	228,684	-
Moderate	10,899	-	29,870	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	1,353,626	-	650,836	-

15.20. Details of Single borrower limit, Group borrower limit exceeded by the Bank:

Single Borrower Limit:

- The Local Operations Management Committee (LOMC) of the Bank has approved increase in Single Borrower limits to 20% for Reliance Industries Limited, DSP Black Rock Mutual Fund, Larsen & Toubro Limited, Wipro Limited, Franklin Templeton Mutual Fund, L&T Mutual Fund and Birla Sun Life Mutual Fund in accordance with RBI guidelines. The LOMC of the Bank has approved increase in Single Borrower limit for Housing Development Finance Corporation Limited to 15% out of which 5% will be on account of funds lent to the infrastructure sector in accordance with RBI guidelines.
- During the year, in case of DSP Black Rock Mutual Fund and Larsen & Toubro Limited, the exposure exceeded the prudential exposure limit (single borrower limits) on intra-day basis on six occasions and four occasions respectively.
- There was breach in Single Borrower limits for Reliance Industries Limited for a day which was regularized through credits in the account on subsequent day.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

16. The following disclosures are made in accordance with RBI circular DBOD.No. B.P.BC.103/21.04.177/2011-12 dated May 7, 2012 and DBOD.NO.BP.BC.60 / 21.04.048/2005-06 dated February 1, 2006.

Amount in Rs. lakhs

Particulars	2014-2015	2013-2014
1. Total number of loans securitised	-	-
2. Book value of loans securitised	-	-
3. Sale consideration	-	-
4. Gain / (loss) on securitisation recognized in the Profit and Loss account	-	-
5. Form and quantum (outstanding value) of credit enhancement*		
a. Cash Collateral	1,518	1,543
b. I/O Strip	7	10
c. Guarantee	-	-

*In certain cases of securitisation transactions done in previous years, the Bank continues to service the loans transferred to the assignee or SPV and has provided credit enhancement in the form of cash collaterals & I/O strip to Pass Through Certificates ('PTC') holders.

17. Employee benefits

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

Amount in Rs. Lakhs

Particulars for FY 2014-15	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	11,684	9,773
Current service cost	1,496	1,064
Interest cost	993	876
Plan amendments	-	-
Actuarial losses on obligation	3,027	1,210
Benefits paid	(1,906)	(602)
Closing balance of present value of obligations	15,294	12,321

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

17. Employee benefits (Continued)

Amount in Rs. Lakhs		
Particulars for FY 2014-15	Gratuity	Pension
Change in plan assets		
Opening balance of fair value of plan assets	10,795	14,593
Expected return on plan assets	913	1,250
Contributions	1,806	818
Actuarial gains on plan assets	794	1,444
Benefits paid	(1,906)	(602)
Closing balance of fair value of plan assets	12,402	17,503
Net asset (liability) recognised		
Present value of defined benefits obligations	15,294	12,321
Fair value of plan assets	12,402	17,503
Funded status (deficit) / surplus	(2,892)	5,182
Net (liability) asset recognised in the Balance Sheet	(2,892)	5,182
Components of employer expense		
Current services cost	1,496	1,064
Interest cost	993	876
Expected return on plan assets	(913)	(1,250)
Net actuarial losses (gains)	2,233	(234)
Expenses recognised in the Profit and Loss account	3,809	456
Investment details of plan assets		
Government of India securities	47.10%	53.86%
Corporate Bonds	33.70%	38.97%
Others	19.20%	7.17%
Assumptions		
Discount rate	7.80%	7.80%
Expected return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

17. Employee benefits (Continued)

Amount in Rs. Lakhs

Particulars for FY 2013-14	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	11,713	9,950
Current service cost	1,484	1,118
Interest cost	876	785
Plan amendments	-	-
Actuarial gains on obligation	(603)	(1,565)
Benefits paid	(1,786)	(515)
Closing balance of present value of obligations	11,684	9,773
Change in plan assets		
Opening balance of fair value of plan assets	9,929	13,066
Expected return on plan assets	851	1,140
Contributions	1,960	1,212
Actuarial losses on plan assets	(159)	(310)
Benefits paid	(1,786)	(515)
Closing balance of fair value of plan assets	10,795	14,593
Net asset (liability) recognised		
Present value of defined benefits obligations	11,684	9,773
Fair value of plan assets	10,795	14,593
Funded status (deficit) / surplus	(889)	4,820
Net asset (liability) recognised in the Balance Sheet	(889)	4,820
Components of employer expense		
Current services cost	1,484	1,118
Interest cost	876	785
Expected return on plan assets	(851)	(1,140)
Net actuarial gains	(444)	(1,255)
Expenses recognised in the Profit and Loss account	1,065	(492)

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

17. Employee benefits (Continued)

Amount in Rs. Lakhs

Particulars for FY 2013-14	Gratuity	Pension
Investment details of plan assets		
Government of India securities	38.57%	48.21%
Corporate Bonds	29.87%	36.06%
Others	31.56%	15.73%
Assumptions		
Discount rate	9.25%	9.25%
Expected return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%

Actuarial gains or losses are recognised in the Profit and Loss account in the year they arise.

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience Adjustments

Amount in Rs. lakhs

Gratuity	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Experience History					
Defined benefit obligation	(15,294)	(11,684)	(11,713)	(9,667)	(10,326)
Fair value of plan assets	12,402	10,795	9,929	8,980	7,497
Deficit	(2,892)	(889)	(1,784)	(687)	(2,829)
Experience gain / (loss) adjustments on plan liabilities	(1,066)	(726)	(18)	949	151
Experience gain / (loss) adjustments on plan assets	794	(159)	(72)	230	1,003
Actuarial gain / (loss) due to change of assumptions	(1,962)	1,330	(1,577)	635	(339)

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

17. Employee benefits (Continued)

	Amount in Rs. lakhs				
Pension	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Experience History					
Defined benefit obligation at the end of the period	(12,321)	(9,773)	(9,951)	(9,976)	(7,873)
Plan assets at the end of the period	17,503	14,593	13,067	11,898	10,884
Surplus	5,182	4,820	3,116	1,922	3,011
Experience gain / (loss) adjustments on plan liabilities	344	486	2,067	(1,448)	975
Experience gain / (loss) adjustments on plan assets	1,444	(310)	(125)	(369)	(2,073)
Actuarial gain / (loss) due to change of assumptions	(1,554)	1,078	(438)	520	(222)

18. The compensation structure of the Bank, including that of the Chief Executive Officer, conforms with the Financial Stability Board (FSB) principles and standards. A confirmation to that effect has been filed with RBI.

With reference to the matter pertaining to CEO compensation which was disclosed in the previous year financial statements, the Bank has since resolved the issue with due approvals from RBI and posted necessary entries in the current year's financial statements.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

19. Segment Information

Business segment

In line with RBI guidelines on Segment Reporting, the Bank has identified the following segments as primary reportable segments: Treasury, Corporate banking, Retail banking and Other banking business.

Under the 'Treasury' segment, the Bank undertakes trading operations on proprietary account, investments in corporate debt, government securities, funding and gapping products and derivatives trading. Revenues of this segment consist of interest earned on funding and gapping activities, investment income and gains on government securities and debentures/bonds, income from derivative transactions and underwriting commission from primary dealership business. The principal expenses of this segment consist of interest expense on funds borrowed from external sources and other internal segments, personnel costs, other direct overheads and allocated expenses.

Under the 'Corporate banking' segment, the Bank provides loans and caters to foreign exchange requirements of corporate and financial institutions. Revenues of this segment consist of interest and fees earned on loans made to corporate customers and income from foreign exchange transactions with such customers. This also includes income from offering trade and transaction services to customers. The principal expenses of the segment consist of interest expense on funds used for customer lending, personnel costs, other direct overheads and allocated expenses.

Under the 'Retail banking' segment, the Bank serves retail customers through a branch network and other approved delivery channels. Exposures are classified under Retail banking taking into account the orientation, product, granularity and individual exposure criterion. This segment raises deposits and provides loans and advisory services to such customers. Revenues of the Retail banking segment are derived from interest earned on retail loans, fees for banking and advisory services and interest earned from other segments for surplus funds placed with those segments. Expenses of this segment primarily comprise interest expense on deposits, infrastructure for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

'Other Banking' segment includes all other banking operations, which are not included under the above segments. Revenue from this segment consists of insurance referral fees and income from distribution of mutual fund products. The principal expenses of this segment consist of personnel costs, other direct overheads and allocated expenses.

Segment Revenues include inter-segment transfer of earnings or charge from other segments on account of funds transferred at negotiated rates, which generally reflect the market rates.

Unallocated segment income, expense, assets and liabilities include items which are not allocable to other segments. These include gain/ loss on sale of fixed assets, depreciation on fixed assets, fixed assets, tax expense, advance taxes, deferred tax etc.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

19. Segment Information (Continued)

Geographic segments

As a branch of a foreign bank, the operations of the Bank do not extend outside of India and do not have material earnings emanating from outside India. Hence, the Bank is considered to operate only in the domestic segment. The Bank engages with overseas branches on specific transactions on an arm's length basis and these are appropriately reported.

Amount in Rs. lakhs

Particulars	2014-2015					2013-2014				
	Treasury	Corporate Banking	Retail Banking	Other Banking	Total	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
Revenue	294,769	476,552	543,326	29,401	1,344,048	286,279	430,851	480,373	22,358	1,219,861
Unallocated revenue					4,961					73
Total Revenue	294,769	476,552	543,326	29,401	1,349,009	286,279	430,851	480,373	22,358	1,219,934
Result	185,605	251,597	143,603	6,682	592,448	160,281	208,997	133,497	8,731	511,579
Unallocated expenses					(132)					(268)
Profit before taxes					592,316					511,311
Income taxes					(250,061)					(222,037)
Net profit					342,255					289,274

Other information	As at 31 March 2015					As at 31 March 2014				
Segment assets	7,222,319	3,748,504	2,581,599	10,163	13,562,585	8,244,923	3,523,081	2,314,270	6,108	14,088,382
Unallocated assets					314,979					409,680
Total assets					13,877,564					14,498,062
Segment liabilities	2,409,504	4,551,767	4,916,891	10,011	11,888,173	4,254,833	3,568,642	4,818,978	3,251	12,645,704
Unallocated liabilities					1,989,391					1,852,358
Total liabilities					13,877,564					14,498,062

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

20. Related Party Disclosure

The following is the information on transactions with related parties:

Entities grouped under Subsidiaries of Parent represent direct and indirect subsidiaries of Citibank N.A. and entities grouped under Fellow Subsidiaries of Parent represent direct and indirect subsidiaries of Citigroup Inc.

a) Parent

Citibank N.A. and its branches

b) Holding Company of Parent

Citigroup Inc.

c) Subsidiaries of Parent

Banco Citibank De El Salvador SA

Bank Handlowy W Warszawie S.A.

Citibank A.G. Frankfurt

Citibank China Limited

Citibank Czech Republic

Citibank Espana S.A.

Citibank Europe Plc

Citibank Hungary

Citibank Japan Limited

Citibank Korea Inc.

Citibank Malaysia

ZAO Citibank (Moscow)

Citibank Overseas Investment Corporation

Citibank Romania

Citibank Turkey

Citibank Nigeria Limited

Citicorp Development Center Inc

Citibank N.A.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

20. Related Party Disclosure *(Continued)*

c) Subsidiaries of Parent (Continued)

Citigroup Software Technology and Services (China) Limited

Citigroup Transaction Services (Malaysia) Sdn Bhd

Citicorp Investment Bank (Singapore) Limited

Citicorp Capital Markets Limited^{1#}

Citicorp Clearing Services India Limited^{1#}

Citicorp Finance (India) Limited^{1*}

Citicorp Services India Private Limited¹

CitiFinancial Consumer Finance India Limited^{1*}

d) Fellow Subsidiaries of Parent

Citicorp Banking Corporation, Bahrain

Citicorp International Finance Corporation

Citicorp Securities Asia Pacific Limited

Citigroup Global Markets Inc, Asia

Citigroup Global Markets Inc, Australia

Citigroup Global Markets Inc, Korea

Citigroup Global Markets Inc, New York

Citigroup Global Markets Inc, Singapore

Citigroup Global Markets Mauritius Private Limited

Citigroup Services Japan Limited

Citigroup Strategic Holding Mauritius Limited

Citigroup Technology Inc

Citicorp North America, Inc.

Citishare Corporation US

Citigroup Global Markets India Private Limited¹

Orbitech Limited¹

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

20. Related Party Disclosure (Continued)

e) Key Management Personnel

Mr. Pramit Jhaveri – CEO

¹ Indicates companies incorporated in India

* Citicorp Finance (India) Limited [CFIL] was merged with CitiFinancial Consumer Finance India Limited [CCFIL] with effect from April 1, 2013. Post the merger, CitiFinancial Consumer Finance India Limited [CCFIL] has been renamed as Citicorp Finance (India) Limited [CFIL].

Citicorp Capital Markets Limited and Citicorp Clearing Services India were merged with Citicorp Finance (India) Limited [CFIL] with effect from April 1, 2104.

The transactions with related parties during the year and the balances are summarized as under:

Transactions during the year:

Nature of transactions	Amount in Rs. lakhs					
	Parents and branches		Subsidiaries		Fellow Subsidiaries	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Fees paid	41,936	40,272	12,515	6,924	4,563	3,174
Interest paid on borrowing	5,224	7,090	378	401	-	-
Interest paid on deposit	-	-	2,150	5,121	16,488	6,826
Fees received	2,867	5,100	3,744	3,942	430	370
Interest earned	1,202	1,009	6,123	5,956	-	-
Consideration received/(paid) on maturity of derivative contracts	46,119	(4,847)	(5,005)	7,352	190	(2,373)
Loans disbursed	-	-	1,837,900	919,550	-	-
Deposits placed	89,368,486	137,918,761	-	-	-	-
Time deposits received	-	-	1,085,163	1,659,367	2,210,512	1,854,480
Borrowings	7,718,107	6,232,845	1,275	909	-	-
Loan Portfolio purchased	-	-	57,849	75,008	-	-
Purchase of fixed assets	-	125	1,859	4	-	-

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

20. Related Party Disclosure (Continued)

Nature of transactions	Parents and branches		Subsidiaries		Fellow Subsidiaries	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Purchase of fixed income securities	-	-	717,669	1,347,623	-	-
Sales of fixed income securities	-	-	1,135,796	1,121,554	-	-
Sale of fixed assets	-	-	2,595	45	-	-
Capital work in progress	214	214	-	-	-	-

Outstanding balances as at year end and maximum balance during the year:

Amount in Rs. lakhs

Particulars	Parents & Branches		Subsidiaries		Fellow Subsidiaries	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Accounts payable/Other payables	20,104	21,197	4,795	4,658	14,808	3,897
	35,133	104,082	8,464	4,942	15,043	3,939
Accounts receivable/Other receivables	7,419	4,320	8,035	9,550	8,073	3,656
	9,176	7,153	396,695	466,220	13,482	7,560
Borrowings/Deposits	718,750	1,048,283	68,484	26,936	268,130	66,078
	1,600,978	3,380,015	152,635	210,387	371,484	186,591
Balance in current account/(Cash credit)/(Overdraft)	94,911	191,618	27,964	6,433	5,340	11,300
	4,482,576	1,588,193	415,883	460,277	44,871	95,319
Loans/Placements	409,388	870,009	-	3,200	-	-
	1,458,782	1,610,671	109,400	121,618	-	-

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

20. Related Party Disclosure (Continued)

Particulars	Amount in Rs. lakhs					
	Parents & Branches		Subsidiaries		Fellow Subsidiaries	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Positive MTM ¹	60,812	8,588	1,565	6,837	182	7
	<i>60,812</i>	<i>147,800</i>	<i>7,857</i>	<i>8,480</i>	<i>182</i>	<i>3,138</i>
Negative MTM ¹	60,602	43,770	117	379	7	20
	<i>60,602</i>	<i>216,392</i>	<i>241</i>	<i>17,288</i>	<i>21</i>	<i>1,146</i>
Non Funded Commitments ¹	259,484	158,561	14,118	139,078	3,040	39,412
	<i>270,405</i>	<i>208,674</i>	<i>30,727</i>	<i>146,217</i>	<i>27,595</i>	<i>39,412</i>

Figures in *Italics* indicate maximum balance outstanding during the year.

¹Maximum balances indicate maximum of the balances as at quarter ends.

Provisions in respect of outstanding amounts: NIL (Previous year: NIL).

Amounts written off or written back in respect of debts due from related parties: NIL (Previous year: NIL).

There is only one related party entity in the category of 'Key Management Personnel'. In terms of para 4.5 of RBI circular DBOD.BP.BC No.8/21.04.018/2014-15 dated July 1, 2014, no disclosure under AS-18 is made other than reporting the relationship with the related party.

21. Intra Group Exposure

Particulars	Amount in Rs. lakhs
	As at March 31, 2015
a) Total amount of intra-group exposures	343,618
b) Total amount of top-20 intra-group exposures	343,618
c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	21.54%
d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	*

*As at March 31, 2015, the Bank's intra-group exposure with single group entities are within the limit of 5% and 10% respectively but the aggregate group exposure is more than the limits stipulated in RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014. The Bank is in the process of reducing exposures to group entities to ensure that aggregate group exposure is within the stipulated limits before March 31, 2016 as specified in the above RBI guidelines.

Citibank N.A.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

22. Letter of Comfort

The Bank has not issued any Letter of comfort of the nature as mentioned in RBI circular ref. DBOD No. BP. BC.65 / 21.04.009/ 2007-08 dated March 4, 2008. (Previous Year : NIL)

23. Deferred taxes

The major components giving rise to the deferred tax assets and liabilities are as under:

Description	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
<i>Deferred tax assets</i>		
Provision on advances	52,810	59,510
Others	3,281	2,850
<i>Deferred tax liabilities</i>		
Depreciation	(7,064)	(4,974)
Others	(4,946)	(12,190)
Deferred tax assets (net)	44,081	45,196

24. Finance leases

Assets taken on financial lease comprise of vehicles and are disclosed in the Fixed Assets schedule. The total of minimum lease payments to be made in respect of assets acquired under financial lease and the present value of such minimum lease payments as at the balance sheet date are as follows:

Gross investment as at the date of balance sheet	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Not later than one year	1,248	1,569
Later than one year but not later than five years	1,639	1,472
Later than 5 years	-	-
Total	2,887	3,041
Present value of minimum lease payment as at the date of balance sheet		
Not later than one year	984	1,294
Later than one year but not later than five years	1,437	1,288
Later than 5 years	-	-
Total	2,421	2,582

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

25. Operating leases

Commercial and residential premises are taken on operating lease, which are non-cancellable in nature. Information provided herein pertains to commercial and residential premises taken on operating leases:

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
The amount of minimum lease payments recognized in the Profit and Loss account in respect of operating lease	1,487	1,736
The total of future minimum lease payments recognized under non-cancellable operating leases:		
Not later than one year	1,077	771
Later than one year but not later than five years	1,149	465
Later than 5 years	-	-
Total	2,226	1,236

- The Bank has not sub-leased any of the above assets.
- There are no provisions relating to contingent rent.
- The terms of renewal / purchase options and escalation clauses are those normally prevalent in similar agreements.
- There are no undue restrictions or onerous clauses in the agreements.

26. Provisions and contingencies

Particulars	2014-2015			2013-2014		
	Reward Points	Securitisation	Frauds	Reward Points	Securitisation	Frauds
Opening provisions	2,466	13	240	3,336	13	124
Provisions made during the year	33,132	-	0	28,122	-	128
Utilisation/write back of provisions during the year	30,188	-	146	28,992	-	11
Closing provisions	5,410	13	94	2,466	13	240

27. The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

28. Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debt

This includes loss contingencies that may arise from the risk of exposure resulting from pending or threatened litigation, claims or assessments pertaining to legal cases and tax claims against the Bank known as at the balance sheet date. Such loss contingencies are assessed by the Bank on the probability of a liability arising on the Bank and in cases where a loss is probable and reasonably estimable, a loss provision is accrued. Cases where it is reasonably possible but not probable that a liability may arise on the Bank are disclosed as contingent liabilities. The Bank has documented processes and operating procedures for classification of cases into the above categories basis the nature of claims.

ii) Liability on account of derivative contracts

The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded, as contingent liabilities are typically amounts used as a benchmark for the calculation of interest component of the contract. The amount reported as contingent liability under Schedule 12 -II comprises of currency derivatives and Schedule 12- III comprises of interest rate derivatives.

iii) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations

As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations. This also includes guarantees issued to offshore Citi entities for extension of credit to obligors in India or to offshore subsidiaries of obligors (parent) domiciled in India, as permissible under the Foreign Exchange Management Act, 1999. Pursuant to RBI circular RBI/2010-2011/220/DBOD.Dir.BC.46 /13.03.00/2010-2011 dated September 30, 2010, commitments by the Bank to effect payments on behalf of its constituents to stock exchanges are reflected as financial guarantees.

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

28. Description of nature of contingent liabilities is set out below *(Continued)*:

iv) Other contingent items

This includes:

- a. Manager's Cheques;
- b. Capital commitments;
- c. Commitments for settlement date accounting;
- d. Credit cards spends by customers where the Bank has provided authorization to the merchant establishment for the spends but for which the merchant establishment has not presented the charge slips to the Bank for payment;
- e. Government Securities underwritten;
- f. Contribution to Depositor's Education Awareness Fund; and
- g. Amount of Bills rediscounted under the Bills rediscounting scheme.

29. Employee share-based payments

Citigroup Inc, the parent of the Bank has deferred compensation plans applicable to management staff in its employment in all subsidiaries across all jurisdictions. Staff of the Bank who fulfill the relevant eligibility criteria participate in the said plans. Being a branch of Citibank N.A. which itself is an unlisted entity, the distributed stocks are those of the parent which are listed on the New York Stock Exchange. The cost of such stock awards is charged to the Bank and is subsequently cash settled with the parent. This charge is reflected in the accounts in line with prudential accounting norms. The cost is based on applicable share prices ruling on grant dates as per details provided by the parent and these are further adjusted at the period of vesting.

Accordingly, during the year, the Bank has charged an amount of Rs. 2,138 lakhs (Previous year Rs. 2,516 lakhs) under the head "Payments to and provisions for employees", as cost of such awards granted to employees. The charge has been adjusted for a credit amount of Rs 2,157 lakhs (Previous year Rs. 303 lakhs) on account of the difference in applicable share prices on the grant date and the vesting date at the time of cash settlement with the parent.

Further the bank has submitted information to RBI for the current year, in conformity of the requirement specified under Section C.1.(1)(d) of the RBI Master Circular reference RBI/2014-15/2, No. 11/2014-15 dated July 01, 2014.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

30. The following disclosures are made under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from October 2, 2006.

Particulars	Amount in Rs. lakhs	
	March 31, 2015	March 31, 2014
Number of suppliers registered with competent authorities	30	29
Principal amount remaining unpaid beyond the due date to any supplier as at the year end	112	72
Interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	610	438
Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under this Act	23	19
Amount of interest accrued and remaining unpaid at the end of the accounting year	23	19
Amount of further interest remaining due and payable even in the succeeding years, till actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Income Tax Act, 1961	-	-

The disclosure is based on the information and records available with the Bank in respect of the Micro, Small and Medium Enterprises who have registered with the competent authorities.

31. For the year ended March 31, 2015, a penalty of Rs. 5 lakhs was levied by RBI due to shortfall in settlement of securities to CCIL in respect of deliverable obligation under Repo Trades undertaken by the Bank. (Previous Year: NIL).
32. As at March 31, 2015, there were outstanding advances for Rs.10,032 lakhs against security of intangible assets and the amount of such intangibles is Rs. 1,632 lakhs (Previous year: outstanding advances – Rs. 10,958 lakhs and intangibles of Rs. 3,825 lakhs).
33. In accordance with RBI instructions for compilation of financial statements, details of expenses included in 'other expenditure', exceeding 1% of the total income are set out below:

Nature of expense	Amount in Rs. lakhs	
	2014-2015	2013-2014
Service bureau expenses	55,511	53,099

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

34. Details of Complaints

a. Customer Complaints

Particulars	2014-2015	2013-2014
(a) No. of complaints pending at the beginning of the year	174	181
(b) No. of complaints received during the year	8,806	11,755
(c) No. of complaints redressed during the year	8,912	11,762
(d) No. of complaints pending at the end of the year	68	174

b. Awards passed by the Banking Ombudsman

Particulars	2014-2015	2013-2014
(a) No. of unimplemented Awards at the beginning of the Year	NIL	NIL
(b) No. of Awards passed by the Banking Ombudsmen during the year	NIL	NIL
(c) No. of Awards implemented during the year	NIL	NIL
(d) No. of unimplemented Awards at the end of the year	NIL	NIL

35. Bancassurance business

Amount in Rs. lakhs			
Sr. No.	Nature of Income	2014-2015	2013-2014
1	For selling life insurance policies	3,012	3,537
2	For selling non life insurance policies	718	642
3	For selling mutual fund products	25,672	18,363

36. Provision Coverage Ratio

The Provisioning Coverage Ratio of the Bank stands at 87.29% as on March 31, 2015 (Previous year 81.16%). In accordance with RBI circular DBOD.No.BP.BC.9/21.04.048/2014-15 dated July 1, 2014, 'technical write-offs' upto the balance sheet date are included in the Provision Coverage Ratio.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

37. Transfers to Depositor Education and Awareness Fund (DEAF)

In accordance with RBI guidelines issued vide circular DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014, the Bank has transferred unclaimed balances on its books to DEAF in the current year in accordance with the said guidelines as per the details provided in the following table:

Amount in Rs. lakhs	
Particulars	2014-2015
(a) Opening balance of amounts transferred to DEAF	-
(b) Add : Amounts transferred to DEAF during the year	7,946
(c) Less : Amounts reimbursed by DEAF towards claims	313
(d) Closing balance of amounts transferred to DEAF	7,633

The Bank had a policy in earlier years of moving ageing unclaimed items other than unclaimed deposits, which were individually below a value threshold per item, to the Profit and Loss account. Such transfers to the Profit and Loss account were only effected after meeting additional criteria and due diligence as documented in the internal guidelines of the Bank.

With reference to unclaimed items which were transferred to the Profit and Loss account in earlier years, the Bank has undertaken a comprehensive exercise for the period beginning 1996 to identify such balances which meets the guidelines for transfer to DEAF based on information available. In the interim, the Bank has recognized a provision for the amounts identified as items which required to be transferred to DEAF on an estimated basis. Balances identified on completion of this exercise will be transferred to DEAF as per the guidelines provided in the above circular.

38. Corporate Social Responsibility (CSR)

The Bank is required to make CSR contributions as per the guidelines specified in the Companies Act, 2013. Further, the Bank being regulated by RBI is required to comply with the regulations specified under the Banking Regulation Act, 1949 and guidelines issued by RBI from time to time. RBI, vide circular DBOD.No.Dir.BC. 50/13.01.01/2005-06 dated December 21, 2005, has limited the aggregate amount of donations by a bank during a financial year to one percent of the published profit of the bank for the previous year. The Bank has accordingly applied this guideline in determining the CSR amount required to be spent for the current year as presented in the table below

Amount in Rs Lakhs	
Particulars	2014-15
Gross amount required to be spent during the year	2,893
Amount spent during the year	1,218

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

39. Concentration of Deposits, Advances, Exposures and NPAs

A (i) Concentration of Deposits

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Total Deposit of twenty largest depositors	1,184,454	898,931
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank*	13.43%	11.51%

* Inter-bank deposits are excluded

(ii) Concentration of Advances*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Total Advances to twenty largest borrowers	7,660,070	8,004,509
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	21.78%	23.30%

* Represents credit exposure (funded and non-funded) including derivatives exposure as prescribed in Master Circular on Exposure Norms DBOD.No.Dir.BC.12/13.03.00/2014-15 dated July 1, 2014.

(iii) Concentration of Exposures*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Total Exposure to twenty largest borrowers/customers	8,082,225	8,268,426
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	22.48%	23.66%

* Represents credit and investment exposure as prescribed in Master Circular on Exposure Norms DBOD.No.Dir.BC.12/13.03.00/2014-15 dated July 1, 2014.

(iv) Concentration of NPAs

Particulars	Amount in Rs. lakhs	
	As at March 31, 2015	As at March 31, 2014
Total Exposure to top four NPA accounts (Gross)	14,198	85,089

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

39. Concentration of Deposits, Advances, Exposures and NPAs (Continued)

B. Sector-wise Advances

Sl. No	Sector	Amount in Rs. lakhs		
		As at March 31, 2015		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	168,789	1,803	1.07%
2	Advances to industries sector eligible as priority sector lending	1,147,532	503	0.04%
	Of which			
	(a) All Engineering (Electronics & Others)	351,565	-	0.00%
	(b) Chemicals & Chemical Products	285,670	-	0.00%
	(c) Automobiles	133,684	-	0.00%
3	Services	371,089	18,870	5.09%
	Of which			
	(a) Professional Services	86,527	6,553	7.57%
	(b) Computer Software	70,135	-	0.00%
	(c) Wholesale Trade	41,588	-	0.00%
4	Personal loans*	122,020	3,261	2.67%
	Sub-total (A)	1,809,430	24,437	1.35%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,429,224	12,985	0.91%
	Of which			
	(a) All Engineering (Electronics & Others)	344,047	5,604	1.63%
	(b) Automobiles	262,987	59	0.02%
	(c) Chemicals & Chemical Products	193,079	4,109	2.13%
	(d) Infrastructure	158,617	604	0.38%

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

39. Concentration of Deposits, Advances, Exposures and NPAs (Continued)

B. Sector-wise Advances (Continued)

Amount in Rs. lakhs

Sl. No	Sector	As at March 31, 2015		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
B	Non - Priority Sector			
3	Services	668,095	4,573	0.68%
	Of which			
	(a) Professional Services	471,177	756	0.16%
	(b) Wholesale Trade	121,275	857	0.71%
4	Personal loans*	2,236,500	36,062	1.61%
	Sub-total (B)	4,333,819	53,620	1.24%
	Total (A+B)	6,143,249	78,057	1.27%

* Personal Loans include credit card, personal loans, ready credit, advances against financial assets, loans extended against mortgage of property.

Amount in Rs. lakhs

Sl. No	Sector	As at March 31, 2014		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	57,550	2,529	4.40%
2	Advances to industries sector eligible as priority sector lending	988,081	521	0.05%
	Of which			
	(a) All Engineering (Electronics & Others)	298,966	-	0.00%
	(b) Chemicals & Chemical Products	255,840	-	0.00%
	(c) Automobiles	103,294	-	0.00%

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

39. Concentration of Deposits, Advances, Exposures and NPAs (Continued)

B. Sector-wise Advances (Continued)

Amount in Rs. lakhs				
As at March 31, 2014				
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
3	Services	386,100	18,772	4.86%
	Of which			
	(a) Computer Software	80,476	5,781	7.18%
	(b) Wholesale Trade	44,466	-	0.00%
	(c) Professional Services	43,145	-	0.00%
4	Personal loans*	91,653	3,475	3.79%
	Sub-total (A)	1,523,384	25,297	1.66%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,465,495	83,972	5.73%
	Of which			
	(a) All Engineering (Electronics & Others)	338,555	6,027	1.78%
	(b) Automobiles	242,621	88	0.04%
	(c) Infrastructure	230,629	71,664	31.07%
	(d) Chemicals & Chemical Products	220,153	3,550	1.61%
3	Services	707,685	2,819	0.40%
	Of which			
	(a) Professional Services	402,882	276	0.07%
	(b) Wholesale Trade	190,839	370	0.19%
4	Personal loans*	2,033,713	36,332	1.79%
	Sub-total (B)	4,206,893	123,123	2.93%
	Total (A+B)	5,730,277	148,420	2.59%

* Personal Loans include credit card, personal loans, ready credit, advances against financial assets, loans extended against mortgage of property.

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Schedules forming part of the financial statements of the Indian branches (Continued)

for the year ended March 31, 2015

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2015 (Continued)

39. Concentration of Deposits, Advances, Exposures and NPAs (Continued)

C. Movement of NPAs

Amount in Rs. lakhs		
Particulars	2014-2015	2013-2014
Gross NPAs as on April 1	148,420	135,873
Additions (Fresh NPAs) during the year	55,365	65,193
Sub-total (A)	203,785	201,066
Less:-		
(i) Upgradations	9,487	15,707
(ii) Recoveries (excluding recoveries made from upgraded accounts)	88,765	12,633
(iii) Technical Write-offs	25,529	22,048
(iv) Write offs (other than those under (iii) above)	1,947	2,258
Sub-total (B)	125,728	52,646
Gross NPAs as on March 31	78,057	148,420

Additions to NPA and write off figures presented above include cases of direct write off of advances.

D. Movement in Technical Write-Off

Amount in Rs. Lakhs		
Particulars	2014-2015	2013-2014
Opening Balance	223,858	279,824
Add: Technical/ Prudential write-offs during the year	25,529	22,048
Less: Recoveries made from previously technical/ prudential written-off accounts during the year*	134,752	78,014
Closing balance	114,635	223,858

* includes technical write off considered as written off during the year

E. Overseas Assets, NPAs and Revenue

Amount in Rs. lakhs		
Particulars	2014-2015	2013-2014
Total Assets	420,714	880,967
Total NPAs	-	-
Total Revenue	2,218	2,043

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Schedules forming part of the financial statements of the Indian branches *(Continued)*

for the year ended March 31, 2015

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2015 *(Continued)*

39. Concentration of Deposits, Advances, Exposures and NPAs *(Continued)*

F. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	2014-2015	2013-2014
Domestic	NIL	NIL
Overseas	NIL	NIL

40. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to the current year's presentation.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

For and on behalf of Citibank N.A. - India Branches

Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Pramit Jhaveri
Chief Executive Officer

Niraj Parekh
Chief Financial Officer

Mumbai
25 June 2015