

Citibank N.A. – India Branches

**Financial statements
together with Auditor's Report
for the year ended 31 March 2016**

Citibank N.A. – India Branches

Financial statements together with Auditor's Report *for the year ended 31 March 2016*

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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 2016, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2. Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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.

Independent Auditor's Report (*Continued*)

Citibank N.A. – India Branches

Auditor's responsibility (*Continued*)

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 on the financial statements.

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 2016;
 - (b) in the case of the Profit and Loss account, of the profits 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 by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) during the course of our audit we have visited 8 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.

Independent Auditor's Report (*Continued*)

Citibank N.A. – India Branches

Report on other legal and regulatory requirements (*Continued*)

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 explanations 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 it appears from our examination of those books;
- (iii) the financial accounting systems of the Bank are centralized, therefore, returns are not necessary to be submitted by the 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 aforesaid financial statements comply with the Accounting Standards specified under 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 the United States of America;
- (vii) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (viii) 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 V (26 (i)) 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 V (25) 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

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

Mumbai
23 June 2016

Manoj Kumar Vijai
Partner
Membership No: 046882

Annexure A to the independent auditor's report of even date on the financial statements of Citibank N.A. – India Branches

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

1. We have audited the internal financial controls over financial reporting of Citibank N.A. – India Branches ('the Bank') as at 31 March 2016 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Annexure A to the independent auditor's report of even date on the financial statements of Citibank N.A. – India Branches (*Continued*)

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Mumbai
23 June 2016

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, 2016

	Schedules	31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
CAPITAL & LIABILITIES			
Capital	1	374,384	374,384
Reserves & Surplus	2	1,678,187	1,606,238
Deposits	3	10,021,537	8,891,200
Borrowings	4	2,113,999	1,740,783
Other liabilities and provisions	5	1,223,554	1,264,959
TOTAL		15,411,661	13,877,564
ASSETS			
Cash and balances with Reserve Bank of India	6	432,284	496,834
Balances with banks and money at call and short notice	7	549,843	437,674
Investments	8	7,092,318	5,710,234
Advances	9	6,155,050	6,089,631
Fixed Assets	10	162,942	164,247
Other Assets	11	1,019,224	978,944
TOTAL		15,411,661	13,877,564
Contingent Liabilities	12	89,022,562	104,018,413
Bills for Collection		1,061,600	1,297,047
Significant Accounting Policies and 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 Registration Number: 101248W / W-100022

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

Manoj Kumar Vijai
Partner
Membership No: 046882

Pramit Jhaveri
Chief Executive Officer

Niraj Parekh
Chief Financial Officer

Place : Mumbai
Date : 23 June 2016

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, 2016**

	Schedules	Year ended 31-Mar-16 (Rs. in lakhs)	Year ended 31-Mar-15 (Rs. in lakhs)
I. INCOME			
Interest earned	13	1,069,760	1,021,053
Other income	14	316,538	333,109
TOTAL		1,386,298	1,354,162
II. EXPENDITURE			
Interest expended	15	424,816	435,644
Operating expenses	16	345,323	315,223
Provisions and contingencies	17	292,862	261,040
TOTAL		1,063,001	1,011,907
III. PROFIT			
Net Profit for the year		323,297	342,255
TOTAL		323,297	342,255
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		80,824	85,564
Transfer to Capital Reserve on sale of immovable property		-	563
Transfer to/(from) Investment Reserve		(742)	3,012
Transfer to Special Reserve		2,547	2,458
Balance carried over to Balance Sheet under Profit and Loss account		240,668	250,658
TOTAL		323,297	342,255

Significant Accounting Policies and 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 Registration Number: 101248W / W-100022

For and on behalf of Citibank N.A. - India Branches
Manoj Kumar Vijai
Partner

Membership No: 046882

Pramit Jhaveri
Chief Executive Officer
Niraj Parekh
Chief Financial Officer

Place : Mumbai

Date : 23 June 2016

CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)
Cash Flow Statement
for the year ended March 31, 2016

	Year ended 31-Mar-16 (Rs. in lakhs)	Year ended 31-Mar-15 (Rs. in lakhs)
<u>Cash flow from operating activities</u>		
Profit before tax	577,655	592,316
<u>Adjustments for:</u>		
Depreciation charge for the year	11,854	11,785
Loss/(Profit) on sale of fixed assets (net)	416	(895)
Provision/(Write back) for depreciation on investments	1,743	(7,079)
Provisions for non-performing assets/write offs (net)	37,995	8,830
Provision for/(Write back of provision for) Restructured Advances	18	(6)
Provision for Country Risk Exposure	577	-
(Write back)/ Provision towards unhedged foreign currency exposure	(1,829)	9,234
Increase in Investments	(1,383,827)	(575,942)
Increase in Advances	(103,432)	(446,524)
Increase in Deposits	1,130,338	1,059,897
(Increase)/Decrease in other assets	(54,776)	945,371
Decrease in other liabilities and provisions	(40,153)	(923,166)
Direct taxes paid	(239,863)	(252,843)
Net cash flow (used in)/ generated from operating activities	(63,284)	420,978
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(12,378)	(8,308)
Proceeds from sale of fixed assets	723	1,097
Net cash used in investing activities	(11,655)	(7,211)
<u>Cash flow from financing activities</u>		
Remittance to Head Office	(250,658)	(210,005)
Increase/(Decrease) in borrowings	373,216	(900,689)
Net cash generated from/(used in) financing activities	122,558	(1,110,694)
Net increase/(decrease) in cash and cash equivalents	47,619	(696,927)
Cash and cash equivalents as at beginning of the year*	934,508	1,631,435
Cash and cash equivalents as at end of the year*	982,127	934,508

* 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 Registration Number: 101248W / W-100022

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

Manoj Kumar Vijai

Partner

Membership No: 046882

Pramit Jhaveri

Chief Executive Officer

Niraj Parekh

Chief Financial Officer

Place : Mumbai

Date : 23 June 2016

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, 2016

		31-Mar-16 (Rs. in lakhs)	31-Mar-15 (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))		601,500	523,600
CAPITAL			
Initial Capital		20	20
Interest free funds from H.O.		374,364	374,364
TOTAL		374,384	374,384
SCHEDULE 2 - RESERVES & SURPLUS			
I. Statutory Reserve			
Opening Balance	549,900		464,336
Additions during the year	80,824		85,564
		630,724	549,900
II. Furniture & Equipment Reserve			
Opening Balance	-		281
Transfer to Remittable Surplus retained for CRAR requirements	-		(281)
		-	-
III. Properties Investment Reserve (see schedule 18 - Note V (4))		6,194	6,194
IV. Properties Revaluation Reserve			
Opening Balance	34,485		32,511
Additions during the year	-		3,387
Deductions during the year	-		(778)
Depreciation during the year	(690)		(635)
		33,795	34,485
V. Investment Reserve			
Opening Balance	39,670		36,658
Additions during the year	-		3,012
Transfer to the Profit and Loss account (see schedule 18 - Note V (5))	(742)		-
		38,928	39,670
VI. Capital Reserve on sale of immovable properties			
Opening Balance	11,544		10,981
Additions during the year	-		563
		11,544	11,544

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, 2016

		31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
SCHEDULE 2 - RESERVES & SURPLUS (Continued)			
VII. Foreign Exchange Reserve			
Opening Balance	-		11,925
Transfer to Remittable Surplus retained for CRAR requirements	-		(11,925)
		-	-
VIII. Special Reserve (see Schedule 18 - Note V (6))			
Opening Balance	11,433		8,975
Additions during the year	2,547		2,458
		13,980	11,433
IX. Remittable Surplus retained for CRAR requirements			
Opening Balance	702,354		688,193
Additions during the year :			
- Transfer from Furniture & Equipment Reserve	-		281
- Transfer from Foreign Exchange Reserve	-		11,925
- Transfer from Profit and Loss account	-		1,955
		702,354	702,354
X. Balance in the Profit and Loss Account			
Opening Balance	250,658		211,960
Additions during the year	240,668		250,658
Less: Remitted during the year	(250,658)		(210,005)
Less: Transfer to Remittable Surplus retained for CRAR requirements	-		(1,955)
		240,668	250,658
TOTAL		1,678,187	1,606,238

SCHEDULE 3 - DEPOSITS

A. I Demand Deposits			
i) From banks	53,934	69,987	
ii) From others	2,776,694	2,394,933	
	2,830,628	2,464,920	
II Savings Bank Deposits	2,152,796	1,926,876	
III Term Deposits			
i) From banks	413	19	
ii) From others	5,037,700	4,499,385	
	5,038,113	4,499,404	
TOTAL (I, II & III)	10,021,537	8,891,200	
B. I Deposits of branches in India	10,021,537	8,891,200	
II Deposits of branches outside India	-	-	
	10,021,537	8,891,200	

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, 2016

	31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	1,070,000	925,100
ii) Other banks	13,950	57
iii) Other institutions and agencies	175,060	3,156
	<u>1,259,010</u>	<u>928,313</u>
II. Borrowings outside India	854,989	812,470
TOTAL (I & II)	<u>2,113,999</u>	<u>1,740,783</u>
Secured borrowings included in I & II above	1,245,060	927,522
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	72,442	94,880
II. Inter - office adjustments (net)	127	1,100
III. Interest accrued	34,511	37,449
IV. Provisions against standard assets (see Schedule 18 - Note V (13.7))	57,579	59,408
V. Others (including provisions)	1,058,895	1,072,122
TOTAL	<u>1,223,554</u>	<u>1,264,959</u>

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, 2016**

	31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	15,014	19,135
II. Balances with Reserve Bank of India		
i) in Current account	417,270	477,699
ii) in Other Deposit accounts	-	-
	417,270	477,699
TOTAL (I & II)	432,284	496,834

**SCHEDULE 7 - BALANCES WITH BANKS
AND MONEY AT CALL AND SHORT NOTICE**

I. In India		
i) Balances with banks		
a) In Current accounts	10,493	16,960
b) In Other Deposit accounts	-	-
	10,493	16,960
ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	-	-
	-	-
TOTAL (I & ii)	10,493	16,960
II. Outside India		
i) In Current account	29,771	11,326
ii) In Other Deposit accounts	509,579	409,388
iii) Money at call and short notice	-	-
	539,350	420,714
GRAND TOTAL (I & II)	549,843	437,674

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, 2016

	31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in		
i) Government securities	6,395,328	5,690,422
ii) Other approved securities	-	-
iii) Debentures and Bonds	-	-
iv) Shares	1,242	1,242
v) Others (see Schedule 18 Note V (2) and Note V (10))	99,765	18,570
TOTAL	6,496,335	5,710,234
II. Investments outside India in		
(i) Government securities (Including local authorities) (see Schedule 18 Note V (13.13. (A)))	595,983	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Other investments	-	-
TOTAL	595,983	-
GRAND TOTAL (I & II)	7,092,318	5,710,234
SCHEDULE 9 - ADVANCES		
A. i) Bills purchased and discounted	399,012	338,289
ii) Cash credits, overdrafts and loans repayable on demand	930,056	943,100
iii) Term loans	4,825,982	4,808,242
TOTAL	6,155,050	6,089,631
B. i) Secured by tangible assets (Including advances against book debts)	2,253,163	2,192,308
ii) Covered by Bank / Government guarantees	5,817	24,381
iii) Unsecured	3,896,070	3,872,942
TOTAL	6,155,050	6,089,631
C. I. Advances in India		
i) Priority sector	2,107,515	1,791,602
ii) Public sector	1,942	2,338
iii) Banks	-	-
iv) Others	4,045,593	4,295,691
TOTAL	6,155,050	6,089,631
C. II. Advances outside India	-	-
GRAND TOTAL (C. I & C. II)	6,155,050	6,089,631
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	-	-
	7,406	7,406
Depreciation to date	(2,548)	(2,400)
TOTAL	4,858	5,006

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, 2016

	31-Mar-16 (Rs. in lakhs)	31-Mar-15 (Rs. in lakhs)
SCHEDULE 10 - FIXED ASSETS (Continued)		
II. Premises		
At cost as on 1 April	96,018	94,985
Additions during the year	-	1,083
Deductions during the year	-	(50)
	<u>96,018</u>	<u>96,018</u>
Depreciation to date	<u>(7,107)</u>	<u>(5,217)</u>
	88,911	90,801
Add: Premises revaluation	33,796	34,485
TOTAL	<u>122,707</u>	<u>125,286</u>
III. A Other Fixed assets (including intangibles) (see Schedule 18 - Note V (9))		
At cost as on 1 April	75,559	72,008
Additions during the year	14,217	7,184
Deductions during the year	<u>(2,188)</u>	<u>(3,633)</u>
	87,588	75,559
Depreciation to date	<u>(54,826)</u>	<u>(47,903)</u>
	32,762	27,656
B Other Fixed assets (taken on lease)		
At cost as on 1 April	7,258	7,954
Additions during the year	1,679	1,894
Deductions during the year	<u>(2,380)</u>	<u>(2,590)</u>
	6,557	7,258
Depreciation to date	<u>(3,942)</u>	<u>(4,478)</u>
	2,615	2,780
TOTAL	<u>35,377</u>	<u>30,436</u>
IV. Capital Work-in-progress	-	3,519
GRAND TOTAL (I, II, III, IV)	<u>162,942</u>	<u>164,247</u>

SCHEDULE 11 - OTHER ASSETS

I. Inter-office adjustment (net)	-	-
II. Interest accrued	154,833	113,253
III. Tax paid in advance/tax deducted at source (net of provision for tax) (see Schedule 18 - Note V (8))	61,163	106,646
IV. Non-banking assets acquired in satisfaction of claims	-	-
V. Deferred tax assets (net) (see Schedule 18 - Note V (21))	30,366	44,081
VI. Others (see Schedule 18 - Note V (10))	772,862	714,964
TOTAL	<u>1,019,224</u>	<u>978,944</u>

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	1,006	2,599
II. Liability on account of outstanding forward exchange contracts	43,034,715	55,948,610
III. Liability on account of outstanding Rupee Interest Rate Swaps	41,541,605	44,026,959
IV. Guarantees given on behalf of constituents		
a) In India	1,410,681	1,129,238
b) Outside India	365,894	269,918
V. Acceptances, endorsements and other obligations	1,807,132	2,005,632
VI. Others	861,529	635,457
TOTAL	<u>89,022,562</u>	<u>104,018,413</u>

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Schedules forming part of the accounts of the Indian Branches (Continued)
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	Year ended 31-Mar-16 (Rs. in lakhs)	Year ended 31-Mar-15 (Rs. in lakhs)
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	602,355	581,028
II Income on investments	456,568	417,945
III Interest on balances with Reserve Bank of India and other inter-bank funds	6,180	17,779
IV Others	4,657	4,301
TOTAL	1,069,760	1,021,053

SCHEDULE 14 - OTHER INCOME

I Commission, exchange and brokerage	101,226	105,178
II Profit on sale of investments (net)	40,980	56,120
III (Loss)/Profit on sale/ write-off of fixed assets (net)	(416)	895
IV Profit on exchange transactions	154,902	161,007
V Miscellaneous income	19,846	9,909
TOTAL	316,538	333,109

SCHEDULE 15 - INTEREST EXPENDED

I Interest on deposits	372,055	360,812
II Interest on Reserve Bank of India/ inter-bank borrowings	32,179	54,253
III Others	20,582	20,579
TOTAL	424,816	435,644

SCHEDULE 16 - OPERATING EXPENSES

I Payments to and provisions for employees	127,524	111,645
II Rent, taxes and lighting	14,819	14,659
III Printing and stationery	2,545	3,519
IV Advertisement and publicity	10,140	9,192
V Depreciation on Bank's property	11,854	11,785
VI Auditors' fees and expenses	156	130
VII Law charges	1,428	925
VIII Postage, telegrams, telephones, etc.	43,142	37,860
IX Repairs and maintenance	12,259	10,967
X Insurance	10,952	9,536
XI Other expenditure	110,504	105,005
TOTAL	345,323	315,223

SCHEDULE 17 - PROVISIONS AND CONTINGENCIES

I Provision for non-performing assets / write offs (net)	37,995	8,830
II Provision for standard assets	(1,829)	9,234
III Provision for current taxation	240,643	248,946
IV Deferred tax charge	13,715	1,115
V Provision for depreciation/(Write back) of provision on Investments	1,743	(7,079)
VI Others (see Schedule 18 - Note V (7))	595	(6)
TOTAL	292,862	261,040

Citibank N.A.

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Schedules forming part of the financial statements of the Indian Branches

for the year ended March 31, 2016

Schedule 18

I. Background

The accompanying financial statements for the year ended March 31, 2016 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, 2016 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.

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') notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 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 (DBR.BP.BC No.23 /21.04.018/ 2015-16 dated July 1, 2015).

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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***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 DBR No BP.BC.6/ 21.04.141/ 2015-16 dated July 1, 2015 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 are classified as HFT investments. All other investments are classified as AFS investments. For disclosure in the financial statements in Schedule 8 - Investments, the investments in India are classified under five categories – Government securities, Other approved securities, Debentures and Bonds, Shares and Other investments. Investments in securities issued outside India are classified as Investments outside India under three categories – Government securities (including local authorities), Subsidiaries and/or joint ventures abroad and Other investments. Shifting among the categories is accounted as per extant RBI guidelines.

Valuation

Investments classified as HTM are carried at acquisition cost or at amortized cost where acquired at a premium over the face value. Such premium on acquisition is amortised over the remaining period to maturity on a constant yield to maturity.

AFS and HFT investments are recorded at cost. Such securities are revalued on a daily basis as per the yields declared by the Fixed Income and Money Market Dealers Association ('FIMMDA') in consultation with Primary Dealers Association of India ('PDAI'). Securities are valued scrip-wise and depreciation/appreciation is aggregated for each category. 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 recognized, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury Bills including US 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.

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

for the year ended March 31, 2016

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

1) Investments (Continued)

The Bank follows settlement date method of accounting for its investments. Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss account. Gains or losses on sale of securities is computed based on the First-In-First-Out (FIFO) method.

Profit/loss on sale of investments in the 'Held to maturity' category is recognized in the Profit and Loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/loss on sale of investments in 'Available for sale' and 'Held for trading' categories is recognized in the Profit and Loss account.

Repurchase transactions

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions are accounted for as borrowing and lending transactions. Accordingly, securities sold 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 purchased 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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****2) Advances**

Classification and provisioning of advances of the Bank is carried out in accordance with RBI Master Circular - DBR.No.BP.BC. 2/21.04.048/ 2015-16 dated July 1, 2015 and amendments thereto.

Advances, including purchase of loan portfolios, are stated net of bills rediscounted under bills rediscounting scheme, specific provisions, interest suspense for non performing advances and provisions in lieu of diminution in the fair value of restructured assets. In accordance with RBI guidelines, in case of inter-bank participation with risk sharing, the aggregate amount of the participation issued by the Bank is reduced from 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'). 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. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

The Bank maintains provision on standard assets as per RBI norms to cover potential loan 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 maintains incremental provision on standard advances and on positive mark to market gains on derivatives portfolio pertaining to clients with unhedged foreign currency exposure (UFCE) in accordance with RBI guidelines. Floating provision created by the Bank as per the approved policy is included under Schedule 5 - Other liabilities and provisions. The Bank also maintains provision for country risk exposures as per extant RBI guidelines and discloses the same in Schedule 5 - Other liabilities and provisions. Provisioning for restructured assets is made in accordance with the requirements prescribed by RBI guidelines.

With effect from February 26, 2014, in accordance with RBI guidelines, in case of non-performing loans sold to SCs/RCS, the Bank reverses the excess provision in the Profit and Loss account in the year in which amounts are received.

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

for the year ended March 31, 2016

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.

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.

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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****3) Foreign currency transactions (Continued)**

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.

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. 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". The notional value of these swaps and futures contracts 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 per by RBI circular Ref.No.MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999.

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

for the year ended March 31, 2016

Schedule 18 (Continued)**IV. Significant accounting policies (Continued)****5) 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 month 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 preceding 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.

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)	10.00/20.00/33.33
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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****6) Employee benefits**

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

(a) Provident fund (Defined Contribution Scheme)

The Bank contributes to a recognised provident fund 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 (Defined Contribution Scheme)

The Bank contributes to a superannuation fund for eligible employees. The contributions are accounted for on an accrual basis and recognized in the Profit and Loss account as expenditure.

(c) Gratuity (Defined Benefit Scheme)

The Bank provides for its gratuity liability based on actuarial valuation as at the balance sheet date which is 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 self-managed as per the Investment Pattern prescribed by Ministry of Finance, Government of India and partly invested with Life Insurance Corporation of India.

(d) Pension

The Bank provides for its pension liability for eligible employees based on actuarial valuation of the pension liability as at the balance sheet date which is 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 eligible employee retires or resigns.

(e) Compensated absences

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

(f) Resettlement allowance

The Bank provides for resettlement allowance liability, for eligible employees who are offered six months pay at retirement in lieu of unused sick leave, based on actuarial valuation performed by an independent actuary using the Projected Unit Credit Method as at the balance sheet date.

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

for the year ended March 31, 2016

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

7) 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 arising out of sale of loans through direct assignment is amortised over the life of underlying loans sold and loss arising is recorded immediately in the Profit and Loss account.

Recoveries from bad debts written-off are recognized in the Profit and Loss account and included under other income.

8) Provision for reward points on credit/debit cards

The Bank has a program 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 confirms 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 arrangement and remaining unpaid as of the reporting date.

9) 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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****9) 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.

10) 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.

11) Provisions, contingent liabilities and contingent assets

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 will 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.

Contingent liability reported in Schedule 12 of Balance Sheet under "Claims against the bank not acknowledged as debts" is net of provision amount held against the claim.

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, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016

- 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. 80,824 lakhs for the year ended March 31, 2016 (Previous Year: Rs. 85,564 lakhs). As at March 31, 2016, the face value of securities lodged with RBI stands at Rs. 601,500 lakhs (Previous Year: Rs. 523,600 lakhs).
- 2 Other Investments comprise of Pass through Certificates amounting to Rs. 964 lakhs (Previous Year: Rs. 18,570 lakhs) and Certificate of Deposits amounting to Rs. 98,801 Lakhs (Previous Year: Nil).
- 3 Bills received from constituents for collections on their behalf are tracked 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, 2016 of Rs. 6,194 lakhs (Previous year: Rs. 6,194 lakhs).
- 5 During the year, the Bank has not appropriated any amount (Previous Year: Rs. 3,012 lakhs) to Investment Reserve. Further, the Bank has drawn down Rs. 742 lakhs from this reserve during the year in accordance with RBI Master Circular DBR No BP.BC.6/ 21.04.141/ 2015-16 dated July 1, 2015 and amendments thereto (Previous Year: Nil).
- 6 The Bank has created an incremental Special Reserve of Rs. 2,547 lakhs (Previous Year Rs. 2,458 lakhs) pursuant to clause (viii) under sub-section (1) to section 36 of the Income Tax Act, 1961.
- 7 Provisions and Contingencies - Others (Schedule 17 (VI)) comprises of Rs. 18 lakhs debited to the Profit and Loss account (Previous Year: release Rs. 6 lakhs) on account of fair value diminution on restructured standard assets and Rs. 577 lakhs on account of Country risk provision (Previous Year: Nil).
- 8 Other Assets (Schedule 11 (III)) includes Rs. 40,019 lakhs (Previous Year: Rs. 56,130 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.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****9 Intangible Assets (Software)**

The Bank has capitalised software under Fixed assets (Schedule 10 (III) (A)) amounting to Rs. 3,969 lakhs during the year (Previous Year: Rs. 616 lakhs). The movement is disclosed below:

Amount in Rs. lakhs

Intangible Assets (Software)	2015-2016	2014-2015
At cost as on 1 April	17,426	16,812
Additions during the year	3,969	616
Deductions during the year	(54)	(2)
Depreciation to Date	<u>(14,527)</u>	<u>(12,934)</u>
Total	6,814	4,492

- 10** The Bank has outstanding Deposits with NABARD of Rs. 1,782 lakhs (Previous Year: Rs. 6,646 lakhs), National Housing Bank of Rs. 1,014 lakhs (Previous Year: Rs 254 lakhs) and SIDBI of Rs. 212 lakhs (Previous Year: Nil) under priority sector lending schemes which are disclosed under Schedule 11 (VI) Other Assets. The previous year figures are regrouped from Schedule 8 (I) (v) Investments - Others to Schedule 11 (VI) Other Assets pursuant to RBI Circular DBR.BP.BC.No.31 / 21.04.018 / 2015-16 dated July 16, 2015.

- 11** 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 2.54 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, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

- 12 With reference to the matter pertaining to incidence of fire in the new premise of the Bank which was disclosed in earlier years, an amount of Rs. 991 lakhs has been received during the current year. A further claim receivable of Rs. 911 lakhs (Previous Year: Rs. 1,901 lakhs) is outstanding as at the year end.

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

13.1. Capital Adequacy Ratio

The capital adequacy ratio has been computed in accordance with the Basel III Capital Adequacy guidelines issued vide RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 date July 1, 2015.

Ratio	As at March 31, 2016	As at March 31, 2015
Common Equity Tier I capital ratio	14.85%	14.18%
CRAR – Total Capital ratio	15.76%	15.30%
CRAR – Tier I Capital ratio	14.85%	14.18%
CRAR – Tier II Capital ratio	0.91%	1.12%
Amount of subordinated debt raised as Tier II capital	Nil	Nil

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.2. Business ratios**

Ratio	2015-2016	2014-2015
Percentage of net NPAs to net advances	0.49%	0.40%
Interest income as a percentage to working funds	7.28%	7.26%
Non-interest income as a percentage to working funds	2.15%	2.37%
Operating profit as a percentage to working funds	4.19%	4.29%
Return on assets	2.20%	2.43%
Business (deposits plus advances) per employee (Amount in Rs. lakhs)	2,862	2,463
Profit per employee (Amount in Rs. lakhs)	60	59

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, 2016 and March 31, 2015 respectively.

13.3. 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 staggered increase upto 100% by 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%

For Foreign Banks operating as branches in India, the framework is applicable on a standalone basis (i.e. for Indian operations only).

Liquidity of the Bank is managed by a centralized Treasury with oversight provided by the Asset Liability Management Committee (ALCO). The Bank follows a comprehensive approach to balance sheet liquidity management 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.

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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.3. Liquidity coverage ratio (Continued)**

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

The Bank continues to focus on stable operating account liabilities to drive the Balance Sheet growth, with current and savings account (CASA) deposits ratio at 49.73% as of March 31, 2016. 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 at 75% of weighted cash outflows. RBI increased the eligibility under FALLCR facility from 5% to 8% of NDTL in February 2016 and the same has been incorporated in LCR reports for February 2016 and March 2016 month ends. Based on the above, monthly average LCR of the Bank for the quarter ended March 31, 2016 was 338.91% (Previous Year: 277.53%).

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.3. Liquidity coverage ratio (Continued)**

The Bank's LCR, calculated as per RBI guidelines, as the average of the month end values for the quarters in financial year ended March 31, 2016 is as below:

Amount in Rs. lakhs

		Q1 2015-16		Q2 2015-16	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)		3,714,392		3,840,746
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:	3,665,194	346,733	3,791,727	351,282
(i)	Stable deposits	395,721	19,786	557,803	27,890
(ii)	Less stable deposits	3,269,473	326,947	3,233,924	323,392
3	Unsecured wholesale funding, of which:	4,568,341	1,508,748	4,790,057	1,571,577
(i)	Operational deposits (all counterparties)	2,308,859	576,397	2,390,162	596,714
(ii)	Non-operational deposits (all counterparties)	2,259,482	932,351	2,399,895	974,863
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding		-		-
5	Additional requirements, of which	1,670,954	600,750	1,417,436	337,779
(i)	Outflows related to derivative exposures and other collateral requirements	496,056	496,056	233,534	233,534
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,174,898	104,694	1,183,902	104,245
6	Other contractual funding obligations	200,652	200,652	206,084	206,084
7	Other contingent funding obligations	4,906,933	245,347	4,865,507	243,275
8	Total Cash Outflows		2,902,230		2,709,997
	Cash Inflows				
9	Secured lending (e.g. reverse repos)	15,332	-	7,516	-
10	Inflows from fully performing exposures	1,026,626	519,262	1,240,811	658,651
11	Other cash inflows	1,172,316	1,111,826	691,295	631,032
12	Total Cash Inflows	2,214,274	1,631,088	1,939,622	1,289,683
13	Total HQLA		3,714,392		3,840,746
14	Total Net Cash Outflows		1,271,142		1,420,314
15	Liquidity Coverage Ratio (%)		292.21%		270.41%

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.3. Liquidity coverage ratio (Continued)

Amount in Rs. lakhs

		Q3 2015-16		Q4 2015-16	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)		4,411,027		4,272,552
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:	3,872,675	358,893	4,016,317	372,804
(i)	Stable deposits	567,496	28,375	576,543	28,827
(ii)	Less stable deposits	3,305,179	330,518	3,439,774	343,977
3	Unsecured wholesale funding, of which:	5,575,932	1,979,612	5,106,666	1,658,222
(i)	Operational deposits (all counterparties)	2,670,194	666,721	2,571,927	642,169
(ii)	Non-operational deposits (all counterparties)	2,905,738	1,312,891	2,534,739	1,016,053
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	-	-	-	-
5	Additional requirements, of which	1,432,712	290,995	1,589,115	530,400
(i)	Outflows related to derivative exposures and other collateral requirements	172,470	172,470	417,612	417,612
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,260,242	118,525	1,171,503	112,788
6	Other contractual funding obligations	226,495	226,495	174,766	174,766
7	Other contingent funding obligations	4,943,784	247,189	5,190,732	226,966
8	Total Cash Outflows		3,103,184		2,963,158
	Cash Inflows				
9	Secured lending (e.g. reverse repos)	97,150	-	82,953	-
10	Inflows from fully performing exposures	1,189,069	628,614	1,096,256	550,659
11	Other cash inflows	788,745	731,739	1,224,470	1,151,827
12	Total Cash Inflows	2,074,964	1,360,353	2,403,679	1,702,486
13	Total HQLA		4,411,027		4,272,552
14	Total Net Cash Outflows		1,742,831		1,260,672
15	Liquidity Coverage Ratio (%)		253.10%		338.91%

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.3. 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%

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.4. Asset Liability Management

Maturity pattern as at March 31, 2016

Amount in Rs. lakhs

Maturity Bucket	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	259,369	4,256,487	685,057	696,758	487,930	195,410
2 to 7 days	225,079	-	1,032,747	714,496	86,371	158,369
8 to 14 days	72,731	-	509,581	82,796	96,848	115,318
15 to 28 days	549,987	937,363	193,638	398,827	870,437	437,693
29 days to 3 months	625,485	496,340	666,449	143,886	464,479	538,039
Over 3 months and upto 6 months	465,968	51,677	166,029	75,210	293,265	179,339
Over 6 months and upto one year	758,752	89,752	1,464,385	550	342,611	1,291,602
Over one year and upto 3 years	1,374,829	765,872	5,298,396	1,315	231,639	542,851
Over 3 years and upto 5 years	399,088	2,662	3,432	102	82,686	1,001
Over 5 years	1,423,762	492,165	1,823	59	20,787	13,524
Total	6,155,050	7,092,318	10,021,537	2,113,999	2,977,053	3,473,146

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	68,210	232,767	179,809	299,084	207,225

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.4. Asset Liability Management (Continued)****Maturity pattern as at March 31, 2015 (Continued)**

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	680,579	86,905	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	391,598	5,453	-	24,988	20,944
Total	6,089,631	5,710,234	8,891,200	1,740,783	2,292,646	3,135,525

Note:

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

13.5. Lending to sensitive sectors**A) Exposure to real estate sector**

Amount in Rs. lakhs

Category	As at March 31, 2016	As at March 31, 2015
1. Direct exposure		
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower:	1,471,037	1,637,532
Of which individual housing loans eligible for inclusion in priority sector advances	54,472	67,806
(ii) Commercial real estate		
Lending secured by mortgages on income producing real estates	30,966	42,199
(iii) Others*	56,869	43,686

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.5. Lending to sensitive sectors (Continued)

A) Exposure to real estate sector (Continued)

Category	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
2. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	278,375	300,624
Total	1,837,247	2,024,041

*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

Category	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
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	21,365	22,026
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	26	650
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	101,743	87,530
Facility secured against residential real estate classified as CME based on the end use of the loan which is investment into capital markets	2,116	2,216
Other financial guarantees	2,950	1,607
Total	129,442	115,271

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.6. Movement in Non- performing assets**

Particulars	<i>Amount in Rs. lakhs</i>					
	Gross NPA	2015-2016 Provision	Net NPA	Gross NPA	2014-2015 Provision	Net NPA
Opening balance as on April 1	78,057	53,569	24,488	148,420	78,290	70,131
Additions during the year	75,207	32,060	43,147	55,365	35,395	19,970
Recoveries / write offs during the year	(67,213)	(29,798)	(37,415)	(125,728)	(60,116)	(65,612)
Closing balance as on March 31	86,051	55,831	30,220	78,057	53,569	24,488

13.7. Provision on standard assets

Category	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2016	As at March 31, 2015
General standard asset provision	50,174	50,174
Provision held towards unhedged foreign currency exposure	7,405	9,234
Total	57,579	59,408

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, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.8. 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, 2016 is as follows:

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Provision held	7,405	9,234
Additional Risk weighted assets	245,393	392,638
Additional Capital	25,766	35,337

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.9. Floating Provision**

In accordance with the requirements laid down by 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, 2016 (Previous Year: Nil). Floating provision outstanding as at March 31, 2016 has been included under Schedule 5 – Other liabilities and provisions.

Movement in floating provision is given below:

Category	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2016	As at March 31, 2015
Opening balance	9,100	9,100
Provisions made during the year	-	-
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)

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.10. Restructured loans

There are no restructured cases under CDR Mechanism and SME Debt Restructuring. Details of cases other than those under CDR Mechanism and SME Debt Restructuring are provided below:

Type of Restructuring Asset Classification Details	Amount in Rs. lakhs											
	Standard			Sub-Standard			Others			Loss		
	Current year	Previous year	Previous year	Current year	Previous year	Previous year	Current year	Previous year	Previous year	Current year	Previous year	Total Current year
Restructured Accounts as on April 1 of the FY (opening figures)	6,821	7,567	875	1,336	2,289	1,839	169	287	112	168	8,897	8,438
	979	1,323	1,839	2,289	1,839	1,128	289	1,128	73	44	4,334	3,630
Provision thereon	98	101	489	655	489	588	259	588	73	44	1,222	1,085
Fresh restructuring during the year	-	1	2,403	2,542	2,403	87	52	87	21	36	2,527	2,615
	-	1,162	3,366	10,169	3,366	98	99	98	40	60	4,686	10,308
Provision thereon	-	31	978	7,154	978	98	99	98	40	60	1,167	7,293
Upgradations to restructured standard category during the FY	477	356	(300)	(403)	(300)	(22)	(52)	(22)	(22)	(34)	-	-
	610	446	(439)	(530)	(439)	(6)	(59)	(6)	(21)	(1)	-	-
Provision thereon	208	153	(149)	(153)	(149)	(3)	(34)	(3)	(21)	(1)	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.10. Restructured loans (Continued)

Amount in Rs. lakhs

Type of Restructuring Asset Classification Details		Standard		Sub-Standard		Others		Loss		Total	
		Current year		Previous year		Current year		Previous year		Current year	
		year	year	year	year	year	year	year	year	year	year
Downgradations of restructured accounts during the FY	No. of borrowers	(11)	(15)	(45)	(57)	48	67	8	5	-	-
	Amount outstanding	(1)	(3)	(94)	(120)	77	118	18	5	-	-
	Provision thereon	(1)	(3)	(94)	(120)	77	118	18	5	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	(51)	(185)	(1,580)	(1,227)	(77)	(176)	(20)	(26)	(1,728)	(1,614)
	Amount outstanding	(51)	(59)	(2,006)	(1,468)	(105)	(78)	(23)	(9)	(2,185)	(1,614)
	Provision thereon	(5)	(5)	(602)	(440)	(105)	(78)	(23)	(9)	(735)	(532)
Restructured accounts Recovered during the FY	No. of borrowers	(217)	(903)	(512)	(358)	(28)	(74)	(14)	(37)	(771)	(1372)
	Amount outstanding	(248)	(1,890)	(1,301)	(889)	(31)	(971)	(17)	(26)	(1,597)	(3,776)
	Provision thereon	(167)	(179)	(401)	(103)	(27)	(464)	(17)	(26)	(612)	(772)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	7,019	6,821	1,338	1,336	112	169	85	112	8,554	8,438
	Amount outstanding	1,289	979	8,527	2,289	270	289	70	73	10,156	3,630
	Provision thereon	133	98	6,559	655	269	259	70	73	7,031	1,085

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.11. A) Details of financial assets sold to securitisation/reconstruction company for assets reconstruction**

Amount in Rs. lakhs

Particulars	2015-2016	2014-2015
(i) Number of accounts	-	181
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	1,063
(iii) Aggregate consideration	-	462
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (loss)/gain over net book value	-	(601)

B) Details of non performing financial assets sold to banks

Amount in Rs. lakhs

Particulars	2015-2016	2014-2015
(i) Number of accounts sold	-	321
(ii) Aggregate outstanding (net of provisions)	-	2,635
(iii) Aggregate consideration received	-	1,236

13.12. 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).

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.13. Investment****A. Value of investments**

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
(1) Gross value of investments		
(a) In India	6,498,078	5,710,234
(b) Outside India*	595,983	-
(2) Provisions for depreciation		
(a) In India	1,743	-
(b) Outside India*	-	-
(3) Net value of investments		
(a) In India	6,496,335	5,710,234
(b) Outside India*	595,983	-

*Investments in US Treasury bills have been reported as Investments outside India.

Investments include government securities representing face value of Rs. 3,736,967 lakhs (Previous Year: Rs. 3,149,654 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.

The Bank has no sale and transfer to/from HTM category during the year (Previous Year: Nil).

B. Movement of provisions held towards depreciation of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Opening balance as on April 1	-	7,079
Add: Provision made during the year	1,743	-
Less: Write back of provisions during the year	-	(7,079)
Closing balance as on March 31	1,743	-

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.14. Non-SLR investment portfolio****A) Issuer composition of non-SLR investments as on March 31, 2016**

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 [#]	18,536	18,536	-	-	18,536
Banks*	80,265	39,220	-	-	80,265
Private corporates	1,242	1,242	-	1,242	1,242
Subsidiaries/Joint Ventures	-	-	-	-	-
Others	596,954	971	-	-	971
Provisions held towards depreciation	(7)	-	-	-	-
Total	696,990	59,969	-	1,242	101,014

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.14. Non-SLR investment portfolio (Continued)**

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	-	-	-	-	-
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	<u>19,812</u>	<u>19,812</u>	<u>-</u>	<u>1,242</u>	<u>19,812</u>

** All certificates of deposits invested through primary market are considered as private placements.

Includes investment in certificate of deposit of public financial institutions.

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

B) Non-performing non-SLR investments

There were no non performing non-SLR investments as at March 31, 2016
(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, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.15. Repo and reverse repo transactions (excluding transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF)) (face value)

Amount in Rs. lakhs

	2015-2016				2014-2015			
	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	As on March 31, 2016	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	As on March 31, 2015
Securities sold under repos								
i. Government securities	3,981	731,521	291,821	156,731	400	654,750	97,724	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	2,500	576,383	84,696	-	492	153,342	48,333	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-

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

13.16. Derivatives

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

Amount in Rs. lakhs

		Notional principal as at	
		March 31, 2016	March 31, 2015
Trading	Interest rates swaps		
	MIBOR / Overnight Index Swaps		
	Pay Fixed Received Floating	17,330,230	18,250,298
	Pay Floating Received Fixed	16,935,530	17,710,255

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Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.16. Derivatives (Continued)**

Details of outstanding notional principal, nature and terms of swaps (Continued):

		<i>Amount in Rs. lakhs</i>	
		Notional principal as at	
		March 31, 2016	March 31, 2015
Trading	MIFOR		-
(continued)	Pay Fixed Received Floating	1,548,930	1,918,130
	Pay Floating Received Fixed	1,845,200	1,948,900
	GOI Securities Yield/INBMK		
	Pay Fixed Receive Floating	272,500	360,000
	Pay Floating Receive Fixed	185,000	270,000
	LIBOR		
	Pay Fixed Receive Floating	1,952,295	1,992,710
	Pay Floating Received Fixed	1,060,774	1,236,700
	Basis swaps		
	Pay Floating Receive Floating	411,145	308,003
	Cross Currency Swaps		
	Pay Fixed Receive Fixed	241,344	222,547
	Pay Fixed Receive Floating	60,514	72,821
	Pay Floating Receive Fixed	590,595	673,657
	Pay Floating Receive Floating	272,597	345,831
	Interest Rate Options	-	5,875

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)

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

13.16. Derivatives (Continued)

Amount in Rs. lakhs

Losses which would be incurred if the counter-parties failed to fulfill their obligations in respect of:	March 31, 2016	March 31, 2015
Interest rate swaps	111,638	111,355
Cross Currency swaps	44,363	47,641

Amount in Rs. lakhs

Fair value of:	March 31, 2016	March 31, 2015
Interest rate swaps	(14,172)	(6,232)
Cross Currency swaps	(46,265)	(77,522)

- 90.93% (Previous Year: 90.98%) of Interest rate swaps, 20.83% (Previous Year: 19.14%) of Cross Currency Interest Rate Swaps have been contracted with banks. As at March 31, 2016, 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.

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

Amount in Rs. lakhs

S.No.	Particulars	March 31, 2016	March 31, 2015
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument- Government Security)	FUTIRC Buy - 229,922 Sell - 214,412	FUTIRC Buy - 107,032 Sell - 147,532
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 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)	-	-

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.18. 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 on a daily basis 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 of the Bank. The Bank's current policy is to control material market risks through a framework of limits and triggers which are approved by the Local Operations Management Committee ('LOMC') 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 in a timely manner.

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.18. 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.

Quantitative disclosure

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, 2016		March 31, 2015	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1.	Derivatives (Notional principal amount)				
a)	For hedging	1,165,709	-	1,379,410	-
b)	For trading	41,869,006	41,541,605	54,569,200	44,026,959
2.	Marked to market positions				
a)	Asset (+)	477,555	111,638	420,626	111,360
b)	Liability (-)	(520,084)	(125,809)	(508,895)	(117,654)
3.	Credit exposure	1,499,050	402,454	1,804,561	425,748

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.18. Disclosure on risk exposure on derivatives (Continued)***Quantitative disclosure (Continued)**Amount in Rs. lakhs*

Sr. No.	Particulars	March 31, 2016		March 31, 2015	
		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	270.99	-	1,199.72	-
b)	on trading derivatives	7,878.31	10,816.61	9,050.75	11,790.22
5.	Maximum of 100*PV01 observed during the year				
a)	on hedging	1,321.49	-	3,006.40	174.86
b)	on trading	8,719.17	13,441.63	9,050.75	14,490.61
6.	Minimum of 100*PV01 observed during the year				
a)	on hedging	270.99	-	1,124.88	-
b)	on trading	7,232.23	810.61	6,639.15	2,995.63

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, 2016 is Rs. (24,303) lakhs (Previous Year: Rs. (20,776) lakhs)

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.19. Risk category wise country exposure**

Details of exposure as per risk category classification is as under:

Amount in Rs. lakhs

Risk Category	As at March 31, 2016		As at March 31, 2015	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	2,035,172	577	1,104,097	-
Low	262,895	-	238,630	-
Moderate	60,404	-	10,899	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	2,358,471	577	1,353,626	-

13.20. 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 from 10% 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 ended 31 March 2016, in case of Birla Sun Life Mutual Fund the exposure exceeded the prudential exposure limit (single borrower limits) on intra-day basis on three occasions. However, for all three occasions, the exposure did not exceed the prudential exposure limit (single borrower limit) based on end of day exposure amount of the client.
- During the year ended 31 March 2015, 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. However, for all the above occasions, the exposure did not exceed the prudential exposure limit (single borrower limit) based on end of day exposure amount of the clients.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****13.20 Details of Single borrower limit, Group borrower limit exceeded by the Bank (Continued):**

- During the year ended 31 March 2015, 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.

Group Borrower Limit:

During the year ended March 31, 2016 and March 31, 2015, the Bank's credit exposure to group borrowers has been within the prudential exposure limits prescribed by RBI.

14. 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.

<i>Amount in Rs. lakhs</i>		
Particulars	2015-2016	2014-2015
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	1,393	1,518
b. I/O Strip	5	7
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 and I/O strip to Pass Through Certificates ('PTC') holders.

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

15. 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 the year ended March 31, 2016	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	15,294	12,321
Current service cost	1,873	1,409
Interest cost	1,113	941
Plan amendments	-	-
Actuarial (gains) / losses on obligation	2,493	2,696
Benefits paid	(2,053)	(515)
Closing balance of present value of obligations	18,720	16,852
Change in plan assets		
Opening balance of fair value of plan assets	12,402	17,503
Expected return on plan assets	1,069	1,493
Contributions	2,403	631
Actuarial gains/ (losses) on plan assets	(429)	(527)
Benefits paid	(2,053)	(515)
Closing balance of fair value of plan assets	13,392	18,585
Net asset (liability) recognised		
Present value of defined benefits obligations	18,720	16,852
Fair value of plan assets	13,392	18,585
Funded status (deficit) / surplus	(5,328)	1,733
Net (liability) asset recognised in the Balance Sheet	(5,328)	1,733
Components of employer expense		
Current services cost	1,873	1,409
Interest cost	1,113	941
Expected return on plan assets	(1,069)	(1,493)
Net actuarial (gains) / losses	2,922	3,223
Expenses recognised in the Profit and Loss account	4,839	4,080
Actual return on plan assets	640	966
Investment details of plan assets		
Government of India securities	44.64%	53.65%
Corporate Bonds	31.76%	39.21%
Others	23.60%	7.14%

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****15. Employee benefits (Continued)**

Assumptions		
Discount rate	7.80%	7.80%
Expected return on plan assets	8.50%	8.50%
Salary escalation rate	10.00%	10.00%
Pension Ceiling Escalation	NA	4%

The expected employer's contribution next year towards gratuity is Rs. 3,400 lakhs. There will be no contribution towards pension fund next year since it is overfunded.

Amount in Rs. lakhs

Particulars for the year ended March 31, 2015	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 (gains) / losses on obligation	3,027	1,210
Benefits paid	(1,906)	(602)
Closing balance of present value of obligations	15,294	12,321
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 gain / (losses) 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 asset (liability) 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 (gains) / losses	2233	(234)
Expenses recognised in the Profit and Loss account	3,809	456

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

15. Employee benefits (Continued)

Amount in Rs. lakhs

Particulars for the year ended March 31, 2015	Gratuity	Pension
Actual return on plan assets	1,707	2,694
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%

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-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Experience History					
Defined benefit obligation	(18,720)	(15,294)	(11,684)	(11,713)	(9,667)
Fair value of plan assets	13,392	12,402	10,795	9,929	8,980
Deficit	<u>(5,328)</u>	<u>(2,892)</u>	<u>(889)</u>	<u>(1,784)</u>	<u>(687)</u>
Experience gain / (loss) adjustments on plan liabilities	(256)	(1,066)	(726)	(18)	949
Experience gain / (loss) adjustments on plan assets	(429)	794	(159)	(72)	230
Actuarial gain / (loss) due to change of assumptions	(2,236)	(1,962)	1,330	(1,577)	635

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****15. Employee benefits (Continued)**

	<i>Amount in Rs. lakhs</i>				
Pension	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Experience History					
Defined benefit obligation at the end of the period	(16,854)	(12,321)	(9,773)	(9,951)	(9,976)
Plan assets at the end of the period	18,587	17,503	14,593	13,067	11,898
Surplus	1,733	5,182	4,820	3,116	1,922
Experience gain / (loss) adjustments on plan liabilities	(2116)	344	486	2,067	(1,448)
Experience gain / (loss) adjustments on plan assets	(527)	1,444	(310)	(125)	(369)
Actuarial gain / (loss) due to change of assumptions	(580)	(1,554)	1,078	(438)	520

16. 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.

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

17. 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, 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, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****17. 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	2015-2016					2014-2015				
	Treasury	Corporate Banking	Retail Banking	Other Banking	Total	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
Revenue	258,848	526,500	571,434	21,416	1,378,198	294,769	476,552	548,479	29,401	1,349,201
Unallocated revenue					8,100					4,961
Total Revenue	258,848	526,500	571,434	21,416	1,386,298	294,769	476,552	548,479	29,401	1,354,162
Result	167,098	268,624	130,156	3,880	577,858	185,605	251,597	143,603	6,682	592,448
Unallocated expenses					(203)					(132)
Profit before taxes					577,655					592,316
Income taxes					(254,358)					(250,061)
Net profit					323,297					342,255

Amount in Rs. lakhs

Other information	As at 31 March 2016					As at 31 March 2015				
Segment assets	8,789,580	3,824,926	2,539,042	3,641	15,157,189	7,222,319	3,748,504	2,581,599	10,163	13,562,585
Unallocated assets					254,472					314,979
Total assets					15,411,661					13,877,564
Segment liabilities	2,781,431	5,155,700	5,409,132	2,724	13,348,987	2,409,504	4,551,767	4,916,891	10,011	11,888,173
Unallocated liabilities					2,062,674					1,989,391
Total liabilities					15,411,661					13,877,564

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

18. Related Party Disclosure

The following is the information on transactions and balances 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

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

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

for the year ended March 31, 2016

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2016 *(Continued)*

18. 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 Finance (India) Limited¹

Citicorp Services India Private Limited¹

d) Fellow Subsidiaries of Parent

Citicorp Banking Corporation, Bahrain

Citicorp International Finance Corporation

Citigroup Global Markets Inc, Asia

Citigroup Global Markets Inc, Australia

Citigroup Global Markets Inc, New York

Citigroup Global Markets Inc, Singapore

Citigroup Financial Products Inc.

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, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****18. Related Party Disclosure (Continued)***e) Key Management Personnel*

Mr. Pramit Jhaveri – CEO

¹ Indicates companies incorporated in India

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

Transactions during the year:

Amount in Rs. lakhs

Nature of transactions	Parents and branches		Subsidiaries		Fellow Subsidiaries	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Fees paid	47,633	41,936	17,081	12,515	4,780	4,563
Interest paid on borrowing	6,310	5,224	1,438	378	-	-
Interest paid on deposit	-	-	3,001	2,150	13,246	16,488
Fees received	3,091	2,867	5,287	3,744	425	430
Interest earned	1,489	1,202	1,919	6,123	-	-
Spread on Forex Transactions	-	-	2,057	1,894	929	391
Loans disbursed	-	-	4,516,200	1,837,900	-	-
Deposits placed	91,586,328	89,368,486	-	-	-	-
Time deposits received	-	-	994,008	1,085,163	2,383,342	2,210,512
Borrowings	7,650,978	7,718,107	1,060	1,275	-	-
Loan Portfolio purchased	-	-	20,391	57,849	-	-
Loan Assignment	-	-	43,807	-	-	-
Purchase of fixed assets	-	-	1,521	1,859	-	-

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****18. Related Party Disclosure (Continued)****Transactions during the year (Continued):***Amount in Rs. lakhs*

Nature of transactions	Parents and branches		Subsidiaries		Fellow Subsidiaries	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Purchase of fixed income securities	-	-	1,289,758	717,669	597,012	-
Sales of fixed income securities	-	-	1,240,797	1,135,796	-	-
Sale of fixed assets	-	-	296	323	-	-
Capital work in progress	-	214	-	-	-	-

Outstanding balances as at year end and maximum balance during the year:*Amount in Rs. lakhs*

Particulars	Parents & Branches		Subsidiaries		Fellow Subsidiaries	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Accounts payable/Other payables	19,258	20,104	6,823	4,795	4,434	14,808
	25,230	35,133	13,726	8,464	12,101	15,043
Accounts receivable/Other receivables	4,732	7,419	6,414	8,035	11,248	8,073
	8,086	9,176	11,183	11,808	28,213	13,482
Borrowings/Deposits	771,187	718,750	94,000	68,484	136,803	268,130
	2,476,069	1,600,978	154,234	152,635	401,755	371,484
Balance in current account/(Cash credit)/(Overdraft)	63,663	94,911	77,944	27,964	7,543	5,340
	1,114,133	4,482,576	309,482	415,883	282,681	44,871
Loans/Placements	509,579	409,388	-	-	-	-
	1,139,564	1,458,782	111,080	109,400	-	-

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****18. Related Party Disclosure (Continued)****Outstanding balances as at year end and maximum balance during the year (Continued):***Amount in Rs. lakhs*

Particulars	Parents & Branches		Subsidiaries		Fellow Subsidiaries	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Positive MTM ¹	54,764	60,812	2,407	1,565	60	182
	<i>54,764</i>	<i>60,812</i>	<i>2,407</i>	<i>7,857</i>	<i>1,666</i>	<i>182</i>
Negative MTM ¹	84,054	60,602	175	117	19	7
	<i>84,054</i>	<i>60,602</i>	<i>457</i>	<i>241</i>	<i>21</i>	<i>21</i>
Non Funded Commitments ¹	349,516	259,484	53,816	14,118	12,722	3,040
	<i>370,042</i>	<i>270,405</i>	<i>54,097</i>	<i>30,727</i>	<i>12,722</i>	<i>27,595</i>

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

Maximum balances disclosed above for each item is aggregation of peak balances for each counterparty 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 in the category of 'Key Management Personnel'. In terms of para 4.5 of RBI circular DRP.BP.BC No.23/21.04.018/2015-16 dated July 1, 2015, no disclosure under AS-18 is made other than reporting the relationship with the related party.

Material related party transactions:

The following were the material transactions between the Bank and its related parties for the year ended 31 March 2016. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

Fees Paid

Fees paid to Citibank N.A. Singapore Branch Rs. 40,110 lakhs (Previous Year: Rs. 35,789 lakhs) and Citigroup Transaction Services (Malaysia) Sdn Bhd Rs. 8,763 lakhs (Previous Year: Rs. 5,656 lakhs).

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****18. Related Party Disclosure (Continued)****Interest Paid on Borrowings**

Interest on borrowings from Citibank N.A. London Branch Rs. 1,026 lakhs (Previous Year: Rs. 1,750 lakhs), ZAO Citibank (Moscow) Rs. 1,075 lakhs (Previous Year: Rs. 218 lakhs) and Citibank N.A. New York Rs. 5,187 lakhs (Previous Year: Rs. 2,208 lakhs).

Interest Paid on Deposits

Interest on deposits placed by Citicorp Services India Private Limited Rs. 3,115 lakhs (Previous Year: Rs. 1,883 lakhs) and Citigroup Global Markets India Private Limited Rs. 12,804 lakhs (Previous Year: Rs. 16,203 lakhs).

Fees Received

Fees from Citibank Europe Plc Rs. 1,047 lakhs (Previous Year: Rs. 839 lakhs), Citibank NASSAU Rs. 1,641 lakhs (Previous Year: Rs. 1,831 lakhs), Citicorp Finance (India) Limited Rs. 2,275 lakhs (Previous Year: Rs. 1,669 lakhs), Citicorp Investment Bank (Singapore) Limited Rs. 937 lakhs (Previous Year: Rs. 811 lakhs) and Citicorp Services India Private Limited Rs. 990 lakhs (Previous Year: Rs. 229 lakhs).

Interest Earned

Interest on placements with Citibank N.A. New York Rs. 1,102 lakhs (Previous Year: Rs. 757 lakhs) and interest on loans given to Citicorp Finance (India) Limited Rs. 1,894 lakhs (Previous Year: Rs. 6,025 lakhs).

Spread on Forex Transactions

Spread profit earned on forex contracts made with Citicorp Services Private India Limited Rs. 2,026 lakhs (Previous Year: Rs. 1,773 lakhs) and Citigroup Global Markets Mauritius Private Limited Rs. 862 lakhs (Previous Year: Rs. 346 lakhs).

Deposits Placed

Deposits placed with Citibank N.A. London Branch Rs. 23,453,308 lakhs (Previous Year: Rs. 45,956,935 lakhs) and Citibank N.A. New York Rs. 68,118,541 lakhs (Previous Year: Rs. 43,103,450 lakhs).

Time Deposits Received

Time deposits received from Citicorp Finance (India) Limited Rs. 541,465 lakhs (Previous Year: Rs. 687,893 lakhs), Citicorp Services India Private Limited Rs. 452,543 lakhs (Previous Year: Rs. 372,380 lakhs) and Citigroup Global Markets India Private Limited Rs. 2,157,250 lakhs (Previous Year: Rs. 2,136,588 lakhs).

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****18. Related Party Disclosure (Continued)****Material related party transactions (Continued):****Borrowings**

Borrowed from Citibank N.A. Singapore Branch Rs. 6,824,995 lakhs (Previous Year: Rs. 4,205,142 lakhs).

Purchase of Fixed Income Securities

Fixed income securities purchased from Citicorp Investment Bank (Singapore) Limited Rs. 1,289,758 lakhs (Previous Year: Rs. 717,669 lakhs) and Citigroup Global Markets Inc., Asia Rs. 597,012 lakhs (Previous Year: NIL).

19. Intra Group Exposure

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
a) Total amount of intra-group exposures	302,503	343,618
b) Total amount of top-20 intra-group exposures	302,503	343,618
c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.80%	0.96%
d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	*

*As at previous year end, the Bank's intra-group exposure with single group entities were within the limit of 5% and 10% respectively but the aggregate group exposure was more than the limits stipulated in RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014. The Bank has reduced exposures to group entities to ensure that aggregate group exposure is within the stipulated limits in the current year as specified in the above RBI guidelines.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****20. 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)

21. Deferred taxes

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

Amount in Rs. lakhs

Description	As at March 31, 2016	As at March 31, 2015
<i>Deferred tax assets</i>		
Provision on advances	53,248	52,810
Others	5,118	3,281
<i>Deferred tax liabilities</i>		
Depreciation	(9,296)	(7,064)
Others	(18,704)	(4,946)
Deferred tax assets (net)	30,366	44,081

22. 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:

Amount in Rs. lakhs

Gross investment as at the date of the balance sheet	As at March 31, 2016	As at March 31, 2015
Not later than one year	1,215	1,248
Later than one year but not later than five years	1,597	1,639
Later than 5 years	-	-
Total	2,812	2,887
Present value of minimum lease payment as at the date of balance sheet		
Not later than one year	966	984
Later than one year but not later than five years	1,417	1,437
Later than 5 years	-	-
Total	2,383	2,421

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

23. 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:

Amount in Rs. lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
The amount of minimum lease payments recognized in the Profit and Loss account in respect of operating lease	959	1,487
The total of future minimum lease payments recognized under non-cancellable operating leases:		
Not later than one year	119	1,077
Later than one year but not later than five years	41	1,149
Later than 5 years	-	-
Total	160	2,226

- 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.

24. Provisions and contingencies

Amount in Rs. lakhs

Particulars	2015-2016			2014-2015		
	Reward Points	Securitisation	Frauds	Reward Points	Securitisation	Frauds
Opening provisions	5,410	-	94	2,466	13	240
Provisions made during the year	40,333	-	2	33,132	-	-
Utilisation/write back of provisions during the year	37,080	-	92	30,188	13	146
Closing provisions	8,663	-	4	5,410	-	94

25. 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, 2016

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2016 *(Continued)*

26. 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. Contingent liability reported in Schedule 12 of Balance Sheet under "Claims against bank not acknowledged as debts" is net of provision amount held against the claims, which are classified as probable or reasonably possible. The Bank has documented the 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, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

26. 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;
- g. Amount of Bills rediscounted under the Bills rediscounting scheme; and
- h. Undrawn portion of committed credit lines.

27. 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. 2,390 lakhs (Previous Year: Rs. 2,138 lakhs) under the head "Payments to and provisions for employees", as cost of such awards granted to employees. The Bank has also credited amount of Rs. 641 lakhs (Previous Year: Rs. 2,157 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/2015-16/41, No. 11/2015-16 dated July 01, 2015.

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)**

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

Amount in Rs. lakhs

Particulars	March 31, 2016	March 31, 2015
Number of suppliers registered with competent authorities	33	30
Principal amount remaining unpaid beyond the due date to any supplier as at the year end	80	112
Interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	393	416
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	18	17
Amount of interest accrued and remaining unpaid at the end of the accounting year	18	17
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.

29. There were no penalties levied by RBI during the year ended March 31, 2016. (Previous Year: Rs. 5 lakhs).
30. As at March 31, 2016, there were no outstanding advances against security of intangible assets (Previous Year: outstanding advances – Rs.10,032 lakhs and intangible assets of Rs. 1,632 lakhs).
31. In accordance with RBI instructions for compilation of the financial statements, details of expenses included in 'other expenditure', exceeding 1% of the total income are set out below:

Amount in Rs. lakhs

Nature of expense	2015-2016	2014-2015
Service provider expenses	59,646	55,511

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

32. Details of Complaints

a. Customer Complaints

Particulars	2015-2016	2014-2015
(a) No. of complaints pending at the beginning of the year	68	174
(b) No. of complaints received during the year	6,561	8,806
(c) No. of complaints redressed during the year	6,559	8,912
(d) No. of complaints pending at the end of the year	70	68

b. Awards passed by the Banking Ombudsman

Particulars	2015-2016	2014-2015
(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

33. Bancassurance business

		Amount in Rs. lakhs	
Sr. No.	Nature of Income	2015-2016	2014-2015
1	For selling life insurance policies	2,848	3,012
2	For selling non life insurance policies	760	718
3	For selling mutual fund products	17,809	25,672

34. Provision Coverage Ratio

The Provisioning Coverage Ratio of the Bank stands at 83.04% as on March 31, 2016 (Previous Year: 87.29%). In accordance with RBI circular DBR .No. BP . BC . 2 / 21 . 04 . 048 /2015-16 dated July 1, 2015, 'technical write-offs' upto the balance sheet date are included in the Provision Coverage Ratio.

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****35. 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:

Particulars	Amount in Rs. lakhs	
	2015-2016	2014-2015
(a) Opening balance of amounts transferred to DEAF	7,633	-
(b) Add : Amounts transferred to DEAF during the year	6,261	7,946
(c) Less : Amounts reimbursed by DEAF towards claims	-	313
(d) Closing balance of amounts transferred to DEAF	13,894	7,633

36. 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:

Particulars	Amount in Rs. lakhs	
	2015-2016	2014-2015
Gross amount required to be spent during the year	3,423	2,893
Amount spent during the year	1,759	1,218
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	1,536	1,218
Yet to be paid in cash	223	-

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

37. Concentration of Deposits, Advances, Exposures and NPAs

A (i) Concentration of Deposits

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Total Deposit of twenty largest depositors*	1,406,074	1,184,454
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank*	14.11%	13.43%

* Inter-bank deposits are excluded

(ii) Concentration of Advances*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Total Advances to twenty largest borrowers	7,760,330	7,660,070
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	21.18%	21.78%

* Represents credit exposure (funded and non-funded) including derivatives exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

(iii) Concentration of Exposures*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Total Exposure to twenty largest borrowers/customers	8,234,053	8,082,225
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	21.73%	22.48%

* Represents credit and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

(iv) Concentration of NPAs

Particulars	Amount in Rs. lakhs	
	As at March 31, 2016	As at March 31, 2015
Total Exposure to top four NPA accounts (Gross)	14,620	14,198

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

for the year ended March 31, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****37. Concentration of Deposits, Advances, Exposures and NPAs (Continued)****B. Sector-wise Advances**

Amount in Rs. lakhs				
As at March 31, 2016				
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	333,560	2,459	0.74%
2	Advances to industries sector eligible as priority sector lending	1,067,324	623	0.06%
	Of which			
	(a) All Engineering (Electronics & Others)	147,857	-	0.00%
	(b) Chemicals & Chemical Products	311,702	-	0.00%
	(c) Automobiles	127,668	-	0.00%
3	Services	579,309	10,236	1.77%
	Of which			
	(a) Professional Services	127,816	-	0.00%
	(b) Computer Software	244,746	-	0.00%
	(c) Wholesale Trade	50,386	-	0.00%
4	Personal loans*	138,490	3,281	2.37%
	Sub-total (A)	2,118,683	16,599	0.78%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,446,408	22,720	1.57%
	Of which			
	(a) All Engineering (Electronics & Others)	281,280	8,645	3.07%
	(b) Automobiles	180,514	5,987	3.32%
	(c) Chemicals & Chemical Products	231,582	4,117	1.78%
	(d) Infrastructure	249,220	1,418	0.57%
	(e) Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	162,610	-	0.00%

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

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

B. Sector-wise Advances (Continued)

Amount in Rs. lakhs				
As at March 31, 2016				
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
B	Non - Priority Sector			
3	Services	508,790	5,122	1.01%
	Of which			
	(a) Professional Services	330,239	269	0.08%
	(b) Wholesale Trade	90,631	1,925	2.12%
4	Personal loans*	2,137,067	41,610	1.95%
	Sub-total (B)	4,092,265	69,452	1.70%
	Total (A+B)	6,210,948	86,051	1.39%

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

Amount in Rs. lakhs				
As at March 31, 2015				
Sl. No	Sector	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	9,97,532	503	0.05%
	Of which			
	(a) All Engineering (Electronics & Others)	201,564	-	0.00%
	(b) Chemicals & Chemical Products	285,670	-	0.00%
	(c) Automobiles	133,684	-	0.00%

*(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, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****37. Concentration of Deposits, Advances, Exposures and NPAs (Continued)****B. Sector-wise Advances (Continued)**

<i>Amount in Rs. lakhs</i>				
As at March 31, 2015				
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
3	Services	521,089	18,870	3.62%
	Of which			
	(a) Professional Services	86,527	6,553	7.57%
	(b) Computer Software	220,135	-	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%
	(e) Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	70,135	-	0.00%
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.

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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, 2016

Schedule 18 (Continued)**V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****37. Concentration of Deposits, Advances, Exposures and NPAs (Continued)****C. Movement of NPAs**

Amount in Rs. lakhs

Particulars	2015-2016	2014-2015
Gross NPAs as on April 1	78,057	148,420
Additions (Fresh NPAs) during the year	75,207	55,365
Sub-total (A)	153,264	203,785
Less:-		
(i) Upgradations	7,883	9,487
(ii) Recoveries (excluding recoveries made from upgraded accounts)	23,412	83,612
(iii) Technical Write-offs	34,039	30,682
(iv) Write offs (other than those under (iii) above)	1,879	1,947
Sub-total (B)	67,213	125,728
Gross NPAs as on March 31	86,051	78,057

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

D. Movement in Technical Write-Off

Amount in Rs. lakhs

Particulars	2015-2016	2014-2015
Opening Balance	114,960	224,111
Add: Technical/ Prudential write-offs during the year	34,039	30,682
Less: Recoveries made from previously technical/ prudential written-off accounts during the year*	56,863	139,833
Closing balance	92,136	114,960

* Also includes recovery from cases of technical write off during the year

Schedules forming part of the financial statements of the Indian Branches (Continued)*for the year ended March 31, 2016***Schedule 18 (Continued)****V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)****37. Concentration of Deposits, Advances, Exposures and NPAs (Continued)****E. Overseas Assets, NPAs and Revenue***Amount in Rs. lakhs*

Particulars	2015-2016	2014-2015
Total Assets	1,135,333	420,714
Total NPAs	-	-
Total Revenue	1,681	2,218

The above disclosure comprises of: a) Balance with Banks outside India in current account and other deposit accounts and b) Investments outside India.

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

Name of the SPV sponsored	2015-2016	2014-2015
Domestic	Nil	Nil
Overseas	Nil	Nil

38. 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 with respect to transfer of assets through direct assignment of cash flows:

Amount in Rs. lakhs

Particulars	2015-2016	2014-2015
Total amount of assets transferred through Direct Assignment of Cash Flows	51,319	-
Total amount of On Balance Sheet exposures retained by the bank to comply with MRR as on the date of Balance Sheet	4,859	-

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

for the year ended March 31, 2016

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

39. 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

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

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

Manoj Kumar Vijai

Partner

Membership No: 046882

Pramit Jhaveri

Chief Executive Officer

Niraj Parekh

Chief Financial Officer

Place : Mumbai

Date : 23 June 2016