

Citibank N.A. – India Branches

Financial statements
together with Auditor's Report
for the year ended 31 March 2018

Citibank N.A. – India Branches

Financial statements together with Auditor's Report *for the year ended 31 March 2018*

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INDEPENDENT AUDITORS' REPORT

**To The Chief Executive Officer
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 March 31, 2018, and the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Bank's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to preparation of these financial statements to 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, Companies (Accounting Standards) Amendment Rules, 2016 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India (the "RBI") from time to time as applicable to banks. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder, including the accounting standards, provisions of Section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI as applicable to banks and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 from material misstatement.

6. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements 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 the Bank's Management, as well as evaluating the overall presentation of the financial statements.
7. 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

8. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements together with the notes thereon give the information required by provisions of Section 29 of the Banking Regulation Act, 1949 as well as the Act and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2018 and its profit and its cash flow for the year then ended.

Other Matter

9. The financial statements of the Bank as at March 31, 2017 and for the year then ended were audited by another firm of Chartered accountants who, vide their report dated June 27, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. In our opinion, the Balance Sheet, Profit and Loss Account, and Cash Flow Statement dealt with by this report have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with applicable provisions of Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
11. As required by 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 during the course of our audit, have been within the powers of the Bank; and
 - c) During the course of our audit we have visited 9 branches to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally in Mumbai as all the necessary records and data required for the purposes of our audit are available therein.

12. Further, as required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- c) 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.
- d) 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 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- e) The requirements of Section 164(2) of the Act are not applicable to the bank considering it is a branch of Citibank N.A., which is incorporated with limited liability in the United States of America.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Bank has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements - Refer Schedule 12 and Note V (9) and (27)(i) of Schedule 18 to the financial statements.
 - ii. The Bank has made provision as at March 31, 2018 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note V (26) of Schedule 18 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2018 and

- iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank - Refer Note V (43) of Schedule 18 to the financial statements.

For MSKA & Associates (Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Mumbai
June 27, 2018

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the Chief Executive Officer of Citibank N.A.- India Branches on the financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with Reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Citibank N.A. - India Branches (the "Bank") as of March 31, 2018 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. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note"). 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 Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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.

For MSKA & Associates (Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Swapnil Kale
Partner
Membership No. 117812

Mumbai
June 27, 2018



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

Balance Sheet of the Indian Branches
as at March 31, 2018

	Schedules	31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
CAPITAL & LIABILITIES			
Capital	1	374,384	374,384
Reserves & Surplus	2	1,878,025	1,800,263
Deposits	3	11,369,169	10,401,897
Borrowings	4	1,676,234	593,466
Other liabilities and provisions	5	1,094,979	1,669,062
TOTAL		16,392,791	14,839,072
ASSETS			
Cash and balances with Reserve Bank of India	6	1,463,352	1,059,534
Balances with banks and money at call and short notice	7	501,926	962,429
Investments	8	7,844,251	5,782,062
Advances	9	5,571,293	5,485,692
Fixed Assets	10	141,977	155,851
Other Assets	11	869,992	1,393,504
TOTAL		16,392,791	14,839,072
Contingent Liabilities	12	85,702,988	83,112,016
Bills for Collection		1,768,552	1,449,308

Significant Accounting Policies and Notes to the Financial Statements 18

Schedules referred to herein form an integral part of the Balance Sheet.

As per our report of even date.

For MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

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

Sd/-
Swapnil Kale
Partner
Membership No: 117812

Sd/-
Pramit Jhaveri
Chief Executive Officer

Sd/-
Niraj Parekh
Chief Financial Officer

Place : Mumbai
Date : 27 June 2018



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, 2018

	Schedules	Year ended 31-Mar-18 (Rs. in lakhs)	Year ended 31-Mar-17 (Rs. in lakhs)
I. INCOME			
Interest earned	13	1,047,572	1,045,085
Other income	14	343,353	373,299
TOTAL		1,390,925	1,418,384
II. EXPENDITURE			
Interest expended	15	308,695	360,017
Operating expenses	16	399,026	379,568
Provisions and contingencies	17	342,899	316,238
TOTAL		1,050,620	1,055,823
III. PROFIT			
Net Profit for the year		340,305	362,561
Add: Net profit brought forward		275,615	240,669
TOTAL		615,920	603,230
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		85,076	90,640
Transfer to Capital Reserve on sale of immovable property		1,601	677
Transfer from Investment Reserve		(20,650)	(6,041)
Transfer to Special Reserve		2,341	2,411
Profit Remitted to Head Office		256,610	239,927
Transfer to Remittable Surplus retained for Capital to Risk-Weighted Assets Ratio (CRAR) requirements		11,016	-
Balance carried over to Balance Sheet		279,926	275,615
TOTAL		615,920	603,230

Significant Accounting Policies and Notes to the Financial Statements 18

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

As per our report of even date.

For MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

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

Sd/-
Swapnil Kale
Partner
Membership No: 117812

Sd/-
Pramit Jhaveri
Chief Executive Officer

Sd/-
Niraj Parekh
Chief Financial Officer

Place : Mumbai
Date : 27 June 2018



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

Cash Flow Statement
for the year ended March 31, 2018

	Year ended 31-Mar-18 (Rs. in lakhs)	Year ended 31-Mar-17 (Rs. in lakhs)
<u>Cash flow from operating activities</u>		
Profit before tax	581,288	618,547
<u>Adjustments for:</u>		
Depreciation charge for the year	12,273	12,364
Loss on sale of fixed assets (net)	(2,997)	(1,262)
Provision for depreciation on investments	48,525	14,195
Provisions for non-performing assets/write offs (net)	50,344	46,135
Provision for Restructured Advances	37	30
Provision/(write-back) for Country Risk Exposure	538	(231)
Provision towards unhedged foreign currency exposure	817	123
(Increase)/Decrease in Investments	(2,109,913)	1,296,061
(Increase)/Decrease in Advances	(135,983)	623,193
Increase in Deposits	967,272	380,360
Decrease/(Increase) in other assets	525,652	(384,839)
(Decrease)/Increase in other liabilities and provisions	(575,438)	445,617
Direct taxes paid	(243,123)	(245,428)
Net cash flow (used in)/ generated from operating activities (A)	(880,708)	2,804,865
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(8,575)	(7,265)
Proceeds from sale of fixed assets	7,240	2,695
Purchase of long term investments	(800)	-
Net cash used in investing activities (B)	(2,135)	(4,570)
<u>Cash flow from financing activities</u>		
Remittance to Head Office	(256,610)	(239,926)
Increase/(Decrease) in borrowings	1,082,768	(1,520,533)
Net cash generated from/(used in) financing activities (C)	826,158	(1,760,459)
Net (Decrease)/Increase in cash and cash equivalents (A + B + C)	(56,685)	1,039,836
Cash and cash equivalents as at beginning of the year*	2,021,963	982,127
Cash and cash equivalents as at end of the year*	1,965,278	2,021,963

*Cash and cash equivalents comprises of cash in hand and in ATMs, balances with Reserve Bank of India (RBI) and balances with Banks and Money at call and short notice (refer to schedule 6 and 7 of the Balance Sheet)

The above Cash Flow Statement have been prepared in "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

As per our report of even date.

For MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

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

Sd/-
Swapnil Kale
Partner
Membership No: 117812

Sd/-
Pramit Jhaveri
Chief Executive Officer

Sd/-
Niraj Parekh
Chief Financial Officer

Place : Mumbai
Date : 27 June 2018



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

Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

		31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 1 - CAPITAL			
CAPITAL			
Amount of deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (refer Schedule 18 - Note V (1))		757,500	655,500
CAPITAL			
Initial Capital		20	20
Capital funds from Head Office		374,364	374,364
TOTAL		374,384	374,384
SCHEDULE 2 - RESERVES & SURPLUS			
I. Statutory Reserve			
Opening Balance	721,364		630,724
Additions during the year	85,076		90,640
		806,440	721,364
II. Properties Investment Reserve (refer Schedule 18 - Note V (4))		6,194	6,194
III. Properties Revaluation Reserve			
Opening Balance	33,236		33,795
Additions during the year	-		2,086
Deductions during the year	(5,375)		(2,009)
Depreciation during the year	(557)		(636)
		27,304	33,236
IV. Investment Reserve			
Opening Balance	32,887		38,928
Transfer to the Profit and Loss account (refer Schedule 18 - Note V (6))	(20,650)		(6,041)
		12,237	32,887
V. Capital Reserve on sale of immovable properties			
Opening Balance	12,221		11,544
Additions during the year (refer Schedule 18 - Note V (5))	1,601		677
		13,822	12,221



CITIBANK N.A.

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

Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

		31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 2 - RESERVES & SURPLUS (Continued)			
VI. Special Reserve (refer Schedule 18 - Note V (7))			
Opening Balance	16,391		13,980
Additions during the year	2,341		2,411
		18,732	16,391
Remittable Surplus retained for Capital to Risk-Weighted Assets			
VII. Ratio (CRAR) requirements			
Opening Balance	702,354		702,354
Additions during the year	11,016		-
		713,370	702,354
VIII. Balance in the Profit and Loss Account		279,926	275,615
TOTAL (I + II + III + IV + V + VI + VII + VIII)		1,878,025	1,800,263
SCHEDULE 3 - DEPOSITS			
A. I Demand Deposits			
i) From banks		33,264	81,771
ii) From others		3,924,802	3,533,467
		3,958,066	3,615,238
II Savings Bank Deposits		2,655,903	2,442,551
III Term Deposits			
i) From banks		15	15
ii) From others		4,755,185	4,344,093
		4,755,200	4,344,108
TOTAL (I + II + III)		11,369,169	10,401,897
B. I Deposits of branches in India		11,369,169	10,401,897
II Deposits of branches outside India		-	-
TOTAL (I + II)		11,369,169	10,401,897



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

Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

	31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	950,000	-
ii) Other banks	60	3
iii) Other institutions and agencies	150,340	2,168
TOTAL (i + ii + iii)	1,100,400	2,171
II. Borrowings outside India	575,834	591,295
TOTAL (I + II)	1,676,234	593,466
Secured borrowings included in I above	1,100,340	2,168
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	61,127	69,439
II. Inter - office adjustments (net)	361	68
III. Interest accrued	18,147	19,182
IV. Provisions against standard assets (refer Schedule 18 - Note V (13.7))	58,520	57,703
V. Others (including provisions)	956,824	1,522,670
TOTAL (I + II + III + IV + V)	1,094,979	1,669,062



CITIBANK N.A.

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

Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

		31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes)		10,897	10,839
II. Balances with Reserve Bank of India			
i) in Current account	482,455		448,695
ii) in Other Deposit accounts	970,000		600,000
		1,452,455	1,048,695
TOTAL (I + II)		1,463,352	1,059,534

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

I. In India			
i) Balances with banks			
a) In Current accounts	14,399		14,651
b) In Other Deposit accounts	22,225		225
TOTAL (a + b)		36,624	14,876
ii) Money at call and short notice			
a) With banks	-		-
b) With other institutions	72,813		842,518
TOTAL (a + b)		72,813	842,518
TOTAL (i + ii)		109,437	857,394
II. Outside India			
i) In Current account	49,225		102,056
ii) In Other Deposit accounts	343,264		2,979
iii) Money at call and short notice	-		-
TOTAL (i + ii + iii)		392,489	105,035
TOTAL (I + II)		501,926	962,429



CITIBANK N.A.
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Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

	31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in		
i) Government securities	6,461,201	5,132,524
ii) Other approved securities	-	-
iii) Shares	2,042	1,242
iv) Debentures and Bonds (refer Schedule 18 Note V (2))	228,830	-
v) Others (refer Schedule 18 Note V (2))	370,915	81
TOTAL (i + ii + iii + iv + v)	7,062,988	5,133,847
II. Investments outside India in		
(i) Government securities (Including local authorities) (refer Schedule 18 Note V (13.13. (A)))	781,263	648,215
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Other investments	-	-
TOTAL (i + ii + iii)	781,263	648,215
TOTAL (I + II)	7,844,251	5,782,062
SCHEDULE 9 - ADVANCES		
A.		
i) Bills purchased and discounted	580,608	526,688
ii) Cash credits, overdrafts and loans repayable on demand	1,125,801	1,085,302
iii) Term loans	3,864,884	3,873,702
TOTAL (i + ii + iii)	5,571,293	5,485,692
B		
i) Secured by tangible assets (Including advances against book debts)	1,982,796	1,989,961
ii) Covered by Bank / Government guarantees	27,434	89,179
iii) Unsecured	3,561,063	3,406,552
TOTAL (i + ii + iii)	5,571,293	5,485,692
C. I. Advances in India		
i) Priority sector	1,812,970	2,017,373
ii) Public sector	131	854
iii) Banks	2,682	347
iv) Others	3,755,510	3,467,118
TOTAL (i + ii + iii + iv)	5,571,293	5,485,692
C. II. Advances outside India	-	-
TOTAL (C. I + C. II)	5,571,293	5,485,692
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	(2,844)	(2,696)
TOTAL	4,562	4,710


CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)
Schedules forming part of the Balance Sheet of the Indian Branches (Continued)
as at March 31, 2018

	31-Mar-18 (Rs. in lakhs)	31-Mar-17 (Rs. in lakhs)
SCHEDULE 10 - FIXED ASSETS (Continued)		
II. Premises		
At cost as on 1 April	95,234	96,018
Additions during the year	-	-
Deductions during the year	(2,757)	(784)
	92,477	95,234
Depreciation to date	(10,132)	(8,802)
	82,345	86,432
Add: Revaluation of Premises	27,304	33,237
TOTAL	109,649	119,669
III. A Other Fixed assets (including intangibles) (refer Schedule 18 - Note V (10))		
At cost as on 1 April	89,552	87,588
Additions during the year	8,135	5,554
Deductions during the year	(4,684)	(3,590)
	93,003	89,552
Depreciation to date	(66,837)	(60,719)
	26,166	28,833
B Other Fixed assets (taken on lease)		
At cost as on 1 April	5,985	6,557
Additions during the year	626	1,339
Deductions during the year	(933)	(1,911)
	5,678	5,985
Depreciation to date	(4,264)	(3,718)
	1,414	2,267
TOTAL (III A + III B)	27,580	31,100
IV. Capital Work-in-progress	186	372
TOTAL (I + II + III + IV)	141,977	155,851

SCHEDULE 11 - OTHER ASSETS

I. Inter-office adjustment (net)	-	-
II. Interest accrued	165,236	148,815
III. Tax paid in advance/tax deducted at source (net of provision for tax) (refer Schedule 18 - Note V (9))	43,849	38,726
IV. Non-banking assets acquired in satisfaction of claims	-	-
V. Deferred tax assets (net) (refer Schedule 18 - Note V (21))	24,980	27,009
VI. Others (refer Schedule 18 - Note V (11))	635,927	1,178,954
TOTAL (I + II + III + IV + V + VI)	869,992	1,393,504

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	43,829	39,716
II. Liability on account of outstanding forward exchange contracts	36,352,388	45,510,994
III. Liability on account of outstanding Rupee Interest Rate Swaps	44,939,982	33,561,003
IV. Guarantees given on behalf of constituents		
a) In India	1,481,298	1,724,054
b) Outside India	631,919	333,980
V. Acceptances, endorsements and other obligations	1,981,100	1,765,660
VI. Others	272,472	176,608
TOTAL (I + II + III + IV + V + VI)	85,702,988	83,112,016



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

Schedules forming part of the Profit and loss account of the Indian Branches (Continued)
for the year ended March 31, 2018

	Year ended 31-Mar-18 (Rs. in lakhs)	Year ended 31-Mar-17 (Rs. in lakhs)
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	567,018	598,847
II Income on investments	427,494	409,996
III Interest on balances with Reserve Bank of India and other inter-bank funds	34,593	25,350
IV Others	18,467	10,892
TOTAL (I + II + III + IV)	1,047,572	1,045,085
SCHEDULE 14 - OTHER INCOME		
I Commission, exchange and brokerage (net)	148,835	136,651
II (Loss)/Profit on sale of investments (net)	(10,192)	42,367
III Profit on sale/ (write-off) of fixed assets (net)	2,997	1,262
IV Profit on exchange transactions (net)	189,485	185,682
V Miscellaneous income	12,228	7,337
TOTAL (I + II + III + IV + V)	343,353	373,299
SCHEDULE 15 - INTEREST EXPENDED		
I Interest on deposits	287,260	330,911
II Interest on Reserve Bank of India/ Inter-bank borrowings	14,867	17,861
III Others	6,568	11,245
TOTAL (I + II + III)	308,695	360,017
SCHEDULE 16 - OPERATING EXPENSES		
I Payments to and provisions for employees	128,738	125,590
II Rent, taxes and lighting	15,911	15,958
III Printing and stationery	4,275	3,932
IV Advertisement and publicity	9,953	9,557
V Depreciation on Bank's property	12,273	12,364
VI Auditors' fees and expenses	129	146
VII Law charges	1,014	1,016
VIII Postage, telegrams, telephones, etc.	42,207	47,299
IX Repairs and maintenance	11,442	6,997
X Insurance	12,841	12,160
XI Other expenditure	160,243	144,549
TOTAL (I + II + III + IV + V + VI + VII + VIII + XI + X + XI)	399,026	379,568
SCHEDULE 17 - PROVISIONS AND CONTINGENCIES		
I Provision for non-performing assets / write offs (net)	50,344	46,135
II Provision for standard assets	817	123
III Provision for current taxation	238,953	252,629
IV Deferred tax charge	2,029	3,357
V Provision for depreciation/(Write back) of provision on Investments	48,525	14,195
VI Others (refer Schedule 18 - Note V (8))	2,231	(201)
TOTAL (I + II + III + IV + V + VI)	342,899	316,238

Schedules forming part of the financial statements of the Indian Branches

for the year ended March 31, 2018

Schedule 18

I. Background

The accompanying financial statements for the year ended March 31, 2018 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, 2018 are at:

Ahmedabad, Aurangabad, Bengaluru (M.G. Road and South End Road), Chandigarh, Chennai (Anna Salai and Alwarpet), Coimbatore, Faridabad, Gurgaon, Jaipur, Kochi, Kolkata (Brabourne Road and Chowringhee Road), Lucknow, Mumbai (Lower Parel, Andheri, Fort, Juhu, Khar, Vashi and Thane), Nagpur, Nasik, New Delhi (Connaught Circus, Punjabi Bagh, Nehru Place, South Extension and Vasant Vihar), Noida, Pune, Hyderabad (S.P.Road and Serilingampally Mandal), Surat and Vadodara.

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 the Reserve Bank of India (the '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 and Companies (Accounting Standards) Amendment Rules, 2016 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). The financial statements are presented in Indian Rupees rounded off to the nearest lakhs, unless otherwise stated.

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

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.

**Schedules forming part of the financial statements of the Indian Branches
(Continued)***for the year ended March 31, 2018***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****1) Investments (Continued)*****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 amortised 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 basis. Where in the opinion of the management, and in accordance with RBI guidelines, a diminution, other than temporary, in the value of investments classified under HTM has taken place, suitable provisions are made.

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') / Financial Benchmarks India Private Limited ('FBIL') 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 basis.

Investments in Pass Through Certificates and Corporate Bonds 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 break-up value if the latest balance sheet is available, if unavailable at Re 1 per equity share. Net depreciation, if any, within each category of investments is recognized in the Profit and Loss account. The net appreciation, if any, under each category is not recognized, except to the extent of depreciation previously provided.

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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

1) Investments (Continued)

Valuation (Continued)

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) and Marginal Standing Facility (MSF) are accounted for as borrowing and lending transactions as per circular RBI/2015-2016/403 FMRD.DIRD. 10 /14.03.002/2015-16 dated May 19, 2016 and amendments thereto.

Broken period interest

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

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

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-

**Schedules forming part of the financial statements of the Indian Branches
(Continued)***for the year ended March 31, 2018***Schedule 18 (Continued)****IV. Significant accounting policies (Continued)****2) Advances (Continued)**

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.

In case the sale of NPA is to non SC/RC, same is accounted for in accordance with the RBI guidelines on "Purchase/Sale of Non Performing Financial Assets", wherein if the sale of non-performing advances is for a value higher than the NBV of the loans, the excess provision is not reversed but is held back to meet the shortfall/loss on account of sale of other non-performing advances. In case of a sale at a value lower than NBV, the shortfall is recognised in the profit and loss account in the year of sale after setting off any earlier provision held back on sale of other non-performing advances.

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

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

for the year ended March 31, 2018

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

3) Foreign currency transactions (Continued)

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.

In compliance with AS 11, The Effects of Changes in Foreign Exchange Rates, 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.

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, forward rate agreements ('FRA') 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 RBI circular Ref.No.MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999.

A FRA is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate,

IV. Significant accounting policies (Continued)

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

for the year ended March 31, 2018

Schedule 18 (Continued)

4) Rupee derivative transactions (Continued)

which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is Mumbai Interbank Offer Rate (MIBOR). 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 FRA contracts is recorded as contingent liability

5) Fixed assets and depreciation

Fixed assets are accounted as per Revised AS 10, Property Plant and Equipment.

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. The useful life estimates prescribed in Part C of Schedule II of the Companies Act, 2013 are generally adhered to, except 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.

IV. Significant accounting policies (Continued)

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

for the year ended March 31, 2018

Schedule 18 (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 an excluded provident fund for all its employees which is an approved trust as per the Income tax Act, 1961. 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.

(g) Long term service award cost

The Bank provides for long term service liability, for eligible employees based on length of service, based on actuarial valuation performed by an independent actuary using the Projected Unit Credit Method as at the balance sheet date.

IV. Significant accounting policies (Continued)

7) Income recognition

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

for the year ended March 31, 2018

Schedule 18 (Continued)

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 in accordance with RBI Master Circular - DBR.No.BP.BC. 2/21.04.048/ 2015-16 dated July 1, 2015 and amendments thereto.

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 amortised over the life of the underlying asset.

Gain arising on securitisation is amortised over the life of security issued/to be issued by the SPV ('special purpose vehicle') with upfront recognition of retained service costs. 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, 2018

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

9) Taxation (Continued)

The Bank accounts for deferred taxes in accordance with the provisions of AS 22, Accounting for Taxes on Income.

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 substantively 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

Assets taken on lease are accounted for in accordance with provisions of AS 19, 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

In accordance with AS 29, 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 embodying economic benefits 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

12) Priority Sector Lending Certificates (PSLCs)

The Bank vide RBI circular FIDD.CO.Plan.BC.23/ 04.09.01/2015-16 dated April 7, 2016 transacts in PSLCs. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' (included in Schedule 16 (XI)) and the fee received from the sale of PSLCs is treated as 'Other Income' (included in Schedule 14 (V)).

V. Notes forming part of the financial statements for the year ended March 31, 2018

- 1 The Bank is required to lodge additional securities with RBI under section 11(2)(b) of the Banking Regulation Act, 1949 amounting to Rs. 85,076 lakhs for the year ended March 31, 2018 (Previous Year: Rs. 90,640 lakhs). As at March 31, 2018, the face value of securities lodged with RBI stands at Rs. 757,500 lakhs (Previous Year: Rs. 655,500 lakhs).
- 2 The Bank has invested in Corporate Bonds (refer schedule 8I(iv)) amounting to Rs. 228,830 lakhs (Previous Year: Nil) and Commercial Paper (included in schedule 8I(v)) amounting to Rs. 228,906 lakhs (Previous Year: Nil) issued by Corporate and Financial Institution clients to meet their funding requirements (refer note 13.14). Other investments (refer schedule 8I(v)) also include investments in Certificate of Deposits amounting to Rs. 74,927 lakhs (Previous Year: Nil) and in Pass Through Certificates (PTC) amounting to Rs. 67,082 lakhs (Previous Year: Rs. 81 lakhs).
- 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 As 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, 2018 of Rs. 6,194 lakhs (Previous year: Rs. 6,194 lakhs).
- 5 During the year, there was a sale of three premises owned by the Bank. Gain of Rs. 3,762 lakhs (Previous year: 1,592 lakhs) on sale has been reported under Other Income. The net gain amount after netting for tax was Rs. 2,134 lakhs (Previous year: Rs 903 lakhs) of which Rs. 534 lakhs (Previous year: Rs. 226 lakhs) has been appropriated to statutory reserves and the balance Rs. 1,601 lakhs appropriated to Capital Reserve (Previous year: Rs 677 lakhs).
- 6 During the year, the Bank has not appropriated any amount to Investment Reserve. Further, the Bank has drawn down Rs. 20,650 lakhs from this reserve during the year (Previous Year: Rs. 6,041 lakhs) in accordance with RBI Master Circular DBR No BP.BC.6/ 21.04.141/ 2015-16 dated July 1, 2015 and amendments thereto.
- 7 The Bank has created an incremental Special Reserve of Rs. 2,341 lakhs (Previous Year Rs. 2,411 lakhs) pursuant to clause (viii) under sub-section (1) to section 36 of the Income Tax Act, 1961.
- 8 Provisions and Contingencies - Others (Schedule 17 (VI)) comprises of Rs. 37 lakhs debited to the Profit and Loss account (Previous Year: release Rs. 30 lakhs) on account of fair value diminution on restructured standard assets and Rs. 538 lakhs debited on account of Country risk provision (Previous Year: Rs. 231 lakhs) and provision towards guarantee exposures Rs. 1,656 lakhs (Previous Year: Nil).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

- 9 Other Assets (Schedule 11 (III)) includes Rs. 51,704 lakhs (Previous Year: Rs. 48,901 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.

10 Intangible Assets (Software)

The Bank has capitalised software under Fixed assets (Schedule 10 (III) (A)) amounting to Rs. 1,700 lakhs during the year (Previous Year: Rs. 352 lakhs). The movement is disclosed below:

<i>Amount in Rs. lakhs</i>		
Intangible Assets (Software)	2017-2018	2016-2017
At cost as on 1 April	21,693	21,341
Additions during the year	1,700	352
Deductions during the year	(154)	-
Depreciation to Date	<u>(17,674)</u>	<u>(16,093)</u>
Total	5,565	5,600

- 11 The Bank has outstanding Deposits with NABARD of Rs. 2,330 lakhs (Previous Year: Rs. 2,084 lakhs), National Housing Bank of Rs. 1,014 lakhs (Previous Year: Rs. 1,014 lakhs) and SIDBI of Rs. 423 lakhs (Previous Year: Rs. 212 lakhs) under priority sector lending schemes which are disclosed under Schedule 11 (VI) Other Assets.

- 12 a) The Bank has not availed the option to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018 over upto four quarters vide RBI circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018.

b) During the year under review, the Government of India introduced Goods and Services Tax (GST), a pan India comprehensive indirect tax reform. The Bank enhanced systems, reporting processes and successfully implemented GST with effect from July 1, 2017. The Bank continues to monitor changes in the GST rules and implement modifications, where required, as a result of such changes.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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 dated July 1, 2015 and amended thereto.

Ratio	As at March 31, 2018	As at March 31, 2017
Common Equity Tier I capital ratio	16.32%	16.71%
CRAR – Total Capital ratio	17.00%	17.63%
CRAR – Tier I Capital ratio	16.32%	16.71%
CRAR – Tier II Capital ratio	0.68%	0.92%

The Bank has not raised any additional Tier I and Tier II capital during the years ended March 31, 2018 and March 31, 2017.

13.2. Business ratios

Ratio	2017-2018	2016-2017
Percentage of net NPAs to net advances	0.55%	0.46%
Interest income as a percentage to working funds	6.86%	7.07%
Non-interest income as a percentage to working funds	2.25%	2.53%
Operating profit as a percentage to working funds	4.48%	4.59%
Return on assets	2.23%	2.45%
Business (deposits plus advances) per employee (Amount in Rs. lakhs)	3,236	3,029
Profit per employee (Amount in Rs. lakhs)	67	69

Note:

- Working funds represent average of total assets as reported to RBI in Form X. Return on assets is also based on 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, 2018 and March 31, 2017 respectively.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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 up to 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 customer loan funding requirements entirely through customer deposits and does not rely on interbank or market funding.

Liquidity buffer in excess of Statutory Liquidity Ratio (SLR) requirements to meet unforeseen 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 its Balance Sheet growth, with current and savings account (CASA) deposits ratio at 58.17% as of March 31, 2018. The weighted cash outflows are calibrated by the largely operational nature of the Bank's deposit base and the proportion of retail deposits, 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 short term placements and are capped at 75% of weighted cash outflows as per guidelines. For FY 2017-18, HQLA includes the eligible amounts upto a maximum of 11% of NDTL under the FALLCR & MSF facilities as per the RBI guidelines. The following table sets forth, the quarterly average of unweighted and weighted values of the LCR of the Bank. The simple average has been computed based on daily values for the year ended March 31, 2018.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.3. Liquidity coverage ratio (Continued)

		Amount in Rs. Lakhs			
		Q1 2017-18		Q2 2017-18	
		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)		5,444,798		5,733,995
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:	3,801,302	351,520	3,551,608	327,973
(i)	Stable deposits	572,206	28,610	543,746	27,187
(ii)	Less stable deposits	3,229,096	322,910	3,007,862	300,786
3	Unsecured wholesale funding, of which:	6,734,390	2,533,780	6,687,127	2,520,731
(i)	Operational deposits (all counterparties)	3,404,330	850,237	3,272,966	817,375
(ii)	Non-operational deposits (all counterparties)	3,330,060	1,683,543	3,414,161	1,703,356
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	185,062	-	10,726	-
5	Additional requirements, of which	1,664,633	567,295	1,623,664	438,878
(i)	Outflows related to derivative exposures and other collateral requirements	458,661	458,661	323,205	323,205
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,205,972	108,634	1,300,459	115,673
6	Other contractual funding obligations	372,594	372,594	596,253	596,253
7	Other contingent funding obligations	5,563,532	228,222	5,489,103	228,084
8	Total Cash Outflows		4,053,411		4,111,919
	Cash Inflows				
9	Secured lending (e.g. reverse repos)	885,248	-	1,004,102	-
10	Inflows from fully performing exposures	1,018,002	530,849	989,354	511,529
11	Other cash inflows	841,403	805,359	609,200	582,342
12	Total Cash Inflows	2,744,653	1,336,208	2,602,656	1,093,871
13	Total HQLA		5,444,798		5,733,995
14	Total Net Cash Outflows		2,717,203		3,018,048
15	Liquidity Coverage Ratio (%)		200.38%		189.99%

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.3. Liquidity coverage ratio (Continued)

		Amount in Rs. Lakhs			
		Q3 2017-18		Q4 2017-18	
		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)		5,094,395		5,206,054
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	3,480,094	321,398	3,549,157	327,917
(i)	Stable deposits	532,229	26,611	539,975	26,999
(ii)	Less stable deposits	2,947,865	294,787	3,009,182	300,918
3	Unsecured wholesale funding, of which:	6,743,998	2,541,405	6,979,353	2,629,326
(i)	Operational deposits (all counterparties)	3,327,996	831,126	3,305,627	825,531
(ii)	Non-operational deposits (all counterparties)	3,416,002	1,710,279	3,673,726	1,803,795
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	19,751	-	277,590	-
5	Additional requirements, of which	1,935,054	681,685	2,091,814	836,840
(i)	Outflows related to derivative exposures and other collateral requirements	528,243	528,243	681,330	681,330
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,406,811	153,442	1,410,484	155,509
6	Other contractual funding obligations	324,238	324,238	361,131	361,131
7	Other contingent funding obligations	5,655,839	234,887	5,985,715	245,644
8	Total Cash Outflows		4,103,613		4,400,858
Cash Inflows					
9	Secured lending (e.g. reverse repos)	635,724	-	367,578	-
10	Inflows from fully performing exposures	909,609	466,781	1,034,872	546,487
11	Other cash inflows	904,415	872,796	928,728	901,043
12	Total Cash Inflows	2,449,748	1,339,577	2,331,178	1,447,530
13	Total HQLA		5,094,395		5,206,054
14	Total Net Cash Outflows		2,764,037		2,953,327
15	Liquidity Coverage Ratio (%)		184.31%		176.28%

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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 December 31, 2016, September 30, 2016, and June 30, 2016 and daily values for the quarter ended March 31, 2017 is as below:

		Amount in Rs. Lakhs			
		Q1 2016-17		Q2 2016-17	
		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)		4,661,150		4,614,336
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:	4,001,187	371,463	3,842,917	354,980
(i)	Stable deposits	573,105	28,655	586,224	29,311
(ii)	Less stable deposits	3,428,082	342,808	3,256,693	325,669
3	Unsecured wholesale funding, of which:	5,346,020	1,952,898	6,092,459	2,469,071
(i)	Operational deposits (all counterparties)	2,689,276	671,480	2,918,851	728,870
(ii)	Non-operational deposits (all counterparties)	2,656,744	1,281,418	3,173,608	1,740,201
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	-	-	-	-
5	Additional requirements, of which	1,683,251	596,967	1,632,772	524,158
(i)	Outflows related to derivative exposures and other collateral requirements	490,813	490,813	414,915	414,915
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,192,438	106,154	1,217,857	109,243
6	Other contractual funding obligations	159,768	159,768	156,561	156,561
7	Other contingent funding obligations	5,133,459	208,844	5,200,810	212,296
8	Total Cash Outflows		3,289,940		3,717,068
	Cash Inflows				
9	Secured lending (e.g. reverse repos)	216,013	-	116,148	-
10	Inflows from fully performing exposures	1,030,408	504,053	1,175,581	630,000
11	Other cash inflows	1,136,884	1,070,079	1,351,738	1,316,471
12	Total Cash Inflows	2,383,305	1,574,132	2,643,467	1,946,471
13	Total HQLA		4,661,150		4,614,336
14	Total Net Cash Outflows		1,715,809		1,770,597
15	Liquidity Coverage Ratio (%)		271.66%		260.61%

**Schedules forming part of the financial statements of the Indian Branches
(Continued)**
for the year ended March 31, 2018
Schedule 18 (Continued)
**V. Notes forming part of the financial statements for the year ended
March 31, 2018 (Continued)**
13.3. Liquidity coverage ratio (Continued)
Amount in Rs. Lakhs

		Q3 2016-17		Q4 2016-17	
		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)		4,394,618		5,131,120
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	3,911,561	361,123	3,797,323	351,281
(i)	Stable deposits	600,658	30,033	569,035	28,452
(ii)	Less stable deposits	3,310,903	331,090	3,228,288	322,829
3	Unsecured wholesale funding, of which:	6,066,364	2,288,701	6,052,247	2,246,238
(i)	Operational deposits (all counterparties)	3,086,523	770,778	3,090,740	771,830
(ii)	Non-operational deposits (all counterparties)	2,979,841	1,517,923	2,961,507	1,474,408
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding				
5	Additional requirements, of which	1,674,010	526,529	1,710,810	631,838
(i)	Outflows related to derivative exposures and other collateral requirements	356,969	356,969	364,769	364,769
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,317,041	169,560	1,346,041	267,069
6	Other contractual funding obligations	181,694	181,694	441,355	441,355
7	Other contingent funding obligations	5,264,342	215,134	5,218,917	215,631
8	Total Cash Outflows		3,573,181		3,886,343
Cash Inflows					
9	Secured lending (e.g. reverse repos)	796,081	-	764,835	-
10	Inflows from fully performing exposures	1,110,072	575,879	1,011,379	533,968
11	Other cash inflows	1,037,708	1,002,156	697,366	672,197
12	Total Cash Inflows	2,943,861	1,578,035	2,473,581	1,206,165
13	Total HQLA		4,394,618		5,131,120
14	Total Net Cash Outflows		1,995,145		2,680,179
15	Liquidity Coverage Ratio (%)		220.27%		191.45%

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.4. Asset Liability Management

Maturity pattern as at March 31, 2018

Maturity Bucket	Loans and Advances*	Investments	Deposits	Borrowings	Amount in Rs. lakhs	
					Foreign Currency Assets	Foreign Currency Liabilities
Day 1	(182,904)	4,239,286	810,223	399,098	339,029	235,577
2 to 7 days	192,607	195,490	2,579,321	622,673	315,440	118,258
8 to 14 days	238,446	195,427	492,172	232,658	252,002	67,845
15 to 30 days	309,447	644,780	306,576	79,180	172,354	99,670
31 days and upto 2 months	292,587	757,963	256,032	244,670	518,575	249,154
Over 2 months and upto 3 months	308,099	52,886	197,221	45,226	99,035	48,900
Over 3 months and upto 6 months	268,243	38,159	121,917	48,858	150,284	87,828
Over 6 months and upto one year	569,214	214,267	101,122	426	95,381	28,851
Over one year and upto 3 years	2,387,892	1,281,269	6,499,562	1,372	245,561	603,076
Over 3 years and upto 5 years	715,440	1,714	4,472	2,073	195,884	4,563
Over 5 years	472,222	223,010	551	-	48,164	18,981
Total	5,571,293	7,844,251	11,369,169	1,676,234	2,431,709	1,562,703

Maturity pattern as at March 31, 2017

Maturity Bucket	Loans and Advances*	Investments	Deposits	Borrowings	Amount in Rs. lakhs	
					Foreign Currency Assets	Foreign Currency Liabilities
Day 1	257,792	2,897,212	967,127	82,886	121,824	174,172
2 to 7 days	(365,460)	-	1,372,325	58,178	65,550	145,090
8 to 14 days	100,632	-	629,624	48,779	53,795	78,936
15 to 30 days	509,519	1,241,920	139,383	287,187	970,212	308,805
31 days and upto 2 months	299,461	212,451	267,267	56,398	102,064	65,030
Over 2 months and upto 3 months	283,342	25,969	156,800	28,153	79,132	49,774
Over 3 months and upto 6 months	478,585	15,825	334,537	28,257	203,788	286,349

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.4. Asset Liability Management (Continued)

Maturity pattern as at March 31, 2017 (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	732,238	36,733	251,167	555	190,775	35,111
Over one year and upto 3 years	2,048,721	1,184,596	6,278,545	1,092	168,996	531,510
Over 3 years and upto 5 years	622,959	632	4,670	1,357	164,336	2,891
Over 5 years	517,903	166,724	452	624	18,528	12,264
Total	5,485,692	5,782,062	10,401,897	593,466	2,139,000	1,689,932

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.
- * Loans and Advances include cash outflows on account of settlement of Inter-Bank Participation Certificate (IBPC) issued and Bills Rediscounted under Bills Rediscounting scheme by the Bank.

13.5. Lending to sensitive sectors

A) Exposure to real estate sector

Amount in Rs. lakhs		
Category	As at March 31, 2018	As at March 31, 2017
1. Direct exposure (A)	1,152,306	1,201,926
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	1,097,007	1,139,278
Of which individual housing loans eligible for inclusion in priority sector advances	31,703	42,743
(ii) Commercial real estate		
Lending secured by mortgages on income producing real estates	34,090	29,748
(iii) Others*	21,209	32,900

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.5. Lending to sensitive sectors (Continued)

A) Exposure to real estate sector (Continued)

Category	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
2. Indirect exposure (B)	297,309	274,017
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	297,309	274,017
Total (A+B)	1,449,615	1,475,943

*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, 2018	As at March 31, 2017
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	2,042	1,242
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	27,678	33,709
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	76,460	193,218
Facility secured against residential real estate classified as CME based on the end use of the loan which is investment into capital markets	-	2,016
Other financial guarantees	19,493	13,780
Total	125,673	243,966

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.6. Movement in Non- performing assets

Particulars	2017-2018			2016-2017		
	Gross NPA	Provision *	Net NPA	Gross NPA	Provision *	Net NPA
Opening balance as on April 1	84,751	59,549	25,202	86,051	55,831	30,220
Additions during the year	90,530	34,323	56,207	79,466	34,608	44,858
Recoveries / write offs during the year	(88,699)	(37,797)	(50,902)	(80,766)	(30,890)	(49,876)
Closing balance as on March 31	86,582	56,075	30,507	84,751	59,549	25,202
*Excluding provisions on standard assets						

The percentage of net NPA to net advances is 0.55% as at March 31, 2018 (Previous Year: 0.46%)

13.7. Provision against standard assets

Category	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
General standard asset provision	50,174	50,174
Provision held towards client's unhedged foreign currency exposure	8,346	7,529
Total	58,520	57,703

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 consolidated under RBI circular DBR .No. BP . BC . 2 / 21 .04 . 048 /2015-16 dated July 1, 2015.

13.8. Provision for client's unhedged foreign currency exposure ('UFCE')

The assessment of client's 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.8. Provision on standard assets (UFCE) (Continued)

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 consolidated under RBI circular DBR .No. BP . BC . 2 / 21 .04 . 048 /2015-16 dated July 1, 2015, the incremental provisions and capital held by the Bank towards this risk as at March 31, 2018 is as follows:

Particulars	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
Provision held	8,346	7,529
Additional Risk weighted assets	348,624	231,984
Additional Capital	45,757	27,258

13.9. Floating Provision

In accordance with the requirements laid down by RBI guidelines, the Bank has formulated a policy on floating provisions. The Bank continues to review the requirement for fresh provisions in accordance with this policy. There have not been any substantial changes in factors that were considered for the earlier assessment and as such there have been no incremental provisions required for the year ended March 31, 2018 (Previous Year: Nil). Floating provision outstanding as at March 31, 2018 has been included under Schedule 5 – Other liabilities and provisions.

Movement in floating provision is given below:

Category	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
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, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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:

Amount in Rs. lakhs

Type of Restructuring		Standard		Sub-Standard		Others Doubtful		Loss		Total	
Asset Classification		Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
Details		year	year	year	year	year	year	year	year	year	year
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	7,124	7,019	1,939	1,338	134	112	93	85	9,290	8,554
	Amount outstanding	1,476	1,289	4,298	8,527	6,229	272	141	70	12,144	10,158
	Provision thereon	171	133	1,251	6,559	6,229	272	141	70	7,792	7,034
Fresh restructuring during the year	No. of borrowers	-	-	5,191	3,187	738	54	80	41	6,009	3,282
	Amount outstanding	-	-	7,456	6,064	1,075	180	81	108	8,612	6,352
	Provision thereon	-	-	2,556	1,781	850	320	81	108	3,487	2,209
Upgradations to restructured standard category during the FY	No. of borrowers	788	657	(529)	(599)	(235)	(48)	(24)	(10)	-	-
	Amount outstanding	1,718	891	(1,193)	(832)	(519)	(56)	(6)	(2)	-	-
	Provision thereon	724	234	(352)	(176)	(366)	(56)	(6)	(2)	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

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Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.10. Restructured loans (Continued)

Amount in Rs. lakhs

Type of Restructuring		Standard		Sub-Standard		Others		Loss		Total	
Asset Classification						Doubtful					
Details		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Downgradations of restructured accounts during the FY	No. of borrowers	(145)	(178)	32	24	106	149	7	5	-	-
	Amount outstanding	(170)	(115)	79	(5,882)	88	5,994	3	3	-	-
	Provision thereon	(170)	(115)	79	(5,742)	88	5,854	3	3	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	(1,956)	(1,698)	(77)	(59)	(53)	(17)	(2,086)	(1,774)
	Amount outstanding	-	-	(2,537)	(2,518)	(152)	(102)	(88)	(33)	(2,777)	(2,653)
	Provision thereon	-	-	(761)	(755)	(152)	(102)	(88)	(33)	(1,001)	(890)
Restructured accounts Recovered during the FY	No. of borrowers	(348)	(374)	(1,748)	(313)	(410)	(74)	(22)	(11)	(2,528)	(772)
	Amount outstanding	(805)	(589)	(1,273)	(1,062)	(94)	(57)	(35)	(4)	(2,207)	(1,712)
	Provision thereon	(480)	(81)	(765)	(416)	(94)	(57)	(35)	(4)	(1,375)	(558)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	7,419	7,124	2,929	1,939	256	134	81	93	10,685	9,290
	Amount outstanding	2,218	1,476	6,830	4,298	6,627	6,229	97	141	15,773	12,145
	Provision thereon	245	171	2,007	1,251	6,555	6,229	97	141	8,904	7,793

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

for the year ended March 31, 2018

Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
13.11. A) Details of financial assets sold to securitization/reconstruction company for assets reconstruction

<i>Amount in Rs. lakhs</i>		
Particulars	2017-2018	2016-2017
(i) Number of accounts	96	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate consideration	930	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value	930	-

B) Details of non performing financial assets sold to banks

<i>Amount in Rs. lakhs</i>		
Particulars	2017-2018	2016-2017
(i) Number of accounts sold	12	-
(ii) Aggregate outstanding (net of provisions)	43	-
(iii) Aggregate consideration received	239	-

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).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.13. Investment

A. Value of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
(1) Gross value of investments		
(a) In India	7,127,451	5,149,785
(b) Outside India*	781,263	648,215
(2) Provisions for depreciation		
(a) In India	64,463	15,938
(b) Outside India*	-	-
(3) Net value of investments		
(a) In India	7,062,988	5,133,847
(b) Outside India*	781,263	648,215

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

Investments include government securities representing face value of Rs. 3,679,937 lakhs (Previous Year: Rs. 2,098,050 lakhs) deposited for settlement guarantee fund, default funds and Collateralised Borrowings and Lending Obligation (CBLO) with Clearing Corporation of India (CCIL) and National Stock Clearing Corporation (NSCCL); 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).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.13. Investment (Continued)

B. Movement of provisions held towards depreciation of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening balance as on April 1	15,938	1,743
Add: Provision made during the year	48,525	14,195
Less: Write back of provisions during the year	-	-
Closing balance as on March 31	64,463	15,938

13.14. Non-SLR investment portfolio

A) Issuer composition of non-SLR investments as on March 31, 2018

Amount in Rs. lakhs						
Sr No	Issuer	Amount	Extent of private placement **	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	Public sector undertakings	-	-	-	-	-
(ii)	Financial institutions	296,983	296,982	-	-	177,109
(iii)	Banks	74,927	74,927	-	-	74,927
(iv)	Private corporates	162,839	162,839	-	1,042	1,07,839
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	850,057	68,795	-	1,000	68,795
(vii)	Provisions held towards depreciation	(1,756)	-	-	-	-
	Total	1,383,050	603,543	-	2,042	428,670

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.14. Non-SLR investment portfolio (Continued)

A) Issuer composition of non-SLR investments as on March 31, 2018 (Continued)

Issuer composition of non-SLR investments as on March 31, 2017

Amount in Rs. lakhs						
Sr No	Issuer	Amount	Extent of private placement **	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	Public sector undertakings	-	-	-	-	-
(ii)	Financial institutions	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private corporates	242	242	-	242	242
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	649,296	1,081	-	1,000	1,081
(vii)	Provisions held towards depreciation	-	-	-	-	-
	Total	649,538	1,323	-	1,242	1,323

** All investments through primary market are considered as private placements.

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

B) Non-performing non-SLR investments

There were no non performing non-SLR investments as at March 31, 2018 (Previous Year: Nil).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.15. Repo and reverse repo transactions (including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) pursuant to RBI Circular dated RBI/2015-2016/403 FMRD.DIRD. 10 /14.03.002/2015-16 dated May 19, 2016) (face value)

Amount in Rs. lakhs

	2017-2018				2016-2017			
	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	Outstanding as on March 31, 2018	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	Outstanding as on March 31, 2017
Securities sold under repos								
i. Government securities	2,000	1,061,422	286,149	1,061,422	103	1,269,531	313,919	-
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	27,500	1,972,625	717,920	1,023,356	12,500	1,997,829	512,686	1,416,081
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, 2018	March 31, 2017
Trading	Interest rates swaps		
	MIBOR / Overnight Index Swaps		
	Pay Fixed Received Floating	16,313,163	12,472,406
	Pay Floating Received Fixed	17,035,427	12,235,409

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.16. Derivatives (Continued)

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

Amount in Rs. lakhs

		Notional principal as at	
		March 31, 2018	March 31, 2017
Trading	MIFOR		
(Continued)	Pay Fixed Receive Floating	1,161,730	1,392,930
	Pay Floating Receive Fixed	1,253,700	1,589,900
	GOI Securities Yield/INBMK		
	Pay Fixed Receive Floating	100,000	140,000
	Pay Floating Receive Fixed	213,000	135,000
	LIBOR		
	Pay Fixed Receive Floating	4,283,909	2,837,304
	Pay Floating Receive Fixed	3,804,484	2,232,112
	Basis swaps		
	Pay Floating Receive Floating	752,493	524,901
	Cross Currency Swaps		
	Pay Fixed Receive Fixed	214,084	229,602
	Pay Fixed Receive Floating	98,376	52,696
	Pay Floating Receive Fixed	452,262	581,102
	Pay Floating Receive Floating	125,439	119,985

MIBOR – Mumbai Interbank Offer Rate

MIFOR – Mumbai Interbank Forward Offer Rate

LIBOR – London Interbank Offer Rate

INBMK – Indian Benchmark Rate

Amount in Rs. lakhs

	March 31 2018	March 31 2017
Losses which would be incurred if the counter-parties failed to fulfill their obligations in respect of:		
Interest rate swaps	161,386	112,494
Cross Currency swaps	31,977	39,887

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.16. Derivatives (Continued)

	<i>Amount in Rs. lakhs</i>	
Fair value of:	March 31, 2018	March 31, 2017
Interest rate swaps	(20,334)	(26,290)
Cross Currency swaps	10,219	993

- 95.13% (Previous Year: 93.18%) of Interest rate swaps and 26.79% (Previous Year: 14.10%) of Cross Currency Interest Rate Swaps have been contracted with banks.
- As at March 31, 2018, outstanding Forward Rate Agreements are disclosed under Interest Rate Swaps. (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. However, certain derivative transactions would be subject to margin reset and consequent collateral exchange would be as governed by Credit Support Annex (CSA). The Bank has entered into CSAs which would require maintenance of collateral due to valuation changes on transactions under CSA framework.

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

		<i>Amount in Rs. lakhs</i>	
S.No.	Particulars	March 31, 2018	March 31, 2017
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument- Government Security)	FUTIRC Buy - 265,916 Sell - 192,131	FUTIRC Buy - 149,920 Sell - 149,293
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March (instrument- Government Security)	Nil	FUTIRC Buy - 2,417 Sell - 335
(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, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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 & Credit Risk Management Services respectively. An independent middle office is responsible for monitoring and reporting P&L 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 Committee ('LOC') and to manage any residual exposure through a series of sensitivity analysis, 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.

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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.18 Disclosure on risk exposure on derivatives (Continued)

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, 2018		March 31, 2017	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1.	Derivatives (Notional principal amount)				
a)	For hedging	-	-	22,568	-
b)	For trading	36,256,888	45,035,482	45,488,426	33,561,003
2.	Marked to market positions				
a)	Asset (+)	224,675	161,386	845,894	112,494
b)	Liability (-)	(279,135)	(181,720)	(915,598)	(138,785)
3.	Credit exposure	1,192,587	546,425	1,922,060	394,826
4.	Likely impact of one percentage change in interest rate (100*PV01)				
a)	on hedging derivatives	-	-	2.25	-
b)	on trading derivatives	2,295	12,677	4,492	6,882
5.	Maximum of 100*PV01 observed during the year				
a)	on hedging	2	-	185	-
b)	on trading	4,236	13,436	8,936	9,748
6.	Minimum of 100*PV01 observed during the year				
a)	on hedging	1	-	-	-
b)	on trading	534	306	4,197	1,578

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, 2018 is Rs. 7,908 lakhs (Previous Year: Rs. 16,538 lakhs).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

13.19 Risk category wise country exposure

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

Risk Category	As at March 31, 2018		As at March 31, 2017	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	2,306,085	883	1,347,001	345
Low	195,272	-	470,464	-
Moderate	20,030	-	35,402	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	2,521,387	883	1,852,867	345

Amount in Rs. lakhs

The above provision has been classified under Others (including provisions) in Schedule 5.

Disclosure is in accordance with DBR.BP.BC No.23 /21.04.018/ 2015-16 dated July 1, 2015.

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

Single Borrower Limit:

- The Local Operations Committee ('LOC') of the Bank has approved increase in Single Borrower limits to 20% for Reliance Industries Limited, Larsen & Toubro Limited, Tata Consultancy Services Limited, DSP Blackrock Mutual Fund, L&T Mutual Fund, Franklin Templeton Mutual Fund, Aditya Birla Sun Life Mutual Fund and for Wipro Limited (until December 31, 2017) in accordance with RBI guidelines. The LOC 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 March 31, 2018 and March 31, 2017 the Bank's credit exposure to single borrowers has been within the prudential exposure limits prescribed by RBI.

Group Borrower Limit:

During the year ended March 31, 2018 and March 31, 2017, the Bank's credit exposure to group borrowers has been within the prudential exposure limits prescribed by RBI.

Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018
Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
13.21 Details of factoring exposure:

The factoring exposure of the Bank as on March 31, 2018 is Rs. 276,204 lakhs (Previous Year: Rs. 351,018 lakhs.)

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 consolidated under RBI circular DBR .No. BP . BC . 2 / 21 .04 . 048 /2015-16 dated July 1, 2015 and DBOD.NO.BP.BC.60 / 21.04.048/2005-06 dated February 1, 2006.

<i>Amount in Rs. lakhs</i>		
Particulars	2017-2018	2016-2017
1. Total number of loans securitized	-	-
2. Book value of loans securitized	-	-
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	1,420	1,409
b. I/O Strip	3	3
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. The above does not include loan assignment transactions which is disclosed separately.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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, 2018	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	22,128	20,571
Current service cost	2,324	2,275
Interest cost	1,471	1,405
Past service costs	68	-
Actuarial (gains) / losses on obligation	(1,223)	(1,463)
Benefits paid	(2,222)	(1,007)
Closing balance of present value of obligations	22,546	21,781
Change in plan assets		
Opening balance of fair value of plan assets	17,031	20,857
Expected return on plan assets	1,456	1,730
Contributions	2,417	-
Actuarial gains/ (losses) on plan assets	(83)	(174)
Benefits paid	(2,221)	(1,007)
Closing balance of fair value of plan assets	18,600	21,406
Net asset (liability) recognised		
Present value of defined benefits obligations	22,547	21,781
Fair value of plan assets	18,599	21,405
Funded status (deficit) / surplus	(3,948)	(376)
Net (liability) asset recognised in the Balance Sheet	(3,948)	(376)
Components of employer expense		
Current services cost	2,324	2,275
Interest cost	1,471	1,405
Expected return on plan assets	(1,456)	(1,730)
Past service costs	68	-
Net actuarial (gains) / losses	(1,140)	(1,289)
Expenses recognised in the Profit and Loss account	1,267	661
Actual return on plan assets	1,372	1,556
Investment details of plan assets		
Government of India securities	46.39%	53.66%
Corporate Bonds	32.56%	36.83%
Others	21.05%	9.51%

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

15. Employee benefits (Continued)

Amount in Rs. lakhs

Particulars for the year ended March 31, 2018	Gratuity	Pension
Discount rate	7.50%	7.60%
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. 1,709 lakhs. There will be no contribution towards pension fund next year.

Amount in Rs. lakhs

Particulars for the year ended March 31, 2017	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	18,720	16,852
Current service cost	2,101	1,587
Interest cost	1,378	1,300
Past service costs	99	130
Actuarial (gains) / losses on obligation	1,938	1,080
Benefits paid	(2,108)	(378)
Closing balance of present value of obligations	22,128	20,571
Change in plan assets		
Opening balance of fair value of plan assets	13,392	18,585
Expected return on plan assets	1,216	1,566
Contributions	3,942	-
Actuarial gains/ (losses) on plan assets	589	1,084
Benefits paid	(2,108)	(378)
Closing balance of fair value of plan assets	17,031	20,857
Net asset (liability) recognised		
Present value of defined benefits obligations	22,128	20,571
Fair value of plan assets	17,031	20,857
Funded status (deficit) / surplus	(5,097)	286
Net (liability) asset recognised in the Balance Sheet	(5,097)	286
Components of employer expense		
Current services cost	2,101	1,586
Interest cost	1,378	1,300
Expected return on plan assets	(1,216)	(1,564)
Past services cost	99	130
Net actuarial (gains) / losses	1,349	(4)

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

15. Employee benefits (Continued)

Amount in Rs. lakhs

Particulars for the year ended March 31, 2017	Gratuity	Pension
Expenses recognised in the Profit and Loss account	3,711	1,448
Actual return on plan assets	1,805	2,650
Investment details of plan assets		
Government of India securities	44.03%	54.02%
Corporate Bonds	32.19%	38.10%
Others	23.78%	7.88%
Assumptions		
Discount rate	7.00%	7.00%
Expected return on plan assets	8.50%	8.50%
Salary escalation rate	10.00%	10.00%
Pension Ceiling Escalation	NA	4%

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-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Experience History					
Defined benefit obligation	(22,547)	(22,127)	(18,720)	(15,294)	(11,684)
Fair value of plan assets	18,599	17,031	13,392	12,402	10,795
Deficit	<u>(3,948)</u>	<u>(5,096)</u>	<u>(5,328)</u>	<u>(2,892)</u>	<u>(889)</u>
Experience gain / (loss) adjustments on plan liabilities	293	(555)	(256)	(1,066)	(726)
Experience gain / (loss) adjustments on plan assets	(83)	589	(429)	794	(159)
Actuarial gain / (loss) due to change of assumptions	930	(1,383)	(2,236)	(1,962)	1,330

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

15. Employee benefits (Continued)

	Amount in Rs. lakhs				
Pension	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Experience History					
Defined benefit obligation at the end of the period	(21,781)	(20,571)	(16,854)	(12,321)	(9,773)
Plan assets at the end of the period	21,405	20,857	18,587	17,503	14,593
(Deficit)/Surplus	(376)	285	1,733	5,182	4,820
Experience gain / (loss) adjustments on plan liabilities	373	217	(2116)	344	486
Experience gain / (loss) adjustments on plan assets	(174)	1084	(527)	1,444	(310)
Actuarial gain / (loss) due to change of assumptions	1,090	(1,296)	(580)	(1,554)	1,078

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.

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/loss on government securities and debentures/bonds, income from foreign exchange, 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 offers trade and transaction services to customers. This also includes asset backed finance. Revenues of this segment consist of interest and fees earned on loans made to customers and 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

17. Segment Information (Continued)

Business segment (Continued)

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 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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.

Particulars	2017-2018					2016-2017				
	Treasury	Corporate Banking	Retail Banking	Other Banking	Total	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
Revenue	202,135	659,744	493,655	32,395	1,387,929	258,507	589,215	541,717	27,683	1,417,122
Unallocated revenue					2,997					1,262
Total Revenue	202,135	659,744	493,655	32,395	1,390,926	258,507	589,215	541,717	27,683	1,418,384
Result	96,976	365,052	114,783	14,990	594,798	172,894	325,674	121,146	10,895	631,871
Unallocated expenses					(13,510)					(13,324)
Profit before taxes					581,288					618,547
Income taxes					(240,983)					(255,986)
Net profit					340,305					362,561

Other information	As at 31 March 2018					As at 31 March 2017				
Segment assets	10,284,147	3,672,264	2,215,532	10,041	16,181,984	8,891,849	3,503,551	2,212,546	9,532	14,617,478
Unallocated assets					210,807					221,594
Total assets					16,392,791					14,839,072
Segment liabilities	2,098,703	7,948,822	4,081,837	7,463	14,136,825	1,655,778	6,754,813	4,242,298	7,732	12,660,621
Unallocated liabilities					2,255,966					2,178,451
Total liabilities					16,392,791					14,839,072

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, 2018

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2018 *(Continued)*

18. Related Party Disclosure

As per AS 18, Related Party Disclosures, the Bank's related parties are disclosed below:

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

Administradora De Valores De Guatemala, S.A.

Ao Citibank

Banco Citibank S.A.

Banco De Honduras S.A.

Banco Nacional De Mexico S.A.

Bank Handlowy W Warszawie

Citibank A.G. Frankfurt

Citibank Anonim Sirketi

Citibank Cameroon

Citibank Canada

Citibank China Limited

Citibank Colombia S.A.

Citibank Cote Divoire S.A.

Citibank Europe Plc

Citibank Gabon S.A.

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, 2018

Schedule 18 *(Continued)*

V. Notes forming part of the financial statements for the year ended March 31, 2018 *(Continued)*

18. Related Party Disclosure *(Continued)*

c) Subsidiaries of Parent (Continued)

Citibank Japan Limited
Citibank Johannesburg
Citibank Korea Inc
Citibank Malaysia
Citibank N.A., Moscow
Citibank Nigeria Limited
Citibank Overseas Investment Corporation
Citibank Singapore Ltd
Citibank Tanzania Limited
Citibank Turkey
Citibank Uganda Limited
Citibank Zambia Limited
Citicorp Finance (India) Limited¹
Citicorp International Limited
Citicorp Investment Bank Singapore Ltd
Citicorp Merchant Bank Limited
Citicorp Services India Private Limited¹
Citigroup Congo S.A.
Citigroup Pty Limited
Citigroup Transaction Services (Malaysia) Sdn Bhd
Citibank (Hong Kong) Limited (Retail Banking)
Citibank Del Peru Sa
Citibank (Trinidad & Tobago) Limited
Citibank Senegal S.A.
Citicorp Capital Philippines Limited

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, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

18. Related Party Disclosure (Continued)

d) Fellow Subsidiaries of Parent

Citicorp Banking Corporation

Citicorp International Finance Corporation

Citicorp North America, Inc.

Citicorp Securities Asia Pacific

Citigroup Global Markets Hong Kong

Citigroup Global Markets Inc, Asia

Citigroup Global Markets Inc, New York

Citigroup Global Markets Japan

Citigroup Global Markets Limited, U.K.

Citigroup Global Markets India Private Limited¹

Citigroup Global Markets Mauritius Private Limited

Citigroup Global Markets Singapore

Citigroup Holdings Mauritius

Citigroup Strategic Holding

Citigroup Technology Inc

Citigroup Global Market Inc, Australia

Orbitech Private Limited¹

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (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:

Nature of transactions	Amount in Rs. lakhs					
	Parents and branches		Subsidiaries of Parent		Fellow Subsidiaries	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Fees paid (including service provider expenses)	51,755	63,322	18,990	18,247	7,286	6,787
Interest paid on borrowing	9,807	8,596	264	320	-	-
Interest paid on deposit	-	-	6,864	5,092	5,227	8,109
Fees received	18,755	17,515	11,788	10,893	9,062	11,204
Interest earned	3,221	2,344	590	2,375	0	3
Spread on Forex Transactions	252	1	1,802	1,410	500	979
Loans disbursed	-	-	1,481,900	6,520,600	-	-
Deposits placed	64,855,174	98,950,887	-	-	-	-
Time deposits received	-	-	2,598,624	1,846,806	2,107,659	3,502,405
Borrowings	34,092,945	13,158,235	614	1,038	-	-
Loan Portfolio purchased	-	-	22,774	19,957	-	-
Loan Assignment	-	-	258,374	186,060	-	-
Purchase of fixed assets	-	-	705	1,260	-	-
Purchase of fixed income securities	-	-	1,238,488	2,223,384	779,095	1,249,664
Sales of fixed income securities	-	-	1,627,655	2,146,022	-	133,110
Sale of fixed assets	-	-	140	233	-	-

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

18. Related Party Disclosure (Continued)

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

Particulars	Amount in Rs. lakhs					
	Parents & Branches		Subsidiaries of Parent		Fellow Subsidiaries	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Accounts payable/Other payables	35,578	13,339	11,683	5,204	3,582	1,408
	<i>37,060</i>	<i>23,687</i>	<i>11,688</i>	<i>8,638</i>	<i>3,583</i>	<i>4,009</i>
Accounts receivable/Other receivables	20,397	3,383	9,786	4,545	16,085	11,651
	<i>21,713</i>	<i>10,047</i>	<i>59,716</i>	<i>10,356</i>	<i>22,510</i>	<i>15,609</i>
Borrowings/Deposits	481,700	523,915	54,992	135,958	147,215	108,439
	<i>1,886,187</i>	<i>1,783,715</i>	<i>347,570</i>	<i>278,980</i>	<i>168,654</i>	<i>358,420</i>
Balance in current account/Cash credit/ (Demand deposits)	(56,532)	20,950	(55,440)	(31,270)	(6193)	(11,573)
	<i>825,065</i>	<i>1,085,439</i>	<i>(300,883)</i>	<i>(314,536)</i>	<i>(400,586)</i>	<i>(188,367)</i>
Loans/Placements	343,264	2,979	-	-	-	-
	<i>918,963</i>	<i>1,425,991</i>	<i>72,600</i>	<i>122,000</i>	-	-
Positive MTM ¹	50,770	59,185	1,084	5,278	243	574
	<i>50,770</i>	<i>94,870</i>	<i>6,593</i>	<i>5,371</i>	<i>1,029</i>	<i>1,313</i>
Negative MTM ¹	76,395	55,665	844	9	94	5
	<i>76,395</i>	<i>98,515</i>	<i>844</i>	<i>423</i>	<i>309</i>	<i>230</i>
Non Funded Commitments ¹	350,943	301,151	39,397	21,241	2,410	19,225
	<i>353,603</i>	<i>301,644</i>	<i>40,432</i>	<i>54,523</i>	<i>15,178</i>	<i>22,623</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).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

18. Related Party Disclosure (Continued)

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

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 paragraph 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 2018. 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 (including service provider expenses)

Payment of fees to Citibank N.A. Singapore Branch Rs. 32,532 lakhs (Previous Year: Rs. 41,832 lakhs), Citibank N.A. Hong Kong Rs. 9,580 lakhs (Previous Year: Rs. 7,434 lakhs) and Citicorp Services India Private Ltd Rs. 7,221 lakhs (Previous Year: Rs. 4,352 lakhs).

Interest Paid on Borrowings

Payment of Interest on Borrowings from Citibank N.A. London Branch Rs. 1,739 lakhs (Previous Year: Rs. 1,164 lakhs), and Citibank N.A. New York Rs. 7,851 lakhs (Previous Year: Rs. 7,161 lakhs).

Interest Paid on Deposits

Payment of Interest on Deposits placed by Citicorp Services India Private Ltd Rs. 5,384 lakhs (Previous Year: Rs. 4,750 lakhs) and Citigroup Global Markets India Private Limited Rs. 5,155 lakhs (Previous Year: Rs. 7,772 lakhs) and Citicorp Finance (India) Limited Rs. 1480 lakhs (Previous Year: Rs. 343 lakhs).

Fees Received

Receipt of Fees from Citibank N.A. Jersey Rs. 4,045 lakhs (Previous Year: Rs. 4,638 lakhs), Citicorp Finance (India) Limited Rs. 5,272 lakhs (Previous Year: Rs. 5,192 lakhs), Citibank N.A. New York Rs. 8,276 lakhs (Previous Year: Rs. 7,597 lakhs) and Citigroup Global Markets India Private Limited Rs. 6,202 lakhs (Previous Year: Rs. 7,943 lakhs).

Interest Earned

Receipt of Interest on Placements with Citibank N.A. New York Rs. 2,810 lakhs (Previous Year: Rs. 1,360 lakhs), Citibank N.A. London Branch Rs. 275 Lakhs (Previous Year: Rs. 840 Lakhs) and interest on loans to Citicorp Finance (India) Limited Rs. 476 lakhs (Previous Year: Rs. 2,365 lakhs).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

18. Related Party Disclosure (Continued)

Material related party transactions (Continued):

Spread on Forex Transactions

Spread Profit earned on forex contracts made with Citicorp Services Private India Ltd Rs. 911 lakhs (Previous Year: Rs. 1,313 lakhs), Citigroup Global Markets Mauritius Private Limited Rs. 475 lakhs (Previous Year: Rs. 638 lakhs) and Citibank NA Tokyo Rs. 605 (Previous Year: Rs. Nil).

Deposits Placed

Deposits Placed with Citibank N.A. London Branch Rs. 6,533,273 lakhs (Previous Year: Rs. 44,991,595 lakhs) and Citibank N.A. New York Rs. 58,256,727 lakhs (Previous Year: Rs. 53,293,607 lakhs).

Time Deposits Received

Time Deposits Received from Citicorp Finance (India) Limited Rs. 1,542,613 lakhs (Previous Year: Rs. 998,907 lakhs), Citicorp Services India Private Limited Rs. 1,056,011 lakhs (Previous Year: Rs. 847,899 lakhs) and Citigroup Global Markets India Private Limited Rs. 2,095,210 lakhs (Previous Year: Rs. 3,427,738 lakhs).

Borrowings

Borrowed from Citibank N.A. Singapore Branch Rs. 3,794,738 lakhs (Previous Year: Rs. 5,418,005 lakhs) and Citibank N.A. London Branch Rs. 29,780,493 Lakhs (Previous Year: Rs. 7,738,358 Lakhs).

Purchase of Fixed Income Securities

Fixed Income Securities Purchased from Citicorp Investment Bank (Singapore) Limited Rs. 1,238,488 lakhs (Previous Year: Rs. 2,223,384 lakhs) and Citigroup Global Markets Inc., Asia Rs. 779,095 lakhs (Previous Year: Rs. 1,249,664 lakhs).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

19. Intra Group Exposure

Particulars	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
a) Total amount of intra-group exposures	299,468	246,924
b) Total amount of top-20 intra-group exposures	299,468	246,924
c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.79%	0.74%
d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	Nil

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 consolidated under DBR.BP.BC No.23 /21.04.018/ 2015-16 dated July 1, 2015. (Previous Year: Nil)

21. Deferred taxes

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

Description	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
<i>Deferred tax assets</i>		
Provision on advances	54,265	54,809
Others	3,037	3,772
Sub-total (A)	57,302	58,581
<i>Deferred tax liabilities</i>		
Depreciation	(11,430)	(11,187)
Others	(20,892)	(20,385)
Sub-total (B)	(32,322)	(31,572)
Deferred tax assets (net) (A+B)	24,980	27,009

These items are considered in accordance with the requirements of Income computation and disclosure standards.

Tax rate of 43.68% is adopted based on Finance Act, 2018.

Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018
Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
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:

<i>Amount in Rs. lakhs</i>		
Gross investment as at the date of the balance sheet	As at March 31, 2018	As at March 31, 2017
Not later than one year	921	1,180
Later than one year but not later than five years	922	1,343
Later than 5 years	-	-
Total	1,843	2,523
Present value of minimum lease payment as at the date of balance sheet		
Not later than one year	774	967
Later than one year but not later than five years	883	1,201
Later than 5 years	-	-
Total	1,657	2,168

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

23. Operating leases

Information provided herein pertains to commercial and residential premises taken on operating leases:

Particulars	Amount in Rs. lakhs	
	As at March 31, 2018	As at March 31, 2017
The amount of minimum lease payments recognized in the Profit and Loss account in respect of operating lease	16,287	15,640
The total of future minimum lease payments recognized under non-cancellable operating leases:		
Not later than one year	5,156	4,485
Later than one year but not later than five years	12,592	10,371
Later than 5 years	4,232	1,347
Total	21,980	16,203

- 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 – Reward Points

Particulars	Amount in Rs. lakhs	
	2017-2018	2016-2017
Opening Provision	12,194	8,270
Provisions made during the year:	64,000	60,498
Utilisation/write back of provisions during the year	60,902	56,574
Closing provisions	15,292	12,194

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

25. The Bank has reported 1,826 cases of fraud in the financial year ending March 31, 2018 amounting to Rs. 2,665 lakhs (Previous Year: 1,336 cases amounting to Rs. 1,529 lakhs). The Bank has expensed off/ provided for the expected loss arising from these frauds and does not have any unamortised provision.

26. 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.

27. 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 forward exchange and 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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

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. This also includes Undrawn portion of committed credit lines.

iv) Other contingent items

This includes:

- a. Manager's Cheques;
- b. Capital commitments;
- c. Commitments for government securities bought and remaining to be settled on the date of financial statements;
- 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

28. 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.

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

28. Employee share-based payments (Continued)

Accordingly, during the year, the Bank has charged an amount of Rs. 1,949 lakhs (Previous Year: Rs. 1,823 lakhs) under the head "Payments to and provisions for employees", as cost of such awards granted to employees. The Bank has debited nil amount (Previous Year: Rs. 1,514 lakhs credit) 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 since there was no settlement during the year.

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

<i>Amount in Rs. lakhs</i>		
Particulars	March 31, 2018	March 31, 2017
Number of suppliers registered with competent authorities	35	40
Principal amount remaining unpaid beyond the due date to any supplier as at the year end	84	2
Interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	1,027	338
Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under this Act	23	12
Amount of interest accrued and remaining unpaid at the end of the accounting year	23	12
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.

30. There was a penalty of Rs. 0.63 lakhs levied by the RBI for depositing counterfeit notes during demonetization for the year ended March 31, 2018. (Previous Year: Rs. Nil lakhs).
31. As at March 31, 2018, there were outstanding advances for Rs.5,218 lakhs (Previous year: 6,276 lakhs) partly secured against intangible assets amounting to Rs 2,705 lakhs (Previous year: Rs. 2,705 lakhs).

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

32. In accordance with RBI instructions for compilation of the financial statements, expenses (based on their nature) included in 'other expenditure', exceeding 1% of the total income are set out below:

Amount in Rs. lakhs

Nature of expense	2017-2018	2016-2017
Service provider expenses	58,862	61,652
Transfer pricing fees	19,226	21,508
Card association Fee	13,943	11,528
Technology Related Charges	16,208	11,372

33. Details of Complaints

a. Customer Complaints

Particulars	2017-2018	2016-2017
(a) No. of complaints pending at the beginning of the year	88	71
(b) No. of complaints received during the year	4,686	5,421
(c) No. of complaints redressed during the year	4,610	5,404
(d) No. of complaints pending at the end of the year	164	88

b. Awards passed by the Banking Ombudsman

Particulars	2017-2018	2016-2017
(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

34. Bancassurance business

Amount in Rs. lakhs

Sr. No.	Nature of Income	2017-2018	2016-2017
1	For selling life insurance policies	5,422	4,000
2	For selling non life insurance policies	2,179	2,094
3	For selling mutual fund products	24,390	20,783

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

35. Provision Coverage Ratio

The Provisioning Coverage Ratio of the Bank stands at 85.63% as on March 31, 2018 (Previous Year: 86.73%) 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.

36. 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:

<i>Amount in Rs. lakhs</i>		
Particulars	2017-2018	2016-2017
(a) Opening balance of amounts transferred to DEAF	20,062	13,894
(b) Add : Amounts transferred to DEAF during the year	5,604	6,903
(c) Less : Amounts reimbursed by DEAF towards claims	546	735
(d) Closing balance of amounts transferred to DEAF	25,120	20,062

37. 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:

<i>Amount in Rs. lakhs</i>		
Particulars	2017-2018	2016-2017
Gross amount required to be spent during the year	3,625	3,233
Amount spent during the year	2,292	1,924
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	2,292	1,924
Yet to be paid in cash	-	-

Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018
Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
38. Concentration of Deposits, Advances, Exposures and NPAs
A (i) Concentration of Deposits

Particulars	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Total Deposit of twenty largest depositors*	2,412,335	1,841,576
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank*	21.28%	17.85%

* Inter-bank deposits are excluded

(ii) Concentration of Advances*

Particulars	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Total Advances to twenty largest borrowers	7,574,252	6,524,318
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	20.74%	20.41%

* 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	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers/customers	7,630,361	6,919,903
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	20.13%	20.75%

* 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	<i>Amount in Rs. lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Total Exposure to top four NPA accounts (Gross)	13,752	14,561

Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018
Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
38. Concentration of Deposits, Advances, Exposures and NPAs (Continued)
B. Sector-wise Advances
Amount in Rs. lakhs

Sl. No	Sector	As at March 31, 2018		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	642,959	7,553	1.17%
2	Advances to industries sector eligible as priority sector lending	428,980	28	0.01%
	Of which			
	(a) All Engineering (Electronics & Others)	57,212	-	0.00%
	(b) Chemicals & Chemical Products	119,739	-	0.00%
	(c) Automobiles	8,736	-	0.00%
	(d) Wholesale trade	99,718	-	0.00%
3	Services	447,434	4,960	1.11%
	Of which			
	(a) Professional Services	169,632	-	0.00%
	(b) Computer Software	8,092	-	0.00%
	(c) Wholesale Trade	138,620	-	0.00%
4	Personal loans*	281,955	5,585	1.98%
	Sub-total (A)	1,801,328	18,126	1.01%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,585,372	18,912	1.19%
	Of which			
	(a) All Engineering (Electronics & Others)	280,560	5,457	1.94%
	(b) Automobiles	239,776	6,044	2.52%
	(c) Chemicals & Chemical Products	317,366	3,779	1.19%
	(d) Infrastructure	184,502	431	0.23%
	(e) Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	72,195	-	0.00%

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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

B. Sector-wise Advances (Continued)

Amount in Rs. lakhs				
Sl. No	Sector	As at March 31, 2018		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
B	Non - Priority Sector			
3	Services	481,073	3,605	0.75%
	Of which			
	(a) Professional Services	279,499	81	0.03%
	(b) Wholesale Trade	70,195	817	1.16%
4	Personal loans*	1,759,729	45,939	2.61%
	Sub-total (B)	3,826,174	68,456	1.79%
	Total (A+B)	5,627,502	86,582	1.54%

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

Amount in Rs. lakhs				
Sl. No	Sector	As at March 31, 2017		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	525,463	4,978	0.95%
2	Advances to industries sector eligible as priority sector lending	840,994	58	0.01%
	Of which			
	(a) All Engineering (Electronics & Others)	87,491	-	0.00%
	(b) Wholesale Trade	91,236	-	0.00%
	(c) Chemicals & Chemical Products	248,554	-	0.00%
	(d) Automobiles	91,596	-	0.00%

Schedules forming part of the financial statements of the Indian Branches (Continued)
for the year ended March 31, 2018
Schedule 18 (Continued)
V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)
38. Concentration of Deposits, Advances, Exposures and NPAs (Continued)
B. Sector-wise Advances (Continued)
Amount in Rs. lakhs

Sl. No	Sector	As at March 31, 2017		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
3	Services	402,354	6,472	1.61%
	Of which			
	Professional Services	153,630	-	0.00%
	Computer Software	153,513	-	0.00%
	Wholesale Trade	37,957	-	0.00%
4	Personal loans*	260,337	5,029	1.93%
	Sub-total (A)	2,029,148	16,537	0.81%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,195,672	22,266	1.86%
	Of which			
	(a) All Engineering (Electronics & Others)	275,027	8,384	3.05%
	(b) Automobiles	165,184	6,145	3.72%
	(c) Chemicals & Chemical Products	167,192	4,019	2.40%
	(d) Infrastructure	202,559	1,263	0.62%
	(e) Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	122,741	-	0.00%
3	Services	480,791	4,836	1.01%
	Of which			
	(a) Professional Services	253,895	74	0.03%
	(b) Wholesale Trade	117,631	1,968	1.68%
4	Personal loans*	1,839,726	41,111	2.23%
	Sub-total (B)	3,516,189	68,213	1.94%
	Total (A+B)	5,545,337	84,751	1.53%

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

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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

C. Movement of NPAs

Amount in Rs. lakhs

Particulars	2017-2018	2016-2017
Gross NPAs as on April 1	84,751	86,051
Additions (Fresh NPAs) during the year	90,530	79,467
Sub-total (A)	175,281	165,518
Less:-		
(i) Upgradations	19,221	26,189
(ii) Recoveries (excluding recoveries made from upgraded accounts)	23,513	18,041
(iii) Technical Write-offs	42,211	35,489
(iv) Write offs (other than those under (iii) above)	3,754	1,048
Sub-total (B)	88,699	80,767
Gross NPAs as at March 31 (closing balance) (A-B)	86,582	84,751

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

D. Movement in Technical/Prudential Write-Off

Amount in Rs. lakhs

Particulars	2017-2018	2016-2017
Opening Balance	105,181	92,136
Add: Technical/ Prudential write-offs during the year	42,211	35,489
Sub-total (A)	147,392	127,625
Less: Recoveries made from previously technical/ prudential written-off accounts during the year* (B)	21,607	22,444
Closing balance as at March 31 (A-B)	125,785	105,181

* 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, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

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

E. Overseas Assets, NPAs and Revenue

Amount in Rs. lakhs

Particulars	2017-2018	2016-2017
Total Assets	1,173,752	753,250
Total NPAs	-	-
Total Revenue	3,988	2,776

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	2017-2018	2016-2017
Domestic	Nil	Nil
Overseas	Nil	Nil

39. The following disclosures are made in accordance with RBI circular DBOD.No.BP.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	2017-2018	2016-2017
Total amount of assets transferred through Direct Assignment of Cash Flows	304,154	258,921
Total amount of On Balance Sheet exposures retained by the bank to comply with MRR as on the date of Balance Sheet	37,860	19,322

40. Transactions in Priority Sector Lending Certificates (PSLCs)

PSLCs purchased and sold during the year ended March 31, 2018:

Amount in Rs. lakhs

Particulars	Purchased	Sold
PSLC - Agriculture		
PSLC - SF/MF	357,000	
PSLC - Micro Enterprises		20,900
PSLC - General		175,000

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

for the year ended March 31, 2018

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2018 (Continued)

40. Transactions in Priority Sector Lending Certificates (PSLCs) (Continued)

PSLCs purchased and sold during the year ended March 31, 2017:

Amount in Rs. Lakhs		
Particulars	Purchased	Sold
PSLC - Agriculture	100,000	
PSLC - SF/MF	50,000	40,000
PSLC - Micro Enterprises		20,000
PSLC - General		5,000

41. Divergence in asset classification and provisioning for NPAs

Reference requirement for disclosure of divergence in asset classification and provisioning prescribed by the RBI vide circular no. DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, the bank does not have any such reportable divergences in asset classification and provisioning for the financial year ended March 31, 2017 meeting the criteria specified in the said circular. (Previous Year: Nil)

42. In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which largely converges with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs).

The RBI in its press release issued on 5th April 2018 has deferred the applicability of Ind AS by one year for Scheduled Commercial Banks. Banks are now required to implement Ind AS with effect from 1st April 2019 and prepare standalone and consolidated Ind AS financial statements for FY 2019-20 with comparative figures for financial year 2018-19.

Based on RBI directions, the Bank has formed a Steering Committee to oversee Ind AS implementation which has members from Risk, Operations & Technology, Compliance and Finance. The Committee oversees the progress of Ind AS implementation in the Bank, and provides guidance on critical aspects of the implementation. An update on the implementation status is also submitted to the Local Operations Committee at quarterly intervals.

43. The Bank believes that the MCA notification G.S.R. 308(E) dated March 30, 2017 regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 is not applicable to banking companies. Accordingly, the disclosures prescribed under the said notification are not required to be made by the Bank.

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, 2018

Schedule 18 (Continued)

44. 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.

**For MSKA & Associates (formerly known as
MZSK & Associates)**

Chartered Accountants

Firm's Registration No: 105047W

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

Swapnil Kale

Partner

Membership No: 117812

Pramit Jhaveri

Chief Executive Officer

Niraj Parekh

Chief Financial Officer

Mumbai

27 June 2018