Pillar III Basel Disclosures

1.1 General

The BASEL III disclosures contained herein relate to Citibank N.A., India Branches (herein also referred to as the 'Bank') as of Dec 31, 2025. These are compiled in accordance with Reserve Bank of India (the 'RBI') regulations on Master Circular – Basel III Capital Regulations vide RBI Circular-DOR.CAP.REC.70/21-01-002/2025-26 dated November28,2025 as amended from time to time.

The Bank being a branch does not have any direct subsidiaries, nor does it hold any significant stake in any company. The RBI guidelines on Basel III Capital Regulations - RBI/DOR/2025-26/151DOR.CAP.REC.70/21-01-002/2025-26 read mandate coverage of the 'Consolidated Bank' (herein also referred to as 'Citi'). This includes, in addition to the Bank as a branch of Citibank N.A., the following wholly/majority owned non-banking finance company, which is a subsidiary of Citigroup Inc. held through intermediary holding companies:

Citicorp Finance (India) Limited (CFIL) incorporated in India on 1 May 1997, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. N-13.02079 dated 10 October 2014. It is a NBFC-Middle layer (NBFC-ML) vide notification RBI/DOR/2025-26/339 DOR.FIN.REC.No.258/03.10.119/2025-26: Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

As prescribed in the above guidelines, the Bank is not required to prepare consolidated financial statements. However, certain prudential guidelines apply on a Consolidated Bank basis, including that of capital adequacy computation under BASEL III guidelines. Accordingly, CFIL has been considered under regulatory scope of consolidation for the quantitative disclosures. While, CFIL has adopted Ind AS for preparation of its financial statements for the current financial year, the Reserve Bank of India has deferred implementation of Ind AS for scheduled commercial banks. As a result, the consolidated Pillar III Basel disclosures are prepared using guidelines issued by the Reserve Bank of India for the Bank. Accordingly, the CFIL figures have been grouped and classified, as necessary, for consolidated Pillar III Basel disclosures. Further, the Bank does not have any interests in insurance entities.

In accordance with BASEL requirements, the Bank also has an Internal Capital Adequacy Assessment Process (ICAAP) for Citibank India. The ICAAP depicts the various categories of risks to which the Bank is exposed, details the ongoing assessment of such risks, how risks are to be mitigated, and quantifies the amount of capital required currently and, in the future, to cope with these risks. The ICAAP process also includes an assessment of capital adequacy in an extreme stress scenario. The ICAAP is subjected to an independent review as required by RBI guidelines.

1.2 Capital Structure

The capital funds of Citi include the following:

Tier 1 Capital:

1. Paid up Equity Capital/Initial Capital.
2. Interest-free funds from Head Office.
3. Statutory Reserves.
4. Capital Reserves.
5. Available for sale (AFS) reserve
6. Other Eligible Reserves.
7. Remittable surplus retained in Indian Books.
8. Revaluation reserves arising from revaluation of the premises owned, after a discount of 55% subject to meeting certain conditions as laid down in RBI circular ref. DOR.CAP.REC.70/21-01-002/2025-26 dated November28,2025

9. Properties Investment Reserve
10. Regulatory deductions eg: Deferred Tax Assets subject to the limit as specified in the regulations, Defined pension benefit asset, Intangibles, Prudential valuation adjustment for illiquid positions etc.

Tier 2 Capital:

1. Provision on Standard Assets (including provision on account of Unhedged Foreign Currency Exposure-UFCE and provision on stressed assets)
2. Floating Provision
3. Country Risk Provision
4. Investment Fluctuation Reserve

Quantitative disclosures:

Amount in Rs. lakhs

Particulars	**Standalone**	**Consolidated**
Tier 1 Capital	**31-Dec-25**	**31-Dec-25**
Common Shares (Paid-up equity Capital)	**-**	**289,330**
Statutory Reserves	**-**	**83,163**
Other disclosed free reserves	**-**	**-**
Balance in Profit & Loss account	**-**	**-**
Current financial profit, to the extent admissible	**-**	**-**
Interest free funds from H.O (for foreign bank)	**374,384**	**374,384**
Statutory Reserves kept in Indian Books	**1,880,614**	**1,880,614**
Remittable Surplus retained in Indian books	**1,024,020**	**1,032,638**
Capital Reserves	**31,324**	**31,324**
Interest free funds remitted from abroad for acquisition of property and held in separate account	**6,194**	**6,194**
Revaluation Reserves at a discount of 55 per cent (CET -1)	**12,299**	**12,299**
Other Eligible Reserves	**148,229**	**148,229**
Common Equity Tier I (CET1) (A)	**3,477,064**	**3,858,175**
Regulatory Adjustments		
Intangibles	**942**	**942**
Deferred Tax Asset (DTA) associated with Accumulated Losses	**-**	**-**
Defined Benefit Pension Fund Asset	**-**	**-**
Deferred Tax Asset associated with Timing Differences (other than those related to accumulated losses)	**9,390**	**9,390**
Other eligible deduction from CET1 (Prudential valuation adjustment and Earmarking for ETF)	**49,757**	**58,153**
Total Regulatory Adjustments (B)	**60,089**	**68,486**
CET 1 Capital after above adjustments (A-B)	**3,416,975**	**3,789,690**
Recognition of DTA associated with Timing Differences in CET 1	**9,390**	**17,787**
Final Common Equity Tier I Capital (C)	**3,426,366**	**3,807,476**
Additional Tier I Capital (D)		
Tier II Capital		
Provision on Standard Asset (including UFCE)	**82,408**	**83,902**
Floating Rate Provision	**9,100**	**9,100**
Country Risk Provision	**3,000**	**3,000**
Investment Fluctuation Reserve	**395,310**	**395,310**
Revaluation Reserves at discount of 55% not recognised in CET1	**-**	**-**
Regulatory Adjustments		

Particulars	Standalone	Consolidated
Regulatory adjustment applied in respect of amount related to pre-Basel III treatment	-	-
Total Regulatory Adjustments	-	-
Total Tier II Capital available	**489,818**	**491,312**
Total Tier II Capital admissible for Regulatory Capital Purposes	**489,819**	**491,312**
Total Tier II Capital (E)	**489,819**	**491,312**
Total of Tier I + Tier II (C) + (D) + (E) = (F)	**3,916,185**	**4,298,788**

Note: Other comprehensive income has not been considered under Tier1 or Tier 2 Capital for CFIL which is factored under consolidated. 12 month expected credit loss (ECL) allowances for financial instruments has been considered in Tier II capital for CFIL as per the RBI circular (RBI/DOR/2025-26/345 DOR.CAP.REC.264/21-01-002/2025-26 -Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025as updated from time to time).

1.3 Capital Adequacy

As per Basel III guidelines issued by RBI, the Bank is required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 15% on an on-going basis which includes capital required to be maintained on account of Capital Conservation Buffer (CCB) of 2.5% and Global Systematically Important Bank (G-SIB) buffer as prescribed by the Home Regulator of Citibank N.A. Currently, there is no requirement to maintain Counter-cyclical Capital Buffer (CCCB) as per RBI guidelines.

The Bank is currently engaged in providing wholesale banking services. The Bank has processes in place to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed. The Bank's Asset Liability Management Committee (ALCO) monitors capital levels to ensure adherence to capital standards and manages the capital planning and repatriation exercise.

The Bank has an Internal Capital Adequacy Assessment Process (ICAAP) which establishes a framework for the Bank to perform a comprehensive assessment of the risks they face and to relate capital adequacy to these risks. Further, the capital analysis performed by the Bank is expected to encompass all significant risks, not only those risks captured by the Pillar 1 minimum regulatory capital calculation. The ICAAP exercise also includes a 3-year forecast of capital levels vis-à-vis requirements which is reviewed by the management team.

As allowed under the BASEL III guidelines issued by the Reserve Bank of India, the Bank has adopted Standardized Approach (SA) for credit risk, Standardized Duration approach (SDA) for computing capital requirement for market risks and Basic Indicator Approach (BIA) for operational risk.

Capital requirements for credit risk:

Amount in Rs. Lakhs

		Standalone		Consolidated	
Category	**Nature**	**As at Dec 31, 2025**		**As at Dec 31, 2025**	
		Risk weighted assets	**Capital required**	**Risk weighted assets**	**Capital required**
Wholesale exposures	Generally, includes exposures to Banks, Financial Institutions and Corporates	16,448,268	2,467,240	16,742,104	2,511,316
Retail exposures	Generally, includes exposures to individuals and households, small businesses of a retail nature	-	-	-	-
Securitization exposures	Includes credit enhancement which is reduced from Capital funds (refer capital funds details at 1.2 above)				
Total		**16,448,268**	**2,467,240**	**16,742,104**	**2,511,316**

Capital requirements for market risk:

Amount in Rs. lakhs

Category	**Nature**	**Standalone**		**Consolidated**	
		As at Dec 31, 2025		**As at Dec 31, 2025**	
		Risk weighted assets	**Capital required**	**Risk weighted assets**	**Capital required**
Interest rate risk	Includes specific and general risk on interest rate instruments in the trading book	746,579	111,987	888,565	133,285
Foreign exchange risk	Includes specific and general risk on currencies (including gold)	217,916	32,687	217,916	32,687
Equity risk	Includes specific and general risk on equity instruments	319,568	47,935	391,373	58,706
Total		**1,284,063**	**192,609**	**1,497,854**	**224,678**

Capital requirements for operational risk:

As per the Basic Indicator approach for Operational Risk, the Bank is required to maintain capital at the rate of 15% of average gross income of previous three financial years. The notional risk weighted assets for operational risk is calculated by multiplying the operational risk capital charge by 12.5. The Capital required for operational risk is Rs. 434,520 Lakhs for standalone and Rs. 444,803 Lakhs for consolidated.

Capital Adequacy Ratio

Entity	**As at Dec 31, 2025**		
	Total capital ratio	**Tier I Capital ratio**	**Tier II Capital ratio**
Citibank N.A. (Standalone)	**18.98%**	**16.61%**	**2.37%**

Citibank N.A. (Consolidated)	**20.27%**	**17.96%**	**2.32%**

1.4 Credit Risk: General Disclosures

The two principal businesses of the Bank are organized by client segmentation viz. Corporate Banking (ie. large corporates, local subsidiaries of MNCs and Financial Institutions) and Commercial Banking (Medium, Small and micro enterprises).

The Wholesale Credit Risk (WCR) policy standards, policies and procedure notes along with the Local CBNA India Credit Risk Program lays down the parameters/norms for credit exposure. These policies address risk measurement, reporting, monitoring, mitigation and remediation.

Across credit risk, based on the industry studies and detailed company analysis and after considering the Target Market Norms & Underwriting Terms (called Underwriting Exceptions), facilities are approved. For proposals above a certain material threshold, Bank follows credit committee approach where credit officers from Independent Risk & Business sanctions credit in a committee which convenes every month or more often as required to discuss the proposals. The Bank has a policy for internal ratings and assigns Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRR). ORRs define one-year probability of default and is frequently monitored. The Bank also assigns a Relationship Limit Rating (RLR), which provides a medium to long-term view of credit quality.

Further, Bank has a process in place to record Incurred Credit Value Adjustment (CVA) losses on its derivative exposure in line with Basel-III circular.

Norms for Determining When to Classify Various Types of Assets as non-Performing

Term Loans are treated as a non-performing asset if the interest and/ or installments of principal remain overdue for a period of more than 90 days. Cash credits & Overdrafts are treated as non- performing if it remains 'out of order' for a period of more than 90 days.

An account will be treated "out of order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In case where the outstanding balance is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days or credits are not enough to cover the interest debited during the previous 90-day period, these accounts will be treated as out of order.

Bills purchased /discounted are treated as non-performing if the bill remains overdue and unpaid for a period of more than 90 days during the financial year.

Any other facility (including dues on forward exchange and derivative contracts) will be treated as non- performing if any amount to be received (representing mark to market) remains overdue for a period of more than 90 days.

Provision held is compared with the Provision required as per RBI norms and financials entries are taken for incremental provision is considered only if the provision required is higher as per Local GAAP than the provision held. The NPA classification activities are performed by the system at the end of each month

1.4.1. Credit Risk Quantitative disclosure

i) Credit Exposure by Industry and Geography

Amount in Rs. lakhs

Particulars	Standalone		Consolidated	
	As at Dec 31, 2025		As at Dec 31, 2025	
	Funded	Non funded	Funded	Non funded
A. Agriculture and Allied Activities	7,274	337	7,274	337
B. Mining and Quarrying	52	66	52	66
C. Food Processing	293,052	40,890	293,052	40,890
D. Beverages (excluding Tea & Coffee) and Tobacco	80,987	52,241	80,987	52,241
E. Textiles	193,309	20,981	193,309	20,981
F. Leather and Leather products	30,651	4,094	30,651	4,094
G. Wood and Wood Products	31,480	2,731	46,480	2,731
H. Paper and Paper Products	96,215	21,870	96,215	21,870
I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	339,032	160,170	339,032	160,170
J. Chemicals and Chemical Products (Dyes, Paints, etc.)	1,206,005	461,739	1,217,005	461,739
K. Rubber, Plastic and their Products	229,330	58,451	229,330	58,451
K. Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)	32,984	24,641	32,984	24,641
M. Cement and Cement Products	1,858	73	1,858	73
N. Basic Metal and Metal Products	607,152	172,431	607,152	172,431
O. All Engineering	792,040	478,809	792,040	478,809
P. Vehicles, Vehicle Parts and Transport Equipment	568,744	182,082	568,744	182,082
Q. Gems and Jewellery	-	6,001	-	6,001
R. Construction	-	-	-	-
R. Infrastructure (Pertaining to Industries Sector Only)	200,366	196,692	200,366	196,692
T. Other Industries	2,059,388	181,994	2,143,115	187,857
U. Transport Operators	53,457	7,655	53,457	7,655
V. Computer Software	533,704	572,844	533,704	572,844
W. Tourism, Hotel and Restaurants	2,262	22,024	22,229	22,024
X. Shipping	7,669	475	7,669	475
Y. Professional Services	4,400,028	1,372,363	4,418,873	1,280,771
Z. Trade	820,839	292,285	821,639	292,285
AA. Aviation	162	39,661	162	39,661
AC. Other Retail Exposure	-	-	-	-
AD. Services	12,104,135	-	12,297,435	-
AE. Commercial Real Estate	191,960	29,757	191,960	29,757
AF. NBFC	693,499	437,107	693,499	437,107
Total	**25,577,635**	**4,840,464**	**25,920,274**	**4,754,734**

Notes:

1. As a branch of a foreign bank, the operations of the Bank do not extend outside of India. Hence the Bank is considered to operate only in the domestic segment and hence there is no reporting required for geographical segment.
2. Exposure is comprised of Loans & Advances, Balance with Banks, Money at call and short notice, HTM and AFS investments, Revaluation gains on foreign exchange and derivative contracts, Deposits with NABARD, SIDBI, MUDRA & NHB under the priority/weaker section lending schemes, credit equivalent of guarantees, acceptances, letters of credit, other Non-Market Related off balance sheet obligations and credit equivalent of foreign exchange and derivative exposures.

ii) Residual contractual maturity breakdown of assets

Amount in Rs. Lakhs

Maturity Bucket	Standalone		Consolidated	
	As at Dec 31, 2025		As at Dec 31, 2025	
	Loans and Advances	Investments	Loans and Advances	Investments
Day 1	68,875	6,916,868	68,875	6,916,868
2 to 7 days	364,253	224,574	364,253	266,654
8 to 14 days	367,567	116,171	367,567	116,171
15 to 30 days	833,754	1,769,059	834,927	1,769,059
31 days to 2 months	1,150,870	1,223,517	1,240,536	1,223,517
Over 2 months to 3 months	870,591	434,358	871,858	434,358
Over 3 months to 6 months	1,206,133	270,858	1,228,670	313,476
Over 6 months to 12 months	564,211	358,467	698,847	358,467
Over 1 year to 3 years	1,294,702	1,584,098	1,361,899	1,767,449
Over 3 years to 5 years	307,823	53,728	334,059	66,332
Over 5 years	13,276	696,574	13,274	705,274
Total	**7,042,055**	**13,648,272**	**7,384,765**	**13,937,625**

iii) Amount of NPAs (Gross)

Amount in Rs. Lakhs

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Substandard	1,721	1,721
Doubtful 1	-	-
Doubtful 2	-	-
Doubtful 3	-	-
Loss	10,475	10,475
Total	**12,196**	**12,196**

iv) Net NPAs:

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated

Doubtful 1	0	0
Doubtful 2	0	0
Doubtful 3	0	0
Doubtful	**0**	**0**
Loss	**0**	**0**
Substandard	**1,250**	**1,250**
Total	**1,250**	**1,250**

v) NPA ratios:

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Gross NPAs to Gross Advances	0.17%	0.16%
Net NPAs to Net Advances	0.02%	0.00%

vi) Movement of Gross NPAs

Amount in Rs. lakhs

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Opening Balance	10,476	10,476
Additions during the year	273,818	273,818
Recoveries/write offs during the year	272,097	272,097
Closing Balance	**12,197**	**12,197**

vii) Movement of Specific Provision

Amount in Rs. lakhs

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Opening Balance	10,476	10,476
Provisions made during the year	674	674
Write-Off	-	-
Write back off excess Provisions	203	203
Any other adjustment, including transfer between provisions	-	-
Closing Balance	**10,947**	**10,947**

viii) Movement of Provision on Standard Assets*

Amount in Rs. Lakhs

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Opening Balance	69,454	73,136
Provisions made during the year	14,670	14,670
Write-Off	0	(186)
Write back off excess Provisions	- (1,715)	(1,715)

Any other adjustment, including transfer between provisions	-	-
Closing Balance	**82,409**	**85,905**

* The above includes provision on account of Unhedged Foreign Currency Exposure (UFCE)
In addition to above, Bank carries Incurred CVA provision of INR 1223.24 lakhs as at Dec'25

ix) Movement of provision held towards depreciation on investments

During FY2024, he Reserve Bank of India (RBI) issued a master direction on classification, valuation and operation of investment portfolio of commercial banks (Directions), 2023, which became effective from April 1, 2024, The balance in provision for depreciation, as at March 31, 2024, was reversed into the Revenue/ General Reserve on transition date i.e., 01st April 2024 in line with the requirement of Chapter XIV (Transition and Repeal Provisions) of Investment Master direction issued on September 12, 2023.

x) Industry wise classification of NPA, specific and General Provision- Standalone

Amount in Rs. Lakhs

Industry	As at Dec 31, 2025			For FY 2025-26	
	Gross NPA	Provisions for NPA	Provision for Standard Assets	Write off	Provision for NPA
A. Agriculture and Allied Activities	1,721	472	701	-	472
B. Mining and Quarrying	-	-	1	-	-
C. Food Processing	1,102	1,102	1,792	-	-
D. Beverages (excluding Tea & Coffee) and Tobacco	-	-	1,109	-	-
E. Textiles	-	-	1,081	-	-
F. Leather and Leather products	-	-	233	-	-
G. Wood and Wood Products	-	-	168	-	-
H. Paper and Paper Products	-	-	698	-	-
I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	2,651	-	-
J. Chemicals and Chemical Products (Dyes, Paints, etc.)	340	340	8,262	-	-
K. Rubber, Plastic and their Products	-	-	1,615	-	-
L. Glass & Glassware	-	-	389	-	-
M. Cement and Cement Products	-	-	7	-	-
N. Basic Metal and Metal Products	-	-	3,418	-	-
O. All Engineering	3,396	3,396	5,675	-	-
P. Vehicles, Vehicle Parts and Transport Equipment	-	-	4,406	-	-
Q. Gems and Jewellery	-	-	-	-	-
R. Construction	-	-	-	-	-
S. Infrastructure	-	-	3,097	-	-
T. Other Industries	2,515	2,515	491	-	- 1

3.6 Real Estate Activities (Other than Residential Mortgages)	-	-	1,330	-	-
U. Transport Operators (Land Transport and Pipelines)	450	450	358	-	-
X. Computer Software	-	-	5,040	-	-
Y. Tourism, Hotel and Restaurants	-	-	20	-	-
V. Shipping (Water Transport)	-	-	75	-	-
W. Aviation	-	-	-	-	-
Z. Professional Services	-	-	9,348	-	-
AD. Trade	2,671	2,671	5,914	-	-
AA. Other NBFCs	-	-	2,116	-	-
AB. Housing Finance Companies (HFCs)	-	-	-	-	-
AE. Retail Advances	-	-	-	-	-
AG. Services	-	-	72	-	-
AF. NBFC	-	-	-	-	-
AH. Others	-	-	22,342	272	-
Total	**12,195**	**10,946**	**82,409**	**272**	**471**

xi) Industry wise classification of NPA, specific and General Provision - Consolidated

Amount in Rs. Lakhs

Industry	As at Dec 31, 2025			For FY 2025-26	
	Gross NPA	Provisions for NPA	Provision for Standard Assets	Write off	Provision for NPA
A. Agriculture and Allied Activities	1,721	472	701	-	472
B. Mining and Quarrying	-	-	1	-	-
C. Food Processing	1,102	1,102	1,792	-	-
D. Beverages (excluding Tea & Coffee) and Tobacco	-	-	1,109	-	-
E. Textiles	-	-	1,081	-	-
F. Leather and Leather products	-	-	233	-	-
G. Wood and Wood Products	-	-	168	-	-
H. Paper and Paper Products	-	-	698	-	-
I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	2,651	-	-
J. Chemicals and Chemical Products (Dyes, Paints, etc.)	340	340	8,262	-	-

K. Rubber, Plastic and their Products	-	-	1,615	-	-
L. Glass & Glassware	-	-	389	-	-
M. Cement and Cement Products	-	-	7	-	-
N. Basic Metal and Metal Products	-	-	3,418	-	-
O. All Engineering	3,396	3,396	5,675	-	-
P. Vehicles, Vehicle Parts and Transport Equipment	-	-	4,406	-	-
Q. Gems and Jewellery	-	-	-	-	-
R. Construction	-	-	-	-	-
S. Infrastructure	-	-	3,097	-	-
T. Other Industries	2,515	2,515	3,987	-	(1)
3.6 Real Estate Activities (Other than Residential Mortgages)	-	-	1,330	-	-
U. Transport Operators (Land Transport and Pipelines)	450	450	358	-	-
X. Computer Software	-	-	5,040	-	-
Y. Tourism, Hotel and Restaurants	-	-	20	-	-
V. Shipping (Water Transport)	-	-	75	-	-
W. Aviation	-	-	-	-	-
Z. Professional Services	-	-	9,348	-	-
AD. Trade	2,671	2,671	5,914	-	-
AA. Other NBFCs	-	-	2,116	-	-
AB. Housing Finance Companies (HFCs)	-	-	-	-	-
AE. Retail Advances	-	-	-	-	-
AG. Services	-	-	72	-	-
AH. Others	-	-	22,342	272	-
AF. NBFC	-	-	-	-	-
Total	**12,195**	**10,946**	**85,905**	**272**	**471**

1.4.2 Credit Risk: disclosures for portfolios subject to the standardized approach

The Bank has approved use of ratings issued by external rating agencies- CRISIL Limited, Acuite Ratings and Research Limited, ICRA Limited, India Ratings and Research Private Limited and CARE as permitted by Reserve Bank of India for domestic counterparties. For the foreign counterparties the ratings assigned by Standard & Poor's, Fitch and Moody's are used by the Bank, these being the parents of the local entities in question.

Where the obligors have obtained rating of the facility from any of the above credit rating agencies, the Bank has applied the risk weights relevant to the ratings so assigned in line with the rating letters and RBI norms. Where the obligors have not yet obtained such a rating, the exposure has been considered as unrated and appropriate risk weights applied.

The breakdown of the exposure (after mitigation):

Amount in Rs. Lakhs

Particulars	As at Dec 31, 2025	
	Standalone	Consolidated
Below 100% risk weight	20,545,404	20,453,736
100% risk weight	1,735,464	1,807,793
More than 100% risk weight	8,137,230	8,413,477

Note: Exposure is comprised of Loans & Advances, Balance with Banks, Money at call and short notice, HTM and AFS investments, Revaluation gains on foreign exchange and derivative contracts, Deposits with NABARD, SIDBI, MUDRA & NHB under the priority/weaker section lending schemes, credit equivalent of guarantees, acceptances, letters of credit, other Non-Market Related off balance sheet Obligations and credit equivalent of foreign exchange and derivative exposures.

1.4.3 Credit risk mitigation

The Bank has a three-stage approach to credit risk mitigation i.e. pre-disbursement due diligence, credit approval and post disbursement monitoring. Risk mitigation and defeasance techniques are utilized as appropriate in the various lines of business. The security and support are generally used by the corporate bank as risk mitigants, based on well-defined policies and processes. Ongoing monitoring ensures that the management is comfortable with the residual risk, which is adequately supported by the capital employed.

The eligible collaterals used by the Bank as risk mitigants are in the form of cash collaterals pledged with the Bank and eligible guarantees for arriving at the benefit for capital adequacy purposes. Given the nature of collateral, the Bank does not have any concentration risk within the mitigants accepted by the Bank.

Exposure covered by eligible financial collateral after application of hair cut:

Amount in Rs. Lakhs

Category	Nature	As at Dec 31, 2025	
		Standalone	Consolidated
Wholesale exposures	Generally, includes exposures to Banks, Financial Institutions and Corporates	757,317	757,317
Retail exposures	Generally, includes exposures to individuals and households, small businesses of a retail nature	-	-
Securitisation exposures	Includes credit enhancement which is reduced from Capital funds	-	-

1.4.4 Securitisation

Securitisation risk includes the risk that the capital resources held by the firm in respect of assets which it has securitised or participated in any third-party securitisation transactions are inadequate having regard to the economic substance of the transaction, including the degree of risk transfer achieved. Typically, in securitisation transactions bank acts as an originator, servicing agent, investor in pass through certificates and provider of credit enhancement or as guarantor.

While the Bank invests into pass through certificates, it has not been carrying out any loan securitizations as an originator.

Amount in Rs. Lakhs

Nature	**As at Dec 31, 2025**	
	Standalone	
	Exposure	**RWA**
Investment in Pass Through Certificates (PTCs)	8,50,300	1,70,060

1.5 Market Risk

1.5.1 Market risk in trading book

Market Risk is the risk of losses in a Bank's on-balance sheet and off-balance sheet positions arising from adverse movements in market prices.

The Bank follows the overall Citigroup risk and control framework for market risk management which includes balancing senior management oversight with well-defined independent risk management functions. It is the responsibility of the senior management of the Bank to implement Citigroup policies and practices, to oversee risk management, and to respond to the needs and issues in the Bank. The Bank's policy is to control material market risks through a framework of limits & triggers which are approved by Country Coordinating Committee (CCC).

The market risk taking activity in Citibank N.A. India is centralized with Treasury. The Treasury is subject to limits and triggers across all products and risk factors. The Bank's CCC approved policies, defines the limits, approvals, changes, delegation, reporting and escalation in case of limit excesses and trigger breaches. The independent Market Risk Management monitors the trading risk exposures against approved limits and triggers on a daily basis. Market risk team utilizes reports generated by central reporting systems / team for the same. Any excess or a breach is reported and dealt with appropriately for corrective action with reporting to ALCO and CCC.

The capital charge for interest rate related instruments and equities would apply to current market value of these items in Banks trading book. Since the Bank is required to maintain capital for market risks on an ongoing basis, the trading positions are marked to market on a daily basis. The current market value is determined as per extant RBI guidelines on valuation of investments.

The minimum capital requirement is expressed in terms of two separately calculated charges: Specific risk charge for each security, which is designed to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer. General market risk charge, which is towards interest, exchange and price risk in the portfolio in different securities or instruments. Effective April 1,2024 there's been change in definition of Trading Book for the purpose of capital adequacy.

Specific charge is computed in line with the rates for capital charge provided under the RBI guidelines. The capital requirements for general market risk are designed to capture the risk of loss arising from changes in market interest rates. The Bank follows the modified duration method for measurement of the general market risk charge on investments portfolio. Measurement of market risk charge for interest rates include all interest rate derivatives and off-balance sheet instruments in the trading book, which react to changes in interest rates. The Bank has adopted intermediate approach for measuring the price risk for options. Options are reported as a position equal to the market value of the underlying multiplied by the delta. In addition, capital charge is also provided for the gamma and vega risk.

Capital charge for market risks in foreign exchange is 9% on the open position limit of the Bank. This capital charge is in addition to the capital charge for credit risk on the on-balance sheet and off-balance sheet items pertaining to foreign exchange.

On the equity position in the investment portfolio capital charge has been maintained at 11.25% for specific risk and 9% for general risk.

The risk appetite is largely determined and controlled by both Citi's internal Risk Appetite framework and regulatory limits on foreign exchange and interest rate exposure. The spot foreign exchange exposure is monitored through Net Open Position limits which is approved by RBI and the interest rate exposure on rupee derivatives is controlled through the gross PV01 limit which is restricted to 0.25% of the net-worth of the Bank as required by RBI. Further, the aggregate interest rate exposures on trading account is limited by limits on PV01 which is as per the stipulated Gross PV01 limits established by RBI. (highlighted data is present in Mar File but missing in text confirmation mail sent)

Risk is measured in terms of: -

(a) Factor sensitivities (DV01 – impact of change of rates by one basis point) for interest rate products, FX Delta for Spot position, Vega and Gamma limits for FX Options. These measures & limits are further sub-divided for each yield curves and currencies.

(b) Value-at-risk Trigger, which measures maximum potential loss at 99% confidence level over 1-day holding period based on the day's outstanding risk positions across the entire mark-to-market exposures.

(c) Loss Triggers: The Trading book and available for sale book profit and loss monitored against month-to-date and inception-to-date (for available for sale) Loss Trigger

Capital requirements for market risk:

Amount in Rs. Lakhs

Category	Nature	Standalone		Consolidated	
		As at Dec 31, 2025		As at Dec 31, 2025	
		Risk weighted assets	Capital required	Risk weighted assets	Capital required
Interest rate risk	Includes specific and general risk on interest rate instruments in the trading book	746,579	111,987	888,565	133,285
Foreign exchange risk	Includes specific and general risk on currencies (including gold)	217,916	32,687	217,916	32,687
Equity risk	Includes specific and general risk on equity instruments	319,568	47,935	391,373	58,706
Total		**1,284,063**	**192,609**	**1,497,854**	**224,678**

1.6 General Disclosure for exposure related to counterparty credit risk

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

The Bank makes market in all permitted Over the Counter (OTC) derivative transactions for its customers and in the Interbank Market. The Bank also uses some of these derivatives for hedging its assets and liabilities.

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

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

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

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

The International Swaps and Derivatives Association ('ISDA') Master Agreement is our preferred agreement for documenting derivatives activity. It provides the contractual framework within which dealing activity across a full range of over the counter ('OTC') products is conducted, and contractually binds both parties covered by an agreement if either party defaults or another pre-agreed termination event occurs.

The Bank seeks to negotiate Credit Support Annexes (CSA) to International Swaps and Derivatives Association master agreements with counterparties on a case-by-case basis, where collateral is deemed a necessary or desirable mitigant to the exposure. The credit terms of the CSA are specific to each legal document and approved by the credit risk approval unit responsible for the counterparty. The nature of the collateral will be specified in the legal document and will typically be cash or highly liquid securities. However, despite the CSA being a standard credit mitigant for OTC derivatives globally, market practice in this respect is still evolving in India.

There is a daily process to calculate the MTM on all trades captured under the CSA. Additional collateral is called from the counterparty if total uncollateralized MTM exposure exceeds the threshold and minimum transfer amount and other terms specified in the CSA.

Bank has computed the exposure under the Current Exposure Method for counterparty credit risk capital computation based on the guidelines issued by RBI "Master Circular – Basel III Capital Regulations" as amended from time to time. The product-wise derivative exposure calculated using Current Exposure Method ('CEM') without netting benefits and the balance outstanding as on Dec 31, 2025 is given below:

Quantitative Disclosure

Amount in Rs. Lakhs

Particulars	As at Dec 31, 2025			
	Standalone		Consolidated	
	Notional	Current Credit Exposure	Notional	Current Credit Exposure
Cross Currency Interest rate Swap	7,491,047	886,123	7,491,047	886,123
Forward Forex Contract	33,706,501	1,290,645	33,706,501	1,290,645
Currency Options	12,806,975	744,950	12,806,975	744,950
Single Currency Interest rate Swap	46,675,958	706,149	46,675,958	706,149
Interest Rate Options	754,643	14,062	754,643	14,062
Forward Rate Agreement	3,572,387	151,671	3,572,387	151,671

Note: The above does not include Exposure to QCCP.

1.9 Leverage Ratio

As per RBI guidelines, disclosures required for leverage ratio for the Bank at the consolidated level at Dec 31, 2025 is as follows:

Amount in Rs. Lakhs

Summary comparison of accounting assets vs. leverage ratio exposure measure			
		As at Dec 31, 2025	
Sl. No	**Item**	**Standalone**	**Consolidated**
1	Total consolidated assets as per published financial statements	22,132,581	22,801,431
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
4	Adjustments for derivative financial instruments	4,300,898	4,300,898
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	4,176,865	4,176,865
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	3,587,662	3,593,525
7	Other adjustments	(942)	(942)
8	**Leverage ratio exposure**	**34,197,064**	**34,871,777**

Amount in Rs. Lakhs

	Leverage ratio common disclosure template		
	Item	**Standalone**	**Consolidated**
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	22,132,582	22,801,432
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(942)	(942)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	**22,131,640**	**22,800,490**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	341,214	341,214
5	Add-on amounts for PFE associated with all derivatives transactions	3,959,684	3,959,684
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of lines 4 to 10)	**4,300,898**	**4,300,898**
	Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	4,176,865	4,176,865
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	**4,176,865**	**4,176,865**
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	16,308,450	16,314,313
18	(Adjustments for conversion to credit equivalent amounts)	(11,702,667)	(11,710,731)
19	Off-balance sheet items (sum of lines 17 and 18)	4,605,783	4,603,582
	Capital and total exposures		
20	Tier 1 capital	3,426,365	3,807,476
21	Total exposures (sum of lines 3, 11, 16 and 19)	34,197,065	34,871,778
	Leverage ratio		
22	Basel III leverage ratio	**10.02%**	**10.92%**

Quantitative Disclosures

As per RBI guidelines, disclosures required for leverage ratio for the Bank at a standalone basis for the last 4 quarters:

Amount in Rs. Lakhs

	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25
Tier 1 Capital	3,426,365	3,445,123	3,466,674	3,433,011
Exposure Measure	34,197,065	34,957,364	37,251,568	33,578,047
Leverage Ratio (%)	10.02%	9.86%	9.31%	10.22%