

Citibank N.A. – India Branches

Financial statements
together with Auditor's Report
for the year ended 31 March 2019

Citibank N.A. – India Branches

Financial statements together with Auditor's Report

for the year ended 31 March 2019.

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INDEPENDENT AUDITORS' REPORT

**To the Chief Executive Officer
Citibank N.A. - India Branches
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Citibank N.A. - India Branches ("the Bank"), which comprise the Balance Sheet as at March 31, 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the provisions of Section 29 of the Banking Regulation Act, 1949 as well as the provisions of the Companies Act, 2013 ("the Act") and circulars and guidelines issued by the Reserve Bank of India ("the RBI"), 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, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Management of the Bank is responsible for the other information. The other information comprises the Basel III - Pillar 3 Disclosures.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for Financial Statements

The Management of the Bank is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by 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.

In preparing the financial statements, the Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Bank.
2. As required by Section 30 of the Banking Regulation Act, 1949 and 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 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;
 - c. During the course of our audit we have visited 5 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 purpose of our audit are available therein;
 - d. 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;
 - e. 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;
 - f. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
 - g. The requirements of Section 164(2) of the Act is 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;
 - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - i. 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, 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 of pending litigations as at March 31, 2019 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, 2019, 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; and
 - 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, 2019.
3. In our opinion and according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder 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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Swapnil Kale

Partner

Membership No. 117812

Mumbai

June 25, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF CITIBANK N.A. - INDIA BRANCHES

Auditors' Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Swapnil Kale

Partner

Membership No. 117812

Mumbai

June 25, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CITIBANK N.A. - INDIA BRANCHES

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in 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, 2019]

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

We have audited the internal financial controls with reference to financial statements of Citibank N.A. - India Branches ("the Bank") as of March 31, 2019 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

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 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

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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

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

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

In our opinion, the Bank has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Swapnil Kale

Partner

Membership No. 117812

Mumbai

June 25, 2019

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

Balance Sheet of the Indian Branches
as at March 31, 2019

	Schedules	31-Mar-19 (Rs. in lakhs)	31-Mar-18 (Rs. in lakhs)
CAPITAL & LIABILITIES			
Capital	1	374,384	374,384
Reserves & Surplus	2	2,038,902	1,878,025
Deposits	3	12,788,679	11,369,169
Borrowings	4	1,800,826	1,676,234
Other liabilities and provisions	5	1,663,633	1,094,979
TOTAL		18,666,424	16,392,791
ASSETS			
Cash and balances with Reserve Bank of India	6	823,221	1,463,352
Balances with banks and money at call and short notice	7	451,867	501,926
Investments	8	9,655,786	7,844,251
Advances	9	6,159,669	5,571,293
Fixed Assets	10	137,280	141,977
Other Assets	11	1,438,601	869,992
TOTAL		18,666,424	16,392,791
Contingent Liabilities	12	95,142,212	85,702,988
Bills for Collection		1,937,824	1,768,552

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 attached.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Ashu Khullar
Interim Chief Executive Officer

Niraj Parekh
Chief Financial Officer

Mumbai
June 25, 2019

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, 2019

	Schedules	Year ended 31-Mar-19 (Rs. in lakhs)	Year ended 31-Mar-18 (Rs. in lakhs)
I. INCOME			
Interest earned	13	1,141,001	1,047,572
Other income	14	382,783	343,353
TOTAL		1,523,784	1,390,925
II. EXPENDITURE			
Interest expended	15	358,901	308,695
Operating expenses	16	424,988	399,026
Provisions and contingencies	17	321,365	342,899
TOTAL		1,105,254	1,050,620
III. PROFIT			
Net Profit for the year		418,530	340,305
Add: Net profit brought forward		279,926	275,615
TOTAL		698,456	615,920
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		104,632	85,076
Transfer to Capital Reserve on sale of immovable property		2,191	1,601
Transfer to/(from) Investment Reserve		15,040	(20,650)
Transfer to Special Reserve		1,387	2,341
Transfer to Investment Fluctuation Reserve		64,372	-
Profit Remitted to Head Office		259,277	256,610
Transfer to Remittable Surplus retained for Capital to Risk-Weighted Assets			
Ratio (CRAR) requirements		20,650	11,016
Balance carried over to Balance Sheet		230,907	279,926
TOTAL		698,456	615,920

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 attached.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Swapnil Kale
Partner
Membership No: 117812

Ashu Khullar
Interim Chief Executive Officer

Niraj Parekh
Chief Financial Officer

Mumbai
June 25, 2019

CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)
Cash Flow Statement
for the year ended March 31, 2019

	Year ended 31-Mar-19 (Rs. in lakhs)	Year ended 31-Mar-18 (Rs. in lakhs)
<u>Cash flow from operating activities</u>		
Profit before tax	714,665	581,288
<u>Adjustments for:</u>		
Depreciation charge for the year	12,120	12,273
Profit on sale of fixed assets (net)	(4,965)	(2,997)
(Write back)/ Provision for depreciation on investments	(35,607)	48,525
Provisions for non-performing assets/write offs (net)	56,836	50,344
Other Provisions	1,718	575
Provision towards unhedged foreign currency exposure	2,282	817
(Increase) in Investments	(1,775,928)	(2,109,913)
(Increase) in Advances	(645,293)	(135,983)
Increase in Deposits	1,419,510	967,272
(Increase)/Decrease in other assets	(554,194)	525,652
Increase/(Decrease) in other liabilities and provisions	564,735	(575,438)
Direct taxes paid	(310,550)	(243,123)
Net cash flow (used in)/ generated from operating activities (A)	(554,671)	(880,708)
<u>Cash flow from investing activities</u>		
Purchase of fixed assets	(6,242)	(8,575)
Proceeds from sale of fixed assets	5,408	7,240
Purchase of long term investments	-	(800)
Net cash used in investing activities (B)	(834)	(2,135)
<u>Cash flow from financing activities</u>		
Remittance to Head Office	(259,277)	(256,610)
Increase in borrowings	124,592	1,082,768
Net cash generated from/(used in) financing activities (C)	(134,685)	826,158
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(690,190)	(56,685)
Cash and cash equivalents as at beginning of the year*	1,965,278	2,021,963
Cash and cash equivalents as at end of the year*	1,275,088	1,965,278

*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 has 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 attached.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration Number: 105047W

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

Membership No: 117812

Ashu Khullar
Interim Chief Executive Officer
Niraj Parekh
Chief Financial Officer

Mumbai

June 25, 2019

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

Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019

		31-Mar-19 (Rs. in lakhs)	31-Mar-18 (Rs. in lakhs)
SCHEDULE 1 - CAPITAL			
CAPITAL			
Amount of deposit kept with RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (refer Schedule 18 - Note V (1))		<u>850,000</u>	<u>757,500</u>
CAPITAL			
Initial Capital		20	20
Capital funds from Head Office		374,364	374,364
TOTAL		<u>374,384</u>	<u>374,384</u>
SCHEDULE 2 - RESERVES & SURPLUS			
I. Statutory Reserve			
Opening Balance	806,440		721,364
Additions during the year	<u>104,632</u>		<u>85,076</u>
		911,072	806,440
II. Investment Fluctuation Reserve			
Opening Balance	-		-
Additions during the year (refer Schedule 18 - Note V - 12(a))	<u>64,372</u>		<u>-</u>
		64,372	-
III. Properties Investment Reserve (refer Schedule 18 - Note V (4))		6,194	6,194
IV. Properties Revaluation Reserve			
Opening Balance	27,304		33,236
Additions during the year	5,999		-
Deductions during the year	(3,907)		(5,375)
Depreciation during the year	<u>(468)</u>		<u>(557)</u>
		28,928	27,304
V. Investment Reserve			
Opening Balance	12,237		32,887
Additions during the year (refer Schedule 18 - Note V (6))	15,040		-
Transfer to the Profit and Loss account (refer Schedule 18 - Note V (6))	<u>-</u>		<u>(20,650)</u>
		27,277	12,237
VI. Capital Reserve on sale of immovable properties			
Opening Balance	13,822		12,221
Additions during the year (refer Schedule 18 - Note V (5))	<u>2,191</u>		<u>1,601</u>
		16,013	13,822

CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)
**Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019**

31-Mar-19
(Rs. in lakhs) 31-Mar-18
(Rs. in lakhs)

SCHEDULE 2 - RESERVES & SURPLUS (Continued)

VII. Special Reserve			
Opening Balance	18,732		16,391
Additions during the year (refer Schedule 18 - Note V (7))	1,387		2,341
		20,119	18,732
Remittable Surplus retained for Capital to Risk-Weighted Assets			
VIII. Ratio (CRAR) requirements			
Opening Balance	713,370		702,354
Additions during the year	20,650		11,016
		734,020	713,370
IX. Balance in the Profit and Loss Account		230,907	279,926
TOTAL (I + II + III + IV + V + VI + VII + VIII + IX)		2,038,902	1,878,025

SCHEDULE 3 - DEPOSITS
A. I Demand Deposits

i) From banks	14,950	33,264
ii) From others	4,952,794	3,924,802
	4,967,744	3,958,066

II Savings Bank Deposits

	2,745,871	2,655,903
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III Term Deposits

i) From banks	15	15
ii) From others	5,075,049	4,755,185
	5,075,064	4,755,200

TOTAL (I + II + III)

	12,788,679	11,369,169
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B. I Deposits of branches in India

	12,788,679	11,369,169
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II Deposits of branches outside India

	-	-
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TOTAL (I + II)

	12,788,679	11,369,169
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CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)

Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019

	31-Mar-19 (Rs. in lakhs)	31-Mar-18 (Rs. in lakhs)
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	630,000	950,000
ii) Other banks	24	60
iii) Other institutions and agencies	840,398	150,340
TOTAL (i + ii + iii)	1,470,422	1,100,400
II. Borrowings outside India	330,404	575,834
TOTAL (I + II)	1,800,826	1,676,234
Secured borrowings included in I above	1,470,398	1,100,340
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	97,627	61,127
II. Inter - office adjustments (net)	7	361
III. Interest accrued	26,958	18,147
IV. Provisions against standard assets (refer Schedule 18 - Note V (13.7))	60,801	58,520
V. Others (including provisions)	1,478,240	956,824
TOTAL (I + II + III + IV + V)	1,663,633	1,094,979

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

Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019

31-Mar-19
(Rs. in lakhs)

31-Mar-18
(Rs. in lakhs)

SCHEDULE 6 - CASH AND BALANCES
WITH RESERVE BANK OF INDIA

I.	Cash in hand (including foreign currency notes)		15,732	10,897
II.	Balances with Reserve Bank of India			
	i) in Current account	507,489		482,455
	ii) in Other Deposit accounts	300,000		970,000
			807,489	1,452,455
	TOTAL (I + II)		823,221	1,463,352

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

I.	In India			
	i) Balances with banks			
	a) In Current accounts	13,103		14,399
	b) In Other Deposit accounts	133,321		22,225
	TOTAL (a + b)		146,424	36,624
	ii) Money at call and short notice			
	a) With banks	-		-
	b) With other institutions	27,310		72,813
	TOTAL (a + b)		27,310	72,813
	TOTAL (i + ii)		173,734	109,437
II.	Outside India			
	i) In Current account	122,534		49,225
	ii) In Other Deposit accounts	155,599		343,264
	iii) Money at call and short notice	-		-
	TOTAL (i + ii + iii)		278,133	392,489
	TOTAL (I + II)		451,867	501,926

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

Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019

	31-Mar-19 (Rs. in lakhs)	31-Mar-18 (Rs. in lakhs)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India in		
i) Government securities	7,305,392	6,461,201
ii) Other approved securities	-	-
iii) Shares	2,042	2,042
iv) Debentures and Bonds (refer Schedule 18 Note V (2))	446,085	228,830
v) Others (refer Schedule 18 Note V (2))	521,961	370,915
TOTAL (i + ii + iii + iv + v)	8,275,480	7,062,988
II. Investments outside India in		
(i) Government securities (Including local authorities) (refer Schedule 18 Note V (13.13. (A)))	1,380,306	781,263
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Other investments	-	-
TOTAL (i + ii + iii)	1,380,306	781,263
TOTAL (I + II)	9,655,786	7,844,251
SCHEDULE 9 - ADVANCES		
A.		
i) Bills purchased and discounted	600,686	580,608
ii) Cash credits, overdrafts and loans repayable on demand	1,349,548	1,125,801
iii) Term loans	4,209,435	3,864,884
TOTAL (i + ii + iii)	6,159,669	5,571,293
B.		
i) Secured by tangible assets (Including advances against book debts)	2,117,839	1,982,796
ii) Covered by Bank / Government guarantees	175,201	27,434
iii) Unsecured	3,866,629	3,561,063
TOTAL (i + ii + iii)	6,159,669	5,571,293
C. I. Advances in India		
i) Priority sector	2,293,342	1,812,970
ii) Public sector	-	131
iii) Banks	80	2,682
iv) Others	3,866,247	3,755,510
TOTAL (i + ii + iii + iv)	6,159,669	5,571,293
C. II. Advances outside India	-	-
TOTAL (C. I + C. II)	6,159,669	5,571,293
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	(2,992)	(2,844)
TOTAL	4,414	4,562

CITIBANK N.A.
(Incorporated with Limited Liability in U.S.A.)
**Schedules forming part of the Balance Sheet of the Indian Branches
as at March 31, 2019**

	31-Mar-19 (Rs. in lakhs)	31-Mar-18 (Rs. in lakhs)
SCHEDULE 10 - FIXED ASSETS (Continued)		
II. Premises		
At cost as on 1 April	92,484	95,234
Additions during the year	101	7
Deductions during the year	(85)	(2,757)
	<u>92,500</u>	<u>92,484</u>
Depreciation to date	<u>(11,921)</u>	<u>(10,135)</u>
	80,579	82,349
Add: Revaluation of Premises	28,928	27,304
TOTAL	<u>109,507</u>	<u>109,653</u>
III. A Other Fixed assets (including intangibles) (refer Schedule 18 - Note V (10))		
At cost as on 1 April	93,003	89,552
Additions during the year	5,976	8,135
Deductions during the year	(3,551)	(4,684)
	<u>95,428</u>	<u>93,003</u>
Depreciation to date	<u>(73,120)</u>	<u>(66,837)</u>
	22,308	26,166
B Other Fixed assets (taken on lease)		
At cost as on 1 April	5,678	5,985
Additions during the year	101	626
Deductions during the year	-	(933)
	<u>5,779</u>	<u>5,678</u>
Depreciation to date	<u>(4,977)</u>	<u>(4,268)</u>
	802	1,410
TOTAL (III A + III B)	<u>23,110</u>	<u>27,576</u>
IV. Capital Work-in-progress	249	186
TOTAL (I + II + III + IV)	<u>137,280</u>	<u>141,977</u>

SCHEDULE 11 - OTHER ASSETS

I. Inter-office adjustment (net)	-	-
II. Interest accrued	186,683	165,236
III. Tax paid in advance/tax deducted at source (net of provision for tax) (refer Schedule 18 - Note V (9))	59,830	43,849
IV. Non-banking assets acquired in satisfaction of claims	-	-
V. Deferred tax assets (net) (refer Schedule 18 - Note V (21))	26,377	24,980
VI. Others (refer Schedule 18 - Note V (11))	1,165,711	635,927
TOTAL (I + II + III + IV + V + VI)	<u>1,438,601</u>	<u>869,992</u>

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	57,504	43,829
II. Liability on account of outstanding forward exchange contracts	45,612,310	36,256,888
III. Liability on account of outstanding rupee interest rate derivatives	44,480,553	45,035,482
IV. Guarantees given on behalf of constituents	-	-
a) In India	1,786,562	1,481,298
b) Outside India	853,876	631,919
V. Acceptances, endorsements and other obligations	2,081,383	1,981,100
VI. Others	270,024	272,472
TOTAL (I + II + III + IV + V + VI)	<u>95,142,212</u>	<u>85,702,988</u>

CITIBANK N.A.
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Schedules forming part of the Profit and loss account of the Indian Branches
for the year ended March 31, 2019

	Year ended 31-Mar-19 (Rs. in lakhs)	Year ended 31-Mar-18 (Rs. in lakhs)
SCHEDULE 13 - INTEREST EARNED		
I Interest/discount on advances/bills	599,356	567,018
II Income on investments	505,305	427,494
III Interest on balances with Reserve Bank of India and other inter-bank funds	27,057	34,593
IV Others	9,283	18,467
TOTAL (I + II + III + IV)	1,141,001	1,047,572
SCHEDULE 14 - OTHER INCOME		
I Commission, exchange and brokerage (net)	157,555	148,835
II Loss on sale of investments (net)	(9,456)	(10,192)
III Profit on sale of fixed assets (net)	4,965	2,997
IV Profit on exchange transactions (net)	210,470	189,485
V Miscellaneous income	19,249	12,228
TOTAL (I + II + III + IV + V)	382,783	343,353
SCHEDULE 15 - INTEREST EXPENDED		
I Interest on deposits	319,318	287,260
II Interest on Reserve Bank of India/ Inter-bank borrowings	22,262	14,867
III Others	17,321	6,568
TOTAL (I + II + III)	358,901	308,695
SCHEDULE 16 - OPERATING EXPENSES		
I Payments to and provisions for employees	133,306	128,738
II Rent, taxes and lighting	15,609	15,911
III Printing and stationery	4,087	4,275
IV Advertisement and publicity	11,049	9,953
V Depreciation on Bank's property	12,120	12,273
VI Auditors' fees and expenses	152	129
VII Law charges	1,271	1,014
VIII Postage, telegrams, telephones, etc.	49,322	42,207
IX Repairs and maintenance	11,976	11,442
X Insurance	13,747	12,841
XI Other expenditure	172,349	160,243
TOTAL (I + II + III + IV + V + VI + VII + VIII + IX + X + XI)	424,988	399,026
SCHEDULE 17 - PROVISIONS AND CONTINGENCIES		
I Provision for non-performing assets / write offs (net)	56,836	50,344
II Provision for standard assets	2,282	817
III Provision for current taxation	297,533	238,953
IV Deferred tax (release)/charge	(1,397)	2,029
V (Write back) of provision/Provision for depreciation on Investments	(35,607)	48,525
VI Others (refer Schedule 18 - Note V (8))	1,718	2,231
TOTAL (I + II + III + IV + V + VI)	321,365	342,899

Citibank N.A.

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Schedules forming part of the financial statements of the Indian Branches

for the year ended March 31, 2019

Schedule 18

I. Background

The accompanying financial statements for the year ended March 31, 2019 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, 2019 are at:

Ahmedabad, Aurangabad, Bengaluru (M.G. Road and South End Road), Chandigarh, Chennai (Anna Salai and Alwarpet), Coimbatore, Faridabad, Gurugram, 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.

Citibank N.A.

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

for the year ended March 31, 2019

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.

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

for the year ended March 31, 2019

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 including triparty repos (TREPS) 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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

2) Advances (Continued)

The Bank adopts norms prescribed by RBI as specified in the circular referenced above for identification of Non-Performing Assets ('NPAs'). Loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed in RBI guidelines. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

The Bank maintains provision on standard assets as per RBI norms to cover potential loan losses not yet identified, which are inherent in any loan portfolio as well as on positive mark to market gains on derivatives portfolio and discloses the same in Schedule 5 - Other liabilities and provisions. The Bank maintains incremental provision on standard advances and on positive mark to market gains on derivatives portfolio pertaining to clients with unhedged foreign currency exposure (UFCE) in accordance with RBI guidelines. Floating provision created by the Bank as per the approved policy is included under Schedule 5 - Other liabilities and provisions. The Bank also maintains provision for country risk exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower 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 Securitisation Company (SC)/Reconstruction Company (RC), 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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

3) Foreign currency transactions (Continued)

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

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

Foreign currency options including interest rate 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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

4) Rupee derivative transactions (Continued)

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, which is the agreed benchmark/reference rate prevailing on the settlement date, are made by the parties to one another. 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 equipment	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

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

for the year ended March 31, 2019

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

5) Fixed assets and depreciation (Continued)

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.

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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

IV. Significant accounting policies (Continued)

(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.

7) Income recognition

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

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

for the year ended March 31, 2019

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.

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

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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, 2019

- 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. 104,632 lakhs for the year ended March 31, 2019 (Previous Year: Rs. 85,076 lakhs). As at March 31, 2019, the face value of securities lodged with RBI stands at Rs. 850,000 lakhs (Previous Year: Rs. 757,500 lakhs).
- 2 The Bank has invested in Corporate Bonds (refer schedule 8 I(iv)) amounting to Rs. 446,085 lakhs (Previous Year: Rs. 228,830 lakhs) and Commercial Paper (included in schedule 8 I(v)) amounting to Rs. 202,284 lakhs (Previous Year: Rs. 228,906 lakhs) issued by Corporate and Financial Institution clients to meet their funding requirements (refer note 13.14). Other investments (refer schedule 8 I(v)) also include investments in Certificate of Deposits amounting to Rs. 184,710 lakhs (Previous Year: Rs. 74,927 lakhs) and in Pass Through Certificates (PTC) amounting to Rs. 134,967 lakhs (Previous Year: Rs. 67,082 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, 2019 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. 5,187 lakhs (Previous year: 3,762 lakhs) on sale has been reported under Other Income. The net gain amount after netting for tax was Rs. 2,921 lakhs (Previous year: Rs 2,135 lakhs) of which Rs. 730 lakhs (Previous year: Rs. 534 lakhs) has been appropriated to statutory reserves and the balance Rs. 2,191 lakhs appropriated to Capital Reserve (Previous year: Rs 1,601 lakhs)
- 6 During the year, the Bank has not drawn any amount from Investment Reserve (Previous Year: Rs. 20,650 lakhs). Further, the Bank has appropriated Rs. 15,040 lakhs to Investment Reserve 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. 1,387 lakhs (Previous Year Rs. 2,341 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. 82 lakhs debited to the Profit and Loss account (Previous Year: release Rs. 37 lakhs) on account of fair value diminution on restructured standard assets and Rs. 525 lakhs debited on account of Country risk provision (Previous Year: Rs. 538 lakhs), provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

specified borrower Rs. 1,111 lakhs (Previous Year: Nil) and provision towards guarantee exposures Rs. Nil (Previous Year: Rs. 1,656 lakhs).

- 9 Other Assets (Schedule 11 (III)) includes Rs. 62,977 lakhs (Previous Year: Rs. 51,704 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. 1,441 lakhs during the year (Previous Year: Rs. 1,700 lakhs). The movement is disclosed below:

	<i>Amount in Rs. lakhs</i>	
Intangible Assets (Software)	2018-2019	2017-2018
At cost as on 1 April	23,239	21,693
Additions during the year	1,441	1,700
Deductions during the year	-	(154)
Depreciation to Date	<u>(19,673)</u>	<u>(17,674)</u>
Total	5,007	5,565

- 11 The Bank has outstanding Deposits with NABARD of Rs. 6,582 lakhs (Previous Year: Rs. 2,330 lakhs), National Housing Bank of Rs. 1,443 lakhs (Previous Year: Rs. 1,014 lakhs) and SIDBI of Rs. 2,138 lakhs (Previous Year: Rs. 423 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, March 31, 2018 and June 30, 2018 over up to four quarters vide RBI circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 read with BI/2017-18/200 DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018. Further, during the year, the Bank has appropriated Rs. 64,372 lakhs to Investment Fluctuation Reserve in accordance with aforesaid RBI Master Circular.

b) The Bank continues to monitor changes in the GST rules and will implement modifications, where required, as a result of such changes.

c) The Bank has assessed its obligation pursuant to Supreme Court of India judgment issued in February 2019 relating to the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Based on this assessment, no contingent liability has been determined.

d) The provisions pertaining to "Investor Education and Protection Fund" specified under section 125 of the Companies Act, 2013 on and the rules thereunder 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.

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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, 2019	As at March 31, 2018
Common Equity Tier I capital ratio	15.60%	16.32%
CRAR – Total Capital ratio	16.49%	17.00%
CRAR – Tier I Capital ratio	15.60%	16.32%
CRAR – Tier II Capital ratio	0.89%	0.68%

The Bank has not raised any additional Tier I and Tier II capital during the years ended March 31, 2019 and March 31, 2018.

13.2. Business ratios

Ratio	2018-2019	2017-2018
Percentage of net NPAs to net advances	0.51%	0.55%
Interest income as a percentage to working funds	7.00%	6.86%
Non-interest income as a percentage to working funds	2.35%	2.25%
Operating profit as a percentage to working funds	4.54%	4.48%
Return on assets	2.57%	2.23%
Business (deposits plus advances) per employee (Amount in Rs. lakhs)	3,761	3,236
Profit per employee (Amount in Rs. lakhs)	88	67

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, 2019 and March 31, 2018 respectively.

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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).

The Bank's balance sheet and liquidity is managed on a day to day basis by the centralized Treasury function with governance oversight 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 primarily through customer deposits and is not dependent on interbank or market funding to fulfill its requirements.

The Bank maintains HQLA primarily in the form of Government securities over and above Statutory Liquidity Ratio (SLR) requirements as also HQLA eligible securities including USD Treasury bills

The Bank strategically focuses on operating account liabilities to drive its Balance Sheet growth, with current and savings account (CASA) deposits ratio at 60.32% as of March 31, 2019. The weighted cash outflows are calibrated largely by the operational nature of the Bank's deposit base and the significant proportion of retail deposits. The other contingent funding obligations primarily includes 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 2018-19, HQLA includes the eligible amounts under the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) & Marginal Standing Facility (MSF) facilities as per the RBI guidelines applicable during the year. 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, 2019.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.3. Liquidity coverage ratio (Continued)

		Amount in Rs. Lakhs			
		Q1 2018-19		Q2 2018-19	
		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)		5,061,774	-	5,411,862
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	3,645,088	336,782	3,824,663	353,373
(i)	Stable deposits	554,535	27,727	581,875	29,094
(ii)	Less stable deposits	3,090,553	309,055	3,242,788	324,279
3	Unsecured wholesale funding, of which:	6,847,083	2,549,540	7,194,457	2,741,936
(i)	Operational deposits (all counterparties)	3,192,131	797,153	3,421,691	854,527
(ii)	Non-operational deposits (all counterparties)	3,654,952	1,752,387	3,772,766	1,887,409
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	220,825	-	108,260	-
5	Additional requirements, of which	1,940,940	693,010	1,935,496	730,968
(i)	Outflows related to derivative exposures and other collateral requirements	533,797	533,797	549,043	549,043
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,407,143	159,213	1,386,453	181,925
6	Other contractual funding obligations	411,333	411,333	186,988	186,988
7	Other contingent funding obligations	6,246,159	257,109	6,416,080	261,833
8	Total Cash Outflows	19,311,428	4,247,774	19,665,944	4,275,098
Cash Inflows					
9	Secured lending (e.g. reverse repos)	300,212	-	702,135	-
10	Inflows from fully performing exposures	1,620,596	1,182,671	1,758,132	1,300,274
11	Other cash inflows	66,555	33,277	55,054	27,527
12	Total Cash Inflows	1,987,363	1,215,948	2,515,321	1,327,801
13	Total HQLA		5,061,774		5,411,862
14	Total Net Cash Outflows		3,031,826		2,947,297
15	Liquidity Coverage Ratio (%)		166.95%		183.62%

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.3. Liquidity coverage ratio (Continued)

		Amount in Rs. Lakhs			
		Q3 2018-19		Q4 2018-19	
		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)		5,465,387		6,077,056
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	3,925,864	362,764	4,051,608	374,430
(i)	Stable deposits	596,447	29,822	614,624	30,731
(ii)	Less stable deposits	3,329,417	332,942	3,436,984	343,699
3	Unsecured wholesale funding, of which:	7,235,511	2,643,923	7,737,177	2,835,535
(i)	Operational deposits (all counterparties)	3,869,962	966,592	3,853,062	962,370
(ii)	Non-operational deposits (all counterparties)	3,365,549	1,677,331	3,884,115	1,873,165
(iii)	Unsecured debt	-	-	-	-
4	Secured wholesale funding	270,547	-	791,230	-
5	Additional requirements, of which	1,841,714	623,667	2,165,883	953,991
(i)	Outflows related to derivative exposures and other collateral requirements	427,909	427,909	747,651	747,651
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,413,805	195,758	1,418,232	206,340
6	Other contractual funding obligations	221,357	221,357	314,106	314,106
7	Other contingent funding obligations	6,567,302	267,086	6,783,716	275,151
8	Total Cash Outflows	20,062,295	4,118,797	21,843,720	4,753,213
Cash Inflows					
9	Secured lending (e.g. reverse repos)	306,436	-	164,508	-
10	Inflows from fully performing exposures	1,779,132	1,285,379	2,181,728	1,659,996
11	Other cash inflows	76,473	38,236	62,117	31,058
12	Total Cash Inflows	2,162,041	1,323,615	2,408,353	1,691,054
13	Total HQLA		5,465,387		6,077,056
14	Total Net Cash Outflows		2,795,182		3,062,159
15	Liquidity Coverage Ratio (%)		195.53%		198.46%

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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%

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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%

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.4. Asset Liability Management

Maturity pattern as at March 31, 2019

<i>Amount in Rs. lakhs</i>						
Maturity Bucket	Loans and Advances*	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	101,762	4,951,659	1,088,972	1,175,666	5,084	311,884
2 to 7 days	120,971	-	1,946,068	300,000	62,189	249,433
8 to 14 days	192,161	138,219	773,999	-	198,967	52,460
15 to 30 days	401,556	1,190,823	414,106	1	795,872	56,309
31 days and upto 2 months	468,258	1,137,160	948,225	14	888,911	3,491
Over 2 months and upto 3 months	406,339	76,952	112,237	5	158,479	3,056
Over 3 months and upto 6 months	316,426	72,988	255,090	37	144,343	152,637
Over 6 months and upto one year	448,062	528,072	94,563	94	200,039	28,155
Over one year and upto 3 years	2,674,008	1,378,766	7,150,692	323,498	187,955	1,355,969
Over 3 years and upto 5 years	592,912	5,453	3,491	1,511	151,285	2,009
Over 5 years	437,214	175,694	1,236	-	147,666	12,818
Total	6,159,669	9,655,786	12,788,679	1,800,826	2,940,790	2,228,221

Maturity pattern as at March 31, 2018

<i>Amount in Rs. lakhs</i>						
Maturity Bucket	Loans and Advances*	Investments	Deposits	Borrowings	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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.4. Asset Liability Management (Continued)

Maturity pattern as at March 31, 2018 (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	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

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, 2019	As at March 31, 2018
1. Direct exposure (A)	1,150,445	1,152,306
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	1,114,695	1,097,007
Of which individual housing loans eligible for inclusion in priority sector advances	28,787	31,703
(ii) Commercial real estate		
Lending secured by mortgages on income producing real estates	22,714	34,090
(iii) Others*	13,036	21,209

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.5. Lending to sensitive sectors (Continued)

A) Exposure to real estate sector (Continued)

Amount in Rs. lakhs		
Category	As at March 31, 2019	As at March 31, 2018
2. Indirect exposure (B)	301,006	297,309
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	301,006	297,309
Total (A+B)	1,451,451	1,449,615

*Others include real estate exposures such as loan on mortgage of commercial property where repayment is not from cash flows generated from leasing/sale of such property.

B) Exposure to capital market

Amount in Rs. lakhs		
Category	As at March 31, 2019	As at March 31, 2018
(i) 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	2,042
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) 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	19,083	21,844
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances	13,831	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	23,265	15,978
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(vii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading;	-	-

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.5. Lending to sensitive sectors (Continued)

		<i>Amount in Rs. lakhs</i>	
Category		As at March 31, 2019	As at March 31, 2018
(xi)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
(xii)	Facility secured against residential real estate classified as CME based on the end use of the loan which is investment into capital markets	-	-
(xiii)	Other financial guarantees	141,711	79,974
(xiv)	Others	1,831	5,834
		201,763	125,672

13.6. Movement in Non- performing assets

		<i>Amount in Rs. lakhs</i>				
Particulars	2018-2019			2017-2018		
	Gross NPA	Provision*	Net NPA	Gross NPA	Provision*	Net NPA
Opening balance as on April 1	86,582	56,075	30,507	84,751	59,549	25,202
Additions during the year	95,297	36,090	59,208	90,530	34,323	56,207
Recoveries / write offs during the year	(96,968)	(38,515)	(58,453)	(88,699)	(37,797)	(50,902)
Closing balance as on March 31	84,911	53,650	31,262	86,582	56,075	30,507
*Excluding provisions on standard assets						

The percentage of net NPA to net advances is 0.51% as at March 31, 2019 (Previous Year: 0.55%)

13.7. Provision against standard assets

		<i>Amount in Rs. lakhs</i>	
Category		As at March 31, 2019	As at March 31, 2018
General standard asset provision		50,174	50,174
Provision held towards client's unhedged foreign currency exposure		10,627	8,346
Total		60,801	58,520

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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, taking necessary steps such as Rating / Classification / Exposure review; (ii) strict adherence to internal governance standards set (viz. Suitability and Appropriateness assessment, Derivative Sales Practices) pertaining to marketing of facilities with pre-settlement risks; (iii) daily monitoring of mark-to-market (MTM) exposures on its derivative trades with clients; (iv) periodic stress testing of MTM exposures to identify potential scenarios and clients where pre-settlement risk exposures increase significantly which will also impact the credit risk. The Bank also periodically sends letters to its corporate clients and also to the clients' other bankers seeking information on unhedged FX exposure of the clients with other banks. Wherever risks arising out of FX exposure are assessed as increased and become material, the Bank may exercise a number of options to mitigate such risks.

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, 2019 is as follows:

Amount in Rs. lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Provision held	10,627	8,346
Additional Risk weighted assets	367,867	348,624
Additional Capital	51,042	45,757

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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, 2019 (Previous Year: Nil). Floating provision outstanding as at March 31, 2019 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, 2019	As at March 31, 2018
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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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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 Asset Classification Details		Standard		Sub-Standard		Others Doubtful		Loss		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	7,419	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	15,772	12,144
	Provision thereon	245	171	2,007	1,251	6,555	6,229	97	141	8,904	7,792
Fresh restructuring during the year	No. of borrowers	-	-	4,708	5,191	1,318	738	64	80	6,090	6,009
	Amount outstanding	-	-	6,281	7,456	1,110	1,075	107	81	7,498	8,612
	Provision thereon	-	-	2,257	2,556	833	850	107	81	3,197	3,487
Upgradations to restructured standard category during the FY	No. of borrowers	1,613	788	(1,270)	(529)	(327)	(235)	(16)	(24)	-	-
	Amount outstanding	3,306	1,718	(2,580)	(1,193)	(720)	(519)	(6)	(6)	-	-
	Provision thereon	1,307	724	(836)	(352)	(466)	(366)	(5)	(6)	-	-
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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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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
Downgradation of restructured accounts during the FY	No. of borrowers	(230)	(145)	29	32	199	106	2	7	-	-
	Amount outstanding	(304)	(170)	47	79	255	88	2	3	-	-
	Provision thereon	(304)	(170)	47	79	255	88	2	3	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	(2,302)	(1,956)	(116)	(77)	(54)	(53)	(2,472)	(2,086)
	Amount outstanding	-	-	(3,106)	(2,537)	(207)	(152)	(53)	(88)	(3,366)	(2,777)
	Provision thereon	-	-	(992)	(761)	(207)	(152)	(53)	(88)	(1,252)	(1,001)
Restructured accounts Recovered during the FY	No. of borrowers	(567)	(348)	(1,826)	(1,748)	(993)	(410)	(5)	(22)	(3,391)	(2,528)
	Amount outstanding	(1,374)	(805)	(1,900)	(1,273)	(79)	(94)	(4)	(35)	(3,357)	(2,207)
	Provision thereon	(840)	(480)	(837)	(765)	(79)	(94)	(4)	(35)	(1,760)	(1,375)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	8,235	7,419	2,268	2,929	337	256	72	81	10,912	10,685
	Amount outstanding	3,846	2,218	5,572	6,830	6,987	6,627	142	97	16,547	15,772
	Provision thereon	408	245	1,646	2,007	6,891	6,555	142	97	9,087	8,904

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.11. A) Details of financial assets sold to securitization/reconstruction company for assets reconstruction

<i>Amount in Rs. lakhs</i>		
Particulars	2018-2019	2017-2018
(i) Number of accounts	3	96
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate consideration	850	930
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value	850	930

B) Details of non performing financial assets sold to banks

<i>Amount in Rs. lakhs</i>		
Particulars	2018-2019	2017-2018
(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).

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.13. Investment

A. Value of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
(1) Gross value of investments		
(a) In India	8,304,336	7,127,451
(b) Outside India*	1,380,306	781,263
(2) Provisions for depreciation		
(a) In India	28,856	64,463
(b) Outside India*	-	-
(3) Net value of investments		
(a) In India	8,275,480	7,062,988
(b) Outside India*	1,380,306	781,263

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

Investments include government securities representing face value of Rs. 4,757,480 lakhs (Previous Year: Rs. 3,679,937 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).

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.13. Investment (Continued)

B. Movement of provisions held towards depreciation of investments

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Opening balance as on April 1	64,463	15,938
Add: Provision made during the year	-	48,525
Less: Write back of provisions during the year	35,607	-
Closing balance as on March 31	28,856	64,463

13.14. Non-SLR investment portfolio

A) Issuer composition of non-SLR investments as on March 31, 2019

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	441,900	441,900	-	-	123,527
(iii)	Banks	184,710	-	-	-	184,710
(iv)	Private corporates	207,556	207,556	-	800	134,556
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	1,516,932	136,626	-	1,242	136,626
(vii)	Provisions held towards depreciation	(704)				
	Total	2,350,394	786,082	-	2,042	579,419

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V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.14. Non-SLR investment portfolio (Continued)

A) Issuer composition of non-SLR investments as on March 31, 2019 (Continued)

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	296,983	-	-	177,109
(iii)	Banks	74,927	28,032	-	-	74,927
(iv)	Private corporates	162,597	162,597	-	800	107,597
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	850,300	69,037	-	1,242	69,037
(vii)	Provisions held towards depreciation	(1,757)				
	Total	1,383,050	556,649	-	2,042	428,670

** 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, 2019 (Previous Year: Nil).

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

Amount in Rs. lakhs

	2018-2019				2017-2018			
	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	Outstanding as on March 31, 2019	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year*	Outstanding as on March 31, 2018
Securities sold under repos								
i. Government securities	488	2,028,626	671,283	1,461,579	2,000	1,061,422	286,149	1,061,422
ii. Corporate debt securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	2,500	2,144,981	366,430	313,563	27,500	1,972,625	717,920	1,023,356
ii. Corporate debt securities	-	-	-	-	-	-	-	-

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

The figures for 2018-19 includes book value of securities sold and purchased under repos, triparty repos (TREPS) and reverse repos

13.16. Derivatives

Details of outstanding notional principal, nature and terms of swaps, interest rate options & interest rate futures

Amount in Rs. lakhs

		Notional principal as at	
		March 31, 2019	March 31, 2018
Trading	Interest rates swaps		
	MIBOR / Overnight Index Swaps		
	Pay Fixed Received Floating	12,994,567	16,313,163
	Pay Floating Received Fixed	13,095,256	17,035,427

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.16. Derivatives (Continued)

Details of outstanding notional principal, nature and terms of swaps, interest rate options & interest rate futures

		Amount in Rs. lakhs	
		Notional principal as at	
		March 31, 2019	March 31, 2018
Trading	MIFOR		
(Continued)	Pay Fixed Received Floating	1,159,500	1,161,730
	Pay Floating Received Fixed	1,062,800	1,253,700
	GOI Securities Yield/INBMK		
	Pay Fixed Receive Floating	40,000	100,000
	Pay Floating Receive Fixed	168,112	213,000
	LIBOR		
	Pay Fixed Receive Floating	7,533,861	4,283,909
	Pay Floating Received Fixed	7,316,176	3,804,484
	Basis swaps		
	Pay Floating Receive Floating	977,144	752,493
	Cross Currency Swaps		
	Pay Fixed Receive Fixed	221,610	214,084
	Pay Fixed Receive Floating	207,696	98,376
	Pay Floating Receive Fixed	449,731	452,262
	Pay Floating Receive Floating	179,221	125,439
	Interest Rate Options	129,705	117,576
	Interest Rate Futures	3,432	-

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 2019	March 31 2018
Losses which would be incurred if the counter-parties failed to fulfill their obligations in respect of:		
Interest rate swaps	305,170	156,944
Cross Currency swaps	38,735	31,977

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.16. Derivatives (Continued)

	Amount in Rs. lakhs	
Fair value of:	March 31, 2019	March 31, 2018
Interest rate swaps	(13,028)	(20,360)
Cross Currency swaps	(7,109)	10,219

- 96.75% (Previous Year: 95.07%) of Interest rate swaps and 40.54% (Previous Year: 26.79%) of Cross Currency Interest Rate Swaps have been contracted with banks.
- As at March 31, 2019, outstanding Forward Rate Agreements (Rs. 108,112 lakhs) are disclosed under Interest Rate Swaps. (Previous Year: Rs. 95,500 lakhs).
- 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

		Amount in Rs. lakhs	
S.No.	Particulars	March 31, 2019	March 31, 2018
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument- Government Security)		
	6.97% GS 2026		188,082
	7.59% GS 2026		47,736
	6.79% GS 2027	50,944	222,228
	7.17% GS 2028	404,416	
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March (instrument- Government Security)		
	7.17% GS 2028	3,432	
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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.

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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, 2019		March 31, 2018	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1.	Derivatives (Notional principal amount)				
a)	For hedging	-	-	-	-
b)	For trading	45,612,310	44,480,553	36,256,888	45,035,482
2.	Marked to market positions				
a)	Asset (+)	556,848	308,019	224,675	161,386
b)	Liability (-)	(593,980)	(321,047)	(279,135)	(181,720)
3.	Credit exposure	1,758,977	709,267	1,192,587	546,425
4.	Likely impact of one percentage change in interest rate (100*PV01)				
a)	on hedging derivatives	-	-	-	-
b)	on trading derivatives	608	11,094	3,960	15,227
5.	Maximum of 100*PV01 observed during the year				
a)	on hedging	-	-	2	-
b)	on trading	4,379	49,574	9,047	22,684
6.	Minimum of 100*PV01 observed during the year				
a)	on hedging	-	-	1	-
b)	on trading	15	2	2,994	125

The Bank has computed maximum and minimum of PV01 for the year based on daily balances.

The net open foreign currency position as on March 31, 2019 is Rs. 25,787 lakhs (Previous Year: Rs. 7,908 lakhs).

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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, 2019		As at March 31, 2018	
	Exposure (net)	Provision Held	Exposure (net)	Provision held
Insignificant	3,013,771	1,408	2,474,964	883
Low	108,793	-	231,309	-
Moderate	16,133	-	32,605	-
High	174	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Total	3,138,871	1,408	2,738,878	883

The above provision has been classified under Provision against Standard assets 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 the 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, in accordance with the 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, 2019 and March 31, 2018 the Bank's credit exposure to single borrowers has been within the prudential exposure limits prescribed by RBI.

Group Borrower Limit:

- The LOC of the Bank has approved the increase in Group Borrower limits to 45% for Tata Group.
- During the year ended March 31, 2019 and March 31, 2018 the Bank's credit exposure to group borrowers has been within the prudential exposure limits prescribed by RBI.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

13.21 Details of factoring exposure:

The factoring exposure of the Bank as on March 31, 2019 is Rs. 466,854 lakhs (Previous Year: Rs. 276,204 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.

Amount in Rs. lakhs		
Particulars	2018-2019	2017-2018
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	1,059	1,420
b. I/O Strip	-	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, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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, 2019	Gratuity	Pension
Change in present value of defined benefits obligations		
Opening balance of Present value of obligations	22,547	21,781
Current service cost	2,196	2,324
Interest cost	1,586	1,613
Past service costs	-	-
Actuarial (gains) / losses on obligation	699	(210)
Benefits paid	(2,800)	(1,104)
Closing balance of present value of obligations	24,228	24,405
Change in plan assets		
Opening balance of fair value of plan assets	18,599	21,405
Expected return on plan assets	1,527	1,773
Contributions	1,542	-
Actuarial gains/ (losses) on plan assets	(791)	(939)
Benefits paid	(2,800)	(1,104)
Closing balance of fair value of plan assets	18,078	21,135
Net asset (liability) recognised		
Present value of defined benefits obligations	24,228	24,405
Fair value of plan assets	18,078	21,135
Funded status (deficit) / surplus	(6,151)	(3,269)
Net (liability) asset recognised in the Balance Sheet	(6,151)	(3,269)
Components of employer expense		
Current services cost	2,196	2,324
Interest cost	1,586	1,613
Expected return on plan assets	(1,527)	(1,773)
Past service costs	-	-
Net actuarial (gains) / losses	1,489	728
Expenses recognised in the Profit and Loss account	3,744	2,893
Actual return on plan assets	737	834
Investment details of plan assets		
Government of India securities	0%	0%
Corporate Bonds	0%	0%
Others (i.e. Cash and Schemes of insurance)	100%	100%

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

15. Employee benefits (Continued)

Amount in Rs. lakhs

Particulars for the year ended March 31, 2019	Gratuity	Pension
Discount rate	7.30%	7.40%
Expected return on plan assets	8.00%	8.00%
Salary escalation rate	10.00%	10.00%
Pension Ceiling Escalation	NA	4%

The expected employer's contribution next year towards gratuity is Rs. 1,304 lakhs. There will be no contribution towards pension fund next year.

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 services cost	68	-
Net actuarial (gains) / losses	(1,140)	(1,289)

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

15. Employee benefits (Continued)

Amount in Rs. lakhs		
Particulars for the year ended March 31, 2018	Gratuity	Pension
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%
Assumptions		
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 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-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Experience History					
Defined benefit obligation	(24,228)	(22,547)	(22,127)	(18,720)	(15,294)
Fair value of plan assets	18,078	18,599	17,031	13,392	12,402
Deficit	<u>(6,150)</u>	<u>(3,948)</u>	<u>(5,096)</u>	<u>(5,328)</u>	<u>(2,892)</u>
Experience gain / (loss) adjustments on plan liabilities	273	293	(555)	(256)	(1,066)
Experience gain / (loss) adjustments on plan assets	(791)	(83)	589	(429)	794
Actuarial gain / (loss) due to change of assumptions	(426)	930	(1,383)	(2,236)	(1,962)

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

15. Employee benefits (Continued)

	Amount in Rs. lakhs				
Pension	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Experience History					
Defined benefit obligation at the end of the period	(24,405)	(21,781)	(20,571)	(16,854)	(12,321)
Plan assets at the end of the period	21,135	21,405	20,857	18,587	17,503
(Deficit)/Surplus	(3,270)	(376)	286	1,733	5,182
Experience gain / (loss) adjustments on plan liabilities	401	373	217	(2116)	344
Experience gain / (loss) adjustments on plan assets	(924)	(174)	1084	(527)	1,444
Actuarial gain / (loss) due to change of assumptions	(191)	1,090	(1,296)	(580)	(1,554)

16. In accordance with the requirements of the RBI Circular No. DBOD.NO.BC.72/29.67/001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to RBI that the bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards.

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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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.

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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	2018-2019					2017-2018				
	Treasury	Corporate Banking	Retail Banking	Other Banking	Total	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
Revenue	260,940	708,049	522,406	27,423	1,518,818	202,135	659,744	493,655	32,395	1,387,929
Unallocated revenue					4,965					2,997
Total Revenue	260,940	708,049	522,406	27,423	1,523,783	202,135	659,744	493,655	32,395	1,390,926
Result	220,053	367,718	125,559	9,756	728,052	96,976	365,052	114,783	14,990	594,798
Unallocated expenses					(13,389)					(13,510)
Profit before taxes					714,664					581,288
Income taxes					(296,136)					(240,983)
Net profit					418,528					340,305

Other information	As at 31 March 2019					As at 31 March 2018				
Segment assets	11,871,613	4,359,065	2,206,262	5,995	18,442,935	10,284,147	3,672,264	2,215,532	10,041	16,181,984
Unallocated assets					223,489					210,807
Total assets					18,666,424					16,392,791
Segment liabilities	2,744,014	8,853,561	4,650,732	4,832	16,253,139	2,098,703	7,948,822	4,081,837	7,463	14,136,825
Unallocated liabilities					2,413,285					2,255,966
Total liabilities					18,666,424					16,392,791

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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) Ultimate holding company of Parent

Citigroup Inc.

c) Subsidiaries of Parent

Administradora De Valores De Guatemala, S.A.

Ao Citibank (Russia)

Banco Citibank S.A.

Banco De Honduras 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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

18. Related Party Disclosure (Continued)

c) Subsidiaries of Parent (Continued)

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

Citicorp Pty Limited

Citigroup Congo S.A.

Citigroup Pty Limited (Australia)

Citigroup Transaction Services (Malaysia) Sdn Bhd

Citibank Del Peru Sa

Citibank (Trinidad & Tobago) Limited

Citibank Senegal S.A.

Citicorp Capital Philippines Limited

Banco Cmb (Costa Rica) S.A.

Citi Retail Services Cda

Citibank Berhad

Citibank Kazakhstan

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

for the year ended March 31, 2019

Schedule 18 (Continued)

Citibank Taiwan Limited

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

18. Related Party Disclosure (Continued)

d) Fellow Subsidiaries of Parent

Citicorp Banking Corporation

Citicorp International Finance Corporation

Citicorp North America, Inc.

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

Banco Nacional De Mexico S.A

Citigroup Financial Products Inc

Citi Private Advisory Llc

Citigroup Global Markets Europe

Citigroup Global Markets Assessoria

Citibank (Switzerland)

Citigroup Global Markets Deutschland

Orbitech Private Limited¹

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Fees paid (including service provider expenses)	77,326	51,755	22,681	18,990	7,717	7,286
Interest paid on borrowing	11,576	9,807	265	264	-	-
Interest paid on deposit	-	-	4,974	6,864	7,950	5,227
Fees received	14,394	18,755	10,129	11,788	12,125	9,062
Interest earned	5,987	3,221	895	590	2	-
Spread on Forex Transactions	1,071	252	2,197	1,802	894	500
Loans disbursed	-	-	2,295,200	1,481,900	-	-
Deposits placed	260,607	64,855,174	-	-	-	-
Time deposits received	-	-	3,641,954	2,598,624	2,090,162	2,107,659
Borrowings	12,135,109	34,092,945	419,701	614	-	-
Loan Portfolio purchased	-	-	33,625	22,774	-	-
Loan Assignment	-	-	290,498	258,374	-	-
Purchase of fixed assets	-	-	455	705	-	-
Purchase of fixed income securities	-	-	1,492,072	1,238,488	1,395,825	779,095
Sales of fixed income securities	-	-	906,933	1,627,655	398,593	-
Sale of fixed assets	-	-	-	140	-	-

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

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Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Accounts payable/Other payables	35,058	35,578	8,912	11,683	2,517	3,582
	<i>46,945</i>	<i>37,060</i>	<i>16,167</i>	<i>11,688</i>	<i>2,754</i>	<i>3,583</i>
Accounts receivable/Other receivables	28,391	20,397	10,718	9,786	26,861	16,085
	<i>32,297</i>	<i>21,713</i>	<i>52,597</i>	<i>59,716</i>	<i>46,359</i>	<i>22,510</i>
Borrowings/Deposits	324,397	481,700	60,395	54,992	133,342	147,215
	<i>918,954</i>	<i>1,886,187</i>	<i>325,288</i>	<i>347,570</i>	<i>178,346</i>	<i>168,654</i>
Balance in current account/Cash credit/ (Demand deposits)	(251,187)	(56,532)	(253,585)	(55,440)	(8,164)	(6193)
	<i>850,890</i>	<i>825,065</i>	<i>(332,863)</i>	<i>(300,883)</i>	<i>(141,849)</i>	<i>(400,586)</i>
Loans/Placements	-	343,264	-	-	-	-
	<i>221,865</i>	<i>918,963</i>	<i>101,900</i>	<i>72,600</i>	-	-
Positive MTM ¹	88,569	50,770	4,833	1,084	2,511	243
	<i>101,970</i>	<i>50,770</i>	<i>7,165</i>	<i>6,593</i>	<i>2,511</i>	<i>1,029</i>
Negative MTM ¹	93,344	76,395	1,159	844	409	94
	<i>141,724</i>	<i>76,395</i>	<i>15,716</i>	<i>844</i>	<i>8,431</i>	<i>309</i>
Non Funded Commitments ¹	353,680	361,203	17,142	29,137	13,410	2,410
	<i>406,031</i>	<i>361,513</i>	<i>28,502</i>	<i>29,513</i>	<i>13,546</i>	<i>15,178</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).

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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 2019. 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. 53,674 lakhs (Previous Year: Rs. 32,532 lakhs) and Citibank N.A. Hong Kong Rs. 8,246 lakhs (Previous Year: Rs. 9,580 lakhs).

Interest Paid on Borrowings

Payment of Interest on Borrowings from Citibank N.A. London Branch Rs. 1,032 lakhs (Previous Year: Rs. 1,739 lakhs), and Citibank N.A. New York Rs. 10,518 lakhs (Previous Year: Rs. 7,851 lakhs).

Interest Paid on Deposits

Payment of Interest on Deposits placed by Citicorp Services India Private Ltd Rs. 3,586 lakhs (Previous Year: Rs. 5,384 lakhs) and Citigroup Global Markets India Private Limited Rs. 7,812 lakhs (Previous Year: Rs. 5,155 lakhs) and Citicorp Finance (India) Limited Rs. 1,388 lakhs (Previous Year: Rs. 1,480 lakhs).

Fees Received

Receipt of Fees from Citibank N.A. Jersey Rs. 2,176 lakhs (Previous Year: Rs. 4,045 lakhs), Citicorp Finance (India) Limited Rs. 5,880 lakhs (Previous Year: Rs. 5,272 lakhs), Citibank N.A. New York Rs. 7,336 lakhs (Previous Year: Rs. 8,276 lakhs) and Citigroup Global Markets Limited Rs. 9,304 lakhs (Previous Year: Rs. 6,202 lakhs).

Interest Earned

Receipt of Interest on Placements with Citibank N.A. New York Rs. 5,293 lakhs (Previous Year: Rs. 2,810 lakhs) and interest on loans to Citicorp Finance (India) Limited Rs. 876 lakhs (Previous Year: Rs. 476 lakhs).

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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. 1,469 lakhs (Previous Year: Rs. 911 lakhs), Citigroup Global Markets Mauritius Private Limited Rs. 799 lakhs (Previous Year: Rs. 475 lakhs), Citibank Europe PLC Rs.605 lakhs (Previous Year: Rs. Nil), Citibank NA Hong Kong Rs. 947 lakhs (Previous Year: Rs. Nil) and Citibank NA Tokyo Rs. Nil (Previous Year: Rs. 605 lakhs).

Deposits Placed

Deposits Placed with Citibank N.A. Singapore Rs. 220,380 lakhs (Previous Year: Rs. 65,175 lakhs) and Citibank N.A. London Branch Rs. Nil lakhs (Previous Year: Rs. 6,533,273 lakhs) and Citibank N.A. New York Rs. 40,227 lakhs (Previous Year: Rs. 58,256,727 lakhs).

Time Deposits Received

Time Deposits Received from Citicorp Finance (India) Limited Rs. 1,371,926 lakhs (Previous Year: Rs. 1,542,613 lakhs), Citicorp Services India Private Limited Rs. 2,270,028 lakhs (Previous Year: Rs. 1,056,011 lakhs) and Citigroup Global Markets India Private Limited Rs. 2,066,658 lakhs (Previous Year: Rs. 2,095,210 lakhs).

Borrowings

Borrowed from Citibank N.A. Singapore Branch Rs. Nil lakhs (Previous Year: Rs. 3,794,738 lakhs) and Citibank N.A. London Branch Rs. 11,477,739 Lakhs (Previous Year: Rs. 29,780,493 Lakhs).

Purchase of Fixed Income Securities

Fixed Income Securities Purchased from Citicorp Investment Bank (Singapore) Limited Rs. 1,492,072 lakhs (Previous Year: Rs. 1,238,488 lakhs) and Citigroup Global Markets Inc., Hong Kong Rs. 1,395,825 lakhs (Previous Year: Rs. 779,095 lakhs).

Sale of Fixed Income Securities

Fixed Income Securities Sold to Citicorp Investment Bank (Singapore) Limited Rs. 856,995 lakhs (Previous Year: Rs. 1,627,655 lakhs) and Citigroup Global Markets Inc., Hong Kong Rs. 398,593 lakhs (Previous Year: Rs. Nil).

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

19. Intra Group Exposure

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
a) Total amount of intra-group exposures	341,041	299,468
b) Total amount of top-20 intra-group exposures	341,041	299,468
c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.85%	0.79%
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, 2019	As at March 31, 2018
<i>Deferred tax assets</i>		
Provision on advances	54,452	54,030
Others	5,089	3,272
Sub-total (A)	59,541	57,302
<i>Deferred tax liabilities</i>		
Depreciation	(8,707)	(11,430)
Others	(24,457)	(20,892)
Sub-total (B)	(33,164)	(32,322)
Deferred tax assets (net) (A+B)	26,377	24,980

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

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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:

	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Gross investment as at the date of the balance sheet		
Not later than one year	553	921
Later than one year but not later than five years	355	922
Later than 5 years	-	-
Total	908	1,843
Present value of minimum lease payment as at the date of balance sheet		
Not later than one year	469	774
Later than one year but not later than five years	326	883
Later than 5 years	-	-
Total	795	1,657

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

23. Operating leases

Information provided herein pertains to commercial and residential premises taken on operating leases and cars on operating lease given to employees:

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
The amount of minimum lease payments recognized in the Profit and Loss account in respect of operating lease	15,698	16,288
The total of future minimum lease payments recognized under non-cancellable operating leases:		
Not later than one year	6,249	5,188
Later than one year but not later than five years	15,152	12,687
Later than 5 years	2,622	4,232
Total	24,023	22,107

- 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	
	2018-2019	2017-2018
Opening Provision	15,292	12,194
Provisions made during the year:	57,812	64,000
Utilization/write back of provisions during the year	(58,346)	(60,902)
Closing provisions	14,758	15,292

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

25. The Bank has reported 1,952 cases of fraud in the financial year ending March 31, 2019 amounting to Rs. 1,458 lakhs (Previous Year: 1,826 cases amounting to Rs. 2,665 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, 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 and forward rate agreements 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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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 non-cancellable 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 ultimate holding company of the Bank has share based incentive plans applicable to management staff in its employment. Staff of the Bank who fulfill the relevant eligibility criteria participate in the said plans. The ultimate parent distributes its shares to the eligible staff which is listed. The cost of such awards is accrued by the Bank basis the grant price over the vesting period on a straight line basis. Subsequent to vesting date, the fair value of such shares is settled with the ultimate parent and changes between the fair value and accrued liability is accounted in the Profit and Loss account of the Bank.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

28. Employee share-based payments (Continued)

Accordingly, during the year, the Bank has accrued an amount of Rs. 3,357 lakhs (Previous Year: Rs. 1,949 lakhs) under the head "Payments to and provisions for employees", as cost of such awards granted to employees. The Bank has also accounted an expense of Rs. 2,027 lakhs (Previous Year: Nil) attributable to difference between share prices on the grant date and the vesting date based on settlement with the ultimate parent.

Further the Bank has submitted information to RBI for the current year, in conformity of the requirement specified under Section C.1.(1)(d) of the RBI Master Circular reference RBI/2015-16/41, No. 11/2015-16 dated July 01, 2015

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.

Particulars	Amount in Rs. lakhs	
	March 31, 2019	March 31, 2018
Number of suppliers registered with competent authorities	23	35
Principal amount remaining unpaid beyond the due date to any supplier as at the end of accounting year	19	84
Interest due thereon	-	-
Amount of interest paid by the bank in terms of Section 16 of MSMED along with the amount of payments made to the supplier beyond the appointed day during the accounting year	782	1,027
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 MSMED	20	23
Amount of interest accrued and remaining unpaid at the end of the accounting year	20	23
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. 0.53 lakhs levied by the RBI for depositing counterfeit notes during demonetization for the year ended March 31, 2019. (Previous Year: Rs. 0.63 lakhs). Further penalties of Rs. 300 lakhs and Rs. 400 lakhs were levied for deficiencies in Compliance with RBI instructions on "Fit and Proper" criteria for directors of Banks and Swift System related operational control respectively (Previous Year :NIL).

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

31. As at March 31, 2019, there were outstanding advances for Rs.2,512 lakhs (Previous year: 5,218 lakhs) partly secured against intangible assets amounting to Rs 1,607 lakhs (Previous year: Rs. 2,705 lakhs).
32. Expenses (based on their nature) included in 'other expenditure', exceeding 1% of the total income are set out below:

Nature of expense	Amount in Rs. Lakhs	
	2018-2019	2017-2018
Service provider expenses	66,201	66,084
Card association Fee	19,545	13,943
Technology Related Charges	21,433	16,208

33. Details of Complaints

a. Customer Complaints

Particulars	2018-2019	2017-2018
(a) No. of complaints pending at the beginning of the year	164	88
(b) No. of complaints received during the year	17,571*	4,686
(c) No. of complaints redressed during the year	17,429*	4,610
(d) No. of complaints pending at the end of the year	306	164

* In the process of adopting best practices in terms of customer service, effective Sep-2018, the Bank has globally started recognizing customer enquiries or queries that resulted in customer dissatisfaction as complaints

b. Awards passed by the Banking Ombudsman

Particulars	2018-2019	2017-2018
(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

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

34. Bancassurance business

Sr. No.	Nature of Income	Amount in Rs. Lakhs	
		2018-2019	2017-2018
1	For selling life insurance policies	6,334	5,422
2	For selling non-life insurance policies	2,309	2,179
3	For selling mutual fund products	18,019	24,390

35. Provision Coverage Ratio

The Provisioning Coverage Ratio of the Bank stands at 86.67% as on March 31, 2019 (Previous Year: 85.63%) In accordance with RBI circular DBR .No. BP . BC . 2 / 21 .04 . 048 /2015-16 dated July 1, 2015, 'technical write-offs' up to the balance sheet date are included in the Provision Coverage Ratio.

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

In accordance with extant RBI guidelines on DEAF, the Bank has transferred unclaimed balances on its books to DEAF in the current year in accordance with the said guidelines as per the details provided in the following table:

Particulars	Amount in Rs. Lakhs	
	2018-2019	2017-2018
(a) Opening balance of amounts transferred to DEAF	25,120	20,062
(b) Add : Amounts transferred to DEAF during the year	6,194	5,604
(c) Less : Amounts reimbursed by DEAF towards claims	530	546
(d) Closing balance of amounts transferred to DEAF	30,784	25,120

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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	2018-2019	2017-2018
Gross amount required to be spent during the year	3,403	3,625
Amount spent during the year	1,924	2,292
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	1,924	2,292
Yet to be paid in cash	-	-

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

38. Concentration of Deposits, Advances, Exposures and NPAs

A (i) Concentration of Deposits

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Total Deposit of twenty largest depositors	2,439,108	2,412,335
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	19.07%	21.22%

(ii) Concentration of Advances*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	7,785,347	7,574,252
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	20.73%	20.74%

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

(iii) Concentration of Exposures*

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers/customers	7,940,397	7,630,361
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	19.89%	20.13%

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

(iv) Concentration of NPAs

Particulars	Amount in Rs. lakhs	
	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NPA accounts (Gross)	13,807	13,752

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

B. Sector-wise Advances

Amount in Rs. lakhs				
As at March 31, 2019				
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	776,433	9,464	1.22%
2	Advances to industries sector eligible as priority sector lending	483,501	27	0.01%
	Of which			
	(a) All Engineering (Electronics & Others)	79,115	-	0.00%
	(b) Chemicals & Chemical Products	106,380	-	0.00%
	(c) Automobiles	16,219	-	0.00%
	(d) Wholesale trade	66,868	-	0.00%
3	Services	694,555	4,320	0.62%
	Of which			
	(a) Professional Services	253,503	-	0.00%
	(b) Computer Software	13,035	-	0.00%
	(c) Wholesale Trade	228,393	226	0.10%
4	Personal loans*	325,605	6,532	2.01%
	Sub-total (A)	2,280,094	20,343	0.89%
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	0.00%
2	Industry	1,425,124	15,591	1.09%
	Of which			
	(a) All Engineering (Electronics & Others)	215,107	3,918	1.82%
	(b) Automobiles	284,010	5,987	2.11%
	(c) Chemicals & Chemical Products	367,694	3,779	1.03%
	(d) Infrastructure	152,643	-	0.00%
	(e) Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	3,175	-	0.00%

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (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, 2019		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
B	Non - Priority Sector			
3	Services	819,938	5,797	0.71%
	Of which			
	(a) Professional Services	326,075	77	0.02%
	(b) Wholesale Trade	66,242	3,024	4.56%
4	Personal loans*	1,688,380	43,180	2.56%
	Sub-total (B)	3,933,442	64,568	1.64%
	Total (A+B)	6,213,536	84,911	1.37%

* 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, 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) Wholesale Trade	99,718	-	0.00%
	(c) Chemicals & Chemical Products	119,739	-	0.00%
	(d) Automobiles	8,736	-	0.00%

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

B. Sector-wise Advances (Continued)

				Amount in Rs. lakhs
				As at March 31, 2018
Sl. No	Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
3	Services	447,434	4,960	1.11%
	Of which			
	Professional Services	169,632	-	0.00%
	Computer Software	8,092	-	0.00%
	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%
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.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

C. Movement of NPAs

Amount in Rs. lakhs

Particulars	2018-2019	2017-2018
Gross NPAs as on April 1	86,582	84,751
Additions (Fresh NPAs) during the year	95,297	90,530
Sub-total (A)	181,879	175,281
Less:-		
(i) Upgradations	24,745	19,221
(ii) Recoveries (excluding recoveries made from upgraded accounts)	21,744	23,513
(iii) Technical Write-offs	47,400	42,211
(iv) Write offs (other than those under (iii) above)	3,079	3,754
Sub-total (B)	96,968	88,699
Gross NPAs as at March 31 (closing balance) (A-B)	84,911	86,582

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	2018-2019	2017-2018
Opening Balance	125,785	105,181
Add: Technical/ Prudential write-offs during the year	47,400	42,211
Sub-total (A)	173,185	147,392
Less: Recoveries made from previously technical/ prudential written-off accounts during the year* (B)	23,658	21,607
Closing balance as at March 31 (A-B)	149,527	125,785

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

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

E. Overseas Assets, NPAs and Revenue

<i>Amount in Rs. lakhs</i>		
Particulars	2018-2019	2017-2018
Total Assets	1,658,526	1,173,752
Total NPAs	-	-
Total Revenue	11,564	3,988

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

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

<i>Amount in Rs. lakhs</i>		
Name of the SPV sponsored	2018-2019	2017-2018
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:

<i>Amount in Rs. lakhs</i>		
Particulars	2018-2019	2017-2018
Total amount of assets transferred through Direct Assignment of Cash Flows	361,006	304,154
Total amount of On Balance Sheet exposures retained by the bank to comply with MRR as on the date of Balance Sheet	32,463	37,860

40. Transactions in Priority Sector Lending Certificates (PSLCs)

PSLCs purchased and sold during the year ended March 31, 2019:

<i>Amount in Rs. lakhs</i>		
Particulars	Purchased	Sold
PSLC - Agriculture	56,500	70,750
PSLC - SF/MF	380,925	
PSLC - Micro Enterprises	91,725	
PSLC - General		378,500

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

for the year ended March 31, 2019

Schedule 18 (Continued)

V. Notes forming part of the financial statements for the year ended March 31, 2019 (Continued)

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

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

Particulars	Amount in Rs. Lakhs	
	Purchased	Sold
PSLC - Agriculture		
PSLC - SF/MF	357,000	
PSLC - Micro Enterprises		20,900
PSLC - General		175,000

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 and DBR.BP.BC.No.32/21.04.018/2018-19 dated April 01, 2019 the bank does not have any such reportable divergences in asset classification and provisioning for the financial year ended March 31, 2018 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).

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. Bank is also submitting quarterly Proforma Ind AS financial statements to RBI

The RBI in its press release issued on March 22, 2019 has deferred the applicability of Ind AS until further notice for Scheduled Commercial Banks.

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

for the year ended March 31, 2019

Schedule 18 (Continued)

43. 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

Chartered Accountants

ICAI Firm Registration No: 105047W

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

Swapnil Kale

Partner

Membership No: 117812

Mumbai

June 25, 2019

Ashu Khullar

*Interim Chief Executive
Officer*

Niraj Parekh

Chief Financial Officer